

Company Registration No 2311839 (England and Wales)

HIGHRAK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2010

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COMPANIES HOUSE

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	2311839
Registered office	73 Queensborough Terrace Bayswater London W2 3SU
Auditors	KLSA LLP Chartered Accountants 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 28 MARCH 2010

The directors present their report and financial statements for the period ended 28 March 2010

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 30 March 2009

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 28 MARCH 2010

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

16 September 2010

HIGHRAK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIGHRAK LIMITED

We have audited the financial statements of Highrak limited for the period ended 28 March 2010 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 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.

Opinion on financial statements

In our opinion:

- give a true and fair view of the state of the company's affairs as at 28 March 2010 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

Statutory Auditor

Chartered Accountants

28-30 St. John's Square

London

EC1M 4DN

16 September 2010

HIGHRAK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 28 MARCH 2010

	Notes	2010 £	2009 £
Turnover	2	332,469	313,861
Cost of sales		(33,345)	(34,935)
Gross profit		299,124	278,926
Administrative expenses		(278,816)	(289,343)
Operating profit/(loss)	3	20,308	(10,417)
Other interest receivable and similar income	4	-	16
Interest payable and similar charges	5	(71,378)	(88,355)
Loss on ordinary activities before taxation		(51,070)	(98,756)
Tax on loss on ordinary activities	6	3,493	19,801
Loss for the period	15	(47,577)	(78,955)

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

	2010 £	2009 £
Reported loss on ordinary activities before taxation	(51,070)	(98,756)
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	(40,718)	(88,404)
Historical cost loss for the period retained after taxation, extraordinary items and dividends	(37,225)	(68,603)

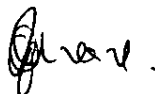
HIGHRAK LIMITED

BALANCE SHEET

AS AT 28 MARCH 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Intangible assets	7	12,000		24,000	
Tangible assets	8	2,468,625		2,495,036	
		<u>2,480,625</u>		<u>2,519,036</u>	
Current assets					
Stocks	9	318		572	
Debtors	10	93,578		116,789	
Cash at bank and in hand		31,764		21,195	
		<u>125,660</u>		<u>138,556</u>	
Creditors: amounts falling due within one year	11	<u>(1,418,227)</u>		<u>(1,368,044)</u>	
Net current liabilities		<u>(1,292,567)</u>		<u>(1,229,488)</u>	
Total assets less current liabilities		<u>1,188,058</u>		<u>1,289,548</u>	
Creditors. amounts falling due after more than one year	12	(1,301,251)		(1,354,256)	
Provisions for liabilities	13	<u>(32,445)</u>		<u>(33,353)</u>	
		<u>(145,638)</u>		<u>(98,061)</u>	
Capital and reserves					
Called up share capital	14	100		100	
Revaluation reserve	15	983,430		993,782	
Profit and loss account	15	<u>(1,129,168)</u>		<u>(1,091,943)</u>	
Shareholders' funds	16	<u>(145,638)</u>		<u>(98,061)</u>	

Approved by the Board and authorised for issue on 16 September 2010



Mr M F Esmail
Director

Company Registration No. 2311839

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 MARCH 2010

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

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 accounts have been prepared on a going concern basis on the assumption that the ultimate parent company shall continue to provide financial support as and when required

1.8 Related party transactions

The company has taken advantage of the disclosure exemption in Financial Reporting Standard 8 and therefore has not disclosed details of transactions with group companies in the financial statements

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 28 MARCH 2010

3	Operating profit/(loss)	2010	2009
		£	£
	Operating profit/(loss) is stated after charging		
	Amortisation of intangible assets	12,000	12,000
	Depreciation of tangible assets	36,087	36,269
	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	Investment income	2010	2009
		£	£
	Bank interest	-	16
		<u> </u>	<u> </u>
		-	16
		<u> </u>	<u> </u>
5	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	71,378	88,355
		<u> </u>	<u> </u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2010

6	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	(2,585)	(15,527)
	Current tax charge	(2,585)	(15,527)
	Deferred tax		
	Deferred tax charge/credit current year	(908)	(4,274)
		(3,493)	(19,801)
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	(51,070)	(98,756)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	(14,300)	(27,652)
	Effects of		
	Non deductible expenses	446	-
	Depreciation add back	13,464	13,515
	Capital allowances	(2,195)	(1,390)
		11,715	12,125
	Current tax charge	(2,585)	(15,527)
7	Intangible fixed assets		Goodwill £
	Cost		
	At 30 March 2009 & at 28 March 2010		240,000
	Amortisation		
	At 30 March 2009		216,000
	Charge for the period		12,000
	At 28 March 2010		228,000
	Net book value		
	At 28 March 2010		12,000
	At 29 March 2009		24,000

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2010

8 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 30 March 2009	2,500,000	513,676	3,013,676
Additions	-	9,676	9,676
At 28 March 2010	2,500,000	523,352	3,023,352
Depreciation			
At 30 March 2009	143,944	374,696	518,640
Charge for the period	25,000	11,087	36,087
At 28 March 2010	168,944	385,783	554,727
Net book value			
At 28 March 2010	2,331,056	137,569	2,468,625
At 29 March 2009	2,356,056	138,980	2,495,036

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 (2009 - £1,464,810)

9 Stocks

	2010 £	2009 £
Raw materials and consumables	318	572

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2010

10 Debtors	2010	2009
	£	£
Trade debtors	14,551	25,335
Amounts owed by parent and fellow subsidiary undertakings	69,541	78,203
Other debtors	8,883	8,883
Prepayments and accrued income	603	4,368
	<u>93,578</u>	<u>116,789</u>
11 Creditors amounts falling due within one year	2010	2009
	£	£
Bank loans and overdrafts	107,342	161,679
Trade creditors	8,678	4,578
Amounts owed to parent and fellow subsidiary undertakings	1,284,947	1,191,624
Taxes and social security costs	8,606	4,902
Other creditors	2,068	2,041
Accruals and deferred income	6,586	3,220
	<u>1,418,227</u>	<u>1,368,044</u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2010

12 Creditors: amounts falling due after more than one year	2010 £	2009 £
Bank loans	1,301,251	1,354,256
Analysis of loans		
Not wholly repayable within five years by instalments	871,884	707,540
Wholly repayable within five years	536,709	808,395
	1,408,593	1,515,935
Included in current liabilities	(107,342)	(161,679)
	1,301,251	1,354,256
Instalments not due within five years	871,884	707,540
Loan maturity analysis		
In more than one year but not more than two years	107,342	161,679
In more than two years but not more than five years	322,025	485,037
In more than five years	871,884	707,540

The bank loans and overdraft are secured by a fixed charge over the freehold properties 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.

13 Provisions for liabilities

	Deferred tax liability £
Balance at 30 March 2009	33,353
Profit and loss account	(908)
Balance at 28 March 2010	32,445

The deferred tax liability is made up as follows:

	2010 £	2009 £
Accelerated capital allowances	32,445	33,353

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2010

14 Share capital	2010	2009
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
 15 Statement of movements on reserves		
	Revaluation reserve	Profit and loss account
	£	£
Balance at 30 March 2009	993,782	(1,091,943)
Loss for the period	-	(47,577)
Transfer from revaluation reserve to profit and loss account	(10,352)	10,352
	<u> </u>	<u> </u>
Balance at 28 March 2010	983,430	(1,129,168)
	<u> </u>	<u> </u>
 16 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Loss for the financial period	(47,577)	(78,955)
Opening shareholders' funds	(98,061)	(19,106)
	<u> </u>	<u> </u>
Closing shareholders' funds	(145,638)	(98,061)
	<u> </u>	<u> </u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2010

17 Employees

Number of employees

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

	2010 Number	2009 Number
Operational staff	9	10

Employment costs

	2010 £	2009 £
Wages and salaries	94,158	95,715
Social security costs	5,088	5,548
	99,246	101,263

18 Control

In the opinion of the directors, the intermediate 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