

Company registration number 02311839 (England and Wales)

HIGHRAK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
PAGES FOR FILING WITH REGISTRAR

HIGHRAK LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 7

HIGHRAK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	5	8,384,387	8,287,510
Current assets			
Stocks		292	323
Debtors	7	129,429	126,510
Cash at bank and in hand		374,666	288,649
		<u>504,387</u>	<u>415,482</u>
Creditors: amounts falling due within one year	8	<u>(2,925,710)</u>	<u>(2,872,591)</u>
Net current liabilities		<u>(2,421,323)</u>	<u>(2,457,109)</u>
Total assets less current liabilities		5,963,064	5,830,401
Creditors: amounts falling due after more than one year	9	-	(176,823)
Provisions for liabilities		<u>(991,431)</u>	<u>(935,203)</u>
Net assets		<u><u>4,971,633</u></u>	<u><u>4,718,375</u></u>
Capital and reserves			
Called up share capital		100	100
Revaluation reserve		5,413,411	5,413,411
Profit and loss reserves		<u>(441,878)</u>	<u>(695,136)</u>
Total equity		<u><u>4,971,633</u></u>	<u><u>4,718,375</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 29 September 2023

Mr A M Esmail
Director

Company registration number 02311839 (England and Wales)

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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, England, 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The director also assesses that the group has sufficient resources and assets to meet its liabilities. Thus the director continues 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 accommodation and related services are provided.

1.4 Intangible fixed assets - goodwill

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

1.5 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:

Freehold land and buildings	2% on cost of buildings.
Fixtures, fittings & equipment	10% 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.

1.6 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.

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

1.7 Stocks

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

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

1.9 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.

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.

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

1.10 Equity instruments

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

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.

1.12 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.

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

3 Employees

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

	2023 Number	2022 Number
Total	8	8

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2022 and 31 March 2023	240,000
Amortisation and impairment	
At 1 April 2022 and 31 March 2023	240,000
Carrying amount	
At 31 March 2023	-
At 31 March 2022	-

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2022	8,983,421	1,005,734	9,989,155
Additions	-	229,572	229,572
At 31 March 2023	8,983,421	1,235,306	10,218,727
Depreciation and impairment			
At 1 April 2022	894,951	806,694	1,701,645
Depreciation charged in the year	89,834	42,861	132,695
At 31 March 2023	984,785	849,555	1,834,340
Carrying amount			
At 31 March 2023	7,998,636	385,751	8,384,387
At 31 March 2022	8,088,470	199,040	8,287,510

6 Financial instruments

All financial assets and liabilities are measured at amortised cost.

7 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Amounts owed by group undertakings	105,165	98,036
Other debtors	24,264	28,474
	129,429	126,510

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

8 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	-	70,729
Trade creditors	151,604	59,485
Amounts owed to group undertakings	2,756,238	2,687,267
Corporation tax	-	14,332
Other taxation and social security	2,344	11,549
Other creditors	15,524	29,229
	2,925,710	2,872,591

HIGHRAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Creditors: amounts falling due within one year (Continued)

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

9 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	-	176,823

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.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:

V R Thayalan

Statutory Auditor:

Lawrence Grant LLP

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

12 Parent company

In the opinion of the director, the ultimate parent company is SME Group Plc, a company incorporated in England and Wales. The immediate parent company is SME Holdings Limited, a company incorporated in England and Wales.

The group for which Highrak Limited is a member for which group financial statements are prepared is SME Group Plc, whose consolidated financial statements can be obtained from Charlwood House, The Runway, South Ruislip, Middlesex HA4 6SE.

The ultimate controlling party is Mrs S Esmail.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.