Company Registration No. SC031286 (Scotland)

SPRINGFIELD PROPERTIES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

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	
	Ms M H Motion	
	Mr M Benson	
	Mr E MacLeod	(Appointed 14 October 2015)
	Mr T Leggeat	(Appointed 14 October 2015)
Secretary	Mr I Smith	
Company number	SC031286	
Registered office	Alexander Fleming House 8 Southfield Drive ELGIN IV30 6GR	
Auditor	Johnston Carmichael LLP Commerce House South Street ELGIN IV30 1JE	
Business address	Alexander Fleming House 8 Southfield Drive ELGIN IV30 6GR	
Solicitors	Kerr Stirling LLP 10 Albert Place STIRLING FK8 2QL	
	Burness Paull 50 Lothian Road Festival Square EDINBURGH EH3 9WJ	

SPRINGFIELD PROPERTIES PLC

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SPRINGFIELD PROPERTIES PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2016

The directors present the strategic report and financial statements for the year ended 31 May 2016.

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

Fair review of the business
The directors are delighted to have achieved the sales and profitability targets for 2016. Sales for this year increased from £84,254,909 to £90,778,776 and gross profit for the year from £10,757,306 to £13,790,091. At the year end the company had shareholders funds of £29,244,783, an increase of £3,030,678.

Principal risks and uncertainties
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.

Future developments
The company will continue with the major projects that are already in progress at the year end and progress with 1,700 homes across 13 sites that have recently been granted planning permission. The company is actively procuring land and establishing relationships various housing associations and councils to address the Scottish Government need for social housing.

We continue to look for opportunities and are confident that we can grow the company and remain profitable. We are in the process of creating new villages in Dundee, Perth and Elgin. We were also recently recognised by Homes for Scotland for our site in Braemar as Small Development of the Year.

Key performance indicators
The company have set stringent targets for the next three years covering growth, profitability, personnel development and improving the quality 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.

Charitable Donations
During the year, the company made payments of £26,554 (2015 - £35,698) to local charities and £8,500 (2015 - £14,580) to national charities.

On behalf of the board

....
Mr A W Adam
Director
14/9/16

SPRINGFIELD PROPERTIES PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2016

The directors present their report and financial statements for the year ended 31 May 2016.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A W Adam	
Mrs A F Adam	
Mr J G Adam	
Mr I Smith	
Mr R MacLeod	
Mr R Eddie	
Ms M H Motion	
Mr M Benson	
Mr E MacLeod	(Appointed 14 October 2015)
Mr T Leggeat	(Appointed 14 October 2015)

Results and dividends
The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £2,132,910. There is no final dividend proposed.

Employee involvement
The company's policy is to consult and discuss with employees' representatives matters likely to affect their interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Once a year employees are given the opportunity to purchase shares in the company.

Disabled persons
The company's policy is to recruit disable workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitude and abilities.

Auditor
The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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.

Strategic report

The company has chosen in accordance with the Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments.

Statement of disclosure to auditor

The directors confirm that;

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

On behalf of the board

....

Mr A W Adam

Director

14/9/16

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC

We have audited the financial statements of Springfield Properties Plc for the year ended 31 May 2016 set out on pages 6 to 27. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 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 2016 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 matters prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S 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 LLP

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

14/9/16

Chartered Accountants
Statutory Auditor

Commerce House
South Street
ELGIN
IV30 1JE

SPRINGFIELD PROPERTIES PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2016

	Notes	2016 £	2015 £
Turnover	3	90,778,776	84,254,909
Cost of sales		(76,988,685)	(73,497,603)
Gross profit		13,790,091	10,757,306
Administrative expenses		(7,811,239)	(7,093,072)
Other operating income		129,751	117,307
Exceptional item	4	-	(3,569,100)
Operating profit	4	6,108,603	212,441
Interest receivable and similar income	8	808	2,846
Interest payable and similar charges	9	(1,009,221)	(691,608)
Profit/(loss) before taxation		5,100,190	(476,321)
Taxation	10	(1,035,641)	(549,092)
Profit/(loss) for the financial year	25	4,064,549	(1,025,413)
Total comprehensive income/(expenditure) for the year		4,064,549	(1,025,413)

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

SPRINGFIELD PROPERTIES PLC

BALANCE SHEET

AS AT 31 MAY 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	12		2,214,020		2,119,798
Current assets					
Stocks	14	73,836,693		60,610,729	
Debtors	15	4,589,685		5,600,776	
Cash at bank and in hand		2,644		12,307	
		78,429,022		66,223,812	
Creditors: amounts falling due within one year	16	(22,848,941)		(22,350,745)	
Net current assets			55,580,081		43,873,067
Total assets less current liabilities			57,794,101		45,992,865
Creditors: amounts falling due after more than one year	17		(28,490,873)		(19,720,551)
Provisions for liabilities	20		(58,445)		(58,209)
Net assets			29,244,783		26,214,105
Capital and reserves					
Called up share capital	23		72,969		71,009
Share premium account	24		10,176,859		9,079,780
Profit and loss reserves	25		18,994,955		17,063,316
Total equity			29,244,783		26,214,105

The financial statements were approved by the board of directors and authorised for issue on ...14|9|16........ and are signed on its behalf by:

....

Mr A W Adam
Director

Company Registration No. SC031286

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 June 2014		60,797	3,770,178	18,088,729	21,919,704
Period ended 31 May 2015:					
Loss and total comprehensive expenditure for the year		-	-	(1,025,413)	(1,025,413)
Issue of share capital	23	10,212	5,309,602	-	5,319,814
Balance at 31 May 2015		71,009	9,079,780	17,063,316	26,214,105
Period ended 31 May 2016:					
Profit and total comprehensive income for the year		-	-	4,064,549	4,064,549
Issue of share capital	23	1,960	1,097,079	-	1,099,039
Dividends	11	-	-	(2,132,910)	(2,132,910)
Balance at 31 May 2016		72,969	10,176,859	18,994,955	29,244,783

SPRINGFIELD PROPERTIES PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Cash absorbed by operations	31		(5,897,078)		(7,605,657)
Interest paid			(1,003,604)		(631,660)
Income taxes paid			(502,071)		(759,325)
Net cash outflow from operating activities			(7,402,753)		(8,996,642)
Investing activities					
Purchase of tangible fixed assets		(292,919)		(375,752)	
Proceeds on disposal of tangible fixed assets		10,068		62,381	
Interest received		808		2,846	
Net cash used in investing activities			(282,043)		(310,525)
Financing activities					
Proceeds from issue of shares		1,099,039		5,319,814	
Proceeds from borrowings		399,999		-	
Repayment of borrowings		(364,553)		(155,000)	
Proceeds from bank loans		10,000,000		5,000,000	
Payment of finance leases obligations		(421,349)		(358,607)	
Dividends paid		(2,132,910)		-	
Net cash generated from financing activities			8,580,226		9,806,207
Net increase in cash and cash equivalents			895,430		499,040
Cash and cash equivalents at beginning of year			(1,318,169)		(1,817,209)
Cash and cash equivalents at end of year			(422,739)		(1,318,169)
Relating to:					
Cash at bank and in hand			2,644		12,307
Bank overdrafts included in creditors payable within one year			(425,383)		(1,330,476)

1 Accounting policies

Company information

Springfield Properties Plc is a company limited by shares incorporated in Scotland. The registered office is Alexander Fleming House, 8 Southfield Drive, Elgin, IV30 6GR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 May 2016 are the first financial statements of Springfield Properties Plc prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 32.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it exempt from the requirement to do so by section 402 of the Companies Act 2006 as the sole subsidiary, Glassgreen Hire Limited, is dormant and thus immaterial for the purpose of giving a true and fair view.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 construction 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.

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

1 Accounting policies **(Continued)**

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	- 2% straight line
Plant and machinery	- 25% straight line
Fixtures, fittings & equipment	- 25% straight line
Motor vehicles	- 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use.

1.6 Stocks

Work in progress, including land held under development, is valued at the lower of cost and net realisable value. Cost comprises of the invoiced value of the goods purchased and includes attributable direct costs, labour and production overheads.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account.

1.7 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs.

1 Accounting policies **(Continued)**

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables, except for short-term receivables when the recognition of interest would be immaterial, are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Basic financial liabilities, including trade and other payables, and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities classified as other financial liabilities are stated at fair value with any gains or losses arising on remeasurement recognised in the profit and loss account.

1 Accounting policies **(Continued)**

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs, They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical estimates

The accounting judgements and estimates that could have a significant impact on the results of the company are set out below, and should be read in conjunction with the information provided in the notes:

Profit Recognition on construction contracts

The company undertakes house building contracts which takes place over a period of time and revenues and profits are recognised as the company performs under these contracts. The extent to which revenue and profits have been earned involve a measured valuation of the work completed and a review of the overall expected margin.

Profit recognition on private house sales

The recognition of costs expensed against properties sold at sites remaining under construction requires estimation of costs to complete at these sites. These estimates impact the expected site margin and therefore the margin recognised. The company regularly reviews these estimates to ensure they reflect latest known position.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
Turnover		
Property Development	90,778,776	84,254,909

Turnover analysed by geographical market

	2016	2015
	£	£
Scotland	90,778,776	84,254,909

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2016 £	2015 £
Depreciation of owned tangible fixed assets	429,021	233,405
Depreciation of tangible fixed assets held under finance leases	244,790	296,576
Gain on disposal of tangible fixed assets	(9,690)	(48,597)
Cost of stocks recognised as an expense	76,988,685	73,497,603
Operating lease charges	269,588	261,915

Operating profit in the prior year is stated after an exceptional prior year estimate adjustment in relation to employee benefit trust tax liabilities.

5 Auditors' remuneration

Fees payable to the company's auditor and its associates:	2016 £	2015 £
For audit services		
Audit of the company's financial statements	27,500	25,000
For other services		
All other non-audit services	625	625

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Building staff	327	311
Administrative staff	122	109
	449	420

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	13,980,224	12,895,938
Social security costs	1,354,801	1,281,128
Pension costs	322,646	290,508
	15,657,671	14,467,574

7 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	578,363	416,319
Company pension contributions to defined contribution schemes	22,184	14,412
	600,547	430,731

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2015 - 4).

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

Remuneration for qualifying services	127,458	123,228
Company pension contributions to defined contribution schemes	6,000	-

8 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Interest on bank deposits	368	21
Other interest income	440	2,825
Total income	808	2,846

9 Interest payable and similar charges

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	798,835	534,132
Interest on finance leases and hire purchase contracts	39,464	44,859
Other interest	170,922	112,617
	1,009,221	691,608

10 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	1,039,230	555,107
Adjustments in respect of prior periods	(3,825)	(64,224)
Total current tax	1,035,405	490,883
Deferred tax		
Origination and reversal of timing differences	1,390	58,209
Adjustment in respect of prior periods	(1,154)	-
Total deferred tax	236	58,209
Total tax charge	1,035,641	549,092

The charge for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2016	2015
	£	£
Profit/(loss) before taxation	5,100,190	(476,321)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.83%)	1,020,038	(99,218)
Tax effect of expenses that are not deductible in determining taxable profit	17,946	12,389
Adjustments in respect of prior years	(3,825)	(64,224)
Depreciation on assets not qualifying for tax allowances	2,636	(8,075)
Other non-reversing timing differences	-	3,416
Deferred tax adjustments in respect of prior years	(1,154)	-
Land remediation relief	-	(38,743)
Effect of exceptional items	-	743,547
Tax expense for the year	1,035,641	549,092

11 Dividends

	2016	2015
	£	£
Dividends paid	2,132,910	-
	2,132,910	-

12 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2015	657,430	2,817,737	599,921	804,464	4,879,552
Additions	-	675,712	1,679	91,020	768,411
Disposals	-	(250,069)	-	(102,785)	(352,854)
At 31 May 2016	657,430	3,243,380	601,600	792,699	5,295,109
Depreciation and impairment					
At 1 June 2015	33,575	1,759,135	583,107	383,937	2,759,754
Depreciation charged in the year	13,180	507,232	6,135	147,264	673,811
Eliminated in respect of disposals	-	(249,691)	-	(102,785)	(352,476)
At 31 May 2016	46,755	2,016,676	589,242	428,416	3,081,089
Carrying amount					
At 31 May 2016	610,675	1,226,704	12,358	364,283	2,214,020
At 31 May 2015	623,855	1,058,602	16,814	420,527	2,119,798

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016	2015
	£	£
Plant and machinery	503,094	462,227
Motor vehicles	332,650	416,422
	835,744	878,649

The depreciation charge in respect of such assets amounted to £244,790 (2015 - £296,576) for the year.

13 Financial instruments

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,502,038	4,406,211
Carrying amount of financial liabilities		
Measured at amortised cost	50,082,132	41,479,634

14 Stocks

	2016 £	2015 £
Work in progress	73,836,693	60,610,729

15 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,686,668	2,934,913
Other debtors	2,413,203	2,194,111
Prepayments and accrued income	5,211	4,608
	4,105,082	5,133,632
Amounts falling due after one year:		
Other debtors	484,603	467,144
Total debtors	4,589,685	5,600,776

16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Loans and overdrafts	18	1,750,283	1,475,476
Obligations under finance leases	19	341,008	201,641
Trade creditors		10,813,449	12,082,727
Corporation tax		709,290	175,956
Other taxation and social security		548,392	415,706
Other creditors		99,202	185,329
Accruals and deferred income		8,587,317	7,813,910
		22,848,941	22,350,745

17 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Loans and overdrafts	18	28,182,176	19,326,630
Obligations under finance leases	19	308,697	393,921
		28,490,873	19,720,551

18 Loans and overdrafts

	2016 £	2015 £
Bank loans	27,500,000	17,500,000
Bank overdrafts	425,383	1,330,476
Directors' loans	2,007,076	1,971,630
	29,932,459	20,802,106
Payable within one year	1,750,283	1,475,476
Payable after one year	28,182,176	19,326,630

The bank overdraft is secured by fixed securities over certain of the company's properties, and is repayable on demand.

The bank loan comprises of a revolving credit facility which is repayable by 2018 and is secured over certain of the company's properties. The facility attracts an interest rate of 2.5% per annum above the Bank of England Base Rate.

The directors' loans are unsecured and are repayable by 2017 or any earlier period agreed and attract interest at 4.5% above the Bank of England base rate.

19 *Finance lease obligations*

Future minimum lease payments due under finance leases:	2016 £	2015 £
Within one year	341,008	201,641
In two to five years	308,697	393,921
	649,705	595,562

Finance lease payments represent rentals payable by the company for certain items of plant and machinery and are secured by the assets under lease in question.

Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Provisions for liabilities

		2016 £	2015 £
Deferred tax liabilities	21	58,445	58,209
		58,445	58,209

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances for financial reporting purposes:

	Liabilities 2016	Liabilities 2015
Balances:	**£**	**£**
Accelerated capital allowances	58,445	58,209

	2016
Movements in the year:	**£**
Liability at 1 June 2015	58,209
Charge to profit or loss	236
Liability at 31 May 2016	58,445

22 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £322,646 (2015 - £290,508). Contributions totalling £58,425 (2015 - £52,448) were payable to the fund at the year end and are included in creditors.

23 Share capital

	2016	2015
	£	**£**
Allotted, called up and fully paid		
72,969 Ordinary shares of £1 each	72,969	71,009

The company has one class of ordinary share which carry full voting rights but no right to fixed income or repayment of capital. Distributions are at the discretion of the company.

Reconciliation of movements during the year:

	Ordinary Number
At 1 June 2015	71,009
Issue of fully paid shares	1,960
At 31 May 2016	72,969

During the year 1,960 £1 ordinary shares were allotted and fully paid up for consideration of £1,099,039.

24 Share premium account

	2016	2015
	£	£
At beginning of year	9,079,780	3,770,178
Issue of new shares	1,097,079	5,309,602
At end of year	10,176,859	9,079,780

The share premium account records the amount above the nominal value received for shares sold, less transaction costs.

25 Profit and loss reserves

	2016	2015
	£	£
At the beginning of the year	17,063,316	18,088,729
Profit/(loss) for the year	4,064,549	(1,025,413)
Dividends	(2,132,910)	-
At the end of the year	18,994,955	17,063,316

Retained earnings represents accumulated profits less distributions.

26 Financial commitments, guarantees and contingent liabilities

In the ordinary course of the company's business the company is required to enter into performance bond arrangements. The company's bankers have provided such guarantees in the ordinary course of business totaling £257,000 (2015 - £277,000).

Under contractual agreements the company has call and put options in place for the purchase of plots for development to the value if £14,380,000 (2015 - £5,346,000).

27 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its assets. Leases are with an option to extend on completion.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	271,584	313,560
Between two and five years	1,046,672	1,056,584
In over five years	1,498,623	1,760,291
	2,816,879	3,130,435

28 Capital commitments

	2016	2015
	£	£
At 31 May 2016 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	103,005	-

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016	2015
	£	£
Aggregate compensation	671,071	484,093

During the year dividends totalling £1,553,310 were paid to key management personnel.

29 Related party transactions **(Continued)**

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2016	2015	2016	2015
	£	£	£	£
Entities which key management personnel have control, significant influence or hold a material interest in	2,811,567	3,572,104	316,694	251,882
Key management personnel	420,292	10,501	268,397	145,820
Other related parties	448,106	643,882	100,000	249,659
	3,679,965	4,226,487	685,091	647,361

	Interest Paid to		Rent paid to	
	2016	2015	2016	2015
	£	£	£	£
Entities which key management personnel have control, significant influence or hold a material interest in	-	-	148,196	161,688
Key management personnel	90,620	86,507	-	-
Other related parties	7,320	18,426	49,660	99,999
	97,940	104,933	197,856	261,687

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016	2015
	£	£
Entities which key management personnel have control, significant influence or hold a material interest in	64,274	174,761
Key management personnel	2,028,787	1,626,957
Other related parties	359,717	650,622
	2,452,778	2,452,340

29 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2016		Amounts owed by related parties 2015	
	Balance	Net	Balance	Net
	£	£	£	£
Entities which key management personnel have control, significant influence or hold a material interest in	1,101,275	1,101,275	574,984	574,984
Key management personnel	415	415	1,930	1,930
Other related parties	595	595	102,597	102,597
	1,102,285	1,102,285	679,511	679,511

Other related parties include transactions with retirement scheme in which the directors are beneficiaries, and close family members of key management personnel.

Sales to related parties represent those undertaken in the ordinary course of business. Amounts owed to/ from related parties are included within creditors and debtors respectively at the year end. No security has been provided on any balances.

30 Controlling party

The company is controlled by Mr A W Adam and Mrs A F Adam, who have a beneficial interest in 55% of the company's issued share capital.

31 Cash generated from operations

	2016	2015
	£	£
Profit/(loss) for the year after tax	4,064,549	(1,025,413)
Adjustments for:		
Taxation charged	1,035,641	549,092
Finance costs	1,009,221	691,608
Investment income	(808)	(2,846)
Gain on disposal of tangible fixed assets	(9,690)	(48,597)
Depreciation and impairment of tangible fixed assets	673,811	529,981
Movements in working capital:		
(Increase) in stocks	(13,225,964)	(11,712,266)
Decrease/(increase) in debtors	1,011,091	(1,289,156)
(Decrease)/increase in creditors	(454,929)	4,701,940
Cash absorbed by operations	(5,897,078)	(7,605,657)

32 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	1 June 2014	31 May 2015
	£	£
Equity as reported under previous UK GAAP and under FRS 102	21,919,704	26,214,105

Reconciliation of profit or loss

	2015
	£
Profit or loss as reported under previous UK GAAP and under FRS 102	(1,025,413)

Notes to reconciliations on adoption of FRS 102

Under previous UK GAAP, the company could show loans as being due in more than one year if there were no intention to pay them within 12 months without a formal loan agreement in place. Under FRS102, loans must be shown as current liabilities if there is no formal agreement in place that allows deferral of payment. The impact of this is to reduce long-term liabilities by £145,000 (1 May 2014 - £250,000) and increase current liabilities.

There is no impact on profit on transition to FRS102.