

HMG MANAGEMENT LIMITED  
REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements of the company for the period ended 31<sup>st</sup> August 2009

PRINCIPAL ACTIVITY

The principal activity of the company is the management of property investment and trading companies and there has been no change in this activity during the period

BUSINESS REVIEW

There have been no significant changes in the company's trading activities during the period

RESULTS

The results of the period's activities appear on page 5 The profit on ordinary activities before taxation is £62,104 (2008 - £53,961)

DIVIDENDS

A dividend of £29,298 (2008 - £24,662) has been paid to the holding company

CHARITABLE DONATIONS

The company donated £1,427 (2008 - £820) to charities during the period

DIRECTORS

The directors, all of whom were in office during the period, were as follows -

P Mitchell (retired 17<sup>th</sup> June 2009) I C Thomas

A J Murray (retired 31<sup>st</sup> October 2009)

N P Casson

R H Murray

S B Murray (retired 22<sup>nd</sup> September 2008)

In accordance with the Articles of Association of the Company the directors are not subject to retirement by rotation

AUDITORS

Pursuant to the provisions of Section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually Messrs Parker Gradwell & Co will therefore continue in office

Approved by the Board of Directors on 11<sup>th</sup> March 2010 and signed on their behalf by



A22 15/05/2010 511  
COMPANIES HOUSE  
A24 07/05/2010 193  
COMPANIES HOUSE

I C THOMAS, F C A ,  
Secretary

HMG MANAGEMENT LIMITED  
STATEMENT OF DIRECTORS' RESPONSIBILITY

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

HMG MANAGEMENT LIMITED  
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements of HMG Management Limited for the period 1<sup>st</sup> March 2008 to 31st August 2009 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. The information given in the directors' report includes that specific information presented in the operating and financial review that is cross referred from the Business Review section of the directors' report.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

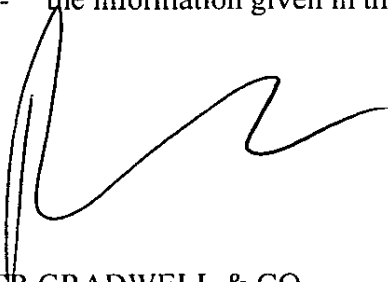
Independent auditors' report to the shareholders of HMG Management Limited

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31<sup>st</sup> August 2009 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements



PARKER GRADWELL & CO  
Chartered Accountants and Registered Auditors

11<sup>th</sup> March 2010

17 Chapel Street  
Hyde  
Cheshire  
SK14 1LF

HMG MANAGEMENT LIMITED  
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31<sup>st</sup> August 2009

	<u>Note</u>	<u>2009</u> <u>£</u>	<u>29/2/2008</u> <u>£</u>
<u>TURNOVER</u>	2		
Management commission/ apportionment of expenses		1,483,546	1,257,156
<u>ADMINISTRATIVE EXPENSES</u>			
Salaries and directors' remuneration		826,998	817,334
Pensions and pension contributions		146,950	82,580
Rent and rates		44,315	28,473
Electricity		2,978	1,653
Motor and travelling expenses		38,572	24,857
Legal and Professional Fees		108,100	71,664
Telephone		15,188	11,885
Printing and stationery		14,152	17,769
Postages		3,349	2,090
Advertising and promotion		-	3,500
Sundry expenses and cleaning		117,703	97,187
Canteen expenses		10,713	7,086
Repairs and maintenance		21,543	12,917
Insurance		27,340	19,187
Bank charges		3,023	1,776
Audit fee		2,000	1,200
Depreciation - motor vehicles		11,625	-
- furniture		<u>28,312</u>	<u>11,236</u>
		<u>1,422,861</u>	<u>1,212,394</u>
OPERATING PROFIT	3	60,685	44,762
OTHER INCOME			
Assignment fees etc		700	-
Insurance commission		15	-
Interest on loans		-	8,611
Interest on tax		<u>704</u>	<u>588</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		62,104	53,961
TAXATION ON PROFIT ON ORDINARY ACTIVITIES			
Corporation tax	5	<u>(32,806)</u>	<u>(29,299)</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>29,298</u>	<u>24,662</u>

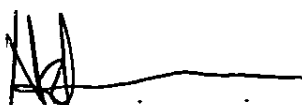
The profit and loss account includes all recognised gains and losses for the period and is prepared using the historic cost basis

The accompanying notes are an integral part of these financial statements

HMG MANAGEMENT LIMITED  
BALANCE SHEET AT 31<sup>st</sup> August 2009

	<u>Note</u>	<u>2009</u>	<u>29/2/2008</u>
		<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>			
Tangible assets	7	41,224	23,279
<u>CURRENT ASSETS</u>			
Holding company current account		-	144,123
Debtors		21,309	107,091
Prepayments and accrued income		40,203	11,024
Cash in hand		<u>509</u>	<u>587</u>
		<u>62,021</u>	<u>262,825</u>
<u>CREDITORS</u>			
Amounts falling due within one period			
Other creditors -			
Holding company current account		31,870	-
Sundry creditors and accrued charges		31,651	78,289
Corporation tax due		7,086	14,575
Other taxes and social security		<u>29,791</u>	<u>190,393</u>
		<u>100,398</u>	<u>283,257</u>
NET CURRENT LIABILITIES		<u>38,377</u>	<u>20,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,847</u>	<u>2,847</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	8	900	900
Profit and loss account		<u>1,947</u>	<u>1,947</u>
SHAREHOLDERS' FUNDS	9	<u>2,847</u>	<u>2,847</u>

Approved by the Board of Directors on 11<sup>th</sup> March 2010 and signed on its behalf by

  
 - Director  
 X  
 N P Casson BSc MRICS

Registered number 00790660

The accompanying notes are an integral part of these financial statements

HMG MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31<sup>st</sup> August 2009

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies, which the directors have adopted, are set out below.

(b) Depreciation

Depreciation is provided at the following annual rates, based on the cost of the asset:

Motor vehicles	25%
Furniture and equipment	20%
Computer equipment	33 33%

(c) Pensions

Pension contributions are charged to the profit and loss account in the period in which they are incurred.

2 TURNOVER

The turnover and profit for the financial period are attributable to the company's principal activity and are in respect of United Kingdom income.

3 OPERATING PROFIT

	<u>2009</u> £	<u>29/2/2008</u> £
Operating profit is stated after charging		
Depreciation – motor vehicles	11,625	-
- plant and machinery	28,312	11,236
Staff costs (Note 4a)	973,948	899,914
Auditors' remuneration	<u>2,000</u>	<u>1,200</u>

4 STAFF COSTS

(a) Employee costs (including directors) during the period comprised

Wages and salaries	744,918	731,494
Social security costs	82,080	85,840
Other pensions costs	<u>146,950</u>	<u>82,580</u>
	<u>973,948</u>	<u>899,914</u>

(b) The average number of employees of the company during the period was as follows:

Administration	<u>9</u>	<u>10</u>
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(c) Directors' remuneration (including benefits)

Pension contributions	<u>123,779</u>	<u>67,996</u>
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917,425      850,442

Remuneration of highest paid director      348,751      380,620

Pension contributions of highest paid director      59,358      36,918

Number of directors who are accruing benefits under a money purchase scheme      3      3

HMG MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31<sup>st</sup> August 2009

4 STAFF COSTS Contd

The pension costs relate to money purchase schemes and pensions to past employees or their spouse. A payment of £52,609 (2008 - £27,500) was made to Rickitt Mitchell and Partners in respect of P. Mitchell's services as a chairman of the company. A payment of £21,150 (2008 - £7,050) was made to Northville Estates Limited in respect of R H Murray's services as a director of the company.

	<u>2009</u>	<u>29/2/2008</u>
	£	£
5 <u>CORPORATION TAX</u>		
Corporation Tax 26.6% @ (2008 - 28.19%)	32,545	28,625
Under provision for Corporation Tax in prior period	<u>261</u>	<u>674</u>
	<u>32,806</u>	<u>29,299</u>

Factors affecting the Tax Charge for the Period

Profit on ordinary activities before taxation	<u>62,104</u>	<u>53,961</u>
Taxation on profit on ordinary activities at standard rate	17,463	16,188
Disallowed expenses	11,164	13,938
Depreciation in excess of capital allowances	5,890	339
Marginal relief	(1,972)	(1,840)
Under provision for corporation tax in prior period	<u>261</u>	<u>674</u>
	<u>32,806</u>	<u>29,299</u>

6 DIVIDENDS

Ordinary paid per share 32.55% (2008 - 27.40%) 29,298 24,662  
 The directors have not proposed any other dividends for the period ended 31<sup>st</sup> August 2009

7 TANGIBLE FIXED ASSETS

Motor Vehicles

Additions during the period	31,000	-
Depreciation for the period	<u>11,625</u>	<u>-</u>
Net book value at 31 <sup>st</sup> August 2009	<u>19,375</u>	<u>-</u>



HMG MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31<sup>st</sup> August 2009

	<u>2009</u>	<u>29/2/2008</u>
	<u>£</u>	<u>£</u>
7 <u>TANGIBLE FIXED ASSETS (Continued)</u>		
<u>Furniture and Equipment</u>		
Cost to 29 <sup>th</sup> February 2008	96,627	97,114
Additions during the period	26,882	3,102
Written off during the period at cost	<u>(15,450)</u>	<u>(3,589)</u>
Cost at 31st August 2009	<u>108,059</u>	<u>96,627</u>
Depreciation to 29 <sup>th</sup> February 2008	73,348	65,701
Charge for the period	28,312	11,236
Depreciation on write offs	<u>(15,450)</u>	<u>(3,589)</u>
Depreciation at 31st August 2009	<u>86,210</u>	<u>73,348</u>
Net Book Value at 31st August 2009	<u>21,849</u>	<u>23,279</u>
<u>Summary</u>		
Motor Vehicles	19,375	-
Furniture and equipment	<u>21,849</u>	<u>23,279</u>
	<u>41,224</u>	<u>23,279</u>
8 <u>CALLED UP SHARE CAPITAL</u>		
<u>Authorised</u>		
40,000 Ordinary shares of 25p each	<u>10,000</u>	<u>10,000</u>
<u>Allotted, Issued and Fully Paid</u>		
3,600 Ordinary shares of 25p each	<u>900</u>	<u>900</u>
9 <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>		
Profit for the financial period	29,298	24,662
Dividends	<u>(29,298)</u>	<u>(24,662)</u>
Net additions to shareholders' funds	-	-
Opening shareholders' funds	<u>2,847</u>	<u>2,847</u>
Closing shareholders' funds	<u>2,847</u>	<u>2,847</u>
10 <u>CONTINGENT LIABILITIES</u>		

The company has given a guarantee in respect of its fellow subsidiary company HMG Investments Limited to Lloyds TSB Limited (2008 - N M Rothschild and Sons Limited) for bank loans of £20,000,000 (2008 - £9,000,000)

HMG MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31<sup>st</sup> August 2009

11 RELATED PARTY DISCLOSURES

Using the exemption available to subsidiary companies related party transactions with Group Companies have not been disclosed

- a Mr A J Murray had a loan from the company which was repaid on the 20<sup>th</sup> June 2008. The loan was taken out on an arms length basis and interest accrues at a commercial rate. The balance outstanding at the 1<sup>st</sup> March 2008 was £167,300 and the maximum balance was £172,615

12 COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988

13 HOLDING COMPANY

The company is a subsidiary of The Hollins Murray Group Limited, a company incorporated in England and Wales