

A & B High Holdings Limited
Annual Report
For
Year Ended 31 December 2009

Company Registration Number 01104546

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A & B High Holdings Limited

Financial Statements

Year Ended 31 December 2009

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 Statement of Total Recognised Gains and Losses	6
Group Balance Sheet	7
Company Balance Sheet	8
Group Cash Flow	9
Notes to the Financial Statements	10

A & B High Holdings Limited

The Directors' Report

Year Ended 31 December 2009

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2009

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 difficult trading conditions the directors are pleased to report that the company has responded well following the decisive actions taken during 2008

The printing arm of the group has remained strong throughout the year and continues to produce strong trading results. The timber section of the group has endured difficult trading conditions due to reduce construction activity around the area

Cash flow once again this year has required careful monitoring, as customers seek longer trading terms whilst suppliers have pushed for earlier payment

During 2009 the group has continued to monitor its costs prudently and ensure it is receiving appropriate value for more discretionary expenditure such as advertising. This enabled the group to manage its cash flow effectively

The group's balance sheet continues to hold significant reserves which have been maintained over the last twelve months

The directors believe the group is now well positioned, having weathered the worst of the recession, to take advantage of the opportunities available as the industry begins to recover

Results and Dividends

The profit for the year amounted to £16,983. 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

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

28 September 2010

A & B High Holdings Limited

Statement of Directors' Responsibilities

Year Ended 31 December 2009

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 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 group'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 2009

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 2009 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 group 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 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.

However, the evidence available to us was limited as a full stock take was not performed on 30 November 2008, so we were unable to verify the quantity of stock in existence at this date. In consequence, we were unable to carry out all the audit procedures necessary to obtain adequate assurance regarding the opening valuation of stock of £523,646 on the balance sheet. Any adjustment to this figure would have a consequential effect on the profit for the period 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 2009

Opinion on Financial Statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

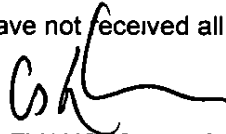
Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the 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

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



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

29/9/10

A & B High Holdings Limited

Group Profit and Loss Account

Year Ended 31 December 2009

		2009	Unaudited 2008 (restated)
	Note	£	£
Turnover	2	8,099,597	6,501,851
Cost of sales		5,909,029	4,556,260
Gross Profit		2,190,568	1,945,591
Distribution Costs		3,053	3,182
Administrative expenses		2,110,836	1,877,868
Other operating income	3	(50,589)	(37,237)
Operating Profit	4	127,268	101,778
Interest receivable and similar income		48,152	40,994
Interest payable and similar charges	7	(194,847)	(178,472)
Loss on Ordinary Activities Before Taxation		(19,427)	(35,700)
Tax on loss on ordinary activities	8	(31,441)	10,655
Profit/(Loss) on Ordinary Activities after Taxation		12,014	(46,355)
Minority interests		(3,316)	(6,815)
Profit/(Loss) Attributable to Members of the Parent Company	9	15,330	(39,540)
Profit/(Loss) for the Financial Year		15,330	(39,540)

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 2009

	2009	Unaudited 2008 (restated)
	£	£
Profit/(Loss) for the financial year attributable to the shareholders of the parent company	15,330	(39,540)
Total recognised gains and losses relating to the year	15,330	(39,540)
Prior year adjustment	20,000	—
Total gains and losses recognised since the last annual report	35,330	(39,540)

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

A & B High Holdings Limited

Group Balance Sheet

31 December 2009

		2009	Unaudited 2008 (restated)
	Note	£	£
Fixed Assets			
Intangible assets	11	84,375	112,500
Tangible assets	12	3,848,613	4,108,672
		<u>3,932,988</u>	<u>4,221,172</u>
Current Assets			
Stocks	14	647,315	894,166
Debtors	15	952,894	1,231,331
Cash at bank and in hand		338,002	223,834
		<u>1,938,211</u>	<u>2,349,331</u>
Creditors: Amounts falling due within one year	16	<u>1,371,490</u>	<u>1,798,367</u>
Net Current Assets		<u>566,721</u>	<u>550,964</u>
Total Assets Less Current Liabilities		<u>4,499,709</u>	<u>4,772,136</u>
Creditors: Amounts falling due after more than one year	17	2,754,702	2,944,395
Provisions for Liabilities			
Deferred taxation	19	94,722	109,352
		<u>1,650,285</u>	<u>1,718,389</u>
Minority Interests		<u>5,549</u>	<u>8,865</u>
		<u>1,644,736</u>	<u>1,709,524</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	1,625,027	1,689,815
Shareholders' Funds	25	<u>1,644,736</u>	<u>1,709,524</u>

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

28 September 2010
Mr 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 2009

		2009	Unaudited 2008 (restated)
	Note	£	£
Fixed Assets			
Investments	13	<u>1,686,062</u>	<u>1,733,173</u>
Current Assets			
Stocks	14	—	—
Debtors	15	<u>100</u>	<u>100</u>
		100	100
Creditors: Amounts falling due within one year	16	<u>603,173</u>	<u>728,173</u>
Net Current Liabilities		<u>(603,073)</u>	<u>(728,073)</u>
Total Assets Less Current Liabilities		<u>1,082,989</u>	<u>1,005,100</u>
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	<u>77,889</u>	<u>—</u>
Shareholders' Funds		<u>1,082,989</u>	<u>1,005,100</u>

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

Mr A High

28 September 2010

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 2009

		2009	Unaudited 2008 (restated)
	Note	£	£
Net Cash Inflow from Operating Activities	26	571,279	866,421
Returns on Investments and Servicing of Finance	26	(146,695)	(137,478)
Taxation	26	8,579	–
Capital Expenditure and Financial Investment	26	(217,550)	(2,106,906)
Equity Dividends Paid		(80,118)	(71,838)
Cash Inflow Before Financing		135,495	(1,449,801)
Financing	26	5,333	1,432,958
Increase in Cash	26	<u>140,828</u>	<u>16,843</u>

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 2009

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. 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

(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 2009

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, except as required by the FRSSE

(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) Prior year adjustment

During the year an adjustment was made to the 2008 A & B High Limited accounts to amend the closing value of finished stock. The adjustment resulted in a reduction in the reserves of £20,000

(p) 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

	2009	Unaudited 2008 <i>(restated)</i>
	£	£
Rent receivable	50,514	37,052
Other operating income	75	185
	<u>50,589</u>	<u>37,237</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2009

4. Operating Profit

Operating profit is stated after charging/(crediting)

	2009	Unaudited 2008 (restated)
	£	£
Amortisation of government grants re fixed assets	(67,139)	(69,824)
Amortisation of intangible assets	28,125	22,500
Depreciation of owned fixed assets	381,121	367,717
Depreciation of assets held under hire purchase agreements	93,565	84,839
Loss on disposal of fixed assets	2,923	17,978
Auditor's remuneration		
- audit fees	9,000	-
- accountancy fees	28,785	19,120
Operating lease costs		
- Plant and equipment	71,123	58,849
- Other	82,590	56,978

5. Particulars of Employees

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

	2009	Unaudited 2008 (restated)
	No	No
Number of production staff	130	132
Number of administrative staff	16	16
	<u>146</u>	<u>148</u>

The aggregate payroll costs of the above were

	2009	Unaudited 2008 (restated)
	£	£
Wages and salaries	2,117,279	1,924,083
Social security costs	121,364	125,725
Other pension costs	7,855	8,805
	<u>2,246,498</u>	<u>2,058,613</u>

6. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2009	Unaudited 2008 (restated)
	£	£
Remuneration receivable	164,378	226,157
Value of group pension contributions to money purchase schemes	7,650	8,600
	<u>172,028</u>	<u>234,757</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2009

6. Directors' Remuneration *(continued)*

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

	2009	Unaudited 2008 <i>(restated)</i>
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

7. Interest Payable and Similar Charges

	2009	Unaudited 2008 <i>(restated)</i>
	£	£
Interest payable on bank borrowing	116,240	109,382
Finance charges	29,946	24,892
Other similar charges payable	48,661	44,198
	<u>194,847</u>	<u>178,472</u>

8. Taxation on Ordinary Activities

Analysis of charge in the year

	2009	Unaudited 2008 <i>(restated)</i>
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2008 - 21%)	11,946	16,118
(Over)/under provision in prior year	(28,757)	-
Total current tax	<u>(16,811)</u>	<u>16,118</u>
Deferred tax		
Origination and reversal of timing differences	(14,630)	(5,463)
Tax on loss on ordinary activities	<u>(31,441)</u>	<u>10,655</u>

9. Profit Attributable to Members of the Parent Group

The profit dealt with in the financial statements of the parent group was £158,007 (2008 - £nil)

10. Dividends

Equity dividends

	2009	Unaudited 2008 <i>(restated)</i>
	£	£
Paid		
Equity dividends on ordinary shares	<u>80,118</u>	<u>71,838</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2009

11. Intangible Fixed Assets

Group	Goodwill £
Cost	
At 1 January 2009 and 31 December 2009	<u>225,000</u>
Amortisation	
At 1 January 2009	112,500
Charge for the year	<u>28,125</u>
At 31 December 2009	<u>140,625</u>
Net Book Value	
At 31 December 2009	<u>84,375</u>
At 31 December 2008	<u>112,500</u>

12. Tangible Fixed Assets

Group	Brought forward 1 Jan 09 £	Additions £	Disposals £	Transfers £	Carried forward 31 Dec 09 £
Cost or Valuation					
Freehold Property	1,264,281	3,353	—	219,778	1,487,412
Plant & Machinery	4,403,569	106,695	(24,303)	—	4,485,961
Fixtures & Fittings	245,529	36,316	(5,663)	—	276,182
Motor Vehicles	144,931	81,655	(30,502)	—	196,084
Equipment	44,169	2,839	(5,356)	—	41,652
Leasehold Property	583,558	—	—	—	583,558
Investment Property	507,934	—	—	(219,778)	288,156
	<u>7,193,971</u>	<u>230,858</u>	<u>(65,824)</u>	<u>—</u>	<u>7,359,005</u>
Group	Brought forward 1 Jan 09 £	Charges £	Disposals £		Carried forward 31 Dec 09 £
Depreciation					
Freehold Property	(327,282)	(27,176)	—		(354,458)
Plant & Machinery	(2,360,619)	(380,791)	12,878		(2,728,532)
Fixtures & Fittings	(180,679)	(15,652)	5,664		(190,667)
Motor Vehicles	(69,534)	(38,739)	25,694		(82,579)
Equipment	(30,145)	(4,801)	5,357		(29,589)
Leasehold Property	(117,040)	(7,527)	—		(124,567)
Investment Property	—	—	—		—
	<u>(3,085,299)</u>	<u>(474,686)</u>	<u>49,593</u>		<u>(3,510,392)</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2009

12. Tangible Fixed Assets (continued)

Group	Brought forward 1 Jan 09 £	Carried forward 31 Dec 09 £
Net Book Value		
Freehold Property	936,999	1,132,954
Plant & Machinery	2,042,950	1,757,429
Fixtures & Fittings	64,850	85,515
Motor Vehicles	75,397	113,505
Equipment	14,024	12,063
Leasehold Property	466,518	458,991
Investment Property	507,934	288,156
	4,108,672	3,848,613

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

	2009 £	2008 £
Net book value at end of year	507,934	507,934
Historical cost	501,825	501,825

Hire purchase agreements

Included within the net book value of £3,848,613 is £362,255 (2008 - £432,974) 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 £93,565 (2008 - £84,839)

13. Investments

	£
Cost	
At 1 January 2009 and 31 December 2009	1,733,173
Amounts Written Off	
Written off in year	47,111
At 31 December 2009	47,111
Net Book Value	
At 31 December 2009	1,686,062
At 31 December 2008	1,733,173

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2009

13. Investments (continued)

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

14. Stocks

	2009	Unaudited Group 2008 (restated)	2009	Unaudited Company 2008 (restated)
	£	£	£	£
Raw materials	233,556	356,822	—	—
Work in progress	27,317	32,126	—	—
Finished goods	386,442	505,218	—	—
	<u>647,315</u>	<u>894,166</u>	<u>—</u>	<u>—</u>

15. Debtors

	2009	Unaudited Group 2008 (restated)	2009	Unaudited Company 2008 (restated)
	£	£	£	£
Trade debtors	909,668	1,053,689	—	—
Other debtors	6,060	133,908	—	—
Called up share capital not paid	100	100	100	100
Prepayments and accrued income	37,066	43,634	—	—
	<u>952,894</u>	<u>1,231,331</u>	<u>100</u>	<u>100</u>

16. Creditors: Amounts falling due within one year

	2009	Unaudited Group 2008 (restated)	2009	Unaudited Company 2008 (restated)
	£	£	£	£
Bank loans and overdrafts	497,385	410,976	—	—
Payments received on account	285	15,138	—	—
Trade creditors	478,235	567,166	—	—
Amounts owed to group undertakings	—	—	603,173	603,173
Hire purchase agreements	95,712	84,130	—	—
Directors' loan accounts	—	156,421	—	—
Corporation tax	7,886	16,118	—	—
Other taxation and social security	168,379	180,416	—	—
Other creditors	76,162	262,220	—	125,000
Accruals and deferred income	47,445	105,782	—	—
	<u>1,371,490</u>	<u>1,798,367</u>	<u>603,173</u>	<u>728,173</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2009

16. Creditors: Amounts falling due within 1 year (continued)

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

	2009	Unaudited Group 2008 (restated)	2009	Unaudited Company 2008 (restated)
	£	£	£	£
Bank loans and overdrafts	497,385	410,976	-	-
Hire purchase agreements	95,712	84,130	-	-
	<u>593,097</u>	<u>495,106</u>	<u>-</u>	<u>-</u>

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

	2009	Unaudited Group 2008 (restated)	2009	Unaudited Company 2008 (restated)
	£	£	£	£
Bank loans	2,153,014	2,250,858	-	-
Hire purchase agreements	278,302	299,776	-	-
Other creditors	-	57,444	-	-
Government grants	323,386	336,316	-	-
	<u>2,754,702</u>	<u>2,944,395</u>	<u>-</u>	<u>-</u>

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

	2009	Unaudited Group 2008 (restated)	2009	Unaudited Company 2008 (restated)
	£	£	£	£
Bank loans	2,153,014	2,250,858	-	-
Hire purchase agreements	278,302	299,776	-	-
	<u>2,431,316</u>	<u>2,550,634</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

	2009	Unaudited Group 2008 (restated)	2009	Unaudited Company 2008 (restated)
	£	£	£	£
Bank loans and overdrafts	941,283	1,069,271	-	-

18. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows

	2009	Unaudited Group 2008 (restated)	2009	Unaudited Company 2008 (restated)
	£	£	£	£
Amounts payable within 1 year	95,712	84,130	-	-
Amounts payable between 2 to 5 years	278,302	299,776	-	-
	<u>374,014</u>	<u>383,906</u>	<u>-</u>	<u>-</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2009

19. Deferred Taxation

The movement in the deferred taxation provision during the year was

	Unaudited		Unaudited	
	Group		Company	
	2009	2008 (restated)	2009	2008 (restated)
	£	£	£	£
Provision brought forward	109,352	114,815	-	-
Decrease in provision	(14,630)	(5,463)	-	-
Provision carried forward	<u>94,722</u>	<u>109,352</u>	<u>-</u>	<u>-</u>

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

Group	2009		Unaudited 2008	
	Provided	Unprovided	Provided (restated)	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	94,427	-	109,646	-
Other timing differences	295	-	(294)	-
	<u>94,722</u>	<u>-</u>	<u>109,352</u>	<u>-</u>

20. Commitments under Operating Leases

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below

Group	2009		Unaudited 2008	
	Land and buildings	Other items	Land and buildings (restated)	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	-	2,532	-	5,257
Within 2 to 5 years	-	1,372	-	3,475
After more than 5 years	16,000	-	16,000	-
	<u>17,372</u>	<u>3,904</u>	<u>16,000</u>	<u>8,732</u>

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.

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2009

22. 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.

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.

23. Share Capital

Allotted and called up:

	2009		Unaudited 2008 (restated)	
	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:

	2009	Unaudited 2008 (restated)
	£	£
Ordinary shares	<u>100</u>	<u>100</u>

24. Reserves

Group	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward as previously reported	6,109	1,689,815
Profit for the year	–	15,330
Equity dividends	–	(80,118)
Balance carried forward	<u>6,109</u>	<u>1,625,027</u>
Company	Share premium account	Profit and loss account
	£	£
Balance brought forward as previously reported	991,500	–
Profit for the year	–	158,007
Equity dividends	–	(80,118)
Balance carried forward	<u>991,500</u>	<u>77,889</u>

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2009

25. Reconciliation of Movements in Shareholders' Funds

	2009	Unaudited 2008 (restated)
	£	£
Profit/(Loss) for the financial year	16,983	(39,540)
New ordinary share capital subscribed	–	100
Equity dividends	(80,118)	(71,838)
Net reduction to shareholders' funds	(63,135)	(111,278)
Opening shareholders' funds	1,709,524	1,820,802
Closing shareholders' funds	1,646,389	1,709,524

26. Notes to the Cash Flow Statement

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2009	Unaudited 2008 (restated)
	£	£
Operating profit	127,268	101,778
Amortisation	28,125	22,500
Depreciation	474,686	213,968
Loss on disposal of fixed assets	2,923	–
Decrease/(increase) in stocks	246,851	(387,978)
Decrease in debtors	278,467	(1,306)
(Decrease)/increase in creditors	(587,041)	917,459
Net cash inflow from operating activities	571,279	886,421

Returns on Investments and Servicing of Finance

	2009	Unaudited 2008 (restated)
	£	£
Interest received	48,152	40,994
Interest paid	(164,901)	(153,580)
Interest element of hire purchase	(29,946)	(24,892)
Net cash outflow from returns on investments and servicing of finance	(146,695)	(137,478)

Taxation

	2009	Unaudited 2008 (restated)
	£	£
Taxation	8,579	–

Capital Expenditure

	2009	Unaudited 2008 (restated)
	£	£
Payments to acquire tangible fixed assets	(230,858)	(2,106,906)
Receipts from sale of fixed assets	13,308	–
Net cash outflow from capital expenditure	(217,550)	(2,106,906)

A & B High Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2009

26. Notes to the Cash Flow Statement (continued)

Financing

	2009	Unaudited 2008 (restated)
	£	£
Increase in bank loans	15,225	1,102,058
Capital element of hire purchase	(9,892)	330,900
Net cash inflow from financing	<u>5,333</u>	<u>1,432,958</u>

Reconciliation of Net Cash Flow to Movement in Net Debt

	2009	Unaudited 2008 (restated)
	£	£
Increase in cash in the period	140,828	(16,843)
Net cash (inflow) from bank loans	(15,225)	(1,102,158)
Cash outflow in respect of hire purchase	9,892	(330,900)
	<u>135,495</u>	<u>(1,432,958)</u>
Change in net debt	135,495	(1,449,801)
Net debt at 1 January 2009	(2,821,906)	(1,372,105)
Net debt at 31 December 2009	<u>(2,686,411)</u>	<u>(2,821,906)</u>

Analysis of Changes in Net Debt

	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £
Net cash			
Cash in hand and at bank	223,834	114,168	338,002
Overdrafts	(162,556)	26,660	(135,896)
	<u>61,278</u>	<u>140,828</u>	<u>202,106</u>
Debt			
Debt due within 1 year	(248,420)	(113,069)	(361,489)
Debt due after 1 year	(2,250,858)	97,844	(2,153,014)
Hire purchase agreements	(383,906)	9,892	(374,014)
	<u>(2,883,184)</u>	<u>(5,333)</u>	<u>(2,885,517)</u>
Net debt	<u>(2,821,906)</u>	<u>135,495</u>	<u>(2,686,411)</u>