

# **HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED**

Registered number 960456

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## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 May 2013**



# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Directors' Report

The directors submit their report and audited financial statements for the year ended 31st May 2013. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### Principal activities and business review

The principal activities of the Company are the development and management of property and the leasing of motor vehicles for group purposes.

The Company traded profitably during the financial year under review and the current indications are that the business should continue at a reasonable level of profitability for the year to May 2014.

### Profit and dividends

The directors have declared a dividend of £10,000 for the year ended 31st May 2013 (2012: £40,000).

The dividend is £5,000 per share (2012: £20,000 per share).

### Directors

The following people served as directors of the company during the year and up to the date of signing the financial statements -

S C Waddington  
J H Hayman

### Disclosure of information to auditors

So far as each of the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and each of the directors has taken all steps that he ought to have taken in order to make himself aware of any relevant 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

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



By order of the Board  
J H Hayman, Company secretary

24th July 2013

## **HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of 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 UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEATHCOAT PROPERTY MANAGEMENT

We have audited the financial statements of Heathcoat Property Management Company Limited for the year ended 31st May 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31st May 2013 and of its profit for the year then ended,  
have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,  
and  
have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

adequate accounting records have not been kept, or returns adequate for our audit have not been received  
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, or  
the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report.

*Heather Ancient*

Heather Ancient (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Plymouth

25 July 2013.

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Profit and loss account for the year ended 31st May 2013

|  | Notes | 2013<br>£000 | 2012<br>£000 |
|--|-------|--------------|--------------|
| <b>Turnover</b>                                      | 1     | 114          | 161          |
| Administrative expenses                              |       | ( 103)       | ( 107)       |
| <b>Profit on ordinary activities before taxation</b> | 2     | 11           | 54           |
| Tax on profit on ordinary activities                 | 3     | 20           | ( 10)        |
| <b>Profit for the financial year</b>                 |       | <u>31</u>    | <u>44</u>    |

### Statement of retained profits

|                               |            |            |
|-------------------------------|------------|------------|
| At start of financial year    | 200        | 196        |
| Profit for the financial year | 31         | 44         |
| Dividends                     | ( 10)      | ( 40)      |
| At end of financial year      | <u>221</u> | <u>200</u> |

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

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

All the results were derived from continuing operations

The notes on pages 6 to 8 form part of these financial statements

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Balance sheet as at 31st May 2013

|   | Notes | 2013<br>£000 | 2012<br>£000 |
|---|-------|--------------|--------------|
| <b>Fixed assets</b>                                   |       |              |              |
| Tangible assets                                       | 5     | 125          | 180          |
| <b>Current assets</b>                                 |       |              |              |
| Debtors   | 6     | 4            | 5            |
| Deferred Tax asset                                    | 7     | 24           | -            |
| Cash at bank and in hand                              |       | <u>226</u>   | <u>125</u>   |
|   |       | <u>254</u>   | <u>130</u>   |
| <b>Creditors: amounts falling due within one year</b> | 8     | ( 158)       | ( 110)       |
| <b>Net current assets</b>                             |       | <u>96</u>    | <u>20</u>    |
| <b>Total assets less current liabilities</b>          |       | <u>221</u>   | <u>200</u>   |
| <b>Capital and reserves</b>                           |       |              |              |
| Called up share capital                               | 9     | -            | -            |
| Profit and loss account                               |       | <u>221</u>   | <u>200</u>   |
| <b>Total shareholders' funds</b>                      | 10    | <u>221</u>   | <u>200</u>   |

The financial statements on pages 4 to 8 were approved by the Board on 24th July 2013 and signed on its behalf by,

S C Waddington - Director

J H Hayman - Director

Heathcoat Property Management Company Limited - registered number 960456

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Notes to the financial statements

### 1 Accounting policies

#### Accounting convention

These financial statements have been prepared on the going concern basis in accordance with the Companies Act 2006, applicable Accounting Standards in the United Kingdom and in accordance with the historical cost convention. The principal accounting policies, which have been applied consistently throughout the year are set out below.

#### Turnover

Turnover represents amounts receivable from rent, leasing of motor vehicles and rates charges on an accruals basis and is net of value added tax, and is all generated in the UK. Revenue is recognised when services have been provided.

#### Operating leases

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

#### Tangible fixed assets

Tangible fixed assets are shown in these financial statements at historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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

#### Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

Deferred tax is determined using tax rates (and laws) that have been enacted, or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing difference can be deducted.

#### Cash flow statement

The company is a wholly owned subsidiary of John Heathcoat & Company (Holdings) Limited and the cash flows of the company are included in the consolidated cash flow statement of John Heathcoat & Company (Holdings) Limited. Consequently, the company is exempt, under the terms of Financial Reporting Standard No 1 (revised 1996) 'Cash flow statements' from publishing a cash flow statement and has taken advantage of this exemption.

|  |             |             |
|--|-------------|-------------|
| <b>2 Profit on ordinary activities before taxation</b>                               | <b>2013</b> | <b>2012</b> |
|  | <b>£000</b> | <b>£000</b> |
| Profit on ordinary activities before taxation is stated after charging / (crediting) |             |             |
| Auditors' remuneration - audit services  | 2           | 2           |
| Depreciation of owned tangible fixed assets  | 77          | 82          |
| Profit on sale of tangible fixed assets  | -           | ( 11)       |

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Notes to the financial statements (continued)

| 3 Taxation on profit on ordinary activities                        | 2013<br>£000  | 2012<br>£000 |
|--|---------------|--------------|
| <b>Analysis of charge in the year</b>                              |               |              |
| Corporation tax on profits for the year at 20% (2012 20.8%)        | 6             | 10           |
| Adjustment in respect of prior years                               | ( 2 )         | -            |
|  | <u>4</u>      | <u>10</u>    |
| Difference between accumulated depreciation and capital allowances | ( 4 )         | -            |
| Deferred tax adjustment in respect of prior years                  | ( 20 )        | -            |
| Total tax on profit on ordinary activities                         | <u>( 20 )</u> | <u>10</u>    |

The tax assessed for the year is higher (2012 lower) than the standard rate of corporation tax in the UK. The differences are explained below

### Factors affecting the charge for the year

|  |           |           |
|--|-----------|-----------|
| Profit on ordinary activities before taxation  | <u>11</u> | <u>54</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax at 20% (2012 24%) | 2         | 13        |

### Effects of

|  |          |           |
|--|----------|-----------|
| Capital allowances for the year greater/(less) than depreciation | 4        | ( 1 )     |
| Small Companies rate   | -        | ( 2 )     |
| Adjustment in respect of prior years                             | ( 2 )    | -         |
| Total current tax charge for year                                | <u>4</u> | <u>10</u> |

### Factors that may effect future tax charges

The rate of corporation tax in the UK for small companies changed from 21% to 20% with effect from 1st April 2012. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 20% and will be taxed at 20% in the future.

## 4 Directors and staff costs

The company has no employees (2012 none). The directors do not receive any emoluments in respect of their services to the company (2012 nil).

## 5 Tangible fixed assets

### Motor vehicles £000

|   |            |
|---|------------|
| Cost at 1st June 2012                     | 543        |
| Additions                                 | 41         |
| Disposals                                 | ( 47 )     |
| Cost at 31st May 2013                     | <u>537</u> |
| Accumulated Depreciation at 1st June 2012 | 363        |
| Charge for the year                       | 77         |
| Disposals                                 | ( 28 )     |
| Accumulated depreciation at 31st May 2013 | <u>412</u> |
| Net book value at 31st May 2013           | <u>125</u> |
| Net book value at 31st May 2012           | <u>180</u> |

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



# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Notes to the financial statements (continued)

|                  | 2013<br>£000 | 2012<br>£000 |
|------------------|--------------|--------------|
| <b>6 Debtors</b> |              |              |
| Other debtors    | <u>4</u>     | <u>5</u>     |
|                  | <u>4</u>     | <u>5</u>     |

|  | 2013<br>£000 | 2012<br>£000 |
|--|--------------|--------------|
| <b>7 Deferred Tax Asset</b>                  |              |              |
| At 1st June 2012                             | -            | -            |
| Deferred tax in the Profit & Loss account    | <u>24</u>    | -            |
| At 31st May 2013                             | <u>24</u>    | -            |
| Capital allowances in excess of depreciation | <u>24</u>    | -            |

|  | 2013<br>£000 | 2012<br>£000 |
|--|--------------|--------------|
| <b>8 Creditors amounts falling due within one year</b> |              |              |
| Amounts owed to group undertakings                     | 142          | 103          |
| Corporation tax  | 6            | 1            |
| Value added tax  | 7            | 4            |
| Other creditors  | <u>3</u>     | <u>2</u>     |
|  | <u>158</u>   | <u>110</u>   |

|   | 2013<br>£  | 2012<br>£  |
|---|------------|------------|
| <b>9 Called up share capital</b>          |            |            |
| Authorised                                |            |            |
| 100 (2012 100) ordinary shares at £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid        |            |            |
| 2 (2012 2) ordinary shares at £1 each     | <u>2</u>   | <u>2</u>   |

|  | 2013<br>£000 | 2012<br>£000 |
|--|--------------|--------------|
| <b>10 Reconciliation of movements in shareholders' funds</b> |              |              |
| Profit for the financial year                                | 31           | 44           |
| Dividend   | ( 10)        | ( 40)        |
| Opening shareholders' funds                                  | <u>200</u>   | <u>196</u>   |
| Closing shareholders' funds                                  | <u>221</u>   | <u>200</u>   |

## 11 Related party transactions

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 Holding company

The company a wholly owned subsidiary of, and is ultimately controlled by, John Heathcoat & Company (Holdings) Limited, a company registered in England and Wales

John Heathcoat & Company (Holdings) Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements

Copies of the parent company's consolidated financial statements may be obtained from the Company Secretary, John Heathcoat & Company (Holdings) Limited, Westex, Tiverton, Devon EX16 5LL