

HMG MANAGEMENT LIMITED (FORMERLY HOLLINS MURRAY LIMITED)

REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts of the company for the year ended 28th February 1999.

PRINCIPAL ACTIVITY

The principal activity of the company was the management of property investment companies and there has been no change in this activity during the year.

DIRECTORS

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

T.W. Marshall  
R.G. Murray  
I.C. Thomas

J.C.H. Mills  
R.H. Murray  
A.J. Murray

S.B. Murray

Mr. R.H. Murray holds one ordinary share in the company as nominee for The Hollins Murray Group Limited. No other director has any interest in the share capital of the company.

Messrs. T.W. Marshall and I.C. Thomas retire from the Board by rotation and being eligible, offer themselves for re-election.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year 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;  
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.

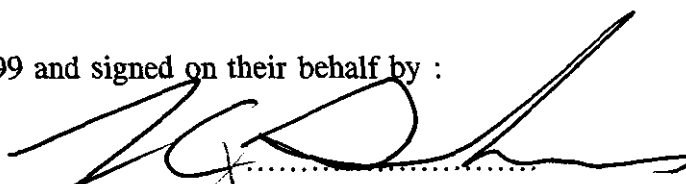
AUDITORS

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.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 4th May 1999 and signed on their behalf by :



  
I.C. THOMAS, F.C.A.,  
Secretary.

HMG MANAGEMENT LIMITED (FORMERLY HOLLINS MURRAY LIMITED)AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgments made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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 of the state of the company's affairs at 28th February 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PARKER GRADWELL & CO.

Chartered Accountants and Registered Auditor

4th May 1999

17 Chapel Street, Hyde, Cheshire.

**HMG MANAGEMENT LIMITED (FORMERLY HOLLINS MURRAY LIMITED)**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28TH FEBRUARY 1999**

	<u>Note</u> 2	<u>1999</u>	<u>1998</u>
<b>TURNOVER</b>			
Management commission/ apportionment of expenses		440,587	509,910
Insurance commissions		<u>7,786</u>	<u>3,519</u>
		448,373	513,429
<b>ADMINISTRATIVE EXPENSES</b>			
Salaries and directors' remuneration	248,157	334,334	
Pensions and pension contributions	30,947	12,215	
Rent and rates	24,518	20,299	
Electricity	1,268	2,173	
Motor and travelling expenses	10,717	13,219	
Telephone	4,898	6,086	
Printing and stationery	8,940	8,500	
Postages	3,036	3,131	
Equipment hire	888	1,184	
Sundry expenses and cleaning	32,634	33,257	
Canteen expenses	8,938	8,581	
Repairs and maintenance	3,275	7,494	
Insurance	8,183	6,159	
Bank charges	1,200	2,615	
Audit fee	850	850	
Depreciation - motor vehicles	12,264	12,687	
- furniture	16,194	10,613	
Profit on sale of motor vehicle	(226)	-	
- furniture	<u>(785)</u>	<u>415,896</u>	<u>(1,364)</u>
			482,033
<b>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	32,477	31,396
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>			
Interest on tax	-	159	
Overprovision for corporation tax in previous year	(1,344)	-	
Corporation tax @ 21% (1998 - 21%)	<u>7,777</u>	<u>6,433</u>	<u>7,331</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		26,044	23,906
<b>DIVIDEND 2,894% (1998 - 2,656%)</b>		<u>26,044</u>	<u>23,906</u>
<b>RETAINED PROFIT FOR THE YEAR</b>		<u>£ -</u>	<u>£ -</u>

**STATEMENT OF RETAINED PROFITS**

Retained profit at 28th February 1998	1,947	1,947
Retained profit for the year	-	-
Retained profit at 28th February 1999	<u>£1,947</u>	<u>£1,947</u>

The profit and loss account includes all recognised gains and losses for the year and is prepared using the historical cost basis.

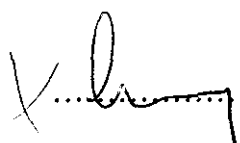
The notes on pages 5 to 7 form part of these accounts

HMG MANAGEMENT LIMITED (FORMERLY HOLLINS MURRAY LIMITED)BALANCE SHEET AT 28TH FEBRUARY 1999

	<u>Note</u>	<u>1999</u>	<u>1998</u>
<u>FIXED ASSETS</u>			
Tangible assets	4	87,532	63,064
<u>CURRENT ASSETS</u>			
Sundry debtors and prepayments		8,074	10,852
Cash in hand		<u>668</u>	<u>808</u>
		<u>8,742</u>	<u>11,660</u>
<u>CREDITORS :</u>			
Amounts falling due within one year :			
Other creditors :-			
Sundry creditors and accrued charges		36,573	51,282
Holding company current account		49,689	13,876
Corporation tax due		<u>7,165</u>	<u>6,719</u>
		<u>93,427</u>	<u>71,877</u>
NET CURRENT LIABILITIES		<u>84,685</u>	<u>60,217</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£2,847</u></u>	<u><u>£2,847</u></u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	5	900	900
Profit and loss account		<u>1,947</u>	<u>1,947</u>
SHAREHOLDERS' FUNDS	6	<u><u>£2,847</u></u>	<u><u>£2,847</u></u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Approved by the Board of Directors on 4th May 1999 and signed on its behalf by :

..... Director

HMG MANAGEMENT LIMITED (FORMERLY HOLLINS MURRAY LIMITED)NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 19991. ACCOUNTING POLICIES(a) Convention

The accounts 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 Vehicle	20%
Furniture	20%

(c) Pensions

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

(d) Operating Leases

Operating lease rentals 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 year are attributable to the company's principal activity and are in respect of United Kingdom Income.

3. OPERATING PROFIT

Operating profit is stated after charging :	<u>1999</u>	<u>1998</u>
Depreciation - plant and machinery	27,447	21,936
Directors' fees (including benefits)	81,876	159,160
Directors' salaries (including benefits)	165,349	162,019
Auditors' remuneration	<u>850</u>	<u>850</u>

HMG MANAGEMENT LIMITED (FORMERLY HOLLINS MURRAY LIMITED)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1999

4.	<u>TANGIBLE FIXED ASSETS</u>	<u>1999</u>	<u>1998</u>
	<u>Furniture</u>		
	Cost to 28th February 1998	54,910	74,159
	Additions during the year	<u>17,499</u>	<u>25,299</u>
		72,409	99,458
	Sales during the year at cost	<u>10,995</u>	<u>44,548</u>
	Cost at 28th February 1999	<u>£61,414</u>	<u>£54,910</u>
	Depreciation to 28th February 1998	25,273	57,014
	Charge for the year	16,194	10,613
	Depreciation on disposals	<u>(10,995)</u>	<u>(42,354)</u>
	Depreciation at 28th February 1999	<u>£30,472</u>	<u>£25,273</u>
	Net Book Value at 28th February 1999	<u>£30,942</u>	<u>£29,637</u>
	<u>Motor Vehicles</u>		
	Cost to 28th February 1998	66,064	61,816
	Additions during the year	<u>44,592</u>	<u>18,087</u>
		110,656	79,903
	Sales during the year at cost	<u>30,749</u>	<u>13,839</u>
	Cost at 28th February 1999	<u>£79,907</u>	<u>£66,064</u>
	Depreciation to 28th February 1998	32,637	30,869
	Charge for the year	12,264	12,687
	Depreciation on disposals	<u>(21,584)</u>	<u>(10,919)</u>
	Depreciation at 28th February 1999	<u>£23,317</u>	<u>£32,637</u>
	Net Book Value at 28th February 1999	<u>£56,590</u>	<u>£33,427</u>
	<u>Summary</u>		
	Furniture	30,942	29,637
	Motor vehicles	<u>56,590</u>	<u>33,427</u>
		<u>£87,532</u>	<u>£63,064</u>
5.	<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>

HMG MANAGEMENT LIMITED (FORMERLY HOLLINS MURRAY LIMITED)NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 19996. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1999</u>	<u>1998</u>
Profit for the financial year	26,044	23,906
Dividends	<u>26,044</u>	<u>23,906</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>

7. POST BALANCE SHEET EVENTS

There are no events arising since the date of the Balance Sheet which require comment.

8. RELATED PARTY DISCLOSURES

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

9. COMPANY STATUS

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

10. HOLDING COMPANY

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

11. COMPANY NAME

The change of name of the company was effective from 16th February 1999.