

HATHAWAY PROPERTY COMPANY LIMITED

ANNUAL REPORT

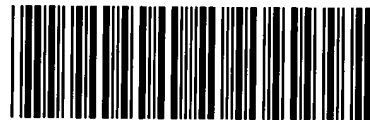
FOR THE YEAR ENDED 31 DECEMBER 2016

Registered Number: 05131317

Registered Office:

Tiddington Road
Stratford-upon-Avon
Warwickshire
CV37 7BJ

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HATHAWAY PROPERTY COMPANY LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2016

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HATHAWAY PROPERTY COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and audited financial statements of Hathaway Property Company Limited ("the Company") for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of the holding company for the Head Office property used by the ultimate parent company, The National Farmers Union Mutual Insurance Society Limited.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

During the year the Company undertook a revaluation of the Head Office property, there has been a £750,000 increase in its asset valuation to £5,600,000 (2015: £4,850,000). The directors have adopted an annual Fixed Asset revaluation policy.

The directors anticipate that there will be no change to the activities of the Company going forward. Given the straight forward nature of the company, the directors are of the opinion that a review using key performance indicators is not necessary for the understanding of the financial statements.

DIVIDENDS

The directors do not recommend the payment of a dividend (2015: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk management

The Company is exposed to financial risk through its financial assets and financial liabilities. From the Company's perspective the key risk is market risk.

Market Risk

The market risk to the Company is a fall in property markets as its land is held at market value. This risk is mitigated for the Company by a team who look after the property and monitors its value on a yearly basis.

GOING CONCERN

The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

HATHAWAY PROPERTY COMPANY LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS

The directors during the year and up to the signing of the financial statements were as follows:

K Arif, B.Soc.Sc. (Hons) F.I.A
R M Topps, BSc (Hons) MRICS

The Company Secretary during the year and up to the date of signing the financial statements was:

J D Creechan

The Parent Company has put in place deeds of indemnity for the benefit of the directors and Company Secretary of the Parent Company and of its associated companies. The deeds of indemnity are qualifying third party indemnity provisions in accordance with the Companies Act 2006. The qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

STATEMENT OF DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

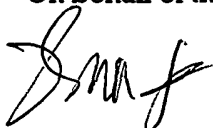
Each of the directors at the date of approval of this report confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) the director has taken all the steps that they ought to have taken as a director in order to make them-self aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board



K Arif
Director
27 April 2017

HATHAWAY PROPERTY COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

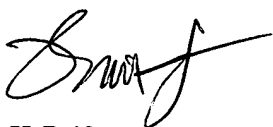
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 group and the company and of the profit or loss of the group and the company 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 United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



K Arif
Director

27 April 2017

HATHAWAY PROPERTY COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HATHAWAY PROPERTY COMPANY LIMITED

Report on the financial statements

Our opinion

In our opinion, Hathaway Property Company Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

HATHAWAY PROPERTY COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HATHAWAY PROPERTY COMPANY LIMITED (Continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

HATHAWAY PROPERTY COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HATHAWAY PROPERTY COMPANY LIMITED (Continued)

What an audit of financial statements involves

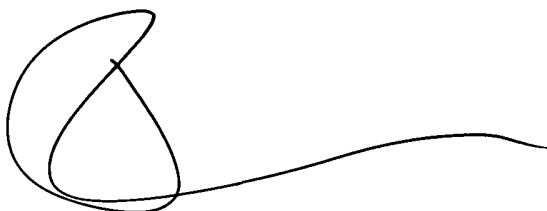
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Joanne Leeson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
27 April 2017

HATHAWAY PROPERTY COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u> £	<u>2015</u> £
TURNOVER		-	-
OPERATING RESULT		-	-
Unrealised surplus on revaluation of properties		750,000	600,000
PROFIT BEFORE TAXATION		750,000	600,000
Tax on profit	5	-	-
PROFIT FOR THE FINANCIAL YEAR		<u>750,000</u>	<u>600,000</u>

The prior year unrealised surplus on revaluation of properties has been reclassified to account for the treatment of the investment property in line with FRS 102.

The Company has no other comprehensive income other than the profit above and, therefore, no separate statement of other comprehensive income has been presented.

The information on Pages 11-13 are an integral part of the financial statements.

HATHAWAY PROPERTY COMPANY LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u> £	<u>2015</u> £
<u>FIXED ASSETS</u>			
Investment property	6	5,600,000	4,850,000
<u>CURRENT ASSETS</u>			
Debtors		1	1
TOTAL ASSETS		<u>5,600,001</u>	<u>4,850,001</u>
NET ASSETS		<u>5,600,001</u>	<u>4,850,001</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	7	1,200,001	1,200,001
Retained earnings		<u>4,400,000</u>	<u>3,650,000</u>
TOTAL EQUITY		<u>5,600,001</u>	<u>4,850,001</u>

The information on pages 11-13 are an integral part of the financial statements.

The financial statements on pages 8-13 were approved by the board of directors on 27 April 2017 and were signed on its behalf by:



K Arif
DIRECTOR
27 April 2017

Company Number: 05131317

HATHAWAY PROPERTY COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Called up</u> <u>Share</u> <u>Capital</u> £	<u>Retained</u> <u>Earnings</u> £	<u>Total</u> <u>Shareholders'</u> <u>Funds 2016</u> £	<u>Total</u> <u>Shareholders'</u> <u>Funds 2015</u> £
Balance at 1 January	1,200,001	3,650,000	4,850,001	4,250,001
<i>Profit for the financial year</i>	-	750,000	750,000	600,000
Balance at 31 December	1,200,001	4,400,000	5,600,001	4,850,001

HATHAWAY PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 ACCOUNTING POLICIES

Hathaway Property Company Limited is a private limited company in the United Kingdom. The registered address is: Tiddington Road, Stratford Upon Avon, CV37 7BJ.

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Companies Act 2006, applicable accounting standards and accounting policies in the United Kingdom (including FRS 102), under the historical cost convention, with the exception of land & buildings which are stated at fair value. The main accounting policies have been set out below:

a) **Going Concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on Page 2. The directors believe that given the simple nature of the business it is appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements.

b) **New Accounting Standards**

No new accounting standards were adopted during the year.

c) **Depreciation**

The value of land is not depreciated. The directors have assessed that the majority of the value of fixed assets relate to land rather than buildings, consequently no charge is made for depreciation on buildings as it is immaterial.

d) **Investment Property**

The property is valued annually by independent external Chartered Surveyors at Open Market Value, in accordance with RICS Appraisal and Valuation Manual with annual fair value movements taken through the profit and loss account in line with FRS 102.

2 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate Parent Company, The National Farmers Union Mutual Insurance Society Limited, includes the company's cash flows in its own consolidated financial statements. The National Farmers Union Mutual Insurance Society's consolidated financial statements are publicly available.

3 DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

Services rendered by directors employed within the Group, in respect of the Company, are considered incidental to their role within the Group as a whole. Emoluments are therefore considered to be nil (2015: nil) in respect of these services.

There were no employees during 2016 (2015: nil).

HATHAWAY PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 AUDITORS' REMUNERATION

Audit fees net of VAT of £4,100 (2015: £4,000) are borne by the ultimate parent company, The National Farmers Union Mutual Insurance Society Limited.

5 TAX ON PROFIT

There has been no tax charge or credit for the current year or prior year as no profit or loss has been made.

6 INVESTMENT PROPERTY VALUATION

	<u>2016</u>	<u>2015</u>
	<u>Land</u>	<u>Land</u>
	£	£
Valuation at 1 January	4,850,000	4,250,000
Revaluation	750,000	600,000
Accumulated at 31 December	<u>5,600,000</u>	<u>4,850,000</u>

The only asset held by the Company relates to land, which is not depreciated, which is held at market value. All land is valued annually by independent external Chartered Surveyors, Cushman & Wakefield, at Open Market Value, in accordance with RICS Appraisal and Valuation Manual.

The original cost of the land is £1,200,000.

7 CALLED UP SHARE CAPITAL

	<u>2016</u>	<u>2015</u>
	£	£
<u>Authorised:</u> 1,300,000 (2015: 1,300,000) ordinary shares of £1 each	<u>1,300,000</u>	<u>1,300,000</u>
<u>Allotted and fully paid:</u> 1,200,001 (2015: 1,200,001) ordinary shares of £1 each	<u>1,200,001</u>	<u>1,200,001</u>

HATHAWAY PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 ULTIMATE PARENT UNDERTAKING

The immediate Parent Company is NFU Mutual Management Company Limited, which is incorporated in England and Wales.

The Company's ultimate Parent undertaking and controlling party is The National Farmers Union Mutual Insurance Society Limited, which is incorporated in England and Wales.

The National Farmers Union Mutual Insurance Society Limited is the only parent undertaking to consolidate these financial statements at 31 December 2016. The consolidated financial statements of The National Farmers Union Mutual Insurance Society Limited are available from the Secretary at the following address:

Tiddington Road,
Stratford-upon-Avon.
Warwickshire
CV37 7BJ