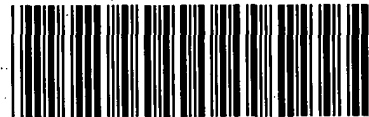


# **A & B High Holdings Limited**

**Annual Report  
Year Ended 31 December 2013**

**Company Registration Number 01104546**

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# **A & B High Holdings Limited**

## **Financial Statements**

**Year Ended 31 December 2013**

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# A & B High Holdings Limited

## Strategic Report

Year Ended 31 December 2013

### Business Review

Duchy Timber Limited, a subsidiary of the group, became insolvent during the year. For this reason Duchy Timber Limited is not consolidated in these accounts. The comparative numbers include the results, assets and liabilities of Duchy Timber Limited. These accounts show the amount written off the investment of £81,713.

During November 2013 Kernow Timber, a wholly owned subsidiary of the group, acquired the trade and assets of Duchy Timber Limited from the administrators for £325,000. No trading activity is shown in these results as the directors consider this to be immaterial to the group's results.

Other trade within the group has shown better results. The turnover for the printing divisions has increased from £5,654,000 in 2012 to £5,827,000 in 2013. The margins in this sector are being continually squeezed and the group continues to monitor cash flow and profit margins on all jobs in this division.

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

### Principal Risks and Uncertainties

The principal risk facing the group in the printing divisions of the business remains the threat of their competition. The printing industry is constantly evolving with newer technology becoming available to improve the quality of the product at lower costs. The group is in an extremely competitive sector and has to price jobs competitively to win the work. To mitigate this risk, management and staff continually monitor the efficiencies in the production processes and the sales team work tirelessly to ensure that the production volumes ordered by customers are sufficient to ensure both the business and its customers get maximum value for their money.

The principal risk facing the group in the timber merchant division of the business is also the threat of competition from larger national timber merchants and online suppliers. To mitigate this risk, the group constantly reviews its pricing and costs to ensure its customers get maximum value for their money.

Finally the principal risk facing the rental side of the business is the ability of its tenants to pay rent. To mitigate this risk, the directors ensure that tenants pay rent promptly and if they begin to fall behind the directors maintain constant ongoing communication to assess the risk to the business. This risk is also managed by the number of tenants and mix of businesses that occupy its premises as there is a demand by those who are doing well to expand and take on more space if it becomes available.

Signed on behalf of the directors

Mr A High  
Director

Approved by the directors on 29/6/14

# A & B High Holdings Limited

## Directors' Report

Year Ended 31 December 2013

The directors present their report and the financial statements of the group for the year ended 31 December 2013.

### Results and Dividends

The profit for the year, after taxation, amounted to £291,367. 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

### Provision of Information to the Group's Auditor

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors

Mr A High  
Director

Approved on 21/1/14



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

### **Statement of Directors' Responsibilities**

**Year Ended 31 December 2013**

The directors are responsible for preparing the Strategic Report, 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

# **A & B High Holdings Limited**

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

**Year Ended 31 December 2013**

We were engaged to audit the group and parent company financial statements ("the financial statements") of A & B High Holdings Limited for the year ended 31 December 2013 which comprise the Group Profit and Loss Account, Group Balance Sheet and Parent Company Balance Sheet, Group Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Basis for Disclaimer of Opinion on Financial Statements**

The audit evidence available to us in respect of the Group financial statements was limited.

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

# A & B High Holdings Limited

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

Year Ended 31 December 2013

### 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 Matter Prescribed by the Companies Act 2006

Notwithstanding our disclaimer of opinion on the financial statements, in our opinion the information given in the Strategic Report and 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

29/9/14

# A & B High Holdings Limited

## Group Profit and Loss Account

Year Ended 31 December 2013

	Note	2013 £	2012 £
<b>Turnover</b>	2	<b>5,853,657</b>	9,688,107
Cost of sales		<b>3,856,823</b>	6,885,574
<b>Gross Profit</b>		<b>1,996,834</b>	2,802,533
Administrative expenses		<b>1,333,027</b>	2,306,094
<b>Operating Profit</b>	3	<b>663,807</b>	496,439
Attributable to:			
Operating profit before exceptional items		<b>631,353</b>	496,439
Exceptional items	3	<b>32,454</b>	–
		<b>663,807</b>	496,439
Interest receivable and similar income		<b>295</b>	1,757
Amounts written off investments	5	<b>(81,713)</b>	–
Interest payable and similar charges	6	<b>(96,411)</b>	(152,378)
<b>Profit on Ordinary Activities Before Taxation</b>		<b>485,978</b>	345,818
Tax on profit on ordinary activities	7	<b>158,482</b>	83,857
<b>Profit/(Loss) on Ordinary Activities after Taxation</b>		<b>327,496</b>	261,961
Minority interests		<b>36,129</b>	(77,092)
<b>Profit for the Financial Year</b>		<b>291,367</b>	339,053

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 10 to 22 form part of these financial statements.



# A & B High Holdings Limited

## Group Balance Sheet

31 December 2013

	Note	2013 £	2012 £
<b>Fixed Assets</b>			
Intangible assets	10	90,698	120,082
Tangible assets	11	3,028,662	3,444,733
		<u>3,119,360</u>	<u>3,564,815</u>
<b>Current Assets</b>			
Stocks	13	545,316	1,147,688
Debtors	14	737,140	1,248,048
Cash at bank and in hand		390,643	299,011
		<u>1,673,099</u>	<u>2,694,747</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>1,246,435</u>	<u>2,595,247</u>
<b>Net Current Assets</b>		<u>426,664</u>	<u>99,500</u>
<b>Total Assets Less Current Liabilities</b>		<u>3,546,024</u>	<u>3,664,315</u>
<b>Creditors: Amounts falling due after more than one year</b>	16	1,581,657	1,458,708
<b>Provisions for Liabilities</b>			
Deferred taxation	18	81,647	145,491
		<u>1,882,720</u>	<u>2,060,116</u>
<b>Minority Interests</b>		<u>151,578</u>	<u>392,341</u>
		<u>1,731,142</u>	<u>1,667,775</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	23	13,600	13,600
Share premium account	24	991,500	991,500
Revaluation reserve	24	6,109	6,109
Profit and loss account	24	719,933	656,566
<b>Shareholders' Funds</b>	25	<u>1,731,142</u>	<u>1,667,775</u>

These accounts were approved by the directors and authorised for issue on 29/9/14, and are signed on their behalf by:

Mf A High

The notes on pages 10 to 22 form part of these financial statements.

# A & B High Holdings Limited

## Company Balance Sheet

31 December 2013

	Note	2013 £	2012 £
<b>Fixed Assets</b>			
Tangible assets	11	<b>1,728,310</b>	1,766,136
Investments	12	<b>1,228,295</b>	1,444,295
		<b><u>2,956,605</u></b>	<u>3,210,431</u>
<b>Current Assets</b>			
Stocks	13	<b>75,023</b>	—
Debtors	14	<b>262,483</b>	72,077
Cash at bank		<b>18,673</b>	99,455
		<b><u>356,179</u></b>	<u>171,532</u>
<b>Creditors: Amounts falling due within one year</b>	15	<b>35,034</b>	65,339
<b>Net Current Assets</b>		<b><u>321,145</u></b>	<u>106,193</u>
<b>Total Assets Less Current Liabilities</b>		<b>3,277,750</b>	3,316,624
<b>Creditors: Amounts falling due after more than one year</b>	16	<b>976,195</b>	513,565
		<b><u>2,301,555</u></b>	<u>2,803,059</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	23	<b>13,600</b>	13,600
Share premium account	24	<b>991,500</b>	991,500
Profit and loss account	24	<b>1,296,455</b>	1,797,959
<b>Shareholders' Funds</b>		<b><u>2,301,555</u></b>	<u>2,803,059</u>

These accounts were approved by the directors and authorised for issue on 29/9/14, and are signed on their behalf by:

.....  
Mr A High

Company Registration Number: 01104546

The notes on pages 10 to 22 form part of these financial statements.

# **A & B High Holdings Limited**

## **Group Cash Flow**

**Year Ended 31 December 2013**

	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
<b>Net Cash Inflow from Operating Activities</b>	26	<b>1,532,101</b>	1,247,494
<b>Returns on Investments and Servicing of Finance</b>	26	<b>(96,116)</b>	(150,621)
<b>Taxation</b>	26	<b>(212,640)</b>	(114,544)
<b>Capital Expenditure and Financial Investment</b>	26	<b>(165,576)</b>	(266,107)
<b>Acquisitions and Disposals</b>	26	<b>(325,000)</b>	(193,126)
<b>Equity Dividends Paid</b>		<b>(363,128)</b>	(374,170)
<b>Cash (Outflow)/Inflow Before Financing</b>		<b>369,641</b>	148,926
<b>Financing</b>	26	<b>37,529</b>	(127,939)
<b>Increase in Cash</b>	26	<b><u>407,170</u></b>	<u>20,987</u>

**The notes on pages 10 to 22 form part of these financial statements.**

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

### 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 2014.

#### (c) Turnover

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

#### (d) Goodwill

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

#### (e) Amortisation

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

Goodwill - 10% straight line

#### (f) Fixed assets

All fixed assets are initially recorded at cost.

#### (g) Depreciation

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

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

# **A & B High Holdings Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2013**

### **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.

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

### 3. Operating Profit

Operating profit is stated after charging/(crediting):

	2013 £	2012 £
Directors' remuneration	—	—
Amortisation of government grants re fixed assets	—	(41,232)
Amortisation of intangible assets	43,089	44,385
Depreciation of owned fixed assets	197,169	297,940
Depreciation of assets held under hire purchase agreements	53,669	57,432
Profit on disposal of fixed assets	(97,880)	(213)
Auditor's remuneration		
- audit fees	11,000	10,750
Operating lease costs:		
- Plant and equipment	36,000	73,087
- Other	15,214	96,123
Exceptional item - Loan write off	<u>(32,454)</u>	<u>—</u>

### 4. Particulars of Employees

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

	2013 No	2012 No
Number of production staff	62	107
Number of administrative staff	5	7
	<u>67</u>	<u>114</u>

The aggregate payroll costs of the above were:

	2013 £	2012 £
Wages and salaries	1,204,257	2,274,626
Social security costs	60,375	123,762
Other pension costs	546	488
	<u>1,265,178</u>	<u>2,398,876</u>

### 5. Amounts Written Off Investments

	2013 £	2012 £
Amounts written off following closure of subsidiary	<u>81,713</u>	<u>—</u>

### 6. Interest Payable and Similar Charges

	2013 £	2012 £
Interest payable on bank borrowing	85,375	130,611
Finance charges	11,036	21,767
	<u>96,411</u>	<u>152,378</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013.

### 7. Taxation on Ordinary Activities

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

	2013 £	2012 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20% (2012 - 20%)	107,263	95,077
(Over)/under provision in prior year	(18)	(238)
Total current tax	<u>107,245</u>	<u>94,839</u>
Deferred tax:		
Origination and reversal of timing differences	51,237	(10,982)
Tax on profit on ordinary activities	<u>158,482</u>	<u>83,857</u>

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

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2012 - 20%).

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>485,978</u>	<u>47,646</u>
Profit on ordinary activities by rate of tax	97,196	84,725
Expenses not deductible for tax purposes	1,006	1,525
Depreciation in excess of capital allowances for the year	9,061	8,827
Prior year under/over provision	(18)	(238)
Total current tax (note 7(a))	<u>107,245</u>	<u>94,839</u>

### 8. Loss Attributable to Members of the Parent Company

The loss dealt with in the financial statements of the parent company was £(333,320) (2012 - £226,831).

### 9. Dividends

#### Equity dividends

	2013 £	2012 £
Paid		
Equity dividends on ordinary shares	<u>363,128</u>	<u>374,170</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

### 10. Intangible Fixed Assets

<b>Group</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2013	350,092
Additions	1
<b>At 31 December 2013</b>	<b>350,093</b>
<b>Amortisation</b>	
At 1 January 2013	230,010
Charge for the year	29,385
<b>At 31 December 2013</b>	<b>259,395</b>
<b>Net Book Value</b>	
<b>At 31 December 2013</b>	<b>90,698</b>
At 31 December 2012	120,082

### 11. Tangible Fixed Assets

<b>Group</b>	<b>Brought forward 1 Jan 13 £</b>	<b>Additions £</b>	<b>Disposals £</b>	<b>Carried forward 31 Dec 13 £</b>
<b>Cost or Valuation</b>				
Freehold Property	1,107,873	–	–	1,107,873
Plant & Machinery	2,773,957	566,638	(70,000)	3,270,595
Fixtures & Fittings	174,329	8,683	(2,672)	180,340
Motor Vehicles	133,519	4,000	(51,611)	85,908
Equipment	45,759	38,598	(1,410)	82,947
Leasehold Property	445,192	–	–	445,192
Investment Property	292,305	–	–	292,305
Deconsolidation of subsidiary	2,660,350	–	(2,660,350)	–
	<b>7,633,284</b>	<b>617,919</b>	<b>(2,786,043)</b>	<b>5,465,160</b>
<b>Group</b>	<b>Brought forward 1 Jan 13 £</b>	<b>Charges £</b>	<b>Disposals £</b>	<b>Carried forward 31 Dec 13 £</b>
<b>Depreciation</b>				
Freehold Property	(52,322)	(35,474)	–	(87,796)
Plant & Machinery	(1,946,069)	(172,722)	54,503	(2,064,288)
Fixtures & Fittings	(151,145)	(7,181)	668	(157,658)
Motor Vehicles	(81,403)	(11,310)	39,648	(53,065)
Equipment	(37,342)	(12,487)	1,410	(48,419)
Leasehold Property	(13,608)	(11,664)	–	(25,272)
Investment Property	–	–	–	–
Deconsolidation of subsidiary	(1,906,662)	–	1,906,662	–
	<b>(4,188,551)</b>	<b>(250,838)</b>	<b>2,002,891</b>	<b>(2,436,498)</b>



# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

### 11. Tangible Fixed Assets (continued)

Group	Brought forward 1 Jan 13 £	Carried forward 31 Dec 13 £
<b>Net Book Value</b>		
Freehold Property	1,055,551	1,020,077
Plant & Machinery	827,888	1,206,307
Fixtures & Fittings	23,184	22,682
Motor Vehicles	52,116	32,843
Equipment	8,417	34,528
Leasehold Property	431,584	419,920
Investment Property	292,305	292,305
Deconsolidation of subsidiary	753,688	—
	<u>3,444,733</u>	<u>3,028,662</u>

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

	2013 £	2012 £
<b>Net book value at end of year</b>	<u>292,305</u>	<u>292,305</u>
<b>Historical cost</b>	<u>286,196</u>	<u>286,196</u>

#### Hire purchase agreements

Included within the net book value of £3,028,662 is £308,765 (2012 - £309,610) 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 £53,669 (2012 - £57,432).

Company	Brought forward 1 Jan 13 £	Additions £	Disposals £	Carried forward 31 Dec 13 £
<b>Cost or Valuation</b>				
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>
<b>Company</b>	<b>Brought forward 1 Jan 13 £</b>	<b>Charges £</b>	<b>Disposals £</b>	<b>Carried forward 31 Dec 13 £</b>
<b>Depreciation</b>				
Freehold Property	(52,322)	(26,162)	—	(78,484)
Leasehold Property	(13,608)	(11,664)	—	(25,272)
Investment Property	—	—	—	—
	<u>(65,930)</u>	<u>(37,826)</u>	<u>—</u>	<u>(103,756)</u>
<b>Company</b>	<b>Brought forward 1 Jan 13 £</b>			<b>Carried forward 31 Dec 13 £</b>
<b>Net Book Value</b>				
Freehold Property	1,042,247			1,016,085
Leasehold Property	431,584			419,920
Investment Property	292,305			292,305
	<u>1,766,136</u>			<u>1,728,310</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

### 12. Investments

Company	Total
	£
<b>Cost</b>	
At 1 January 2013	1,460,406
Additions	325,000
Disposals	(541,000)
At 31 December 2013	<u>1,244,406</u>
<b>Amounts Written Off</b>	
At 1 January 2013 and 31 December 2013	<u>16,111</u>
<b>Net Book Value</b>	
<b>At 31 December 2013</b>	<u>1,228,295</u>
At 31 December 2012	<u>1,444,295</u>

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Kernow Timber Limited	England	Ordinary shares	100%	Timber merchant
Label-Form Limited	England	Ordinary shares	55%	Printer
Tamar Labels Limited	England	Ordinary shares	80%	Printer
Prism Print & Promotions Limited	England	Ordinary shares	95%	Production of promotional products

### 13. Stocks

	2013	Group	2013	Company
	£	2012	£	2012
	£	£	£	£
Stock	<u>545,316</u>	<u>1,147,688</u>	<u>75,023</u>	<u>—</u>

### 14. Debtors

	2013	Group	2013	Company
	£	2012	£	2012
	£	£	£	£
Trade debtors	653,577	1,039,772	—	—
Amounts owed by group undertakings	—	—	243,633	52,498
Other debtors	30,300	105,937	18,750	18,750
Directors current accounts	100	100	—	—
Called up share capital not paid	—	—	100	100
Prepayments and accrued income	53,163	102,239	—	729
	<u>737,140</u>	<u>1,248,048</u>	<u>262,483</u>	<u>72,077</u>

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

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

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Bank loans and overdrafts	250,833	553,892	31,231	15,518
Trade creditors	495,241	1,324,324	—	—
Amounts owed to group undertakings	—	—	—	31,000
Hire purchase agreements	130,747	192,854	—	—
Corporation tax	104,763	95,077	—	15,115
Other taxation and social security	105,354	188,835	—	—
Other creditors	68,032	122,196	103	206
Government grants	—	35,048	—	—
Other creditors	—	744	—	—
Accruals and deferred income	91,465	82,277	3,700	3,500
	<u>1,246,435</u>	<u>2,595,247</u>	<u>35,034</u>	<u>65,339</u>

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

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Bank loans and overdrafts	250,833	553,890	31,231	15,518
Hire purchase agreements	130,747	192,854	—	—
	<u>381,580</u>	<u>746,744</u>	<u>31,231</u>	<u>15,518</u>

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

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Bank loans	1,468,531	1,075,399	976,195	513,565
Hire purchase agreements	74,004	159,525	—	—
Other creditors	39,122	223,784	—	—
	<u>1,581,657</u>	<u>1,458,708</u>	<u>976,195</u>	<u>513,565</u>

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

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Bank loans	1,468,531	1,075,399	976,195	513,565
Hire purchase agreements	74,004	159,525	—	—
	<u>1,542,535</u>	<u>1,234,924</u>	<u>976,195</u>	<u>513,565</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:

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Bank loans	267,873	315,879	—	—

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

### 17. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts payable within 1 year	<b>130,747</b>	192,854	-	-
Amounts payable between 2 to 5 years	<b>74,004</b>	159,525	-	-
	<b><u>204,751</u></b>	<b><u>352,379</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

### 18. Deferred Taxation

The movement in the deferred taxation provision during the year was:

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Provision brought forward	<b>145,491</b>	156,473	-	-
Deconsolidation of subsidiary	<b>(115,081)</b>	-	-	-
Increase in provision	<b>51,237</b>	(10,982)	-	-
Provision carried forward	<b><u>81,647</u></b>	<b><u>145,491</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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

<b>Group</b>	<b>2013</b>	<b>2012</b>
	<b>Provided</b>	<b>Provided</b>
	<b>£</b>	<b>£</b>
Excess of taxation allowances over depreciation on fixed assets	<b>98,130</b>	163,477
Tax losses available	<b>(16,483)</b>	(17,986)
	<b><u>81,647</u></b>	<b><u>145,491</u></b>

### 19. Commitments under Operating Leases

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as set out below.

<b>Group</b>	<b>2013</b>		<b>2012</b>	
	<b>Land and buildings</b>	<b>Other items</b>	<b>Land and buildings</b>	<b>Other items</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire:				
Within 1 year	<b>16,000</b>	<b>5,004</b>	21,691	-
Within 2 to 5 years	-	<b>12,487</b>	-	5,459
	<b><u>16,000</u></b>	<b><u>17,491</u></b>	<b><u>21,691</u></b>	<b><u>5,459</u></b>

### 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.

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

### 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 the directors owe the group £100 (2012: £100).

At the year end D Mellett, S Serls and S Oliver, all directors of Label-Form Limited, each owe the group £5,000 (2012 - £5,000)

At the year end R Lee, a director of Tamar Labels Limited owed the group £10,000 (2012 - £10,000).

The group has taken advantage of the exemptions in FRS8 Related Party Disclosures and have not disclosed transactions or balances with group companies.

### 23. Share Capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>13,600</u>	<u>13,600</u>	<u>13,600</u>	<u>13,600</u>

### 24. Reserves

Group	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance brought forward	991,500	6,109	656,566
Profit for the year	—	—	291,367
Equity dividends	—	—	(363,128)
Deconsolidation of subsidiary	—	—	135,128
Balance carried forward	<u>991,500</u>	<u>6,109</u>	<u>719,933</u>
Company		Share premium account £	Profit and loss account £
Balance brought forward		991,500	1,797,959
Loss for the year		—	(333,320)
Equity dividends		—	(168,184)
Balance carried forward		<u>991,500</u>	<u>1,296,455</u>

Included within the profit and loss reserve is £537,609 representing dividends in specie of properties received from Label-Form Limited which is not distributable.

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

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

	2013	2012
	£	£
Profit for the financial year	291,367	40,881
Equity dividends	(363,128)	(374,170)
Deconsolidation of subsidiary	135,128	—
Net addition/(reduction) to shareholders' funds	63,367	(333,289)
Opening shareholders' funds	1,667,775	2,001,064
Closing shareholders' funds	1,731,142	1,667,775

### 26. Notes to the Cash Flow Statement

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

	2013	2012
	£	£
Operating profit	663,807	198,267
Amortisation	29,385	44,385
Depreciation	250,838	355,373
Profit on disposal of fixed assets	(97,880)	(213)
Loss on closure of subsidiary	530,211	—
Decrease/(increase) in stocks	602,372	(125,641)
Decrease in debtors	510,908	624,863
(Decrease)/increase in creditors	(957,540)	150,460
Net cash inflow from operating activities	1,532,101	1,247,494

#### Returns on Investments and Servicing of Finance

	2013	2012
	£	£
Interest received	295	1,757
Interest paid	(85,375)	(130,611)
Interest element of hire purchase	(11,036)	(21,767)
Net cash outflow from returns on investments and servicing of finance	(96,116)	(150,621)

#### Taxation

	2013	2012
	£	£
Taxation	(212,640)	(114,544)

#### Capital Expenditure

	2013	2012
	£	£
Payments to acquire intangible fixed assets	(1)	(12,723)
Payments to acquire tangible fixed assets	(292,919)	(272,088)
Receipts from sale of fixed assets	127,344	18,704
Net cash outflow from capital expenditure	(165,576)	(266,107)

# A & B High Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

### 26. Notes to the Cash Flow Statement (continued)

#### Acquisitions and Disposals

	2013 £	2012 £
Cash paid to acquire subsidiaries	(325,000)	(354,941)
Net cash acquired with subsidiary	—	161,815
Net cash outflow from acquisitions and disposals	<u>(325,000)</u>	<u>(193,126)</u>

#### Financing

	2013 £	2012 £
Increase in bank loans	405,611	123,461
Net outflow from other short-term creditors	(35,792)	(5,440)
Capital element of hire purchase	(147,628)	(251,400)
Net (outflow)/inflow from other long-term creditors	<u>(184,662)</u>	<u>5,440</u>
Net cash inflow/(outflow) from financing	<u>37,529</u>	<u>(127,939)</u>

#### Reconciliation of Net Cash Flow to Movement in Net Debt

	2013 £	2012 £
(Decrease)/increase in cash in the period	407,170	20,987
Net cash (inflow) from bank loans	(405,611)	(123,461)
Net outflow from other short-term creditors	35,792	5,440
Cash outflow in respect of hire purchase	147,628	251,400
Net cash outflow from/(inflow) from other long-term creditors	<u>184,662</u>	<u>(5,440)</u>
Change in net debt resulting from cash flows	369,641	148,926
New finance leases	—	(167,836)
Movement in net debt in the period	<u>369,641</u>	<u>(18,910)</u>
Net debt at 1 January 2013	(1,942,235)	(2,064,537)
Net debt at 31 December 2013	<u>(1,572,594)</u>	<u>(1,942,235)</u>

#### Analysis of Changes in Net Debt

	At 1 Jan 2013 £	Cash flows £	At 31 Dec 2013 £
Net cash:			
Cash in hand and at bank	299,011	91,632	390,643
Overdrafts	(462,145)	315,538	(146,607)
	<u>(163,134)</u>	<u>407,170</u>	<u>244,036</u>
Debt:			
Debt due within 1 year	(127,539)	23,313	(104,226)
Debt due after 1 year	(1,299,183)	(208,470)	(1,507,653)
Hire purchase agreements	(352,379)	147,628	(204,751)
	<u>(1,779,101)</u>	<u>(37,529)</u>	<u>(1,816,630)</u>
Net debt	<u>(1,942,235)</u>	<u>369,641</u>	<u>(1,572,594)</u>

# **A & B High Holdings Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2013**

### **27. Acquisitions and Disposals**

During November 2013 A & B High Holdings Limited acquired 100% of the share capital of Kernow Timber Limited for a total consideration of £325,000.

No trading activity is included in these financial statements as the directors consider the level of activity to be immaterial.

### **28. Ultimate Controlling Party**

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