

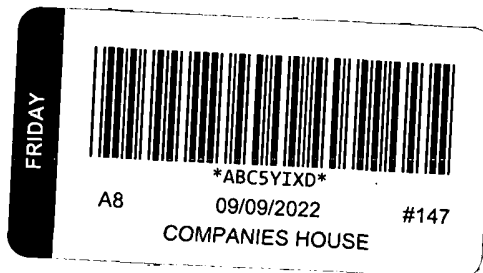
HATHAWAY PROPERTY COMPANY LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Registered Number: 05131317

Registered Office:
Tiddington Road
Stratford-upon-Avon
Warwickshire
CV37 7BJ



HATHAWAY PROPERTY COMPANY LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2021

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HATHAWAY PROPERTY COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and audited financial statements of Hathaway Property Company Limited ("the Company") for the year ended 31 December 2021.

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 during the reporting period was the ownership of the Head Office property used by the ultimate parent company, The National Farmers Union Mutual Insurance Society Limited. The ownership of the property was transferred to the ultimate parent company in the reporting period and it is anticipated that the company will be wound up.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

On the 28th December 2021 the Company enacted a transfer of the Head Office property to its ultimate parent company, The National Farmers Union Mutual Insurance Society Limited, at a valuation of £13,750,000. The company realised cumulative gains of £12,550,000 upon transfer of the property.

In 2021 the Company reported a profit after tax of £2,627,139 (2020: £243,000). During the year the Company has unwound the deferred tax provision as a result of the transfer of its investment property to a company in the same capital tax group.

Given the straightforward 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.

As the primary purpose of the company was solely holding the Head Office property which was transferred in the reporting period, the Directors anticipate the company will be wound up within 12 months from the balance sheet date.

DIVIDENDS

The directors do not recommend the payment of a dividend (2020: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

Coronavirus

The risk associated with the ongoing Coronavirus pandemic has been considered by the The National Farmers Union Mutual Insurance Society Limited (the Group), further details are shown in the Group Annual Report.

HATHAWAY PROPERTY COMPANY LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial risk management

The Company is exposed to financial risk through its financial assets and financial liabilities.

GOING CONCERN

The Directors anticipate the company will be wound up within 12 months from the balance sheet date and the financial statements have been prepared on a basis other than that of a going concern. This basis includes, where applicable, writing the company's assets down to net realisable value, no such adjustments have been required. No provision has been made for the future costs of terminating the business as no such costs were committed at the reporting date.

DIRECTORS

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

R. Morley

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 at the date of approval of the financial statements.

HATHAWAY PROPERTY COMPANY LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

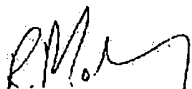
The auditors, Deloitte LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

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

- 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
30 June 2022

HATHAWAY PROPERTY COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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

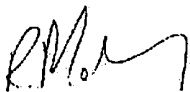
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic 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 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
30 June 2022

HATHAWAY PROPERTY COMPANY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Report on the audit of the financial statements

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 2021 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 10.

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.

Emphasis of matter-Financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

HATHAWAY PROPERTY COMPANY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

HATHAWAY PROPERTY COMPANY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act of 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports.

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.

HATHAWAY PROPERTY COMPANY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and 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.

S. Cumberbatch.

Stewart Cumberbatch (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

30 June 2022

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HATHAWAY PROPERTY COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> £	<u>2020</u> £
TURNOVER		-	-
OPERATING RESULT		-	-
Fair value movement during the period	7	450,000	300,000
PROFIT BEFORE TAXATION		450,000	300,000
Deferred tax	5	2,177,139	(57,000)
PROFIT FOR THE FINANCIAL YEAR		2,627,139	243,000

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 13 to 16 are an integral part of the financial statements.

HATHAWAY PROPERTY COMPANY LIMITED

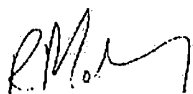
BALANCE SHEET

AS AT 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> £	<u>2020</u> £
<u>FIXED ASSETS</u>			
Investment Property	7	-	13,300,000
<u>CURRENT ASSETS</u>			
Debtors	8	13,750,001	1
Deferred tax	6	-	(2,177,139)
NET CURRENT ASSETS		13,750,001	11,122,862
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,750,001</u>	<u>11,122,862</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	9	1,200,001	1,200,001
Retained earnings		12,550,000	9,922,861
TOTAL SHAREHOLDERS' FUNDS		<u>13,750,001</u>	<u>11,122,862</u>

The information on pages 13 to 16 are an integral part of the financial statements.

The financial statements on pages 10 to 16 were approved by the board of directors on 30 June 2022 and were signed on its behalf by:



R Morley
Director
30 June 2022

Hathaway Property Company Limited
Company Number: 05131317

HATHAWAY PROPERTY COMPANY LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>Called up</u> <u>Share Capital</u>	<u>Retained</u> <u>Earnings</u>	<u>Total</u> <u>Shareholders'</u> <u>Funds</u> <u>2021</u>	<u>Total</u> <u>Shareholders'</u> <u>Funds</u> <u>2020</u>
	£	£	£	£
Balance at 1 January	1,200,001	9,922,861	11,122,862	10,879,862
Profit for the financial year		2,627,139	2,627,139	243,000
Balance at 31 December	1,200,001	12,550,000	13,750,001	11,122,862

HATHAWAY PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

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

a) **Basis of Preparation**

These financial statements have been prepared under the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value and in accordance with Companies Act 2006, applicable accounting standards and accounting policies in the United Kingdom (including FRS 102). Accounting policies have been applied consistently to all years presented unless otherwise stated.

The financial statements have been prepared on a basis other than that of the going concern basis as the Directors anticipate the company will be wound up within 12 months from the balance sheet date and details can be found in the Directors' Report on page 3.

b) **New Accounting Standards**

No new accounting standards were adopted during the year.

c) **Depreciation**

The value of property is not depreciated.

d) **Investment Property**

The property was 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.

e) **Deferred Tax**

Taxation is based on results for the year as determined in accordance with the relevant tax legislation. Deferred taxation is calculated on the liability method and consists of the estimated taxation, or relief from taxation, which is expected to arise in the foreseeable future from material timing differences. Deferred taxation is not discounted and is calculated at the rates at which it is expected that the tax will arise.

f) **Use of Judgements, Estimates and Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions when valuing its Investment Property. In order to ensure accurate market and comprehensive valuations the Company uses external independent Chartered Surveyors.

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.

HATHAWAY PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 (2020: £nil) in respect of these services.

There were no employees during 2021 (2020: nil).

4 AUDITORS' REMUNERATION

Audit fees net of VAT of £6,598 (2020: £5,500) are borne by the ultimate parent company, The National Farmers Union Mutual Insurance Society Limited.

5 <u>TAX ON PROFIT</u>	<u>2021</u>	<u>2020</u>
	£	£
The taxation charge on profit for the financial year:		
Deferred tax (credit)/charge	(2,177,139)	57,000
Tax on profit	<u>(2,177,139)</u>	<u>57,000</u>

The tax assessed for the year is the same as (2020: same as) the rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%).

6 <u>DEFERRED TAX</u>	<u>2021</u>	<u>2020</u>
	£	£
Provision for deferred tax in respect of:		
Revaluation of Investment Property	<u>-</u>	<u>2,177,139</u>

Deferred tax has been calculated at 19% (2020: 19%). The disposal of the investment asset to the ultimate parent company on 28 December 2021 created no taxable gain or loss because the companies are members of the same capital gains tax group. The deferred tax provision has been released in full.

Finance Act 2021 increased the corporation tax rate to 25% from 19% with effect from 1 April 2023 but this has no impact on the company, due to the deferred tax provision being released in the reporting period.

HATHAWAY PROPERTY COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2021**

7	<u>INVESTMENT PROPERTY</u>	<u>2021</u>	<u>2020</u>
		£	£
	Valuation at 1 January	13,300,000	13,000,000
	Fair value movement during the period	450,000	300,000
	Disposal	(13,750,000)	-
	Accumulated at 31 December	<u>-</u>	<u>13,300,000</u>

The only asset previously held by the Company relates to property, which was not depreciated and was held at market value. All property was valued annually by independent external Chartered Surveyors, Cushman & Wakefield, at Open Market Value, subject to an existing lease over the building, in accordance with RICS Appraisal and Valuation Manual. The original cost of the property was £1,200,000. On 28 December 2021 the Head Office property was transferred to its ultimate parent company, The National Farmers Union Mutual Insurance Society Limited, at valuation.

8	<u>DEBTORS</u>	<u>2021</u>	<u>2020</u>
		£	£
	Amounts due from group undertakings	13,750,001	1
		<u>13,750,001</u>	<u>1</u>

9	<u>CALLED UP SHARE CAPITAL</u>	<u>2021</u>	<u>2020</u>
		£	£
	<u>Authorised:</u> 1,300,000 (2020: 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 (2020: 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 2021

10 ULTIMATE PARENT UNDERTAKING

The immediate Parent Company is NFU Mutual Management Company Limited, which is incorporated in the United Kingdom and registered 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 the United Kingdom and registered 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 2021. 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