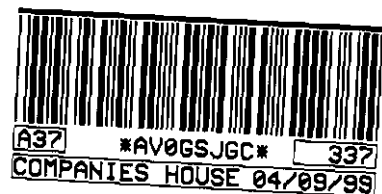


**HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED**

**Registered No 960456**

**ACCOUNTS FOR THE YEAR TO 31 MAY 1999**



# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## REPORT OF THE DIRECTORS

The directors present herewith the audited accounts for the year ended 31 May 1999.

### Principal activities

The company's principal activities are the development and management of property and the leasing of motor vehicles.

The company traded profitably for the year under review and the current indications are that business should continue at a reasonable level of profitability for the year to 31 May 2000.

### Directors

The directors have not declared a dividend for the year ended 31 May 1999.

The directors of the company during the year ended 31 May 1999 were:

- R H Waddington
- G N Harvie
- C W Hayes

### Directors' interest in shares

The directors had no interest in the capital of the company during the year. The interests of R H Waddington and G N Harvie in the capital of the holding company, John Heathcoat & Company (Holdings) Limited, can be seen in the accounts of that company.

The interests of C W Hayes in the ordinary share capital of John Heathcoat & Company (Holdings) Limited at 31 May 1998 and 31 May 1999 are as follows:

	<u>Ordinary shares of £1</u>	
	1999	1998
C W Hayes	25,344	35,344

# **HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED**

## **REPORT OF THE DIRECTORS**

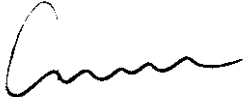
### **Year 2000**

The company is well advanced in its preparations to ensure that its computer systems will be ready for the year 2000 date change. It is not considered that the overall cost associated with any rectification will be material.

### **Auditors**

A resolution to re-appoint PricewaterhouseCoopers as auditors of the company will be proposed at the annual general meeting.

### **BY ORDER OF THE BOARD**



C W Hayes  
Secretary

23 July 1999

## **HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the year and of the profit and loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention or detection of fraud and other irregularities.

# **HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED**

## **REPORT OF THE AUDITORS TO THE MEMBERS OF HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report, including as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 1999 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors - Plymouth

23 July 1999

 4

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR YEAR THE ENDED 31 MAY 1999

	Notes	Year ended 31 May 1999	Year ended 31 May 1998
		£	£
Income	2	163,997	98,199
Expenses	3	<u>115,982</u>	<u>94,435</u>
Trading profit for the year		48,015	3,764
Corporation Tax payable	7	<u>11,890</u>	<u>3,783</u>
		36,125	(19)
Dividend paid		<u>-</u>	<u>-</u>
Retained profit/(loss) for the year		<u>36,125</u>	<u>(19)</u>
Statement of retained profits			
At start of year		67,527	67,546
Retained profit/(loss) for the year		<u>36,125</u>	<u>(19)</u>
		103,652	67,527

There have been no movements in shareholders' funds other than the retained profit for the year.

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

All of the profit for the year was derived from continuing operations.

The notes on pages 7-9 form part of these accounts

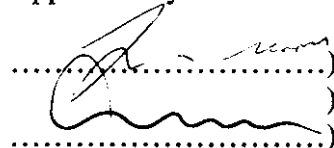
The Auditor's Report appears on page 4.

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## BALANCE SHEET AT 31 MAY 1999

	Notes	31 May 1999		31 May 1998	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		234,236		146,577
<b>CURRENT ASSETS</b>					
Sundry debtors	4		<u>-</u>		<u>101</u>
			-		101
<b>CURRENT LIABILITIES</b>					
Bank overdraft		22,550		41,658	
Sundry creditors	5	96,151		33,098	
Provision for taxation	7	<u>11,881</u>		<u>4,393</u>	
			<u>130,582</u>		<u>79,149</u>
<b>NET CURRENT LIABILITIES</b>			<u>(130,582)</u>		<u>(79,048)</u>
<b>NET ASSETS</b>			<u>103,654</u>		<u>67,529</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9	2		2	
Profit and loss account		<u>103,652</u>		<u>67,527</u>	
			<u>103,654</u>		<u>67,529</u>

Approved by the board on 23 July 1999

.....  
  
 ..... ) Directors

The notes on pages 7 to 9 form part of these accounts. The Auditors' report appears on page 4

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS AT 31 MAY 1999

### 1 Principal accounting policies Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

### Operating Leases

Operating lease income is accounted for on a straight line basis with any rental increases recognised during the period to which they relate.

### Tangible fixed assets

Tangible fixed assets are shown in these accounts at historical cost less depreciation.

Depreciation of motor vehicles is provided at 25 % of cost so as to write off the assets over their estimated useful lives.

	1999	1998
	£	£
<b>2 Income</b>		
Rent receivable	49,248	31,069
Leasing charges	114,640	67,130
Gain on sale of fixed asset	<u>109</u>	<u>-</u>
	<u>163,997</u>	<u>98,199</u>
<b>3 Expenses</b>		
Audit fee	1,000	-
Professional fees	-	350
Rent, rates and insurance	6,723	6,660
Heating oil	1,869	2,826
Repairs and maintenance	4,309	30,251
Depreciation	92,081	54,348
Management charge	<u>10,000</u>	<u>-</u>
	<u>115,982</u>	<u>94,435</u>
<b>4 Sundry debtors</b>		
Other debtors	<u>-</u>	<u>101</u>



# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS AT 31 MAY 1999

	1999	1998
<b>5 Sundry creditors</b>		
Amounts owed to parent undertaking	93,250	32,250
Amounts owed to group undertaking	624	848
Other creditors	<u>2,277</u>	<u>-</u>
	<u>96,151</u>	<u>33,098</u>
<b>6 Tangible Fixed Assets</b>		
		<b>Motor vehicles</b>
Cost at 31 May 1998		249,101
Capital Expenditure		<u>184,879</u>
		433,980
Disposal		<u>(11,249)</u>
Cost at 31 May 1999		<u>422,731</u>
Depreciation at 31 May 1998		102,524
Disposal		(6,110)
Charge against profit		<u>92,081</u>
Depreciation at 31 May 1999		<u>188,495</u>
Net Book Value at 31 May 1999		<u>234,236</u>
These assets are all held for rental purposes under operating leases.		
<b>7 Taxation</b>		
Prior year adjustment	9	(610)
Current year provision	<u>11,881</u>	<u>4,393</u>
	<u>11,890</u>	<u>3,783</u>

Corporation Tax has been provided on profits for the year at the rate of 21 % in respect of the financial year 1998 and 20 % in respect of the financial year 1999.

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS AT 31 MAY 1999

### 8 Emoluments

The company has no employees. The directors do not receive any emoluments in respect of their services to the company.

### 9 Called up share capital

Authorised	1999	1998
100 ordinary shares at £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
2 ordinary shares at £1 each	<u>2</u>	<u>2</u>

### 10 Contingent Liabilities

The company has given a guarantee to the group bankers in respect of the borrowings of the parent company

### 11 Related parties

The company is a wholly owned subsidiary of John Heathcoat & Company (Holdings) Limited and as such has taken advantage of exemptions under FRS 8 Related party disclosures. Consequently, intra-group transactions are not disclosed.

### 12 Ultimate Holding Company

The company's ultimate holding company is John Heathcoat & Company (Holdings) Limited which is registered in England and Wales. Copies of the parent's consolidated financial statements may be obtained from the Secretary, John Heathcoat & Company (Holdings) Limited, Westexe, Tiverton, Devon EX16 5LL.