

HATHAWAY PROPERTY COMPANY LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Registered Number: 05131317

Registered Office:

Tiddington Road
Stratford-upon-Avon
Warwickshire
CV37 7BJ



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HATHAWAY PROPERTY COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and audited financial statements of Hathaway Property Company Limited ("the Company") for the year ended 31 December 2018.

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 £1,900,000 (2017: £4,600,000) increase in its asset valuation to £12,100,000 (2017: £10,200,000). 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 (2017: £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 2018

DIRECTORS

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

K. Arif	<i>Deceased 23 April 2018</i>
R. Morley	<i>Appointed 4 May 2018</i>
R. Topps	

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

J. 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, Deloitte LLP, appointed in June 2018, 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:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information:

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

On behalf of the Board



R Morley
Director
23 May 2019

HATHAWAY PROPERTY COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

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

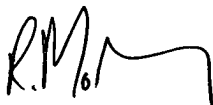
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic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

23 May 2019

HATHAWAY PROPERTY COMPANY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

In our opinion the financial statements of Hathaway Property Company Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 8.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

HATHAWAY PROPERTY COMPANY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2018

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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. This description forms part of our auditor's report.

HATHAWAY PROPERTY COMPANY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2018

Report on other legal and regulatory requirements

Opinions 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 the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

M. R. Watson

Martin Watson (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds
23 May 2019

HATHAWAY PROPERTY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
TURNOVER		-	-
OPERATING RESULT		-	-
Unrealised surplus on revaluation of properties		1,900,000	4,600,000
PROFIT BEFORE TAXATION		1,900,000	4,600,000
Tax on profit	5	-	-
PROFIT FOR THE FINANCIAL YEAR		<u>1,900,000</u>	<u>4,600,000</u>

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 2018**

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
<u>FIXED ASSETS</u>			
Investments	6	12,100,000	10,200,000
<u>CURRENT ASSETS</u>			
Debtors		1	1
TOTAL ASSETS		<u>12,100,001</u>	<u>10,200,001</u>
NET ASSETS		<u>12,100,001</u>	<u>10,200,001</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	7	1,200,001	1,200,001
Retained earnings		<u>10,900,000</u>	<u>9,000,000</u>
TOTAL SHAREHOLDERS' FUNDS		<u>12,100,001</u>	<u>10,200,001</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 23 May 2019 and were signed on its behalf by:



R Morley
DIRECTOR
23 May 2019

Hathaway Property Company Limited
Company Number: 05131317

HATHAWAY PROPERTY COMPANY LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>Called up</u> <u>Share</u> <u>Capital</u> £	<u>Retained</u> <u>Earnings</u> £	<u>Total</u> <u>Shareholders'</u> <u>Funds 2018</u> £	<u>Total</u> <u>Shareholders'</u> <u>Funds 2017</u> £
Balance at 1 January	1,200,001	9,000,000	10,200,001	5,600,001
<i>Profit for the financial year</i>	-	1,900,000	1,900,000	4,600,000
Balance at 31 December	1,200,001	10,900,000	12,100,001	10,200,001

HATHAWAY PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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) 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 (2017: nil) in respect of these services.

There were no employees during 2018 (2017: nil).

HATHAWAY PROPERTY COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2018****4 AUDITORS' REMUNERATION**

Audit fees net of VAT of £4,300 (2017: £4,203) 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 INVESTMENTS

	<u>2018</u>	<u>2017</u>
	<u>Land</u>	<u>Land</u>
	£	£
Valuation at 1 January	10,200,000	5,600,000
Revaluation	1,900,000	4,600,000
Accumulated at 31 December	<u>12,100,000</u>	<u>10,200,000</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>2018</u>	<u>2017</u>
	£	£
<u>Authorised:</u> 1,300,000 (2017: 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 (2017: 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 2018

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 2018. 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