

Company registration number

08037505

HIGHFLEX LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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Directors' report

for the year ended 31st March 2016

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2016. This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006. The company has also taken the small companies exemption in relation to preparing a Strategic Report.

Principal activity

The principal activity of the company is an intermediate holding company.

Results and dividends

The result for the financial year, amounted to a loss of £2,649,000 (2015: profit £3,611,140). No dividend payments were made during the year (2015: £3,611,140). The directors do not recommend a final dividend (2015: £nil).

Going concern

The company made a loss in the year of £2,649,000 and has net liabilities at the year end of £2,648,000.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Help Link Holdings (UK) Limited and the group's key investor, NorthEdge Capital. The Board has developed a prudent budget for FY18 that highlights a seasonal working capital funding requirement through the summer period. This reverses from October 2017 as seasonality drives profit and cash. The Board is in active discussions with its bank and its investors with the intention of securing the required funds in the very near term. Based on the support expressed to date and the intention of the funders to provide the working capital needs, the Board is confident in its ability to trade for at least one year after these financial statements are signed.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Mr R J Harrison	(appointed 13 August 2015)
Mr S Townsley	(appointed 19 January 2016)
Mr J Forrester	(appointed 20 April 2016)
Mr R Cotton	(appointed 4 November 2015)
Mr A Pattison	(appointed 4 November 2015) (resigned 3rd May 2016)
Mr W J Ley	(appointed 13 August 2015) (resigned 10th May 2016)
Ms J Reading	(appointed 4 November 2015) (resigned 14th June 2016)
Mr A Dobing	(resigned 24 September 2015)

Directors' indemnities

The company had Directors' and Officers' liability insurance throughout the accounting period, which has been renewed. Neither the indemnities nor the insurance provide cover in the event that a Director is proved to have acted fraudulently.

Future developments

The company will continue as an intermediate holding company.

Directors' report

for the year ended 31st March 2016 (continued)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to: Ireland (FRS 102)".

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report

for the year ended 31st March 2016 (continued)

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved on behalf of the Board of Directors

A handwritten signature in black ink, appearing to be 'R J Harrison', with a long horizontal stroke extending to the right.

Mr R J Harrison
Director

31st March 2017

Independent auditors' report to the members of Highflex Limited for the year ended 31st March 2016

Report on the financial statements

Our opinion

In our opinion, Highflex Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the company's ability to continue as a going concern. The company is dependent for continuing operations on the ongoing financial support of the group's key investor, NorthEdge Capital, and its bankers. This condition, along with the other matters explained in note 3 to the financial statements, indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 March 2016;
- the income statement for the year then ended; and
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Highflex Limited
for the year ended 31st March 2016 (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Arif Ahmad

Arif Ahmad (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

31st March 2017

Income statement**for the year ended 31st March 2016**

	Note	2016 £'000	2015 £'000
Administrative expenses		(2,649)	-
Operating (loss)/ result	4	<u>(2,649)</u>	<u>-</u>
Income from shares in group undertaking		-	3,611
(Loss)/ profit on ordinary activities before taxation		<u>(2,649)</u>	<u>3,611</u>
Tax on (loss) /profit on ordinary activities	6	-	-
(Loss) / profit for the financial year		<u>(2,649)</u>	<u>3,611</u>

There is no material difference between the result on ordinary activities before taxation and the result for the financial year and their historic costs equivalents.

All of the activities of the company are classed as continuing.

The company has no other comprehensive income other than the results for the year, as set out above.

Statement of financial position**as at 31st March 2016**

	Note	2016 £'000	2015 £'000
Fixed assets			
Investments	8	<u>2,582</u>	<u>2,582</u>
Current assets			
Debtors	9	-	2,649
		<u>-</u>	<u>2,649</u>
Creditors - amounts falling due within one year	10	(5,230)	(5,230)
Net current liabilities		<u>(5,230)</u>	<u>(2,581)</u>
Total assets less current (liabilities)/ assets		<u>(2,648)</u>	<u>1</u>
Net liabilities		<u>(2,648)</u>	<u>1</u>
Capital and Reserves			
Called up share capital	12	1	1
Profit and loss account	13	(2,649)	-
Total shareholders' (deficit)/ funds	14	<u>(2,648)</u>	<u>1</u>

The financial statements on pages 6 to 13 were approved by the board of directors on 31st March 2017 and signed on its behalf by:



Mr R J Harrison
Director

Statement of changes in equity
for the year ended 31st March 2016

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 April 2014	<u>1</u>	<u>-</u>	<u>1</u>
Changes in equity			
Profit for the financial year and total comprehensive income for the year	-	3,611	3,611
Dividends	-	(3,611)	(3,611)
Total changes in equity	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2015	<u>1</u>	<u>-</u>	<u>1</u>
Changes in equity			
Loss for the financial year and total comprehensive income for the year	-	(2,649)	(2,649)
Total changes in equity	<u>-</u>	<u>(2,649)</u>	<u>(2,649)</u>
Balance at 31 March 2016	<u>1</u>	<u>(2,649)</u>	<u>(2,648)</u>

**Notes to the financial statements
for the year ended 31st March 2016**

1. General information

Highflex Limited is an intermediate holding company.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 3310 Century Way, Thorpe Park, Leeds, West Yorkshire, LS15 8ZB.

2. Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. Details of the transition to FRS 102 are disclosed in notes 16.

Basis of accounting

These financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

Going concern

The company made a loss in the year of £2,649,000 and has net liabilities at the year end of £2,648,000.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Help Link Holdings (UK) Limited and the group's key investor, NorthEdge Capital. The Board has developed a prudent budget for FY18 that highlights a seasonal working capital funding requirement through the summer period. This reverses from October 2017 as seasonality drives profit and cash. The Board is in active discussions with its bank and its investors with the intention of securing the required funds in the very near term. Based on the support expressed to date and the intention of the funders to provide the working capital needs, the Board is confident in its ability to trade for at least one year after these financial statements are signed.

Consolidation

Consolidated accounts have not been prepared since the company is a subsidiary of Help Link Holdings (UK) Limited and is exempted from the requirement to prepare group accounts under section 400 of the Companies Act 2006.

Fixed asset investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment, less provisions to reflect any diminution in value, which the directors consider to be of a permanent nature. All purchases and sales of investments are recognised using trade date accounting.

Taxation

Current tax including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using rates and laws that have been enacted or substantively enacted at the balance sheet date.

Notes to the financial statements**for the year ended 31st March 2016** (continued)**3. Summary of significant accounting policies** (continued)**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"):

- the requirement of Section 7 Statement of Cash Flows
- the requirement of Section 33 Related Party Disclosure paragraph 33.7

The company is a subsidiary of Help Link Holdings (UK) Limited. Consolidated financial statements of that company can be obtained from 3310 Century Way, Thorpe Park, Leeds, West Yorkshire, LS15 8ZB.

Dividends payable

Dividends on ordinary shares are recognised in the financial statements in the period in which the dividends are approved by the shareholders of the company (generally in the case of the final dividend) or paid (in the case of interim dividends).

4. Operating result

During the year, the directors have reviewed the amounts owed by group undertakings to the company, and determined that the value has been impaired and has fully provide for the value of £2,649,000 (2015: £nil).

Auditors' remuneration is borne by the subsidiary company, Help-Link UK Limited and totals £500 (2015: £500)

5. Particulars of employees

During the year the company does not have any employees, other than the 8 named directors (2015: 2). None of the directors received any remuneration for their work as directors of the company (2015: £Nil)

6. Tax on (loss)/ profit on ordinary activities**(a) Analysis of credit in the year**

The tax assessed on the (loss)/ profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 20% (2015: 21%).

(b) Factors affecting current tax credit

The charge for the year differs from the standard rate of corporation tax in the UK of 20% (2015 : 21%). The differences are explained below:

	2016 £'000	2015 £'000
(Loss)/ profit on ordinary activities before taxation	(2,649)	3,611
(Loss)/ profit on ordinary activities by rate of tax of 20% (2015:21%)	(530)	758
Effects of :		
Expenses not deductible for tax purposes	530	(758)
Total current tax	-	-

Notes to the financial statements
for the year ended 31st March 2016 (continued)

7. Dividends paid

	2016 £'000	2015 £'000
Equity - ordinary		
Interim paid: £nil (2015: £3,611.14) per £1.00 share	-	3,611

The directors do not propose any dividend in respect of this period.

8. Investments

	Total £'000
Cost	
At 1 April 2015 and at 31 March 2016	2,582
Net book value	
At 31 March 2016 and at 31 March 2015	2,582

The directors believe that the carrying value of investments is supported by underlying assets.

At 31 March 2016, the company held the equity of the following subsidiary undertakings:

Subsidiary undertakings

	Country of incorpor- ation	Class of shares	Proportion held by parent	Proportion held by group	Nature of business
Help-Link UK Limited	England & Wales	Ordinary	42%	100%	Heating installation

The registered address for the subsidiary is 3310 Century Way, Thorpe Park, Leeds, West Yorkshire, LS15 8ZB.

9. Debtors

	2016 £'000	2015 £'000
Amounts owed by group undertakings	-	2,649
	-	2,649

The amounts owed by group undertakings are not subject to any fixed terms for repayment and are not subject to interest.

Notes to the financial statements
for the year ended 31st March 2016 (continued)

10. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings	5,211	5,211
Other creditors	19	19
	<u>5,230</u>	<u>5,230</u>

Amounts owed to group undertakings are not subject to any fixed terms of repayment and are not subject to interest.

The assets of the company are secured by way of fixed and floating charges under a debenture dated 20 July 2015 in favour of NorthEdge Capital LLP (as security trustee).

11. Related party transactions

The company has claimed the exemption available from disclosing transactions with other Group entities where all subsidiaries that are party to the transaction are wholly owned by a member of the Group.

12. Called up share capital

Allotted, called up and fully paid:

	2016 No.	2016 £'000	2015 No.	2015 £'000
Ordinary shares of £1 each	<u>1,000</u>	<u>1</u>	<u>1,000</u>	<u>1</u>

Notes to the financial statements

for the year ended 31st March 2016 (continued)

13. Commitments under operating leases and contingencies

The company does not have any commitments under operating leases or contingencies.

14. Ultimate parent company and controlling party

The ultimate parent company of Highflex Limited is Help Link Holdings (UK) Limited, a company registered in England and Wales. This was the smallest and largest parent undertaking to consolidate these financial statements as at 31 March 2016. The financial statements are publically available from Companies House.

The ultimate controlling party of Help Link Holdings (UK) Limited at 31 March 2016 was NorthEdge Capital LLP.

15. Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. There are no changes in any accounting policies applicable to the company, and there are no adjustments between UK GAAP as previously reported and FRS 102.