Company Registration No. 02311839 (England and Wales)

HIGHRAK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

KLSA
Chartered Accountants

PKF
Member firm of PKF International Ltd

HIGHRAK LIMITED

COMPANY INFORMATION

Directors	Mr A M Esmail	(Appointed 1 April 2016)
	Mr S M Esmail	(Appointed 1 April 2017)
Company number	02311839	
Registered office	Runway House The Runway South Ruislip Middlesex HA4 6SE	
Auditor	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 YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities
The principal activity of the company in the year under review was that of hoteliers.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs S Esmail	(Resigned 31 March 2017)
Mr A M Esmail	(Appointed 1 April 2016)
Mr S M Esmail	(Appointed 1 April 2017)

Results and dividends
The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Auditor
The auditor, 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 annual 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.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

On behalf of the board

Mr A M Esmail
Director
28 September 2017

HIGHRAK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIGHRAK LIMITED

We have audited the financial statements of Highrak limited for the year ended 31 March 2017 set out on pages 5 to 20. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 members 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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its 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, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S 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; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

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

28 September 2017

HIGHRAK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	746,711	704,704
Cost of sales		(98,139)	(58,199)
Gross profit		648,572	646,505
Administrative expenses		(597,117)	(539,001)
Operating profit	4	51,455	107,504
Interest payable and similar expenses	6	(11,923)	(15,502)
Profit before taxation		39,532	92,002
Tax on profit	7	(24,504)	(14,905)
Profit for the financial year		15,028	77,097

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

HIGHRAK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Profit for the year	15,028	77,097
Other comprehensive income		
Deferred tax movement from revaluation of tangible fixed assets	10,254	10,254
Total comprehensive income for the year	25,282	87,351

HIGHRAK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

		2017		2016	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	9		8,107,975		8,231,568
Current assets					
Stocks	11	574		723	
Debtors	12	188,623		298,070	
Cash at bank and in hand		201,946		53,890	
		391,143		352,683	
Creditors: amounts falling due within one year	13	(2,108,222)		(2,090,918)	
Net current liabilities			(1,717,079)		(1,738,235)
Total assets less current liabilities			6,390,896		6,493,333
Creditors: amounts falling due after more than one year	14		(549,859)		(657,201)
Provisions for liabilities	16		(1,024,298)		(1,044,675)
Net assets			4,816,739		4,791,457
Capital and reserves					
Called up share capital	19		100		100
Revaluation reserve			5,536,197		5,593,755
Profit and loss reserves			(719,558)		(802,398)
Total equity			4,816,739		4,791,457

The financial statements were approved by the board of directors and authorised for issue on 28 September 2017 and are signed on its behalf by:

Mr A M Esmail
Director

Company Registration No. 02311839

HIGHRAK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2015	100	5,651,313	(947,307)	4,704,106
Year ended 31 March 2016:				
Profit for the year	-	-	77,097	77,097
Other comprehensive income:				
Deferred tax relating to revaluation of tangible fixed assets	-	10,254	-	10,254
Total comprehensive income for the year	-	10,254	77,097	87,351
Tansfer of excess depreciation between historical cost depreciation charge and actual depreciation charge on the revalued amount	-	(67,812)	67,812	-
Balance at 31 March 2016	100	5,593,755	(802,398)	4,791,457
Year ended 31 March 2017:				
Profit for the year	-	-	15,028	15,028
Other comprehensive income:				
Deferred tax relating to revaluation of tangible fixed assets	-	10,254	-	10,254
Total comprehensive income for the year	-	10,254	15,028	25,282
Tansfer of excess depreciation between historical cost depreciation charge and actual depreciation charge on the revalued amount	-	(67,812)	67,812	-
Balance at 31 March 2017	100	5,536,197	(719,558)	4,816,739

1 Accounting policies

Company information

Highrak Limited is a private company limited by shares incorporated in England and Wales. The registered office is Runway House, The Runway, South Ruislip, Middlesex, HA4 6SE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The accounts of Highrak Limited have also adopted the following FRS 102 disclosure exemptions:
financial instrument disclosures, including:

- categories of financial instruments;
- items of income, expenses, gains or losses relating to financial instruments, and
- exposure to and management of financial risks

The company has taken advantage of the exemption under FRS 102, from preparing a statement of cash flows, on the basis that it is a qualifying entity and its parent company, SME Holdings Limited, includes the company's cash flows in its own consolidated financial statements.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors also assess that the group has sufficient resources and assets to meet its liabilities.Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents income receivable from rooms, food and beverage, net of VAT. Revenue is recognised at the point at which the accomodation and related services are provided.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% on cost of buildings.
Fixtures, fittings & equipment	20% reducing balance basis.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stock is valued at the lower of cost and net realisable value.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Other financial assets
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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 there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1 Accounting policies **(Continued)**

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover analysed by class of business		
Hotelier	746,711	704,704

	2017	2016
	£	£
Turnover analysed by geographical market		
United Kingdom	746,711	704,704

4 Operating profit

	2017	2016
Operating profit for the year is stated after charging:	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	1,000	1,000
Depreciation of owned tangible fixed assets	156,387	111,824
Cost of stocks recognised as an expense	98,139	58,199

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Operational Staff	5	8
Management Staff	1	-
	6	8

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	216,745	216,292
Social security costs	7,637	10,036
Pension costs	106	-
	224,488	226,328

6 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	11,923	15,502

7 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	34,627	17,612
Deferred tax		
Origination and reversal of timing differences	(10,123)	(2,707)
Total tax charge	24,504	14,905

7 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	39,532	92,002
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	7,906	18,400
Tax effect of expenses that are not deductible in determining taxable profit	105	105
Group relief	-	(18,000)
Depreciation on assets not qualifying for tax allowances	31,278	22,365
Capital allowances	(4,662)	(5,258)
Deferred tax adjustment	(10,123)	(2,707)
Taxation charge for the year	24,504	14,905

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017	2016
	£	£
Deferred tax arising on:		
Revaluation of property	(10,254)	(10,254)

8 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2016 and 31 March 2017	240,000
Amortisation and impairment	
At 1 April 2016 and 31 March 2017	240,000
Carrying amount	
At 31 March 2017	-
At 31 March 2016	-

9 Tangible fixed assets

	Land and buildings Freehold	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2016	8,246,074	939,143	9,185,217
Additions	25,312	7,482	32,794
At 31 March 2017	8,271,386	946,625	9,218,011
Depreciation and impairment			
At 1 April 2016	376,655	576,994	953,649
Depreciation charged in the year	82,461	73,926	156,387
At 31 March 2017	459,116	650,920	1,110,036
Carrying amount			
At 31 March 2017	7,812,270	295,705	8,107,975
At 31 March 2016	7,869,419	362,149	8,231,568

During the year the depreciation policy on furniture, fittings & equipment has been changed to 20% on a reducing balance basis from 7.5% on a reducing balance basis. In the directors opinion this give a more true and fair view of the consumption of the type of asset included within this classification. The change has been effected against stated net book values at the time of change and there is no impact on the comparative figures.

10 Financial instruments

	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	187,954	297,335
Carrying amount of financial liabilities		
Measured at amortised cost	2,606,225	2,709,372

11 Stocks

	2017	2016
	£	£
Raw materials and consumables	574	723

12 Debtors

	2017	2016
Amounts falling due within one year:	**£**	**£**
Amounts due from group undertakings	187,796	297,335
Other debtors	158	-
Prepayments and accrued income	669	735
	188,623	298,070

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

13 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	15	107,342	107,342
Trade creditors		43,858	37,825
Amounts due to group undertakings		1,876,738	1,874,528
Corporation tax		34,153	17,138
Other taxation and social security		17,703	21,609
Other creditors		8,314	15,814
Accruals and deferred income		20,114	16,662
		2,108,222	2,090,918

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

14 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	15	549,859	657,201

Amounts included above which fall due after five years are as follows:

	2017	2016
Payable by instalments	120,492	227,834

15 Loans and overdrafts

	2017	2016
	£	£
Bank loans	657,201	764,543
Payable within one year	107,342	107,342
Payable after one year	549,859	657,201

The bank loans and overdraft are secured by a fixed charge over the freehold property and by a debenture over the other assets of the company. 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.

16 Provisions for liabilities

		2017	2016
	Notes	£	£
Deferred tax liabilities	17	1,024,298	1,044,675

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017	Liabilities 2016
Balances:	£	£
Accelerated capital allowance	31,304	41,247
Revaluation of freehold property	992,994	1,003,428
	1,024,298	1,044,675

	2017
Movements in the year:	£
Liability at 1 April 2016	1,044,675
Credit to profit or loss	(10,123)
Credit to other comprehensive income	(10,254)
Liability at 31 March 2017	1,024,298

18 Retirement benefit schemes

	2017	2016
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	106	-

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2017	2016
	£	**£**
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	100	100

20 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption available in FRS 102 (s33 "Related Party Disclosure"), whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

During the period, the company paid management fees of £44,942 (2016: £42,293) to SME Group Plc, the ultimate parent company. At the balance sheet date, the balance receivable from SME Group Plc amounted to £108,330 (2016: £167,737).

At the period end, the balance receivable from non-wholly owned subsidiary undertakings of the group amounted to £67,171 (2016: £67,171).

At the period end, the balance payable to non-wholly owned subsidiary undertakings of the group amounted to £90,718 (2016: £190,215).

21 Controlling party

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 party is Mrs S Esmail.