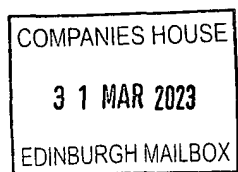


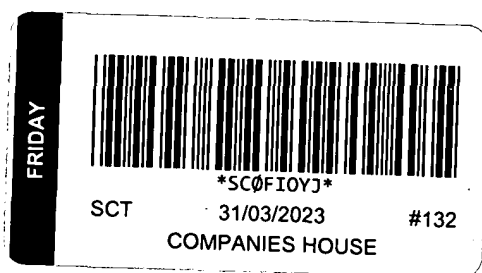
Registration number: SC057721



# A & J Stephen (Holdings) Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2022



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** Lorna Finlay  
Dale Stephen  
Jamie Finlay  
John W Stephen

**Company secretary** John Webster

**Registered office** Stephen House  
Edinburgh Road  
PERTH  
PH2 8BS

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

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

## **A & J Stephen (Holdings) Limited**

### **Strategic Report for the Year Ended 31 March 2022**

The directors present their strategic report for the year ended 31 March 2022.

#### **Principal activity**

The principal activity of the group is house building.

#### **Fair review of the business**

The group returned a pre-tax loss of £3.3 million in the year to March 2022. This result is disappointing particularly given the buoyancy in the housing market and the continuing demand for our quality product. Sales across all our developments have been strong but interest in our Mansfield Park development in Scone has been exceptional. However, as a small housebuilder in today's uncertain world facing volatile markets and increasing costs on all fronts, the challenge to return an acceptable margin remains a constant battle. We had hoped to see a return to profitability this year but, like all businesses in our sector, we have faced unprecedented disruption in the supply chain, record material and subcontractor price rises as well as the much publicised skill shortages in the construction industry. Despite the ongoing losses, the balance sheet remains strong with net assets of £17 million. At the year end the group had no net borrowings and had available liquidity of £7.1 million.

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

	<b>Unit</b>	<b>2022</b>	<b>2021</b>
Turnover	£	22,527,788	14,907,976
Gross Margin	%	(3)	(2)
Profit/(loss) on ordinary activities before tax	£	(3,274,375)	(2,353,188)
Total Equity	£	17,000,568	20,314,128

## **A & J Stephen (Holdings) Limited**

### **Strategic Report for the Year Ended 31 March 2022**

#### **Outlook**

Looking to the year ahead, we expect that the wider economy will continue to face significant headwinds with the near-term outlook for the construction sector remaining challenging. We are starting to see a slight fall in supplier delays, albeit certain construction materials remain on long lead times; and more recently we are seeing an easing of input price inflation. We anticipate that the housing market will show signs of slowing down in the year ahead albeit less than economists were forecasting at the turn of the year. However, with UK inflation now running at close to 10%, increased energy price and the highest interest rates in 14 years; the current cost of living crisis will inevitably make the affordability of a new home less achievable. Against this backdrop our financial forecast for the year ahead has been revised down and places greater emphasis on the generation of cash from our land asset.

In such unpredictable times it is becoming increasingly challenging as a small housebuilder to maximise shareholder value and to this end the business will be restructured to improve performance, thereby facilitating greater flexibility, and allowing it to adapt to changing and challenging circumstances as they present themselves. The strategic objective of long-term sustainable growth, cash generation and profitability remain unchanged, to this end the group has continued to invest in strategic land acquisitions. In-house expertise in promoting developments through the planning process will continue to play a pivotal role in the success of the business.

The core of any business is its people, and the Board would like to thank everyone of our staff for their dedication over the last year. There are currently 75 employees in the group. Like all other business in the construction sector, recruitment of people with the right skills is becoming increasingly difficult. The fallout from Brexit and the disrupted labour market in the post pandemic economy have both exacerbated the shortage of skills.

The group has a strong health and safety ethos and the health and wellbeing of our inhouse workforce and subcontractor resource remains of paramount importance. A & J Stephen are fully committed to extensive training initiatives to reduce accidents and increase safety awareness.

## **A & J Stephen (Holdings) Limited**

### **Strategic Report for the Year Ended 31 March 2022**

#### **Principal risks and uncertainties**

The Board recognise that the management of risk is fundamental to the success of any business. The Board acknowledges its responsibility to establish, maintain and monitor a system of internal controls relating to operational, financial and compliance matters. Within the Stephen Group of companies all tiers of management are involved in the managing, monitoring and mitigating risk to an acceptable level.

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

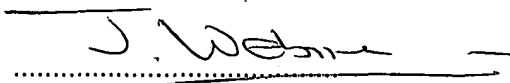
#### **Economic Uncertainty**

As the disruption from the worldwide Covid -19 pandemic starts to reduce, the economy is facing new risks with regards to the cost-of-living crisis, increasing energy costs, inflation and higher interest rate as well as the ongoing economic impact of war in Ukraine. Demand for our products is currently strong but as household budgets become squeezed and our clients face higher mortgage interest rates coupled to higher affordability criteria applied by lenders, the resilience shown in the housing market over the past year may start to wane. The Group run sensitivity analysis on such economic drivers that could impact the sales projections and associated cashflows in our business models.

#### **Availability of Raw materials and skilled labour**

As previously highlighted, the availability and cost of raw materials and skilled labour remain an ongoing risk to the business. The prevalent shortage of skilled labour across the sector is expected to continue into 2024. The group continues to assess the ongoing impact of these risks and their impact on our ability to deliver our forecast business plan.

Approved by the Board on 31 March 2023 and signed on its behalf by:

  
.....  
John Webster  
Company secretary

## **A & J Stephen (Holdings) Limited**

### **Directors' Report for the Year Ended 31 March 2022**

The directors present their report and the for the year ended 31 March 2022.

#### **Directors of the group**

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

Lorna Finlay

Dale Stephen

John S Stephen (resigned 19 August 2022)

John W Stephen

The following director was appointed after the year end:

Jamie Finlay (appointed 15 September 2022)

#### **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.

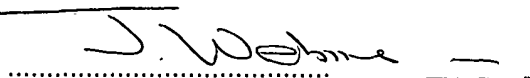
#### **Disclosure of information to the auditor**

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 31 March 2023 and signed on its behalf by:



John Webster

Company secretary

## **A & J Stephen (Holdings) Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **A & J Stephen (Holdings) Limited**

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

#### **Opinion**

We have audited the financial statements of A & J Stephen (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

---

## **A & J Stephen (Holdings) Limited**

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

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

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

#### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

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

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

## **A & J Stephen (Holdings) Limited**

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

Our procedures to respond to risks identified included the following:

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

## **A & J Stephen (Holdings) Limited**

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

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

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

#### **Use of our report**

This report is made solely to the 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.



.....  
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

31 March 2023

## A & J Stephen (Holdings) Limited

### Consolidated Income Statement for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Revenue	3	22,547,788	14,907,976
Cost of sales		<u>(23,086,714)</u>	<u>(15,235,199)</u>
Gross loss		(538,926)	(327,223)
Administrative expenses		(2,791,084)	(2,389,743)
Other operating income	4	<u>57,018</u>	<u>435,722</u>
Operating loss	5	<u>(3,272,992)</u>	<u>(2,281,244)</u>
Other interest receivable and similar income	7	2,757	6,256
Interest payable and similar expenses	8	<u>(4,142)</u>	<u>(78,200)</u>
		<u>(1,385)</u>	<u>(71,944)</u>
Loss before tax		<u>(3,274,377)</u>	<u>(2,353,188)</u>
Loss for the financial year		<u>(3,274,377)</u>	<u>(2,353,188)</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>(3,274,377)</u>	<u>(2,353,188)</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 2022

	2022 £	2021 £
Loss for the year	<u>(3,274,377)</u>	<u>(2,353,188)</u>
Total comprehensive income for the year	<u>(3,274,377)</u>	<u>(2,353,188)</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	<u>(3,274,377)</u>	<u>(2,353,188)</u>

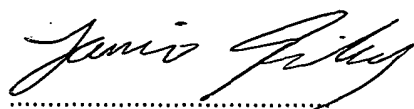
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The notes on pages 18 to 39 form an integral part of these financial statements.

**A & J Stephen (Holdings) Limited**  
**(Registration number: SC057721)**  
**Consolidated Statement of Financial Position as at 31 March 2022**

	Note	2022 £	2021 £
<b>Non Current Assets</b>			
Property Plant & Equipment	12	1,045,865	699,472
<b>Current assets</b>			
Inventories	14	20,804,739	20,795,738
Debtors	15	549,753	1,228,481
Cash at bank and in hand		<u>3,153,559</u>	<u>4,351,305</u>
		24,508,051	26,375,524
<b>Creditors: Amounts falling due within one year</b>	17	<u>(5,946,646)</u>	<u>(6,725,385)</u>
<b>Net current assets</b>		<u>18,561,405</u>	<u>19,650,139</u>
<b>Total assets less current liabilities</b>		19,607,270	20,349,611
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(2,567,519)</u>	<u>(35,483)</u>
<b>Net assets</b>		<u><u>17,039,751</u></u>	<u><u>20,314,128</u></u>
<b>Equity</b>			
Called up share capital	19	236,000	236,000
Capital redemption reserve	20	105,520	105,520
Profit and loss account	20	<u>16,698,231</u>	<u>19,972,608</u>
Equity attributable to owners of the company		<u>17,039,751</u>	<u>20,314,128</u>
Shareholders' funds		<u><u>17,039,751</u></u>	<u><u>20,314,128</u></u>

Approved and authorised by the Board on 31 March 2023 and signed on its behalf by:



Jamie Finlay  
Director

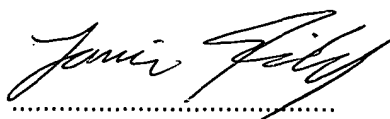
The notes on pages 18 to 39 form an integral part of these financial statements.

**A & J Stephen (Holdings) Limited**  
**(Registration number: SC057721)**  
**Statement of Financial Position as at 31 March 2022**

	Note	2022 £	2021 £
<b>Non Current Assets</b>			
Investments	13	366,520	366,520
<b>Current assets</b>			
Receivables	15	4,351,379	4,266,839
Cash at bank and in hand		<u>22,187</u>	<u>4,592</u>
		4,373,566	4,271,431
<b>Payables:</b> Amounts falling due within one year	17	<u>(669,218)</u>	<u>(3,069,619)</u>
<b>Net current assets</b>		<u>3,704,348</u>	<u>1,201,812</u>
<b>Total assets less current liabilities</b>		4,070,868	1,568,332
<b>Creditors:</b> Amounts falling due after more than one year	17	<u>(2,400,000)</u>	<u>-</u>
<b>Net assets</b>		<u><u>1,670,868</u></u>	<u><u>1,568,332</u></u>
<b>Equity</b>			
Called up share capital		236,000	236,000
Capital redemption reserve		105,520	105,520
Profit and loss account		<u>1,329,348</u>	<u>1,226,812</u>
Total equity		<u><u>1,670,868</u></u>	<u><u>1,568,332</u></u>

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £102,536 (2021 - profit of £31,074).

Approved and authorised by the Board on 31 March 2023 and signed on its behalf by:



Jamie Finlay  
Director



# A & J Stephen (Holdings) Limited

## Consolidated Statement of Changes in Equity for the Year Ended 31 March 2022

### Equity attributable to the parent company

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2021	236,000	105,520	19,972,608	20,314,128
Loss for the year	-	-	(3,274,377)	(3,274,377)
Total comprehensive income	-	-	(3,274,377)	(3,274,377)
At 31 March 2022	<u>236,000</u>	<u>105,520</u>	<u>16,698,231</u>	<u>17,039,751</u>
				<b>Total equity</b>
				<b>£</b>
At 1 April 2021				20,314,128
Loss for the year				(3,274,377)
Total comprehensive income				(3,274,377)
At 31 March 2022				<u>17,039,751</u>
	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2020	236,000	105,520	22,325,796	22,667,316
Loss for the year	-	-	(2,353,188)	(2,353,188)
Total comprehensive income	-	-	(2,353,188)	(2,353,188)
At 31 March 2021	<u>236,000</u>	<u>105,520</u>	<u>19,972,608</u>	<u>20,314,128</u>
				<b>Total equity</b>
				<b>£</b>
At 1 April 2020				22,667,316
Loss for the year				(2,353,188)
Total comprehensive income				(2,353,188)
At 31 March 2021				<u>20,314,128</u>

The notes on pages 18 to 39 form an integral part of these financial statements.

## A & J Stephen (Holdings) Limited

### Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2021	236,000	105,520	1,226,812	1,568,332
Profit for the year	-	-	102,536	102,536
Total comprehensive income	-	-	102,536	102,536
At 31 March 2022	<u>236,000</u>	<u>105,520</u>	<u>1,329,348</u>	<u>1,670,868</u>

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2020	236,000	105,520	1,195,738	1,537,258
Profit for the year	-	-	31,074	31,074
Total comprehensive income	-	-	31,074	31,074
At 31 March 2021	<u>236,000</u>	<u>105,520</u>	<u>1,226,812</u>	<u>1,568,332</u>

The notes on pages 18 to 39 form an integral part of these financial statements.

## A & J Stephen (Holdings) Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Loss for the year		(3,274,377)	(2,353,188)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	185,800	149,201
Loss/(profit) on disposal of property plant & equipment		733	(4,181)
Finance income	7	(2,757)	(6,256)
Finance costs	8	4,142	78,200
		(3,086,459)	(2,136,224)
Working capital adjustments			
(Increase)/decrease in inventories	14	(9,001)	2,522,775
Decrease/(increase) in receivables	15	678,728	(711,125)
Increase in payables	17	1,576,193	1,384,070
Cash generated from operations		(840,539)	1,059,496
Income taxes paid	11	-	(13)
Net cash flow from operating activities		(840,539)	1,059,483
<b>Cash flows from investing activities</b>			
Interest received		2,757	6,256
Acquisitions of property plant & equipment		(318,261)	(156,053)
Proceeds from sale of property plant & equipment		1,433	16,819
Proceeds from sale of intangible assets		(733)	4,181
Net cash flows from investing activities		(314,804)	(128,797)
<b>Cash flows from financing activities</b>			
Interest paid	8	(4,142)	(78,200)
Payments to finance lease creditors		(38,261)	(135,939)
Net cash flows from financing activities		(42,403)	(214,139)
Net (decrease)/increase in cash and cash equivalents		(1,197,746)	716,547
Cash and cash equivalents at 1 April		4,351,305	3,634,758
Cash and cash equivalents at 31 March		3,153,559	4,351,305

The notes on pages 18 to 39 form an integral part of these financial statements.

## **A & J Stephen (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **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 31 March 2023.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

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

##### **Basis of preparation**

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

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2022.

## **A & J Stephen (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

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 and past performances, 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 to ensure that the group can meet its liabilities as they fall due for the foreseeable future.

## **A & J Stephen (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **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.

#### **Government grants**

The Government have provided various packages to help companies during the Covid 19 pandemic. The group has benefited directly from this assistance in the form of the job retention scheme. The group also benefited from a Scottish Enterprise Pivotal Enterprise Resilience fund grant. The grants have been recognised at the fair value of the asset received or receivable when there is a reasonable assurance that the grant conditions will be met and the grants will be received.

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

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will not be recored against the reversal of deferred tax liabilities or other future taxable profits.

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

#### **Property, plant and equipment**

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

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

#### **Depreciation**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant & machinery	20% Reducing balance
Fixtures, fittings & equipment	20% & 50% Straight line
Motor vehicles	25% Reducing balance

## **A & J Stephen (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **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 bank deposits.

#### **Receivables**

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

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

#### **Inventories**

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

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

#### **Payables**

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

Trade payables are recognised initially at the transaction price.

## **A & J Stephen (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **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 2022

#### 3 Revenue

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Sale of goods	22,121,139	14,579,724
Rendering of services	426,649	328,252
	<u>22,547,788</u>	<u>14,907,976</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Housebuilders	<u>22,547,788</u>	<u>14,907,976</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
UK	<u>22,547,788</u>	<u>14,907,976</u>

#### 4 Other operating income

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Government grants	-	385,789
Sub lease rental income	39,886	33,872
Miscellaneous other operating income	17,132	16,061
	<u>57,018</u>	<u>435,722</u>

## A & J Stephen (Holdings) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 5 Operating loss

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	185,800	149,201
Operating lease expense - plant and machinery	118,106	112,501
Loss/(profit) on disposal of property, plant and equipment	<u>733</u>	<u>(4,181)</u>

#### 6 Government grants

Job Retention Scheme and Pivotal Resilience Fund

The amount of grants recognised in the financial statements was £Nil (2021 - £385,789).

#### 7 Other interest receivable and similar income

	2022 £	2021 £
Interest income on bank deposits	2,583	6,256
Other finance income	<u>174</u>	<u>-</u>
	<u>2,757</u>	<u>6,256</u>

#### 8 Interest payable and similar charges

	2022 £	2021 £
Interest on bank overdrafts and borrowings	-	70,418
Interest on obligations under finance leases and hire purchase contracts	<u>4,142</u>	<u>7,782</u>
	<u>4,142</u>	<u>78,200</u>

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	343,749	328,993
Contributions paid to money purchase schemes	<u>25,305</u>	<u>24,839</u>
	<u>369,054</u>	<u>353,832</u>

## A & J Stephen (Holdings) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>142,052</u>	<u>135,776</u>

#### 10 Auditors' remuneration

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit of these financial statements	<u>13,160</u>	<u>11,815</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>15,115</u>	<u>20,325</u>

#### 11 Taxation

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loss before tax	<u>(3,274,377)</u>	<u>(2,353,188)</u>
Corporation tax at standard rate	(622,132)	(447,106)
Effect of expense not deductible in determining taxable profit (tax loss)	65	363
Effect of tax losses	689,581	450,779
Tax decrease from effect of capital allowances and depreciation	<u>(67,514)</u>	<u>(4,036)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

#### Deferred tax

##### Group

Deferred tax assets and liabilities

## A & J Stephen (Holdings) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

	Asset £	Liability £
<b>2022</b>		
Accelerated capital allowances	-	191,577
Tax losses	191,577	-
	<u>191,577</u>	<u>191,577</u>
	Asset £	Liability £
<b>2021</b>		
Accelerated capital allowances	-	124,063
Tax losses	124,063	-
	<u>124,063</u>	<u>124,063</u>

There are £8,885,335 of unused tax losses (2021 - £5,255,963) for which no deferred tax asset is recognised in the Statement of Financial Position.

The group has estimated tax losses of £8,885.335 (2021 - £5,255,963) available for carry forward against future trading profits.

## A & J Stephen (Holdings) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 12 Property, plant and equipment

##### Group

	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	412,843	1,738,017	411,052	2,561,912
Additions	-	470,611	63,015	533,626
Disposals	-	-	(9,995)	(9,995)
At 31 March 2022	<u>412,843</u>	<u>2,208,628</u>	<u>464,072</u>	<u>3,085,543</u>
<b>Depreciation</b>				
At 1 April 2021	387,669	1,170,979	303,792	1,862,440
Charge for the year	5,035	144,181	36,584	185,800
Eliminated on disposal	-	-	(8,562)	(8,562)
At 31 March 2022	<u>392,704</u>	<u>1,315,160</u>	<u>331,814</u>	<u>2,039,678</u>
<b>Carrying amount</b>				
At 31 March 2022	<u>20,139</u>	<u>893,468</u>	<u>132,258</u>	<u>1,045,865</u>
At 31 March 2021	<u>25,174</u>	<u>567,038</u>	<u>107,260</u>	<u>699,472</u>

## A & J Stephen (Holdings) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 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:

	2022	2021
	£	£
Motor vehicles	52,068	20,792
Plant & machinery	287,151	116,128
	<u>339,219</u>	<u>136,920</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:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
A & J Stephen Limited*	Scotland	Ordinary	100%	100%
A & J Stephen (Builders ) Limited*		Ordinary	100%	100%
	Scotland			

\* indicates direct investment of the company

##### Subsidiary undertakings

###### *A & J Stephen Limited*

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

###### *A & J Stephen (Builders ) Limited*

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

# **A & J Stephen (Holdings) Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

### **Company**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investments in subsidiaries	<u>366,520</u>	<u>366,520</u>

### **Subsidiaries**

#### **Cost or valuation**

At 1 April 2021	<u>366,520</u>
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#### **Provision**

#### **Carrying amount**

At 31 March 2022	<u>366,520</u>
At 31 March 2021	<u>366,520</u>

## **A & J Stephen (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **Details of undertakings**

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

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
A & J Stephen Limited	Scotland	Ordinary	100%	100%
A & J Stephen (Builders) Limited	Scotland	Ordinary	100%	100%

#### **Subsidiary undertakings**

##### *A & J Stephen Limited*

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

##### *A & J Stephen (Builders) Limited*

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



## A & J Stephen (Holdings) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 14 Inventories

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Work in progress	14,262,754	14,282,946	-	-
Finished goods and goods for resale	2,075,132	1,530,390	-	-
Other inventories	4,466,853	4,982,402	-	-
	<u>20,804,739</u>	<u>20,795,738</u>	<u>-</u>	<u>-</u>

#### Group

#### Impairment of inventories

The amount of impairment loss included in profit or loss is £Nil (2021 - £110,996).

#### 15 Receivables

		Group		Company	
	Note	2022	2021	2022	2021
		£	£	£	£
Receivables		224,263	800,777	-	-
Amounts owed by related parties	24	-	-	4,351,379	4,266,839
Other receivables		243,256	324,801	-	-
Prepayments		43,064	63,733	-	-
Income tax asset	11	39,170	39,170	-	-
		<u>549,753</u>	<u>1,228,481</u>	<u>4,351,379</u>	<u>4,266,839</u>
Less non-current portion		<u>(82,695)</u>	<u>(103,619)</u>	<u>-</u>	<u>-</u>
		<u>467,058</u>	<u>1,124,862</u>	<u>4,351,379</u>	<u>4,266,839</u>

#### Details of non-current trade and other receivables

#### Group

£Nil (2021 - £103,619) 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 group's deferred equity scheme. The total unrealised sales value of the retained equities as at 31 March 2022 was £111,285 (2021 - £139,815).

## A & J Stephen (Holdings) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 16 Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Cash on hand	464	478	-	-
Cash at bank	3,127,230	4,324,962	22,187	4,592
Short-term deposits	25,865	25,865	-	-
	<u>3,153,559</u>	<u>4,351,305</u>	<u>22,187</u>	<u>4,592</u>

#### 17 Payables

		Group		Company	
	Note	2022	2021	2022	2021
		£	£	£	£
<b>Due within one year</b>					
Loans and borrowings	21	702,889	3,057,821	600,000	3,000,000
Trade payables		613,764	766,065	-	-
Amounts due to related parties	24	3	-	-	-
Social security and other taxes		124,046	104,233	-	-
Other payables		2,025,734	969,162	-	-
Accrued expenses		2,407,316	1,755,210	1,375	1,776
Income tax liability	11	72,894	72,894	67,843	67,843
		<u>5,946,646</u>	<u>6,725,385</u>	<u>669,218</u>	<u>3,069,619</u>
<b>Due after one year</b>					
Loans and borrowings	21	<u>2,567,519</u>	<u>35,483</u>	<u>2,400,000</u>	<u>-</u>

#### 18 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 £160,496 (2021 - £132,445).

## A & J Stephen (Holdings) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 19 Share capital

##### Allotted, called up and fully paid shares

	2022		2021	
	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.

#### 20 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 2022

#### 21 Loans and borrowings

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Non-current loans and borrowings</b>				
Bank borrowings	2,400,000	-	2,400,000	-
Hire purchase contracts	167,519	35,483	-	-
	<u>2,567,519</u>	<u>35,483</u>	<u>2,400,000</u>	<u>-</u>

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>				
Bank borrowings	600,000	3,000,000	600,000	3,000,000
Hire purchase contracts	102,889	57,821	-	-
	<u>702,889</u>	<u>3,057,821</u>	<u>600,000</u>	<u>3,000,000</u>

#### Group

##### Bank borrowings

CBIL's loan is denominated in £ with a nominal interest rate of 3.5%, and the final instalment is due on 25 March 2027. The carrying amount at year end is £3,000,000 (2021 - £3,000,000).

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.

#### Company

##### Bank borrowings

CBIL's loan is denominated in £ with a nominal interest rate of 3.5%, and the final instalment is due on 25 March 2027. The carrying amount at year end is £3,000,000 (2021 - £3,000,000).

## **A & J Stephen (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

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.

Included in the loans and borrowings are the following amounts due after more than five years:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
After more than five years by instalments	-	600,000

### **22 Obligations under leases and hire purchase contracts**

#### **Group**

#### **Finance leases**

The total of future minimum lease payments is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than one year	102,889	57,821
Later than one year and not later than five years	167,519	35,483
	<u>270,408</u>	<u>93,304</u>

#### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than one year	127,289	86,992
Later than one year and not later than five years	117,410	211,787
	<u>244,699</u>	<u>298,779</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £218,107 (2021 - £212,501).

### **23 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.

## **A & J Stephen (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

There are two Standard Securities in favour of the Trustees of Dorothy Jean Michie Howison or McKenzie Smith or Torrance's Trust Disposition and Settlement over land at Newburgh. There is a Standard Security in favour of Denmarkfield Limited over land at Denmarkfield Farm. There are two standard securities over land at Spoutwells Scone in favour of Stormont Trading. There is standard security over land at Tornagrain in favour of Tornagrain Limited. There is also a standard security over land at West Woodlands in favour of The Trustees of A & J Stephen Limited Retirement and Death benefit scheme.

#### **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 2022

#### 24 Related party transactions

##### Group

##### Key management compensation

	2022 £	2021 £
Salaries and other short term employee benefits	343,749	328,933
Post-employment benefits	<u>25,305</u>	<u>24,839</u>
	<u>369,054</u>	<u>353,772</u>

##### Summary of transactions with key management

During the year and prior year a number of the directors purchased consumable items which are immaterial to the individuals concerned and the group at market value.

##### Summary of transactions with subsidiaries

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

##### Summary of transactions with all associates

Associated company

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

##### 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.

##### Income and receivables from related parties

	Key management £	Other related parties £
2022		
Sale of goods & services	<u>5,657</u>	<u>1,034</u>
Amounts receivable from related party	<u>1,484</u>	<u>402</u>

## A & J Stephen (Holdings) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

	Key management £	Other related parties £
<b>2021</b>		
Sale of goods & services	16,282	7,972
Amounts receivable from related party	<u>6,741</u>	<u>3,210</u>

#### Expenditure with and payables to related parties

	Other related parties £
<b>2022</b>	
Leases	100,000
Amounts payable to related party	<u>192,000</u>

	Other related parties £
<b>2021</b>	
Leases	100,000
Amounts payable to related party	<u>192,000</u>

#### Loans to related parties

	Other related parties £	Total £
<b>2022</b>		
At start of period	22,263	22,263
Advanced	126,830	126,830
Repaid	<u>(100,000)</u>	<u>(100,000)</u>
At end of period	<u>49,093</u>	<u>49,093</u>

	Associates £	Other related parties £	Total £
<b>2021</b>			
At start of period	712	22,263	22,975
Expenses recognised as bad debt	<u>(712)</u>	<u>-</u>	<u>(712)</u>
At end of period	<u>-</u>	<u>22,263</u>	<u>22,263</u>

#### Company

#### 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.



## **A & J Stephen (Holdings) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **Summary of transactions with all associates**

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

#### **Loans to related parties**

	<b>Associates</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>2021</b>		
At start of period	625	625
Expenses recognised as bad debt	<u>(625)</u>	<u>(625)</u>
At end of period	<u>-</u>	<u>-</u>

#### **25 Parent and ultimate parent undertaking**

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