

Company Registration No. 02311839 (England and Wales)

HIGHRAK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2011

KLSA
Chartered Accountants



HIGHRAK LIMITED

COMPANY INFORMATION

Directors	Mr M F Esmail Mrs S B Esmail
Secretary	Mrs S B Esmail Mr A M Esmail Mr S M Esmail
Company number	02311839
Registered office	73 Queensborough Terrace Bayswater London W2 3SU
Auditors	KLSA LLP 28 - 30 St John's Square London EC1M 4DN
Business address	73 Queensborough Terrace Bayswater London W2 3SU
Bankers	Barclays Bank Plc 29 Borough High Street London SE1 1LY

HIGHRAK LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 14

HIGHRAK LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 27 MARCH 2011

The directors present their report and financial statements for the period ended 27 March 2011

Principal activities and review of the business

The principal activity of the company in the period under review was that of hoteliers

Results and dividends

The results for the period are set out on page 5

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office since 1 April 2010

Mr M F Esmail

Mrs S B Esmail

Auditors

The auditors, KLSA LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of directors' responsibilities

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 of the profit or loss of the company for that period. 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HIGHRAK LIMITED

DIRECTORS' REPORT (CONTINUED)

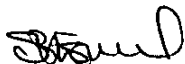
FOR THE PERIOD ENDED 27 MARCH 2011

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemption.

By order of the board



Mrs S B Esmail

Secretary

27 September 2011

HIGHRAK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIGHRAK LIMITED

We have audited the financial statements of Highrak limited for the period ended 27 March 2011 set out on pages 5 to 14. 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 members, 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 members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion

- give a true and fair view of the state of the company's affairs as at 27 March 2011 and of its loss for the period 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

HIGHRAK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HIGHRAK LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Fayaaz Shariff (Senior Statutory Auditor)

for and on behalf of KLSA LLP

Chartered Accountants

Statutory Auditor

28 - 30 St John's Square

London

EC1M 4DN

27 September 2011

HIGHRAK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 27 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	309,100	332,469
Cost of sales		(28,020)	(33,345)
Gross profit		281,080	299,124
Administrative expenses		(556,932)	(278,816)
Operating (loss)/profit	3	(275,852)	20,308
Interest payable and similar charges	4	(47,420)	(71,378)
Loss on ordinary activities before taxation		(323,272)	(51,070)
Tax on loss on ordinary activities	5	79,710	3,493
Loss for the period	14	(243,562)	(47,577)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

Note of historical cost profits and losses

	2011 £	2010 £
Reported loss on ordinary activities before taxation	(323,272)	(51,070)
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	10,352	10,352
Historical cost loss on ordinary activities before taxation	(312,920)	(40,718)
Historical cost loss for the period retained after taxation, extraordinary items and dividends	(233,210)	(37,225)

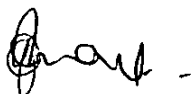
HIGHRAK LIMITED

BALANCE SHEET

AS AT 27 MARCH 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	6	-		12,000	
Tangible assets	7	2,641,819		2,468,625	
		<u>2,641,819</u>		<u>2,480,625</u>	
Current assets					
Stocks	8	-		318	
Debtors	9	206,560		93,578	
Cash at bank and in hand		1,304		31,764	
		<u>207,864</u>		<u>125,660</u>	
Creditors: amounts falling due within one year	10	(2,008,236)		(1,418,227)	
Net current liabilities		<u>(1,800,372)</u>		<u>(1,292,567)</u>	
Total assets less current liabilities		841,447		1,188,058	
Creditors: amounts falling due after more than one year	11	(1,193,909)		(1,301,251)	
Provisions for liabilities	12	(36,740)		(32,445)	
		<u>(389,202)</u>		<u>(145,638)</u>	
Capital and reserves					
Called up share capital	13	100		100	
Revaluation reserve	14	973,078		983,430	
Profit and loss account	14	(1,362,380)		(1,129,168)	
Shareholders' funds	15	<u>(389,202)</u>		<u>(145,638)</u>	

Approved by the Board and authorised for issue on 27 September 2011



Mr M F Esmail
Director

Company Registration No. 02311839

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 MARCH 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

Under FRS1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	2% on cost of buildings
Fixtures, fittings & equipment	7 50% reducing balance basis

1.5 Stock

Work in progress is valued at the lower of cost and net realisable value

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

1.7 Going Concern

The financial statements have been prepared on a going concern basis as the group has sufficient resources and assets to meet its liabilities

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 MARCH 2011

3	Operating (loss)/profit	2011	2010
		£	£
	Operating (loss)/profit is stated after charging		
	Amortisation of intangible assets	12,000	12,000
	Depreciation of tangible assets	52,224	36,087
	Fees payable to the company's auditor for the audit of the company's annual accounts	1,000	1,000
		<u> </u>	<u> </u>
4	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	47,420	71,378
		<u> </u>	<u> </u>
5	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	(84,005)	(2,585)
		<u> </u>	<u> </u>
	Total current tax	(84,005)	(2,585)
	Deferred tax		
	Deferred tax charge/credit current year	4,295	(908)
		<u> </u>	<u> </u>
		(79,710)	(3,493)
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	(323,272)	(51,070)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	(90,516)	(14,300)
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	446	446
	Depreciation add back	17,982	13,464
	Capital allowances	(11,917)	(2,195)
		<u> </u>	<u> </u>
		6,511	11,715
		<u> </u>	<u> </u>
	Current tax charge for the period	(84,005)	(2,585)
		<u> </u>	<u> </u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 MARCH 2011

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2010 & at 27 March 2011	240,000
Amortisation	
At 1 April 2010	228,000
Charge for the period	12,000
At 27 March 2011	240,000
Net book value	
At 27 March 2011	-
At 31 March 2010	12,000

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 MARCH 2011

7 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 1 April 2010	2,500,000	523,352	3,023,352
Additions	-	225,418	225,418
At 27 March 2011	2,500,000	748,770	3,248,770
Depreciation			
At 1 April 2010	168,944	385,783	554,727
Charge for the period	25,000	27,224	52,224
At 27 March 2011	193,944	413,007	606,951
Net book value			
At 27 March 2011	2,306,056	335,763	2,641,819
At 31 March 2010	2,331,056	137,569	2,468,625

The revaluation of the Freehold property was made on 9 June 2005 by Edward Symmons Hospitality and Leisure, on an open market basis

In the opinion of the directors, the carrying value is at least as stated in the balance sheet

On an historical cost basis these would have been included in the accounts at an original cost of £1,464,810 (2010 - £1,464,810)

8 Stocks

	2011 £	2010 £
Raw materials and consumables	-	318

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 MARCH 2011

9 Debtors	2011 £	2010 £
Trade debtors	-	14,551
Amounts owed by parent and fellow subsidiary undertakings	129,861	69,541
Other debtors	76,699	8,883
Prepayments and accrued income	-	603
	<u>206,560</u>	<u>93,578</u>
10 Creditors: amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	149,756	107,342
Trade creditors	160,402	8,678
Amounts owed to parent and fellow subsidiary undertakings	1,695,889	1,284,947
Taxes and social security costs	446	8,606
Other creditors	35	2,068
Accruals and deferred income	1,708	6,586
	<u>2,008,236</u>	<u>1,418,227</u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 MARCH 2011

11 Creditors: amounts falling due after more than one year	2011 £	2010 £
Bank loans	1,193,909	1,301,251
Analysis of loans		
Not wholly repayable within five years by instalments	764,543	871,884
Wholly repayable within five years	536,708	536,709
	1,301,251	1,408,593
Included in current liabilities	(107,342)	(107,342)
	1,193,909	1,301,251
Instalments not due within five years	764,543	871,884
Loan maturity analysis		
In more than one year but not more than two years	107,342	107,342
In more than two years but not more than five years	322,025	322,025
In more than five years	764,543	871,884

The bank loans and overdraft are secured by a fixed charge over the freehold property and guarantees given by the directors. The loans are subject to commercial rates of interest. The repayment terms of the bank loans range from monthly and quarterly payments of interest and/or capital and interest.

12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2010	32,445
Profit and loss account	4,295
Balance at 27 March 2011	36,740

The deferred tax liability is made up as follows

	2011 £	2010 £
Accelerated capital allowances	36,740	32,445

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 MARCH 2011

13	Share capital	2011	2010
		£	£
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14	Statement of movements on reserves	Revaluation reserve	Profit and loss account
		£	£
	Balance at 1 April 2010	983,430	(1,129,170)
	Loss for the period	-	(243,562)
	Transfer from revaluation reserve to profit and loss account	<u>(10,352)</u>	<u>10,352</u>
	Balance at 27 March 2011	<u>973,078</u>	<u>(1,362,380)</u>

15	Reconciliation of movements in shareholders' funds	2011	2010
		£	£
	Loss for the financial period	(243,562)	(47,577)
	Opening shareholders' funds	<u>(145,638)</u>	<u>(98,061)</u>
	Closing shareholders' funds	<u>(389,202)</u>	<u>(145,638)</u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 MARCH 2011

16 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2011 Number	2010 Number
Operational staff	13	9

Employment costs

	2011 £	2010 £
Wages and salaries	87,521	94,158
Social security costs	3,896	5,088
	91,417	99,246

17 Control

In the opinion of the directors, the immediate parent company is SME Holdings Limited and the ultimate parent company is SME Group Plc, both companies registered in England and Wales

The smallest group for which Highrak Limited is a member for which group financial statements are prepared is SME Holdings Limited. The largest such group is SME Group Plc, whose copies can be obtained from Chartwood House, The Runway, South Ruislip, Middlesex HA4 6SE

18 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the immediate parent company or any wholly owned subsidiary undertaking of the group

During the period, the company paid management fees of £18,574 (2010 £19,913) to SME Group Plc, the ultimate parent company. At the balance sheet date, the balance payable to SME Group Plc amounted to £104,750 (2010 £82,925)