

A & B High Holdings Limited

**Annual Report
For**

Year Ended 31 December 2011

Company Registration Number 01104546

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A & B High Holdings Limited

Financial Statements

Year Ended 31 December 2011

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

A & B High Holdings Limited

The Directors' Report

Year Ended 31 December 2011

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2011

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.

In view of the continuing low consumer and banking confidence throughout 2011 the group has undertaken a detailed review of its investments and the returns achieved upon these.

Despite the uncertain conditions the directors are pleased to report that the group has yet again increased its levels of turnover.

The printing division of the business has yet again achieved growth in turnover and in the bespoke printing areas of the business margins have increased. The other printing areas have continued to grow turnover although they are working within sectors where margins are being continually squeezed.

During the year the company has sold off a small part of one of the main stream printing divisions as a partial management buyout in an attempt to incentivise management and increase profitability within the bulk production areas.

During the mid-part of the year the group sold 49% of the timber division to an outside investor who wished to take an active part in the day to day running of business. The decision was taken after considering the immediate return on the investment in addition to the skills and expertise the new investor would bring to the business. The directors are of the opinion that this has been successful as it has provided the opportunity for the group to de-gear and has provided the timber division with a new found focus that has resulted in encouraging trading profits.

During the year the group has again continued to monitor its costs to ensure it receives appropriate value.

Cash flow has once again been closely monitored.

The company's balance sheet continues to hold significant reserves and the directors believe they are well placed to take advantage of any opportunities that may arise in the foreseeable future.

Results and Dividends

The profit for the year, after taxation, amounted to £380,207. Particulars of dividends paid are detailed in note 9 to the financial statements.

Directors

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

Mr A High
Mrs E 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 

A & B High Holdings Limited

Statement of Directors' Responsibilities

Year Ended 31 December 2011

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 the group 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 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 2011

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 2011 which comprise the Group Profit and Loss Account, Group Balance Sheet and 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 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 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 company and the 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 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for Disclaimer of Opinion on Financial Statements

The audit evidence available to us was limited in the areas stock and income for one of the subsidiaries, Duchy Timber Limited. We were unable to perform sufficient audit procedures in the areas of stock (£674,833), debtors (£833,252), creditors (£1,707,477) and turnover (£4,274,210).

As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning stock, debtors, creditors and turnover.

A & B High Holdings Limited

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

Year Ended 31 December 2011

Disclaimer of Opinion on Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

Opinion on Other Matters Prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, 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.

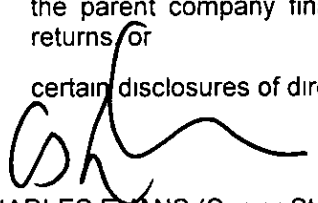
Matters on Which We are Required to Report by Exception

Arising from the limitation of our work referred to above

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit, and
- returns adequate for our audit have not been received from branches not visited by us

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

- adequate accounting records have not been kept by the parent company, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made



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

26/9/12

A & B High Holdings Limited

Group Profit and Loss Account

Year Ended 31 December 2011

	Note	2011 £	2010 £
Turnover	2	8,727,380	8,385,594
Cost of sales		6,224,404	5,852,204
Gross Profit		2,502,976	2,533,390
Administrative expenses		2,018,739	2,002,743
Other operating income	3	(74,951)	(54,497)
Operating Profit	4	559,188	585,144
Profit/(loss) on part disposal of investments		224,740	(52,536)
		783,928	532,608
Interest receivable		800	4
Interest payable and similar charges	6	(176,348)	(158,991)
Profit on Ordinary Activities Before Taxation		608,380	373,621
Tax on profit on ordinary activities	7	158,993	104,039
Profit on Ordinary Activities after Taxation		449,387	269,582
Minority interests		69,180	3,138
Profit for the Financial Year	8	380,207	266,444

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

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 9 to 21 form part of these financial statements.

A & B High Holdings Limited

Group Balance Sheet

31 December 2011

	Note	2011 £	2010 £
Fixed Assets			
Intangible assets	10	39,375	61,875
Tangible assets	11	3,362,604	3,686,161
		<u>3,401,979</u>	<u>3,748,036</u>
Current Assets			
Stocks	13	982,945	720,324
Debtors	14	1,761,943	1,059,378
Cash at bank and in hand		220,236	131,517
		<u>2,965,124</u>	<u>1,911,219</u>
Creditors: Amounts falling due within one year	15	<u>2,238,951</u>	<u>1,600,194</u>
Net Current Assets		<u>726,173</u>	<u>311,025</u>
Total Assets Less Current Liabilities		<u>4,128,152</u>	<u>4,059,061</u>
Creditors: Amounts falling due after more than one year	16	1,516,580	2,108,069
Provisions for Liabilities			
Deferred taxation	18	156,473	116,747
		<u>2,455,099</u>	<u>1,834,245</u>
Minority Interests		<u>454,035</u>	<u>61,223</u>
		<u>2,001,064</u>	<u>1,773,022</u>
Capital and Reserves			
Called-up equity share capital	22	13,600	13,600
Revaluation reserve	23	6,109	6,109
Profit and loss account	23	1,981,355	1,753,313
Shareholders' Funds	24	<u>2,001,064</u>	<u>1,773,022</u>

These financial statements were approved by the directors and authorised for issue on 26/9/12, and are signed on their behalf by

Mr A High

The notes on pages 9 to 21 form part of these financial statements

A & B High Holdings Limited

Company Balance Sheet

31 December 2011

	Note	2011 £	2010 £
Fixed Assets			
Tangible assets	11	1,803,962	—
Investments	12	1,089,354	1,580,354
		<u>2,893,316</u>	<u>1,580,354</u>
Current Assets			
Debtors	14	196,993	22,750
Cash at bank		79,725	68,434
		<u>276,718</u>	<u>91,184</u>
Creditors' Amounts falling due within one year	15	94,945	260,174
Net Current Assets/(Liabilities)		<u>181,773</u>	<u>(168,990)</u>
Total Assets Less Current Liabilities		<u>3,075,089</u>	<u>1,411,364</u>
Creditors. Amounts falling due after more than one year	16	240,000	—
		<u>2,835,089</u>	<u>1,411,364</u>
Capital and Reserves			
Called-up equity share capital	22	13,600	13,600
Share premium account	23	991,500	991,500
Profit and loss account	23	1,829,989	406,264
Shareholders' Funds		<u>2,835,089</u>	<u>1,411,364</u>

These financial statements were approved by the directors and authorised for issue on
are signed on their behalf by

Mr A High

Company Registration Number 01104546

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The notes on pages 9 to 21 form part of these financial statements.

A & B High Holdings Limited

Group Cash Flow

Year Ended 31 December 2011

	Note	2011 £	2010 £
Net Cash Inflow from Operating Activities	25	469,004	989,675
Returns on Investments and Servicing of Finance	25	(175,548)	(158,987)
Taxation	25	(86,499)	(7,886)
Capital Expenditure and Financial Investment	25	558,140	(215,671)
Equity Dividends Paid		(152,165)	(138,158)
Cash Inflow Before Financing		612,932	468,973
Financing	25	(848,465)	(619,667)
Decrease in Cash	25	(235,533)	(150,694)

The notes on pages 9 to 21 form part of these financial statements.

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

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 company 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 20 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
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(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

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

1. Accounting Policies *(continued)*

(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 company 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.

(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 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 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

	2011 £	2010 £
Rent receivable	<u>74,951</u>	<u>54,497</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

4. Operating Profit

Operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Directors' remuneration	–	–
Amortisation of government grants re fixed assets	(48,504)	(57,068)
Amortisation of intangible assets	22,500	22,500
Depreciation of owned fixed assets	317,448	293,168
Depreciation of assets held under hire purchase agreements	46,211	81,877
Loss on disposal of fixed assets	9,373	3,078
Auditor's remuneration		
- audit fees	9,000	7,000
- other fees	9,750	21,000
Operating lease costs		
- Plant and equipment	72,316	85,801
- Other	95,050	99,329

5. Particulars of Employees

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

	2011	2010
	No	No
Number of production staff	98	125
Number of administrative staff	11	15
	<u>109</u>	<u>140</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	2,069,904	2,038,870
Social security costs	118,541	138,710
Other pension costs	205	205
	<u>2,188,650</u>	<u>2,177,785</u>

6 Interest Payable and Similar Charges

	2011	2010
	£	£
Interest payable on bank borrowing	158,222	140,556
Finance charges	18,126	18,435
	<u>176,348</u>	<u>158,991</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

7 Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 20/21% (2010 - 21%)	119,980	90,937
(Over)/under provision in prior year	(713)	(8,923)
Total current tax	119,267	82,014
Deferred tax		
Origination and reversal of timing differences	39,726	22,025
Tax on profit on ordinary activities	158,993	104,039

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2010 - 21%)

	2011 £	2010 £
Profit on ordinary activities before taxation	608,380	373,621
Profit on ordinary activities by rate of tax	158,179	82,823
Expenses not deductible for tax purposes	2,324	21,052
Depreciation in excess of capital allowances for the year	7,892	13,541
Marginal relief	(4,397)	(1,894)
Income not chargeable for tax purposes	(45,444)	(34,009)
Brought forward losses utilised	-	(8,422)
Prior year under/over provision	713	8,923
Total current tax (note 7(a))	119,267	82,014

8. Profit Attributable to Members of the Parent Company

The profit dealt with in the financial statements of the parent company was £1,562,690 (2010 - £413,997)

9. Dividends

Equity dividends

	2011 £	2010 £
Paid		
Equity dividends on ordinary shares	152,165	138,158

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

10. Intangible Fixed Assets

Group	Goodwill £
Cost	
At 1 January 2011 and 31 December 2011	<u>225,000</u>
Amortisation	
At 1 January 2011	163,125
Charge for the year	<u>22,500</u>
At 31 December 2011	<u>185,625</u>
Net Book Value	
At 31 December 2011	<u>39,375</u>
At 31 December 2010	<u>61,875</u>

11. Tangible Fixed Assets

Group	Brought forward 1 Jan 11 £	Additions £	Disposals £	Carried forward 31 Dec 11 £
Cost or Valuation				
Freehold Property	1,487,410	–	–	1,487,410
Plant & Machinery	4,610,667	103,402	(254,285)	4,459,784
Fixtures & Fittings	282,928	16,672	(30,176)	269,424
Motor Vehicles	204,739	59,244	(84,511)	179,472
Equipment	40,843	1,405	(635)	41,613
Leasehold Property	583,558	–	–	583,558
Investment Property	288,155	4,150	–	292,305
	<u>7,498,300</u>	<u>184,873</u>	<u>(369,607)</u>	<u>7,313,566</u>
Group	Brought forward 1 Jan 11 £	Charges £	Disposals £	Carried forward 31 Dec 11 £
Depreciation				
Freehold Property	(379,537)	(43,459)	–	(422,996)
Plant & Machinery	(2,979,435)	(253,691)	171,202	(3,061,924)
Fixtures & Fittings	(202,388)	(15,362)	9,592	(208,158)
Motor Vehicles	(85,704)	(41,696)	43,407	(83,993)
Equipment	(32,981)	(4,740)	635	(37,086)
Leasehold Property	(132,094)	(4,711)	–	(136,805)
Investment Property	–	–	–	–
	<u>(3,812,139)</u>	<u>(363,659)</u>	<u>224,836</u>	<u>(3,950,962)</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

11. Tangible Fixed Assets (continued)

Group	Brought forward 1 Jan 11 £	Carried forward 31 Dec 11 £
Net Book Value		
Freehold Property	1,107,873	1,064,414
Plant & Machinery	1,631,232	1,397,860
Fixtures & Fittings	80,540	61,266
Motor Vehicles	119,035	95,479
Equipment	7,862	4,527
Leasehold Property	451,464	446,753
Investment Property	288,155	292,305
	<u>3,686,161</u>	<u>3,362,604</u>

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

	2011 £	2010 £
Net book value at end of year	<u>292,305</u>	<u>288,155</u>
Historical cost	<u>286,196</u>	<u>282,046</u>

Hire purchase agreements

Included within the net book value of £3,362,604 is £185,729 (2010 - £422,757) 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 £46,211 (2010 - £81,877)

Capital commitments

	2011 £	2010 £
Contracted but not provided for in the financial statements	<u>119,500</u>	<u>26,632</u>

Company	Brought forward 1 Jan 11 £	Additions £	Disposals £	Carried forward 31 Dec 11 £
Cost or Valuation				
Freehold Property	-	1,094,569	-	1,094,569
Motor Vehicles	-	24,503	(24,503)	-
Leasehold Property	-	445,192	-	445,192
Investment Property	-	292,305	-	292,305
	<u>-</u>	<u>1,856,569</u>	<u>(24,503)</u>	<u>1,832,066</u>
Company	Brought forward 1 Jan 11 £	Charges £	Disposals £	Carried forward 31 Dec 11 £
Depreciation				
Freehold Property	-	(26,160)	-	(26,160)
Motor Vehicles	-	-	-	-
Leasehold Property	-	(1,944)	-	(1,944)
Investment Property	-	-	-	-
	<u>-</u>	<u>(28,104)</u>	<u>-</u>	<u>(28,104)</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

11. Tangible Fixed Assets *(continued)*

Company	Brought forward 1 Jan 11 £	Carried forward 31 Dec 11 £
Net Book Value		
Freehold Property	–	1,068,409
Motor Vehicles	–	–
Leasehold Property	–	443,248
Investment Property	–	292,305
	<u>–</u>	<u>1,803,962</u>

12. Investments

Company	Total £
Cost	
At 1 January 2011	1,627,465
Disposals	(491,000)
At 31 December 2011	<u>1,136,465</u>
Amounts Written Off	
At 1 January 2011 and 31 December 2011	<u>47,111</u>
Net Book Value	
At 31 December 2011	<u>1,089,354</u>
At 31 December 2010	<u>1,580,354</u>

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Duchy Timber Ltd	England	Ordinary shares	51%	Timber merchant
Label-Form Ltd	England	Ordinary shares	55%	Printer
Tamar Labels Ltd	England	Ordinary shares	80%	Printer
Torbay Sawmills (Manufacturing) Ltd	England	Ordinary shares	51%	Dormant

13. Stocks

	2011 £	Group 2010 £	2011 £	Company 2010 £
Stock	<u>982,945</u>	<u>720,324</u>	<u>–</u>	<u>–</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

14. Debtors

	2011	Group 2010	2011	Company 2010
	£	£	£	£
Trade debtors	1,079,349	979,175	-	-
Amounts owed by group undertakings	-	-	55,369	-
Amounts owed by related companies	352,682	-	-	-
Other debtors	149,500	38,673	18,750	22,650
Directors current accounts	127,926	100	120,800	-
Called up share capital not paid	-	-	100	100
Prepayments and accrued income	52,486	41,430	1,974	-
	<u>1,761,943</u>	<u>1,059,378</u>	<u>196,993</u>	<u>22,750</u>

15 Creditors: Amounts falling due within one year

	2011	Group 2010	2011	Company 2010
	£	£	£	£
Bank loans and overdrafts	530,896	351,363	62,027	-
Trade creditors	1,040,786	758,758	-	-
Amounts owed to group undertakings	-	-	31,001	260,174
Hire purchase agreements	196,065	117,051	-	-
Corporation tax	114,782	82,014	-	-
Other taxation and social security	232,708	180,110	-	-
Other creditors	21,936	14,093	117	-
Government grants	41,232	48,508	-	-
Accruals and deferred income	60,546	48,297	1,800	-
	<u>2,238,951</u>	<u>1,600,194</u>	<u>94,945</u>	<u>260,174</u>

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

	2011	Group 2010	2011	Company 2010
	£	£	£	£
Bank loans and overdrafts	530,896	351,363	62,027	-
Hire purchase agreements	196,065	117,051	-	-
	<u>726,961</u>	<u>468,414</u>	<u>62,027</u>	<u>-</u>

16 Creditors: Amounts falling due after more than one year

	2011	Group 2010	2011	Company 2010
	£	£	£	£
Bank loans and overdrafts	917,146	1,663,610	240,000	-
Hire purchase agreements	239,878	216,931	-	-
Other creditors	359,556	227,528	-	-
	<u>1,516,580</u>	<u>2,108,069</u>	<u>240,000</u>	<u>-</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

16. Creditors: Amounts falling due after more than one year *(continued)*

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

	2011	Group	2011	Company
	£	2010	£	2010
	£	£	£	£
Bank loans and overdrafts	917,146	1,663,610	240,000	-
Hire purchase agreements	239,878	216,931	-	-
	<u>1,157,024</u>	<u>1,880,541</u>	<u>240,000</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

	2011	Group	2011	Company
	£	2010	£	2010
	£	£	£	£
Bank loans and overdrafts	385,589	708,859	-	-

17 Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows

	2011	Group	2011	Company
	£	2010	£	2010
	£	£	£	£
Amounts payable within 1 year	196,065	117,051	-	-
Amounts payable between 2 to 5 years	239,878	216,931	-	-
	<u>435,943</u>	<u>333,982</u>	<u>-</u>	<u>-</u>

18 Deferred Taxation

The movement in the deferred taxation provision during the year was

	Group	2011	2010	Company	2011	2010
	2011	2010	2011	2010	2011	2010
	£	£	£	£	£	£
Provision brought forward	116,747	94,722	-	-	-	-
Increase in provision	39,726	22,025	-	-	-	-
Provision carried forward	<u>156,473</u>	<u>116,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Group	2011	2010	2011	2010
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	183,744	-	121,694	-
Tax losses available	(27,271)	-	(4,947)	-
	<u>156,473</u>	<u>-</u>	<u>116,747</u>	<u>-</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

19. Commitments under Operating Leases

At 31 December 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	2011		2010	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	16,000	422	102	-
Within 2 to 5 years	-	13,743	26,262	5,691
After more than 5 years	-	-	16,000	-
	<u>16,000</u>	<u>14,165</u>	<u>42,364</u>	<u>5,691</u>

20. 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 noted this year that would result in this money becoming repayable.

21. Related Party Transactions

On 17 December 2010 A & B High Holdings Limited made loans of £7,550 to each of the three directors involved in the management buy out of Label-Form Limited. During the year £2,550 was repaid from each director and at the year end the amount outstanding for each loan is £5,000.

On 12 April 2011 20% of the share capital of Tamar Labels Limited was sold to Robert Lee (a director of that company) for £nil.

On 22 July 2011 49% of the share capital of Duchy Timber Limited was sold to Timber Projects Limited at market value.

At the year end £10,236 was due from D Adam, a director of Duchy Timber Limited. This amount was repaid after the year end.

During the year the group lent the directors £120,000. Interest of £800 was charged by the company and at the year end the balance due to the company was £120,900 (2010 - £100). This has been repaid post year end.

At the year end £1,100 was owed by the group to D Mellett, £1,100 was owed to S Oliver and £1,100 was owed to S Serls, all directors of Label-Form Limited.

At the year end there is a balance of £352,682 due from Timber Projects Limited. D Adam is a director and shareholder of this company.

22. Share Capital

Allotted, called up and fully paid:

	2011		2010	
	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>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

23 Reserves

Group	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	6,109	1,753,313
Profit for the year	–	380,207
Equity dividends	–	(152,165)
Balance carried forward	<u>6,109</u>	<u>1,981,355</u>

Company	Share premium account	Profit and loss account
	£	£
Balance brought forward	991,500	406,264
Profit for the year	–	1,562,690
Equity dividends	–	(138,965)
Balance carried forward	<u>991,500</u>	<u>1,829,989</u>

Included within the profit and loss reserve is £1,457,159 representing dividends in specie of properties received from Duchy Timber Limited and Label-Form Limited which is not distributable

24 Reconciliation of Movements in Shareholders' Funds

	2011 £	2010 £
Profit for the financial year	380,207	266,444
Equity dividends	(152,165)	(138,158)
Net addition to shareholders' funds	<u>228,042</u>	<u>128,286</u>
Opening shareholders' funds	1,773,022	1,644,736
Closing shareholders' funds	<u>2,001,064</u>	<u>1,773,022</u>

25 Notes to the Cash Flow Statement

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2011 £	2010 £
Operating profit	559,188	585,144
Amortisation	22,500	22,500
Depreciation	363,659	375,045
Loss on disposal of fixed assets	9,373	3,078
Increase in stocks	(262,621)	(73,009)
Increase in debtors	(702,565)	(106,484)
Increase in creditors	479,470	183,401
Net cash inflow from operating activities	<u>469,004</u>	<u>989,675</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

25 Notes to the Cash Flow Statement *(continued)*

Returns on Investments and Servicing of Finance

	2011	2010
	£	£
Interest received	800	4
Interest paid	(158,222)	(140,556)
Interest element of hire purchase	(18,126)	(18,435)
Net cash outflow from returns on investments and servicing of finance	<u>(175,548)</u>	<u>(158,987)</u>

Taxation

	2011	2010
	£	£
Taxation	<u>(86,499)</u>	<u>(7,886)</u>

Capital Expenditure and Financial Investment

	2011	2010
	£	£
Payments to acquire tangible fixed assets	(125,630)	(252,867)
Receipts from sale of fixed assets	135,398	37,196
Disposal of fixed asset investments	548,372	—
Net cash inflow/(outflow) for capital expenditure and financial investment	<u>558,140</u>	<u>(215,671)</u>

Financing

	2011	2010
	£	£
Repayment of bank loans	(891,183)	(579,635)
Capital element of hire purchase	42,718	(40,032)
Net cash outflow from financing	<u>(848,465)</u>	<u>(619,667)</u>

Reconciliation of Net Cash Flow to Movement in Net Debt

	2011	2010
	£	£
Decrease in cash in the period	(235,533)	(150,694)
Net cash outflow from bank loans	891,183	579,635
Cash outflow in respect of hire purchase	(42,718)	40,032
Change in net debt resulting from cash flows	612,932	468,973
New finance leases	(59,243)	—
Movement in net debt in the period	<u>553,689</u>	<u>468,973</u>
Net debt at 1 January 2011	<u>(2,217,438)</u>	<u>(2,686,411)</u>
Net debt at 31 December 2011	<u>(1,663,749)</u>	<u>(2,217,438)</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

25. Notes to the Cash Flow Statement *(continued)*

Analysis of Changes in Net Debt

	At 1 Jan 2011 £	Cash flows £	Other changes £	At 31 Dec 2011 £
Net cash				
Cash in hand and at bank	131,517	88,719	–	220,236
Overdrafts	(80,105)	(324,252)	–	(404,357)
	<u>51,412</u>	<u>(235,533)</u>	<u>–</u>	<u>(184,121)</u>
Debt				
Debt due within 1 year	(271,258)	271,258	(126,539)	(126,539)
Debt due after 1 year	(1,663,610)	619,925	126,539	(917,146)
Hire purchase agreements	(333,982)	(42,718)	(59,243)	(435,943)
	<u>(2,268,850)</u>	<u>848,465</u>	<u>(59,243)</u>	<u>(1,479,628)</u>
Net debt	<u>(2,217,438)</u>	<u>612,932</u>	<u>(59,243)</u>	<u>(1,663,749)</u>

26 Ultimate Controlling Party

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