

**COMPANY REGISTRATION NUMBER 1942924**

**HOWMAC LTD**  
**FINANCIAL STATEMENTS**  
**31 AUGUST 2013**

**PARKINSON MATTHEWS LLP**  
Chartered Accountants & Statutory Auditor  
Cedar House  
35 Ashbourne Road  
Derby

**HOWMAC LTD**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2013**

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the shareholders	6
Profit and loss account	8
Statement of total recognised gains and losses	9
Balance sheet	10
Cash flow statement	11
Notes to the financial statements	12
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	20
Notes to the detailed profit and loss account	21

# HOWMAC LTD

## OFFICERS AND PROFESSIONAL ADVISERS

### **The board of directors**

P.S. Cammerman  
J.G. Hemingway (Chairman)  
C.L. Robinson

### **Company secretary**

C.A.R. Gillams

### **Registered office**

Meon House  
Stratford Road  
Mickleton  
Chipping Campden  
Gloucestershire  
GL55 6SU

### **Auditor**

Parkinson Matthews LLP  
Chartered Accountants  
& Statutory Auditor  
Cedar House  
35 Ashbourne Road  
Derby

### **Bankers**

Lloyds TSB Bank plc  
39 Threadneedle Street  
London  
EC2R 8AU

# HOWMAC LTD

## DIRECTORS' REPORT

### YEAR ENDED 31 AUGUST 2013

The directors present their report and the financial statements of the company for the year ended 31 August 2013.

#### **Principal activities and business review**

Howmac's principal activity is to hold investments.

Howmac's net tangible assets rose by 15.4% over the year compared to a rise of 14.7% in the FTSE All Share index over the year.

The Investment Trust portfolio (mainly Private Equity) did exceptionally well, with significant realised profits from 3i, Caledonia and Templeton Emerging Markets, all of which were sold.

Strong unrealised profits also came from Electra and SVG (both partially sold) and Pantheon.

Substantial sales from the investment trust holdings were made, so they fell to just over 20% of the investments at the year end (down from over 50%).

The Channel Islands based Unit Trusts were unchanged on the year, these are mainly Absolute Return Funds and were 30% of our holdings at the year end, but rose to almost 50% shortly after the year end, due to new funds committed.

We also made an investment of £100,000 into the unquoted LLP that manages these Absolute Return Funds.

The Equity holdings (mainly property) were overall largely unchanged on the year and ended the year just below 10% of the portfolio, although that includes some sales and purchases.

Our holdings are now more focused. During the year the broad target adopted by the Board was to aim for 50% in Absolute Return Funds, 25% in Property and 25% in Private Equity.

As a consequence of realisations and the switch to Absolute Return Funds the deferred tax asset reduced further in the year. Income also fell for the same reason and administrative costs were broadly stable.

Although we ended the year with substantial cash balances, this was largely committed, as set out above.

# HOWMAC LTD

## DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2013

### Results for the year

The results below show the ten year record of net tangible asset value per share measured against the FTSE All Share Index at the balance sheet date.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Howmac NAV £</b>	<b>302</b>	<b>326</b>	<b>432</b>	<b>512</b>	<b>556</b>	<b>500</b>	<b>408</b>	<b>464</b>	<b>492</b>	<b>504</b>	<b>580</b>
<b>Growth/ (Decline) £</b>	<b>33</b>	<b>24</b>	<b>106</b>	<b>80</b>	<b>44</b>	<b>(56)</b>	<b>(92)</b>	<b>56</b>	<b>28</b>	<b>12</b>	<b>76</b>
<b>Howmac/ All share %</b>	<b>7.7</b>	<b>(2.9)</b>	<b>8.4</b>	<b>1.7</b>	<b>(3.2)</b>	<b>(1.4)</b>	<b>(10.2)</b>	<b>3.1</b>	<b>(1.3)</b>	<b>(3.8)</b>	<b>0.7</b>

### Shareholder matters

The share consolidation on the basis of 4000 old 2 pence shares for one new £80 share has been completed and you should have surrendered your old certificate and now hold a new one in the name of Howmac Ltd. If you have not done so, please do so as a matter of some urgency. Failure to do so may lead you to be treated as an untraced holder and will make it harder to transact in the shares.

If you have queries please do contact the Company Secretary at the Registered Office. Our website also includes further shareholder information.

### Results and dividends

The profit for the year was £71,242 before taxation. There was a further positive revaluation movement on investments of £68,585. There was no current tax charge but the deferred tax asset reduced by £55,977. The directors have not recommended a dividend.

# HOWMAC LTD

## DIRECTORS' REPORT (*continued*)

YEAR ENDED 31 AUGUST 2013

### **Financial instruments**

#### **Financial risk management objectives and policies**

The company's principal financial instruments comprise bank balances, fixed asset investments and trade creditors. The main purpose of these instruments is to raise funds for the company's operations, maximise shareholder wealth and to finance the company's investment operations.

Due to the nature of the trade and the financial instruments used by the company there is exposure to stock market fluctuations in stocks and share prices and therefore to price risk. The company's approach to managing this price risk is to maintain a well balanced and monitored investment portfolio.

Adequate bank balances exist to eliminate liquidity risk. The company may make use of money market facilities when funds are available.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The company currently has no loan or overdraft facility requirement.

### **Directors**

The directors who served the company during the year were as follows:

P.S. Cammerman

J.G. Hemingway (Chairman)

C.L. Robinson

C.L. Robinson was appointed as a director on 8 September 2012.

P.S. Cammerman retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

### **Policy on the payment of creditors**

The company pays all its creditors in accordance with the suppliers' terms. The average payment period was nil. A copy of the payment policy can be obtained from the registered office of the company.

### **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 profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

# HOWMAC LTD

## DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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.

### **Auditor**

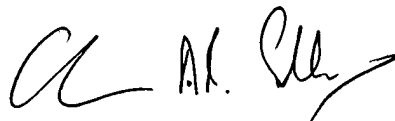
Parkinson Matthews LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:  
Meon House  
Stratford Road  
Mickleton  
Chipping Campden  
Gloucestershire  
GL55 6SU

Signed on behalf of the directors



C.A.R. Gillams

Company Secretary

Approved by the directors on ...3/4/14.....

# HOWMAC LTD

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HOWMAC LTD

YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of Howmac Ltd for the year ended 31 August 2013 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes. 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 shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on pages 4 to 5, 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. 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 company's affairs as at 31 August 2013 and of its 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.



# HOWMAC LTD

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HOWMAC LTD (*continued*)

YEAR ENDED 31 AUGUST 2013

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Cedar House  
35 Ashbourne Road  
Derby

.....

KEVIN PARKINSON (Senior  
Statutory Auditor)  
For and on behalf of  
PARKINSON MATTHEWS LLP  
Chartered Accountants  
& Statutory Auditor

**HOWMAC LTD**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 AUGUST 2013**

	Note	2013 £	2012 £
<b>Turnover</b>		-	-
Administrative expenses		<b>12,929</b>	10,658
Other operating income	2	<u>(2,170)</u>	<u>(2,235)</u>
<b>Operating loss</b>	3	<b>(10,759)</b>	<b>(8,423)</b>
Profit/(loss) on sale of investments		<b>67,222</b>	33,588
Income from fixed asset investments	6	<b>14,779</b>	15,385
<b>Profit on ordinary activities before taxation</b>		<u><b>71,242</b></u>	<u>40,550</u>
Tax on profit on ordinary activities	7	<b>(55,977)</b>	<b>(66,465)</b>
<b>Profit/(loss) for the financial year</b>		<u><b>15,265</b></u>	<u><b>(25,915)</b></u>

All of the activities of the company are classed as continuing.

**The notes on pages 12 to 18 form part of these financial statements.**

# HOWMAC LTD

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 AUGUST 2013

	2013	2012
	£	£
Profit/(Loss) for the financial year attributable to the shareholders	15,265	(25,915)
Unrealised profit/(loss) on revaluation of: Investments brought forward	<u>68,585</u>	<u>(15,450)</u>
Total gains and losses recognised since the last annual report	<u>83,850</u>	<u>(41,365)</u>

The notes on pages 12 to 18 form part of these financial statements.

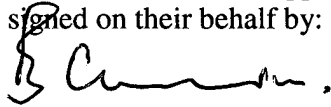
# HOWMAC LTD

## BALANCE SHEET

31 AUGUST 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Investments	8	<u>736,143</u>	<u>921,755</u>
<b>Current assets</b>			
Debtors	9	85,000	202,443
Cash at bank		<u>348,152</u>	<u>2,184</u>
		433,152	204,627
<b>Creditors: amounts falling due within one year</b>	11	<u>9,262</u>	<u>50,199</u>
<b>Net current assets</b>		<u>423,890</u>	<u>154,428</u>
<b>Total assets less current liabilities</b>		<u>1,160,033</u>	<u>1,076,183</u>
<b>Capital and reserves</b>			
Called-up equity share capital	13	148,320	148,320
Revaluation reserve	14	86,018	185,551
Profit and loss account	15	<u>925,695</u>	<u>742,312</u>
<b>Shareholders' funds</b>	16	<u>1,160,033</u>	<u>1,076,183</u>

These accounts were approved by the directors and authorised for issue on .....3/4/14....., and are signed on their behalf by:



P.S. Cammerman  
Director

Company Registration Number: 1942924

The notes on pages 12 to 18 form part of these financial statements.

**HOWMAC LTD**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 AUGUST 2013**

	Note	2013 £	2012 £
<b>Net cash inflow/(outflow) from operating activities</b>	<b>17</b>	<b>9,611</b>	<b>(44,670)</b>
<b>Returns on investments and servicing of finance</b>	<b>17</b>	<b>14,779</b>	<b>15,385</b>
<b>Taxation</b>	<b>17</b>	<b>159</b>	<b>76</b>
<b>Capital expenditure and financial investment</b>	<b>17</b>	<b>321,419</b>	<b>20,195</b>
<b>Increase/(decrease) in cash</b>	<b>17</b>	<b><u>345,968</u></b>	<b><u>(9,014)</u></b>

**The notes on pages 12 to 18 form part of these financial statements.**

# HOWMAC LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation of fixed assets only to the extent that, at the Balance Sheet date, there is a binding agreement to dispose of the assets concerned.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

#### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

#### Fixed asset investments

Fixed asset investments are included in the accounts at stock market value or in the absence thereof at the directors' valuation or cost whichever is the lower.

### 2. Other operating income

	2013	2012
	£	£
Other operating income	<u>2,170</u>	<u>2,235</u>

### 3. Operating loss

Operating loss is stated after charging:

	2013	2012
	£	£
Auditor's remuneration - as auditor	<u>2,500</u>	<u>2,890</u>

# HOWMAC LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

### 4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2013	2012
	No	No
Number of management staff	<u>1</u>	<u>1</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	5,000	5,000
Social security costs	-	-
	<u>5,000</u>	<u>5,000</u>

### 5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Remuneration receivable	<u>5,000</u>	<u>5,000</u>

### 6. Income from fixed asset investments

	2013	2012
	£	£
Income from other fixed asset investments	<u>14,779</u>	<u>15,385</u>

### 7. Taxation on ordinary activities

#### Analysis of charge in the year

	2013	2012
	£	£
Deferred tax:		
Origination and reversal of timing differences (note 10)		
Losses	<u>55,977</u>	<u>66,465</u>

# HOWMAC LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

### 8. Investments

	Unit Trusts £	Unlisted £	Equities £	Investment Trusts £	Total £
<b>Cost or valuation</b>					
At 1 September 2012	297,043	-	106,060	518,652	921,755
Additions	-	100,000	11,010	-	111,010
Disposals	-	-	(28,740)	(336,467)	(365,207)
Revaluations	(2,202)	-	9,445	61,342	68,585
At 31 August 2013	<u>294,841</u>	<u>100,000</u>	<u>97,775</u>	<u>243,527</u>	<u>736,143</u>
<b>Net book value</b>					
At 31 August 2013	<u>294,841</u>	<u>100,000</u>	<u>97,775</u>	<u>243,527</u>	<u>736,143</u>
At 31 August 2012	<u>297,043</u>	<u>-</u>	<u>106,060</u>	<u>518,652</u>	<u>921,755</u>

Included in the above is £41,125 (2012: £61,990) in securities traded in London on AIM. The Unit Trusts are both Channel Islands registered investments. The new unlisted investment is in RMG Wealth Management LLP "RMG LLP" a business involved in wealth management. RMG LLP managed just below 20% of the company's investment holdings at the year end and a commitment existed at the balance sheet date to increase this by £300,000.

### 9. Debtors

	2013 £	2012 £
Trade debtors	-	61,307
Corporation tax repayable	-	159
Deferred taxation (note 10)	<b>85,000</b>	140,977
	<u><b>85,000</b></u>	<u>202,443</u>

### 10. Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2013 £	2012 £
Included in debtors (note 9)	<b>85,000</b>	140,977

The movement in the deferred taxation account during the year was:

	2013 £	2012 £
Balance brought forward	<b>140,977</b>	207,442
Profit and loss account movement arising during the year	<b>(55,977)</b>	(66,465)
Balance carried forward	<u><b>85,000</b></u>	<u>140,977</u>



# HOWMAC LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

### 10. Deferred taxation (*continued*)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2013	2012
	£	£
Tax losses available	<u>85,000</u>	<u>140,977</u>
	<u>85,000</u>	<u>140,977</u>

A deferred tax asset was recognised in 2010 following a review by the directors of the expected future gains on investments in the company. This is based upon an assessment of projected gains of the company over a twelve year cycle at a discounted net present value of 8%. The deferred tax asset is anticipated to be recoverable after more than one year. The value was reviewed in 2013 and reduced to reflect i) realised gains and ii) a more conservative view of the rate of realisation of future capital gains.

### 11. Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	-	27,387
Accruals and deferred income	<u>9,262</u>	<u>22,812</u>
	<u>9,262</u>	<u>50,199</u>

### 12. Related party transactions

During the period the company invested £nil (2012 : £3,000) in Evince Technology Ltd "Evince" an unlisted investment which has been fully provided for at 31 August 2013 and 31 August 2012 as in the opinion of the directors the investment value is uncertain, as it is an early stage technology investment. The company owns 3.74% of the ordinary shares of Evince. J.G. Hemingway (a director of the company) is also a director of Garfold Ltd (also a subsidiary of Morgan Hemingway & Co Ltd) at the balance sheet date Garfold Ltd owned 18.84% of Evince. P.S. Cammerman was appointed a director of Evince on 16 November 2012.

During the period the company invested in RMG Wealth Management LLP for 20% of the capital of that entity as did The Morgan Trust Company Ltd for 12% of the capital. Since the balance sheet date The Morgan Trust Company Ltd has become the ultimate controlling party of the company as majority shareholder (see note 18).

Morgan, Hemingway & Co Ltd is the controlling party of the company as the majority shareholder at 31 August 2013.

# HOWMAC LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

### 13. Share capital

#### Authorised share capital:

	2013	2012
	£	£
7,000 Ordinary shares of £80 each	<u>560,000</u>	<u>560,000</u>

#### Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £80 each	<u>1,854</u>	<u>148,320</u>	<u>1,854</u>	<u>148,320</u>

On 7th July 2011 the Company consolidated its share capital on the basis of 4000 old 2 pence shares for one new £80 share. Holders of a fraction of a new share were entitled to claim the proceeds of the sale (subject to certain conditions) of such shares. It is considered likely that the majority of those unclaimed will do so within twelve months of the balance sheet date of 31 August 2013.

Where holders are untraced for a number of years, the Company is empowered to sell those shares. The holders retain a claim on the proceeds of such sales for a further period of time, it is considered unlikely that many such claims will be made, but they are provided for in full, until time barred.

### 14. Revaluation reserve

	2013	2012
	£	£
Balance brought forward	185,551	357,107
Revaluation of fixed assets	68,585	(15,450)
Transfer to the Profit and Loss Account on realisation	<u>(168,118)</u>	<u>(156,106)</u>
Balance carried forward	<u>86,018</u>	<u>185,551</u>

### 15. Profit and loss account

	2013	2012
	£	£
Balance brought forward	742,312	612,121
Profit/(loss) for the financial year	15,265	(25,915)
Transfer from revaluation reserve	<u>168,118</u>	<u>156,106</u>
Balance carried forward	<u>925,695</u>	<u>742,312</u>

# HOWMAC LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

### 16. Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit/(Loss) for the financial year	15,265	(25,915)
Other net recognised gains and losses	68,585	(15,450)
Transfer from revaluation reserve	168,118	156,106
Transfer to profit and loss account	(168,118)	(156,106)
Net addition/(reduction) to shareholders' funds	83,850	(41,365)
Opening shareholders' funds	1,076,183	1,117,548
Closing shareholders' funds	1,160,033	1,076,183

### 17. Notes to the cash flow statement

#### Reconciliation of operating loss to net cash inflow/(outflow) from operating activities

	2013	2012
	£	£
Operating loss	(10,759)	(8,423)
Decrease/(increase) in debtors	61,307	(45,078)
(Decrease)/increase in creditors	(40,937)	8,831
Net cash inflow/(outflow) from operating activities	9,611	(44,670)

#### Returns on investments and servicing of finance

	2013	2012
	£	£
Income from other fixed asset investments	14,779	15,385
Net cash inflow from returns on investments and servicing of finance	14,779	15,385

#### Taxation

	2013	2012
	£	£
Taxation	159	76

#### Capital expenditure and financial investment

	2013	2012
	£	£
Acquisition of fixed asset investments	(111,010)	(330,387)
Disposal of fixed asset investments	432,429	350,582
Net cash inflow for capital expenditure and financial investment	321,419	20,195

# HOWMAC LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

### 17. Notes to the cash flow statement (*continued*)

#### Reconciliation of net cash flow to movement in net funds

	2013	2012
	£	£
Increase/(Decrease) in cash in the period	<u>345,968</u>	<u>(9,014)</u>
Movement in net funds in the period	<u>345,968</u>	<u>(9,014)</u>
Net funds at 1 September 2012	<u>2,184</u>	<u>11,198</u>
Net funds at 31 August 2013	<u>348,152</u>	<u>2,184</u>

#### Analysis of changes in net funds

	At 1 Sep 2012	Cash flows	At 31 Aug 2013
	£	£	£
Net cash:			
Cash in hand and at bank	<u>2,184</u>	<u>345,968</u>	<u>348,152</u>
Net funds	<u>2,184</u>	<u>345,968</u>	<u>348,152</u>

### 18. Post balance sheet events

On 28th January 2014 Morgan Hemingway & Co Ltd transferred its shareholding in Howmac Limited to The Morgan Trust Company Ltd.

Also since the balance sheet date Howmac Limited invested a further £300,000 in the RMG managed Absolute Return Fund (a Channel Islands Unit Trust) in accordance with the funding agreement for investing in the RMG Wealth Management LLP.

### 19. Immediate parent company

The company's immediate parent company is Morgan, Hemingway & Co Ltd which is registered in England and Wales.

**HOWMAC LTD**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 AUGUST 2013**

	<b>2013</b>	2012
	<b>£</b>	£
<b>Overheads</b>		
Administrative expenses	<u>12,929</u>	<u>10,658</u>
	<b>(12,929)</b>	<b>(10,658)</b>
<b>Other operating income</b>		
Other operating income	<u>2,170</u>	<u>2,235</u>
<b>Operating loss</b>	<b>(10,759)</b>	<b>(8,423)</b>
Profit/(loss) on sale of investments	<u>67,222</u>	<u>33,588</u>
	<b>56,463</b>	<b>25,165</b>
Income from other fixed asset investments	<u>14,779</u>	<u>15,385</u>
	<b>71,242</b>	<b>40,550</b>
<b>Profit on ordinary activities</b>	<u><u>71,242</u></u>	<u><u>40,550</u></u>

# HOWMAC LTD

## NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

### YEAR ENDED 31 AUGUST 2013

	2013		2012
	£	£	£
<b>Administrative expenses</b>			
<b>Personnel costs</b>			
Directors salaries		5,000	5,000
<b>General expenses</b>			
Legal and professional fees	5,314		2,657
Auditors remuneration	2,500		2,890
		7,814	5,547
<b>Financial costs</b>			
Bank charges		115	111
		<u>12,929</u>	<u>10,658</u>