



# HMG

HOLLINS  
MURRAY  
GROUP  
LIMITED

Report & Accounts

2022

WEDNESDAY



\*AC2QAQF6\*

A06

03/05/2023

#321

COMPANIES HOUSE



# CONTENTS

## STATEMENTS

- 01 Directors' Report
- 02 Statement of Directors' Responsibilities
- 03 Strategic Report

## ACCOUNTS

- 04 Consolidated Profit and Loss Account
- 05 Consolidated Statement of Other Comprehensive Income
- 06 Consolidated Balance Sheet
- 07 Company Balance Sheet
- 08 Consolidated Cash Flow Statement
- 10 Consolidated Statement of Changes in Equity
- 11 Company Statement of Changes in Equity

## 12 NOTES TO THE ACCOUNTS

## 27 REPORT OF THE INDEPENDENT AUDITORS

## 31 NOTICE OF MEETING

# DIRECTORS' REPORT

The Directors submit their Report and the Audited Consolidated Financial Statements of the Company for the year ended 31st August 2022.

## PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries are property investment and trading.

## BUSINESS REVIEW AND EVENTS SINCE THE YEAR END

The business review and events since the year end are covered in this report.

## RESULTS

The results of the year's activities appear within these financial statements. The profit on ordinary activities before taxation is £11,084,000 (2021: £585,000).

## DIVIDENDS

Dividends of 6.94p were paid on 30/09/2021, 29/10/2021 and 30/11/2021. Dividends of 7.35p were paid on 17/12/2021, 31/01/2022 and 28/02/2022. Dividends of 7.76p were paid on 31/03/2022, 29/04/2022 and 31/05/2022. Dividends of 8.17p were paid on 30/06/2022, 29/07/2022 and 31/08/2022 (2021: 4.08p on 30/09/2020, 6.13p on 30/10/2020, 30/11/2020, 18/12/2020, 29/01/2021, 26/02/2021, 31/03/2021, 6.53p on 30/04/2021, 28/05/2021, 30/06/2021, 30/07/2021 and 31/08/2021).

## PROPERTY REVALUATIONS

Investment properties are included in the Balance Sheet at their fair value. The properties in the Santander portfolio were revalued in March 2022 by Jones Lang Lasalle. The remainder of the property portfolio was valued in August 2022 by the Company Directors. Trading properties are included at the lower of cost or net realisable value.

## POST BALANCE SHEET EVENTS

There are no matters to report as post Balance Sheet events.

## DIRECTORS

The Directors of the Company, together with their interest in share capital are as follows:-

	Ordinary shares
Bill Murray	42,764
Nick Casson	16,311
Charles Murray	72,164
Bruce Murray	29,924
Ted Murray	34,254
Carol Hall	-
Bill Murray and Charles Murray retire from the Board by rotation and offer themselves for re-election.	

## STRATEGIC REPORT

Certain matters required by regulations to be dealt with in the annual report have been dealt with in the Strategic Report which follows, rather than in the Directors' Report.

## AUDITORS

Hardy & Company (Hyde) Ltd have been appointed as Auditors of the Company and a resolution for their re-appointment for the next financial year will be proposed at the Annual General Meeting.

Approved by the Board of Directors on  
14th November 2022 and signed on its behalf by:

*C Hall*

**CAROL HALL**  
SECRETARY



# STATEMENT OF DIRECTORS' RESPONSIBILITIES

**The Directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.**

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standards FRS 102). 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 year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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. 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.

In so far as the Directors are aware:

- there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



# STRATEGIC REPORT

## BUSINESS REVIEW

The principal activity of the Company and its subsidiaries continues to be that of property investment and trading. The turnover of the Group comprised gross rental income and has increased by 5.23% on the prior year.

The operating results of the Group increased by £10,620,000 from £2,249,000 in 2021 to £12,869,000 in 2022. Excluding the exceptional items, and refinancing costs of £708,000, the underlying increase was £455,000.

The profit before taxation shows an increase of £334,000 excluding the exceptional items and refinancing costs.

## PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties relate to the aftermath of the covid pandemic and Brexit, together with the global economic challenges relating to high inflation and interest rates.

The board will continue to monitor developments to assess what impact these events and conditions have on the business strategy, financial forecasts and financial reporting.

## FUTURE DEVELOPMENTS

The Directors will continue to look at rebalancing the existing property portfolio where required, to ensure we have the right spread of assets.

## FINANCIAL INSTRUMENTS

The Group has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling.

The Group uses interest rate swaps and interest rate caps to manage interest rate exposures on its bank borrowings. Further details of these instruments are provided in Note 14.

Approved by the Board of Directors on  
14th November 2022 and signed on its behalf by:

NICK CASSON  
CEO

# CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST 2022

	Note	2022 £000	2021 £000
<b>Turnover</b>			
Gross rental income	4	7,508	7,135
<b>Group turnover</b>		<b>7,508</b>	<b>7,135</b>
Net rental income		6,889	6,442
Administrative expenses		(2,232)	(1,532)
Exceptional items:			
Gain to trading properties		125	66
Change in fair value of investment properties		6,949	(3,377)
Profit / (loss) on disposal of investment properties		24	(12)
Profit on disposal of trading properties		-	551
Change in fair value of financial instruments		1,114	111
<b>Operating profit</b>	5	<b>12,869</b>	<b>2,249</b>
<b>Profit on ordinary activities before interest</b>		<b>12,869</b>	<b>2,249</b>
Interest receivable and similar income		30	27
Interest payable on bank loans and overdrafts	8	(1,815)	(1,691)
Net interest payable		(1,785)	(1,664)
<b>Profit on ordinary activities before taxation</b>		<b>11,084</b>	<b>585</b>
Taxation on profit on ordinary activities	9	(2,579)	770
<b>Profit on ordinary activities after taxation / Profit for the financial year</b>		<b>8,505</b>	<b>1,355</b>

The results from both the current and prior period derive from continuing activities.  
The accompanying notes are an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST AUGUST 2022

	2022 £000	2021 £000
Profit for the financial year	8,505	1,355
Change in fair value of financial instruments	727	244
Movement in deferred tax relating to changes in the fair value of financial instruments	(138)	(43)
<b>Total recognised gains and losses relating to the year</b>	<b>9,094</b>	<b>1,556</b>

The accompanying notes are an integral part of these financial statements.



# CONSOLIDATED BALANCE SHEET

AS AT 31ST AUGUST 2022

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	11	100,652	94,056
<b>Current assets</b>			
Stock of trading properties		1,938	1,609
Debtors	12	3,749	3,882
Cash at bank and short-term deposits		1,253	1,484
		<b>6,940</b>	<b>6,975</b>
<b>Creditors - amounts due within one year:</b>			
Creditors	13	(2,948)	(2,705)
Bank loans	15	(15,722)	(53,961)
		<b>(18,670)</b>	<b>(56,666)</b>
<b>Net current liabilities</b>		<b>(11,730)</b>	<b>(49,691)</b>
<b>Total assets less current liabilities</b>		<b>88,922</b>	<b>44,365</b>
<b>Creditors - amounts due after one year:</b>			
Bank loans	15	(36,978)	-
Provisions for liabilities and charges	16	(497)	(439)
		<b>(37,475)</b>	<b>(439)</b>
<b>Net assets</b>		<b>51,447</b>	<b>43,926</b>
<b>Capital and reserves</b>			
Called up share capital	18	437	437
Reserves	19	51,010	43,489
<b>Shareholders' funds</b>		<b>51,447</b>	<b>43,926</b>

The financial statements of The Hollins Murray Group Limited, company number 08273718, were approved by the Board of Directors on 14th November 2022 and signed on its behalf by: Bruce Murray and Nick Casson, Directors.

The accompanying notes are an integral part of these financial statements.





# COMPANY BALANCE SHEET

AS AT 31ST AUGUST 2022

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Investments in Subsidiary Companies	21	26,799	26,799
<b>Current assets</b>			
Amounts owed by Subsidiary Companies		13,245	12,259
Cash at bank and short-term deposits		1,253	1,484
		<b>14,498</b>	<b>13,743</b>
<b>Creditors - amounts due within one year:</b>			
Other creditors		(18)	(11)
		<b>(18)</b>	<b>(11)</b>
<b>Net current assets</b>		<b>14,480</b>	<b>13,732</b>
<b>Total assets less current liabilities</b>		<b>41,279</b>	<b>40,531</b>
<b>Capital and reserves</b>			
Called up share capital	18	437	437
Reserves	19	40,842	40,094
<b>Shareholders' funds</b>		<b>41,279</b>	<b>40,531</b>

The financial statements of The Hollins Murray Group Limited, company number 08273718, were approved by the Board of Directors on 14th November 2022 and signed on its behalf by: Bruce Murray and Nick Casson, Directors.

The accompanying notes are an integral part of these financial statements.



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2022

	2022 £000	2021 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	8,505	1,355
<b>Adjustments for:</b>		
Change in fair value of investment properties	(6,949)	3,377
Gain to trading properties	(125)	(66)
(Profit) / loss on disposal of investment properties	(24)	12
Profit on disposal of trading properties	-	(551)
Change in fair value of financial instruments	(1,114)	(111)
Depreciation of tangible fixed assets	8	24
Interest paid	1,815	1,691
Interest received	(30)	(27)
Taxation	2,579	(770)
(Increase) / decrease in debtors	(309)	182
Increase in creditors	458	211
Purchase of trading stock	(204)	-
Sale of trading stock	-	3,692
Corporation tax paid	(592)	(537)
<b>Net cash generated from operating activities</b>	<b>4,018</b>	<b>8,482</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(3)	-
Purchase and redevelopment of investment properties	(21)	(764)
Sale of investment properties	394	228
Interest received	30	27
<b>Net cash generated / (used) from investing activities</b>	<b>400</b>	<b>(509)</b>

The accompanying notes are an integral part of these financial statements.



# CONSOLIDATED CASH FLOW STATEMENT

(cont.)

FOR THE YEAR ENDED 31ST AUGUST 2022

	2022 £000	2021 £000
<b>Cash flows from financing activities</b>		
Repayment of loans	(1,261)	(4,552)
New loans	-	550
Purchase of own shares	-	(78)
Interest paid	(1,815)	(1,691)
Dividends paid	(1,573)	(1,278)
<b>Net cash used in financing activities</b>	<b>(4,649)</b>	<b>(7,049)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(231)</b>	<b>924</b>
Cash and cash equivalents at the beginning of the year	1,484	560
<b>Cash and cash equivalents at the end of the year</b>	<b>1,253</b>	<b>1,484</b>
<b>Cash and cash equivalents at the end of the year comprise:</b>		
Cash at bank and in hand	1,253	1,484

The accompanying notes are an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST AUGUST 2022

	Called Up Share Capital	Share Premium Account	Capital Redemption Reserve	Cash flow Hedge Reserve	Treasury Reserve	Retained Earnings	Total Equity
	£000	£000	£000	£000	£000	£000	£000
At 1st September 2021	437	26,345	1	(86)	(154)	17,383	43,926
Profit for the financial year	-	-	-	-	-	8,505	8,505
Other comprehensive income	-	-	-	-	-	589	589
Change in fair value of hedged financial instruments net of deferred tax	-	-	-	589	-	(589)	-
Dividends paid	-	-	-	-	-	(1,573)	(1,573)
Total comprehensive income for the year	-	-	-	589	-	6,932	7,521
At 31st August 2022	437	26,345	1	503	(154)	24,315	51,447

The accompanying notes are an integral part of these financial statements.



# COMPANY STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31ST AUGUST 2022

	Called Up Share Capital	Share Premium Account	Capital Redemption Reserve	Treasury Reserve	Profit & Loss Account	Total Equity
	£000	£000	£000	£000	£000	£000
As 1st September 2021	437	26,345	1	(154)	13,902	40,531
Profit for the financial year	-	-	-	-	2,321	2,321
Dividends paid	-	-	-	-	(1,573)	(1,573)
Total comprehensive income for the year	-	-	-	-	748	748
At 31st August 2022	437	26,345	1	(154)	14,650	41,279

The accompanying notes are an integral part of these financial statements.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

### 1. Company information

The Hollins Murray Group Limited is a limited liability company incorporated in England and Wales.

The registered office is St John's House, Barrington Road, Altrincham, WA14 1TJ.

The principal activity of the Company and its subsidiaries are property investment and trading.

### 2. Accounting policies

#### 2.1. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the inclusion of freehold and long leasehold properties and certain financial instruments measured at their fair value and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2. Basis of consolidation

The consolidated financial statements include the audited results of the Company and its subsidiaries ('the Group') as if they form a single entity.

Inter-Company transactions and balances between Group Companies are therefore eliminated in full.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date such control ceases. Control comprises the

power to govern the financial position and accounting policies of the investee so as to obtain benefit from its activities.

Investments in subsidiaries are valued at cost less provision for impairment. Investments in subsidiaries are reviewed for impairment based upon the net asset value of the subsidiaries at any period end.

No Profit and Loss account is presented for The Hollins Murray Group Limited as permitted by section 408 of the Companies Act 2006.

#### 2.3. Going concern

The Directors have reviewed short and medium term cash flow forecasts, as part of the annual budget review, compared to the Group's available financing and have concluded that sufficient resources exist to enable the Group to meet its liabilities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### 2.4. Turnover

Turnover represents rental income for the year excluding VAT and premiums received from tenants. Amounts invoiced in advance relating to the next accounting period are included in accruals as deferred income.

#### 2.5. Acquisition and disposal of properties

Acquisition and disposal of investment and trading properties are recognised on the date of exchange of the contract for the purchase or sale, provided that there is certainty at the Balance Sheet date that completion will take place. If completion is subject to a contingent event, the purchase or sale is recognised on the date that the contingent event occurred.



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

### 2.6. Investment properties - Freehold and long leasehold properties

Investment properties are revalued at the accounting date and the aggregate surplus or temporary deficit is recognised in the Profit and Loss account.

Deferred taxation is provided on these gains or losses at the rate expected to apply when the property is sold.

No depreciation or amortisation is provided in respect of freehold and long leasehold properties.

Any permanent diminutions in value below cost are charged in the Profit and Loss account.

This treatment is a departure from the requirements of the Companies Act concerning the depreciation of fixed assets.

The Directors consider that as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt FRS 102 for the accounts to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

The properties in the Santander portfolio were revalued by Jones Lang Lasalle in March 2022. The remainder of the portfolio was valued by the Company Directors in August 2022.

These valuations have been prepared on the basis of Open Market Value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors.

Each property has been valued individually and not as part of a portfolio. No account has been taken of any Inter-Company leases or arrangements, nor any mortgages, debentures or other charges, and no allowance has been made for any expenses of

realisation nor for any taxation which might arise in the event of a disposal. The figures also do not reflect any element of special purchaser value following a merger of interests or sale to an owner or occupier of an adjoining property.

Where properties have not been included in the valuation review, they are included at cost or at the Directors' assessment of open market value.

### 2.7. Valuation of investments

Investments in subsidiaries are valued at cost less provision for impairment. Investments in subsidiaries are reviewed for impairment based upon the net asset value of the subsidiary at any period end.

### 2.8. Depreciation

Depreciation is provided on plant and equipment and is charged to the Profit and Loss account so as to write off their fair value over their useful economic lives at the following rates:

#### Management Company

- Computer equipment 33% on cost
- Other equipment and furniture 20% on cost

#### Investment Companies

- Plant and equipment 25% on a reducing balance basis

### 2.9. Stock of trading properties

Stock of trading properties is included at the lower of cost or net realisable value.

### 2.10. Debtors

Short-term debtors are measured at transaction price, less any impairment for bad and doubtful debts. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

### 2.11. Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.12. Financial instruments and hedge accounting

The Group uses derivatives; interest rate swaps and interest rate caps to manage interest rate exposures. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value at each Balance Sheet date. Fair value gains and losses are recognised in the Profit and Loss account unless hedge accounting is applied and the hedge is a cash flow hedge.

#### Interest rate caps

The Group has three interest rate cap instruments which have been measured at fair value at the Balance Sheet date, with any gains or losses being reported in the Profit and Loss account.

The fair value of interest rate caps is included in debtors.

#### Interest rate swaps

The Group has one interest swap which has been designated as a cash flow hedge accounting instrument and qualifies for hedge accounting under FRS 102. Further details relating to this instrument are set out below.

To qualify for hedge accounting, the Group has documented the hedged item, the hedging instrument and the hedging relationship between them as well as the causes of hedge ineffectiveness such as different maturities, nominal amounts or variable rates or counter-party credit risk.

The Group elects to adopt hedge accounting for interest rate swaps where:

- The interest rate swap is a qualifying hedging instrument with an external party that hedges the interest rate risk on a loan or part of the nominal amount of a loan that share the same risk and that qualify as a hedged item;
- The hedging relationship between the interest rate swap and the interest rate risk on the loan is consistent with the risk management objectives for undertaking hedges (i.e. to manage the risk that fixed interest rates become unfavourable in comparison to current market rates or the variability in cash flows arising from floating interest rates); and
- The change in the fair value of the interest rate swap is expected to move inversely to the change in the fair value of the interest rate risk on the loan.

Where an interest rate swap that converts floating rate debt into fixed rate debt qualifies for hedge accounting, it is accounted for as a cash flow hedge. The cumulative change in the fair value of the interest rate swap is recognised in the Statement of Other Comprehensive Income up to the amount of the cumulative fair value movement on the floating rate debt that is attributable to the floating interest rate risk. Any excess fair value gains or losses on the interest rate swap not recognised in the Statement of Other Comprehensive Income are recognised in the Profit and Loss account. The gains and losses recognised in the Statement of Other Comprehensive Income are recorded as a separate component of equity - the cash flow hedging reserve.

Hedge accounting is discontinued when a floating to fixed interest rate swap expires, is sold, terminated or exercised or when the conditions for hedge accounting are no longer met if the Company documents its election to discontinue hedge accounting. Any fair value gains or losses accumulated in the hedging reserve are reclassified to the Profit and Loss account, either when the variable interest rate expense is recognised in the Profit and Loss account, or immediately on discontinuation of hedge accounting if future variable interest rate cash flows are no longer expected to occur.





# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

### 2.13. Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

### 2.14. Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement at the Balance Sheet date and carried forward to future periods. The liability is measured at the undiscounted salary cost of the future holiday entitlement.

### 2.15. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax charge is calculated on the basis of tax rates and laws in the United Kingdom that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date.

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred

tax liabilities or other future taxable profits. Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

The tax charge / credit for the year is presented either in the Profit and Loss account, Statement of Other Comprehensive Income or equity depending on the transaction that resulted in the tax expense or income.

### 2.16. Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

### 3. Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts for revenues and expenses during the year. The items in the financial statements where these judgements and estimates have been made include:

#### Investment properties

Investment properties are revalued at the accounting date by appropriately qualified external valuers and the directors as noted in 2.6 above.

#### Derivative instruments

The Group uses interest rate swaps and interest rate caps to manage interest rate exposures. These derivative financial instruments are measured at fair value. The fair value of interest rate swap and cap contracts at the Balance Sheet date are determined by an appropriately qualified external valuer.

### 4. Turnover

The turnover and profit on ordinary activities before taxation are attributable to the Group's principal activities and are in respect of United Kingdom income and exclude value added tax.

	2022	2021
	£000	£000
Gross rental income	7,508	7,135



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

	2022 £000	2021 £000
<b>5. Operating profit</b>		
Operating profit is stated after charging / (crediting):		
Auditors' remuneration	19	19
Depreciation - plant and equipment	8	24
Employee costs (note 7.1)	1,399	1,458
Change in fair value of investment properties	(6,949)	3,377
Change in fair value of financial instruments	(1,114)	(111)
(Profit) / loss on disposal of investment properties	(24)	12
Gain to trading properties	(125)	(66)
Profit on disposal of trading properties	-	(551)
<b>6. Auditor's remuneration</b>		
Auditor's remuneration - audit of the financial statements	17	17
Auditor's remuneration - other fees:		
Taxation compliance services	2	2
<b>7. Directors and employees</b>		
<b>7.1. Employee costs (including Directors) during the year comprised:</b>		
Wages and salaries	1,212	1,278
Social security costs	136	133
Pension contributions	51	47
	<b>1,399</b>	<b>1,458</b>
<b>7.2. The average number of employees of the Group during the year was as follows:</b>	<b>Number</b>	<b>Number</b>
Property and administration	19	19
<b>7.3. Directors' remuneration</b>	<b>£000</b>	<b>£000</b>
Directors' remuneration including benefits but excluding long term bonus provision	558	573
Directors' remuneration - long term bonus provision	130	129
Pension contributions	24	18
	<b>712</b>	<b>720</b>
Remuneration of highest paid director excluding long term bonus provision	328	338
Remuneration of highest paid director - long term bonus provision	93	100
Pension contributions of highest paid director	10	10
Number of directors who are accruing benefits under a money purchase scheme	2	2



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

	2022 £000	2021 £000
<b>8. Interest payable</b>		
Interest payable on bank loans and overdrafts - wholly repayable within 5 years	1,815	1,691
	<b>1,815</b>	<b>1,691</b>
<b>9. Taxation on profit on ordinary activities</b>		
<b>9.1. Charge for taxation based on profit for the year:</b>		
Corporation Tax @ 19.00% (2021: 19.00%)	613	770
Total current tax charge for the year	<b>613</b>	<b>770</b>
<b>Deferred Tax</b>		
Deferred tax relating to revalued investment properties	1,966	(1,540)
Total deferred tax charge / (credit) for the year	<b>1,966</b>	<b>(1,540)</b>
<b>Tax on profit on ordinary activities</b>	<b>2,579</b>	<b>(770)</b>
<b>9.2. Tax included in the consolidated statement of other comprehensive income</b>		
The tax charge is made up as follows:		
Deferred tax on change in fair value of hedged financial instruments	138	43
<b>9.3. Factors affecting the tax charge / (credit) for the year</b>		
The Corporation Tax assessed for the year is different from that at the standard rate of Corporation Tax in the United Kingdom of 19.00% (2021: 19.00%).		
<b>The differences are explained below:</b>		
Profit on ordinary activities before taxation	11,084	585
Tax on profit on ordinary activities at the standard rate	2,106	111
Effects of:		
Corporation tax adjustment relating to the sale of investment properties	(5)	2
Revaluation (gains) / losses not subject to corporation tax	(1,320)	642
Deferred tax on revalued properties	1,876	(801)
Adjustment to the rate of deferred tax in prior years	90	(739)
Adjustments relating to changes in fair value of financial instruments	(191)	-
Adjustments relating to disallowed expenses	38	38
Capital allowances in excess of depreciation	(9)	(14)
Over provision of corporation tax in prior years	(6)	(9)
<b>Total tax charge / (credit) for the year</b>	<b>2,579</b>	<b>(770)</b>

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

	2022 £000	2021 £000
<b>10. Dividends paid</b>		
Equity shares		
Ordinary 361% (2021: 294%)	1,573	1,278
The Directors have not proposed any other dividends for the year ended 31st August 2022.		
<b>11. Tangible fixed assets</b>		
<b>Investment property-freehold and long leasehold</b>		
Cost at 31st August 2021	86,227	86,043
Additions during the year	21	764
Disposals during the year	(381)	(580)
	<b>85,867</b>	<b>86,227</b>
Surplus on revaluation of properties	14,766	7,805
<b>Open market value at 31st August 2022</b>	<b>100,633</b>	<b>94,032</b>
Freehold properties	93,593	87,317
Long leasehold properties	7,040	6,715
	<b>100,633</b>	<b>94,032</b>
<b>Revaluation surplus / (deficit) on assets held at 31st August 2022</b>	<b>6,949</b>	<b>(3,377)</b>
Revaluation deficit on assets disposed of during the year	12	340
<b>Revaluation surplus / (deficit) for the year</b>	<b>6,961</b>	<b>(3,037)</b>
<b>Plant and equipment</b>		
Cost at 31st August 2021	753	762
Additions during the year at cost	3	-
Disposals during the year at cost	-	(9)
<b>Cost at 31st August 2022</b>	<b>756</b>	<b>753</b>
Depreciation at 31st August 2021	729	714
Charge for the year	8	24
Disposals during the year at cost	-	(9)
<b>Depreciation at 31st August 2022</b>	<b>737</b>	<b>729</b>
<b>Net book value at 31st August 2022</b>	<b>19</b>	<b>24</b>
<b>Summary</b>		
Investment property-freehold and long leasehold	100,633	94,032
Plant and equipment	19	24
	<b>100,652</b>	<b>94,056</b>



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

	2022 £000	2021 £000
<b>12. Debtors</b>		
Trade debtors	1,481	1,190
Deferred tax asset (note 17)	581	2,627
Other debtors	4	-
Prepayments and accrued income	78	65
Financial instruments (note 14)	1,605	-
	<b>3,749</b>	<b>3,882</b>
<b>13. Creditors</b>		
Trade creditors	321	254
Corporation tax	371	350
Other taxes and social security	355	381
Accruals and deferred income	1,901	1,466
Financial instruments (note 14)	-	254
	<b>2,948</b>	<b>2,705</b>

At 31st August 2022, the average interest rate payable on borrowings was 4.25% (2021: 2.95%), inclusive of the bank's lending margin and the effect of interest rate swaps and caps used to hedge floating interest rates on the underlying debt.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

### 14. Financial instruments

The company uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. Contracts with a nominal value of £13.5m (2021: £27.8m) fix interest on variable rate debts at an average rate of 2.234% (2021: 0.969%) until May 2027.

The fair value of interest rate swaps are determined using market values of equivalent instruments at the Balance Sheet date. All interest rate swaps meet the conditions for hedge accounting, as set out in the accounting policies.

The following table details the notional principal amounts and fair values of interest rate swap contracts outstanding as at the Balance Sheet date:

	2022 £000	2022 £000	2021 £000	2021 £000
Maturity date	Notional value	Fair value asset	Notional value	Fair value liability
Within one year	-	-	27,829	(206)
Two to five years	13,526	605	-	-

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' compounded SONIA. The company will settle the difference between the fixed and floating interest rate on a net basis. All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the company's cash flow exposure resulting from variable interest rates on borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps. Gains of £727,000 (2021: gains of £244,000) were recognised in other comprehensive income. A £1,114,000 gain (2021 gain: £111,000) was recognised in the Profit and Loss account. Also included in the financial instruments balance in notes 12 and 13 is the fair value of the interest rate caps. At the Balance Sheet date the fair value of these instruments was an asset of £1,000,000 (2021 liability: £48,000).

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

	2022 £000	2021 £000
<b>15. Bank loans</b>		
Within one year	15,722	53,961
Between one and two years	738	-
Between two and five years	36,240	-
	<b>52,700</b>	<b>53,961</b>

Bank loans and overdrafts are secured by way of a charge on properties of the Group Companies and cross guarantees as follows:-

Lender	Loan £	Cross Guarantee
Santander UK plc	37,716,257	HMG Investments Limited HMG Developments Limited HMG (King Street) Limited HMG Aber Road Limited HMG Properties Limited
Lloyds Bank plc	14,984,000	HMG Investments Limited
Interest on the loans is chargeable at varying rates above SONIA.		

16. Provisions for liabilities	2022 £000	2022 £000
The Group	Deferred Taxation (Note 17)	Total
At 1st September 2021	439	439
Provisions during the year	58	58
At 31st August 2022	<b>497</b>	<b>497</b>

	2022 £000	2021 £000
<b>17. Deferred Tax</b>		
Included in debtors (note 12)	581	2,627
Included in provisions for liabilities (note 16)	(497)	(439)
<b>The deferred tax account consists of: -</b>		
Deferred tax on investment property revaluations	202	2,168
Deferred tax on financial instruments	(118)	20
	<b>84</b>	<b>2,188</b>



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

18. Called up share capital	2022 £000	2021 £000
Allotted, issued and fully paid 1,746,438 (2021: 1,746,438)		
Ordinary shares of 25p each	437	437

## 19. Reserves

Group	Share Premium Account	Capital Redemption Reserve	Cash flow Hedge Reserve	Treasury Reserve	Retained Earnings	Total
	£000	£000	£000	£000	£000	£000
As at 31st August 2021	26,345	1	(86)	(154)	17,383	43,489
Profit for the financial year and other comprehensive income	-	-	-	-	9,094	9,094
Dividends paid	-	-	-	-	(1,573)	(1,573)
Change in fair value of hedged financial instruments net of associated deferred tax	-	-	589	-	(589)	-
As at 31st August 2022	26,345	1	503	(154)	24,315	51,010

Company	Share Premium Account	Capital Redemption Reserve	Treasury Reserve	Profit & Loss Account	Total
	£000	£000	£000	£000	£000
As at 31st August 2021	26,345	1	(154)	13,902	40,094
Profit for the financial year	-	-	-	2,321	2,321
Dividends paid	-	-	-	(1,573)	(1,573)
As at 31st August 2022	26,345	1	(154)	14,650	40,842

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

### 20. Profit attributable to members

Under the provisions of Section 408 of the Companies Act 2006 the Company is exempt from presenting its own profit and loss account. The amount of profit for the financial year dealt with in the financial statements of the Company is as follows:

	2022 £000	2021 £000
Company		
Profit on ordinary activities before taxation	748	1,698
Taxation	-	-
Profit for the financial year	<u>748</u>	<u>1,698</u>
The above figures include dividends from subsidiary companies	2,362	3,033

### 21. Investment in Subsidiary companies

	2022 £000	2021 £000
Company		
As at 31st August 2022 and 31st August 2021	<u>26,799</u>	<u>26,799</u>



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

		Capital & Reserves £	Profit / (loss) for the year £
<b>21.1. The Company holds 100% of the issued share capital of the following companies:</b>			
HMG Investment Holdings Limited	Management & property investment holding Company	1,088,350	2,187,831
HMG Trading Limited	Property trading & development holding Company	-	174,556

## **21.2. HMG Investment Holdings Limited holds 100% of the issued share capital of the following companies:**

HMG Properties Limited	Residential property investment	5,882,838	270,079
HMG Investments Limited	Commercial property investment	30,750,474	6,945,003
HMG Aber Road Limited	Property trading and development	102	68,337
HMG (Stakehill) Limited	Property investment and trading	603,851	545,587
HMG Flintshire Retail Park Limited	Dormant Company	1	-
Glencullen Limited	Dormant Company	90	-
Biltoneton Limited	Dormant Company	90	-
Matrix Property Investment Limited	Dormant Company	90	-
HMG (Bowdon) Limited	Dormant Company	1	-

## **21.3. HMG Trading Limited holds 100% of the issued share capital of the following companies:**

HMG Management Limited	Management	3,384	9,687
HMG Developments Limited	Property investment and trading	240,596	240,666
HMG Prestwich Limited	Property trading and development	-	2,808
HMG (King Street) Limited	Property investment and trading	(97,161)	(97,162)
Priorspur Limited	Property investment and trading	1,980,384	80,400
Joneston Limited	Property investment and trading	2,253,014	5,787
HMG (Kinver) Limited	Dormant Company	1	-

## **21.4. Glencullen Limited holds 100% of the issued share capital of Matrix Property Investment (Manchester 2) Limited.**

Dormant Company	1	-
-----------------	---	---

All the subsidiary companies of The Hollins Murray Group Limited are incorporated in England and Wales.  
Registered Office: St John's House, Barrington Road, Altrincham, Cheshire WA14 1TJ.

All subsidiary companies are included in the consolidated accounts.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31ST AUGUST 2022

### 22. Contingent Liabilities

The Company has given the following guarantees:

- to Santander UK plc in respect of a bank loan of £37,716,257 (2021: £38,431,065) in respect of the following subsidiary companies:

HMG Investments Limited  
HMG Developments Limited  
HMG (King Street) Limited  
HMG Aber Road Limited  
HMG Properties Limited

- to Lloyds Bank plc in respect of a bank loan of £14,984,000 (2021: £15,530,000) in respect of its subsidiary company HMG Investments Limited

### 23. Post Balance Sheet Events

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

### 24. Capital Commitments

There were no capital commitments authorised by the Directors as at 31st August 2022 (2021: £nil).

### 25. Related Party Disclosures

The dividends paid to Directors and their associates during the year are as follows:-

Bill Murray	£38,300
Nick Casson	£14,786
Charles Murray	£65,188
Bruce Murray	£14,521
Ted Murray	£30,923

Rental payments of £6,970 relating to a lease at 41 South King Street, Manchester were received during the year from King Street Commercial Limited, a Company in which Ted Murray has a controlling interest. Payments of £2,050 relating to letting advice were made during the year to Ennerdale Property Services Limited, a company in which Charles Murray has a controlling interest.

### 26. Company Status

The Company is a close company within the provisions of the Corporation Tax Act 2010.



# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HOLLINS MURRAY GROUP LIMITED

## FOR THE YEAR ENDED 31ST AUGUST 2022

### Opinion

We have audited the financial statements of The Hollins Murray Group Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31st August 2022 which comprise the Group profit and loss account, the Group and Parent Company Balance Sheets, the Group statement of cash flows, the Group statement of Other Comprehensive Income, the Group and Parent Company statement of changes in equity, and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent Company's affairs as at 31 August 2022 and of the Group's profit 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standards, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HOLLINS MURRAY GROUP LIMITED

(cont.)

## **Other information**

The Directors are responsible for the other information. The other information comprises the information in the annual report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Opinion on other matter prescribed by the Companies Act 2006.**

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HOLLINS MURRAY GROUP LIMITED

(cont.)

## Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

## Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Based on our understanding of the Group we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditures, and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties.

Audit procedures performed by the engagement team included:

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Understanding of management's internal controls designed to prevent and detect irregularities.
- Reviewing the litigation records in so far as it related to non-compliance with laws and regulations and fraud.
- Reviewing relevant meeting minutes.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Testing transactions entered into outside of the normal course of the Group's and the Parent Company' business; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.



# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HOLLINS MURRAY GROUP LIMITED

(cont.)

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

## Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Robert Campbell (Senior Statutory Auditor)  
for and on behalf of Hardy & Company (Hyde) Ltd  
Onward Chambers  
34 Market Street, Hyde  
Cheshire, SK14 1AH

Date: 14<sup>th</sup> November 2022



# NOTICE OF MEETING

Notice is hereby given that the tenth Annual General Meeting of the Company will be held in the Boardroom, St John's House, Barrington Road, Altrincham, WA14 1TJ on Friday 16th December 2022 at 12:00pm for the following purposes:

To receive and adopt the Directors' Report and Statement of Accounts for the year ended 31st August 2022.

To re-elect Bill Murray as Director.

To re-elect Charles Murray as Director.

To confirm the Chairman's remuneration for the year ending 31st August 2023 of £73,530.

To confirm the non-executive Directors' remuneration for the year ending 31st August 2023 of £24,793.

To re-appoint Hardy & Company (Hyde) Ltd as Auditors and authorise the Directors to fix their remuneration.

To transact any other ordinary business of the Company.

## Notes:

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his or her behalf - a proxy need not be a member of the Company. The instrument appointing a proxy must be lodged at the Company's Registered Office not later than 48 hours before the Meeting.

**CHAIRMAN**  
**BILL MURRAY** BA HONS

**CEO**  
**NICK CASSON** BSC HONS MRICS

**DIRECTORS**  
**CHARLES MURRAY**  
**BRUCE MURRAY** BA HONS ACA  
**TED MURRAY** BA HONS MRICS  
**CAROL HALL** BA HONS FCA

**SECRETARY**  
**CAROL HALL** BA HONS FCA

**Solicitors**  
LAND LAW LLP  
10-14 Market Street  
Altrincham  
Cheshire WA14 1QB

**Auditors**  
Hardy & Company (Hyde) Ltd  
Onward Chambers  
34 Market Street  
Hyde  
Cheshire SK14 1AH

**Bankers**  
SANTANDER UK PLC  
298 Deansgate  
Manchester M3 4HH  
LLOYDS BANK PLC  
4th Floor Westminster House  
11 Portland Street  
Manchester M1 3HU

## Registered Office

THE HOLLINS MURRAY GROUP LIMITED  
St John's House  
Barrington Road  
Altrincham  
Cheshire WA14 1TJ

Registered in England No. **8273718**

T. **0161 929 5666**  
F. **0161 929 6555**

[www.hollinsmurray.co.uk](http://www.hollinsmurray.co.uk)



St John's  
Hospice  
Cheshire

Report &  
Accounts  
2022

St John's House  
Barrington Road  
Altrincham  
Cheshire WA14 1TJ

T. 0161 929 5666  
F. 0161 929 6555

[www.hollinsmurray.co.uk](http://www.hollinsmurray.co.uk)