



Report & Accounts 2005

Investing

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It all adds up to an impressive performance

Chairman's Statement

This has been another very satisfactory year for the Company and I am delighted to be able to report a strong performance in all areas of the business. The value of our portfolio stood at £80.2m at the year end and net assets at £47.4m. This represents growth in Net Asset Value of 206% over the past ten years, and a year on year increase of 13.7% in the past twelve months. Property investment remains, in my view, a long term business, and it is pleasing to see the fundamentals of our investment strategy vindicated in this way.

Operating profit showed an increase of 11.14% in the year and pre tax profits were up 3.57%. This was above expectations and reflected strong growth in rental values, continuing low voids and a rather slower start on the development programme than had been expected at the beginning of the year.



Portfolio





A year of strong growth & development

Conditions in the market place have changed remarkably little over the year, and relatively low costs of borrowing and positive returns have kept private investment in commercial property at very high levels and the institutions also returned to the market with a vengeance. All this has meant that purchase yields have remained low, and that few attractive opportunities to buy have presented themselves. I can see little point in chasing yields steadily downwards, and for that reason we were once again largely out of the market unless we could see genuine potential for growth or for adding value to our estate. I continue to believe that the fundamental basis of value in commercial property investment is the prospect for

future income growth, and the strength of the tenant covenant. It has been clear for some time now that issues such as the weakness of other investment classes and low interest rates have been driving the market as much or more than would be justified by the underlying essentials.

To some extent therefore the Net Asset Value of the company has reflected this, but I believe that the valuation remains conservative and that our strategy of seeking to enhance what we have, rather than investing in new stock at low and maybe unsustainable initial yields, is the correct one.



Portfolio





A superior portfolio that's just the job

The year ahead will see us start on this process in earnest with significant investment in our properties in Wrexham, Congleton and Flint. The third phase of Ashton in Makerfield remains just out of reach despite major pre-let agreements, due to continuing issues around site pollution.

This development work will have a negative impact on our profits in the next twelve months as rental income, even where pre-lets are in place, will only start to flow once work is complete and any rent free periods have expired. Further, in some cases we have deliberately created voids in order to develop more attractive units in terms of size and configuration in order to ensure that our properties are right for today's market.

However, we are confident that this programme of development will result in enhanced capital and rental values as we go forward.

Despite testing conditions for the property trader, Matrix performed well and delivered pre tax profits of over £550,000 in the year. This joint venture has served us well since its inception 4 years ago, and adds another important element to the business.

Looking ahead, I expect the housing market to remain wobbly, and this, together with the very high current levels of personal indebtedness, will be reflected by greater uncertainty in the general economy and significantly less activity in the retail sector.

The latter is bound to have an effect on values in the high street, but I expect this to be manifested most significantly in the luxury and fashion sectors, areas that we have largely avoided.

All in all 2004/05 has been a good year for us. As ever the management team has worked hard to achieve these results, and I thank them on behalf of the Board for their loyalty and diligence.

The Board is recommending a final dividend of 30 pence per share making a total for the year of 50 pence. The dividend will be paid to shareholders on the 24th June 2005.

Tom Marshall, Chairman



Portfolio



A competitive and improving market place

Operating Review

In my last operating review I reported very competitive trading conditions and this year has seen no change, if anything it has become even more competitive with the financial institutions coming back in to the property market with vigour.

Yields of lower value stock continue to be traded at an unrealistically low level in relation to market fundamentals and consequently, we have continued to dispose of properties in this market realising £5.7m. The most notable property to be sold being our former head office in Hale Barns where we achieved a price in order of 30% over the 2003 balance sheet value.

Notwithstanding this we remain buyers but only where there is a realistic opportunity for rental and capital growth. Because the property market is so diverse and specialised, there are opportunistic purchases out there but they remain few and far between. Whilst we have been net buyers throughout the year our buying came to be in the last quarter of the year where we purchased two further units in Flint let to GUS and Bewise for £2.85m. These acquisitions, which were at fiercely competitive net initial yields however have already proved substantial rental growth on the rest of the park and we are

happy that in the medium term these purchases will generate improved returns, both as stand alone properties and to the park as a whole.

Portfolio



We're heading in the right direction



Further investment has been made in Wrexham adjoining our existing holdings with a £2.68m purchase of two prime retail units occupied by Phones 4U and Burger King.

Phase 1 of our plans are already in progress with the redevelopment of a large unit for Next Plc who should be trading by Easter 2006.

Our plans for the rest of the site are well advanced and there is significant retailer interest in the scheme. The Henblas Square area has improved following the relocation of the Post Office to the shopping centre opposite our ownership and we expect that by building a number of larger floor space units here, the street will improve further still as a retail location.

Our development at West Heath is well advanced and is anticipated to be completed during the current financial year. Since starting on site, significant interest has been shown by retailers and, at the time of writing this report, we have 5 units either under offer or signed up.

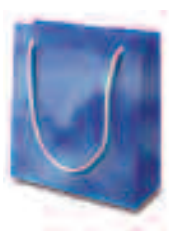
We continue to work up our plans for a third phase at The Gerard Centre in Ashton in Makerfield where we have pre-let to Wilkinsons & Argos. The current delay is due to the vendors, British Gas, struggling to deliver us an environmentally clean site.



Portfolio



It pays to shop around



We have exchanged contracts to purchase a 4,350m² retail trade counter scheme in Queensferry. The development was finished in April 2005, whilst un-let we have a rental guarantee from the developer and we are confident that the units will let up well.

We continue to aggressively manage our estate in the knowledge that this brings positive results in the financial performance.

The burden placed on small businesses by the legislators continues and during the year we have had to survey all our buildings for asbestos and, under different legislation, for disabled access. In both cases results have been analysed and a management strategy plan instigated.

All our buildings are now compliant with such requirements.

The portfolio weighting continues to increase towards retail investments and sales during the year have again reduced our exposure to the office market as we don't believe it has as much to offer as retail estate.

Despite the difficult trading conditions our joint venture company Matrix has had an exceptional year contributing £551k to group profits before tax, and what is remarkable is that over half of the amount was generated from properties bought and sold during the year under review.

During the year we have used the strength of our balance sheet to renegotiate our funding arrangements with one of our bankers which gives us a strong platform to move into the new financial year. We continue to hedge sensibly against our exposure to increased interest rates.

The company remains in a strong position to take advantage of opportunities where there is a realistic story.

Andrew Murray,
Chief Executive

March 2003:
England win the Rugby World Cup

February 2005:
Property Assets exceed £80 million

1st Quarter 2005:
Invest £10 million in property in North Wales

Directors' Report

The directors submit their Report and the Audited Consolidated Financial Statements of the Company for the year ended 28th February 2005.

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 the Chairman's Statement and the Operating Review.

Results

The results of the year's activities appear within. The profit on ordinary activities before taxation is £3,300,945 (2004 £3,187,059) of which profit on property sales and trading income comprises £1,476,829 (2004 £968,776).

Dividends

An interim dividend of 20p per share (2004 15p) was paid during the year. A final dividend of 30p per share is proposed (2004 25p). This will be paid to shareholders on 24th June 2005.

Property revaluations

Investment properties are included in the balance sheet at their open market value. 92.3% (2004 92.5%) of the portfolio by value was revalued at the year-end by Lambert Smith Hampton and the balance by Mr Andrew Murray FRICS who is Group Chief Executive.

Trading properties are included at the lower of cost or net realisable value.

Charitable donations

The Company and its subsidiaries donated £12,240 (2004 £6,440) to charities during the year.

Directors

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

	28th February 2005		29th February 2004	
	Ordinary held by Trustees	Ordinary	Ordinary held by Trustees	Ordinary
Andrew Murray	27,763	53,300	27,763	53,300
Andrew Murray (As Trustee)	-	85,226	-	85,226
Tom Marshall	-	14,990	-	14,990
Paul Mitchell	-	12,257	-	12,257
Richard Murray	55,528	47,156	55,528	55,556
Rupert Murray	55,528	131,240	55,528	131,236
Stephen Murray	55,528	64,941	55,528	64,941
Ian Thomas	-	728	-	728

S.B. Murray and P. Mitchell retire from the Board by rotation and offer themselves for re-election.

Auditors

Parker Gradwell & Company 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 18th April 2005 and signed on its behalf by:

Ian Thomas FCA, Secretary

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which will give a true and fair view of the state of the Company and Group and of the profit or loss for that period.

In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and its subsidiaries will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Hollins Murray Group Limited Independent Auditors' Report to the Members of The Hollins Murray Group Limited

We have audited the financial statements of The Hollins Murray Group Limited for the year ended 28th February 2005 which comprise the profit and loss account, the balance sheets, the cash flow statement, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold and long leasehold properties and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's 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 described on page 14 the Company's directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the

Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 28th February 2005 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Parker Gradwell & Co.

Chartered accountants
and registered auditors

17 Chapel Street, Hyde,
Cheshire SK14 1LF

18th April 2005

Consolidated Profit and Loss Account

For the year ended 28th February 2005			
	Note	2005 £000	2004 £000
Turnover			
Gross rental income	2	5,182	5,011
Property trading income		3,008	429
Group turnover		8,190	5,440
Net rental income		3,988	4,119
Profit on property trading		745	89
		4,733	4,208
Administrative expenses		(415)	(345)
Operating profit	3	4,318	3,863
Exceptional items	5	707	880
Profit on ordinary activities before interest		5,025	4,743
Interest receivable and similar income		229	116
Interest payable on bank loans and overdrafts		(1,953)	(1,672)
Net interest payable		(1,724)	(1,556)
Profit on ordinary activities before taxation		3,301	3,187
Taxation on profit on ordinary activities	6	(967)	(1,181)
Profit on ordinary activities after taxation		2,334	2,006
Minority interest	18	(129)	(33)
Profit for the financial year		2,205	1,973
Dividends	7	(893)	(718)
Retained profit for the financial year		1,312	1,255

The results from both the current and prior period derive from continuing activities.

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

Statement of Total Recognised Gains and Losses
 Note of Historical Cost Profit and Loss
 Reconciliation of Movements in Shareholders' Funds

Statement of Total Recognised Gains and Losses For the year ended 28th February 2005		
	2005	2004
	£000	£000
Profit for the financial year	2,334	2,006
Unrealised surplus on revaluation of properties	4,298	4,922
Total recognised gains and losses relating to the year	6,632	6,928
Note of Historical Cost Profit and Loss For the year ended 28th February 2005		
Reported profit on ordinary activities before taxation	3,301	3,187
Realisation of property revaluation gains of previous years	2,514	2,539
Historical cost profit on ordinary activities before taxation and dividends	5,815	5,726
Taxation	(967)	(1,181)
Taxation on past property revaluations	(201)	(102)
Dividends	(893)	(718)
Minority interest	(129)	(33)
Historical cost profit for the year retained after taxation and dividends	3,625	3,692
Reconciliation of Movements in Shareholders' Funds For the year ended 28th February 2005		
Profit for the financial year	2,334	2,006
Dividends	(893)	(718)
	1,441	1,288
Minority interest	(129)	(33)
Unrealised surplus on revaluation of properties	4,298	4,922
Net addition to shareholders' funds	5,610	6,177
Opening shareholders' funds	41,579	35,402
Closing shareholders' funds	47,189	41,579

Consolidated Balance Sheet

As at 28th February 2005			
	Note	2005 £000	2004 £000
Fixed assets			
Tangible assets	8	80,409	73,190
Investments	9	-	40
		80,409	73,230
Current assets			
Stock of trading properties		3,899	5,095
Debtors	10	1,419	1,439
Cash at bank and short term deposits		321	1,928
		5,639	8,462
Creditors - amounts due within one year:			
Creditors	11	(2,831)	(2,591)
Bank loans	12	(1,527)	(2,777)
		(4,358)	(5,368)
Net current assets		1,281	3,094
Total assets less current liabilities		81,690	76,324
Creditors - amounts due after one year:			
Bank loans	12	(34,143)	(34,325)
Provisions for liabilities and charges	13	(96)	(271)
		(34,239)	(34,596)
Net assets		47,451	41,728
Capital and reserves			
Called up share capital	14	446	446
Reserves	15	46,743	41,133
Shareholders' funds		47,189	41,579
Minority interest	18	262	149
Total capital employed		47,451	41,728

Approved by the Board of Directors on 18th April 2005 and signed on its behalf by: Tom Marshall, Andrew Murray, Directors.
The accompanying notes are an integral part of these financial statements.

Company Balance Sheet

As at 28th February 2005			
	Note	2005 £000	2004 £000
Fixed assets			
Investments in subsidiary companies	18	587	587
Current Assets			
Sundry debtors		80	50
Subsidiary company current accounts		8,581	6,130
Cash at bank and short term deposits		286	1,896
		8,947	8,076
Creditors - amounts due within one year:			
Creditors	11	(586)	(474)
Net current assets		8,361	7,602
Total assets less current liabilities		8,948	8,189
Capital and reserves			
Called up share capital	14	446	446
Reserves	15	8,502	7,743
Shareholders' funds		8,948	8,189

Approved by the Board of Directors on 18th April 2005 and signed on its behalf by: Tom Marshall, Andrew Murray, Directors.
The accompanying notes are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 28th February 2005			
	Note	2005 £000	2004 £000
Net cash inflow from operating activities	17	5,944	523
Returns on investments and servicing of finance			
Interest received		229	116
Interest paid		(1,954)	(1,672)
Net cash outflow from returns on investments and servicing of finance		(1,725)	(1,556)
Taxation paid		(1,369)	(1,055)
Capital expenditure			
Purchase and redevelopment of investment properties		(7,071)	(9,285)
Sale of investment properties		4,868	4,255
Sale of quoted investment		24	-
Purchase of other fixed assets		(26)	(14)
Sale of other fixed assets		-	41
Net cash outflow from capital expenditure		(2,205)	(5,003)
Equity dividends paid		(820)	(1,507)
Net cash outflow before use of liquid resources and financing		(175)	(8,598)
Financing			
New loans		-	7,830
Repayment of loans		(1,432)	(1,543)
Net cash (outflow) inflow from financing		1,432	6,287
Decrease in cash		(1,607)	(2,311)

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

Notes to the Accounts

For the year ended 28th February 2005

1. Accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention, as modified by the inclusion of freehold and long leasehold investment properties at their Open Market Value. Compliance with SSAP 19 "Accounting for Investment Properties" requires departure from the requirements of The Companies Act 1985 relating to depreciation and an explanation for the departure is given below.

b. Basis of consolidation

The consolidated financial statements include the audited financial statements of the Company and its subsidiary Companies and have been prepared in accordance with FRS 2.

c. Freehold and long leasehold properties

In accordance with SSAP 19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to a property revaluation reserve.

No depreciation or amortisation is provided in respect of freehold and long leasehold properties. This treatment is a departure from the requirements of the Companies Act 1985 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 SSAP 19 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.

92.3% (2004 92.5%) of the portfolio by value was revalued at the year end by Lambert Smith Hampton and the balance by Andrew Murray FRICS who is Group Chief Executive.

These valuations have been prepared on the basis of Open Market Value in accordance with the RICS relevant guidance notes on the valuation of property assets. 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 projects have not been included in the valuation review, they are included at cost or in the Directors' assessment of open market value. Buildings under construction are valued at the lower of cost or realisable value.

d. Stock of trading properties

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

e. Acquisitions and disposals of properties

Acquisitions and disposals of properties are recognised on the date of completion of the purchase or sale.

f. Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation on revaluation gains will only be provided for if there has been a decision that the property is to be sold and it is probable that the liability will crystallise.

The amount of deferred taxation not provided for is shown in the notes to the accounts.

g. Depreciation

Depreciation is provided on plant and machinery at the following annual rates:-

- Management Company
 - Computer equipment 33% on cost
 - Other equipment and furniture 20% on cost
- Investment Properties
 - 25% on the reducing balance basis

h. Turnover

Turnover represents rental income for the year excluding VAT, together with disposal proceeds on the sale of trading properties. However amounts invoiced in advance relating to the next accounting period are included in accruals as deferred income.

i. Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account in the period in which they are incurred.

2. Turnover

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

	2005	2004
	£000	£000
Gross rental income	5,157	5,011
Premium on variation of lease	25	-
	5,182	5,011

Notes to the Accounts

For the year ended 28th February 2005	Group	
	2005	2004
	£000	£000
3. Operating Profit		
Operating profit is stated after charging:		
Auditors' remuneration	12	11
Depreciation - plant and machinery	58	83
- loss on sale of motor vehicles	-	5
Staff costs (note 4a)	685	618
4. Staff costs		
a. Employee costs (including Directors) during the year comprised:		
Wages and salaries	553	492
Social security costs	64	57
Pension contributions	68	69
	685	618
b. The average number of employees of the Group during the year was as follows:		
	Number	Number
Property and administration	14	13
	£000	£000
c. Directors' remuneration (including benefits)		
	413	406
Pension contributions	42	41
	455	447
Remuneration of highest paid director	205	223
Pension contributions of highest paid director	26	26
Number of directors who are accruing benefits under a money purchase scheme	2	2

The pension costs relate to money purchase schemes and pensions to past employees or their spouse. A payment of £15,000 (2004 £15,000) was made to Rickitt Mitchell & Partners Limited in respect of Paul Mitchell's services as a director of the Company.

Notes to the Accounts

For the year ended 28th February 2005	Group 2005 £000	2004 £000
5. Exceptional Items		
Profit on sale of investment properties	723	880
Loss on sale of quoted investment	(16)	-
	707	880
6. Taxation on profit on ordinary activities		
Charge for taxation based on profit for the year:		
Corporation tax @ 30% (2004 - 30%)	729	664
Corporation tax on fixed asset sales	416	595
Interest on tax	0	(1)
Over-provision of corporation tax in prior years:		
General income	(165)	(77)
Fixed asset sales	(13)	-
	967	1,181
Factors affecting the tax charge for the period		
The Corporation Tax assessed for the year is different from that at the standard rate of Corporation Tax in the United Kingdom of 30% (2004 - 30%).		
The differences are explained below:-		
Profit on ordinary activities before taxation	3,301	3,187
Tax on profit on ordinary activities at standard rate	990	942
Effects of:		
Disallowed expenses	11	11
Capital allowances in excess of depreciation	(47)	(23)
Tapering relief and profits taxed at lower rate	(5)	(2)
Over provision of corporation tax in previous years	(178)	(77)
Adjustment for current year's disposals	196	331
Interest on tax	0	(1)
Current tax charge for the year	967	1,181
7. Dividends		
Equity shares		
Ordinary: 200% (2004 - 160%)	893	718

Notes to the Accounts

For the year ended 28th February 2005	Group 2005 £000	2004 £000
8. Tangible fixed assets		
Freehold and long leasehold property		
Cost at 29th February 2004	51,409	42,960
Additions during the year at cost	7,071	9,285
	58,480	52,245
Sales during the year at cost	(1,630)	(836)
	56,850	51,409
Surplus on revaluation of properties	23,401	21,591
Open market value at 28th February 2005	80,251	73,000
Freehold properties	69,501	65,600
Long leasehold properties	10,750	7,400
	80,251	73,000
Revaluation surplus for the year	4,325	5,190
Plant and machinery		
Cost at 29th February 2004	834	1,067
Additions during the year at cost	26	34
Transfer Windsor House reserve fund	-	(20)
Disposals during the year at cost	(55)	(247)
Cost at 28th February 2005	805	834
Depreciation at 29th February 2004	644	762
Charge for the year	58	83
Depreciation on disposals	(55)	(201)
Depreciation at 28th February 2005	647	644
Net book value at 28th February 2005	158	190
Summary		
Freehold and long leasehold property	80,251	73,000
Plant and machinery	158	190
	80,409	73,190

Notes to the Accounts

For the year ended 28th February 2005		Group		
		2005	2004	
		£000	£000	
9. Investments				
Quoted				
I.O.M. Assurance Ltd Holiday Property				
Bond - Market value £Nil (2004 £25,049)		-	40	
This investment was sold in December 2004 at its market value				
10. Debtors				
Trade debtors		300	101	
Other debtors		712	160	
Prepayments and accrued income		30	28	
Corporation tax		-	5	
Other taxes		377	1,145	
		1,419	1,439	
11. Creditors				
Reserve fund	32	31	-	-
Trade creditors and accruals	1,649	1,292	1	1
Other creditors				
Corporation tax	549	756	49	27
Other taxes and social security	65	66	-	-
Proposed dividends	536	446	536	446
	2,831	2,591	586	474

Notes to the Accounts

For the year ended 28th February 2005		Group	
		2005	2004
		£000	£000
12. Bank overdraft facilities/bank loans			
Within one year		1,527	2,777
Between one and two years		182	803
Between three and five years		6,176	4,907
Over five years		27,785	28,615
		34,143	34,325
		35,670	37,102
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	
National Westminster Bank Plc	28,140,000	HMG Investments Limited HMG Developments Limited	
National Westminster Bank Plc	1,344,420	Glencullen Limited Matrix Property Investment Ltd HMG Flintshire Retail Park Limited	
NM Rothschild and Sons Limited	6,185,000	HMG Investments Limited	
Interest rates on the loans are chargeable at 1% above LIBOR or base rate.			
13. Provisions for liabilities and charges			
Deferred tax on property revaluations		96	271
Movements during the year:			
As at 29th February 2004		271	105
Deferred tax on realisations		(202)	(102)
Increase in provision		27	268
As at 28th February 2005		96	271
The full liability for deferred taxation if the Group's properties were sold at the balance sheet value is £5,307,825 (2004 £4,833,761)			
14. Called up share capital			
Authorised			
Equity			
10,100,001 Ordinary shares of 25p each		2,525	2,525
Allotted, issued and fully paid 1,785,718			
Ordinary shares of 25p each		446	446

Notes to the Accounts

For the year ended 28th February 2005

15. Reserves

Group	Share Premium Account £000	Capital Redemption Reserve £000	Property Revaluation Reserve £000	Profit & Loss Account £000	Total £000
As at 29th February 2004	54	84	21,358	19,637	41,133
Retained profit for the year				1,312	1,312
Revaluation surplus			4,325		4,325
Deferred tax			(27)		(27)
Past revaluations realised			(2,514)	2,514	
Deferred tax			201	(201)	
As at 28th February 2005	54	84	23,343	23,262	46,743

Company	Share Premium Account £000	Capital Redemption Reserve £000	Profit & Loss Account £000	Total £000
As at 29th February 2004	54	84	7,605	7,743
Retained profit for the year	-	-	759	759
As at 28th February 2005	54	84	8,364	8,502

16. Profit attributable to members

Under the provisions of Section 230 of the Companies Act 1985 the Company is exempt from presenting its own profit and loss account. The amount of consolidated profit for the financial period dealt with in the financial statements of the Company is as follows:

	Company 2005 £000	2004 £000
Profit on ordinary activities before taxation	1,752	1,763
Taxation	(100)	(55)
Profit for the financial period	1,652	1,708
The above figures include dividends from subsidiary companies	1,422	1,579

Notes to the Accounts

For the year ended 28th February 2005		Group	
		2005	2004
		£000	£000
17. Notes to consolidated cash flow statement			
a. Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		4,318	3,863
Depreciation charges		58	88
Decrease (Increase) in trading properties		1,196	(1,896)
Decrease (Increase) in debtors		15	(1,172)
Increase (Decrease) in creditors		357	(360)
Net cash inflow from operating activities		5,944	523
b. Reconciliation of net cash flow to movement in net debt			
Decrease in cash		(1,607)	(2,311)
Cash outflow (inflow) from decrease (increase) in debt financing		1,432	(6,287)
Movement in net debt in the year		(175)	(8,598)
Net debt at 1st March 2004		(35,174)	(26,576)
Net debt at 28th February 2005		(35,349)	(35,174)
c. Analysis of changes in net debt			
	At 1st March 2004	Cash Flows	At 28th February 2005
	£000	£000	£000
Cash at bank and in hand	1,928	(1,607)	321
Debt due within one year	(2,777)	1,250	(1,527)
Debt due after one year	(34,325)	182	(34,143)
Net debt	(35,174)	(175)	(35,349)

Notes to the Accounts

For the year ended 28th February 2005

18. Investment in subsidiary companies
(All of which are incorporated in England and Wales).

a. The Company holds 100% of the issued share capital of the following companies:

HMG Properties Limited
Residential property investment

HMG Management Limited
Management services

HMG Developments Limited
Property trading and development

HMG Investments Limited
Commercial property investment

HMG Flintshire Retail Park Limited
Dormant Company

b. The Company holds 66.67% of the issued share capital of Glencullen Limited and Matrix Property Investment Limited both property trading and development companies. Glencullen Limited holds 100% of the issued share capital of Matrix Property Investment (Manchester 2) Limited a property trading and development company.

The one ordinary share in HMG Flintshire Retail Park Limited (formerly Matrix Property Investment (Manchester 1) Limited) was transferred at par to the company from Glencullen Limited. This company has purchased the freehold of phase 2 at the Flintshire Retail Park but is not expected to trade.

The minority interest represents the 33.33% holding in Glencullen Limited and Matrix Property Investment Limited not owned by the Company.

19. Contingent liabilities

The Company has given guarantees in respect of its subsidiary companies HMG Investments Limited and HMG Developments Limited:

- to National Westminster Bank plc in respect of bank loans and overdraft totalling £28,140,000 (2004 £28,760,000)
- to N M Rothschild and Sons Limited in respect of a bank loan of £6,185,000 (2004 £6,367,500).

The Company has a bank overdraft facility with National Westminster Bank plc of £1,250,000 (2004 £1,250,000). This is guaranteed by HMG Investments Limited and HMG Developments Limited and is repayable on demand.

20. Post balance sheet events

There are no events arising since the date of the balance sheet which require comment.

21. Capital commitments

The capital commitments authorised by the Directors as at 28th February 2005 total £3,055,589 (2004 Nil).

22. Related party disclosures

During the year the following directors received loans from the group. The loans have been taken out on an arms length basis and interest accrues at a commercial rate. The movements on the loans are as follows:-

Director	Balance 28th February 2005	Maximum Outstanding	Balance 1st March 2004
Andrew Murray	110,720	141,456	106,963
Ian Thomas	8,513	13,400	13,400

23. Company status

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

Notice of Meeting

Notice is hereby given that the fifteenth Annual General Meeting of the Company will be held in the Boardroom, St John's House, Barrington Road, Altrincham, on Wednesday 15th June 2005 at 10.30am for the following purposes:-

1. To receive and adopt the Directors' Report and Statement of Accounts for the year ended 28th February 2005 and to declare a dividend.
2. To re-elect Paul Mitchell as Director.
3. To re-elect Stephen Murray as Director.
4. To confirm the Chairman's remuneration for the year ending 28th February 2006 of £40,000 and a bonus of £16,667 for the year ended 28th February 2005.
5. To confirm the non-executive Directors' remuneration for the year ending 28th February 2006 of £15,000 per Director.
6. To re-appoint Parker Gradwell & Company as Auditors and authorise the Directors to fix their remuneration.
7. To transact any other ordinary business of the Company.

By order of the Board
Ian Thomas FCA, Secretary
St John's House, Barrington Road,
Altrincham, Cheshire WA14 1TJ
18th April 2005

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.

Properties Featured in this Report and Accounts

St John's House, Barrington Road, Altrincham

The Gerard Centre, Ashton in Makerfield

Windsor House, Pepper Street, Chester

Refuge House, Watergate Street, Chester

Flintshire Retail Park, Holywell Road, Flint

Witton Street/Leicester Street, Northwich

Bridge Street, Manchester

24 St John Street, Manchester

Hope Street, Wrexham

West Heath Retail, Congleton

Interling, Queensferry



The Hollins Murray Group Limited

Chairman

Tom Marshall MA FRICS

Directors

Andrew Murray FRICS (Chief Executive)

Paul Mitchell FCA

Richard Murray

Rupert Murray

Stephen Murray FRICS

Ian Thomas FCA

Secretary

Ian Thomas FCA

Registered Office

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Solicitors

Land Law
12-14 Market Street
Altrincham
Cheshire WA14 1QB

Bankers

National Westminster Bank plc
Corporate Banking Office
1 Spinningfields Square
Manchester M3 3AP

N M Rothschild & Sons Ltd
82 King Street
Manchester M2 4WQ

Auditors

Parker Gradwell & Company
17 Chapel Street, Hyde
Cheshire SK14 1LF