

Company No: 2311839

HIGHRAK LIMITED  
ABBREVIATED  
FINANCIAL STATEMENTS  
- for the year ended -  
30 MARCH 1997



**Kassim-Lakha Abdulla & Co**  
Chartered Accountants

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HIGHRAK LIMITED

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FOR THE YEAR ENDED 30 MARCH 1997

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HIGHRAK LIMITED

AUDITORS' REPORT

AUDITORS' REPORT TO HIGHRAK LIMITED  
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 2 to 4 together with the financial statements of Highrak Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 March 1997.

**Respective responsibilities of the directors and auditors**

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver financial statements prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver financial statements prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the financial statements.

**Opinion**

In our opinion, the company is entitled to deliver financial statements prepared in accordance with section 246(5) and (6) and the abbreviated financial statements on pages 2 to 4 have been properly prepared in accordance with Schedule 8A.

*Kassim Lakha Abdulla*

KASSIM-LAKHA ABDULLA & CO  
Registered Auditors  
Chartered Accountants

28-30 St. John's Square  
London  
EC1M 4BA

Date: *11 September 1997*....

HIGHRAK LIMITEDABBREVIATED BALANCE SHEET AT 30 MARCH 1997

	Notes	1997 £	1996 £
<b>FIXED ASSETS</b>			
Intangible assets	2	168,000	180,000
Tangible assets	2	1,766,794	1,778,667
		<u>1,934,794</u>	<u>1,958,667</u>
<b>CURRENT ASSETS</b>			
Stocks		703	651
Debtors		12,335	179,671
Cash at bank and in hand		12,533	313
		<u>25,571</u>	<u>180,635</u>
CREDITORS: Amounts falling due within one year	3	(1,595,692)	(1,704,402)
<b>NET CURRENT LIABILITIES</b>		<u>(1,570,121)</u>	<u>(1,523,767)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		364,673	434,900
CREDITORS: Amounts falling due after more than one year	3	(916,415)	(997,875)
		<u>(551,742)</u>	<u>(562,975)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	100	100
Profit and loss account		(551,842)	(563,075)
		<u>(551,742)</u>	<u>(562,975)</u>

These abbreviated financial statements are prepared in accordance with the special provisions of section 246 of the Companies Act 1985 relating to small companies and Schedule 8A to that act.

Mr M.F. Esmail

Mrs S.B. Esmail

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Directors

Date: 11 September 1997.

The notes on pages 3 to 4 form part of these financial statements.

## HIGHRAK LIMITED

### ABBREVIATED ACCOUNTS

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 1997

##### 1. ACCOUNTING POLICIES

###### 1.1 BASIS OF ACCOUNTING

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

###### 1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

###### 1.3 GOODWILL

The company's policy is to write off goodwill evenly over its estimated life of 20 years.

###### 1.4 DEPRECIATION

Depreciation is provided using the rates to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	5%	Reducing balance
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No depreciation is provided on freehold buildings as it is the company's policy to maintain these so as to extend their useful lives.

###### 1.5 STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials	- cost of purchase on first in, first out basis
	- cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

###### 1.6 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

###### 1.7 BASIS OF PREPARING THE FINANCIAL STATEMENTS

The directors are confident that continued financial support shall be provided by the parent company and other group companies as and when required. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

HIGHRAK LIMITED

ABBREVIATED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 1997

2. **FIXED ASSETS**

	Intangible assets £	Tangible assets £	Total £
<u>Cost</u>			
At 31 March 1996	240,000	1,894,086	2,134,086
Additions	-	4,021	4,021
	<hr/>	<hr/>	<hr/>
At 30 March 1997	240,000	1,898,107	2,138,107
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
At 31 March 1996	60,000	115,419	175,419
Charge for year	12,000	-	27,894
	<hr/>	<hr/>	<hr/>
At 30 March 1997	72,000	131,313	203,313
	<hr/>	<hr/>	<hr/>
<u>Net book value at 30 March 1997</u>	168,000	1,766,794	1,934,794
	<hr/>	<hr/>	<hr/>
<u>Net book value at 30 March 1996</u>	180,000	1,778,667	1,958,667
	<hr/>	<hr/>	<hr/>

3. **SECURED CREDITORS**

Included in creditors are bank loans and overdrafts payable amounting to £997,875 (1996 - £1,098,682) which are secured.

4. **SHARE CAPITAL**

	1997 £	1996 £
<u>Authorised</u>		
Equity interests:		
100 Ordinary shares class 1 of £1 each	100	100
	<hr/>	<hr/>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
100 Ordinary shares class 1 of £1 each	100	100
	<hr/>	<hr/>

5. **ULTIMATE PARENT COMPANY**

The ultimate parent company is SME Group Limited, a company incorporated in Great Britain.