Company Registration No. SC031286 (Scotland)

Springfield Properties plc

Directors' Report and Financial Statements

For The Year Ended 31 May 2010

SPRINGFIELD PROPERTIES PLC

COMPANY INFORMATION

Directors	Mr A W Adam Mrs A F Adam Mr J G Adam Mr I Smith Mr R MacLeod Mr R Eddie Mr A Anderson OBE (Appointed 1 April 2010)
Secretary	Mr I Smith
Company number	SC031286
Registered office	Alexander Fleming House 8 Southfield Drive Elgin Morayshire IV30 6GR
Auditors	Johnston Carmichael Commerce House South Street Elgin IV30 1JE
Business address	Alexander Fleming House 8 Southfield Drive Elgin Morayshire IV30 6GR
Solicitors	Ledingham Chalmers LLP Johnstone House 52-54 Rose Street Aberdeen AB10 1HA

SPRINGFIELD PROPERTIES PLC

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SPRINGFIELD PROPERTIES PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2010

The directors present their report and financial statements for the year ended 31 May 2010.

Principal activities and review of the business
The principal activity of the company continued to be that of property development.

The directors are delighted to achieved the profitability targets for 2010. It was a difficult year and gross profit for the year was 14% (2009 - 17%).

The company have set stringent targets for the next three years covering growth, profitability, personnel development and improving the quality and quantity of the land bank whilst keeping full control of our finances. Production continues to achieve all targets with regards to quality and build rates. Our banking facilities have been agreed to our satisfaction.

At the year end the company had shareholders funds of £8,444,780 including distributable profits of £7,539,805. The directors are satisfied with the position given that the company's net current assets exceed the liabilities by £9,710,508.

The directors are confident that the quality of the company's products and focus on customer care will mitigate the identified risks and plan to see continued growth and satisfactory results in the coming year.

Results and dividends
The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Future developments
The company will be continuing with the major projects that are already in progress at the year end and will be entering into the construction of a significant commercial development over the next three years. The company will continue to work along side Housing Associations providing social housing for the local community.

Directors
The following directors have held office since 1 June 2009:

Mr A W Adam	
Mrs A F Adam	
Mr J G Adam	
Mr J Main	(Resigned 4 January 2010)
Mr I Smith	
Mr R MacLeod	
Mr R Eddie	
Mr A Anderson OBE	(Appointed 1 April 2010)

Charitable donations	**2010**	**2009**
	£	**£**
During the year the company made the following payments:		
Charitable donations	5,232	16,223

Charitable donations paid in the year represent £4,312 (2009 - £11,728) paid to local charities and £920 (2009 - £4,495) paid to national charities.

Creditor payment policy
The company's current policy concerning the payment of trade creditors is to settle amounts due in line with mutually agreed time scales. At 31 May 2010, 61 days (2009 - 46 days) purchases were outstanding.

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

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

Statement of disclosure to auditors
The directors confirm that;

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

....
Mr A W Adam
Director
...12/10/10...

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC

We have audited the financial statements of Springfield Properties plc for the year ended 31 May 2010 set out on pages 5 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement within the Directors' Report set out on pages 1 - 2, 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 May 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SPRINGFIELD PROPERTIES PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC

Matters on which we are required to report by exception

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

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

Johnston Carmichael

David McBain (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael

18/10/10..........

Chartered Accountants
Statutory Auditor

Commerce House
South Street
Elgin
IV30 1JE

SPRINGFIELD PROPERTIES PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2010

	Notes	2010 £	2009 £
Turnover	**2**	34,632,313	30,255,315
Cost of sales		(29,841,785)	(25,129,209)
Gross profit		4,790,528	5,126,106
Administrative expenses		(2,642,690)	(3,414,546)
Other operating income		31,585	43,962
Operating profit	**3**	2,179,423	1,755,522
Other interest receivable and similar income		13,556	119,390
Interest payable and similar charges	**4**	(329,694)	(528,813)
Profit on ordinary activities before taxation		1,863,285	1,346,099
Tax on profit on ordinary activities	**5**	(526,367)	(382,501)
Profit for the year	**14**	1,336,918	963,598

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

SPRINGFIELD PROPERTIES PLC

BALANCE SHEET

AS AT 31 MAY 2010

	Notes	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	6		1,225,456		338,147
Current assets					
Stocks	7	20,664,121		19,587,746	
Debtors	8	3,118,392		2,030,164	
Cash at bank and in hand		735,521		303,450	
		24,518,034		21,921,360	
Creditors: amounts falling due within one year	9	(14,807,526)		(12,415,044)	
Net current assets			9,710,508		9,506,316
Total assets less current liabilities			10,935,964		9,844,463
Creditors: amounts falling due after more than one year	10		(2,454,141)		(2,852,301)
Provisions for liabilities	11		(37,043)		(25,000)
			8,444,780		6,967,162
Capital and reserves					
Called up share capital	13		53,025		52,500
Share premium account	14		851,950		711,775
Profit and loss account	14		7,539,805		6,202,887
Shareholders' funds	15		8,444,780		6,967,162

Approved by the Board and authorised for issue on 12/10/10

Mr A W Adam
Director

Company Registration No. SC031286

SPRINGFIELD PROPERTIES PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2010

		2010		2009
	£	£	£	£
Net cash inflow/(outflow) from operating activities		4,789,392		(5,028,328)
Returns on investments and servicing of finance				
Interest received	13,556		119,390	
Interest paid	(340,046)		(514,186)	
Interest element of hire purchase	(14,575)		(14,627)	
Net cash outflow for returns on investments and servicing of finance		(341,065)		(409,423)
Taxation		(645,132)		(565,093)
Capital expenditure				
Payments to acquire tangible assets	(603,841)		(59,019)	
Receipts from sales of tangible assets	68,357		5	
Net cash outflow for capital expenditure		(535,484)		(59,014)
Net cash inflow/(outflow) before management of liquid resources and financing		3,267,711		(6,061,858)
Financing				
Issue of ordinary share capital	140,700		714,275	
Repayment of other long term loans	(472,023)		(890,000)	
Capital element of hire purchase contracts	(123,713)		(134,837)	
Net cash outflow from financing		(455,036)		(310,562)
Increase/(decrease) in cash in the year		2,812,675		(6,372,420)

SPRINGFIELD PROPERTIES PLC

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2010

1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2010	2009
	£	£
Operating profit	2,179,423	1,755,522
Depreciation of tangible assets	268,963	322,571
(Profit)/loss on disposal of tangible assets	(50,660)	134
(Increase)/decrease in stocks	(1,076,375)	3,144,585
Increase in debtors	(1,141,583)	(1,497,081)
Increase/(decrease) in creditors within one year	4,609,624	(8,029,059)
Decrease in provisions	-	(725,000)
Net cash inflow/(outflow) from operating activities	4,789,392	(5,028,328)

2 Analysis of net debt

	1 June 2009	Cash flow	Other non-cash changes	31 May 2010
	£	£	£	£
Net cash:				
Cash at bank and in hand	303,450	432,071	-	735,521
Bank overdrafts	(6,380,604)	2,380,604	-	(4,000,000)
	(6,077,154)	2,812,675	-	(3,264,479)
Debt:				
Finance leases	(97,963)	123,713	(242,953)	(217,203)
Debts falling due after one year	(2,814,191)	472,023	-	(2,342,168)
	(2,912,154)	595,736	(242,953)	(2,559,371)
Net debt	(8,989,308)	3,408,411	(242,953)	(5,823,850)

3 Reconciliation of net cash flow to movement in net debt

	2010	2009
	£	£
Increase/(decrease) in cash in the year	2,812,675	(6,372,420)
Cash outflow from decrease in debt and lease financing	595,736	1,024,837
Change in net debt resulting from cash flows	3,408,411	(5,347,583)
New finance lease	(242,953)	(30,140)
Other non-cash loan repayments	-	1,357,763
Movement in net debt in the year	3,165,458	(4,019,960)
Opening net debt	(8,989,308)	(4,969,348)
Closing net debt	(5,823,850)	(8,989,308)

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

1.2 Compliance with accounting standards

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

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Turnover on private house sales is recognised when the significant risks and rewards of ownership have been transferred to the purchaser which will normally occur at handover / legal completion. Revenue is recognised at the fair value of the consideration received or receivable on legal completion.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	- 25% straight line
Fixtures, fittings & equipment	- 25% straight line
Motor vehicles	- 25% straight line

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

Stock, including land held for development, and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost comprises of the invoiced value of the goods purchased and, in the case of work in progress, includes attributable direct costs, labour and production overheads.

1 Accounting policies (continued)

1.7 Long term contracts

Profits on long term contracts are recognised in proportion to the stage of completion reached when the outcome of the contract can be assessed with reasonable certainty.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

The profit included in the financial statements is calculated on a prudent basis to reflect the proportion of work performed at the year end by recording turnover and related costs as contract activity progresses.

Revenues derived from variations on contracts are recognised only when they have been accepted by the customer.

1.8 Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.9 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.10 Employee Benefit Trusts (EBTs) and Other Trust Arrangements

The company has established trusts for the benefit of employees, certain of their dependants and suppliers. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trusts, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services or other beneficiaries is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' or other beneficiaries' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	268,963	322,571
Loss on disposal of tangible assets	-	134
Operating lease rentals	74,046	62,700
Auditors' remuneration	14,250	14,000
Key suppliers trust	-	2,730,000
and after crediting:		
Rents receivable	(26,860)	(37,776)
Profit on disposal of tangible assets	(50,660)	-

In addition, the company paid, to its auditors, £3,848 (2009 - £2,800) for consultancy services.

4 Interest payable

	2010	2009
	£	£
On bank loans and overdrafts	190,705	247,295
Hire purchase interest	14,575	14,627
Other interest	124,414	266,891
	329,694	528,813

5 Taxation	2010	2009
	£	£
Domestic current year tax		
U.K. corporation tax	460,969	410,516
Adjustment for prior years	-	9,896
Current tax charge	460,969	420,412
Deferred tax		
Deferred tax charge/(credit) current year	65,398	(37,911)
	526,367	382,501
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,863,285	1,346,099
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	521,720	376,908
Effects of:		
Non deductible expenses	4,905	4,505
Depreciation in excess of capital allowances	(56,174)	37,873
Remediation relief	-	(8,807)
Adjustments to previous periods	-	9,896
Chargeable disposals	(14,185)	37
Other tax adjustments	4,703	-
	(60,751)	43,504
Current tax charge	460,969	420,412

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 June 2009	1,440,637	7,159	466,163	1,913,959
Additions	550,169	532,543	91,257	1,173,969
Disposals	(280,653)	(421)	(98,415)	(379,489)
At 31 May 2010	1,710,153	539,281	459,005	2,708,439
Depreciation				
At 1 June 2009	1,226,269	7,043	342,500	1,575,812
On disposals	(280,653)	(421)	(80,718)	(361,792)
Charge for the year	195,817	362	72,784	268,963
At 31 May 2010	1,141,433	6,984	334,566	1,482,983
Net book value				
At 31 May 2010	568,720	532,297	124,439	1,225,456
At 31 May 2009	214,368	116	123,663	338,147

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 May 2010	246,878	107,991	354,869
At 31 May 2009	57,662	97,167	154,829
Depreciation charge for the year			
At 31 May 2010	57,544	25,666	83,210
At 31 May 2009	30,075	39,741	69,816

7 Work in progress

	2010	2009
	£	£
Work in progress	20,664,121	19,587,746

8 Debtors

	2010	2009
	£	£
Trade debtors	2,737,077	894,728
Amounts recoverable on long term contracts	66,723	936,480
Amounts owed by parent and fellow subsidiary undertakings	764	8,259
Other debtors	301,283	128,324
Prepayments and accrued income	12,545	9,018
Deferred tax asset (see note 11)	-	53,355
	3,118,392	2,030,164

9 Creditors: amounts falling due within one year

	2010	2009
	£	£
Bank loans and overdrafts	4,000,000	6,380,604
Net obligations under hire purchase contracts	105,230	59,853
Trade creditors	4,204,225	2,280,734
Corporation tax	226,353	410,516
Other taxes and social security costs	229,200	133,897
Other creditors	19,513	21,685
Accruals and deferred income	6,023,005	3,127,755
	14,807,526	12,415,044

Bank loans and overdrafts are secured by a bond and floating charge over the whole assets of the company.

10 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Other loans	2,342,168	2,459,191
Net obligations under hire purchase contracts	111,973	38,110
Amounts owed to related undertakings	-	355,000
	2,454,141	2,852,301

Analysis of loans

	2010	2009
Wholly repayable within five years	2,342,168	2,814,191
	2,342,168	2,814,191

Loan maturity analysis

	2010	2009
In more than two years but not more than five years	2,342,168	2,814,191

Other loans and amounts owed to related undertakings consist of loans to certain directors, the Springfield Properties FURBS and other parties as disclosed in note 22. The loans are unsecured and repayable on 20 February 2013 or any earlier period agreed and attract interest at 4% above Libor.

Net obligations under hire purchase contracts

	2010	2009
Repayable within one year	105,230	59,853
Repayable between one and five years	111,973	38,110
	217,203	97,963
Included in liabilities falling due within one year	(105,230)	(59,853)
	111,973	38,110

11 Provisions for liabilities

	Deferred tax liability	Other	Total
	£	£	£
Balance at 1 June 2009	(53,355)	25,000	(28,355)
Profit and loss account	65,398	-	65,398
Balance at 31 May 2010	12,043	25,000	37,043

The company has the contractual obligation to incur additional infrastucture costs relating to the fulfilment of planning conditions on certain development sites.

The deferred tax liability is made up as follows:

	2010	2009
	£	£
Accelerated capital allowances	17,005	(53,355)
Other timing differences	(4,962)	-
	12,043	(53,355)

12 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2010	2009
	£	£
Contributions payable by the company for the year	81,677	67,133

13 Share capital

	2010	2009
	£	£
Allotted, called up and fully paid		
53,025 Ordinary shares of £1 each	53,025	52,500

During the year 525 ordinary shares were allotted and fully paid up for cash consideration of £140,700.

14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 June 2009	711,775	6,202,887
Profit for the year	-	1,336,918
Premium on shares issued during the year	140,175	-
Balance at 31 May 2010	851,950	7,539,805

15 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	1,336,918	963,598
Proceeds from issue of shares	140,700	714,275
Net addition to shareholders' funds	1,477,618	1,677,873
Opening shareholders' funds	6,967,162	5,289,289
Closing shareholders' funds	8,444,780	6,967,162

16 Contingent liabilities

In the ordinary course of the company's business the company is required to enter into performance bond arrangements.

17 Financial commitments

At 31 May 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2011:

	Land and buildings	
	2010 £	2009 £
Operating leases which expire:		
In over five years	161,668	60,000

18 Capital commitments

	2010	2009
	£	£
At 31 May 2010 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	480,000	480,000

The company is contracted to purchases of land totalling £480,000, due before 31 December 2010.

19 Directors' emoluments

	2010	2009
	£	£
Emoluments for qualifying services	298,864	1,279,452
Company pension contributions to money purchase schemes	23,379	5,652
	322,243	1,285,104

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2009 - 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

	2010	2009
Emoluments for qualifying services	86,383	551,170

20 Employees

Number of employees
The average monthly number of employees (including directors) during the year was:

	2010 Number	2009 Number
Building staff	188	136
Administrative staff	37	33
	225	169

Employment costs	2010 £	2009 £
Wages and salaries	5,869,726	5,402,629
Social security costs	588,126	473,220
Other pension costs	81,677	67,133
	6,539,529	5,942,982

21 Control

The company is controlled by A W Adam and Mrs A F Adam, who have a beneficial interest in 67% of the company's issued share capital.

22 Related party transactions

Springfield Properties plc rented property from its funded unapproved Retirement Benefits Scheme for the sum of £68,400 (2009 - £60,000). Some of the directors of Springfield Properties plc are the main beneficiaries of this pension scheme. During the year the company made sales to the pension scheme of £231,509 (2009 - £8,910) and purchases of £2,033,329 (2009 - £nil) were made from the scheme which remained outstanding at the year-end. There is also £nil (2009 - £355,000) included within creditors at the year end in respect of a loan, which was due to the Retirement Benefits Scheme. Interest of £9,834 (2009 - £31,926) was charged on this loan at a commercial rate.

During the year sales were made to the directors as follows: A W Adam £857 (2009 - £696,658), J Main £188,426 (2009 - £561,560), I Smith £660 (2009 - £168,851), J G Adam £34,244 (2009 - £652,851), A F Adam £nil (2009 - £229,937) and A Anderson £582 (2009 - £nil).

During the year the following payments were made to the directors in respect of services provided: J Main £40,249 92009 - £nil) and A W Adam £12,504 (2009 - £nil). A licence fee of £53,236 (2009 - £40,269) was also paid to A W Adam.

In addition, sales of £3,333,601 (2009 - £3,708,647) were made to the A W & J G Adam partnership in which Mr A W Adam and Mr J G Adam are partners. During the year the partnership also recharged the company £75,084 (2009 - £114,540) in respect of services provided. At the year end £141 (2009 - £1,066) was due to the company and the partnership was owed £2,938 (2009 - £21,940) by the company.

At the year end the company was due to pay A W Adam £13,305 (2009 - £12,005) and J G Adam £1,995,695 (2009 - £2,106,143) in respect of loans to the company. Interest of £nil (2009 - £28,196) and £78,041 (2009 - £158,326) respectively was charged on these loans at a commercial rate.

During the year sales of £27,165 (2009 - £23,387) were made to Spree Property Investments GmbH. Included in trade debtors at the year end is £7,852 (2009 - £7,926) due from Spree Property Investments GmbH. At the year end the the company was also due £7,852 (2009 - £333) from Elgin Properties GmbH. Sales of £24,189 (2009 - £45,523) were made to Elgin Properties GmbH during the year. A W Adam has a material interest in each of these companies.

During the year the company recharged expenses of £nil (2009 - £807) to J D Adam and paid £34,496 (2009 - £nil) in respect of services provided, a business in which J G Adam and A W Adam are interested.