

Company Registration No. 02311839 (England and Wales)

HIGHRAK LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2015

KLSA
Chartered Accountants

PKF
Member firm of PKF International Ltd

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HIGHRAK LIMITED

COMPANY INFORMATION

Director	Mrs S Esmail
Secretary	Mrs S Esmail Mr A M Esmail Mr S M Esmail
Company number	02311839
Registered office	73 Queensborough Terrace Bayswater London W2 3SU
Auditors	KLSA LLP 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

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The director presents her report and financial statements for the year ended 31 March 2015.

Principal activities

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

Results and dividends

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

The director does not recommend payment of an ordinary dividend.

Director

The following director has held office since 1 April 2014:

Mr M F Esmail

(Deceased 23 October 2014)

Mrs S Esmail

Auditors

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

Statement of director's responsibilities

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is 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 director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that she ought to have taken as director in order to make herself 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 Esmail

Director

29 September 2015

HIGHRAK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIGHRAK LIMITED

We have audited the financial statements of Highrak limited for the year ended 31 March 2015 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is 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 director; 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 2015 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year 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

29 September 2015

HIGHRAK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Turnover	2	722,834	773,078
Cost of sales		(90,984)	(86,968)
Gross profit		631,850	686,110
Administrative expenses		(429,120)	(458,913)
Operating profit	3	202,730	227,197
Interest payable and similar charges	4	(17,047)	(19,021)
Profit on ordinary activities before taxation		185,683	208,176
Tax on profit on ordinary activities	5	(34,967)	(51,671)
Profit for the year	13	150,716	156,505

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

HIGHRAK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	6	8,332,000		2,627,085	
Current assets					
Stocks	7	627		666	
Debtors	8	187,851		217,930	
Cash at bank and in hand		110,538		24,478	
		<u>299,016</u>		<u>243,074</u>	
Creditors: amounts falling due within one year	9	<u>(2,104,732)</u>		<u>(2,116,661)</u>	
Net current liabilities			(1,805,716)		(1,873,587)
Total assets less current liabilities			6,526,284		753,498
Creditors: amounts falling due after more than one year	10		(764,542)		(871,884)
Provisions for liabilities	11		(43,955)		(48,117)
			<u>5,717,787</u>		<u>(166,503)</u>
Capital and reserves					
Called up share capital	12		100		100
Revaluation reserve	13		6,664,994		942,022
Profit and loss account	13		(947,307)		(1,108,625)
Shareholders' funds	14		<u>5,717,787</u>		<u>(166,503)</u>

Approved by the Board and authorised for issue on 29 September 2015



Mrs S Esmail
Director

Company Registration No. 02311839

HIGHRAK LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Profit for the financial year		150,716	156,505
Unrealised surplus on revaluation of properties		5,733,574	-
Total recognised gains and losses relating to the year		<u>5,884,290</u>	<u>156,505</u>

Note of historical cost profits and losses

	2015 £	2014 £
Reported profit on ordinary activities before taxation	185,683	208,176
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	10,602	10,352
Historical cost profit on ordinary activities before taxation	<u>196,285</u>	<u>218,528</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u>161,318</u>	<u>166,857</u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover and revenue recognition

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

1.4 Goodwill

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

1.5 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.

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.

1.6 Stock

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

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

1.8 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 year has been derived from its principal activity wholly undertaken in the United Kingdom.

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

3	Operating profit	2015	2014
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	56,071	56,995
	Fees payable to the company's auditor for the audit of the company's annual accounts	1,000	1,000
		<u>57,071</u>	<u>57,995</u>
4	Interest payable	2015	2014
		£	£
	On bank loans and overdrafts	17,047	19,021
		<u>17,047</u>	<u>19,021</u>
5	Taxation	2015	2014
		£	£
	Domestic current year tax		
	U.K. corporation tax	39,129	53,338
	Total current tax	<u>39,129</u>	<u>53,338</u>
	Deferred tax		
	Deferred tax charge/credit current year	(4,162)	(1,667)
		<u>34,967</u>	<u>51,671</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	185,683	208,176
		<u>185,683</u>	<u>208,176</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2014 - 23.00%)	38,993	47,880
		<u>38,993</u>	<u>47,880</u>
	Effects of:		
	Non deductible expenses	105	115
	Depreciation add back	11,775	13,109
	Capital allowances	(6,494)	(7,766)
	Other tax adjustments	(5,250)	-
		<u>136</u>	<u>5,458</u>
	Current tax charge for the year	<u>39,129</u>	<u>53,338</u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

6 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 1 April 2014	2,500,000	912,839	3,412,839
Additions	12,500	14,912	27,412
Revaluation	5,733,574	-	5,733,574
At 31 March 2015	8,246,074	927,751	9,173,825
Depreciation			
At 1 April 2014	268,944	516,810	785,754
Charge for the year	25,250	30,821	56,071
At 31 March 2015	294,194	547,631	841,825
Net book value			
At 31 March 2015	7,951,880	380,120	8,332,000
At 31 March 2014	2,231,056	396,029	2,627,085

The freehold property valuation was carried out on 28 September 2015 by the director. In the opinion of the director, the valuation represents the open market value.

On an historical cost basis these would have been included in the accounts at an original cost of £1,464,810 (2014 - £1,464,810).

7 Stocks

	2015 £	2014 £
Stock and consumables	627	666

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

8 Debtors	2015 £	2014 £
Amounts owed by parent and fellow subsidiary undertakings	186,995	217,175
Other debtors	144	755
Prepayments and accrued income	712	-
	<u>187,851</u>	<u>217,930</u>
9 Creditors: amounts falling due within one year	2015 £	2014 £
Bank loans and overdrafts	107,342	107,342
Trade creditors	32,587	34,245
Amounts owed to parent and fellow subsidiary undertakings	1,874,528	1,874,528
Corporation tax	39,129	53,338
Other taxes and social security costs	24,667	23,619
Other creditors	14,205	7,913
Accruals and deferred income	12,274	15,676
	<u>2,104,732</u>	<u>2,116,661</u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

10 Creditors: amounts falling due after more than one year	2015 £	2014 £
Bank loans	764,542	871,884
Analysis of loans		
Not wholly repayable within five years by instalments:		
	335,175	442,517
Wholly repayable within five years	536,709	536,709
	871,884	979,226
Included in current liabilities	(107,342)	(107,342)
	764,542	871,884
Instalments not due within five years	335,175	442,517
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	335,175	442,517

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.

11 Provisions for liabilities

Deferred tax
liability
£

Balance at 1 April 2014	48,117
Profit and loss account	(4,162)
Balance at 31 March 2015	43,955

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	43,955	48,117

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

12	Share capital	2015	2014
		£	£
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	100	100
		<u> </u>	<u> </u>
13	Statement of movements on reserves		
		Revaluation reserve	Profit and loss account
		£	£
	Balance at 1 April 2014	942,022	(1,108,625)
	Profit for the year	-	150,716
	Transfer from revaluation reserve to profit and loss account	(10,602)	10,602
	Revaluation during the year	5,733,574	-
		<u> </u>	<u> </u>
	Balance at 31 March 2015	6,664,994	(947,307)
		<u> </u>	<u> </u>
14	Reconciliation of movements in Shareholders' funds	2015	2014
		£	£
	Profit for the financial year	150,716	156,505
	Other recognised gains and losses	5,733,574	-
		<u> </u>	<u> </u>
	Net addition to shareholders' funds	5,884,290	156,505
	Opening Shareholders' funds	(166,503)	(323,008)
		<u> </u>	<u> </u>
	Closing Shareholders' funds	5,717,787	(166,503)
		<u> </u>	<u> </u>

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

15 Employees

Number of employees

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

	2015 Number	2014 Number
Operational staff	9	7
Employment costs	2015 £	2014 £
Wages and salaries	103,473	97,292
Social security costs	4,531	6,321
	108,004	103,613

16 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 party is Mrs S Esmail.

17 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 £43,402 (2014: £46,034) to SME Group Plc, the ultimate parent company. At the balance sheet date, the balance receivable from SME Group Plc amounted to £57,397 (2014: £87,577).

At the period end, the balance receivable from non-wholly owned subsidiary undertakings of the group amounted to £62,427 (2014: £62,427). This balance is shown in note 8 under the category 'Amount due from parent and fellow subsidiary undertakings'. The remaining balance of £67,171 (2014: £67,171) 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 £190,215 (2014: £190,215). This balance is shown in note 9 under the category 'Amount due to parent and fellow subsidiary undertakings'. The remaining balance of £17,202 (2014: £17,202) is due to wholly owned subsidiary undertakings of the group.