

Registered Number: 05064708 (England and Wales)

**Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 March 2010
for
HMC Group**

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HMC Group

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HMC Group
Company Information
for the Year Ended 31 March 2010

DIRECTORS: J H McArdle
M H McArdle

SECRETARY: J N Dawson

REGISTERED OFFICE: Keel Row 12
The Watermark
Metro Riverside
Gateshead
Tyne and Wear
NE11 9SZ

REGISTERED NUMBER: 05064708 (England and Wales)

AUDITORS: Clive Owen & Co LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

HMC Group

Report of the Directors for the Year Ended 31 March 2010

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2010

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of provision and maintenance of rented accommodation, the letting and property management of a hospital, property development and providing nursing care

REVIEW OF BUSINESS

The results for the year are as the attached financial statements

The group has continued to develop the business of providing residential care for the elderly

During the year the group opened a further four care homes in Cramlington, Fenham, Redcar and Morpeth

A further three care homes in Consett, Hebburn and Kenton will open in 2010

The results of the group show a pre tax loss of £643,357 (2009 £1,741,953) for the year Equity shareholders funds at the 31 March 2010 totalled (£569,520) (2009 £74,017)

The first five homes have traded profitably in the year and this has reduced the losses incurred Losses were incurred on the four homes opened during the year and this contributed towards the loss for the year

At the start of the current year the business is trading profitably, however losses will be incurred when the new homes planned in 2010 are opened

The other businesses within the group ie HMC Finance Limited, HMC Estates Limited and HMC Land Limited, all had a profitable year and it is expected that this will continue

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2009 to the date of this report

J H McArdle
M H McArdle

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 (United Kingdom Accounting Standards 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 the group and of the profit or loss of the group for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

HMC Group

**Report of the Directors
for the Year Ended 31 March 2010**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J N Dawson', followed by a horizontal line.

J N Dawson - Secretary

8 June 2010

Report of the Independent Auditors to the Members of HMC Group

We have audited the financial statements of HMC Group for the year ended 31 March 2010 on pages four to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group's and the parent 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.

Opinion on financial statements

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 March 2010 and of the group's loss for the year then ended,
- the group financial statements 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.



A W Luckett FCA, DChA (Senior Statutory Auditor)
for and on behalf of Clive Owen & Co LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

8 June 2010

HMC Group

Consolidated Profit and Loss Account for the Year Ended 31 March 2010

	Notes	2010 £	2009 £
TURNOVER		9,365,763	6,671,061
Cost of sales		<u>4,595,476</u>	<u>4,681,321</u>
GROSS PROFIT		4,770,287	1,989,740
Administrative expenses		<u>5,024,070</u>	<u>3,083,820</u>
OPERATING LOSS	3	(253,783)	(1,094,080)
Interest receivable and similar income		<u>160,297</u>	<u>232,774</u>
		(93,486)	(861,306)
Interest payable and similar charges	4	<u>550,051</u>	<u>929,495</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(643,537)	(1,790,801)
Tax on loss on ordinary activities	5	<u>-</u>	<u>(48,848)</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(643,537)</u>	<u>(1,741,953)</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

HMC Group

Consolidated Balance Sheet
31 March 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	7	1,309,505	716,297
Investments	8	-	-
Investment property	9	<u>11,039,040</u>	<u>11,037,487</u>
		12,348,545	11,753,784
CURRENT ASSETS			
Stocks	10	2,389,962	1,212,654
Debtors	11	5,000,761	4,277,284
Cash at bank and in hand		<u>237,300</u>	<u>217,353</u>
		7,628,023	5,707,291
CREDITORS			
Amounts falling due within one year	12	<u>13,698,088</u>	<u>10,087,058</u>
NET CURRENT LIABILITIES		<u>(6,070,065)</u>	<u>(4,379,767)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,278,480	7,374,017
CREDITORS			
Amounts falling due after more than one year	13	<u>6,848,000</u>	<u>7,300,000</u>
NET (LIABILITIES)/ASSETS		<u>(569,520)</u>	<u>74,017</u>
CAPITAL AND RESERVES			
Called up share capital	17	100,000	100,000
Revaluation reserve	18	1,636,374	1,636,374
Profit and loss account	18	<u>(2,305,894)</u>	<u>(1,662,357)</u>
SHAREHOLDERS' FUNDS		<u>(569,520)</u>	<u>74,017</u>

The financial statements were approved by the Board of Directors on 8 June 2010 and were signed on its behalf by



M H McArdle - Director

The notes form part of these financial statements

HMC Group

Company Balance Sheet
31 March 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	7	256,125	191,589
Investments	8	2,011,893	2,011,893
Investment property	9	<u>3,968,859</u>	<u>3,967,306</u>
		6,236,877	6,170,788
CURRENT ASSETS			
Debtors	11	6,792,689	4,725,397
Cash in hand		<u>500</u>	<u>500</u>
		6,793,189	4,725,897
CREDITORS			
Amounts falling due within one year	12	<u>12,397,204</u>	<u>9,629,027</u>
NET CURRENT LIABILITIES		<u>(5,604,015)</u>	<u>(4,903,130)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>632,862</u>	<u>1,267,658</u>
CAPITAL AND RESERVES			
Called up share capital	17	100,000	100,000
Revaluation reserve	18	2,011,888	2,011,888
Profit and loss account	18	<u>(1,479,026)</u>	<u>(844,230)</u>
SHAREHOLDERS' FUNDS		<u>632,862</u>	<u>1,267,658</u>

The financial statements were approved by the Board of Directors on 8 June 2010 and were signed on its behalf by



M H McArdle - Director

HMC Group

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2010**

	Notes	2010	2009
		£	£
Net cash (outflow)/inflow from operating activities	1	(1,229,719)	3,298,251
Returns on investments and servicing of finance	2	(389,754)	(696,721)
Taxation		48,848	-
Capital expenditure and financial investment	2	<u>(704,600)</u>	<u>(524,307)</u>
		(2,275,225)	2,077,223
Financing	2	<u>2,295,172</u>	<u>(2,039,423)</u>
Increase in cash in the period		<u>19,947</u>	<u>37,800</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		19,947	37,800
Cash (inflow)/outflow from (increase)/decrease in debt		<u>(2,324,395)</u>	<u>2,626,102</u>
Change in net debt resulting from cash flows		<u>(2,304,448)</u>	<u>2,663,902</u>
Movement in net debt in the period		(2,304,448)	2,663,902
Net debt at 1 April		<u>(16,208,381)</u>	<u>(18,872,283)</u>
Net debt at 31 March		<u>(18,512,829)</u>	<u>(16,208,381)</u>

The notes form part of these financial statements

HMC Group

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2010

1 RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating loss	(253,783)	(1,094,080)
Depreciation charges	118,964	79,009
Profit on disposal of fixed assets	(9,125)	(4,258)
(Increase)/Decrease in stocks	(1,177,308)	2,272,753
(Increase)/Decrease in debtors	(772,325)	1,726,357
Increase in creditors	863,858	318,470
Net cash (outflow)/inflow from operating activities	<u>(1,229,719)</u>	<u>3,298,251</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	160,297	232,774
Interest paid	<u>(550,051)</u>	<u>(929,495)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(389,754)</u>	<u>(696,721)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(719,047)	(531,690)
Purchase of investment property	(1,553)	(2,616)
Sale of tangible fixed assets	<u>16,000</u>	<u>9,999</u>
Net cash outflow for capital expenditure and financial investment	<u>(704,600)</u>	<u>(524,307)</u>
Financing		
New loans in year	2,324,395	-
Loan repayments in year	-	(2,626,102)
Amount introduced by directors	-	586,679
Amount withdrawn by directors	<u>(29,223)</u>	<u>-</u>
Net cash inflow/(outflow) from financing	<u>2,295,172</u>	<u>(2,039,423)</u>

The notes form part of these financial statements

HMC Group

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2010

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/09 £	Cash flow £	At 31/3/10 £
Net cash			
Cash at bank and in hand	<u>217,353</u>	<u>19,947</u>	<u>237,300</u>
	<u>217,353</u>	<u>19,947</u>	<u>237,300</u>
Debt			
Debts falling due within one year	(9,125,734)	(2,776,395)	(11,902,129)
Debts falling due after one year	<u>(7,300,000)</u>	<u>452,000</u>	<u>(6,848,000)</u>
	<u>(16,425,734)</u>	<u>(2,324,395)</u>	<u>(18,750,129)</u>
Total	<u>(16,208,381)</u>	<u>(2,304,448)</u>	<u>(18,512,829)</u>

The notes form part of these financial statements

HMC Group

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2010

I ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 10% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 10 - 20% on cost, 4% - 33% on cost and 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 20% on cost

Investment property

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve, except where a deficit on an individual investment property is expected to be permanent in which case it is charged (or credited, where a deficit is reversed) to the profit and loss account of the period. No depreciation is provided in respect of investment properties

The Companies Act requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot be reasonably quantified, because depreciation 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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Fixed asset investments

Shares in group undertakings are revalued to show the value of the underlying net assets where, in the opinion of the directors, such treatment is necessary in order to give a true and fair view, otherwise they are shown at cost.

Leasing Commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

HMC Group

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2010

2 STAFF COSTS

	2010 £	2009 £
Wages and salaries	4,579,179	1,787,709
Social security costs	34,220	30,429
Other pension costs	<u>57,237</u>	<u>51,147</u>
	<u>4,670,636</u>	<u>1,869,285</u>

The average monthly number of employees during the year was as follows

	2010	2009
Directors	1	1
Management	2	4
Administration	14	8
Direct	<u>322</u>	<u>109</u>
	<u>339</u>	<u>122</u>

3 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2010 £	2009 £
Depreciation - owned assets	118,964	79,009
Profit on disposal of fixed assets	(9,125)	(4,258)
Auditors' remuneration	<u>10,239</u>	<u>9,070</u>
Directors' remuneration	106,083	94,731
Directors' pension contributions to money purchase schemes	<u>18,000</u>	<u>17,389</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Bank interest	2,083	6,816
Loan interest	<u>547,968</u>	<u>922,679</u>
	<u>550,051</u>	<u>929,495</u>

5 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax	-	(48,848)
UK corporation tax	<u>-</u>	<u>(48,848)</u>
Tax on loss on ordinary activities	<u>-</u>	<u>(48,848)</u>

HMC Group

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2010

6 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(634,796) (2009 - £(581,234)).

7 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2009	445,826	1,730	340,124
Additions	<u>339,861</u>	<u>-</u>	<u>282,605</u>
At 31 March 2010	<u>785,687</u>	<u>1,730</u>	<u>622,729</u>
DEPRECIATION			
At 1 April 2009	15,306	1,038	102,300
Charge for year	25,578	346	68,760
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2010	<u>40,884</u>	<u>1,384</u>	<u>171,060</u>
NET BOOK VALUE			
At 31 March 2010	<u>744,803</u>	<u>346</u>	<u>451,669</u>
At 31 March 2009	<u>430,520</u>	<u>692</u>	<u>237,824</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2009	88,293	1,484	877,457
Additions	96,581	-	719,047
Disposals	<u>(26,000)</u>	<u>-</u>	<u>(26,000)</u>
At 31 March 2010	<u>158,874</u>	<u>1,484</u>	<u>1,570,504</u>
DEPRECIATION			
At 1 April 2009	41,625	891	161,160
Charge for year	23,983	297	118,964
Eliminated on disposal	<u>(19,125)</u>	<u>-</u>	<u>(19,125)</u>
At 31 March 2010	<u>46,483</u>	<u>1,188</u>	<u>260,999</u>
NET BOOK VALUE			
At 31 March 2010	<u>112,391</u>	<u>296</u>	<u>1,309,505</u>
At 31 March 2009	<u>46,668</u>	<u>593</u>	<u>716,297</u>

HMC Group

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2010

7 TANGIBLE FIXED ASSETS - continued

Company	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2009	253,345	38,050	291,395
Additions	80,961	36,645	117,606
Disposals	-	(14,000)	(14,000)
At 31 March 2010	<u>334,306</u>	<u>60,695</u>	<u>395,001</u>
DEPRECIATION			
At 1 April 2009	90,301	9,505	99,806
Charge for year	33,186	13,759	46,945
Eliminated on disposal	-	(7,875)	(7,875)
At 31 March 2010	<u>123,487</u>	<u>15,389</u>	<u>138,876</u>
NET BOOK VALUE			
At 31 March 2010	<u>210,819</u>	<u>45,306</u>	<u>256,125</u>
At 31 March 2009	<u>163,044</u>	<u>28,545</u>	<u>191,589</u>

8 FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST OR VALUATION	
At 1 April 2009 and 31 March 2010	<u>2,011,893</u>
NET BOOK VALUE	
At 31 March 2010	<u>2,011,893</u>
At 31 March 2009	<u>2,011,893</u>

Cost or valuation at 31 March 2010 is represented by

	Shares in group undertakings £
Valuation in 2006	1,823,921
Valuation in 2007	187,967
Cost	<u>5</u>
	<u>2,011,893</u>

HMC Group

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2010

8 FIXED ASSET INVESTMENTS - continued

Company

If fixed asset investments had not been revalued they would have been included at the following historical cost

	2010	2009
	£	£
Cost	<u>5</u>	<u>5</u>

Fixed asset investments were valued on a net asset basis on 31 March 2007 by the directors

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

HMC Estates Limited

Nature of business Provision and maintenance of rented accommodation

	% holding	2010	2009
		£	£
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		2,640,209	2,378,221
Profit for the year		<u>261,988</u>	<u>231,941</u>

Helen McArdle Care Limited

Nature of business Provision of nursing care

	% holding	2010	2009
		£	£
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		(2,452,142)	(1,994,898)
Loss for the year		<u>(457,244)</u>	<u>(1,671,401)</u>

HMC Finance Limited

Nature of business SPV for the development of a healthcare project

	% holding	2010	2009
		£	£
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		450,694	289,275
Profit for the year		<u>161,419</u>	<u>138,997</u>

HMC Group

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2010

8 FIXED ASSET INVESTMENTS - continued

HMC Management Limited

Nature of business Dormant

	% holding	2010	2009
Class of shares		£	£
Ordinary	100 00		
Aggregate capital and reserves		<u>1</u>	<u>1</u>

HMC Land Limited

Nature of business Property development

	% holding	2010	2009
Class of shares		£	£
Ordinary	100 00		
Aggregate capital and reserves		170,750	145,654
Profit for the year		<u>25,096</u>	<u>139,745</u>

HMC Homecare Limited

Nature of business Dormant

	% holding	2010
Class of shares		£
Ordinary	100 00	
Aggregate capital and reserves		<u>1</u>

9 INVESTMENT PROPERTY

Group

	Total £
COST OR VALUATION	
At 1 April 2009	11,037,487
Additions	<u>1,553</u>
At 31 March 2010	<u>11,039,040</u>
NET BOOK VALUE	
At 31 March 2010	<u>11,039,040</u>
At 31 March 2009	<u>11,037,487</u>
Cost or valuation at 31 March 2010 is represented by	
Valuation in 2006	£ 1,636,374
Cost	<u>9,402,666</u>
	<u>11,039,040</u>

HMC Group

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2010

9 INVESTMENT PROPERTY - continued

Group

If Investment Property had not been revalued it would have been included at the following historical cost

	2010 £	2009 £
Cost	<u>9,402,666</u>	<u>9,401,113</u>

Investment property was valued on an open market basis on 31 March 2010 by the directors

Company

	Total £
COST	
At 1 April 2009	3,967,306
Additions	<u>1,553</u>
At 31 March 2010	<u>3,968,859</u>
NET BOOK VALUE	
At 31 March 2010	<u>3,968,859</u>
At 31 March 2009	<u>3,967,306</u>

The directors have reviewed the valuation of the investment property in accordance with SSAP 19 and believe that it represents open market value as at 31 March 2010

10 STOCKS

	Group	
	2010 £	2009 £
Freehold land for sale	<u>2,389,962</u>	<u>1,212,654</u>

11 DEBTORS

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Amounts falling due within one year				
Trade debtors	1,032,144	411,456	-	-
Amounts owed by group undertakings	-	-	6,495,436	3,975,436
Amounts owed by participating interests	250,000	706,214	250,000	656,214
Amounts receivable in respect of PFI contract	65,902	62,290	-	-
Other debtors	14,535	6,562	9,017	6,562
Tax	-	48,848	-	48,848
VAT	128,050	-	-	-
Prepayments and accrued income	<u>894,021</u>	<u>359,902</u>	<u>38,236</u>	<u>38,337</u>
	<u>2,384,652</u>	<u>1,595,272</u>	<u>6,792,689</u>	<u>4,725,397</u>

HMC Group

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2010

11 DEBTORS - continued

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts falling due after more than one year				
Amounts receivable in respect of PFI contracts	2,616,109	2,682,012	-	-
	<u>2,616,109</u>	<u>2,682,012</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>5,000,761</u>	<u>4,277,284</u>	<u>6,792,689</u>	<u>4,725,397</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts (see note 14)	11,902,129	9,125,734	11,479,498	8,687,915
Trade creditors	772,604	201,402	8,714	18,284
Amounts owed to group undertakings	-	-	743,494	743,494
Social security and other taxes	224,902	133,188	22,663	16,684
Other creditors	486,597	245,836	5,639	3,660
Directors' current accounts	109,289	138,512	109,289	138,512
Accruals and deferred income	202,567	242,386	27,907	20,478
	<u>13,698,088</u>	<u>10,087,058</u>	<u>12,397,204</u>	<u>9,629,027</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2010	2009
	£	£
Bank loans (see note 14)	<u>6,848,000</u>	<u>7,300,000</u>

HMC Group

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2010

14 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Amounts falling due within one year or on demand				
Bank overdrafts	-	-	29,369	14,181
Bank loans	<u>11,902,129</u>	<u>9,125,734</u>	<u>11,450,129</u>	<u>8,673,734</u>
	<u>11,902,129</u>	<u>9,125,734</u>	<u>11,479,498</u>	<u>8,687,915</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	<u>452,000</u>	<u>452,000</u>	-	-
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>1,356,000</u>	<u>1,356,000</u>	-	-
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instalments	<u>5,040,000</u>	<u>5,492,000</u>	-	-

15 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

Group

	Land and buildings	
	2010 £	2009 £
Expiring		
In more than five years	<u>3,859,520</u>	<u>2,141,738</u>

Company

	Land and buildings	
	2010 £	2009 £
Expiring		
In more than five years	<u>50,000</u>	<u>50,000</u>

HMC Group

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2010

16 SECURED DEBTS

The following secured debts are included within creditors

	Company	
	2010	2009
	£	£
Bank overdrafts	29,369	14,181
Bank loans	<u>11,450,129</u>	<u>8,673,734</u>
	<u>11,479,498</u>	<u>8,687,915</u>

The bank loan and overdraft are secured by a mortgage debenture dated 8 July 2005 incorporating a fixed and floating charge over the assets of the company and legal charges dated 20 April 2005 over property

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal value	2010	2009
Number	Class			
		£1	£	£
100,000	Ordinary		<u>100,000</u>	<u>100,000</u>

18 RESERVES

Group		Profit and loss account	Revaluation reserve	Totals
		£	£	£
At 1 April 2009		(1,662,357)	1,636,374	(25,983)
Deficit for the year		<u>(643,537)</u>		<u>(643,537)</u>
At 31 March 2010		<u>(2,305,894)</u>	<u>1,636,374</u>	<u>(669,520)</u>
Company				
		Profit and loss account	Revaluation reserve	Totals
		£	£	£
At 1 April 2009		(844,230)	2,011,888	1,167,658
Deficit for the year		<u>(634,796)</u>		<u>(634,796)</u>
At 31 March 2010		<u>(1,479,026)</u>	<u>2,011,888</u>	<u>532,862</u>

19 ULTIMATE CONTROLLING PARTY

The company is controlled by its directors who have a beneficial interest in 100% of the issued share capital

HMC Group

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2010

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2010 £	2009 £
Loss for the financial year	<u>(643,537)</u>	<u>(1,741,953)</u>
Net reduction of shareholders' funds	(643,537)	(1,741,953)
Opening shareholders' funds	<u>74,017</u>	<u>1,815,970</u>
Closing shareholders' funds	<u><u>(569,520)</u></u>	<u><u>74,017</u></u>

Company

	2010 £	2009 £
Loss for the financial year	<u>(634,796)</u>	<u>(581,234)</u>
Net reduction of shareholders' funds	(634,796)	(581,234)
Opening shareholders' funds	<u>1,267,658</u>	<u>1,848,892</u>
Closing shareholders' funds	<u><u>632,862</u></u>	<u><u>1,267,658</u></u>