

Company Registration No. 05047778 (England and Wales)

HLMAD LIMITED T/A HLM
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2014

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COMPANIES HOUSE

HLMAD LIMITED T/A HLM

DIRECTORS AND ADVISERS

Directors

C D Liddle
C J Buckingham
D M Cafferty
J G Clarke
K S Mosley
N J Beecroft
R M O'Neil
M Staniland

Secretary

K S Mosley

Company number

05047778

Registered office

Ground Floor
46 Loman Street
London
SE1 0EH

Registered auditors

Johnston Carmichael LLP
227 West George Street
Glasgow
G2 2ND

HLMAD LIMITED T/A HLM

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HLMAD LIMITED T/A HLM

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their strategic report for the year ended 31 March 2014.

HLM continues to be well respected in the chosen marketplaces of Healthcare, Education, Justice, Residential, Commercial and Defence and we are delighted that the quality of projects has again led to winning numerous design awards during the year.

Against a rapidly changing economic environment, the Directors are pleased with the performance of the business. We achieved the targets set out in our Business Plan for architectural design quality, business profile and financial performance.

Our strategy of continuing to actively manage the business continues in a commercial manner is based upon the provision of sustainable, high quality design services to our clients with the Directors leading the design process, encouraging, motivating and leading the team by example.

Alongside this we have continued to dynamically shape the business to reflect the changing economic environment by focusing on being creative, innovative and as flexible as possible about the way we work together.

Efficient day to day management continues to be led by our Executive Board which meets monthly. In monitoring and controlling the performance of the business, the Executive Board focuses on a number of key performance indicators covering such matters as staff utilisation, project profitability and cash management.

Our strong financial footing has not only allowed us to meet the challenges of the economic downturn of the last few years, but also allowed us to pursue our strategy of continuing to invest in our UK business whilst simultaneously developing our international presence.

Our business in Johannesburg, South Africa continues to make a significant contribution to our overall financial performance from where we continue to capitalise on the significant opportunities across Sub-Saharan Africa.

In Abu Dhabi we have continued to increase HLM's business profile across the Middle East where we have been successful in securing a number of new commissions. We continue to see significant opportunities for growing our business in this region.

During the financial year and in line with our Business Plan we made two strategic investments to secure two architectural brands with heritage and reputations which are recognised worldwide.

Firstly, in April 2013, we rescued the brand of Llewelyn Davies - a leader in hospital design with an established reputation built up over 50 years, which has delivered over 250 major hospitals in 75 countries, as well as influencing healthcare masterplanning across the world. Llewelyn Davies is based in London and continues to deliver quality projects to existing and future clients in masterplanning, healthcare and international aviation. We are pleased that in our first year of ownership the business made a significant contribution to our overall financial performance.

In September 2013 we made our second strategic investment in Sidell Gibson, a 40 year old well respected architectural practice and brand associated with high quality office, headquarters, banks, residential, conservation and restoration projects in the City of London, including Windsor Castle and the Jewel Room at the Tower of London.

To capitalise on their heritage and brand reputations, both the Llewelyn Davies and Sidell Gibson businesses operate as separate businesses from the HLM brand.

Trading performance of all our businesses in the new financial year is in line with expectations and our Business Plan.

HLMAD LIMITED T/A HLM

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

By order of the board

A handwritten signature in black ink, appearing to read 'K S Mosley', written in a cursive style.

K S Mosley

Secretary

24 September 2014

HLMAD LIMITED T/A HLM

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and financial statements for the year ended 31 March 2014.

Principal activities

The principal activity of the group is that of the provision of architectural, landscape and urban design, interior design and environmental design services.

Results and dividends

The consolidated profit and loss account for the year is set out on page 7.

An interim ordinary dividend was approved amounting to £20,300.

Directors

The following directors have held office since 1 April 2013:

C D Liddle	
C J Buckingham	
D M Cafferty	
J G Clarke	
K S Mosley	
N J Beecroft	
R M O'Neil	
J R Ferguson	(Resigned 20 May 2013)
L H Welch	(Resigned 4 June 2013)
L T Lenaghan	(Resigned 6 June 2013)
M Staniland	
R P I Parsons	(Resigned 1 July 2013)

Statement of directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HLMAD LIMITED T/A HLM

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

By order of the board



K S Mosley

Secretary

24 September 2014

HLMAD LIMITED T/A HLM

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HLMAD LIMITED T/A HLM

We have audited the group and parent company financial statements (the "financial statements") of HLMAD Limited T/A HLM for the year ended 31 March 2014 set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

HLMAD LIMITED T/A HLM

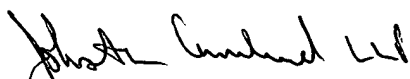
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HLMAD LIMITED T/A HLM

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.



John McLaren (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

30/9/14

Chartered Accountants
Statutory Auditor

227 West George Street
Glasgow
G2 2ND

HLMAD LIMITED T/A HLM

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Turnover	2	12,224,150	10,342,398
Cost of sales		(7,455,860)	(6,581,216)
Gross profit		4,768,290	3,761,182
Administrative expenses		(4,585,130)	(3,642,689)
Other operating income		26,867	-
Operating profit	3	210,027	118,493
Other interest receivable and similar income		-	9
Interest payable and similar charges	4	(4,829)	(4,428)
Profit on ordinary activities before taxation		205,198	114,074
Tax on profit on ordinary activities	5	(69,756)	86,414
Profit on ordinary activities after taxation		135,442	200,488
Minority interests		(7,708)	(629)
Profit for the financial year	6	127,734	199,859

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HLMAD LIMITED T/A HLM

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	£	£
Profit for the financial year	135,442	200,488
Currency translation differences on foreign currency net investments	<u>(7,188)</u>	<u>(6,082)</u>
Total recognised gains and losses relating to the year	<u><u>128,254</u></u>	<u><u>194,406</u></u>

HLMAD LIMITED T/A HLM

BALANCE SHEETS

AS AT 31 MARCH 2014

		Group		Company	
	Notes	2014	2013	2014	2013
		£	£	£	£
Fixed assets					
Intangible assets	8	-	-	-	-
Tangible assets	9	415,228	422,997	340,610	360,104
Investments	10	-	-	26,040	-
		<u>415,228</u>	<u>422,997</u>	<u>366,650</u>	<u>360,104</u>
Current assets					
Debtors	11	4,893,424	3,125,310	4,393,922	3,067,204
Cash at bank and in hand		51,443	584,452	23,983	573,025
		<u>4,944,867</u>	<u>3,709,762</u>	<u>4,417,905</u>	<u>3,640,229</u>
Creditors: amounts falling due within one year	12	(3,894,332)	(2,748,950)	(3,383,582)	(2,652,185)
Net current assets		<u>1,050,535</u>	<u>960,812</u>	<u>1,034,323</u>	<u>988,044</u>
Total assets less current liabilities		<u>1,465,763</u>	<u>1,383,809</u>	<u>1,400,973</u>	<u>1,348,148</u>
Capital and reserves					
Called up share capital	15	196,000	200,000	196,000	200,000
Other reserves	16	(9,270)	(6,082)	4,000	-
Profit and loss account	16	1,256,714	1,175,280	1,200,973	1,148,148
Shareholders' funds	18	<u>1,443,444</u>	<u>1,369,198</u>	<u>1,400,973</u>	<u>1,348,148</u>
Minority interests	17	<u>22,319</u>	<u>14,611</u>	<u>-</u>	<u>-</u>
		<u>1,465,763</u>	<u>1,383,809</u>	<u>1,400,973</u>	<u>1,348,148</u>

Approved by the Board and authorised for issue on 24 September 2014



C D Liddle
Chairman



M Staniland
Director

Company Registration No. 05047778

HLMAD LIMITED T/A HLM

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	£	2014 £	£	2013 £
Net cash (outflow)/inflow from operating activities		(425,426)		1,190,749
Returns on investments and servicing of finance				
Interest received	-		9	
Interest paid	(4,829)		(4,428)	
Net cash outflow for returns on investments and servicing of finance		(4,829)		(4,419)
Taxation		81,255		(220,771)
Capital expenditure and financial investment				
Payments to acquire intangible assets	(9,995)		-	
Payments to acquire tangible assets	(252,092)		(263,006)	
Payments to acquire investments	(26,040)		-	
Receipts from sales of tangible assets	-		5,195	
Net cash outflow for capital expenditure		(288,127)		(257,811)
Equity dividends paid		(40,600)		(40,600)
Net cash (outflow)/inflow before management of liquid resources and financing		(677,727)		667,148
Financing				
Purchase of own shares	(26,000)		-	
Net cash outflow from financing		(26,000)		-
(Decrease)/increase in cash in the year		(703,727)		667,148

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2014	2013
		£	£
	Operating profit	210,027	118,493
	Depreciation of tangible assets	247,177	313,191
	Amortisation of intangible assets	36,035	-
	Loss on disposal of tangible assets	-	2,022
	(Increase)/decrease in debtors	(1,880,064)	889,534
	Increase/(decrease) in creditors within one year	955,903	(130,434)
	Net effect of foreign exchange differences	5,496	(2,057)
	Net cash (outflow)/inflow from operating activities	(425,426)	1,190,749
2	Analysis of net (debt)/funds	1 April 2013	Cash flow Other non- 31 March 2014 cash changes
		£	£
	Net cash:		
	Cash at bank and in hand	584,452	(533,009)
	Bank overdrafts	(62,890)	(170,718)
	Net funds/(debt)	521,562	(703,727)
3	Reconciliation of net cash flow to movement in net (debt)/funds	2014	2013
		£	£
	(Decrease)/increase in cash in the year	(703,727)	667,148
	Movement in net (debt)/funds in the year	(703,727)	667,148
	Opening net funds/(debt)	521,562	(145,586)
	Closing net (debt)/funds	(182,165)	521,562

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents the invoices, net of VAT, raised in the year which are adjusted for movements in the level of amounts recoverable on contracts.

Contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract and credit is taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty.

Turnover is only recognised in the financial statements when there is a contractual right to consideration.

1.5 Goodwill

Acquired goodwill has been written off in the year of acquisition.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	- 5 and 6 years straight line
Equipment	- 5 years straight line
Computer equipment	- 2 to 3 years straight line
Fixtures and fittings	- 5 and 10 years straight line
Motor vehicles	- 5 years straight line

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

(continued)

1.9 Amounts recoverable on contracts

Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.10 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2014 £	2013 £
Geographical segment		
UK	11,636,629	10,204,710
Rest of the world	587,521	137,688
	<u>12,224,150</u>	<u>10,342,398</u>

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

3	Operating profit	2014	2013
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	36,035	-
	Depreciation of tangible assets	247,177	313,191
	Loss on disposal of tangible assets	-	5,627
	Loss on foreign exchange transactions	8,451	19,438
	Operating lease rentals		
	- Plant and machinery	15,363	12,623
	- Other assets	589,434	513,994
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £13,750; 2013: £13,240)	25,500	13,240
	and after crediting:		
	Profit on disposal of tangible assets	-	(3,605)
		<u><u> </u></u>	<u><u> </u></u>
4	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	3,255	3,850
	Other interest	1,574	578
		<u> </u>	<u> </u>
		<u><u>4,829</u></u>	<u><u>4,428</u></u>

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2014**

5	Taxation	2014	2013
		£	£
	Domestic current year tax		
	U.K. corporation tax	34,790	53,373
	Adjustment for prior years	-	(128,827)
	Total current tax	34,790	(75,454)
	Deferred tax		
	Deferred tax charge/(credit)	27,704	(10,960)
	Adjustments resulting from changes in tax rates	7,262	-
		69,756	(86,414)
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	205,198	114,074
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	47,196	27,378
	Effects of:		
	Non-deductible expenses	18,580	8,508
	Depreciation (less than)/in excess of capital allowances	(25,760)	22,739
	Adjustments to previous periods	-	(128,827)
	Other short term timing differences	(1,234)	(46)
	Marginal relief	(3,992)	(5,206)
		(12,406)	(102,832)
	Current tax charge for the year	34,790	(75,454)
6	Profit for the financial year		
	As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:		
		2014	2013
		£	£
	Holding company's profit for the financial year	99,125	198,690

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2014**

7	Dividends	2014	2013
		£	£
	Ordinary interim	<u>20,300</u>	<u>60,900</u>
8	Intangible fixed assets Group	Goodwill	
		£	
	Cost		
	At 1 April 2013	-	
	Additions	<u>36,035</u>	
	At 31 March 2014	<u>36,035</u>	
	Amortisation		
	At 1 April 2013	-	
	Charge for the year	<u>36,035</u>	
	At 31 March 2014	<u>36,035</u>	
	Net book value		
	At 31 March 2014	<u>-</u>	
	At 31 March 2013	<u>-</u>	

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2014**

9 Tangible fixed assets

Group	Leasehold improvements	Equipment	Computer equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 April 2013	685,770	83,527	645,527	355,497	1,770,321
Additions	9,846	1,902	231,996	8,348	252,092
Exchange rate variance	(8,643)	-	1,712	(5,500)	(12,431)
Disposals	(19,451)	(22,296)	(160,612)	-	(202,359)
At 31 March 2014	667,522	63,133	718,623	358,345	1,807,623
Depreciation					
At 1 April 2013	585,360	58,207	400,286	303,471	1,347,324
On disposals	(19,451)	(22,296)	(160,612)	-	(202,359)
Exchange rate variance	(2,422)	-	3,917	(1,242)	253
Charge for the year	42,268	15,256	166,732	22,921	247,177
At 31 March 2014	605,755	51,167	410,323	325,150	1,392,395
Net book value					
At 31 March 2014	61,767	11,966	308,300	33,195	415,228
At 31 March 2013	100,410	25,320	245,241	52,026	422,997

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

9 Tangible fixed assets

(continued)

Company	Leasehold improvements	Equipment	Computer equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 April 2013	652,171	83,527	619,883	332,222	1,687,803
Additions	2,927	1,902	197,923	5,704	208,456
Disposals	(19,451)	(22,296)	(160,612)	-	(202,359)
At 31 March 2014	635,647	63,133	657,194	337,926	1,693,900
Depreciation					
At 1 April 2013	582,611	58,207	385,569	301,312	1,327,699
On disposals	(19,451)	(22,296)	(160,612)	-	(202,359)
Charge for the year	37,031	15,256	154,588	21,075	227,950
At 31 March 2014	600,191	51,167	379,545	322,387	1,353,290
Net book value					
At 31 March 2014	35,456	11,966	277,649	15,539	340,610
At 31 March 2013	69,560	25,320	234,314	30,910	360,104

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 April 2013	-
Additions	26,040
At 31 March 2014	26,040
Net book value	
At 31 March 2014	26,040

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Llewelyn Davies Weeks Limited	England and Wales	Ordinary	100
Sidell Gibson Limited	England and Wales	Ordinary	100
Steyn & Viljoen Architects (Pty) Limited	South Africa	Ordinary	65

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Llewelyn Davies Weeks Limited	Architects
Sidell Gibson Limited	Architects
Steyn & Viljoen Architects (Pty) Limited	Architects

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

11 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	3,525,037	2,096,331	2,762,794	2,086,767
Amounts recoverable on contracts	755,989	448,216	553,621	366,311
Amounts owed by group undertakings	-	-	583,903	58,649
Corporation tax	4,755	81,739	-	75,783
Other debtors	105,466	93,939	74,065	64,194
Prepayments and accrued income	491,877	359,819	392,267	359,819
Deferred tax asset (see note 13)	10,300	45,266	27,272	55,681
	<u>4,893,424</u>	<u>3,125,310</u>	<u>4,393,922</u>	<u>3,067,204</u>

12 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	233,608	62,890	232,753	62,890
Payments received on account	729,603	341,085	623,694	285,517
Trade creditors	924,666	1,244,434	823,979	1,241,497
Corporation tax	39,061	-	26,025	-
Taxes and social security costs	972,176	699,015	855,091	699,015
Other creditors	72,155	42,468	15,196	20,650
Accruals and deferred income	923,063	338,758	806,844	322,316
Proposed dividend	-	20,300	-	20,300
	<u>3,894,332</u>	<u>2,748,950</u>	<u>3,383,582</u>	<u>2,652,185</u>

The company's bank overdraft is secured by a debenture including a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and a first floating charge over all assets and undertakings, both present and future.

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

13 Provisions for liabilities

The deferred tax asset (included in debtors, note 11) is made up as follows:

	Group 2014 £		Company 2014 £
Balance at 1 April 2013	(45,266)		(55,681)
Profit and loss account	34,966		28,409
	<u> </u>		<u> </u>
Balance at 31 March 2014	<u>(10,300)</u>		<u>(27,272)</u>

	Group 2014 £	2013 £	Company 2014 £	2013 £
Decelerated capital allowances	(10,300)	(44,560)	(27,272)	(54,975)
Other timing differences	-	(706)	-	(706)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>(10,300)</u>	<u>(45,266)</u>	<u>(27,272)</u>	<u>(55,681)</u>

14 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2014 £	2013 £
Contributions payable by the group for the year	<u>18,449</u>	<u>13,121</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

15 Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
196,000 (2013 - 200,000) Ordinary shares of £1 each	196,000	200,000

During the year, the company repurchased 4,000 Ordinary shares of £1 each for a consideration of £26,000.

Enterprise Management Incentive Scheme

During the year ended 31 March 2013, the company set up an EMI scheme and granted 4,000 share options to a director with an exercise price of £2.35. The options granted had the following conditions attached:

The director must remain as an officer of the company to the date of exercise.

The options will lapse 10 years from issue.

Given that the exercise price is not materially different to the fair value of the shares, no charge to the profit and loss account has been recognised.

No options were exercised during the year ended 31 March 2014.

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

16 Statement of movements on profit and loss account Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2013	(6,082)	1,175,280
Profit for the year	-	127,734
Purchase of own shares	-	(26,000)
Foreign currency translation differences	(7,188)	-
Dividends paid	-	(20,300)
Movement during the year	4,000	-
Balance at 31 March 2014	<u>(9,270)</u>	<u>1,256,714</u>
Other reserves		
Capital redemption reserve		
Capital redemption reserve increase	<u>4,000</u>	
Balance at 31 March 2014	<u>4,000</u>	
Other reserves		
Balance at 1 April 2013	(6,082)	
Currency translation reserve movement	<u>(7,188)</u>	
Balance at 31 March 2014	<u>(13,270)</u>	

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2013	-	1,148,148
Profit for the year	-	99,125
Purchase of own shares	-	(26,000)
Dividends paid	-	(20,300)
Movement during the year	4,000	-
Balance at 31 March 2014	<u>4,000</u>	<u>1,200,973</u>
Other reserves		
Capital redemption reserve		
Capital redemption reserve increase	<u>4,000</u>	
Balance at 31 March 2014	<u>4,000</u>	

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

17	Minority interests	2014	2013
		£	£
	Minority interests' share of net assets and liabilities in subsidiary undertakings	22,319	14,611
		<u> </u>	<u> </u>
18	Reconciliation of movements in shareholders' funds	2014	2013
	Group	£	£
	Profit for the financial year	127,734	199,859
	Dividends	(20,300)	(60,900)
		<u> </u>	<u> </u>
		107,434	138,959
	Other recognised gains and losses	(7,188)	(6,082)
	Purchase of own shares	(26,000)	-
		<u> </u>	<u> </u>
	Net addition to shareholders' funds	74,246	132,877
	Opening shareholders' funds	1,369,198	1,236,321
		<u> </u>	<u> </u>
	Closing shareholders' funds	1,443,444	1,369,198
		<u> </u>	<u> </u>
		2014	2013
	Company	£	£
	Profit for the financial year	99,125	198,690
	Dividends	(20,300)	(60,900)
	Purchase of own shares	(26,000)	-
		<u> </u>	<u> </u>
	Net addition to shareholders' funds	52,825	137,790
	Opening shareholders' funds	1,348,148	1,210,358
		<u> </u>	<u> </u>
	Closing shareholders' funds	1,400,973	1,348,148
		<u> </u>	<u> </u>

HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2014**

19 Financial commitments

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	134,693	8,381	12,840	12,840
Between two and five years	331,522	244,682	29,624	-
In over five years	80,000	116,500	-	-
	<u>546,215</u>	<u>369,563</u>	<u>42,464</u>	<u>12,840</u>

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	8,381	8,381	12,840	12,840
Between two and five years	289,326	190,826	-	-
In over five years	80,000	116,500	-	-
	<u>377,707</u>	<u>315,707</u>	<u>12,840</u>	<u>12,840</u>

20 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	893,657	672,181
Company pension contributions to defined contribution schemes	7,000	5,250
	<u>900,657</u>	<u>677,431</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>190,000</u>	<u>121,025</u>
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HLMAD LIMITED T/A HLM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Architectural and design staff	143	124
Administration staff	35	28
	<u>178</u>	<u>152</u>

Employment costs

	2014 £	2013 £
Wages and salaries	5,956,600	4,578,585
Social security costs	536,605	416,559
Other pension costs	18,449	13,121
	<u>6,511,654</u>	<u>5,008,265</u>

22 Related party transactions

Company

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking. Services in the amount of £531,986 (2013 - £434,690) were purchased from Steyn & Viljoen Architects (Pty) Limited, the company's 65% owned subsidiary undertaking. An amount of £92,833 (2013 - £58,649) was due from Steyn & Viljoen Architects (Pty) Limited at the year end.

23 Post Balance Sheet Events

Company

In April 2014, the company repurchased 24,000 Ordinary shares of £1 each for a total consideration of £276,000.