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**HEATHCROFT PROPERTIES LIMITED**

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**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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## HEATHCROFT PROPERTIES LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	G Patterson S Webster G Pearson-Gregory (appointed 22 July 2022)
<b>Registered number</b>	02967419
<b>Registered office</b>	The Old Boiler House Brewery Courtyard Draymans Lane Marlow Buckinghamshire SL7 2FF
<b>Independent auditors</b>	Donald Reid Limited Chartered Accountants & Statutory Auditors Prince Albert House 20 King Street Maidenhead Berkshire SL6 1DT

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**HEATHCROFT PROPERTIES LIMITED**

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**HEATHCROFT PROPERTIES LIMITED**  
**REGISTERED NUMBER: 02967419**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets		1	1
Investment property	5	22,285	19,100
		<u>22,286</u>	<u>19,101</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	6	115	115
Debtors: amounts falling due within one year	6	257	1,081
Cash at bank and in hand	7	501	367
		<u>873</u>	<u>1,563</u>
Creditors: amounts falling due within one year	8	(1,051)	(636)
<b>Net current (liabilities)/assets</b>		<u>(178)</u>	<u>927</u>
<b>Total assets less current liabilities</b>		<u>22,108</u>	<u>20,028</u>
Creditors: amounts falling due after more than one year	9	(283)	-
<b>Provisions for liabilities</b>			
Deferred tax	10	(2,028)	(899)
		<u>(2,028)</u>	<u>(899)</u>
<b>Net assets</b>		<u>19,797</u>	<u>19,129</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,304	1,304
Share premium account		91	91
Profit and loss account		18,402	17,734
		<u>19,797</u>	<u>19,129</u>

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**HEATHCROFT PROPERTIES LIMITED**  
**REGISTERED NUMBER: 02967419**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2022.

**G Patterson**

Director

The notes on pages 3 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**1. General information**

Heathcroft Properties Limited is a private company limited by shares. The company was incorporated in the United Kingdom and is registered in England & Wales. The registration number is 02967419. The registered office is The Old Boiler House, Brewery Courtyard, Draymans Lane, Marlow, Buckinghamshire, SL7 2FF. The functional currency is GBP rounded to the nearest £1,000.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Going concern**

Given the strong cash reserves of the company, the financial strength of the tenants and the refinancing with Lloyds Bank Plc of the new group on 22 July 2022, the directors consider the company to be in a strong position for the future. The directors have also reviewed their cashflow forecasts and as such consider it appropriate for these financial statements to be prepared on a going concern basis.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rental income is recognised in the period it relates as per the rental contract.

Service charge income is presented net of costs incurred.

**2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.5 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.6 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.7 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.8 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.9 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.14 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.15 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Employees**

The average monthly number of employees, including directors, during the year was 4 (2020 - 4).

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NOTES TO THE FINANCIAL STATEMENTS  
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4. Tangible fixed assets

	Office equipment £000
<b>Cost or valuation</b>	
At 1 January 2021	19
Additions	1
	<hr/>
At 31 December 2021	20
	<hr/>
<b>Depreciation</b>	
At 1 January 2021	18
Charge for the year on owned assets	1
	<hr/>
At 31 December 2021	19
	<hr/>
<b>Net book value</b>	
At 31 December 2021	<hr/> <u>1</u>
<b>At 31 December 2020</b>	<hr/> <u>1</u>

HEATHCROFT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Investment property

	Freehold investment property £000	Short term leasehold investment property £000	Total £000
<b>Valuation</b>			
At 1 January 2021	14,040	5,060	19,100
Additions at cost	578	64	642
Surplus on revaluation	1,197	1,346	2,543
<b>At 31 December 2021</b>	<b>15,815</b>	<b>6,470</b>	<b>22,285</b>

The 2021 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2021 £000	2020 £000
Historic cost	9,236	8,594
	<b>9,236</b>	<b>8,594</b>

6. Debtors

	2021 £000	2020 £000
<b>Due after more than one year</b>		
Accrued income	115	115
	<b>115</b>	<b>115</b>
<b>Due within one year</b>		
Trade debtors	18	45
Amounts owed by group undertakings	-	963
Other debtors	-	10
Prepayments and accrued income	239	63
	<b>257</b>	<b>1,081</b>

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HEATHCROFT PROPERTIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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7. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	501	367
	<u>501</u>	<u>367</u>

8. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	101	85
Corporation tax	-	85
Other taxation and social security	1	-
Other creditors	216	75
Accruals and deferred income	733	391
	<u>1,051</u>	<u>636</u>

9. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Accruals and deferred income	283	-
	<u>283</u>	<u>-</u>

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**HEATHCROFT PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**10. Deferred taxation**

	2021 £000	2020 £000
At beginning of year	(899)	(962)
Charged to profit or loss	(1,129)	63
<b>At end of year</b>	<b>(2,028)</b>	<b>(899)</b>

The provision for deferred taxation is made up as follows:

	2021 £000	2020 £000
Other timing differences	36	28
Accelerated capital allowances	(37)	-
Capital gains on revaluation of investment properties	(2,027)	(927)
	<b>(2,028)</b>	<b>(899)</b>

**11. Share capital**

	2021 £000	2020 £000
<b>Allotted, called up and fully paid</b>		
1,304,424 (2020 - 1,304,424) Ordinary shares of £1.00 each	<b>1,304</b>	<b>1,304</b>

**12. Contingent liabilities**

At the year end, the company's assets were secured against the bank borrowings of Heathcroft Property Investments Limited, which is a company within the same group. The borrowings at year end amounted to £11,142k (2020: £11,303k). Please refer to note 15 for further details regarding contingent liabilities arising after the balance sheet date.

**13. Pension commitments**

The Company operates a defined contributions 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 and amounted to £0k (2020: £0k). Contributions totalling £0k (2020: £0k) were payable to the fund at the balance sheet date and are included in creditors.

NOTES TO THE FINANCIAL STATEMENTS  
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**14. Related party transactions**

FRS 102 does not require disclosure of transactions entered into between two or more members of a group. As a wholly owned subsidiary, Heathcroft Properties Limited has chosen not to disclose transactions and balances with members of its group.

During the period the company was charged management consultancy fees of £210k (2020: £214k) from companies with which key management personnel have influence.

**15. Post balance sheet events**

On 22 July 2022, Heathcroft Properties Limited was fully acquired by Monmax Holdings Limited from Heathcroft Property Investments Limited.

On 22 July 2022, the company's assets became secured against the bank borrowings of £23,176k of Monmax Holdings Limited, which is the immediate parent company, which represent a portion of the full security of £37,960k provided by subsidiary companies of Monmax Holdings Limited.

On 22 July 2022, the company's existing contingent liability held within its former parent company, Heathcroft Property Investments Limited, was fully repaid. To facilitate this, an interest-free loan repayable on demand from Monmax Finance Limited, a limited company incorporated and registered in England and Wales and fellow subsidiary company of Monmax Holdings Limited, was made to Heathcroft Properties Limited.

**16. Controlling party**

Heathcroft Property Investments Limited, a company incorporated in England and Wales was the immediate parent company as at year end.

The company's ultimate controlling party as at year end was Heathcroft 2018 Limited, a company incorporated and registered in England and Wales.

As of 22 July 2022, the immediate and ultimate parent company is Monmax Holdings Limited, a company incorporated and registered in England and Wales. Giles Patterson and Guy Pearson-Gregory are the ultimate controlling parties by virtue of their holdings of 100% of the issued Ordinary share capital of Monmax Holdings Limited.

**17. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 30 September 2022 by Daniel Reid FCA (Senior statutory auditor) on behalf of Donald Reid Limited.



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