

COMPANY REGISTRATION NUMBER SC260511

HSB HOLDINGS LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2012



FOURM
Chartered Accountants & Statutory Auditor
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

HSB HOLDINGS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

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HSB HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Gary D Campbell Gregor A Robb Martin Leiper William A Roberts
Company secretary	Gregor A Robb
Registered office	Bourtree House Minto Drive Altens Industrial Estate Aberdeen AB12 3LW
Auditor	FourM Chartered Accountants & Statutory Auditor Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Bankers	The Royal Bank of Scotland plc 78 Union Street Aberdeen AB10 1HH
Solicitors	Burness Paull & Williamsons LLP Union Plaza (6th Floor) 1 Union Wynd Aberdeen AB10 1DQ

HSB HOLDINGS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 NOVEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30 November 2012.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of a holding company providing management services to its subsidiary Hutcheon Services Limited. The principal activity of Hutcheon Services Limited is that of general electrical, mechanical and plumbing contractors and sheet metal fabricators.

The directors of the company are satisfied with the group results for the year given that they represent another year of profitability during a period of continuing economic difficulties facing the construction industry. This has been achieved by increasing the turnover of the group and focusing upon operational efficiencies. The directors expect that 2013 will be another year in which the group will be faced with difficult economic conditions but they are confident that the group is well placed to meet the challenges and will continue to trade profitably.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £241,220. The directors have not recommended a dividend.

DIRECTORS

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

Gary D Campbell
Gregor A Robb
Martin Leiper
William A Roberts

DONATIONS

During the year the group made the following contributions:

	2012	2011
	£	£
Charitable	<u>4,229</u>	<u>3,058</u>

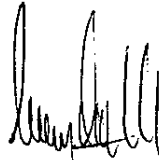
HSB HOLDINGS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2012

AUDITOR

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

Registered office:
Bourtree House
Minto Drive
Altens Industrial Estate
Aberdeen
AB12 3LW

Signed on behalf of the directors



Gary D Campbell
Director

Approved by the directors on 22 May 2013

HSB HOLDINGS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30 NOVEMBER 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.

HSB HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HSB HOLDINGS LIMITED
YEAR ENDED 30 NOVEMBER 2012

We have audited the group and parent company financial statements ("the financial statements") of HSB Holdings Limited for the year ended 30 November 2012 on pages 7 to 25. 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 30 November 2012 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.

HSB HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HSB HOLDINGS LIMITED *(continued)*
YEAR ENDED 30 NOVEMBER 2012

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- we have not received all the information and explanations we require for our audit.



KAREN HENDERSON (Senior
Statutory Auditor)
For and on behalf of
FOURM
Chartered Accountants
& Statutory Auditor

Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

22 May 2013

HSB HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2012

	Note	2012 £	2011 £
GROUP TURNOVER	2	12,173,193	12,137,416
Cost of sales		10,216,810	10,277,044
GROSS PROFIT		<u>1,956,383</u>	<u>1,860,372</u>
Administrative expenses		1,721,080	1,624,541
Other operating income	3	(136,870)	(94,947)
OPERATING PROFIT	4	<u>372,173</u>	<u>330,778</u>
Interest receivable		4,336	5,318
Interest payable and similar charges	7	(52,142)	(49,558)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>324,367</u>	<u>286,538</u>
Tax on profit on ordinary activities	8	83,147	99,766
PROFIT FOR THE FINANCIAL YEAR	9	<u>241,220</u>	<u>186,772</u>

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 13 to 25 form part of these financial statements.

HSB HOLDINGS LIMITED

GROUP BALANCE SHEET

30 NOVEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Intangible assets	11	701,995	760,495
Tangible assets	12	2,654,394	2,616,314
		<u>3,356,389</u>	<u>3,376,809</u>
CURRENT ASSETS			
Stocks	14	424,569	259,469
Debtors	15	1,128,873	1,048,406
Cash at bank and in hand		1,328,482	1,435,326
		<u>2,881,924</u>	<u>2,743,201</u>
CREDITORS: Amounts falling due within one year	16	<u>2,671,597</u>	<u>2,448,523</u>
NET CURRENT ASSETS		<u>210,327</u>	<u>294,678</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,566,716</u>	<u>3,671,487</u>
CREDITORS: Amounts falling due after more than one year	17	1,205,871	1,542,949
PROVISIONS FOR LIABILITIES			
Deferred taxation	19	66,148	75,061
		<u>2,294,697</u>	<u>2,053,477</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	20,000	20,000
Share premium account	23	380,255	380,255
Profit and loss account	23	1,894,442	1,653,222
SHAREHOLDERS' FUNDS	24	<u>2,294,697</u>	<u>2,053,477</u>

These financial statements were approved by the directors and authorised for issue on 22 May 2013, and are signed on their behalf by:


GREGOR A ROBB
Director

The notes on pages 13 to 25 form part of these financial statements.

HSB HOLDINGS LIMITED

BALANCE SHEET

30 NOVEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	12	2,027,646	2,018,827
Investments	13	2,102,024	2,102,024
		<u>4,129,670</u>	<u>4,120,851</u>
CURRENT ASSETS			
Debtors	15	28,000	28,000
Cash at bank		783,042	840,441
		<u>811,042</u>	<u>868,441</u>
CREDITORS: Amounts falling due within one year	16	2,621,239	2,718,637
NET CURRENT LIABILITIES		<u>(1,810,197)</u>	<u>(1,850,196)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,319,473</u>	<u>2,270,655</u>
CREDITORS: Amounts falling due after more than one year	17	1,103,704	1,195,734
		<u>1,215,769</u>	<u>1,074,921</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	20,000	20,000
Share premium account	23	380,255	380,255
Profit and loss account	23	815,514	674,666
SHAREHOLDERS' FUNDS		<u>1,215,769</u>	<u>1,074,921</u>

These financial statements were approved by the directors and authorised for issue on 22 May 2013, and are signed on their behalf by:


GREGOR A ROBB
Director

Company Registration Number: SC260511

The notes on pages 13 to 25 form part of these financial statements.

HSB HOLDINGS LIMITED
GROUP CASH FLOW
YEAR ENDED 30 NOVEMBER 2012

	2012 £	2011 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	508,750	1,093,986
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	4,336	5,318
Interest paid	(42,619)	(42,746)
Interest element of hire purchase	<u>(9,523)</u>	<u>(6,812)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(47,806)	(44,240)
TAXATION	(81,312)	(87,713)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(202,591)	(223,837)
Receipts from sale of fixed assets	<u>28,700</u>	<u>53,411</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(173,891)	(170,426)
EQUITY DIVIDENDS PAID	–	(80,000)
CASH INFLOW BEFORE FINANCING	<u>205,741</u>	<u>711,607</u>
FINANCING		
Repayment of bank loans	(94,746)	(81,659)
Net inflow/(outflow) from other short-term creditors	8,622	(4,200)
Capital element of hire purchase	23,439	79,706
Net (outflow)/inflow from other long-term creditors	<u>(249,900)</u>	<u>249,900</u>
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	(312,585)	243,747
(DECREASE)/INCREASE IN CASH	<u>(106,844)</u>	<u>955,354</u>

The notes on pages 13 to 25 form part of these financial statements.

HSB HOLDINGS LIMITED
GROUP CASH FLOW
YEAR ENDED 30 NOVEMBER 2012

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	372,173	330,778
Amortisation	58,500	58,500
Depreciation	138,021	126,184
Profit on disposal of fixed assets	(2,210)	(14,352)
(Increase)/decrease in stocks	(165,100)	515,555
Increase in debtors	(80,467)	(33,050)
Increase in creditors	187,833	110,371
Net cash inflow from operating activities	<u>508,750</u>	<u>1,093,986</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012 £	2011 £
(Decrease)/increase in cash in the period	(106,844)	955,354
Net cash outflow from bank loans	94,746	81,659
Net (inflow) from/outflow from other short-term creditors	(8,622)	4,200
Cash outflow in respect of hire purchase	(23,439)	(79,706)
Net cash outflow from/(inflow) from other long-term creditors	<u>249,900</u>	<u>(249,900)</u>
	205,741	711,607
Change in net debt	205,741	711,607
Net debt at 1 December 2011	(321,187)	(1,032,794)
Net debt at 30 November 2012	<u>(115,446)</u>	<u>(321,187)</u>

The notes on pages 13 to 25 form part of these financial statements.

HSB HOLDINGS LIMITED
GROUP CASH FLOW
YEAR ENDED 30 NOVEMBER 2012

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Dec 2011 £	Cash flows £	At 30 Nov 2012 £
Net cash:			
Cash in hand and at bank	1,435,326	(106,844)	1,328,482
Debt:			
Debt due within 1 year	(134,545)	(11,808)	(146,353)
Debt due after 1 year	(1,436,749)	347,832	(1,088,917)
Hire purchase agreements	(185,219)	(23,439)	(208,658)
	<u>(1,756,513)</u>	<u>312,585</u>	<u>(1,443,928)</u>
Net debt	<u>(321,187)</u>	<u>205,741</u>	<u>(115,446)</u>

The notes on pages 13 to 25 form part of these financial statements.

HSB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

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. Goodwill on consolidation is capitalised and written off over 20 years from the date of acquisition. As a consolidated 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.

Turnover

The turnover shown in the profit and loss account represents services provided and goods despatched during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill on consolidation - 5% straight line

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% straight line
Plant & Machinery	-	15% reducing balance
Fixtures & Fittings	-	15 - 25% reducing balance
Motor Vehicles	-	25% reducing balance

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity, less amounts invoiced to account. Provision is made for any foreseeable losses where appropriate.

HSB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

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 profit and loss account on a straight line basis.

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.

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 profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Fixed asset investments

The fixed asset investments are recorded at cost less any provision for the reduction in the value of the stated investment.

HSB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2012 £	2011 £
United Kingdom	<u>12,173,193</u>	<u>12,137,416</u>

3. OTHER OPERATING INCOME

	2012 £	2011 £
Commission receivable	<u>136,870</u>	<u>94,947</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2012 £	2011 £
Amortisation of intangible assets	58,500	58,500
Depreciation of owned fixed assets	77,777	76,701
Depreciation of assets held under hire purchase agreements	60,244	49,483
Profit on disposal of fixed assets	(2,210)	(14,352)
Auditor's remuneration		
- as auditor	13,700	13,150
- for other services	<u>1,500</u>	<u>1,400</u>

HSB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

5. PARTICULARS OF EMPLOYEES

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

	2012	2011
	No	No
Number of production staff	115	116
Number of administrative staff	10	8
Number of management staff	7	7
	<u>132</u>	<u>131</u>

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	4,843,047	4,784,338
Social security costs	425,552	420,379
Other pension costs	244,003	132,043
	<u>5,512,602</u>	<u>5,336,760</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2012	2011
	£	£
Remuneration receivable	506,124	506,571
Value of company pension contributions to money purchase schemes	175,749	62,809
	<u>681,873</u>	<u>569,380</u>

Remuneration of highest paid director:

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	78,413	87,572
Value of company pension contributions to money purchase schemes	58,438	5,870
	<u>136,851</u>	<u>93,442</u>

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

	2012	2011
	No	No
Money purchase schemes	<u>7</u>	<u>7</u>

HSB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Interest payable on bank borrowing	31,357	38,494
Finance charges	9,523	6,812
Other similar charges payable	11,262	4,252
	<u>52,142</u>	<u>49,558</u>

8. 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 26/24% (2011 – 28/26%)	92,060	81,311
Total current tax	92,060	81,311
Deferred tax:		
Origination and reversal of timing differences	(8,913)	18,455
Tax on profit on ordinary activities	<u>83,147</u>	<u>99,766</u>

(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 24% (2011 - 26%).

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>324,367</u>	<u>286,538</u>
Profit on ordinary activities by rate of tax	77,847	74,499
Movement in deferred tax	1,273	(22,564)
Disallowable expenses	5,529	4,632
Non qualifying depreciation	3,096	3,677
Amortisation of goodwill	14,040	15,210
Tax chargeable at lower rates	(12,552)	(10,385)
Associate loan written off	-	13,961
Tax chargeable at higher rates	2,827	2,281
Total current tax (note 8(a))	<u>92,060</u>	<u>81,311</u>

HSB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £140,848 (2011 - £74,400).

10. DIVIDENDS

Equity dividends

	2012	2011
	£	£
Paid		
Equity dividends on ordinary shares	<u>—</u>	<u>80,000</u>

11. INTANGIBLE FIXED ASSETS

Group	Goodwill
	£
COST	
At 1 December 2011 and 30 November 2012	<u>1,169,994</u>
AMORTISATION	
At 1 December 2011	409,499
Charge for the year	58,500
At 30 November 2012	<u>467,999</u>
NET BOOK VALUE	
At 30 November 2012	<u>701,995</u>
At 30 November 2011	<u>760,495</u>

HSB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

12. TANGIBLE FIXED ASSETS

Group	Heritable Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 December 2011	1,977,887	402,598	912,907	460,542	3,753,934
Additions	—	19,840	27,217	155,534	202,591
Disposals	—	—	(45,000)	(57,450)	(102,450)
At 30 November 2012	<u>1,977,887</u>	<u>422,438</u>	<u>895,124</u>	<u>558,626</u>	<u>3,854,075</u>
DEPRECIATION					
At 1 December 2011	3,654	258,487	732,787	142,692	1,137,620
Charge for the year	1,827	21,345	27,686	87,163	138,021
On disposals	—	—	(45,000)	(30,960)	(75,960)
At 30 November 2012	<u>5,481</u>	<u>279,832</u>	<u>715,473</u>	<u>198,895</u>	<u>1,199,681</u>
NET BOOK VALUE					
At 30 November 2012	<u>1,972,406</u>	<u>142,606</u>	<u>179,651</u>	<u>359,731</u>	<u>2,654,394</u>
At 30 November 2011	<u>1,974,233</u>	<u>144,111</u>	<u>180,120</u>	<u>317,850</u>	<u>2,616,314</u>

Hire purchase agreements

Included within the net book value of £2,654,394 is £296,939 (2011 - £289,560) 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 £60,244 (2011 - £49,483).

HSB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

12. TANGIBLE FIXED ASSETS *(continued)*

Company	Heritable Property £	Motor Vehicles £	Total £
COST			
At 1 December 2011	1,977,887	63,336	2,041,223
Additions	—	28,242	28,242
Disposals	—	(13,890)	(13,890)
At 30 November 2012	<u>1,977,887</u>	<u>77,688</u>	<u>2,055,575</u>
DEPRECIATION			
At 1 December 2011	3,654	18,742	22,396
Charge for the year	1,827	11,411	13,238
On disposals	—	(7,705)	(7,705)
At 30 November 2012	<u>5,481</u>	<u>22,448</u>	<u>27,929</u>
NET BOOK VALUE			
At 30 November 2012	<u>1,972,406</u>	<u>55,240</u>	<u>2,027,646</u>
At 30 November 2011	<u>1,974,233</u>	<u>44,594</u>	<u>2,018,827</u>

Hire purchase agreements

Included within the net book value of £2,027,646 is £55,240 (2011 - £36,781) 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 £9,783 (2011 - £12,260).

13. INVESTMENTS

Company	Group companies £
COST	
At 1 December 2011 and 30 November 2012	<u>2,102,024</u>
NET BOOK VALUE	
At 30 November 2012 and 30 November 2011	<u>2,102,024</u>

HSB HOLDINGS LIMITED
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13. INVESTMENTS (continued)

The company owns 100% of the issued ordinary share capital of Bourtree Investments Limited and Hutcheon Services Limited. Both companies are registered in Scotland.

Aggregate capital and reserves	2012	2011
	£	£
Bourtree Investments Limited	1,151,055	1,151,055
Hutcheon Services Limited	1,327,901	1,169,030
Retained profit for the year	2012	2011
	£	£
Bourtree Investments Limited	-	-
Hutcheon Services Limited	158,871	170,872

14. STOCKS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Raw materials	29,315	23,815	-	-
Work in progress	395,254	235,654	-	-
	<u>424,569</u>	<u>259,469</u>	<u>-</u>	<u>-</u>

15. DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	1,097,940	886,692	-	-
Amounts owed by associated undertaking	28,000	28,000	28,000	28,000
Prepayments and accrued income	2,933	133,714	-	-
	<u>1,128,873</u>	<u>1,048,406</u>	<u>28,000</u>	<u>28,000</u>

HSB HOLDINGS LIMITED
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16. CREDITORS: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	97,932	94,746	97,932	94,746
Trade creditors	1,356,124	1,082,503	–	–
Amounts owed to group undertakings	–	–	2,451,993	2,550,322
Hire purchase agreements	91,704	79,019	13,222	12,226
Directors' loan accounts	50,000	50,000	–	–
Other creditors including taxation and social security:				
Corporation tax	92,059	81,311	37,750	40,141
Other taxation and social security	356,639	412,393	11,498	10,852
Other creditors	48,421	39,799	–	–
Accruals and deferred income	578,718	608,752	8,844	10,350
	<u>2,671,597</u>	<u>2,448,523</u>	<u>2,621,239</u>	<u>2,718,637</u>

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	<u>97,932</u>	<u>94,746</u>	<u>97,932</u>	<u>94,746</u>

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	1,088,917	1,186,849	1,088,917	1,186,849
Hire purchase agreements	116,954	106,200	14,787	8,885
Other creditors	–	249,900	–	–
	<u>1,205,871</u>	<u>1,542,949</u>	<u>1,103,704</u>	<u>1,195,734</u>

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	<u>1,088,917</u>	<u>1,186,849</u>	<u>1,088,917</u>	<u>1,186,849</u>

The bank borrowing is secured by a bond and floating charge over the assets of the companies within the group together with a standard security over the heritable property owned by the company.

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17. CREDITORS: Amounts falling due after more than one year *(continued)*

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:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	<u>209,687</u>	<u>247,035</u>	<u>209,687</u>	<u>247,035</u>

18. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts payable within 1 year	91,703	79,018	13,222	12,226
Amounts payable between 1 and 2 years	68,759	56,697	8,778	8,884
Amounts payable between 3 and 5 years	48,194	49,504	6,009	-
	<u>208,656</u>	<u>185,219</u>	<u>28,009</u>	<u>21,110</u>

19. DEFERRED TAXATION

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Provision brought forward	75,061	56,606	-	-
(Decrease)/Increase in provision	(8,913)	18,455	-	-
Provision carried forward	<u>66,148</u>	<u>75,061</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	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>66,148</u>	<u>-</u>	<u>75,061</u>	<u>-</u>

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20. COMMITMENTS UNDER OPERATING LEASES

At 30 November 2012 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Assets other than Land and buildings	
	2012 £	2011 £
Operating leases which expire:		
Within 1 year	<u>18,380</u>	<u>17,415</u>

21. RELATED PARTY TRANSACTIONS

The group was under the control of the directors throughout the current and previous year.

Previously, two of the directors of Hutcheon Services Limited advanced funds to the group, and at the year end were due to receive £50,000 (2011 - £50,000) which is disclosed in the above note on Creditors: Amounts falling due within one year. These loans have no set repayment terms and do not attract interest.

Previously, the group advanced funds to Hutcheon Technical Services Limited, a company which has common ownership. At the year end, the group was due to receive £28,000 (2011 - £28,000) which is disclosed in above note on debtors.

22. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

23. RESERVES

Group	Share premium account £	Profit and loss account £
Balance brought forward	380,255	1,653,222
Profit for the year	—	241,220
Balance carried forward	<u>380,255</u>	<u>1,894,442</u>

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23. RESERVES *(continued)*

Company	Share premium account £	Profit and loss account £
Balance brought forward	380,255	674,666
Profit for the year	—	140,848
Balance carried forward	<u>380,255</u>	<u>815,514</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	241,220	186,772
Equity dividends	—	(80,000)
Net addition to shareholders' funds	<u>241,220</u>	<u>106,772</u>
Opening shareholders' funds	2,053,477	1,946,705
Closing shareholders' funds	<u>2,294,697</u>	<u>2,053,477</u>