

A & B High Holdings Limited

**Annual Report
For**

Year Ended 31 December 2012

Company Registration Number 01104546

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A & B High Holdings Limited

Financial Statements

Year Ended 31 December 2012

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A & B High Holdings Limited

The Directors' Report

Year Ended 31 December 2012

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2012

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.

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 purchased 95% of Prism Print and Promotions Limited, a company that produces promotional products. The results of Prism Print and Promotions Limited have been disclosed as an acquired operation in the group accounts.

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 loss for the year, after taxation, amounted to £40,881. 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

26/9/13

A & B High Holdings Limited

Statement of Directors' Responsibilities

Year Ended 31 December 2012

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 2012

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 2012 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. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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 in respect of the Group financial statements was limited.

We are not the appointed auditors of Duchy Timber Limited and were not satisfied with the information provided to us by that company's auditors. However we have been unable to perform sufficient audit procedures ourselves in respect of stock (£651,473) and turnover (£4,267,492). As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning stock 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 2012

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 on the financial statements. 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.

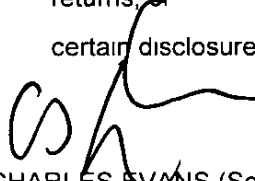
Matters on Which We are Required to Report by Exception

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

26/9/13

A & B High Holdings Limited

Group Profit and Loss Account

Year Ended 31 December 2012

	Note	2012 £	2011 £
Turnover			
Continuing operations		9,352,707	8,727,380
Acquisitions		335,400	–
Group Turnover		9,688,107	8,727,380
Cost of sales	2	(6,885,574)	(6,224,404)
Gross Profit		2,802,533	2,502,976
Net operating expenses	2	2,306,094	1,943,788
Operating Profit.	4		
Continuing operations		505,970	559,188
Acquisitions		(9,531)	–
Group Operating Profit		496,439	559,188
Profit/(loss) on part disposal of investments		–	224,740
		496,439	783,928
Interest receivable and similar income		1,757	800
Interest payable and similar charges	6	(152,378)	(176,348)
Profit on Ordinary Activities Before Taxation		345,818	608,380
Tax on profit on ordinary activities	7	83,857	158,993
(Loss)/Profit on Ordinary Activities after Taxation		261,961	449,387
Minority interests		(77,092)	69,180
Profit for the Financial Year	8	339,053	380,207

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 22 form part of these financial statements.

A & B High Holdings Limited

Group Balance Sheet

31 December 2012

	Note	2012 £	2011 £
Fixed Assets			
Intangible assets	10	120,082	39,375
Tangible assets	11	3,444,733	3,362,604
		<u>3,564,815</u>	<u>3,401,979</u>
Current Assets			
Stocks	13	1,147,688	982,945
Debtors	14	1,248,048	1,761,943
Cash at bank		299,011	220,236
		<u>2,694,747</u>	<u>2,965,124</u>
Creditors: Amounts falling due within one year	15	<u>2,595,247</u>	<u>2,238,951</u>
Net Current Assets		<u>99,500</u>	<u>726,173</u>
Total Assets Less Current Liabilities		<u>3,664,315</u>	<u>4,128,152</u>
Creditors: Amounts falling due after more than one year	16	1,458,708	1,516,580
Provisions for Liabilities			
Deferred taxation	18	145,491	156,473
		<u>2,060,116</u>	<u>2,455,099</u>
Minority Interests		<u>392,341</u>	<u>454,035</u>
		<u>1,667,775</u>	<u>2,001,064</u>
Capital and Reserves			
Called-up equity share capital	23	13,600	13,600
Revaluation reserve	24	6,109	6,109
Profit and loss account	24	1,648,066	1,981,355
Shareholders' Funds	25	<u>1,667,775</u>	<u>2,001,064</u>

These financial statements were approved by the directors and authorised for issue on 26/9/13, and are signed on their behalf by

Mr A High

The notes on pages 9 to 22 form part of these financial statements

A & B High Holdings Limited

Company Balance Sheet

31 December 2012

	Note	2012 £	2011 £
Fixed Assets			
Tangible assets	11	1,766,136	1,803,962
Investments	12	1,444,295	1,089,354
		3,210,431	2,893,316
Current Assets			
Debtors	14	72,077	196,993
Cash at bank		99,455	79,725
		171,532	276,718
Creditors. Amounts falling due within one year	15	65,339	94,945
Net Current Assets		106,193	181,773
Total Assets Less Current Liabilities		3,316,624	3,075,089
Creditors' Amounts falling due after more than one year	16	513,565	240,000
		2,803,059	2,835,089
Capital and Reserves			
Called-up equity share capital	23	13,600	13,600
Share premium account	24	991,500	991,500
Profit and loss account	24	1,797,959	1,829,989
Shareholders' Funds		2,803,059	2,835,089

These financial statements were approved by the directors and authorised for issue on 26/9/13, and are signed on their behalf by

Mr A High

Company Registration Number 01104546

The notes on pages 9 to 22 form part of these financial statements

A & B High Holdings Limited

Group Cash Flow

Year Ended 31 December 2012

	Note	2012 £	2011 £
Net Cash Inflow from Operating Activities	26	1,247,494	469,004
Returns on Investments and Servicing of Finance	26	(150,621)	(175,548)
Taxation	26	(114,544)	(86,499)
Capital Expenditure and Financial Investment	26	(266,107)	558,140
Acquisitions and Disposals	26	(193,126)	—
Equity Dividends Paid		(374,170)	(152,165)
Cash Inflow Before Financing		148,926	612,932
Financing	26	(127,939)	(848,465)
Increase/(Decrease) in Cash	26	<u>20,987</u>	<u>(235,533)</u>

The notes on pages 9 to 22 form part of these financial statements.

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

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.

The group has taken advantage of its entitlement under s479A Companies Act 2006 to exempt the following subsidiaries from audit of their financial statements:

Prism Print and Promotions Limited

A and B High Holdings Limited has accordingly guaranteed the debts of the above subsidiary as at 31 May 2013.

(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

(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 2012

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.

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

2 Analysis of Cost of Sales and Net Operating Expenses

	Continuing operations £	Acquired operations £	Total £
Year Ended 31 December 2012			
Cost of sales	<u>6,747,862</u>	<u>137,712</u>	<u>6,885,574</u>
Administrative expenses	2,126,544	207,219	2,333,763
Other operating income (Note 3)	(27,669)	-	(27,669)
Net operating expenses	<u>2,098,875</u>	<u>207,219</u>	<u>2,306,094</u>
Year Ended 31 December 2011			
Turnover	8,727,380	-	8,727,380
Cost of sales	<u>6,224,404</u>	-	<u>6,224,404</u>
Gross profit	2,502,976	-	2,502,976
Administrative expenses	2,018,739	-	2,018,739
Other operating income (Note 3)	(74,951)	-	(74,951)
Net operating expenses	<u>1,943,788</u>	-	<u>1,943,788</u>
Operating profit	<u>559,188</u>	-	<u>559,188</u>

3. Other Operating Income

	2012 £	2011 £
Rent receivable	20,410	74,951
Other operating income	<u>7,259</u>	<u>-</u>
	<u>27,669</u>	<u>74,951</u>

4. Operating Profit

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Directors' remuneration	-	-
Amortisation of government grants re fixed assets	(41,232)	(48,504)
Amortisation of intangible assets	44,385	22,500
Depreciation of owned fixed assets	297,940	317,448
Depreciation of assets held under hire purchase agreements	57,432	46,211
(Profit)/Loss on disposal of fixed assets	(213)	9,373
Auditor's remuneration		
- audit fees	10,750	9,000
- other fees	10,675	9,750
Operating lease costs		
- Plant and equipment	73,087	72,316
- Other	<u>96,123</u>	<u>95,050</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

5 Particulars of Employees

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

	2012 No	2011 No
Number of production staff	107	98
Number of administrative staff	7	11
	<u>114</u>	<u>109</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	2,274,626	2,069,904
Social security costs	123,762	118,541
Other pension costs	488	205
	<u>2,398,876</u>	<u>2,188,650</u>

6. Interest Payable and Similar Charges

	2012 £	2011 £
Interest payable on bank borrowing	130,611	158,222
Finance charges	21,767	18,126
	<u>152,378</u>	<u>176,348</u>

7. Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 20% (2011 - 20/21%)	95,077	119,980
(Over)/under provision in prior year	(238)	(713)
Total current tax	<u>94,839</u>	<u>119,267</u>
Deferred tax		
Origination and reversal of timing differences	(10,982)	39,726
Tax on profit on ordinary activities	<u>83,857</u>	<u>158,993</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

7. Taxation on Ordinary Activities *(continued)*

(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 20% (2011 - 21%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>47,646</u>	<u>608,380</u>
Profit on ordinary activities by rate of tax	84,725	158,179
Expenses not deductible for tax purposes	1,525	2,324
Depreciation in excess of capital allowances for the year	8,827	7,892
Marginal relief	-	(4,397)
Income not chargeable for tax purposes	-	(45,444)
Prior year under/over provision	(238)	713
Total current tax (note 7(a))	<u>94,839</u>	<u>119,267</u>

8 Profit Attributable to Members of the Parent Company

The profit dealt with in the financial statements of the parent company was £226,831 (2011 - £1,562,690)

9 Dividends

Equity dividends

	2012 £	2011 £
Paid		
Equity dividends on ordinary shares	<u>374,170</u>	<u>152,165</u>

10. Intangible Fixed Assets

Group	Goodwill £
Cost	
At 1 January 2012	225,000
Additions	125,092
At 31 December 2012	<u>350,092</u>
Amortisation	
At 1 January 2012	185,625
Charge for the year	44,385
At 31 December 2012	<u>230,010</u>
Net Book Value	
At 31 December 2012	<u>120,082</u>
At 31 December 2011	<u>39,375</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

11 Tangible Fixed Assets

Group	Brought forward 1 Jan 12 £	Additions £	Disposals £	Carried forward 31 Dec 12 £
Cost or Valuation				
Freehold Property	1,487,410	—	—	1,487,410
Plant & Machinery	4,459,784	414,769	(90,422)	4,784,131
Fixtures & Fittings	269,424	32,854	—	302,278
Motor Vehicles	179,472	—	(41,629)	137,843
Equipment	41,613	8,370	(4,224)	45,759
Leasehold Property	583,558	—	—	583,558
Investment Property	292,305	—	—	292,305
	<u>7,313,566</u>	<u>455,993</u>	<u>(136,275)</u>	<u>7,633,284</u>
Group	Brought forward 1 Jan 12 £	Charges £	Disposals £	Carried forward 31 Dec 12 £
Depreciation				
Freehold Property	(422,996)	(26,162)	—	(449,158)
Plant & Machinery	(3,061,924)	(272,167)	89,228	(3,244,863)
Fixtures & Fittings	(208,158)	(13,693)	—	(221,851)
Motor Vehicles	(83,993)	(27,905)	24,334	(87,564)
Equipment	(37,086)	(3,782)	4,222	(36,646)
Leasehold Property	(136,805)	(11,664)	—	(148,469)
Investment Property	—	—	—	—
	<u>(3,950,962)</u>	<u>(355,373)</u>	<u>117,784</u>	<u>(4,188,551)</u>
Group			Brought forward 1 Jan 12 £	Carried forward 31 Dec 12 £
Net Book Value				
Freehold Property			1,064,414	1,038,252
Plant & Machinery			1,397,860	1,539,268
Fixtures & Fittings			61,266	80,427
Motor Vehicles			95,479	50,279
Equipment			4,527	9,113
Leasehold Property			446,753	435,089
Investment Property			292,305	292,305
			<u>3,362,604</u>	<u>3,444,733</u>

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

	2012 £	2011 £
Net book value at end of year	<u>292,305</u>	<u>292,305</u>
Historical cost	<u>286,196</u>	<u>286,196</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

11 Tangible Fixed Assets *(continued)*

Hire purchase agreements

Included within the net book value of £3,444,733 is £309,610 (2011 - £185,729) 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 £57,432 (2011 - £46,211)

Capital commitments

	2012 £	2011 £
Contracted but not provided for in the financial statements	-	119,500

Company	Brought forward 1 Jan 12 £	Additions £	Disposals £	Carried forward 31 Dec 12 £
Cost or Valuation				
Freehold Property	1,094,569	-	-	1,094,569
Leasehold Property	445,192	-	-	445,192
Investment Property	292,305	-	-	292,305
	<u>1,832,066</u>	<u>-</u>	<u>-</u>	<u>1,832,066</u>

Company	Brought forward 1 Jan 12 £	Charges £	Disposals £	Carried forward 31 Dec 12 £
Depreciation				
Freehold Property	(26,160)	(26,162)	-	(52,322)
Leasehold Property	(1,944)	(11,664)	-	(13,608)
Investment Property	-	-	-	-
	<u>(28,104)</u>	<u>(37,826)</u>	<u>-</u>	<u>(65,930)</u>

Company	Brought forward 1 Jan 12 £	Carried forward 31 Dec 12 £
Net Book Value		
Freehold Property	1,068,409	1,042,247
Leasehold Property	443,248	431,584
Investment Property	292,305	292,305
	<u>1,803,962</u>	<u>1,766,136</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

12 Investments

Company	Total £
Cost	
At 1 January 2012	1,136,465
Additions	354,941
Disposals	(31,000)
At 31 December 2012	<u>1,460,406</u>
Amounts Written Off	
At 1 January 2012	47,111
Written off in prior years written back	(31,000)
At 31 December 2012	<u>16,111</u>
Net Book Value	
At 31 December 2012	<u>1,444,295</u>
At 31 December 2011	<u>1,089,354</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
Prism Print & Promotions Limited	England	Ordinary shares	95%	Production of promotional products

13 Stocks

	2012 £	Group 2011 £	2012 £	Company 2011 £
Stock	<u>1,147,688</u>	<u>982,945</u>	<u>-</u>	<u>-</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

14 Debtors

	2012	Group	2012	Company
	£	2011	£	2011
	£	£	£	£
Trade debtors	1,039,772	1,079,349	—	—
Amounts owed by group undertakings	—	—	52,498	55,369
Amounts owed by related undertakings	—	352,682	—	—
Other debtors	105,937	149,500	18,750	18,750
Directors current accounts	100	127,926	—	120,800
Called up share capital not paid	—	—	100	100
Prepayments and accrued income	102,239	52,486	729	1,974
	<u>1,248,048</u>	<u>1,761,943</u>	<u>72,077</u>	<u>196,993</u>

15. Creditors: Amounts falling due within one year

	2012	Group	2012	Company
	£	2011	£	2011
	£	£	£	£
Bank loans and overdrafts	553,892	530,896	15,518	62,027
Trade creditors	1,324,324	1,040,786	—	—
Amounts owed to group undertakings	—	—	31,000	31,001
Hire purchase agreements	192,854	196,065	—	—
Corporation tax	95,077	114,782	15,115	—
Other taxation and social security	188,835	232,708	—	—
Other creditors	122,196	21,936	206	117
Government grants	35,048	41,232	—	—
Other creditors	744	—	—	—
Accruals and deferred income	82,277	60,546	3,500	1,800
	<u>2,595,247</u>	<u>2,238,951</u>	<u>65,339</u>	<u>94,945</u>

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

	2012	Group	2012	Company
	£	2011	£	2011
	£	£	£	£
Bank loans and overdrafts	553,890	530,896	15,517	62,027
Hire purchase agreements	192,854	196,065	—	—
	<u>746,744</u>	<u>726,961</u>	<u>15,517</u>	<u>62,027</u>

16. Creditors Amounts falling due after more than one year

	2012	Group	2012	Company
	£	2011	£	2011
	£	£	£	£
Bank loans and overdrafts	1,075,399	917,146	513,565	240,000
Hire purchase agreements	159,525	239,878	—	—
Other creditors	223,784	359,556	—	—
	<u>1,458,708</u>	<u>1,516,580</u>	<u>513,565</u>	<u>240,000</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

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

	2012	Group	2012	Company
	£	2011	£	2011
		£		£
Bank loans and overdrafts	1,075,399	917,146	513,565	240,000
Hire purchase agreements	159,525	239,878	-	-
	<u>1,234,924</u>	<u>1,157,024</u>	<u>513,565</u>	<u>240,000</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

	2012	Group	2012	Company
	£	2011	£	2011
		£		£
Bank loans and overdrafts	315,879	385,589	-	-

17 Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows

	2012	Group	2012	Company
	£	2011	£	2011
		£		£
Amounts payable within 1 year	(192,854)	(196,065)	-	-
Amounts payable between 2 to 5 years	(159,525)	(239,878)	-	-
	<u>(352,379)</u>	<u>(435,943)</u>	<u>-</u>	<u>-</u>

18 Deferred Taxation

The movement in the deferred taxation provision during the year was

	Group	Group	Company	Company
	2012	2011	2012	2011
	£	£	£	£
Provision brought forward	156,473	116,747	-	-
(Decrease)/Increase in provision	(10,982)	39,726	-	-
Provision carried forward	<u>145,491</u>	<u>156,473</u>	<u>-</u>	<u>-</u>

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

Group	2012	2011	2012	2011
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	163,477	-	183,744	-
Tax losses available	(17,986)	-	(27,271)	-
	<u>145,491</u>	<u>-</u>	<u>156,473</u>	<u>-</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

19. Commitments under Operating Leases

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	2012		2011	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	21,691	-	16,000	422
Within 2 to 5 years	-	5,459	-	13,743
	<u>21,691</u>	<u>5,459</u>	<u>16,000</u>	<u>14,165</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. Financial Instruments

During the year, the company used an interest rate swap to hedge their 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.

22. Related Party Transactions

At the year end £267 (2011 - £127,926) was owed by the group to the directors.

At the year end D Mellett, S Serls and S Oliver, all directors of Label-Form Limited, each owe the group £5,000 (2011 - £5,000).

At the year end R Lee, a director of Tamar Labels Limited owed the group £10,000 (2011 - £nil). Advances of £10,000 were made during the year.

At the year end £744 was due from the group to D Adam, a director of Duchy Timber Limited (2011 - £10,326 owed to the group).

At the year end there is a balance of £298,172 (2011 - £352,682) due from Timber Projects Limited, against which full provision has been made to reflect the uncertainty of its recoverability. D Adam is a director and shareholder of this company.

23. Share Capital

Allotted, called up and fully paid

	2012		2011	
	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 2012

24. Reserves

Group	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	6,109	1,981,355
Profit for the year	–	40,881
Equity dividends	–	(374,170)
Balance carried forward	<u>6,109</u>	<u>1,648,066</u>

Company	Share premium account	Profit and loss account
	£	£
Balance brought forward	991,500	1,829,989
Profit for the year	–	226,831
Equity dividends	–	(258,861)
Balance carried forward	<u>991,500</u>	<u>1,797,959</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

25 Reconciliation of Movements in Shareholders' Funds

	2012	2011
	£	£
Profit for the financial year	40,881	380,207
Equity dividends	(374,170)	(152,165)
Net (reduction)/addition to shareholders' funds	(333,289)	228,042
Opening shareholders' funds	2,001,064	1,773,022
Closing shareholders' funds	<u>1,667,775</u>	<u>2,001,064</u>

26 Notes to the Cash Flow Statement

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2012	2011
	£	£
Operating profit	198,267	559,188
Amortisation	44,385	22,500
Depreciation	355,373	363,659
(Profit)/Loss on disposal of fixed assets	(213)	9,373
Increase in stocks	(125,641)	(262,621)
Decrease/(increase) in debtors	624,863	(702,565)
Increase in creditors	150,460	479,470
Net cash inflow from operating activities	<u>1,247,494</u>	<u>469,004</u>

Returns on Investments and Servicing of Finance

	2012	2011
	£	£
Interest received	1,757	800
Interest paid	(130,611)	(158,222)
Interest element of hire purchase	(21,767)	(18,126)
Net cash outflow from returns on investments and servicing of finance	<u>(150,621)</u>	<u>(175,548)</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

26. Notes to the Cash Flow Statement (continued)

Taxation

	2012 £	2011 £
Taxation	<u>(114,544)</u>	<u>(86,499)</u>

Capital Expenditure and Financial Investment

	2012 £	2011 £
Payments to acquire intangible fixed assets	(12,723)	–
Payments to acquire tangible fixed assets	(272,088)	(125,630)
Receipts from sale of fixed assets	18,704	135,398
Disposal of fixed asset investments	–	548,372
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(266,107)</u>	<u>558,140</u>

Acquisitions and Disposals

	2012 £	2011 £
Cash paid to acquire subsidiaries	(354,941)	–
Net cash acquired with subsidiary	161,815	–
Net cash outflow from acquisitions and disposals	<u>(193,126)</u>	<u>–</u>

Financing

	2012 £	2011 £
Increase in/(repayment of) bank loans	123,461	(891,183)
Capital element of hire purchase	(251,400)	42,718
Net cash outflow from financing	<u>(127,939)</u>	<u>(848,465)</u>

Reconciliation of Net Cash Flow to Movement in Net Debt

	2012 £	2011 £
Increase/(decrease) in cash in the period	20,987	(235,533)
Net cash (inflow) from/outflow from bank loans	(123,461)	891,183
Cash outflow in respect of hire purchase	251,400	(42,718)
Change in net debt resulting from cash flows	148,926	612,932
New finance leases	(167,836)	(59,243)
Movement in net debt in the period	<u>(18,910)</u>	<u>553,689</u>
Net debt at 1 January 2012	<u>(1,663,749)</u>	<u>(2,217,438)</u>
Net debt at 31 December 2012	<u>(1,682,659)</u>	<u>(1,663,749)</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2012

26. Notes to the Cash Flow Statement (continued)

Analysis of Changes in Net Debt

	At 1 Jan 2012 £	Cash flows £	Other changes £	At 31 Dec 2012 £
Net cash				
Cash in hand and at bank	220,236	78,775	–	299,011
Overdrafts	(404,357)	(57,788)	–	(462,145)
	<u>(184,121)</u>	<u>20,987</u>	<u>–</u>	<u>(163,134)</u>
Debt				
Debt due within 1 year	(126,539)	126,539	(91,747)	(91,747)
Debt due after 1 year	(917,146)	(250,000)	91,747	(1,075,399)
Hire purchase agreements	(435,943)	251,400	(167,836)	(352,379)
	<u>(1,479,628)</u>	<u>127,939</u>	<u>(167,836)</u>	<u>(1,519,525)</u>
Net debt	<u>(1,663,749)</u>	<u>148,926</u>	<u>(167,836)</u>	<u>(1,682,659)</u>

27. Acquisitions and Disposals

On 27th April 2012 A & B High Holdings Limited acquired 95% of the share capital of Prism Print and Promotions Limited for a total consideration of £354,941

The trading activity of Prism Print and Promotions limited is disclosed in the Profit and Loss statement and the associated notes as acquired operations

	Fair value and book value £
Cash	161,815
Goodwill	50,000
Tangible fixed assets	16,069
Stocks	39,102
Debtors	110,968
Creditors	(69,984)
	<u>307,970</u>
Minority interest	(15,398)
Goodwill acquired	<u>62,369</u>
Satisfied by Consideration on acquisition	<u>354,941</u>

28 Ultimate Controlling Party

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



Companies House
— for the record —

COMPANY NAME: A&B HIGH HOLDINGS LIMITED
COMPANY NUMBER: 11045463

These accounts were incorrectly registered on company number 5054833 -
PRISM PRINT AND PROMOTIONS LIMITED