

**A & B High Holdings Limited**  
**Annual Report**  
**For**  
**Year Ended 31 December 2010**

**Company Registration Number 01104546**

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# **A & B High Holdings Limited**

## **Financial Statements**

**Year Ended 31 December 2010**

<b>Contents</b>	<b>Page</b>
The Directors' Report	<b>1</b>
Statement of Directors' Responsibilities	<b>2</b>
Independent Auditor's Report to the Shareholders	<b>3</b>
Group Profit and Loss Account	<b>5</b>
Group Statement of Total Recognised Gains and Losses	<b>6</b>
Group Balance Sheet	<b>7</b>
Company Balance Sheet	<b>8</b>
Group Cash Flow	<b>9</b>
Notes to the Financial Statements	<b>10</b>

# A & B High Holdings Limited

## The Directors' Report

Year Ended 31 December 2010

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2010

### Principal Activities and Business Review

The principal activity of the company during the year was as a holding company

The principal activities of the subsidiary companies during the year were as timber merchants and printers

2010 has been an interesting year, as the country has looked to move out of recession. Consumer confidence has remained cautious during the year with both the consumers and the banking industry continuing to operate a low risk policy.

The printing division of the business has achieved growth and increased profitability whilst maintaining and in some instances increasing margins achieved.

The timber division has stood up well despite the difficult trading conditions and despite the continued down turn in the construction industries.

During the year costs have continued to be monitored and all areas have continued to be scrutinised to ensure that the company is receiving appropriate value.

Cash flow once again this year has required close monitoring.

The group's balance sheet continues to hold significant reserves.

The directors believe that group is well placed as they have weathered what is believed to be the worst recession to hit the country in the last 20 years.

### Results and Dividends

The profit for the year, after taxation, amounted to £266,444. Particulars of dividends paid are detailed in note 10 to the financial statements.

### Directors

The directors who served the group during the year were as follows:

Mrs E A High  
Mr A A High

### Auditor

Francis Clark LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors

Mr A High  
Director

Approved on

29/9/11

# **A & B High Holdings Limited**

## **Statement of Directors' Responsibilities**

**Year Ended 31 December 2010**

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 group and the parent company and of the profit or loss of the group for that year. In preparing those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

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

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

# **A & B High Holdings Limited**

## **Independent Auditor's Report to the Shareholders of A & B High Holdings Limited**

**Year Ended 31 December 2010**

We have audited the group and parent company financial statements ("the financial statements") of A & B High Holdings Limited for the year ended 31 December 2010 which comprise the Group Profit and Loss Account, Group Balance Sheet and Parent Company Balance Sheet, Group Cash Flow and the related notes. 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 parent company's shareholders, 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 parent company's shareholders 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 parent company and the parent company's shareholders 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 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the Audit of the Financial Statements**

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

### **Qualified opinion arising from limitation of scope in respect of stock quantities**

#### **Basis for qualified opinion on Financial Statements**

With respect to the prior period opening stock in the subsidiary company, A & B High Limited, having a carrying amount of £523,646 the audit evidence available to us was limited because we did not observe the counting of the physical stock at the start of the period ended 31 December 2009, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. Any amendment to the opening stock in the prior period that might have been necessary had we been able to obtain sufficient appropriate audit evidence would have an impact on the profit for the year ended 31 December 2009.

# **A & B High Holdings Limited**

## **Independent Auditor's Report to the Shareholders of A & B High Holdings Limited** (continued)

**Year Ended 31 December 2010**

### **Qualified Opinion Arising From a Limitation in Audit Scope**

Except for the possible effects of the matters referred to in the Basis for Qualified Opinion paragraph, in our opinion the financial statements

- give a true and fair view of the group's profit for the year ended 31 December 2009

In our opinion the financial statements

- give a true and fair view of the group's profit for the year ended 31 December 2010
- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010,
- 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

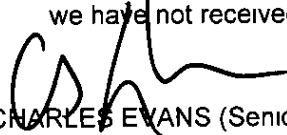
### **Matters on Which We are Required to Report by Exception**

In respect solely of the limitation on our work relating to opening stock for the year ended 31 December 2009, described above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been kept

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

- 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

  
CHARLES EVANS (Senior Statutory Auditor)  
For and on behalf of  
FRANCIS CLARK LLP  
Chartered Accountants & Statutory Auditor

North Quay House  
Sutton Harbour  
PLYMOUTH  
PL4 0RA

29/9/11

# A & B High Holdings Limited

## Group Profit and Loss Account

Year Ended 31 December 2010

	Note	2010 £	2009 £
<b>Turnover</b>	2	<b>8,341,078</b>	8,099,088
Cost of sales		<b>5,852,205</b>	5,909,028
<b>Gross Profit</b>		<b>2,488,873</b>	2,190,060
Administrative expenses		<b>2,002,743</b>	2,113,890
Other operating income	3	<b>(54,497)</b>	(50,589)
<b>Operating Profit</b>	4	<b>540,627</b>	126,759
Loss on part disposal of investments		<b>(52,536)</b>	-
		<b>488,091</b>	126,759
Interest receivable and similar income		<b>4</b>	-
Interest payable and similar charges	7	<b>(114,474)</b>	(146,186)
<b>Profit/(Loss) on Ordinary Activities Before Taxation</b>		<b>373,621</b>	(19,427)
Tax on profit/(loss) on ordinary activities	8	<b>104,039</b>	(31,441)
<b>Profit on Ordinary Activities after Taxation</b>		<b>269,582</b>	12,014
Minority interests		<b>3,138</b>	(3,316)
<b>Profit Attributable to Members of the Parent Company</b>	9	<b>266,444</b>	15,330
<b>Profit for the Financial Year</b>		<b>266,444</b>	15,330

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 10 to 21 form part of these financial statements

## **A & B High Holdings Limited**

### **Group Statement of Total Recognised Gains and Losses**

**Year Ended 31 December 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Profit for the financial year attributable to the shareholders of the parent company	<b>266,444</b>	15,330
Total recognised gains and losses relating to the year	<b>266,444</b>	15,330
Prior year adjustment	<b>-</b>	20,000
Total gains and losses recognised since the last annual report	<b>266,444</b>	35,330

**The notes on pages 10 to 21 form part of these financial statements.**



# A & B High Holdings Limited

## Group Balance Sheet

31 December 2010

	Note	2010 £	2009 £
<b>Fixed Assets</b>			
Intangible assets	11	61,875	84,375
Tangible assets	12	3,686,161	3,848,613
		<u>3,748,036</u>	<u>3,932,988</u>
<b>Current Assets</b>			
Stocks	14	720,324	647,315
Debtors	15	1,059,378	952,894
Cash at bank and in hand		131,517	202,106
		<u>1,911,219</u>	<u>1,802,315</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>1,600,194</u>	<u>1,235,594</u>
<b>Net Current Assets</b>		<u>311,025</u>	<u>566,721</u>
<b>Total Assets Less Current Liabilities</b>		<u>4,059,061</u>	<u>4,499,709</u>
<b>Creditors: Amounts falling due after more than one year</b>	17	2,108,069	2,754,702
<b>Provisions for Liabilities</b>			
Deferred taxation	19	116,747	94,722
		<u>1,834,245</u>	<u>1,650,285</u>
<b>Minority Interests</b>		<u>61,223</u>	<u>5,549</u>
		<u>1,773,022</u>	<u>1,644,736</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	24	13,600	13,600
Revaluation reserve	25	6,109	6,109
Profit and loss account	25	1,753,313	1,625,027
<b>Shareholders' Funds</b>	26	<u>1,773,022</u>	<u>1,644,736</u>

These financial statements were approved by the directors and authorised for issue on 29/9/11, and are signed on their behalf by

M. A. High

The notes on pages 10 to 21 form part of these financial statements.

# A & B High Holdings Limited

## Company Balance Sheet

31 December 2010

	Note	2010 £	2009 £
<b>Fixed Assets</b>			
Investments	13	<u>1,580,354</u>	<u>1,686,062</u>
<b>Current Assets</b>			
Debtors	15	<u>22,750</u>	<u>100</u>
Cash at bank		<u>68,434</u>	<u>—</u>
		<u>91,184</u>	<u>100</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>260,174</u>	<u>603,173</u>
<b>Net Current Liabilities</b>		<u>(168,990)</u>	<u>(603,073)</u>
<b>Total Assets Less Current Liabilities</b>		<u>1,411,364</u>	<u>1,082,989</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	24	<u>13,600</u>	<u>13,600</u>
Share premium account	25	<u>991,500</u>	<u>991,500</u>
Profit and loss account	25	<u>406,264</u>	<u>77,889</u>
<b>Shareholders' Funds</b>		<u>1,411,364</u>	<u>1,082,989</u>

These financial statements were approved by the directors and authorised for issue on 29/1/11, and are signed on their behalf by

M A High

Company Registration Number 01104546

The notes on pages 10 to 21 form part of these financial statements

## **A & B High Holdings Limited**

### **Group Cash Flow**

**Year Ended 31 December 2010**

		<b>2010</b>	<b>2009</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Net Cash Inflow from Operating Activities</b>	27	<b>1,049,576</b>	467,589
<b>Returns on Investments and Servicing of Finance</b>	27	<b>(114,470)</b>	(146,186)
<b>Taxation</b>	27	<b>(7,886)</b>	8,579
<b>Capital Expenditure and Financial Investment</b>	27	<b>(215,671)</b>	(217,550)
<b>Equity Dividends Paid</b>		<b>(138,158)</b>	(80,118)
<b>Cash Inflow Before Financing</b>		<b>573,391</b>	32,314
<b>Financing</b>	27	<b>(724,085)</b>	108,514
<b>(Decrease)/Increase in Cash</b>	27	<b>(150,694)</b>	140,828

**The notes on pages 10 to 21 form part of these financial statements**

# **A & B High Holdings Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2010**

### **1. Accounting Policies**

#### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

#### **(b) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the group and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

#### **(c) Turnover**

Turnover represents the fair value of consideration receivable, excluding Value Added Tax, in the ordinary course of business for goods and services provided.

#### **(d) Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 10 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

#### **(e) Amortisation**

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Goodwill - 10% straight line

#### **(f) Fixed assets**

All fixed assets are initially recorded at cost.

#### **(g) Depreciation**

Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold Property	- 2% straight line
Leasehold Property	- 2% straight line
Plant & Machinery	- 15% reducing balance
Fixtures & Fittings	- Variable rates reducing balance
Motor Vehicles	- 15% reducing balance

#### **(h) Investment properties**

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the group and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2010

### 1 Accounting Policies *(continued)*

#### (i) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

#### (j) Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the group profit and loss account on a straight line basis

#### (k) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### (l) Pension costs

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

#### (m) Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date

#### (n) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities

#### (o) Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate

### 2. Turnover

The turnover and profit before tax are attributable to the principal activities of the group

### 3. Other Operating Income

	2010	2009
	£	£
Rent receivable	<u>54,497</u>	<u>50,589</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2010

### 4. Operating Profit

Operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Amortisation of government grants re fixed assets	(57,068)	(67,139)
Amortisation of intangible assets	22,500	28,125
Depreciation of owned fixed assets	293,168	381,121
Depreciation of assets held under hire purchase agreements	81,877	93,565
Loss on disposal of fixed assets	3,078	2,923
Auditor's remuneration		
- audit fees	7,000	9,000
- other	21,000	24,500
Operating lease costs		
- Plant and equipment	85,801	71,123
- Other	99,329	101,151

### 5. Particulars of Employees

The average number of staff employed by the group during the financial year amounted to

	2010	2009
	No	No
Number of production staff	125	130
Number of administrative staff	15	16
	<u>140</u>	<u>146</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	2,031,220	2,117,279
Social security costs	142,610	121,364
Other pension costs	3,955	7,855
	<u>2,177,785</u>	<u>2,246,498</u>

### 6. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Remuneration receivable	-	75,051
Value of group pension contributions to money purchase schemes	-	3,900
	<u>-</u>	<u>172,028</u>

The number of directors who accrued benefits under group pension schemes was as follows

	2010	2009
	No	No
Money purchase schemes	<u>-</u>	<u>2</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2010

### 7. Interest Payable and Similar Charges

	2010	2009
	£	£
Interest payable on bank borrowing	96,039	116,240
Finance charges	18,435	29,946
	<u>114,474</u>	<u>146,186</u>

### 8. Taxation on Ordinary Activities

#### (a) Analysis of charge in the year

	2010	2009
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2009 21%)	90,937	11,946
(Over)/under provision in prior year	(8,923)	(28,757)
Total current tax	<u>82,014</u>	<u>(16,811)</u>
Deferred tax		
Origination and reversal of timing differences	22,025	(14,630)
Tax on profit/(loss) on ordinary activities	<u>104,039</u>	<u>(31,441)</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2009 21%)

	2010	2009
	£	£
Profit/(loss) on ordinary activities before taxation	<u>426,157</u>	<u>(19,427)</u>
Profit/(loss) on ordinary activities by rate of tax	81,061	(4,080)
Expenses not deductible for tax purposes	21,052	972
Depreciation in excess of capital allowances for the year	13,541	37,166
Marginal relief	(1,894)	-
Income not chargeable for tax purposes	(34,009)	(12,479)
Brought forward losses utilised	(8,422)	(9,633)
Prior year under/over provision	10,685	(28,757)
Total current tax (note 8(a))	<u>82,014</u>	<u>(16,811)</u>

### 9. Profit Attributable to Members of the Parent Group

The profit dealt with in the financial statements of the parent group was £466,533 (2009 - £158,007)

### 10 Dividends

#### Equity dividends

	2010	2009
	£	£
Paid		
Equity dividends on ordinary shares	<u>138,158</u>	<u>80,118</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2010

### 11. Intangible Fixed Assets

<b>Group</b>	<b>Goodwill £</b>
<b>Cost</b>	
At 1 January 2010 and 31 December 2010	<u>225,000</u>
<b>Amortisation</b>	
At 1 January 2010	140,625
Charge for the year	<u>22,500</u>
<b>At 31 December 2010</b>	<u>163,125</u>
<b>Net Book Value</b>	
At 31 December 2010	<u>61,875</u>
At 31 December 2009	<u>84,375</u>

### 12. Tangible Fixed Assets

<b>Group</b>	<b>Brought forward 1 Jan 10 £</b>	<b>Additions £</b>	<b>Disposals £</b>	<b>Carried forward 31 Dec 10 £</b>
<b>Cost or Valuation</b>				
Freehold Property	1,487,410	–	–	1,487,410
Plant & Machinery	4,485,958	185,916	(61,207)	4,610,667
Fixtures & Fittings	276,179	6,749	–	282,928
Motor Vehicles	196,084	59,076	(50,421)	204,739
Equipment	41,652	1,126	(1,935)	40,843
Leasehold Property	583,558	–	–	583,558
Investment Property	288,155	–	–	288,155
	<u>7,358,996</u>	<u>252,867</u>	<u>(113,563)</u>	<u>7,498,300</u>
<b>Group</b>	<b>Brought forward 1 Jan 10 £</b>	<b>Charges £</b>	<b>Disposals £</b>	<b>Carried forward 31 Dec 10 £</b>
<b>Depreciation</b>				
Freehold Property	(354,455)	(25,082)	–	(379,537)
Plant & Machinery	(2,728,528)	(291,135)	40,228	(2,979,435)
Fixtures & Fittings	(190,665)	(11,723)	–	(202,388)
Motor Vehicles	(82,579)	(34,287)	31,162	(85,704)
Equipment	(29,589)	(5,291)	1,899	(32,981)
Leasehold Property	(124,567)	(7,527)	–	(132,094)
Investment Property	–	–	–	–
	<u>(3,510,383)</u>	<u>(375,045)</u>	<u>73,289</u>	<u>(3,812,139)</u>



# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2010

### 12. Tangible Fixed Assets *(continued)*

Group	Brought forward 1 Jan 10 £	Carried forward 31 Dec 10 £
<b>Net Book Value</b>		
Freehold Property	1,132,955	1,107,873
Plant & Machinery	1,757,430	1,631,232
Fixtures & Fittings	85,514	80,540
Motor Vehicles	113,505	119,035
Equipment	12,063	7,862
Leasehold Property	458,991	451,464
Investment Property	288,155	288,155
	<u>3,848,613</u>	<u>3,686,161</u>

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2010 £	2009 £
<b>Net book value at end of year</b>	<u>288,155</u>	<u>288,155</u>
<b>Historical cost</b>	<u>282,046</u>	<u>282,046</u>

#### Hire purchase agreements

Included within the net book value of £3,686,161 is £422,757 (2009 - £362,255) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £81,877 (2009 - £93,565)

#### Capital commitments

	2010 £	2009 £
Contracted but not provided for in the financial statements	<u>26,632</u>	<u>-</u>

### 13. Investments

	£
<b>Cost</b>	
At 1 January 2010	1,733,173
Disposals	(105,708)
At 31 December 2010	<u>1,627,465</u>
<b>Amounts Written Off</b>	
At 1 January 2010 and 31 December 2010	<u>47,111</u>
<b>Net Book Value</b>	
At 31 December 2010	<u>1,580,354</u>
At 31 December 2009	<u>1,686,062</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2010

### 13. Investments (continued)

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
A & B High Ltd	England	Ordinary shares	100%	Timber merchant
Tamar Labels Ltd	England	Ordinary shares	100%	Printer
Label-Form Ltd	England	Ordinary shares	55%	Printer
Payne Timber Solutions Ltd	England	Ordinary shares	50%	Dormant
Torbay Sawmills (Manufacturing) Ltd	England	Ordinary shares	100%	Dormant

### 14 Stocks

	2010 £	Group 2009 £	2010 £	Company 2009 £
Stock	–	243,385	–	–
Raw Materials	340,443	17,488	–	–
Finished goods	379,881	386,442	–	–
	<u>720,324</u>	<u>647,315</u>	<u>–</u>	<u>–</u>

### 15 Debtors

	2010 £	Group 2009 £	2010 £	Company 2009 £
Trade debtors	979,175	909,668	–	–
Other debtors	38,673	6,060	22,650	–
Called up share capital not paid	100	100	100	100
Prepayments and accrued income	41,430	37,066	–	–
	<u>1,059,378</u>	<u>952,894</u>	<u>22,750</u>	<u>100</u>

### 16. Creditors: Amounts falling due within one year

	2010 £	Group 2009 £	2010 £	Company 2009 £
Bank loans and overdrafts	351,363	361,489	–	–
Payments received on account	–	285	–	–
Trade creditors	758,758	478,236	–	–
Amounts owed to group undertakings	–	–	260,174	603,173
Hire purchase agreements	117,051	95,712	–	–
Corporation tax	82,014	7,886	–	–
Other taxation and social security	180,110	168,379	–	–
Other creditors	14,093	19,094	–	–
Government grants	48,508	57,068	–	–
Accruals and deferred income	48,297	47,445	–	–
	<u>1,600,194</u>	<u>1,235,594</u>	<u>260,174</u>	<u>603,173</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2010

### 16. Creditors: Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the group

	2010	Group	2010	Company
	£	2009	£	2009
	£	£	£	£
Bank loans and overdrafts	351,363	361,489	-	-
Hire purchase agreements	117,051	95,712	-	-
	<u>468,414</u>	<u>457,201</u>	<u>-</u>	<u>-</u>

### 17. Creditors: Amounts falling due after more than one year

	2010	Group	2010	Company
	£	2009	£	2009
	£	£	£	£
Bank loans	1,663,610	2,153,014	-	-
Hire purchase agreements	216,931	278,302	-	-
Other creditors	227,528	323,386	-	-
	<u>2,108,069</u>	<u>2,754,702</u>	<u>-</u>	<u>-</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the group

	2010	Group	2010	Company
	£	2009	£	2009
	£	£	£	£
Bank loans	1,663,610	2,016,151	-	-
Hire purchase agreements	216,931	278,302	-	-
	<u>1,880,541</u>	<u>2,294,453</u>	<u>-</u>	<u>-</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2010	Group	2010	Company
	£	2009	£	2009
	£	£	£	£
Bank loans	708,859	941,283	-	-

### 18. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows

	2010	Group	2010	Company
	£	2009	£	2009
	£	£	£	£
Amounts payable within 1 year	117,051	95,712	-	-
Amounts payable between 2 to 5 years	216,931	278,302	-	-
	<u>333,982</u>	<u>374,014</u>	<u>-</u>	<u>-</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2010

### 19. Deferred Taxation

The movement in the deferred taxation provision during the year was

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Provision brought forward	94,722	109,352	-	-
Increase/(Decrease) in provision	22,025	(14,630)	-	-
Provision carried forward	116,747	94,722	-	-

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2010		2009	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	121,694	-	94,427	-
Tax losses available	(4,947)	-	-	-
Other timing differences	-	-	295	-
	116,747	-	94,722	-

### 20 Commitments under Operating Leases

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as set out below

Group	2010		2009	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	102	-	-	-
Within 2 to 5 years	26,262	5,691	1,372	-
After more than 5 years	16,000	-	16,000	-
	42,364	5,691	17,372	-

### 21 Contingencies

Total grant proceeds of £517,416 were received during the 2007, 2008 and 2009 financial years from the Government Office for the South West. Terms and conditions are attached to the grant which, if breached, may lead to repayment of the grant. No breaches have been made this year that resulted in money becoming repayable.

### 22. Financial Instruments

During the year, the group used an interest rate swap to hedge its exposure to variable interest rates.

The swap contract commenced in April 2005 and serves to fix the interest on the bank loan at 5.38% for a 10 year period until April 2015. The swap was entirely effective during the year.

Bank loans since January 2008 are covered by a new swap agreement. This agreement serves to fix the interest rate at 5.87% for a ten year period until January 2018. The swap was entirely effective during the year.

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2010

### 23 Related Party Transactions

On 17 December 2010 45% of the share capital of Label-Form Limited was sold to three of the directors at market value. On 17 December 2010 A & B High Holdings Limited made loans of £7,550 to each of the three directors involved in the management buyout. At the year end £5,000 per director remained outstanding.

### 24. Share Capital

Allotted and called up:

	2010		2009	
	No	£	No	£
13,600 Ordinary shares of £1 each	<u>13,600</u>	<u>13,600</u>	<u>13,600</u>	<u>13,600</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2010	2009
	£	£
Ordinary shares	<u>100</u>	<u>100</u>

### 25 Reserves

Group	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	6,109	1,625,027
Profit for the year	—	266,444
Equity dividends	—	(138,158)
Balance carried forward	<u>6,109</u>	<u>1,753,313</u>
Company	Share premium account	Profit and loss account
	£	£
Balance brought forward	991,500	77,889
Profit for the year	—	466,533
Equity dividends	—	(138,158)
Balance carried forward	<u>991,500</u>	<u>406,264</u>

### 26. Reconciliation of Movements in Shareholders' Funds

	2010	2009
	£	£
Profit for the financial year	266,444	15,330
Equity dividends	(138,158)	(80,118)
Net addition/(reduction) to shareholders' funds	<u>128,286</u>	<u>(64,788)</u>
Opening shareholders' funds	1,644,736	1,709,524
Closing shareholders' funds	<u>1,773,022</u>	<u>1,644,736</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2010

### 27. Notes to the Cash Flow Statement

#### Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2010	2009
	£	£
Operating profit	540,627	126,759
Amortisation	22,500	28,125
Depreciation	375,045	474,686
Loss on disposal of fixed assets	3,078	2,923
(Increase)/decrease in stocks	(73,009)	246,851
(Increase)/decrease in debtors	(106,484)	161,949
Increase/(decrease) in creditors	287,819	(573,704)
Net cash inflow from operating activities	<u>1,049,576</u>	<u>467,589</u>

#### Returns on Investments and Servicing of Finance

	2010	2009
	£	£
Interest received	4	-
Interest paid	(96,039)	(116,240)
Interest element of hire purchase	(18,435)	(29,946)
Net cash outflow from returns on investments and servicing of finance	<u>(114,470)</u>	<u>(146,186)</u>

#### Taxation

	2010	2009
	£	£
Taxation	<u>(7,886)</u>	<u>8,579</u>

#### Capital Expenditure

	2010	2009
	£	£
Payments to acquire tangible fixed assets	(252,867)	(230,858)
Receipts from sale of fixed assets	37,196	13,308
Net cash outflow from capital expenditure	<u>(215,671)</u>	<u>(217,550)</u>

#### Financing

	2010	2009
	£	£
(Repayment of)/increase in bank loans	(579,635)	15,225
Net (outflow)/inflow from other short-term creditors	(8,560)	57,068
Capital element of hire purchase	(40,032)	(9,892)
Net (outflow)/inflow from other long-term creditors	(95,858)	46,113
Net cash (outflow)/inflow from financing	<u>(724,085)</u>	<u>108,514</u>

# A & B High Holdings Limited

## Notes to the Detailed Group Profit and Loss Account

Year Ended 31 December 2010

	2010 £	2009 £
<b>Administrative Expenses (continued)</b>		
Brought forward	1,894,318	1,986,646
<b>Reconciliation of Net Cash Flow to Movement in Net Debt</b>		
	2010 £	2009 £
(Decrease)/increase in cash in the period	(150,694)	140,828
Net cash outflow from/(inflow) from bank loans	579,635	(15,225)
Net outflow from/(inflow) from other short-term creditors	8,560	(57,068)
Cash outflow in respect of hire purchase	40,032	9,892
Net cash outflow from/(inflow) from other long-term creditors	95,858	(46,113)
	<u>573,391</u>	<u>32,314</u>
Change in net debt	573,391	32,314
Net debt at 1 January 2010	(3,066,865)	(3,099,179)
Net debt at 31 December 2010	<u>(2,493,474)</u>	<u>(3,066,865)</u>

### Analysis of Changes in Net Debt

	At 1 Jan 2010 £	Cash flows £	At 31 Dec 2010 £
Net cash			
Cash in hand and at bank	202,106	(70,589)	131,517
Overdrafts	—	(80,105)	(80,105)
	<u>202,106</u>	<u>(150,694)</u>	<u>51,412</u>
Debt			
Debt due within 1 year	(418,557)	98,791	(319,766)
Debt due after 1 year	(2,476,400)	585,262	(1,891,138)
Hire purchase agreements	(374,014)	40,032	(333,982)
	<u>(3,268,971)</u>	<u>724,085</u>	<u>(2,544,886)</u>
Net debt	<u>(3,066,865)</u>	<u>573,391</u>	<u>(2,493,474)</u>

### 28. Ultimate Controlling Party

The group is under the control of Mr and Mrs A High