

HIGHWAY CAPITAL PLC

INTERIM REPORT 2019

Chairman's Statement

Dear Fellow Shareholder

The results for the six months ended 31 August 2019 showed a loss before tax of £127,000 (six months ended 31 August 2018: £70,000 loss; year ended 28 February 2019: £237,000 loss).

No dividend has been declared.

As set out in the announcement on 27 November 2019, I would like to welcome our new Board member Biswantah Patnaik.

The Company's main objective is the restoration of trading.

The Company's business strategy is to identify, evaluate and complete suitable acquisition opportunities.

I will keep you informed on further developments.

L Sobolewski
Chairman

28 November 2019

Statement of comprehensive income		6 months ended 31 August 2019 (unaudited) £'000	6 months ended 31 August 2018 (unaudited) £'000	Year ended 28 February 2019 (audited) £'000
	<i>Notes</i>			
Management fees		-	-	-
Administrative expenses		(127)	(78)	(207)
Operating loss	2	(127)	(78)	(207)
Interest receivable		-	8	8
Amounts written back/(off) investments and loans		-	-	(38)
Profit/(loss) on ordinary activities before taxation		(127)	(70)	(237)
Tax on profit or loss on ordinary activities		-	-	-
Profit/(loss) for financial period and total comprehensive income		(127)	(70)	(237)
Basic profit/(loss) per share	3	(1.32)p	(0.73)p	(2.48)p
Diluted profit/(loss) per share	3	(1.32)p	(0.73)p	(2.48)p
Basic profit/(loss) per share from continuing operations	3	(1.32)p	(0.73)p	(2.48)p
Diluted profit/(loss) per share from continuing operations	3	(1.32)p	(0.73)p	(2.48)p

Statement of financial position		31 August 2019 (unaudited) £'000	31 August 2018 (unaudited) £'000	28 February 2019 (audited) £'000
	<i>Notes</i>			
Fixed assets				
Investments		-	-	-
Current assets				
Debtors		210	161	6
Cash at bank and in hand		1	-	245
		211	161	251
Creditors: amounts falling due within one year		(416)	(463)	(556)
Net current assets/(liabilities)		(205)	(302)	(305)
Total assets less current liabilities		(205)	(302)	(305)
Creditors: amounts falling due after more than one year	5	(703)	(312)	(476)
Net assets/(liabilities)		(908)	(614)	(781)
Capital and reserves				
Share capital	6	192	192	192
Share premium		430	430	430
Profit and loss account		(1,530)	(1,236)	(1,403)
Total equity shareholders'		(908)	(614)	(781)

funds/(deficit)			
Statement of changes in equity	6 months ended 31 August 2019 (unaudited) £'000	6 months ended 31 August 2018 (unaudited) £'000	Year ended 28 February 2019 (audited) £'000
Profit/(loss) attributable to ordinary shareholders	(127)	(70)	(237)
Issue of new ordinary shares less costs	-	-	-
Net increase/(decrease) in shareholders' funds	(127)	(70)	(237)
Opening Shareholders' funds/(deficit)	(781)	(544)	(544)
Closing Shareholders' funds/(deficit)	(908)	(614)	(781)

Statement of cash flows	6 months ended 31 August 2019 (unaudited) £'000	6 months ended 31 August 2018 (unaudited) £'000	Year ended 28 February 2019 (audited) £'000
Cash flows from operating activities			
Profit/(loss) for the period	(127)	(70)	(237)
<i>Adjustments for:</i>			
Interest receivable	-	(8)	(8)
Amounts written back on investments and loans	-	-	-
Amounts written off investments and loans	-	-	38
<i>Changes in:</i>			
Trade and other debtors	(204)	(5)	(4)
Trade and other creditors	(35)	74	59
Net cash from operating activities	(366)	(9)	(152)
Cash flows from investing activities			
Purchase of investments	-	-	-
Loans made	-	-	(328)
Loans redeemed by company	-	170	284
Interest received	-	-	1
Net cash used in investing activities	-	170	(43)
Cash flows from financing activities			
Proceeds from loans	132	1	438
Loan repayments	(10)	(163)	-
Net cash from financing activities	122	(162)	438
Net increase/(decrease) in cash and cash equivalents	(244)	(1)	243
Cash and cash equivalents at beginning of period	243	-	-
Cash and cash equivalents at	(1)	(1)	243

Notes to the Interim Report

1. Basis of preparation of the interim report

The condensed set of financial statements for the six months ended 31 August 2019 has been prepared on a basis consistent with the financial statements for the year ended 28 February 2019.

The condensed set of financial statements for the six months ended 31 August 2019 has not been audited or reviewed by the auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

The comparative financial information for the year ended 28 February 2019 has been extracted from the audited financial statements, on which the auditors issued an unqualified audit report, and which have been delivered to the Registrar of Companies.

The financial information contained in the interim statement does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

There are no acquired or discontinued operations in the relevant financial periods.

There are no recognized gains or losses other than the profit or loss for the relevant financial periods.

Highway Capital plc is a stand-alone company and does not prepare consolidated accounts. It has therefore continued to prepare its accounts in accordance with UK rather than international accounting standards.

2. Operating loss

This is stated after charging:

	<i>6 months ended 31 August 2019 (unaudited) £'000</i>	<i>6 months ended 31 August 2018 (unaudited) £'000</i>	<i>Year ended 28 February 2019 (audited) £'000</i>
Directors' remuneration			
- salaries and fees	48	48	120
Auditors' remuneration			
- audit services	6	5	13
- other services	-	-	-

3. Profit/(loss) per share

The profit/(loss) per ordinary share calculation has been based on the loss attributable to ordinary shareholders of £127,000 (August 2018: loss £70,000; February 2019: loss £237,000), divided by 9,590,201 (August 2018: 9,590,201; February 2019: 9,590,201) being the weighted average number of ordinary shares in issue during the period. There is no difference between the basic and the diluted loss per ordinary share, as any adjustment would be anti-dilutive.

There are no discontinued operations in the periods and, therefore the basic and the diluted profit/(loss) per ordinary share from continuing operations are the same as the basic and the diluted profit/(loss) per ordinary share.

4. 2019 interim dividend

No interim dividend has been declared.

5. Creditors: due after more than one year

The creditor due after more than one year of £703,000 (August 2018: £312,000; February 2019: £476,000), is made up of the following: (a) £5,000 from M Szytko and £350,000 from N Mayster, both directors and shareholders of Highway Capital plc: these loans are unsecured, repayable after two years, and bearing interest at a rate of 5% per annum (if it so wishes, the company can repay the loan or part thereof at any time within the two year period); (b) £97,000 from D Zych, a shareholder and former director, and £251,000 from outside investors: these loans are unsecured, repayable after five years, convertible at the holder's request into new ordinary shares in the company at a price of 5 or 10 pence per share; in the event that the loan is not repaid or converted prior to its maturity date then it will attract accrued interest at a rate of 5% per annum.

6. Share capital

	<i>31 August 2019</i> <i>(unaudited)</i>	<i>31 August 2018</i> <i>(unaudited)</i>	<i>28 February 2019</i> <i>(audited)</i>
Ordinary shares of 2p each			
Allotted, called-up, fully paid			
Number of shares	9,590,201	9,590,201	9,590,201
Nominal value	£191,804	£191,804	£191,804

7. Related party transactions

As at the balance sheet date, there are loans to the company of £5,000 from M Szytko and £350,000 from N Mayster, both directors and shareholders of Highway Capital plc. The terms of the loans are interest at 5% and this is considered reasonable.

No other related party transactions were undertaken as such that are required to be disclosed under FRS 102.

8. Responsibility statement

We confirm that to the best of our knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with FRS 104 Interim Financial Reporting issued by the Financial Reporting Council;
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and their impact on the financial statements and description of principal risks and uncertainties for the remaining six months of the year); and

- (c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

L Sobolewski
Chairman

M Szytko
Non-Executive Director

9. Publication

Copies of this statement will be available on the company's website at www.highwaycapital.co.uk.