DIRECTORS

Executive

Richard Smith	Chairman
Robert Plumb	Chief Executive Officer
James Howgego	Chief Financial Officer

Non-executive
Geoffrey Griggs
Elizabeth Holden

COMPANY SECRETARY
James Howgego

REGISTERED OFFICE
9-11 The Quadrant
Richmond
Surrey
TW9 1BP

AUDITOR
Nexia Smith & Williamson
25 Moorgate
London
EC2R 6AY

BANK
Barclays Bank plc
One Churchill Place
London
E14 5HP

NOMINATED ADVISOR AND BROKER
FinnCap
60 New Broad Street
London
EC2M 1JJ

PUBLIC RELATIONS AGENTS
Tavistock Communications
131 Finsbury Pavement
London
EC2A 1NT

REGISTRARS
Share Registrars Limited
Suite E
First Floor
9 Lion and Lamb Yard
Farnham
Surrey
GU9 7LL

FINANCIAL HIGHLIGHTS

Revenue	
£17.23m	*+17%*
Earnings before interest, tax, amortisation and share based payments	
£1.54m	*+13%*
Profit before tax	
£1.1m	*+11%*
Cash generated from operations	
£1.96m	*+25%*
Basic earnings per share	
2.5p	*+9%*
Units under management	
51,000 units	*+16%*

CHAIRMANS & CHIEF EXECUTIVE REPORT

HML's earnings before interest, share based payments, amortisation and tax grew 13% to £1,535,000 (2014 £1,355,000). Profit after interest and tax improved 11% to £928,000 (2014: £836,000).

During the course of the year the Company purchased five property management businesses. Along with acquisitions from the previous year, they contributed £1.1m of the £2.5m increase in revenues. Overall the Group increased revenues by 17% (2014: 15%), of which 9% (2014: 10%) was due to organic growth. The Residential property units under management grew 16% to 51,000. Acquisitions continue to be an intrinsic part of our growth plans both in terms of revenue and earnings improvements as well as geographical expansion. During the course of the year our acquisitions enabled us to establish satellite offices in Bath (in which we have subsequently merged with our Bristol business) as well as Romford in Essex and Eastbourne in Sussex.

A major contribution to revenues and earnings growth came from Alexander Bonhill, our insurance broker, which responded well to opportunities arising from the existing business as well as from the newly acquired businesses. Lettings management fees, which represent less than 5% of total revenues, grew by 34% as a result of the lettings portfolios within the acquisitions we made during the year. Lettings Management, mainly in the residential and mixed-use markets, is a growing and successful part of our expansion plans.

The Group continues to improve its share of the owner-occupied leasehold market with organic growth coming principally from client referrals and acquisitions whose portfolios' ownership profiles are similar to our own. New business from the new-build market is a growing proportion of our organic growth largely as a result of our wider geographical coverage.

The disparity in the service quality of property management businesses has continued to widen as we anticipated. This has been brought into closer focus as a result of the difference between those operators who have committed to the additional standards of ARMA (the Association of Residential Managing Agents) and those who operate without regulation. As of the 1st January 2015 only those businesses which have committed to ARMA's new standards and codes of conduct can be registered members of the association. We are pleased to report that all of HML's businesses received immediate accreditation under this new regime. Compliance with ARMA's standards, while relatively straight forward, has necessitated additional investment in our systems and processes infrastructure. This investment combined with the associated costs in support areas such as client communications and staff training has, to some extent, impacted operating costs. We remain confident however that this investment will be worthwhile given our increasingly discerning client base.

The Group continues to invest in Human Resource support which is of critical importance to a service provider as reliant, as we are, on the competencies and professionalism of our employees. The introduction of initiatives such as our Employee Engagement Survey, Employee Assistance Programme and a performance management system for all our employees will be of increasing value to the Group whose competitive advantages are so clearly determined by a motivated and trained group of employees. We are proud of the growing professionalism within the employee base and express our thanks for the contribution our employees have made to the Group's continued success.

We were pleased to announce that Elizabeth Holden has joined the board as a non-executive director with effect from 3rd June 2015. Elizabeth was formerly a partner at Slaughter and May working in mergers and acquisitions and is a non-executive director of Great Portland Estates, a FTSE 250 property company, and of Your Lifespace, the property development arm of Circle Housing Group. Her legal background combined with her experience in the property sector make her a valuable member of the HML group.

CHAIRMANS & CHIEF EXECUTIVE REPORT (CONTINUED)

In 2014, the Company paid its maiden dividend. We are pleased to report that the Board has recommended that a dividend of 0.30p per share be paid in 2015 which reflects an increase in line with the Company's earnings growth.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the business are set out below:

Acquisitions and investments
Part of the Group's strategy is to acquire and make investments in complementary businesses, services or products as appropriate opportunities arise. The risks the Group may face should it acquire or invest in complementary businesses include:

- Difficulties with the integration and assimilation of the acquired business;
- Diversion of the attention of the Group's management team from other business concerns;
- Availability of favourable acquisition or investment financing; and
- Loss of key employees of any acquired business.

Acquisitions or investments may require the Group to expend significant amounts of cash, which could result in the Group's inability to use the funds for other business purposes.

Additionally, if the Group funds acquisitions through issuances of ordinary shares, the interests of its shareholders will be diluted, which may cause the market price of the ordinary shares to decline.
There is no guarantee that the Directors will be able to complete acquisitions of complementary companies on acceptable terms. Failure to do so over an extended period would limit the Directors' ability to carry out their strategy and would reduce the long term prospects of the Group.

To mitigate the risks in respect of acquisitions and investments, the Group will carry out due diligence and produce cash flow projections to ensure that any target is a suitable strategic fit and is financially sound.

Attraction and retention of key employees
The Group depends on its Directors and other key employees and whilst it has entered into contractual arrangements with these individuals, retention of these services cannot be guaranteed.
The Group has attempted to reduce this risk by offering competitive remuneration packages including the opportunity to participate in a share option scheme. The Group also invests in training and development.

Ownership of the Company
LTC Holdings plc (LTCH) currently owns approximately 35.38% (2014: 40.69%) of the ordinary shares of the Group. As a result, it is able to exercise a high degree of influence over all matters requiring approval by shareholders.

Competition
The large majority of the Group's work for existing or new clients or on new projects is won competitively. The Group may face significant competition, including from larger companies which have greater capital and other resources. There is no assurance that the Group will be able to compete successfully in such a marketplace in the future.

Regulatory Risks
The Group may be affected by the prevailing regulatory and legal environment relating to its business and the insurance services provided by its subsidiary Alexander Bonhill Limited in particular. This includes the regulatory regime of the Financial Services and Markets Act 2000 and the Conduct of Business rules published there under. To mitigate these risks external advice is taken on Financial Conduct Authority issues and other technical areas.

Financial Risks
Information in respect of the financial risk management objectives and policies of the Group and the exposure of the Group to foreign exchange, interest rate risk, credit risk, liquidity risk and cash flow risk is contained in note 20 of the financial statements.

KEY PERFORMANCE INDICATORS

The Directors use a number of key performance indicators to monitor and appraise the trading and performance of the businesses. The main key performance indicators are as follows:

Operating margins of Group companies

Following improved efficiencies in the business, the profit contribution from business (see note 4) improved from 16.0% to 16.3% during the year.

Group turnover

A combination of acquisition and organic growth resulting in an increase in turnover of over 17% during the year.

Adjusted earnings before interest, tax and amortisation

The Group made adjusted earnings before share based payments of £1.54m (2014: £1.35m) which represented a 13% increase on the performance in the previous year. See note 4 for a reconciliation of this calculation.

The Directors also monitor the following operational performance indicators:

- New business generated through marketing
- New surveying and insurance business generated from internal referrals
- Potential client enquiries
- Staff retention
- Client complaints

By order of the Board

Robert Plumb

Chief Executive
29 July 2015

The Directors submit their report and the Group financial statements of HML Holdings plc for the year ended 31 March 2015.

HML Holdings plc is a public limited company, incorporated and domiciled in England and Wales whose shares are traded on AIM.

PRINCIPAL ACTIVITIES

The Group's principal activity during the year was the provision of property management and related services in the South East of England.

RESULTS AND DIVIDENDS

The Group's result for the year ended 31 March 2015 was a profit of £928,000 (2014: profit of £836,000). For more details on the performance for the year, see the Chairman and Chief Executive Report in the Strategic Report.

The Directors propose to pay a dividend of 0.30p in respect of the year to 31 March 2015 (2014: 0.27p).

SHARE CAPITAL

Full details of the issued share capital of the Company are set out in note 22 to the financial statements.

ACQUISITIONS

During the year, HML Andertons Limited purchased the trade and assets of Alan Foster and Associates, a residential property manager based in Guildford, and Chilton Estate Management, a residential property manager based in Bath.

HML Hathaways Limited purchased 100% of the share capital of AMP MGMT Limited and the trade and assets of Qualitas. Both are residential property management businesses based in London.

HML Hawksworth Limited purchased 100% of share capital of PG Ashton Property Management Company Limited, a residential property manager in Romford.

Full details of the acquisitions made during the year are set out in note 11 to the financial statements.

FUTURE DEVELOPMENTS

The Directors will continue to expand the property management services of the business through organic growth and acquisitions. The Group has strong experience of buying and consolidating acquisitions and the directors are optimistic that this combined with organic growth will assist with the future growth plans of the business.

DIRECTORS

The following directors have held office during the year:-

Richard Smith (Chairman)
Robert Plumb (Chief Executive)
James Howgego (Finance Director)
Geoffrey Griggs (Non-Executive Director)

Elizabeth Holden was appointed as a non-executive director on 1st June 2015.

DIRECTORS' REMUNERATION

The Directors' emoluments in 2015 are detailed below:

	Annual emoluments including pension contributions		Benefits in kind		Total	
	2015	2014	2015	2014	2015	2014
	£'000	£'000	£'000	£'000	£'000	£'000
Richard Smith	45	44	-	-	45	44
Robert Plumb	161	155	8	10	169	165
James Howgego	121	109	2	1	123	110
Geoffrey Griggs	17	16	-	-	17	16
	344	324	10	11	354	335

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

Directors' interests in the shares of the company were as follows:-

	Ordinary shares of 1.5p each	
	31 March 2015	31 March 2014
Richard Smith	1,709,025	1,709,025
Robert Plumb	2,329,067	2,149,067
James Howgego	1,350,000	1,350,000
Geoffrey Griggs	472,167	472,167

DIRECTORS' SHARE OPTIONS

Details of options over shares held by Directors are as follows:

	Richard Smith	Robert Plumb	James Howgego	Geoffrey Griggs
2006 share options	225,000	275,000	137,500	107,500
2008 share options	50,000	170,000	100,000	20,000
2009 share options	-	-	-	16,000
2011 share options	-	-	-	20,000
2012 share options	60,000	190,000	100,000	20,000
2013 share options	60,000	190,000	100,000	25,000
2014 share options	50,000	180,000	90,000	20,000
Total	445,000	1,005,000	527,500	228,500

The options issued from 2006 to 2012 are all Enterprise Management Incentive (EMI) approved options, with the exception of the options issued to Geoffrey Griggs. The options issued in 2013 were all unapproved and the options issued in 2014 were CSOP approved except for the options issues to Geoffrey Griggs and Richard Smith. All options have an exercise period of between two and ten years (or earlier with the approval of the Board).

DIRECTORS' SHARE OPTIONS (CONTINUED)

Details of the dates issued and exercise price are set out below:

	Date of issue	Exercise Price
2006 share options	26.06.06	17.00p
2008 share options	31.03.08	19.00p
2009 share options	30.06.09	10.00p
2010 share options	24.06.10	11.50p
2011 share options	24.06.11	11.75p
2012 share options	26.07.12	17.75p
2013 share options	25.07.13	15.25p
2014 share options	06.08.14	33.00p

During the year ended 31 March 2015 Robert Plumb exercised 170,000 options.

SIGNIFICANT SHAREHOLDINGS

At the time of approving the financial statements, the Directors had been notified that the following persons had interests amounting to 3% or more in the issued voting share capital of the Company.

	Shares	Percentage
LTC Holdings plc	13,237,931	35.38%
Unicorn Asset Management	2,777,778	7.42%
Robert Plumb	2,329,067	6.23%
MD Barnard & Co Limited	2,222,223	5.94%
Richard Smith	1,709,025	4.57%
James Howgego	1,350,000	3.61%

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision was in place for the benefit of all Directors of the Company and its subsidiaries throughout the year, and is still in place at the date of signing of the financial statements.

FINANCIAL INSTRUMENTS

The Group manages its treasury position by placing surplus cash on short-term deposit. The Group does not speculate with derivative instruments and continues to conduct all of its business in sterling.

EMPLOYEES

The Directors recognise the benefits which accrue from keeping employees informed on the progress of the business and involving them in the Group's performance. Each individual operating company adopts employee consultation as appropriate. The Company is committed to providing equality of opportunity to all employees regardless of nationality, ethnic origin, age, sex or sexual orientation and continues to be supportive of the employment and advancement of disabled persons.

POLITICAL AND CHARITABLE DONATIONS

The Group did not make any political or charitable donations during the year or the preceding year.

AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution to reappoint Nexia Smith & Williamson as auditor will be put to the members at the Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each person who was a director at the time this report was approved:

- So far as that director was aware there was no relevant available information of which the Company's auditors were not aware; and
- That director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

CORPORATE GOVERNANCE

The Board recognises the importance of sound corporate governance and following admission to AIM, the Company has adopted policies and procedures which reflect but do not fully comply with the principles of the Corporate Governance Code for Small and Mid-sized Quoted companies published by the Quoted Companies Alliance, appropriate to the company's size.

The Group is led and controlled by a Board comprising three executive directors and one non-executive director.

Board meetings are held on a regular basis and no decision of any consequence is made other than by directors. All directors participate in the key areas of decision-making.

The Company has established an Audit Committee and a Remuneration Committee, each with formally delegated duties and responsibilities.

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The Board has complied with Rule 21 of the AIM Rules relating to Directors' dealings as applicable to AIM companies and reasonable steps have been taken to ensure compliance by the Company's applicable employees including adopting a share dealing code for this purpose.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company/Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

James Howgego

Secretary

29 July 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HML HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HML HOLDINGS PLC

We have audited the financial statements of HML Holdings plc for the year ended 31 March 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Cash Flows, the Consolidated and Company Statement of Changes in Shareholders Equity and the related notes on pages 20 to 54. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 10, 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 Financial Reporting Councils (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate

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 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006;
- the financial statements 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HML HOLDINGS PLC

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.

Jacqueline Oakes
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 30 July 2015

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2015

	Notes	2015 £'000 Total	2014 £'000 Total
CONTINUING OPERATIONS			
REVENUE	2	17,227	14,763
Direct operating expenses		(14,413)	(12,399)
Central operating overheads		(1,279)	(1,009)
Share based payment charge	5	(20)	(17)
Amortisation of intangibles		(355)	(280)
Total central operating overheads		(1,654)	(1,306)
Operating expenses	7	(16,067)	(13,705)
PROFIT FROM OPERATIONS		1,160	1,058
Finance costs	6	(21)	(30)
PROFIT BEFORE TAXATION		1,139	1,028
Income tax charge	9	(211)	(192)
PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT		928	836
EARNINGS PER SHARE			
Basic	10	2.5p	2.3p
Diluted	10	2.4p	2.2p

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
For the year ended 31 March 2015

ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE GROUP

	Share capital £'000s	Share premium £'000s	Other reserve £'000s	Merger reserve £'000s	Retained earnings £'000s	Total equity £'000s
Balance at 1 April 2013	543	6,743	(94)	(15)	(246)	6,931
Profit for the year	-	-	-	-	836	836
Other comprehensive income	-	-	-	-	-	-
Share based payment charge	-	-	-	-	17	17
Share capital issued	11	72	-	-	-	83
HML shares sold by EBT	-	-	4	-	-	4
Balance at 31 March 2014	554	6,815	(90)	(15)	607	7,871
Profit for the year	-	-	-	-	928	928
Other comprehensive income	-	-	-	-	-	-
Share based payment charge	-	-	-	-	20	20
Share capital issued	7	57	-	-	-	64
HML shares sold by EBT	-	-	5	-	-	5
Capital reduction	-	(6,743)	-	-	6,743	-
Dividend	-	-	-	-	(100)	(100)
Balance at 31 March 2015	561	129	(85)	(15)	8,198	8,788

ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

	Share capital £'000s	Share premium £'000s	Other reserve £'000s	Retained earnings £'000s	Total equity £'000s
Balance at 1 April 2013	543	6,743	(94)	(5,884)	1,308
Profit for the year	-	-	-	49	49
Other comprehensive income	-	-	-	-	-
Share based payment charge	-	-	-	17	17
Share capital issued	11	72	-	-	83
HML shares sold by EBT	-	-	4	-	4
Balance at 31 March 2014	554	6,815	(90)	(5,818)	1,461
Profit for the year	-	-	-	60	60
Other comprehensive income	-	-	-	-	-
Share based payment charge	-	-	-	20	20
Share capital issued	7	57	-	-	64
HML shares sold by EBT	-	-	5	-	5
Capital reduction	-	(6,743)	-	6,743	-
Dividend	-	-	-	(100)	(100)
Balance at 31 March 2015	561	129	(85)	905	1,510

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2015
COMPANY NUMBER: 5728008

ASSETS	Notes	2015 £'000	2014 £'000
NON CURRENT ASSETS			
Goodwill	12	6,230	5,156
Other intangible assets	13	4,730	3,945
Property, plant and equipment	14	693	374
		11,653	9,475
CURRENT ASSETS			
Trade and other receivables	16	2,311	1,995
Cash at bank	17	-	203
		2,311	2,198
TOTAL ASSETS		13,964	11,673
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		3,708	2,918
Borrowings		657	173
Current tax liabilities		237	192
	18	4,602	3,283
NON CURRENT LIABILITIES			
Deferred tax liability	21	574	433
Borrowings		-	86
	19	574	519
TOTAL LIABILITIES		5,176	3,802
NET ASSETS		8,788	7,871
EQUITY			
Called up share capital	22	561	554
Share premium account	24	129	6,815
Other reserve	26	(85)	(90)
Merger reserve	27	(15)	(15)
Retained earnings	28	8,198	607
ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT		8,788	7,871

The financial statements were approved by the Board of Directors and authorised for issue on 29 July 2015 and are signed on its behalf by:

Robert Plumb James Howgego

HML HOLDINGS PLC
COMPANY STATEMENT OF FINANCIAL POSITION
31 March 2015
COMPANY NUMBER: 5728008

	Notes	2015 £'000	2014 £'000
ASSETS			
NON CURRENT ASSETS			
Intangible assets	13	556	508
Property, plant and equipment	14	16	19
Investment in subsidiary companies	15	5,134	5,134
		5,706	5,661
CURRENT ASSETS			
Trade and other receivables	16	1,277	1,276
Cash at bank	17	-	-
		1,277	1,276
TOTAL ASSETS		6,983	6,937
LIABILITIES			
CURRENT LIABILITIES			
Borrowings		609	178
Trade and other payables		4,864	5,212
	18	5,473	5,390
NON CURRENT LIABILITIES			
Borrowings	19	-	86
		-	86
TOTAL LIABILITIES		5,473	5,476
NET ASSETS		1,510	1,461
EQUITY			
Share capital	22	561	554
Share premium	24	129	6,815
Other reserve	26	(85)	(90)
Retained earnings	28	905	(5,818)
ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY		1,510	1,461

The financial statements were approved by the Board of Directors and authorised for issue on 29 July 2015 and are signed on its behalf by:

Robert Plumb James Howgego

	Notes	2015 £'000	2014 £'000
OPERATING ACTIVITIES			
Cash generated from operations	29	1,963	1,567
Income taxes paid		(166)	(167)
Interest paid		(21)	(30)
NET CASH FROM OPERATING ACTIVITIES		1,776	1,370
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(539)	(237)
Sale of own shares		5	4
Purchase of software		(198)	(155)
Purchases of businesses		(1,422)	(526)
Payments of deferred/contingent consideration		(187)	(257)
NET CASH USED IN INVESTING ACTIVITIES		(2,341)	(1,171)
FINANCING ACTIVITIES			
Increase/(decrease) in bank overdraft and loan		398	(345)
Share issue		64	83
Dividend payment		(100)	-
NET CASH USED IN FINANCING ACTIVITIES		362	(262)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(203)	(63)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		203	266
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	-	203

	Notes	2015 £'000	2014 £'000
OPERATING ACTIVITIES			
Cash absorbed by operations	29	(1,190)	(1,009)
Interest paid		(10)	(15)
NET CASH USED IN OPERATING ACTIVITIES		(1,200)	(1,024)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(7)	(11)
Purchase of software		(198)	(155)
Sale of own shares		5	4
NET CASH USED IN INVESTING ACTIVITIES		(200)	(162)
FINANCING ACTIVITIES			
Increase/(decrease) in bank overdraft and loan		344	(345)
Share issue		64	83
Inter-company cash movements		1,092	1,441
Dividends		(100)	-
NET CASH FROM FINANCING ACTIVITIES		1,400	1,179
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		-	(7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		-	7
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	-	-

GENERAL INFORMATION

HML Holdings plc and its subsidiaries specifically focus on residential property management. The Group operates in the UK.

The Company is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is 9-11 The Quadrant, Richmond, Surrey, TW9 1BP. The Company's shares are traded on AIM.

The Group consolidated financial statements were authorised for issue by the Board of Directors on 29 July 2015.

GOING CONCERN

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated and parent Company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and the Companies Act 2006 as applicable to companies reporting under IFRS.

The principal accounting policies adopted are set out below. The preparation of the financial statements require the use of estimates and assumptions that affect the reported amount of assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from those estimates.

The Company has taken advantage of s.408 of the Companies Act 2006 not to present its own statement of comprehensive income.

BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to 31 March each year. Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies as to benefit from its activities. The excess of costs of acquisition over the fair values of the Group's share of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired (i.e. discount on acquisition) is recognised directly in profit or loss.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any liability resulting from a contingent consideration arrangement. Contingent consideration is re-measured to fair value at each reporting date. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

New and amended standards adopted by the Group

None of the new standards, interpretations and amendments, effective for the first time from 1 April 2013, have had a material effect on the financial statements of the Group or the Company.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group or Company's accounting periods beginning on or after 1 April 2015 or later periods and have not been early adopted. It is anticipated that these new standards, interpretations and amendments currently in issue at the time of preparing the financial statements may have a material effect on the consolidated financial statements of the Group, however the extent of this has not yet been assessed.

- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IAS 27 Separate Financial Statements

REVENUE RECOGNITION

Revenue represents fees receivable from the provision of a range of property, insurance and surveying services to the residential property sector.

All revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue in property management and services companies is recognised in the period in which the services are provided.

Revenue relating to chartered surveying services is recognised when the services are provided. If services have been provided and not invoiced, the revenue is accrued.

Insurance brokerage is recognised at the start of the policy to which the brokerage relates.

SHARE BASED PAYMENTS

The Group has applied the requirements of IFRS 2 Share based payments. IFRS 2 requires the recognition of a charge for share based payment transactions which include for example share options or restricted shares granted to employees that require a certain length of service before vesting. These are reassessed on an annual basis. The fair value of the options granted is measured on the date at which they are granted by using the Black Scholes option pricing model and is expensed to the statement of comprehensive income over the appropriate vesting period.

PURCHASED GOODWILL

Goodwill arising on acquisition and consolidation represents the excess of the costs of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a business at the date of acquisition.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

Goodwill is reviewed for impairment annually or more frequently if there is an indication of impairment. Impairment for goodwill is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying value of the cash-generating unit to which goodwill has been allocated, an impairment loss is recognised. Impairment losses on goodwill cannot be reversed in future periods.

OTHER INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets are amortised over their useful life and assessed for impairment whenever there is an indication of impairment. The amortisation period and the amortisation method for intangible assets are reviewed at least at each financial year end. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset. A full year's amortisation is recognised in the year of acquisition.

Amortisation is provided on straight line basis on intangible assets as follows:

Customer Relationships	25 years
Software	8 years

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost. Depreciation is provided on all property, plant and equipment at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Property, plant and equipment	between 4 and 6 years.
Leasehold improvements	length of remaining lease.

IMPAIRMENT OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At each statement of financial position date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

CLIENT MONIES

The management of client monies is part of the Group's residential management activities. This money belongs to clients, but the Group has administrative control over the monies in order to perform management services. These monies are not recognised on the Group statement of financial position.

INVESTMENTS

Investments in subsidiary undertakings held as non current assets are stated at cost less provision for impairment.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group has become a party to the contractual provisions of the instrument.

TRADE RECEIVABLES

Trade receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence, (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate. The carrying value of the receivable is reduced through the set off of the bad debt provision and any impairment loss is recognised in the statement of comprehensive income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and at bank and other short-term deposits held by the Group with maturities of less than three months. Bank overdrafts are included in cash and cash equivalents where they have a legal right of set off against positive cash balances, otherwise bank overdrafts are classified as borrowings.

BORROWINGS

Loans are recorded initially at their fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement or redemption, are recognised in profit or loss over the term of the instrument using an effective rate of interest.

TRADE PAYABLES

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

LEASES

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense.

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of investments, goodwill and other intangible assets
Determining whether goodwill and other intangible assets are impaired requires an evaluation of earnings and turnover of the cash-generating units to which goodwill and intangible assets have been allocated. The earnings and turnover of the cash generating units enable a valuation to be derived and thus an estimate made on whether or not there has been any impairment as shown in note 12.

Valuation of share based payments
The charge for share based payments is calculated in accordance with the analysis described in note 23. The model requires highly subjective assumptions to be made including the future volatility of the Company’s share price, expected dividend yield and risk-free interest rates. The Directors draw upon a variety of external sources to aid in the determination of the appropriate data to use in such calculations.

Valuation and useful lives of intangible assets
In order to determine the value of the separately identifiable intangible assets on the acquisition of a business combination, management are required to make estimates of incremental profits when applying the Group’s valuation methodologies. Customer relationship lives are estimated to be 25 years.

Contingent and deferred consideration
Contingent and deferred consideration relating to acquisitions has been included based on management’s estimate of the fair value of the consideration due. Details of this are set out in note 11.

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial information has been prepared using the recognition and measurement principles of IFRS as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial information is presented in pounds sterling, prepared on a historical cost basis and, unless otherwise stated, rounded to the nearest thousand.

2. REVENUE STREAMS

The principal revenue streams of the group are set out below:

	2015 £'000	2014 £'000
Property management	14,614	12,424
Professional services	760	800
Insurance services	1,853	1,539
Total	17,227	14,763

3. OPERATING SEGMENTS

For management purposes, the Group is currently organised into three operating divisions – property management, professional services and insurance services. These divisions are the basis on which the Group reports into the Chief Executive and forms the basis of IFRS 8 disclosure.

Principal activities are as follows:

- Property management: residential property management.
- Professional services: chartered surveying services.
- Insurance services: insurance broking intermediary services.

All of the Group's operations are carried out within the United Kingdom.

Analysis of the segment information about these businesses is presented in the next page. Segment assets include intangibles, plant and equipment, receivables and operating cash. Segment liabilities comprise of operating liabilities and deferred consideration for acquisitions.

There is no trading between reportable segments.

The Group has no major customers.

3. BUSINESS SEGMENTS (CONTINUED)

	2015 Property Management £'000	2015 Professional Services £'000	2015 Insurance Services £'000	2015 Unallocated/ Corporate £'000	2015 Consolidated £'000	2014 Property Management £'000	2014 Professional Services £'000	2014 Insurance Services £'000	2014 Unallocated/ Corporate £'000	2014 Consolidated £'000
Revenue										
External revenues	14,614	760	1,853	-	17,227	12,424	800	1,539	-	14,763
Result										
Profit from operations /(loss)	1,186	26	1,397	(1,449)	1,160	1,034	64	1,108	(1,148)	1,058
Net finance costs					(21)					(30)
Profit before tax					1,139					1,028
Income tax					(211)					(192)
Profit for the year					928					836
Other information										
Property, plant, equipment – capital expenditure	532	-	-	7	539	224	2	-	11	237
Depreciation	(198)	(2)	-	(10)	(210)	(139)	(2)	-	(13)	(154)
Intangible assets	10,404	-	-	556	10,960	8,593	-	-	508	9,101
Amortisation	(205)	-	-	(150)	(355)	(158)	-	-	(122)	(280)
Share based payment charge	-	-	-	(20)	(20)	-	-	-	(17)	(17)
Assets										
Segment assets	12,140	392	814	618	13,964	10,210	244	694	527	11,675
Liabilities										
Segment liabilities	(3,599)	(106)	(520)	(951)	(5,176)	(2,737)	(131)	(449)	(485)	(3,802)

4. PROFIT RECONCILIATION

The reconciliation set out below provides additional information to enable the reader to reconcile to the numbers discussed in the Chairman's and Chief Executive's report

	2015 £'000	2014 £'000
Revenue	17,227	14,763
Direct operating expenses	(14,413)	(12,399)
Profit contribution from businesses	2,814	2,364
Central operating overheads	(1,279)	(1,009)
Profit before interest, exceptional items, share based payment charges, amortisation of other intangible assets and taxation	1,535	1,355
Finance costs	(21)	(30)
Profit before exceptional items, share based payment charges, amortisation of other intangible assets and taxation	1,514	1,325
Amortisation of other intangible assets	(355)	(280)
Share based payment charge	(20)	(17)
Profit before taxation	1,139	1,028

Direct operating expenses and central operating overheads include depreciation and staff costs.

5. SHARE BASED PAYMENT TRANSACTIONS

In accordance with IFRS 2 Share based payments, the fair value of shares issued to management prior to flotation and the fair value at date of grant of the Group's share options issued on flotation are being charged to the statement of comprehensive income over the restricted and vesting periods respectively. Note 23 contains more detail on the share options issued during the year.

The share based payment charge for the year is £20,000 (2014: £17,000).

6. FINANCE COSTS

	2015 £'000	2014 £'000
Interest payable on bank loans and overdrafts	21	30
	21	30

7. PROFIT FROM OPERATIONS

	2015 £'000	2014 £'000
Profit from operations is stated after charging:		
Depreciation and amounts written off property, plant and equipment:		
- charge for the year on owned assets	210	154
Amortisation of intangible assets	355	280
Operating lease rentals:		
- land and buildings	549	504

Set out below is an analysis of other operating expenses;

	2015 £'000	2014 £'000
Employee salaries and expenses	11,859	10,001
Management costs	318	303
Travel costs	190	182
Advertising costs	56	27
Communications	421	371
Premises costs	1,624	1,436
Professional fees	580	546
IT costs	388	348
Depreciation	210	154
Amortisation	355	280
Share based payment charges	20	17
Other expenses	46	40
Other operating expenses	16,067	13,705

Amounts payable to the auditor and its related entities in respect of both audit and non-audit services are set out below:

	2015 £'000	2014 £'000
Fees payable for the statutory audit of the Company's annual accounts	12	9
Fees payable to auditor for other services:		
Statutory audit of the Company's subsidiaries	31	31
Total fees payable to the auditor	43	40

8. EMPLOYEES AND STAFF COSTS

	2015 No.	2014 No.
The average monthly number of persons (including directors) employed by the group during the year was:		
Management	10	10
Property Management	250	223
Administration	38	31
Accounts	70	62
	368	326

	2015 £'000	2014 £'000
Staff costs for the above persons:		
Wages and salaries	10,092	8,508
Social security costs	1,013	891
Pension costs	74	-
Share based payment charge	20	17
	11,179	9,416

DIRECTORS' REMUNERATION

The total amounts for directors' remuneration in accordance with Schedule 5 of the Accounting Regulations were as follows:

	2015 £'000	2014 £'000
Salaries, fees, bonuses and benefits in kind	337	320
Money purchase pension contributions	17	15
Directors' remuneration	354	335
Notional gains on exercise of share options	31	86
Total	385	421

Three directors are members of the company money purchase scheme.

Directors' emoluments disclosed above include the following payments

	2015 £'000	2014 £'000
Emoluments of highest paid director	169	165

DIRECTORS' TRANSACTIONS

Dividends totalling £16,000 (2014: £0) were paid in the year respect of ordinary shares held by the Company's directors.

9. INCOME TAX

	2015 £'000	2014 £'000
UK Corporation tax:		
Current tax on profits of the year	210	190
Under provision/overprovision of tax previous year	1	2
Tax attributable to the company and its subsidiaries	211	192

Factors affecting tax charge for the year

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £'000	2014 £'000
Profit before tax	1,139	1,028
Profit before tax multiplied by the standard rate of corporation tax in the UK of 21% (2014: 23%).	237	236
Effects of:		
Deferred tax assets not recognised	(56)	(72)
Amortisation and non deductible expenses adjustment	29	26
Under provision/(overprovision) in previous year	1	2
Tax charge for the year	211	192

Future tax charges may be affected by the fact that no deferred tax asset is recognised in respect of losses carried forward by HML Hathaways Limited. Deferred tax assets are not recognised until the utilisation of the losses is probable. The Group has losses carried forward in its subsidiary, HML Hathaways Limited which can be recovered against future profits arising from the same trade. The total tax losses carried forward to future years are £1,243,000 (2014: £1,243,000). The unprovided deferred tax asset in respect of these losses is £249,000 (2014: £249,000).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data

	2015 £'000	2014 £'000
Earnings		
Earnings for the purposes of basic earnings per share	928	836
Earnings for the purposes of diluted earnings per share	928	836

Number of shares	2015 '000	2014 '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	37,130	36,280
Effect of dilutive potential ordinary shares:		
- share options	2,109	1,337
Weighted average number of ordinary shares for the purposes of diluted earnings per share	39,239	37,617
Basic earnings per ordinary share	2.5p	2.3p
Fully diluted earnings per ordinary share	2.4p	2.2p

The diluted earnings per share are the basic earnings per share adjusted for the dilutive effect of the conversion into fully paid shares of the outstanding share options.

11. BUSINESS COMBINATIONS (ACQUISITIONS)

On 28 May 2014, HML Andertons Ltd purchased the trade and assets of Alan Foster & Associates, a business based in Guildford, Surrey. The acquisition was integrated in the Aldershot office and reinforces HML Andertons Ltd position as the leading property manager in the area.

The fair value of net assets acquired are set out below:

	£'000
Consideration	362
Other costs	9
Less: the fair value of assets:	
Customer relationships	(181)
Goodwill	190

The residual difference between the total consideration paid and the net value of the recognised assets acquired has been capitalised as goodwill. The goodwill recognised on the acquisition is mainly attributable to the skills and knowledge within the business.

	£'000
Satisfied by:	
Cash on completion	290
Contingent consideration	72
	362

Net cashflow arising on the acquisition was £290,000 which represents the consideration paid.

11. BUSINESS COMBINATIONS (ACQUISITIONS) CONTINUED

The contingent consideration of £72,000 is due within one year and is adjustable depending on the retention of clients and the arrival of contracted new clients. The range of potential payments of contingent consideration could vary from £0 to £72,000, however the more likely outcome would be to pay £72,000.

If the acquisition of Alan Foster & Associates had been completed on the first day of the financial year, group revenues for the period would have increased by £56,000 and the group profit attributable to equity holders of the parent would have increased by £2,000. The business of Alan Foster & Associates contributed £233,000 to the Group's revenue and increased the Group's profit by £23,000 from the date of acquisition to the year-end date.

On 25 June 2014, HML Hawksworth Ltd purchased 100% of the share capital of PG Ashton Property Management Company Limited (PGAPMCL). The acquisition gives HML Hawksworth Limited a presence in the North East London/Essex area.

The fair value of net assets acquired are set out below:

	£'000
Consideration	463
Less: the fair value of assets:	
Customer relationships	(232)
Fixed assets	(9)
Trade and other debtors	(10)
Add: the fair value of liabilities	
Other creditors	19
Other costs	6
Goodwill	237

The residual difference between the total consideration paid and the net value of the recognised assets acquired has been capitalised as goodwill. The goodwill recognised on the acquisition is mainly attributable to the skills and knowledge within the business.

	£'000
Satisfied by:	
Cash on completion	370
Contingent consideration	93
	463

Net cashflow arising on the acquisition was £370,000 which represents the consideration paid. The contingent consideration of £93,000 is due within one year and is adjustable depending on the retention of clients and the arrival of contracted new clients. The range of potential payments of contingent consideration could vary from £0 to £93,000, however the more likely outcome would be to pay £93,000.

If the acquisition of the shares of PGAPMCL had been completed on the first day of the financial year, group revenues for the period would have increased by £102,000 and the group profit attributable to equity holders of the parent would have increased by £28,000. The business of PGAPMCL contributed £374,000 to the Group's revenue and increased the Group's profit by £72,000 from the date of acquisition to the year-end date.

11. BUSINESS COMBINATIONS (ACQUISITIONS) CONTINUED

On 17 July 2014, HML Andertons Ltd purchased the trade and assets of Chilton Estate Management, a property management business based in Bath. The acquisition will reinforce HML Andertons Ltd position as one of the leading property managers in the area.

The fair value of net assets acquired is set out below:

	£'000
Consideration	545
Other costs	10
Less: the fair value of assets:	
Customer relationships	(273)
Goodwill	282

The residual difference between the total consideration paid and the net value of the recognised assets acquired has been capitalised as goodwill. The goodwill recognised on the acquisition is mainly attributable to the skills and knowledge within the business.

	£'000
Satisfied by:	
Cash on completion	405
Contingent consideration	140
	545

Net cashflow arising on the acquisition was £405,000 which represents the consideration paid. The contingent consideration of £140,000 is due within one year and is adjustable depending on the retention of clients and the arrival of contracted new clients. The range of potential payments of contingent consideration could vary from £0 to £140,000, however the more likely outcome would be to pay £140,000.

If the acquisition of Chilton Estate Management had been completed on the first day of the financial year, group revenues for the period would have increased by £144,000 and the group profit attributable to equity holders of the parent would have increased by £14,000. The business of Chilton Estate Management contributed £293,000 to the Group's revenue and increased the Group's profit by £36,000 from the date of acquisition to the year-end date.

On 4 January 2015, HML Hathaways Limited purchased AMP MGMT Limited, a property management business based in London and Eastbourne. The trade of AMP MGMT Limited has been absorbed into the North London office and has helped the critical mass of the office.

The fair value of net assets acquired are set out below:

	£'000
Consideration	261
Stamp duty	1
Less: the fair value of assets:	
Customer relationships	(130)
Fixed assets	(5)
Trade and other debtors	(19)
Add: the fair value of liabilities	
Other creditors	24
Goodwill	132

The residential difference between the total consideration paid and the net value of the recognised assets acquired has been capitalised as goodwill. The goodwill recognised on the acquisition is mainly attributable to the skills and knowledge within the business.

11. BUSINESS COMBINATIONS (ACQUISITIONS) CONTINUED

	£'000
Satisfied by:	
Cash on completion	191
Contingent consideration	70
	261

Net cashflow arising on the acquisition was £191,000 which represents the consideration paid. The contingent consideration of £70,000 is due within one year and is adjustable depending on the retention of clients and the arrival of contracted new clients. The range of potential payments of contingent consideration could vary from £0 to £70,000, however the more likely outcome would be to pay £70,000.

If the acquisition of AMP MGMT Limited had been completed on the first day of the financial year, group revenues for the period would have increased by £135,000 and the group profit attributable to equity holders of the parent would have increased by £13,000. The business of AMP MGMT Limited contributed £40,000 to the Group's revenue and increased the Group's profit by £1,000 from the date of acquisition to the year-end date.

On 28 February 2015, HML Hathaways Limited purchased Qualitas, a property management business based in Watford. The trade has been transferred to the North London office and helps credentualise the office in the Hertfordshire area.

The fair value of net assets acquired are set out below:

	£'000
Consideration	181
Less: the fair value of assets:	
Customer relationships	(89)
Goodwill	92

The residential difference between the total consideration paid and the net value of the recognised assets acquired has been capitalised as goodwill. The goodwill recognised on the acquisition is mainly attributable to the skills and knowledge within the business.

	£'000
Satisfied by:	
Cash on completion	143
Contingent consideration	38
	181

Net cashflow arising on the acquisition was £143,000 which represents the consideration paid.

The contingent consideration of £38,000 is due within one year and is adjustable depending on the retention of clients. The range of potential payments of contingent consideration could vary from £0 to £38,000, however the more likely outcome would be to pay £38,000.

If the acquisition of Qualitas had been completed on the first day of the financial year, group revenues for the period would have increased by £131,000 and the group profit attributable to equity holders of the parent would have increased by £14,000. The business of Qualitas contributed £12,000 to the Group's revenue and increased the Group's profit by £1,000 from the date of acquisition to the year-end date.

12. GOODWILL

GROUP	Purchased Goodwill £'000
Cost:	
1 April 2013	6,127
Additions	324
31 March 2014	6,451
Cost:	
1 April 2014	6,451
Additions	1,074
31 March 2015	7,525
Accumulated impairment:	
1 April 2013	1,295
Charged in the year	-
31 March 2014	1,295
Accumulated impairment:	
1 April 2014	1,295
Charged in the year	-
31 March 2015	1,295
Net book value:	
31 March 2015	6,230
31 March 2014	5,156
31 March 2013	4,834

Of the £1,074,000 added during the year, £472,000 relates to the purchases of Alan Foster & Associates and Chilton Estate Management by HML Andertons Limited, £237,000 relates to the purchase of PG Ashton Property Management Company Limited by HML Hawksworth Limited and £224,000 relates to the purchases of AMP MGMT and Qualitas by HML Hathaways Limited. The balance of £141,000 is due to the provision deferred on tax on the purchases.

ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

HML Hawksworth Limited
HML Andertons Limited
HML Hathaways Limited
HML Shaw Limited
Shaw & Co (Surveyors) Limited

12. GOODWILL (CONTINUED)

The carrying amount of goodwill and other intangible assets was allocated to the cash-generating units as follows:

	Goodwill	
	2015	2014
	£'000	£'000
HML Hawksworth Limited	1,095	858
HML Andertons Limited	2,556	1,988
HML Hathaways Limited	897	628
HML Shaw Limited	1,561	1,561
Shaw & Co (Surveyors) Limited	121	121
	6,230	5,156

ANNUAL TEST FOR IMPAIRMENT

During the year, the Group assessed the recoverable amount of each cash-generating unit using a value in use basis.

The cash flow projections of each cash generating unit is set out over five years and then to perpetuity using the long term growth rate. These projections are based on the experience of the management team and recent management forecasts. The projections are then discounted at a rate of 10% which is approximate to the Weighted Average Cost of Capital for the Group to determine if any intangible cash generating units have been impaired.

It was concluded that no intangible was impaired.

ADDITIONS TO GOODWILL

The additions to goodwill and other intangibles assets during the year were as follows:

	Goodwill	Other intangibles
Cost:	£'000	£'000
1 April 2014	6,451	5,285
Addition – HML Andertons Limited	568	478
Addition – HML Hawksworth Limited	237	245
Addition – HML Hathaways Limited	269	219
Addition – software	-	198
31 March 2015	7,525	6,425

13. OTHER INTANGIBLE ASSETS

GROUP	Client Relationships £'000	Software £'000	Total £'000
Cost:			
1 April 2013	3,857	909	4,766
Additions	-	155	155
Arising from acquisitions	364	-	364
31 March 2014	4,221	1,064	5,285
Cost:			
1 April 2014	4,221	1,064	5,285
Additions	-	198	198
Arising from acquisitions	942	-	942
31 March 2015	5,163	1,262	6,425
Accumulated amortisation:			
1 April 2013	626	434	1,060
Amortisation charged in the year	158	122	280
31 March 2014	784	556	1,340
Accumulated amortisation			
1 April 2014	784	556	1,340
Amortisation charged in the year	205	150	355
31 March 2015	989	706	1,695
Net book value:			
31 March 2015	4,174	556	4,730
31 March 2014	3,437	508	3,945
31 March 2013	3,231	475	3,706

During the year £198,000 was spent on the purchase and development of the property management software used within the property management business.

Client relationships arising on acquisitions of property management companies are capitalised and classified as other intangible assets on the statement of financial position. As property management companies operate in exceptionally stable marketplaces, the client relationships are considered to have a life of 25 years.

The client relationships capitalised have a remaining amortisation period of between 13 and 24 years.

13. OTHER INTANGIBLE ASSETS (CONTINUED)

	Software
COMPANY	£'000
Cost:	
1 April 2013	909
Additions	155
31 March 2014	1,064
1 April 2014	1,064
Additions	198
31 March 2015	1,262
Accumulated amortisation:	
1 April 2013	434
Amortisation charged in the year	122
31 March 2014	556
1 April 2014	556
Amortisation charged in the year	150
31 March 2015	706
Net book value:	
31 March 2015	556
31 March 2014	508
31 March 2013	475

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	Plant and Machinery £'000
Cost:	
1 April 2013	874
Additions	237
Disposals	(68)
31 March 2014	1,043
1 April 2014	1,043
Additions	539
Disposals	(52)
31 March 2015	1,530
Accumulated depreciation:	
1 April 2013	576
Charged in the year	154
Disposals	(61)
31 March 2014	669
1 April 2014	669
Charged in the year	210
Disposals	(42)
31 March 2015	837
Net book value:	
31 March 2015	693
31 March 2014	374
31 March 2013	298

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Plant and Machinery £'000
Cost:	
1 April 2013	42
Additions	11
31 March 2014	53
1 April 2014	53
Additions	7
31 March 2015	60
Accumulated depreciation:	
1 April 2013	21
Charged in the year	13
31 March 2014	34
1 April 2014	34
Charged in the year	10
31 March 2015	44
Net book value:	
31 March 2015	16
31 March 2014	19
31 March 2013	21

15. INVESTMENTS IN SUBSIDIARY COMPANIES

COMPANY	Shares in subsidiaries £'000
Cost:	
1 April 2013	7,306
Additions	-
31 March 2014	7,306
1 April 2014	7,306
Additions	-
31 March 2015	7,306
Provision for impairment:	
1 April 2013	2,172
Provided during the year:	-
31 March 2014	2,172
1 April 2014	2,172
Provided during the year:	-
31 March 2015	2,172
Net book value:	
31 March 2015	5,134
31 March 2014	5,134
31 March 2013	5,134

15. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

The company directly holds more than 20% of the equity of the following undertakings:-

Subsidiary undertakings:	Class of holding	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activity
HML Hawksworth Limited	Ordinary	100%	100%	Property Management
HML Andertons Limited	Ordinary	100%	100%	Property Management
HML Hathaways Limited	Ordinary	100%	100%	Property Management
HML Shaw Limited	Ordinary	100%	100%	Property Management
Shaw and Company (Surveyors) Limited	Ordinary	100%	100%	Chartered Surveyors
Alexander Bonhill Limited	Ordinary	100%	100%	Insurance Brokers
HML Concierge Services Limited	Ordinary	100%	100%	Concierge Services
HML Company Secretarial Limited	Ordinary	100%	100%	Dormant
PG Ashton & Chater Property Management Company Limited	Ordinary	100%	100%	Property Management

All the companies set out above are incorporated in England & Wales.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Trade receivables	797	709	-	-
Amount owed by subsidiary undertakings	-	-	1,231	1,185
Other receivables	91	65	2	4
Prepayments and accrued income	1,423	1,221	44	87
	2,311	1,995	1,277	1,276

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Debts are provided once they are overdue and all attempts have been made to recover them. In the directors' opinion there are no material unprovided debtors.

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Cash at bank and in hand	-	203	-	-

The Group has a £1,500,000 overdraft facility with its bankers. The one year facility was renewed on 1 January 2015 and is secured via cross guarantees and debentures with Group companies.

18. CURRENT LIABILITIES

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Bank loans and overdrafts	657	173	609	178
Trade payables	479	419	49	68
Amounts owed to subsidiary undertakings	-	-	4,522	4,904
Corporation tax	237	192	-	-
Other taxation and social security costs	931	779	15	6
Other payables	581	458	27	26
Accruals and deferred income	1,154	978	251	208
Deferred and contingent consideration	563	284	-	-
	4,602	3,283	5,473	5,390

Trade creditors and accruals comprise of amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates their fair value.

19. NON CURRENT LIABILITIES

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Bank loans	-	86	-	86
Deferred tax liability	574	433	-	-
Deferred consideration	-	-	-	-
	574	519	-	86

In November 2011, a bank loan of £1,035,000 was taken out to assist with the purchase of the trade and assets of Scotts (Putney) Ltd.

The bank loan is repayable in quarterly instalments and attracts an interest rate of 3.5% above LIBOR. Any difference between the interest value in the accounts and the contractual maturity is immaterial.

20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's activities and its capital structure expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk.

Risk management is carried out centrally under policies approved by the board of directors. The board provides written principles for overall risk management.

MARKET RISK

Market risk comprises of the following two risks:

(a) Foreign exchange risk

The Group operates in the UK and is currently not exposed to foreign exchange risk.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from the use of its overdraft and the bank loan.

The overdraft is repayable on demand and bears variable interest charge of 2% above the Bank of England's base rate. The bank loan is repayable over three years and has an interest rate of 3.5% above LIBOR.

The Group invests surplus cash in bank deposits which bear interest based on short term money market rates and in doing so exposes itself to fluctuations in money market interest rates.

20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

If interest rates has been 1% higher or lower and all other variables were held constant the Group's profit for the year ended 31 March 2015 and its equity at 31 March 2015 would have decreased or increased by £3,000 in each case. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of a reasonable change in interest rates.

CREDIT RISK

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Trade receivables comprise of a large number of individual clients none of which represents in excess of 5% of trade receivables. Receivables in respect of residential property management fees are considered by management to be low risk as the non payment of service charges can result in forfeiture of the respective leases. Receivables balances are also monitored on an ongoing, regular basis with the result that the Group's exposure to bad debts is not significant.

All of the Group's cash and bank balances are held with recognised UK clearing banks.

The maximum exposure to credit risk is £1,584,000 (2014: £1,390,000).

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. The Group monitors its risk to a shortage of funds using cash flow forecasting. This is performed on a weekly, quarterly and annual basis. The cash flow forecasts consider the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from the operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

Contractual cash flows relating to the Group's financial liabilities are set out below.

FINANCIAL ASSETS AND LIABILITIES

The Group's financial assets and liabilities analysed by the categories defined in IAS39 were as follows:

	2015	2014 As restated
	£'000	£'000
Financial assets		
Trade and other receivables (loans and receivables)	1,584	1,390
Cash and cash equivalents	-	203
	1,584	1,593
Financial liabilities		
Trade and other payables (financial liabilities at amortised cost)	(2,726)	(2,008)
Bank overdraft/loan (financial liabilities at amortised cost)	(657)	(259)
	(3,383)	(2,267)
	(1,799)	(674)

Trade and other receivables are shown net of the bad debt provision of £30,000 (2014: £29,000)

20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

As at 31 March 2015 trade receivables of £108,000 (2014: £99,000) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2015 £'000	2014 £'000
Up to 3 months past due	28	48
3 to 6 months past due	28	16
Over 6 months past due	52	35
	108	99

Contractual cash flows relating to the Group's financial liabilities are as follows:

	2015 £'000	2014 As restated £'000
Financial liabilities payable within one year		
Trade and other payables	(2,163)	(1,724)
Bank overdraft/loans	(657)	(259)
	(2,820)	(1,983)
Financial liabilities payable between one and two years		
Bank loan	-	(86)
	(2,820)	(2,069)

Contractual cash flows are not materially different from carrying value.

21. DEFERRED TAX

	Group and company
Deferred tax liability	£’000
At 1 April 2013	433
Additions in the year	-
At 31 March 2014	433
Additions in the year	141
At 31 March 2015	574

The deferred tax liability relates to intangible assets of business combinations acquired during the current and previous years.

The UK government has announced future changes to the Corporation tax rate. These changes resulted in a decrease in the standard rate of corporation tax to a standard rate of 20% in April 2015. Consequently deferred tax has been calculated on this basis.

Any subsequent changes to the tax rates are not deemed to have a material impact on the financial statements.

22. SHARE CAPITAL

	Group and Company	
	2015	2014
Authorised:	£’000	£’000
163,733,200 ordinary shares of 1.5p each	2,456	2,456
	2,456	2,456

	Group and Company	
	2015	2014
Allotted, issued and fully paid ordinary shares of 1.5p:	£’000	£’000
1 April	554	543
Issued during the year – 459,250 shares	7	11
31 March	561	554
No. of shares in issue at year end	37,412,996	36,953,746

All shares issued during the year ended 31 March 2015 related to the exercising of share options by HML staff in August 2014 and February 2015.

23. SHARE OPTIONS

In May 2006, the Company adopted an Enterprise Management Incentive Share Option Plan and an Unapproved Share Option Plan. The options issued have an exercise period of ten years (or earlier with the approval of the Board).

Options were valued using the Black Scholes model. The fair value per option granted and the assumption used on the calculation are as follows:

Grant date	Share price at grant date	Exercise price	No. of employees	Share options granted	Fair Value of options
06/08/2014	33.00p	33.00p	56	819,500	3.7p
25/07/2013	15.25p	15.25p	51	895,000	2.49p
26/07/2012	17.75p	17.75p	66	886,000	3.01p
24/06/2011	11.75p	11.75p	59	781,000	2.84p
24/06/2010	11.5p	11.5p	8	270,000	2.45p
30/06/2009	10p	10p	76	712,250	2.00p
31/03/2008	19p	19p	75	763,000	2.85p
12/02/2008	22p	22p	8	80,000	4.27p
07/12/2007	24p	24p	5	50,000	3.60p
26/06/2007	39p	39p	55	288,000	5.84p
27/06/2006	17p	17p	103	1,147,500	2.55p

The total fair value of options issued in the year was £30,321 (2014: £26,313). The volatility is measured by calculating the standard deviation of the natural logarithm of share price movements.

All options have a vesting life of 2 years and an option life of 10 years. The fair value of the options has been calculated using an expected volatility of 20% which is based on historical volatility and a risk free rate of 4.17% which is derived from the bank rate. The expected life of an option is estimated to be 6 years.

At the year-end, 3,088,450 of the issued options were exercisable and the weighted average remaining life of all options outstanding was 5.5 years (2014: 5.7 years)

A reconciliation of option movements are as follows:

	Number	Weighted average exercise price
31 March 2013	4,414,700	15.48p
Granted	895,000	15.25p
Lapsed	(35,000)	13.29p
Options exercised and new equity issued	(734,000)	11.34p
Options exercised and equity issued from ESOT	(50,000)	17.30p
31 March 2014	4,490,700	16.11p
Granted	819,500	33.00p
Lapsed	(59,000)	16.18p
Options exercised and new equity issued	(459,250)	13.99p
31 March 2015	4,791,950	19.22p

24. SHARE PREMIUM

	Group £'000	Company £'000
31 March 2013 and 2014	6,815	6,815
Share issued during the year ended 31 March 2015	57	57
Capital reorganisation (see note 25)	(6,743)	(6,743)
31 March 2015	129	129

This reserve relates to the premium on shares issued.

25. CAPITAL REORGANISATION

During the year, the Group went through a successful capital re-organisation which resulted in the conversion of £6,743,000 of share premium reserves into distributable reserves.

The purpose of this re-organisation is to permit the Group to be able to pay a dividend to its shareholders.

The Directors have proposed paying a dividend of 0.30p per share in relation to the current year (2014: 0.27p per share).

26. OTHER RESERVE

This reserve relates to the cost of shares held in the employee benefit trust. The trust currently owns 451,365 shares in HML Holdings Plc.

27. MERGER RESERVE

On 15 May 2006, a demerger agreement was entered into whereby LTC Holdings Plc agreed to transfer the business of Hawksworth Management Limited and its subsidiaries to a newly incorporated company, HML Holdings plc. The demerger completed on 2 June 2006 when HML Holdings plc issued 2,577,143 1.5p ordinary shares to acquire the entire share capital of Hawksworth Management Limited.

28. RETAINED EARNINGS

	Group £'000	Company £'000
31 March 2013	(246)	(5,884)
Profit for year	836	49
Share based payment charge (see note 5)	17	17
31 March 2014	607	(5,818)
Profit for year	928	60
Share based payment charge (see note 5)	20	20
Capital reduction	6,743	6,743
Dividends paid	(100)	(100)
	8,198	905

29. CASH FLOWS

GROUP	2015 £'000	2014 £'000
a. Reconciliation of operating profit to net cash flow from operating activities		
Profit from operations	1,160	1,058
Adjustments for:		
Depreciation	210	154
Amortisation	355	280
Share based payment charge	20	17
Profit on disposal of fixed assets	10	7
Operating cash flows before movements in working capital	1,755	1,516
Increase in receivables	(316)	(308)
Increase in payables	524	359
Net cash flow from operating activities	1,963	1,567

	2015 £'000	2014 £'000
b. Reconciliation of cash and cash equivalents		
Cash at bank	-	203
	-	203

COMPANY	2015 £'000	2014 £'000
c. Reconciliation of operating profit to net cash flow from operating activities		
Loss from operations	(1,450)	(1,148)
Depreciation	10	13
Amortisation	150	122
Share based payment charge	20	17
Operating cash flows before movements in working capital	(1,270)	(996)
Decrease/ (Increase) in receivables	45	(54)
Increase in payables	35	41
Net cash flow from operating activities	(1,190)	(1,009)

	2015 £'000	2014 £'000
d. Reconciliation of cash and cash equivalents		
Cash at bank	-	-
	-	-

30. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns on shareholders and maintain an optimal capital structure to reduce the cost of capital.

The Directors monitor the level of capital as compared to the Group's long term debt commitments.

The Group is not subject to any externally improved capital requirements (2014: none)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as total equity plus net debt.

For the purpose of capital risk management, the total capital resources consist of the following components:

	2015 £'000	2014 £'000
Bank loans	86	259
Add: Bank overdrafts	571	-
Less: Cash and cash equivalents	-	(203)
Net debt	657	56
Total equity	8,788	7,871
Total capital resources	8,874	7,927
Net debt to equity ratio	7.5%	0.7%

31. OPERATING LEASE ARRANGEMENTS

	2015 Land and buildings £'000	2014 Land and buildings £'000
At 31 March 2015 the Group was committed to making the following payments under non-cancellable operating leases:		
Expiring within 1 year	577	440
Expiring between 2 and 5 years	1,546	1,276
Expiring after 5 years	85	230
	2,208	1,946

The Group's leases of land and buildings are subject to rent review periods ranging between 2 and 5 years.

32. RELATED PARTY TRANSACTIONS

As at 31 March 2015, LTC Holdings Plc held 35.38% (2014: 40.69%) of the Company's issued share capital. Richard Smith and Geoffrey Griggs are both directors of HML Holdings plc, and also directors of LTC Holdings Plc.

During the year LTC Holdings Plc received a dividend of £36,000 (2014: £nil) from its' shareholding in the Company's share capital.

There is no provision against any related party transaction at the year-end and no amounts have been written off during the year.

Transactions between the Company and its subsidiaries are disclosed below.

	2015 £'000	2014 £'000
Management charges to subsidiaries in the year	19	16
Amounts receivable from subsidiaries by way of interest-free loans	1,231	1,185
Amounts owed to subsidiaries at 31 March	4,522	4,904

The amounts outstanding are unsecured, with no fixed date for repayment and will be settled in cash. No provisions have been made for doubtful debts in respect of the amounts owed by subsidiaries.

33. REMUNERATION OF KEY MANAGEMENT

The remuneration of the key management personnel of the Group and the Company is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. The key management personnel are considered to be the managing director of each business in the Group and the main Board Executive Directors.

GROUP	2015 £'000	2014 £'000
Salaries	824	835
Pension contributions/benefits in kind	64	23
Share based payments	17	15
	905	873

COMPANY	2015 £'000	2014 £'000
Salaries	266	250
Pension contributions/benefits in kind	27	25
Share based payments	6	5
	299	280

In accordance with AIM Rule 19, information of individual Directors' remuneration and their interests in the EMI approved and unapproved options has been disclosed in the Directors Report.

34. COMPANY INCOME STATEMENT

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement.

The Company made no gains or losses which would be reported in Other Comprehensive Income in the year ended 31 March 2015 (2014: Nil) and therefore the Company has not published its individual Statement of Total Comprehensive Income.

35. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

HML HOLDINGS PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of HML Holdings plc will be held at the offices of HML Holdings plc, 9-11 The Quadrant, Richmond, Surrey, TW9 1BP on 22nd September 2015, at 11.00 a.m. for the following purposes:

Ordinary Business

1. To receive and adopt the Directors' Report and Accounts for the year ended 31 March 2015.

2. To re-appoint the auditors Nexia Smith & Williamson and authorise the Directors to fix their remuneration.

3. To re-elect Geoffrey Griggs who retires by rotation and offers himself for re-election.

4. To approve payment of the dividend.

BY ORDER OF THE BOARD

J A L Howgego
Secretary

Notes to the Notice of Annual/General Meeting

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members 48 hours (excluding non-working days)before the time of the Meeting shall be entitled to attend and vote at the Meeting.

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by facsimile transmission to 01252 719 232;
- alternatively, the completed proxy form can be scanned and emailed to proxies@shareregistrars.uk.com;
- and received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.
Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.
If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by facsimile transmission to 01252 719 232. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.
If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

10. As at 31 March 2015, the Company's issued share capital comprised 37,412,996 ordinary shares of 1.5p each. Each ordinary share carries the right to one vote at an Annual General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 31 March 2015 is 37,412,996.

11. Except as provided above, members who have general queries about the Meeting should telephone 020 8439 8529 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

HML HOLDINGS PLC

I, being a member of the above-named Company, hereby appoint the chairman of the meeting or (see note 3) ……………………………………(BLOCK CAPITALS) as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Tuesday 22nd September 2015 and at every adjournment thereof. I request such proxy to vote on the following resolutions as indicated below:

Resolutions	FOR	AGAINST	ABSTAIN
1. Receive and adopt the Directors' Annual Report and Accounts and the auditors' report thereon	☐	☐	☐
2. Re-appoint Nexia Smith & Williamson as auditors and authorise the directors to agree the auditors' remuneration	☐	☐	☐
3. Re-elect Geoffrey Griggs as a director	☐	☐	☐
4. Approve payment of the dividend	☐	☐	☐

Name(s) of holder …………………... (BLOCK CAPITALS)

Address of holder …..………………………………………………… (BLOCK CAPITALS)

Signature .... Date ……………………….

Notes:

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting. You can only appoint a proxy using the procedures set out in these notes.

2. Please indicate with an 'X' in the appropriate boxes how you wish the proxy to vote. The proxy will exercise his discretion as to how he votes or whether he abstains from voting:
   (a) on any resolution set out above if no instruction is given in respect of that resolution; and
   (b) on any business or resolution considered at the meeting other than the resolutions set out above.

3. If you wish to appoint someone other than the chairman of the meeting as your proxy please delete the words 'the chairman of the meeting' and insert the name of the person you wish to appoint. A proxy need not be a member of the Company.

4. To be effective this form, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be sent or delivered to the Company's registrars, **Share Registrars Limited, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL** (or by fax to 01252 719232 or by scan and email to proxies@shareregistrars.uk.com) not less than 48 hours (excluding non-working days) before the scheduled time of the meeting.

5. Where the member is a corporation this form must be under its common seal or signed by an officer, attorney or other person duly authorised by the corporation.

6. In the case of joint holders only one need sign this form, but the names of the other joint holders should be shown in the space provided. The vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. Seniority will be determined by the order in which the names of the holders appear in the register of members in respect of the joint holding.

7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars.