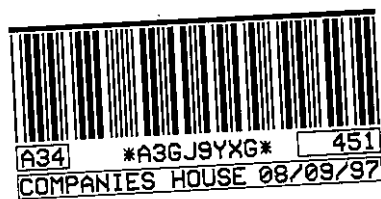


**HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED**

**Registered No 960456**

**ACCOUNTS FOR THE YEAR TO 31 MAY 1997**



# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## REPORT OF THE DIRECTORS

The directors present herewith the audited accounts for the year ended 31 May 1997.

### Principal activities

The company's principal activities and business review 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 1998.

### Directors

The directors have not declared a dividend for the year ended 31 May 1997.

The directors of the company during the year ended 31 May 1997 were:

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

### Director' 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 1996 and 31 May 1997 are as follows:

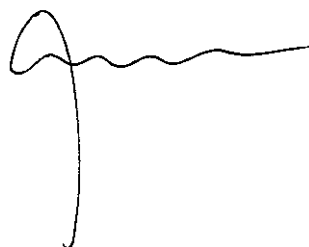
	<u>Ordinary shares of £1</u>	
	1997	1996
C W Hayes	35,344	35,344

### Auditors

A resolution to re-appoint Coopers and Lybrand as the company's auditors will be proposed at the annual general meeting.

### BY ORDER OF THE BOARD

C W Hayes  
Secretary



25 July 1997

## **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 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 4 to 8.

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

As described on the previous page, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

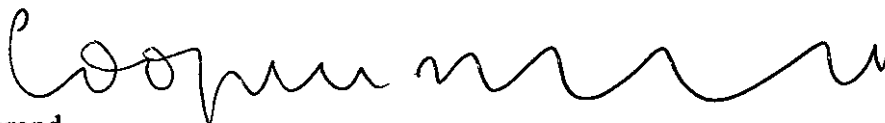
### **Basis of Opinion**

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 1997 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
Midland House  
Notte Street  
Plymouth  
Devon PL1 2EJ

25 July 1997

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR YEAR THE ENDED 31 MAY 1997

	Notes	Year ended 31 May 1997	Year ended 31 May 1996
		£	£
Income	2	106,381	59,763
Expenses	3	<u>49,729</u>	<u>32,037</u>
Trading Profit for the year		56,652	27,726
Corporation Tax payable	7	<u>13,541</u>	<u>5,528</u>
		43,111	22,198
Dividend paid		<u>-</u>	<u>-</u>
Retained profit for the year		<u>43,111</u>	<u>22,198</u>
Statement of retained profits			
At start of year		24,435	2,237
Retained profit for the year		<u>43,111</u>	<u>22,198</u>
		<u>67,546</u>	<u>24,435</u>

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 6-8 form part of these accounts

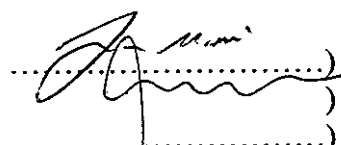
The Auditor's Report appears on page 3.

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## BALANCE SHEET AT 31 MAY 1997

	Notes	31 May 1997		31 May 1996	
		£	£	£	£
<b>FIXED ASSETS</b>					
TANGIBLE ASSETS	6		126,379		70,247
<b>CURRENT ASSETS</b>					
Sundry debtors	4		-		4,591
Cash at Bank			<u>-</u>		<u>348</u>
			-		4,939
<b>CURRENT LIABILITIES</b>					
Bank overdraft		8,727		-	
Sundry creditors	5	37,447		45,221	
Provision for taxation		<u>12,657</u>		<u>5,528</u>	
			<u>58,831</u>		<u>50,749</u>
Net current liabilities			<u>(58,831)</u>		<u>(45,810)</u>
Net assets			<u>67,548</u>		<u>24,437</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9	2		2	
Profit and loss account		<u>67,546</u>		<u>24,435</u>	
		<u>67,548</u>		<u>24,437</u>	

Approved by the board on 25 July 1997

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

The notes on pages 6 & 8 form part of these accounts. The Auditors' report appears on page 3.

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS AT 31 MAY 1997

### 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.

	1997	1996
	£	£
2 Income		
Rent receivable	63,122	42,402
Leasing charges	41,845	15,660
Gain on sale of fixed asset	<u>1,414</u>	<u>1,701</u>
	<u>106,381</u>	<u>59,763</u>
3 Expenses		
Professional Fees	-	485
Rent, rates and insurance	8,100	3,961
Heating oil	3,378	4,305
Repairs and maintenance	3,946	7,653
Depreciation	<u>34,305</u>	<u>15,633</u>
	<u>49,729</u>	<u>32,037</u>
4 Sundry debtors		
Other debtors	<u>-</u>	<u>4,591</u>

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS AT 31 MAY 1997

	1997	1996
<b>5 Sundry creditors</b>		
Amounts owed to parent undertaking	32,250	44,250
Amounts owed to group undertaking	535	971
Other creditors including taxation and social security	<u>4,662</u>	<u>-</u>
	<u>37,447</u>	<u>45,221</u>
 <b>6 Tangible Fixed Assets</b>		
	<b>Plant &amp; Machinery</b>	
Cost at 31 May 1996	84,578	-
Capital Expenditure	<u>101,023</u>	<u>94,929</u>
	185,601	94,929
Disposal	<u>11,046</u>	<u>10,351</u>
Cost at 31 May 1997	<u>174,555</u>	<u>84,578</u>
Depreciation at 31 May 1996	14,331	-
Charge against profit	<u>34,305</u>	<u>15,633</u>
	48,636	15,633
Disposal	<u>460</u>	<u>1,302</u>
Depreciation at 31 May 1997	<u>48,176</u>	<u>14,331</u>
Net Book Value at 31 May 1997	<u>126,379</u>	<u>70,247</u>

These assets are all held for rental purposes under operating leases.

## **7 Taxation**

Prior year adjustment	884	-
Current year provision	<u>12,657</u>	<u>5,528</u>
	<u>13,541</u>	<u>5,528</u>

Corporation Tax has been provided on profits for the year at the rate of 24% in respect of first 10 months and 23% for the remaining 2 months.



# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS AT 31 MAY 1997

### 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	1997	1996
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 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.

### 11 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.