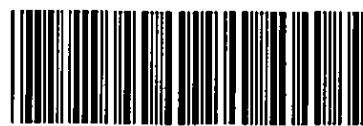


REGISTERED NUMBER: 05064708 (England and Wales)

**Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 March 2011
for
HMC Group Limited**

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HMC Group Limited

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HMC Group Limited
Company Information
for the Year Ended 31 March 2011

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)
SENIOR STATUTORY AUDITOR:	Antony Luckett BCom FCA DChA
AUDITORS:	Clive Owen & Co LLP Chartered Accountants Statutory Auditors 140 Coniscliffe Road Darlington Co Durham DL3 7RT

HMC Group Limited

Report of the Directors for the Year Ended 31 March 2011

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2011

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 Groups main activity is operating care and care homes with nursing for the elderly in North East England

The results for the Group show a pretax profit of £485,627 (2010 loss £643,537) for the year to 31 March 2011 Equity shareholders funds at 31 March 2011 show deficit £83,893 (2010 deficit £569,520)

The improved performance of the Group results from its subsidiary Helen McArdle Care generating profits in the year

Helen McArdle Care has continued to experience improved occupancies across its homes

During the year, 3 homes were opened and a further 2 homes are planned for late 2011

The main costs incurred by the Group relate to labour costs associated with the provision of the service

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2011

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report

J H McArdle
M H McArdle

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the group made charitable donations of £116,133 (2010 £20,490)

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 Limited

**Report of the Directors
for the Year Ended 31 March 2011**

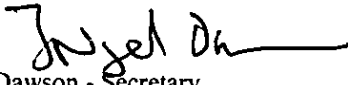
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Clive Owen & Co LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J N Dawson', with a horizontal line extending to the right.

J N Dawson - Secretary

30 June 2011

**Report of the Independent Auditors to the Members of
HMC Group Limited**

We have audited the financial statements of HMC Group Limited for the year ended 31 March 2011 on pages five to twenty one. 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 and express an opinion on 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 2011 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.

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.

Clive Owen & Co LLP

Antony Luckett BCom 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

30 June 2011

HMC Group Limited

Consolidated Profit and Loss Account for the Year Ended 31 March 2011

	Notes	2011 £	2010 £
TURNOVER		16,189,366	9,365,763
Cost of sales		<u>8,229,560</u>	<u>4,595,476</u>
GROSS PROFIT		7,959,806	4,770,287
Administrative expenses		<u>7,099,270</u>	<u>5,024,070</u>
OPERATING PROFIT/(LOSS)	3	860,536	(253,783)
Interest receivable and similar income		<u>149,844</u>	<u>160,297</u>
		1,010,380	(93,486)
Interest payable and similar charges	4	<u>524,752</u>	<u>550,051</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		485,628	(643,537)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR FOR THE GROUP		<u>485,628</u>	<u>(643,537)</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 profit for the current year and the loss for the previous year

HMC Group Limited
Consolidated Balance Sheet
31 March 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	1,737,030	1,309,505
Investments	8	-	-
Investment property	9	<u>11,039,040</u>	<u>11,039,040</u>
		12,776,070	12,348,545
CURRENT ASSETS			
Stocks	10	2,622,244	2,389,962
Debtors	11	4,071,901	5,000,761
Cash at bank and in hand		<u>829,705</u>	<u>237,300</u>
		7,523,850	7,628,023
CREDITORS			
Amounts falling due within one year	12	<u>13,987,812</u>	<u>13,698,088</u>
NET CURRENT LIABILITIES		<u>(6,463,962)</u>	<u>(6,070,065)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,312,108	6,278,480
CREDITORS			
Amounts falling due after more than one year	13	<u>6,396,000</u>	<u>6,848,000</u>
NET LIABILITIES		<u>(83,892)</u>	<u>(569,520)</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>(1,820,266)</u>	<u>(2,305,894)</u>
SHAREHOLDERS' FUNDS	20	<u>(83,892)</u>	<u>(569,520)</u>

The financial statements were approved by the Board of Directors on 30 June 2011 and were signed on its behalf by



M H McArdle - Director

HMC Group Limited

NUMBER: 05064708

Company Balance Sheet
31 March 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	256,106	256,125
Investments	8	2,011,893	2,011,893
Investment property	9	<u>3,968,859</u>	<u>3,968,859</u>
		6,236,858	6,236,877
CURRENT ASSETS			
Debtors	11	6,746,931	6,792,689
Cash in hand		<u>500</u>	<u>500</u>
		6,747,431	6,793,189
CREDITORS			
Amounts falling due within one year	12	<u>13,050,686</u>	<u>12,397,204</u>
NET CURRENT LIABILITIES		<u>(6,303,255)</u>	<u>(5,604,015)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(66,397)</u>	<u>632,862</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>(2,178,285)</u>	<u>(1,479,026)</u>
SHAREHOLDERS' FUNDS	20	<u>(66,397)</u>	<u>632,862</u>

The financial statements were approved by the Board of Directors on its behalf by

30 June 2011 and were signed on



M H McArdle - Director

HMC Group Limited

Consolidated Cash Flow Statement for the Year Ended 31 March 2011

	Notes	2011 £	2010 £
Net cash inflow/(outflow) from operating activities	1	1,416,615	(1,258,942)
Returns on investments and servicing of finance	2	(374,908)	(389,754)
Taxation		-	48,848
Capital expenditure and financial investment	2	<u>(604,707)</u>	<u>(704,600)</u>
		437,000	(2,304,448)
Financing	2	<u>155,405</u>	<u>2,324,395</u>
Increase in cash in the period		<u>592,405</u>	<u>19,947</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		592,405	19,947
Cash inflow from increase in debt		<u>(155,405)</u>	<u>(2,324,395)</u>
Change in net debt resulting from cash flows		<u>437,000</u>	<u>(2,304,448)</u>
Movement in net debt in the period		437,000	(2,304,448)
Net debt at 1 April		<u>(18,512,829)</u>	<u>(16,208,381)</u>
Net debt at 31 March		<u>(18,075,829)</u>	<u>(18,512,829)</u>

The notes form part of these financial statements

HMC Group Limited

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2011

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

	2011 £	2010 £
Operating profit/(loss)	860,536	(253,783)
Depreciation charges	183,663	118,964
Profit on disposal of fixed assets	(6,479)	(9,125)
Increase in stocks	(232,282)	(1,177,308)
Decrease/(Increase) in debtors	928,868	(772,325)
(Decrease)/Increase in creditors	(317,691)	834,635
Net cash inflow/(outflow) from operating activities	<u>1,416,615</u>	<u>(1,258,942)</u>

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

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	149,844	160,297
Interest paid	(524,752)	(550,051)
Net cash outflow for returns on investments and servicing of finance	<u>(374,908)</u>	<u>(389,754)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(621,207)	(719,047)
Purchase of investment property	-	(1,553)
Sale of tangible fixed assets	16,500	16,000
Net cash outflow for capital expenditure and financial investment	<u>(604,707)</u>	<u>(704,600)</u>
Financing		
New loans in year	155,405	2,324,395
Amount introduced by directors	64,562	29,223
Amount withdrawn by directors	(64,562)	(29,223)
Net cash inflow from financing	<u>155,405</u>	<u>2,324,395</u>

The notes form part of these financial statements

HMC Group Limited

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2011

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/10 £	Cash flow £	At 31/3/11 £
Net cash			
Cash at bank and in hand	<u>237,300</u>	<u>592,405</u>	<u>829,705</u>
	<u>237,300</u>	<u>592,405</u>	<u>829,705</u>
Debt			
Debts falling due within one year	(11,902,129)	(607,405)	(12,509,534)
Debts falling due after one year	<u>(6,848,000)</u>	<u>452,000</u>	<u>(6,396,000)</u>
	<u>(18,750,129)</u>	<u>(155,405)</u>	<u>(18,905,534)</u>
Total	<u>(18,512,829)</u>	<u>437,000</u>	<u>(18,075,829)</u>

The notes form part of these financial statements

HMC Group Limited

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2011

1 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 and 25% on reducing balance
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 Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2011

2 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	7,579,377	4,579,179
Social security costs	40,240	34,220
Other pension costs	86,275	57,237
	<u>7,705,892</u>	<u>4,670,636</u>

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

	2011	2010
Directors	1	1
Management	2	2
Administration	15	14
Direct	<u>542</u>	<u>322</u>
	<u>560</u>	<u>339</u>

3 OPERATING PROFIT/(LOSS)

The operating profit (2010 - operating loss) is stated after charging/(crediting)

	2011	2010
	£	£
Depreciation - owned assets	183,663	118,964
Profit on disposal of fixed assets	(6,479)	(9,125)
Auditors' remuneration	<u>12,014</u>	<u>10,239</u>
Directors' remuneration	116,383	106,083
Directors' pension contributions to money purchase schemes	<u>17,389</u>	<u>18,000</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	4,228	2,083
Loan interest	<u>520,524</u>	<u>547,968</u>
	<u>524,752</u>	<u>550,051</u>

5 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2011 nor 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 £(699,259) (2010 - £(634,796))

HMC Group Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2011**

7 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2010	785,687	1,730	622,729
Additions	<u>215,183</u>	<u>-</u>	<u>201,720</u>
At 31 March 2011	<u>1,000,870</u>	<u>1,730</u>	<u>824,449</u>
DEPRECIATION			
At 1 April 2010	40,882	1,384	171,060
Charge for year	32,884	346	100,037
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2011	<u>73,766</u>	<u>1,730</u>	<u>271,097</u>
NET BOOK VALUE			
At 31 March 2011	<u>927,104</u>	<u>-</u>	<u>553,352</u>
At 31 March 2010	<u>744,805</u>	<u>346</u>	<u>451,669</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2010	158,874	1,484	1,570,504
Additions	204,304	-	621,207
Disposals	<u>(24,050)</u>	<u>-</u>	<u>(24,050)</u>
At 31 March 2011	<u>339,128</u>	<u>1,484</u>	<u>2,167,661</u>
DEPRECIATION			
At 1 April 2010	46,483	1,188	260,997
Charge for year	50,100	296	183,663
Eliminated on disposal	<u>(14,029)</u>	<u>-</u>	<u>(14,029)</u>
At 31 March 2011	<u>82,554</u>	<u>1,484</u>	<u>430,631</u>
NET BOOK VALUE			
At 31 March 2011	<u>256,574</u>	<u>-</u>	<u>1,737,030</u>
At 31 March 2010	<u>112,391</u>	<u>296</u>	<u>1,309,507</u>

HMC Group Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2011**

7 TANGIBLE FIXED ASSETS - continued

Company	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2010	334,306	60,695	395,001
Additions	29,530	35,500	65,030
Disposals	-	(24,050)	(24,050)
At 31 March 2011	<u>363,836</u>	<u>72,145</u>	<u>435,981</u>
DEPRECIATION			
At 1 April 2010	123,487	15,389	138,876
Charge for year	39,616	15,412	55,028
Eliminated on disposal	-	(14,029)	(14,029)
At 31 March 2011	<u>163,103</u>	<u>16,772</u>	<u>179,875</u>
NET BOOK VALUE			
At 31 March 2011	<u>200,733</u>	<u>55,373</u>	<u>256,106</u>
At 31 March 2010	<u>210,819</u>	<u>45,306</u>	<u>256,125</u>

8 FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST OR VALUATION	
At 1 April 2010 and 31 March 2011	<u>2,011,893</u>
NET BOOK VALUE	
At 31 March 2011	<u>2,011,893</u>
At 31 March 2010	<u>2,011,893</u>

Cost or valuation at 31 March 2011 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 Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2011

8 FIXED ASSET INVESTMENTS - continued

Company

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

	2011 £	2010 £
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	2011 £	2010 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		2,949,658	2,640,209
Profit for the year		<u>309,449</u>	<u>261,988</u>

Helen McArdle Care Limited

Nature of business Provision of nursing care

	% holding	2011 £	2010 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		(1,859,772)	(2,452,142)
Profit/(Loss) for the year		<u>592,370</u>	<u>(457,244)</u>

HMC Finance Limited

Nature of business SPV for the development of a healthcare project

	% holding	2011 £	2010 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		623,840	450,694
Profit for the year		<u>173,146</u>	<u>161,419</u>

HMC Group Limited
Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2011

8 FIXED ASSET INVESTMENTS - continued

HMC Management Limited

Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00	2011	2010
		£	£
Aggregate capital and reserves		<u>1</u>	<u>1</u>

HMC Land Limited

Nature of business Property development

	%		
Class of shares	holding		
Ordinary	100 00	2011	2010
		£	£
Aggregate capital and reserves		333,808	170,750
Profit for the year		<u>163,058</u>	<u>25,096</u>

HMC Homecare Limited

Nature of business Social work without accommodation

	%		
Class of shares	holding		
Ordinary	100 00	2011	2010
		£	£
Aggregate capital and reserves		(53,136)	1
Loss for the year		<u>(53,137)</u>	<u>-</u>

9 INVESTMENT PROPERTY

Group

Total
£

COST OR VALUATION

At 1 April 2010
and 31 March 2011 11,039,040

NET BOOK VALUE

At 31 March 2011 11,039,040

At 31 March 2010 11,039,040

Cost or valuation at 31 March 2011 is represented by

	£
Valuation in 2006	1,636,374
Cost	<u>9,402,666</u>
	<u>11,039,040</u>

HMC Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2011

9 INVESTMENT PROPERTY - continued

Group

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

	2011 £	2010 £
Cost	<u>9,402,666</u>	<u>9,402,666</u>

Investment property was valued on an open market basis on 31 March 2011 by the directors

Company

	Total £
COST	
At 1 April 2010 and 31 March 2011	<u>3,968,859</u>
NET BOOK VALUE	
At 31 March 2011	<u>3,968,859</u>
At 31 March 2010	<u>3,968,859</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 2011

10 STOCKS

	Group	
	2011 £	2010 £
Freehold land for sale	<u>2,622,244</u>	<u>2,389,962</u>

11 DEBTORS

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Amounts falling due within one year				
Trade debtors	912,292	1,032,144	-	-
Amounts owed by group undertakings	-	-	6,336,359	6,495,436
Amounts owed by participating interests	379,490	250,000	379,490	250,000
Amounts receivable in respect of PFI contract	69,723	65,902	-	-
Other debtors	270	14,535	-	9,017
VAT	43	128,050	-	-
Prepayments and accrued income	<u>163,697</u>	<u>894,021</u>	<u>31,082</u>	<u>38,236</u>
	<u>1,525,515</u>	<u>2,384,652</u>	<u>6,746,931</u>	<u>6,792,689</u>

HMC Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2011

11 DEBTORS - continued

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts falling due after more than one year				
Amounts receivable in respect of PFI contracts	<u>2,546,386</u>	<u>2,616,109</u>	-	-
	<u>2,546,386</u>	<u>2,616,109</u>	-	-
Aggregate amounts	<u>4,071,901</u>	<u>5,000,761</u>	<u>6,746,931</u>	<u>6,792,689</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts (see note 14)	12,509,534	11,902,129	12,132,179	11,479,498
Trade creditors	171,366	772,604	22,916	8,714
Amounts owed to group undertakings	-	-	743,494	743,494
Social security and other taxes	315,125	224,902	30,694	22,663
Other creditors	694,396	486,597	47,346	5,639
Directors' current accounts	44,727	109,289	44,727	109,289
Accruals and deferred income	<u>252,664</u>	<u>202,567</u>	<u>29,330</u>	<u>27,907</u>
	<u>13,987,812</u>	<u>13,698,088</u>	<u>13,050,686</u>	<u>12,397,204</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2011	2010
	£	£
Bank loans (see note 14)	<u>6,396,000</u>	<u>6,848,000</u>

HMC Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2011

14 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	-	-	74,645	29,369
Bank loans	<u>12,509,534</u>	<u>11,902,129</u>	<u>12,057,534</u>	<u>11,450,129</u>
	<u>12,509,534</u>	<u>11,902,129</u>	<u>12,132,179</u>	<u>11,479,498</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>956,000</u>	<u>1,356,000</u>	-	-
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>4,988,000</u>	<u>5,040,000</u>	-	-

15 OPERATING LEASE COMMITMENTS

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

Group

	Land and buildings	
	2011	2010
	£	£
Expiring		
In more than five years	<u>4,671,260</u>	<u>3,859,520</u>

Company

	Land and buildings	
	2011	2010
	£	£
Expiring		
In more than five years	<u>24,800</u>	<u>50,000</u>

HMC Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2011

16 SECURED DEBTS

The following secured debts are included within creditors

	Company	
	2011	2010
	£	£
Bank overdrafts	74,645	29,369
Bank loans	<u>12,057,534</u>	<u>11,450,129</u>
	<u>12,132,179</u>	<u>11,479,498</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

Number	Class	Nominal value	2011	2010
		£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 2010	(2,305,894)	1,636,374	(669,520)
Profit for the year	<u>485,628</u>		<u>485,628</u>
At 31 March 2011	<u>(1,820,266)</u>	<u>1,636,374</u>	<u>(183,892)</u>

Company

	Profit and loss account	Revaluation reserve	Totals
	£	£	£
At 1 April 2010	(1,479,026)	2,011,888	532,862
Deficit for the year	<u>(699,259)</u>		<u>(699,259)</u>
At 31 March 2011	<u>(2,178,285)</u>	<u>2,011,888</u>	<u>(166,397)</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 Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2011

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2011 £	2010 £
Profit/(Loss) for the financial year	<u>485,628</u>	<u>(643,537)</u>
Net addition/(reduction) to shareholders' funds	485,628	(643,537)
Opening shareholders' funds	<u>(569,520)</u>	<u>74,017</u>
Closing shareholders' funds	<u>(83,892)</u>	<u>(569,520)</u>

Company

	2011 £	2010 £
Loss for the financial year	<u>(699,259)</u>	<u>(634,796)</u>
Net reduction of shareholders' funds	(699,259)	(634,796)
Opening shareholders' funds	<u>632,862</u>	<u>1,267,658</u>
Closing shareholders' funds	<u>(66,397)</u>	<u>632,862</u>