

**HATHAWAY PROPERTY COMPANY LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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 2017**

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# **HATHAWAY PROPERTY COMPANY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their annual report and audited financial statements of Hathaway Property Company Limited ("the Company") for the year ended 31 December 2017.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006 and as such have not produced a Strategic Report.

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is the ownership of the land on which the Head Office property sits. The Head Office property is owned and 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 £4,600,000 increase in its asset valuation to £10,200,000 (2016: £5,600,000). 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 (2016: £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 2017**

#### **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	<i>Deceased 23 April 2018</i>
R M Topps, BSc (Hons) MRICS	
R Morley	<i>Appointed 4 May 2018</i>

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**

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.

#### **INDEPENDENT AUDITORS**

Following a competitive tender process, the Directors (following a recommendation from the Group's Audit Committee) have recommended that Deloitte LLP be appointed as the Group's auditor with effect from June 2018. Resolutions concerning Deloitte's appointment and authorising the Directors to set their remuneration will be proposed at a forthcoming General Meeting of the company.

On behalf of the Board



**R Morley**  
**Director**  
12 June 2018

# **HATHAWAY PROPERTY COMPANY LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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

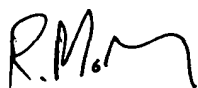
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic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



**R Morley**  
**Director**  
12 June 2018

# **HATHAWAY PROPERTY COMPANY LIMITED**

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

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Hathaway Property Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet; the Profit and Loss Account; the Statement of Changes in Equity; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

# **HATHAWAY PROPERTY COMPANY LIMITED**

## **PROFIT AND LOSS ACCOUNT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# **HATHAWAY PROPERTY COMPANY LIMITED**

## **PROFIT AND LOSS ACCOUNT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

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.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

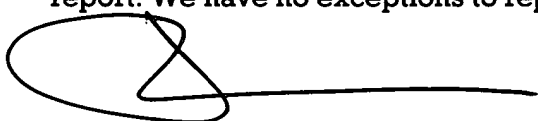
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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.



Joanne Leeson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
12 June 2018



**HATHAWAY PROPERTY COMPANY LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2017**

	<u>Note</u>	<u>2017</u> £	<u>2016</u> £
TURNOVER		-	-
OPERATING RESULT		-	-
Unrealised surplus on revaluation of properties		4,600,000	750,000
PROFIT BEFORE TAXATION		4,600,000	750,000
Tax on profit	5	-	-
PROFIT FOR THE FINANCIAL YEAR		4,600,000	750,000

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 2017**

	<u>Note</u>	<u>2017</u> £	<u>2016</u> £
<b><u>FIXED ASSETS</u></b>			
Investment holding	6	10,200,000	5,600,000
<b><u>CURRENT ASSETS</u></b>			
Debtors		1	1
<b>TOTAL ASSETS</b>		<u>10,200,001</u>	<u>5,600,001</u>
<b>NET ASSETS</b>		<u>10,200,001</u>	<u>5,600,001</u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called up share capital	7	1,200,001	1,200,001
Retained earnings		<u>9,000,000</u>	<u>4,400,000</u>
<b>TOTAL EQUITY</b>		<u>10,200,001</u>	<u>5,600,001</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 12 June 2018 and were signed on its behalf by:



**R Morley**  
**DIRECTOR**  
12 June 2018

Company Number: 05131317

**HATHAWAY PROPERTY COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<u>Called up</u> <u>Share</u> <u>Capital</u> £	<u>Retained</u> <u>Earnings</u> £	<u>Total</u> <u>Shareholders'</u> <u>Funds 2017</u> £	<u>Total</u> <u>Shareholders'</u> <u>Funds 2016</u> £
<b>Balance at 1 January</b>	1,200,001	4,400,000	5,600,001	4,850,001
<i>Profit for the financial year</i>	-	4,600,000	4,600,000	750,000
<b>Balance at 31 December</b>	<b>1,200,001</b>	<b>9,000,000</b>	<b>10,200,001</b>	<b>5,600,001</b>

# **HATHAWAY PROPERTY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **1 ACCOUNTING POLICIES**

Hathaway Property Company Limited is a private limited company incorporated 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 investment in land & buildings which are stated at fair value. Accounting policies have been applied consistently to all years presented unless otherwise stated.

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.

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 Limited'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 (2016: nil) in respect of these services.

There were no employees during 2017 (2016: nil).

# **HATHAWAY PROPERTY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **4 AUDITORS' REMUNERATION**

Audit fees net of VAT of £4,203 (2016: £4,100) 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 the profit relates to the revaluation of investment property and is outside the scope of corporation tax.

#### **6 INVESTMENT HOLDING**

	<u>2017</u>	<u>2016</u>
	<u>Land</u>	<u>Land</u>
	£	£
Valuation at 1 January	5,600,000	4,850,000
Revaluation	4,600,000	750,000
Accumulated at 31 December	<u>10,200,000</u>	<u>5,600,000</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 was £1,200,000.

#### **7 CALLED UP SHARE CAPITAL**

	<u>2017</u>	<u>2016</u>
	£	£
<u>Authorised:</u> 1,300,000 (2016: 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 (2016: 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 2017**

**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 2017. 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