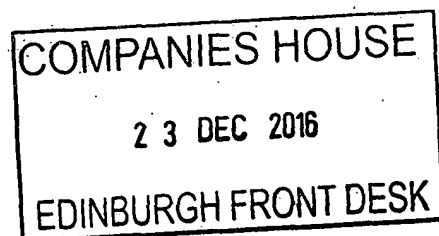


Registration number: SC057721

A & J Stephen (Holdings) Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2016



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

A & J Stephen (Holdings) Limited

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A & J Stephen (Holdings) Limited

Company Information

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

Company secretary John Webster

Registered office Stephen House
Edinburgh Road
PERTH
PH2 8BS

Solicitors Blackadders Solicitors
2 Tay Street
PERTH
PH1 5LJ

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

A & J Stephen (Holdings) Limited

Strategic Report for the Year Ended 31 March 2016

The Directors present their strategic report for the year ended 31 March 2016.

Principal activity

The principal activity of the company is Housebuilders.

Fair review of the business

The Group performed well in the year with positive growth and increased profitability. Turnover increased to £24.9 million, 41% up on the previous year. This rise being reflective of a recovering market sector and a general rise in customer confidence. We sold 99 houses in the year over 8 housing developments. This rise of 30% was in line with settlement targets.

The Gross margin at 21.4% is also an improvement on the previous year. This is a good result given that many suppliers and subcontractors have been applying price increases as demand for their products and services grow. Our commercial team continue to implement our better buying strategy and should be congratulated for this performance.

Operating profit at £2.4 million is more than double that achieved last year. This robust performance is testament to the strength of our core business.

The statement of financial position remains strong with the total equity in excess of £25 million.

There was a net inflow of cash during the year of £1.6 million. At the year end the Group had no bank borrowings and cash resources exceeded £4 million.

Outlook

Post year end the macro-economic climate has changed significantly with Britain's decision to leave the European Union. The post Brexit shock to the UK economy and the subsequent devaluing of sterling and forecast return of inflationary pressures has undermined customer confidence. Buying a new home is a big financial undertaking and with that requires confidence. In the months following the referendum we experienced a drop in visitors to our show homes and a fall in reservations.

We are also experiencing challenging trading conditions in the North East of Scotland following the dramatic fall in the price of Crude Oil. Our Chapelton site in Aberdeenshire performed well in the year to March 2016 contributing more than 25% of our revenue. However with the oil price remaining low the sector continues to cut costs and it is widely reported that job losses are anticipated to reach 120,000 by the end of the year. Unsurprisingly such difficulties are feeding through to the local housing market. Anticipated revenue from our Chapelton development has been considerably revised down in the current year forecast.

The government sponsored Help to Buy (Scotland) Scheme has been a significant help to the sector in recent years. Over the next two years the maximum value of a property that can be purchased with the help of the scheme will reduce to £175,000. This change will inevitably lessen the support afforded by this initiative.

A & J Stephen (Holdings) Limited

Strategic Report for the Year Ended 31 March 2016

The Land and Buildings Transaction Tax (LBTT), introduced in 2015 to replace Stamp Duty Land Tax (SDLT) has had a negative effect on sales volumes of higher value properties. The new tax is a progressive tax with the most expensive properties paying up to 12%. This change has proved to be a disincentive to sales and we have lost reservations because of it. Similarly the introduction of Additional Dwelling Supplement (ADS) by the Scottish Government in 2016 has negatively impacted our volumes. Introduced to further increase the opportunities for first time buyers, ADS requires buyers of second homes to pay an additional 3% tax on the full purchase price as well as LBTT. This new tax has stifled Buy to Let investments as well as the holiday home market.

The Group continues to invest in strategic land acquisitions and to capitalise on our expertise of promoting developments through the planning process. However, it is clear that the time it takes to bring new sites forward is now more protracted. Within Perthshire our proposed developments at North Scone and Luncarty are slowly making progress. Due to the extensive information now required for major planning applications the length of time this is taking will directly affect turnover and employment opportunities in Perthshire.

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

	Unit	2016	2015
Turnover	£	24,926,743	17,723,912
Gross Margin	%	21	20
Profit(loss) on ordinary activities before tax	£	2,313,392	1,071,238
Total Equity	£	25,013,089	24,134,953

We continually monitor turnover, profitability and working capital to ensure continuing returns and sustainable growth. We recognise that our results are a reflection of the quality and commitment of our people. There are currently 85 employees in the group across our sites and head office and we enjoy a strong employee retention rate. We are committed to developing the next generation of housebuilders and remain keenly aware of the potential skills gap the industry could face if investment is not made in nurturing young talent. To this end we recruited 4 new apprentices in the year. One of whom, Jordan Telfar, won the award for construction student of the year at Perth College, and went on to achieve fourth place at a national level.

A & J Stephen (Holdings) Limited

Strategic Report for the Year Ended 31 March 2016

Principal risks and uncertainties

The Board recognise that the management of risk 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. Macro-economic uncertainty over the nature and timing of Brexit along with the possibility of a second independence referendum all undermine customer confidence. The ongoing difficulties in the Aberdeen economy, the reduced support afforded through the Help to Buy (Scotland) Scheme as well as higher transaction taxes will all lead to a drop in turnover in 2017.

- **Costs**

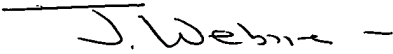
Cost management is a key feature of any successful business. However, recent changes to Building Standards related to the Scottish Governments carbon reduction agenda and the increasing application of "roof taxes" by Local Authorities are all measures out with our control that will inevitably lead to a poorer financial performance than seen in recent years.

- **Regulation**

The housebuilding industry is subject to extensive and complex regulations and an increasingly stringent regulatory environment. To meet this challenge we employ an in-house design team with over 175 years of experience in all technical aspects of the design and build process.

Our main market continues to be development sites in Perth & Kinross. Perth City and the wider catchment have been earmarked for significant growth in the Local Development Plan and we believe we are well placed to deliver this. However the increasingly cumbersome and complex nature of the approval process remains a constraint to our business aspirations.

Approved by the Board on 15 December 2016 and signed on its behalf by:


.....

John Webster
Company secretary

A & J Stephen (Holdings) Limited

Directors' Report for the Year Ended 31 March 2016

The Directors present their report and the consolidated financial statements for the year ended 31 March 2016.

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.

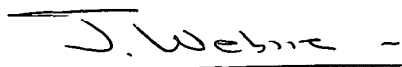
Disclosure of information to the auditor

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 Company'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 15 December 2016 and signed on its behalf by:



.....
John Webster
Company secretary

A & J Stephen (Holdings) Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 2016, set out on pages 9 to 42. 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 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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:

A & J Stephen (Holdings) Limited

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

- 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

15 December 2016

A & J Stephen (Holdings) Limited

Consolidated Income Statement for the Year Ended 31 March 2016

	Note	2016 £	2015 £
Revenue	3	24,926,743	17,723,912
Cost of sales		<u>(19,601,006)</u>	<u>(14,099,082)</u>
Gross profit		5,325,737	3,624,830
Administrative expenses		(2,986,373)	(2,549,130)
Other operating income	4	<u>33,290</u>	<u>66,254</u>
Operating profit	5	<u>2,372,654</u>	<u>1,141,954</u>
Other interest receivable and similar income	6	4,414	3,671
Interest payable and similar charges	7	<u>(63,676)</u>	<u>(74,387)</u>
		<u>(59,262)</u>	<u>(70,716)</u>
Profit before tax		2,313,392	1,071,238
Taxation	11	<u>(462,936)</u>	<u>(127,166)</u>
Profit for the financial year		<u>1,850,456</u>	<u>944,072</u>
Profit/(loss) attributable to:			
Owners of the company		<u>1,850,456</u>	<u>944,072</u>

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

A & J Stephen (Holdings) Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2016

	Note	2016 £	2015 £
Profit for the year		<u>1,850,456</u>	<u>944,072</u>
Total comprehensive income for the year		<u>1,850,456</u>	<u>944,072</u>
Total comprehensive income attributable to:			
Owners of the company		<u>1,850,456</u>	<u>944,072</u>

The notes on pages 17 to 42 form an integral part of these financial statements.

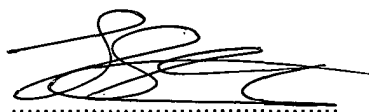
A & J Stephen (Holdings) Limited

(Registration number: SC057721)

Consolidated Statement of Financial Position as at 31 March 2016

	Note	2016 £	2015 £
Non Current Assets			
Property Plant & Equipment	12	642,192	433,749
Current assets			
Inventories	14	25,073,338	23,053,290
Receivables	15	881,959	1,441,661
Cash at bank and in hand		<u>4,160,733</u>	<u>2,960,472</u>
		30,116,030	27,455,423
Payables: Amounts falling due within one year	17	<u>(5,427,100)</u>	<u>(3,575,921)</u>
Net current assets		<u>24,688,930</u>	<u>23,879,502</u>
Total assets less current liabilities		25,331,122	24,313,251
Payables: Amounts falling due after more than one year	17	(189,709)	(145,216)
Provisions for liabilities	18	<u>(128,324)</u>	<u>(33,082)</u>
Net assets		<u>25,013,089</u>	<u>24,134,953</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>24,671,569</u>	<u>23,793,433</u>
Equity attributable to owners of the company		<u>25,013,089</u>	<u>24,134,953</u>
Total equity		<u>25,013,089</u>	<u>24,134,953</u>

Approved and authorised by the Board on 15 December 2016 and signed on its behalf by:



John W Stephen
Director

The notes on pages 17 to 42 form an integral part of these financial statements.

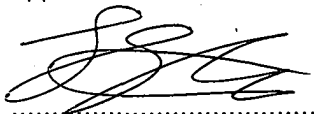
A & J Stephen (Holdings) Limited

(Registration number: SC057721)

Statement of Financial Position as at 31 March 2016

	Note	2016 £	2015 £
Non Current Assets			
Investments	13	366,620	366,620
Current assets			
Receivables	15	2,386,318	2,759,962
Cash at bank and in hand		<u>5,285</u>	<u>-</u>
		2,391,603	2,759,962
Payables: Amounts falling due within one year	17	<u>(1,230,745)</u>	<u>(707,215)</u>
Net current assets		<u>1,160,858</u>	<u>2,052,747</u>
Net assets		<u>1,527,478</u>	<u>2,419,367</u>
Equity			
Called up share capital		236,000	236,000
Capital redemption reserve		105,520	105,520
Profit and loss account		<u>1,185,958</u>	<u>2,077,847</u>
Total equity		<u>1,527,478</u>	<u>2,419,367</u>

Approved and authorised by the Board on 15 December 2016 and signed on its behalf by:



John W Stephen
Director

The notes on pages 17 to 42 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 2016

	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
	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £	Total equity £
At 1 April 2014	236,000	105,520	23,085,361	23,426,881	23,426,881
Profit for the year	-	-	944,072	944,072	944,072
Total comprehensive income	-	-	944,072	944,072	944,072
Dividends	-	-	(236,000)	(236,000)	(236,000)
At 31 March 2015	236,000	105,520	23,793,433	24,134,953	24,134,953

The notes on pages 17 to 42 form an integral part of these financial statements.
Page 13

A & J Stephen (Holdings) Limited

Statement of Changes in Equity for the Year Ended 31 March 2016

	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	236,000	105,520	1,185,958	1,527,478

The notes on pages 17 to 42 form an integral part of these financial statements.
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A & J Stephen (Holdings) Limited

Statement of Changes in Equity for the Year Ended 31 March 2016

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2014	236,000	105,520	1,066,624	1,408,144
Profit for the year	-	-	1,247,223	1,247,223
Total comprehensive income	-	-	1,247,223	1,247,223
Dividends	-	-	(236,000)	(236,000)
At 31 March 2015	236,000	105,520	2,077,847	2,419,367

The notes on pages 17 to 42 form an integral part of these financial statements.
Page 15

A & J Stephen (Holdings) Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		1,850,456	944,072
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	146,871	94,537
Profit on disposal of property plant & equipment		(82,292)	(20,120)
Finance income	6	(4,414)	(3,671)
Finance costs	7	63,676	74,387
Income tax expense	11	462,936	127,166
		<u>2,437,233</u>	<u>1,216,371</u>
Working capital adjustments			
Increase in inventories	14	(2,020,048)	(1,148,931)
Decrease/(increase) in receivables	15	675,613	(77,571)
Increase/(decrease) in payables	17	1,933,781	(447,221)
Cash generated from operations		3,026,579	(457,352)
Income taxes paid	11	(260,563)	(89,598)
Net cash flow from operating activities		<u>2,766,016</u>	<u>(546,950)</u>
Cash flows from investing activities			
Interest received		4,414	3,671
Acquisitions of property plant & equipment		(190,153)	(127,352)
Proceeds from sale of property plant & equipment		82,292	20,120
Net cash flows from investing activities		<u>(103,447)</u>	<u>(103,561)</u>
Cash flows from financing activities			
Interest paid	7	(47,956)	(61,056)
Repayment of bank borrowing		(542,115)	(752,885)
Proceeds from other borrowing draw downs		600,000	-
Payments to finance lease liabilities		(109,118)	(69,959)
Dividends paid		(972,320)	(236,000)
Net cash flows from financing activities		<u>(1,071,509)</u>	<u>(1,119,900)</u>
Net increase/(decrease) in cash and cash equivalents		1,591,060	(1,770,411)
Cash and cash equivalents at 1 April		<u>2,569,673</u>	<u>4,340,084</u>
Cash and cash equivalents at 31 March		<u><u>4,160,733</u></u>	<u><u>2,569,673</u></u>

The notes on pages 17 to 42 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

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 15 December 2016.

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. Details of the transition to FRS102 are disclosed in note 29.

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 Company and its subsidiary undertakings drawn up to 31 March 2016.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

A subsidiary is an entity controlled by the Company. Control is achieved where the Company 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 Company 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 2016

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 sales/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 is 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% Straight line

20% & 50% Straight line

25% Straight line

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

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.

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 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.

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 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 2016

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 2016

3 Revenue

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

	2016	2015
	£	£
Sale of goods	24,899,231	17,311,863
Rendering of services	<u>27,512</u>	<u>412,049</u>
	<u>24,926,743</u>	<u>17,723,912</u>

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

	2016	2015
	£	£
Housebuilders	<u>24,926,743</u>	<u>17,723,912</u>

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

	2016	2015
	£	£
UK	<u>24,926,743</u>	<u>17,723,912</u>

4 Other operating income

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

	2016	2015
	£	£
Miscellaneous other operating income	<u>33,290</u>	<u>66,254</u>

5 Operating profit

Arrived at after charging/(crediting)

	2016	2015
	£	£
Depreciation expense	146,871	94,537
Operating lease expense - plant and machinery	93,887	85,061
Profit on disposal of property, plant and equipment	<u>(82,292)</u>	<u>(20,120)</u>

6 Other interest receivable and similar income

	2016	2015
	£	£
Interest income on bank deposits	3,801	3,671
Other finance income	<u>613</u>	<u>-</u>
	<u>4,414</u>	<u>3,671</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

7 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and borrowings	16,956	60,901
Interest on obligations under finance leases and hire purchase contracts	15,720	13,331
Interest expense on other finance liabilities	<u>31,000</u>	<u>155</u>
	<u>63,676</u>	<u>74,387</u>

8 Staff costs

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

	2016 £	2015 £
Wages and salaries	2,764,897	2,274,476
Social security costs	304,374	267,194
Pension costs, defined contribution scheme	282,136	172,671
Other employee expense	<u>20,739</u>	<u>20,804</u>
	<u>3,372,146</u>	<u>2,735,145</u>

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

	2016 No.	2015 No.
Production	45	37
Administration and support	<u>40</u>	<u>39</u>
	<u>85</u>	<u>76</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	455,047	308,024
Contributions paid to money purchase schemes	<u>150,122</u>	<u>45,288</u>
	<u>605,169</u>	<u>353,312</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 2016

	2016 No.	2015 No.
Accruing benefits under money purchase pension scheme	<u>5</u>	<u>5</u>

In respect of the highest paid director:

	2016 £	2015 £
Remuneration	188,040	128,186
Company contributions to money purchase pension schemes	<u>76,245</u>	<u>22,642</u>

10 Auditors' remuneration

	2016 £	2015 £
Audit of these financial statements	<u>6,145</u>	<u>8,975</u>
Other fees to auditors		
All other non-audit services	<u>18,335</u>	<u>11,325</u>

11 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	367,694	94,084
Deferred taxation		
Arising from origination and reversal of timing differences	<u>95,242</u>	<u>33,082</u>
Tax expense in the income statement	<u>462,936</u>	<u>127,166</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 21%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>2,313,392</u>	<u>1,071,238</u>
Corporation tax at standard rate	462,679	224,960
Increase (decrease) from effect of different UK tax rates on some earnings	-	(589)
Effect of expense not deductible in determining taxable profit (tax loss)	240	242
Effect of tax losses	(42,629)	(83,017)
Tax increase (decrease) from effect of capital allowances and depreciation	(52,595)	(47,511)
Tax increase (decrease) from other short-term timing differences	<u>95,241</u>	<u>33,081</u>
Total tax charge	<u>462,936</u>	<u>127,166</u>

Deferred tax

Group

Deferred tax assets and liabilities

		Liability £
2016		
Accelerated capital allowances		128,324
Tax losses		<u>-</u>
		<u>128,324</u>
	Asset £	Liability £
2015		
Accelerated capital allowances	-	75,730
Tax losses	<u>42,648</u>	<u>-</u>
	<u>42,648</u>	<u>75,730</u>

The group has estimated losses of £nil (2015 - £213,239) available to carry forward against future trading profits.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

12 Property, plant and equipment

Group

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 April 2015	379,046	369,667	1,177,789	1,926,502
Additions	-	110,275	245,039	355,314
Disposals	-	(106,219)	(198,600)	(304,819)
At 31 March 2016	<u>379,046</u>	<u>373,723</u>	<u>1,224,228</u>	<u>1,976,997</u>
Depreciation				
At 1 April 2015	374,038	244,333	874,382	1,492,753
Charge for the year	2,899	39,459	104,513	146,871
Eliminated on disposal	-	(106,219)	(198,600)	(304,819)
At 31 March 2016	<u>376,937</u>	<u>177,573</u>	<u>780,295</u>	<u>1,334,805</u>
Carrying amount				
At 31 March 2016	<u>2,109</u>	<u>196,150</u>	<u>443,933</u>	<u>642,192</u>
At 31 March 2015	<u>5,008</u>	<u>125,334</u>	<u>303,407</u>	<u>433,749</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:

	2016 £	2015 £
Motor vehicles	161,163	86,397
Plant & machinery	<u>281,963</u>	<u>202,025</u>
	<u>443,126</u>	<u>288,422</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 2016

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
A & J Stephen Limited*	Scotland	Ordinary	100%	100%
A & J Stephen (Builders) Limited*	Scotland	Ordinary	100%	100%
Castle Homes (Scotland) Limited*	Scotland	Ordinary	100%	100%
Associates				
Inch Farms Limited*	Scotland	Ordinary	50%	50%

* indicates direct investment of the company

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

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

	2016 £	2015 £
Investments in subsidiaries	<u>366,620</u>	<u>366,620</u>
Subsidiaries		£
Cost or valuation		
At 1 April 2015		<u>366,620</u>
Provision		
Carrying amount		
At 31 March 2016		<u>366,620</u>
At 31 March 2015		<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	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
A & J Stephen Limited	Scotland	Ordinary	100%	100%
A & J Stephen (Builders) Limited	Scotland	Ordinary	100%	100%
Castle (Homes) Scotland Limited	Scotland	Ordinary	100%	100%
Associates				
Inch Farms Limited	Scotland	Ordinary	50%	50%

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

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 principle 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 2016 the subsidiary Castle Homes (Scotland) Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

14 Inventories

	Group		Company
	2016	2015	2016
	£	£	£
Work in progress	15,780,702	14,217,088	-
Other inventories	9,292,636	8,836,202	-
	<u>25,073,338</u>	<u>23,053,290</u>	<u>-</u>

Group

The cost of inventories recognised as an expense in the year amounted to £9,537,657 (2015 - £7,100,932).

Impairment of inventories

The amount of impairment loss included in profit or loss is £102,350 (2015 - £Nil).

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

15 Receivables

	Note	Group		Company	
		2016 £	2015 £	2016 £	2015 £
Receivables		252,314	842,558	-	-
Amounts owed by related parties	27	624	625	2,386,318	2,759,962
Other receivables		430,413	520,122	-	-
Prepayments		18,733	14,392	-	-
Income tax asset	11	179,875	63,964	-	-
		881,959	1,441,661	2,386,318	2,759,962
Less non-current portion		(290,331)	(351,845)	-	-
Total current trade and other receivables		591,628	1,089,816	2,386,318	2,759,962

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Details of non-current trade and other receivables

Group

£290,331 (2015 - £351,845) 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 2016 was £388,135 (2015 - £470,160).

16 Cash and cash equivalents

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Cash on hand	300	319	-	-
Cash at bank	4,141,674	2,945,624	5,285	-
Short-term deposits	18,759	14,529	-	-
	<u>4,160,733</u>	<u>2,960,472</u>	<u>5,285</u>	<u>-</u>
Bank overdrafts	-	(390,799)	-	(80,085)
Cash and cash equivalents in statement of cash flows	<u>4,160,733</u>	<u>2,569,673</u>	<u>5,285</u>	<u>(80,085)</u>

17 Payables

		Group		Company	
	Note	2016	2015	2016	2015
		£	£	£	£
Due within one year					
Loans and borrowings	22	710,076	1,015,720	-	622,200
Trade payables		1,246,073	848,147	-	-
Amounts due to related parties	27	-	-	1,142,345	4,917
Social security and other taxes		146,156	135,565	-	-
Other payables		55,010	46,246	-	-
Accrued expenses		2,962,031	1,445,531	450	450
Income tax liability	11	<u>307,754</u>	<u>84,712</u>	<u>87,950</u>	<u>79,648</u>
		<u>5,427,100</u>	<u>3,575,921</u>	<u>1,230,745</u>	<u>707,215</u>
Due after one year					
Loans and borrowings	22	<u>189,709</u>	<u>145,216</u>	<u>-</u>	<u>-</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

18 Deferred tax and other provisions

Group

	Deferred tax £
At 1 April 2015	33,082
Additional provisions	<u>95,242</u>
At 31 March 2016	<u><u>128,324</u></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 £282,136 (2015 - £172,671).

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

20 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	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.

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.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

22 Loans and borrowings

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Non-current loans and borrowings				
Finance lease liabilities	189,709	145,216	-	-
	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Current loans and borrowings				
Bank borrowings	-	542,115	-	542,115
Bank overdrafts	-	390,799	-	80,085
Finance lease liabilities	110,076	82,806	-	-
Other borrowings	600,000	-	-	-
	<u>710,076</u>	<u>1,015,720</u>	<u>-</u>	<u>622,200</u>

Group

Bank borrowings

Bank loan is denominated in £, and the final instalment was due when the final secured plot was sold. The carrying amount at year end is £Nil (2015 - £542,115).

The bank loan is secured over various completed plots.

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 also Standard Securities in favour of the The Shareholding & Investment (Property) Limited over the land at Dronley Road, Birkhill. Furthermore there is a Standard Security in favour of Streetfield Property Limited over land at Aberargie as well as a Standard Security in favour of Charles Henry Butter for land at Lagreach Field, Pitlochry. There are two Standard Securities at Bearehill, Brechin one in favour of Dr Robert William Young Martin and Mrs Jennifer Martin and one in favour of Maud Muir, James Muir, Jennifer Elaine Rushton and Hugh David Rushton. There 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.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Other borrowings

Other borrowings with a carrying amount of £600,000 (2015 - £Nil) 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 £ , and the final instalment was due when the last secured plot was sold. The carrying amount at year end is £Nil (2015 - £542,115).

The bank loan is secured over various completed plots.

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 Elsick, Stonehaven.

There are also Standard Securities in favour of the The Shareholding & Investment (Property) Limited over the land at Dronley Road, Birkhill. Furthermore there is a Standard Security in favour of Streetfield Property Limited over land at Aberargie as well as a Standard Security in favour of Charles Henry Butter for land at Lagreath Field, Pitlochry. There are two Standard Securities at Bearehill, Brechin one in favour of Dr Robert William Young Martin and Mrs Jennifer Martin and one in favour of Maud Muir, James Muir, Jennifer Elaine Rushton and Hugh David Rushton. There 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.

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:

	2016	2015
	£	£
Not later than one year	110,076	82,806
Later than one year and not later than five years	189,709	145,216
	<u>299,785</u>	<u>228,022</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Operating leases

The total of future minimum lease payments is as follows:

	2016	2015
	£	£
Not later than one year	5,004	20,580
Later than one year and not later than five years	<u>116,266</u>	<u>36,280</u>
	<u>121,270</u>	<u>56,860</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £170,554 (2015 - £160,060).

24 Dividends

	2016	2015
	£	£
Interim dividend of £4.12 (2015 - £1.00) per ordinary share	<u>972,320</u>	<u>236,000</u>

25 Contingent assets

Group

The group has sold land during 2009 to a housing association and has received credits in this regard. In the year to 31 March 2010 the group has provided services to a housing association and has received credits in this regard. In the year to 31 March 2014 and 2015 the group received further credits.

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.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

27 Related party transactions

Group

Key management personnel

Directors

Key management compensation

	2016	2015
	£	£
Salaries and other short term employee benefits	455,047	308,024
Post-employment benefits	<u>150,122</u>	<u>45,288</u>
	<u><u>605,169</u></u>	<u><u>353,312</u></u>

Summary of transactions with key management

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.

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

During the year the company provided services to one of the directors

Summary of transactions with subsidiaries

The group 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

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 2016

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 purchased consumable items from the group.

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

During the prior period the group sold a plot at market value to a family member and also a house to another family member.

Also during the prior period the company took a 12.14% shared equity over a family member's house.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Income and receivables from related parties

	Key management £	Other related parties £
2016		
Sale of goods & services	31,453	22,030
Amounts receivable from related party	<u>12,993</u>	<u>22,030</u>
	Key management £	Other related parties £
2015		
Sale of goods & services	137,761	271,373
Amounts receivable from related party	<u>1,886</u>	<u>19,920</u>

Expenditure with and payables to related parties

	Key management £	Other related parties £
2016		
Leases	<u>14,400</u>	<u>75,000</u>
	Key management £	Other related parties £
2015		
Leases	<u>1,200</u>	<u>75,000</u>

Loans to related parties

	Associates £	Other related parties £
2016		
At start of period	712	15,709
Advanced	-	7,020
At end of period	<u>712</u>	<u>22,729</u>
	Associates £	Other related parties £
2015		
At start of period	712	15,367
Advanced	-	342
At end of period	<u>712</u>	<u>15,709</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Company

Summary of transactions with key management

During the year a number of 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.

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

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

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Transactions with directors

	At 1 April 2015 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	At 31 March 2016 £
2016					
Derek Stephen					
Loan	-	-	-	400,000	400,000

	At 1 April 2014 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	At 31 March 2015 £
2015					
Derek Stephen					
Loan	(441,000)	441,000	-	-	-

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Dividends paid to directors

	2016 £	2015 £
John S Stephen		
Interim dividends	<u>97,232</u>	<u>23,600</u>
Derek Stephen		
Interim dividends	<u>97,232</u>	<u>23,600</u>
Dale Stephen		
Interim dividends	<u>243,080</u>	<u>59,000</u>
John W Stephen		
Interim dividends	<u>155,571</u>	<u>37,760</u>
Lorna Finlay		
Interim dividends	<u>123,600</u>	<u>30,000</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

Associated company

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

Loans to related parties

	Associates £
2016	
At start of period	<u>625</u>
2015	
At start of period	<u>625</u>

28 Parent and ultimate parent undertaking

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

29 Transition to FRS 102

There was no restatement of comparative figures required for the adoption of FRS102.