

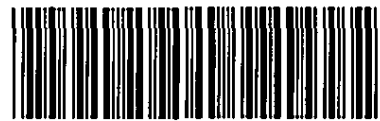
Registered number
05296331

HMG Online Limited and Subsidiary

Report and Accounts

31 October 2007

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HMG Online Limited and Subsidiary
Report and accounts
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**HMG Online Limited and Subsidiary
Company Information**

Directors

N Barklem

N Henry

Secretary

T Backer

Registered office

2nd Floor

Trans World House

100 City Road

London

EC1Y 2BP

Registered number

05296331

HMG Online Limited and Subsidiary Directors' Report

The directors present their report and accounts for the year ended 31 October 2007

Principal activities and review of the business

The company's principal activity in the year continued to be that of a holding company. The principal activity of the company's subsidiary undertaking continued to be that of an insurance intermediary.

Results and dividends

The group made a profit for the year, after taxation, of £489,374 (2006 £250,030). An interim dividend of £2 per share, amounting to £100,000 (2006 £Nil) was paid to shareholders on 21 August 2007.

Directors

The directors who served during the year were as follows:

N Henry
N Barklem

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 11th February 2008



N. Barklem
Director

HMG Online Limited and Subsidiary Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. 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.



N Barklem
Director

11th February 2008

HMG Online Limited and Subsidiary
Independent auditors' report
to the shareholders of HMG Online Limited and subsidiary

We have audited the accounts of HMG Online Limited and subsidiary for the year ended 31 October 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These accounts have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

In accordance with the exemption provided by APB Ethical Standard – Provisions Available for Smaller Entities, we have prepared and submitted the company's returns to the tax authorities and assisted with the preparation of the accounts.

HMG Online Limited and subsidiary
Independent auditors' report
to the shareholders of HMG Online Limited and subsidiary

Opinion

In our opinion

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the group's affairs as at 31 October 2007 and of its profit for the year then ended, of the undertakings included in the consolidation as a whole, so far as concerns members of the company;
- the accounts have been properly prepared in accordance with the Companies Act 1985, and

Linn Maggs Goldwin
Linn Maggs Goldwin
Registered auditors
12th February 2008

2-4 Great Eastern Street
London
EC2A 3NT

**HMG Online Limited and Subsidiary
Consolidated Profit and Loss Account
for the year to 31 October 2007**

		2007		2006	
		Con- tinuing activities £	Total £	Con- tinuing activities £	Total £
Turnover	2	3,174,253	3,174,253	1,925,407	1,925,407
Cost of sales		(1,931,723)	(1,931,723)	(1,217,403)	(1,217,403)
Gross profit		1,242,530	1,242,530	708,004	708,004
Administrative expenses		(551,720)	(551,720)	(352,394)	(352,394)
Operating profit	3	690,810	690,810	355,610	355,610
Interest receivable		11,638	11,638	1,777	1,777
Interest payable		(95)	(95)	(1,085)	(1,085)
Profit on ordinary activities before taxation		702,353	702,353	356,302	356,302
Tax on loss on ordinary activities	4	(212,979)	(212,979)	(106,272)	(106,272)
Retained profit for the financial year	13	489,374	489,374	250,030	250,030

HMG Online Limited and Subsidiary
Balance Sheets
as at 31 October 2007

	Notes	The group		The company	
		2007	2006	2007	2006
		£	£	£	£
Fixed assets					
Tangible assets	5	100,546	68,676	-	-
Investments	7	-	-	539,340	539,340
		<u>100,546</u>	<u>68,676</u>	<u>539,340</u>	<u>539,340</u>
Goodwill on consolidation	6	539,338	539,338	-	-
Current assets					
Debtors	8	183,523	112,395	17,625	-
Cash at bank and in hand		679,859	474,520	544,066	410,953
		<u>863,382</u>	<u>586,915</u>	<u>561,691</u>	<u>410,953</u>
Creditors: amounts falling due within one year	9	<u>413,517</u>	<u>500,912</u>	<u>699,116</u>	<u>556,156</u>
Net current assets/(liabilities)		<u>449,865</u>	<u>86,003</u>	<u>(137,425)</u>	<u>(145,203)</u>
Total assets less current liabilities		1,089,749	694,017	401,915	394,137
Provisions for liabilities and charges	10	11,888	4,990	-	-
		<u>1,077,861</u>	<u>689,027</u>	<u>401,915</u>	<u>394,137</u>
Capital and reserves					
Called up share capital	11	50,270	50,270	50,270	50,270
Share premium	12	349,730	349,730	349,730	349,730
Profit and loss account	13	677,861	289,027	1,915	(5,863)
Shareholders' funds					
Equity		1,077,861	689,027	401,915	394,137
Non-equity		-	-	-	-
		<u>1,077,861</u>	<u>689,027</u>	<u>401,915</u>	<u>394,137</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985

N Barklem
Director

Approved by the board on 11th February 2008

HMG Online Limited and Subsidiary
Notes to the Consolidated Accounts
for the year to 31 October 2007

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are as described below.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Group accounts

The group accounts present information about the parent company and its wholly owned subsidiary undertaking. The company has taken advantage of the statutory exemption from presenting its own profit and loss account.

Acquisitions and disposals

The results relating to a business are included in the consolidated profit and loss account from the date of acquisition, or up to the date of disposal.

The costs of issuing shares in order to raise finance are charged directly to the share premium account.

Goodwill on Consolidation

For acquisitions of a business, purchased goodwill is capitalised in the year in which it arose. Goodwill is not being amortised in the accounts.

Website

Website costs and domain names are capitalised in the balance sheet at cost. Amortisation is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	25% straight line
Computer equipment	33 33% straight line
Website	20% straight line

Investments in subsidiaries

In the company's accounts, fixed asset investments are shown at cost less provision for impairment.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Assets and liabilities are calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

HMG Online Limited and Subsidiary
Notes to the Consolidated Accounts
for the year to 31 October 2007

Foreign currencies

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

2 Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

3 Operating profit	2007	2006
	£	£
The group		
This is stated after charging		
Depreciation of owned fixed assets	26,346	15,219
Directors' remuneration	66,000	66,000
Auditors' remuneration	2,950	2,400

4 Taxation	2007	2006
	£	£
The group		
UK corporation tax	206,081	103,561
Deferred taxation	6,898	2,711
	<u>212,979</u>	<u>106,272</u>

5 Tangible fixed assets

The group	Website	Fixtures	Office	Total
	£	and fittings	equipment	£
		£	£	
Cost				
At 1 November 2006	65,360	1,467	25,337	92,164
Additions	52,895	-	5,320	58,215
Disposals	-	-	-	-
At 31 October 2007	<u>118,255</u>	<u>1,467</u>	<u>30,657</u>	<u>150,379</u>
Depreciation				
At 1 November 2006	12,059	621	10,808	23,488
Charge for the period	18,602	366	7,377	26,345
Eliminated on disposal	-	-	-	-
At 31 October 2007	<u>30,661</u>	<u>987</u>	<u>18,185</u>	<u>49,833</u>
Net book value				
At 31 October 2007	<u>87,594</u>	<u>480</u>	<u>12,472</u>	<u>100,546</u>
At 31 October 2006	<u>53,301</u>	<u>846</u>	<u>14,529</u>	<u>68,676</u>

HMG Online Limited and Subsidiary
Notes to the Consolidated Accounts
for the year to 31 October 2007

6 Goodwill on Consolidation

<i>The Group</i>	Total
Cost	£
As at 1 November 2006	539,338
Additions	-
As at 31 October 2007	<u>539,338</u>
Carrying Value	
As at 31 October 2007	<u>539,338</u>
As at 31 October 2006	<u>539,338</u>

7 Fixed assets investments

<i>The company</i>	Investments in subsidiary undertakings
	£
Cost	
Cost at 1 November 2006	539,340
Additions	-
At 31 October 2007	<u>539,340</u>
Carrying value	
At 31 October 2007	<u>539,340</u>
At 31 October 2006	<u>539,340</u>

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

Company	Country of registration or incorporation	Shares held Class	%
Insurance 4 Car Hire Agents Ltd	England and Wales	Ordinary	100%

8 Debtors

	2007	2006
	£	£
The group		
Trade debtors	142,084	95,418
Other debtors	<u>41,439</u>	<u>16,977</u>
	<u>183,523</u>	<u>112,395</u>
The company		
Prepayments	<u>17,625</u>	-
	<u>17,625</u>	-

HMG Online Limited and Subsidiary
Notes to the Consolidated Accounts
for the year to 31 October 2007

9 Creditors: amounts falling due within one year

	2007	2006
	£	£
<i>The group</i>		
Trade creditors	159,119	87,595
Corporation tax	204,250	103,561
Other taxes and social security costs	4,036	4,460
Other creditors	11,930	282,131
Accruals and deferred income	34,182	23,165
	<u>413,517</u>	<u>500,912</u>

The company

Amounts owed to group undertakings and undertakings in which the company has a participating interest	695,875	278,250
Other creditors	3,241	277,906
	<u>699,116</u>	<u>556,156</u>

10 Provisions for liabilities and charges

	2007	2006
	£	£
<i>The group</i>		
Deferred taxation		
Accelerated capital allowances	<u>11,888</u>	<u>4,990</u>

	2007	2006
	£	£
Deferred tax charge	11,888	4,990
At 31 October 2007	<u>11,888</u>	<u>4,990</u>

11 Share capital

	2007	2006
	£	£
<i>The company</i>		
Authorised		
Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

	2007	2006	2007	2006
	No.	No.	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>50,270</u>	<u>50,270</u>	<u>50,270</u>	<u>50,270</u>

HMG Online Limited and Subsidiary
Notes to the Consolidated Accounts
for the year to 31 October 2007

12 Share premium	2007	2006
	£	£
<i>The company</i>		
At 1 November 2006	349,730	349,730
At 31 October 2007	349,730	349,730
13 Profit and loss account	2007	2006
	£	£
<i>The group</i>		
As at 1 November 2006	289,027	38,997
Retained profit	489,374	250,030
Dividends	(100,540)	-
At 31 October 2007	677,861	289,027
<i>The company</i>		
As at 1 November 2006	(5,863)	(5,350)
Dividends Received	100,000	-
Dividends Paid	(100,540)	-
Retained profit/(loss)	8,318	(513)
At 31 October 2007	1,915	(5,863)

14 Controlling party

N Barklem has a controlling interest in the company by virtue of owning 82.8% of the issued share capital with voting rights attached