

Company Registration No 02311839 (England and Wales)

HIGHRAK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2013



KLSA
Chartered Accountants

HIGHRAK LIMITED

COMPANY INFORMATION

Directors	Mr M F Esmail Mrs S B Esmail
Secretary	Mrs S B 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

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HIGHRAK LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2013

The directors present their report and financial statements for the period ended 31 March 2013

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 2 April 2012

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 31 MARCH 2013

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.

On behalf of the board



Mrs S B Esmail

Director

12 September 2013

HIGHRAK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIGHRAK LIMITED

We have audited the financial statements of Highrak limited for the period ended 31 March 2013 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 31 March 2013 and of its profit 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



Shilpa Chheda (Senior Statutory Auditor)
for and on behalf of KLSA LLP
Chartered Accountants
Statutory Auditor
28 - 30 St John's Square
London
EC1M 4DN

12 September 2013

HIGHRAK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Turnover	2	697,202	633,893
Cost of sales		(78,889)	(52,930)
Gross profit		618,313	580,963
Administrative expenses		(438,417)	(594,325)
Operating profit/(loss)	3	179,896	(13,362)
Interest payable and similar charges	4	(21,023)	(23,427)
Profit/(loss) on ordinary activities before taxation		158,873	(36,789)
Tax on profit/(loss) on ordinary activities	5	(40,219)	(15,673)
Profit/(loss) for the period	14	118,654	(52,462)

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

	2013 £	2012 £
Reported profit/(loss) on ordinary activities before taxation	158,873	(36,789)
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 profit/(loss) on ordinary activities before taxation	169,225	(26,437)
Historical cost profit/(loss) for the period retained after taxation, extraordinary items and dividends	129,006	(42,110)

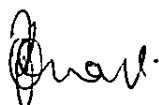
HIGHRAK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	7	2,684,080		2,738,660	
Current assets					
Stocks	8	666		932	
Debtors	9	132,102		138,506	
Cash at bank and in hand		13,623		19,938	
		<u>146,391</u>		<u>159,376</u>	
Creditors, amounts falling due within one year	10	<u>(2,124,469)</u>		<u>(2,200,717)</u>	
Net current liabilities			<u>(1,978,078)</u>		<u>(2,041,341)</u>
Total assets less current liabilities			706,002		697,319
Creditors: amounts falling due after more than one year	11		(979,226)		(1,086,568)
Provisions for liabilities	12		<u>(49,784)</u>		<u>(52,413)</u>
			<u>(323,008)</u>		<u>(441,662)</u>
Capital and reserves					
Called up share capital	13		100		100
Revaluation reserve	14		952,374		962,726
Profit and loss account	14		<u>(1,275,482)</u>		<u>(1,404,488)</u>
Shareholders' funds	15		<u>(323,008)</u>		<u>(441,662)</u>

Approved by the Board and authorised for issue on 12 September 2013



Mr M F Esmail
Director

Company Registration No 02311839

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Turnover

Turnover represents amounts receivable from room revenue and income from food and beverage, excluding value added tax

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years

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

Stock 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 31 MARCH 2013

3	Operating profit/(loss)	2013	2012
		£	£
	Operating profit/(loss) is stated after charging		
	Depreciation of tangible assets	59,705	62,103
	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	2013	2012
		£	£
	On bank loans and overdrafts	21,023	23,427
		<u> </u>	<u> </u>
5	Taxation	2013	2012
		£	£
	Domestic current year tax		
	U K corporation tax	42,848	-
		<u> </u>	<u> </u>
	Total current tax	42,848	-
		<u> </u>	<u> </u>
	Deferred tax		
	Deferred tax charge/credit current year	(2,629)	15,673
		<u> </u>	<u> </u>
		40,219	15,673
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the period		
	Profit/(loss) on ordinary activities before taxation	158,873	(36,789)
		<u> </u>	<u> </u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	38,130	(9,565)
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	120	377
	Depreciation add back	14,329	16,147
	Capital allowances	9,732	(14,309)
	Other tax adjustments	(19,463)	7,350
		<u> </u>	<u> </u>
		4,718	9,565
		<u> </u>	<u> </u>
	Current tax charge for the period	42,848	-
		<u> </u>	<u> </u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2013

6 Intangible fixed assets

	Goodwill £
Cost	
At 2 April 2012 & at 31 March 2013	240,000
Amortisation	
At 2 April 2012 & at 31 March 2013	240,000
Net book value	
At 31 March 2013	-
At 1 April 2012	-

7 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 2 April 2012	2,500,000	907,714	3,407,714
Additions	-	5,125	5,125
At 31 March 2013	2,500,000	912,839	3,412,839
Depreciation			
At 2 April 2012	218,944	450,110	669,054
Charge for the period	25,000	34,705	59,705
At 31 March 2013	243,944	484,815	728,759
Net book value			
At 31 March 2013	2,256,056	428,024	2,684,080
At 1 April 2012	2,281,056	457,604	2,738,660

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 (2012 - £1,464,810)

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2013

8	Stocks	2013 £	2012 £
	Finished goods and goods for resale	<u>666</u>	<u>932</u>

9	Debtors	2013 £	2012 £
	Amounts owed by parent and fellow subsidiary undertakings	129,528	129,861
	Other debtors	1,740	8,645
	Prepayments and accrued income	<u>834</u>	<u>-</u>
		<u>132,102</u>	<u>138,506</u>

10	Creditors amounts falling due within one year	2013 £	2012 £
	Bank loans and overdrafts	116,393	107,342
	Trade creditors	16,287	57,030
	Amounts owed to parent and fellow subsidiary undertakings	1,901,710	2,006,114
	Corporation tax	42,848	-
	Other taxes and social security costs	21,080	23,326
	Other creditors	12,740	5,905
	Accruals and deferred income	<u>13,411</u>	<u>1,000</u>
		<u>2,124,469</u>	<u>2,200,717</u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2013

11 Creditors: amounts falling due after more than one year	2013 £	2012 £
Bank loans	979,226	1,086,568
Analysis of loans		
Not wholly repayable within five years by instalments	549,859	657,201
Wholly repayable within five years	536,709	536,709
	1,086,568	1,193,910
Included in current liabilities	(107,342)	(107,342)
	979,226	1,086,568
Instalments not due within five years	549,859	657,201
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	549,859	657,201

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 2 April 2012	52,413
Profit and loss account	(2,629)
Balance at 31 March 2013	49,784

The deferred tax liability is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	49,784	52,413

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2013

13 Share capital	2013	2012
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

14 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 2 April 2012	962,726	(1,404,488)
Profit for the period	-	118,654
Transfer from revaluation reserve to profit and loss account	(10,352)	10,352
	<u> </u>	<u> </u>
Balance at 31 March 2013	952,374	(1,275,482)
	<u> </u>	<u> </u>

15 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit/(Loss) for the financial period	118,654	(52,462)
Opening shareholders' funds	(441,662)	(389,200)
	<u> </u>	<u> </u>
Closing shareholders' funds	(323,008)	(441,662)
	<u> </u>	<u> </u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2013

16 Employees

Number of employees

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

	2013 Number	2012 Number
Operational staff	9	11

Employment costs

	2013 £	2012 £
Wages and salaries	112,480	109,326
Social security costs	6,390	5,597
	118,870	114,923

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 Charlwood House, The Runway, South Ruislip, Middlesex HA4 6SE

The ultimate controlling parties are Mr and Mrs M Esmail

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2013

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 £37,997 (2012 £37,870) to SME Group Plc, the ultimate parent company. At the balance sheet date, the balance payable to SME Group Plc amounted to £27,182 (2012 £151,586)

At the period end, the balance receivable from non-wholly owned subsidiary undertakings of the group amounted to £62,573 (2012 £62,906). This balance is shown in note 9 under the category 'Amount due from parent and fellow subsidiary undertakings'. The remaining balance of £66,956 (2012 £66,956) is due from wholly owned subsidiary undertakings of the group.

At the period end, the balance payable to non-wholly owned subsidiary undertakings of the group amounted to £17,202 (2012 £17,202). This balance is shown in note 10 under the category 'Amount due from parent and fellow subsidiary undertakings'. The remaining balance of £190,215 (2012 £190,215) is due to wholly owned subsidiary undertakings of the group.