



HML HOLDINGS PLC
INTERIM REPORT 2009

Company number 5728008



HML HOLDINGS Plc
(“HML or “the Group”)

INTERIM RESULTS

HML Holdings plc (AIM: HMLH.L), the property management service group, today announces its interim results for the six months to 30 September 2009.

Highlights for the six month period:

- Underlying 12% (2008: 6%) growth in core management fees
- Net cash from operating activities increased to £451,000 (2008: £2,000)
- Insurance revenues grew to £404,000 (2008: £375,000)

Commenting on the results, Robert Plumb, Chief Executive of HML Holdings Plc, said:

“It is very pleasing to again report a growth in both revenue and base management fees, with core management revenues having grown at a rate of four times that of our operating expenses. With improving market conditions, a growing client base, and a resilient business model in place, the Board looks to the future with optimism.”

For further information:

HML Holdings Plc

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CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

We are pleased to report a positive first half of the year, with revenues growing to £4,422,000, representing a 2% (£76,000) increase over the period. This growth was underpinned by a 12% or £262,000 increase in recurring management fees. The net revenue growth of only 2% highlights the degree to which some of our other income has been impacted by market conditions. The most significant reduction in supporting income is as a result of a marked decrease in treasury management fees which is a direct consequence of the low interest rate environment.

It is however, pleasing to report that surveying fees have stabilised and insurance income has continued to improve. Other contributors to ancillary income are more reliant on property transactions and therefore impacted by the economic slowdown. Notably, sales of legal and accounting information packs are lower than the equivalent period last year and have been affected by the very low transactional levels in the residential property market.

Although profit before interest, share based payment charges, amortisation and taxation has decreased to £151,000 (2008: £204,000), we are pleased to be able to report that core management revenues have grown at a rate of four times that of our operating expenses. We believe this is a creditable reflection of the positive reaction our staff have had to a challenging operating environment. Net cash from operating activities has grown to £451,000 (2008: £2,000).

The Group remains active in terms of new management business tenders and has continued to grow organically. The well published deterioration in new build residential development has had a major negative effect on market growth. Offsetting this for the HML group is the effect of an increasingly demanding, knowledgeable and selective residential customer. The Board believes that new business opportunities will continue to grow as service becomes increasingly a differentiating factor.

The absence of transactional activity in the broader property services sector inevitably creates some downward pressure on management fees in some areas of the market. Organisations which formerly focused on residential or commercial property sales have, to some extent, turned their attentions to the more resilient management sector. However the barriers to entry, particularly in the block management area, continue to grow in this increasingly regulated and automated sector. The degree to which consistency, quality and scale aid service delivery provides HML with growing confidence in its business model. It is our belief that HML is well placed to capitalise upon improving market conditions and the Board looks forward with continued optimism.

Richard Smith

Chairman

Robert Plumb

Chief Executive

11 November 2009

HML HOLDINGS Plc
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 September 2009

	Notes	Unaudited 6 months to 30 September 2009 £'000	Unaudited 6 months to 30 September 2008 £'000	Audited Year ended 31 March 2009 £'000
Continuing operations				
Revenue		4,422	4,346	8,646
Direct operating expenses		(3,894)	(3,742)	(7,722)
Central operating overheads		(377)	(400)	(773)
Share based payment charge		(9)	(29)	(58)
Amortisation of intangible assets		(80)	(73)	(155)
Exceptional item - impairment		-	-	(1,172)
Total operating expenses		(4,360)	(4,244)	(9,880)
Operating Profit/(loss)		62	102	(1,234)
Finance costs		(7)	(2)	(13)
Profit/(loss) before Taxation		55	100	(1,247)
Taxation		-	(17)	75
Profit/(loss) for the period attributable to equity holders of the parent		55	83	(1,172)
Other comprehensive income		-	-	-
Total comprehensive income/(loss) for the period attributable to equity holders of the parent		55	83	(1,172)
Earnings/(loss) per share (in pence)				
Basic	4	0.2	0.3	(3.7)
Diluted	4	0.2	0.3	(3.7)
<u>Profit before interest, exceptional items, share based payments charges, amortisation and taxation reconciliation</u>				
		Unaudited 6 months to 30 September 2009 £'000	Unaudited 6 months to 30 September 2008 £'000	Audited Year ended 31 March 2009 £'000
Operating profit before interest, exceptional items, share based payment charges, amortisation and taxation		151	204	151
Finance costs		(7)	(2)	(13)
Operating profit before exceptional item, share based payment charges, amortisation and taxation		144	202	138
Share based payment charge		(9)	(29)	(58)
Amortisation of intangible assets		(80)	(73)	(155)
Exceptional item - impairment		-	-	(1,172)
Profit/(loss) before taxation		55	100	(1,247)

HML HOLDINGS Plc
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
COMPANY NUMBER: 5728008
30 September 2009

Notes	Unaudited 30 September 2009 £'000	Unaudited 30 September 2008 £'000	Audited 31 March 2009 £'000
ASSETS			
Non Current Assets			
Goodwill	3,286	4,212	3,264
Other intangible assets	2,612	2,625	2,664
Property, plant and equipment	274	338	322
Deferred tax asset	72	-	72
	6,244	7,175	6,322
Current Assets			
Trade and other receivables	1,085	1,327	1,082
	1,085	1,327	1,082
TOTAL ASSETS	7,329	8,502	7,404
LIABILITIES			
Current Liabilities			
Trade and other payables	(1,747)	(1,209)	(1,517)
Borrowings	(172)	(497)	(405)
Current tax liabilities	(19)	(69)	(69)
	(1,938)	(1,775)	(1,991)
Non-Current Liabilities			
Deferred tax	(182)	(174)	(182)
Borrowings	-	(171)	(86)
	(182)	(345)	(268)
TOTAL LIABILITIES	(2,120)	(2,120)	(2,259)
NET ASSETS	5,209	6,382	5,145
EQUITY			
Share capital	473	473	473
Share premium	6,331	6,331	6,331
Other reserves	(11)	-	(11)
Merger reserve	(15)	(15)	(15)
Retained earnings	(1,569)	(407)	(1,633)
TOTAL EQUITY	5,209	6,382	5,145

HML HOLDINGS Plc
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 September 2009

	Share capital £'000s	Share premium £'000s	Other reserve £'000s	Merger reserve £'000s	Retained earnings £'000s	Total equity £'000s
Balance at 1 April 2008	473	6,331	-	(15)	(519)	6,270
Total comprehensive income for the period	-	-	-	-	83	83
Share based payment charge	-	-	-	-	29	29
Own shares bought	-	-	-	-	-	-
Balance at 30 September 2008	473	6,331	-	(15)	(407)	6,382
Total comprehensive loss for the period	-	-	-	-	(1,255)	(1,255)
Share based payment charge	-	-	-	-	29	29
Own shares bought	-	-	(11)	-	-	(11)
Balance at 31 March 2009	473	6,331	(11)	(15)	(1,633)	5,145
Total comprehensive income for the period	-	-	-	-	55	55
Share based payment charge	-	-	-	-	9	9
Balance at 30 September 2009	473	6,331	(11)	(15)	(1,569)	5,209

HML HOLDINGS Plc
CONSOLIDATED STATEMENT OF CASH FLOWS
Six months ended 30 September 2009

	Notes	Unaudited 6 months to 30 September 2009 £'000	Unaudited 6 months to 30 September 2008 £'000	Audited Year ended 31 March 2009 £'000
Operating activities				
Cash generated from operations	5	451	2	629
Income taxes paid		(50)	(11)	(8)
Interest paid		(7)	(2)	(13)
Net cash from/used in operating activities		394	(11)	608
Investing activities				
Purchases of property, plant and equipment		(16)	(95)	(152)
Purchase of software		(28)	(302)	(473)
Acquisition of businesses		(31)	(515)	(729)
Net cash used in investing activities		(75)	(912)	(1,354)
Financing activities				
Cash receipts of long term loan		-	300	300
Cash payments relating to in long term loan		(86)	-	(43)
Net cash from financing activities		(86)	300	257
Increase/(decrease) in cash and cash equivalents		233	(623)	(489)
Cash and cash equivalents at the start of period		(234)	255	255
Cash and cash equivalents at the end of the period		(1)	(368)	(234)

1. General Information

The interim unaudited financial information was approved by the board on 11 November 2009.

The results for the year ended 31 March 2009 have been audited whilst the results for the six months ended 30 September 2008 and 30 September 2009 are unaudited. The financial information contained in this interim report does not constitute statutory accounts for that period. The statutory accounts for the previous year, which were prepared under IFRS, have been delivered to the Registrar of Companies. The auditors' opinion on those accounts was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

Copies of the interim report are available from www.hmlholdings.com or from the Company Secretary at HML Holdings plc, 9-11 The Quadrant, Richmond, Surrey, TW9 1BP.

2. International Financial Reporting Standards

The consolidated financial information has been prepared using accounting policies consistent with International Financial Reporting Standards ('IFRS') as adopted by the European Union applied in accordance with the provisions of the Companies Act 2006.

Except as described below, the accounting policies applied are consistent with those of the audited annual financial statements for the year ended 31 March 2009.

The presentation of the primary financial statements has been modified in order to comply with IAS 1 (revised). However the revised standard has no impact on the reported results or financial position of the group.

Whilst the financial figures included in this interim report have been computed in accordance with IFRS, this interim report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

3. Taxation

Taxation for the six months to 30 September 2009 is based on the effective rate of taxation which is estimated to apply for the year ending 31 March 2010.

HML HOLDINGS Plc
NOTES TO THE ACCOUNTS

4.	Earnings per share	Unaudited 6 months to 30 September 2009	Unaudited 6 months to 30 September 2008	Audited Year ended 31 March 2009
Profits/(losses) for basic and diluted earnings per share (£'000)				
	Profit/(loss) for the period	55	83	(1,172)
Weighted average number of shares (000s)				
	For basic earnings per share	31,544	31,544	31,544
	Effect of dilutive potential ordinary shares:			
	- convertible loan notes	-	-	-
	- share options	14	-	-
	Fully diluted	31,558	31,544	31,544
Earnings/(loss) per share				
	Basic	0.2p	0.3p	(3.7p)
	Diluted	0.2p	0.3p	(3.7p)
5.	Notes to the cash flow statement	Unaudited 6 months to 30 September 2009 £'000	Unaudited 6 months to 30 September 2008 £'000	Audited 6 months to 31 March 2009 £'000
Cash generated from operations				
	Operating profit	62	102	(1,234)
	Share-based payment charge	9	29	58
	Depreciation of plant and equipment	64	58	129
	Amortisation of intangible assets	80	73	155
	Impairment of goodwill	-	-	1,172
	Loss on disposal of fixed assets	-	-	2
	(Increase)/decrease in trade and other receivables	(3)	(138)	107
	Increase/(decrease) in trade and other payables	239	(122)	240
	Cash generated from operations	451	2	629