

## HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Registered number: 00960456

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### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017



## HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

### Strategic report

The directors present their strategic report for Heathcoat Property Management Company Limited for the financial year ended 31st May 2017.

#### **Business review**

As detailed in the Directors' Report, the Company acquires and leases motor vehicles for Group purposes. The directors expect the Company's activities to remain and continue in the foreseeable future.

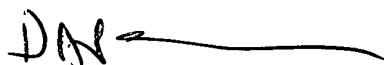
#### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. Due to the activities of the Company, leasing motor vehicles to other companies in the group, the risks are closely aligned to those of the Group and are managed through operational review processes at group level.

The key business risks and uncertainties affecting the Company are considered to relate to insurance and maintenance of the vehicles and achieving an appropriate resale value at the end of the lease term. Further discussion of the Company's risks in the context of the group as a whole is provided in the Strategic Report of the financial statements of John Heathcoat & Company (Holdings) Limited, which does not form part of this report.

#### **Financial key performance indicators**

	2017 £'000s	2016 £'000s
Turnover	86	81
Profit on ordinary activities before taxation	12	21
Cash (outflow) / inflow	(4)	37



By order of the Board  
D A Penn, Company secretary

29th August 2017

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Directors' report

The directors submit their report and audited financial statements for the year ended 31st May 2017.

### **Principal activities**

The principal activities of the Company are the acquisition and leasing of motor vehicles for group purposes. A review of the Company's performance and future development is included in the Strategic Report on page 1.

### **Profit and dividends**

The directors have declared a dividend of £nil for the year ended 31st May 2017 (2016: £nil).  
The dividend is £nil per share (2016: £nil 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 J Short

### **Disclosure of information to Auditor**

So far as each of the directors are aware, there is no relevant audit information (that is, any information needed by the company's auditor in connection with preparing their report) of which the company's auditor is 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 auditor is 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 Auditor**

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



By order of the Board  
D A Penn, Company Secretary

29th August 2017

## HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

### **Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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; 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Independent auditor's report to the members of Heathcoat Property Management Company Limited

We have audited the financial statements of Heathcoat Property Management Company Limited for the year ended 31 May 2017 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at:

[www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### 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 31 May 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

### Independent auditor's report to the members of Heathcoat Property Management Company Limited

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

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

#### 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 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.

Ian Brokenshire

Ian Brokenshire (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Plym House  
3 Longbridge Road  
Plymouth  
PL6 8LT

29th August 2017

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Profit and loss account for the year ended 31st May 2017

	Notes	2017 £000	2016 £000
<b>Turnover</b>	1	86	81
Administrative expenses		( 74)	( 60)
<b>Profit on ordinary activities before taxation</b>	2	12	21
Tax on profit on ordinary activities	3	( 4)	( 7)
<b>Profit for the financial year</b>		<u>8</u>	<u>14</u>

During the year the company had no items of Other Comprehensive income (2016: £nil).

All the results were derived from continuing operations.

The notes on pages 9 to 12 form part of these financial statements.

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Balance sheet as at 31st May 2017

	Notes	2017 £000	2016 £000
<b>Fixed assets</b>			
Tangible assets	5	173	128
<b>Current assets</b>			
Debtors	6	-	12
Deferred Tax asset	7	22	23
Cash at bank and in hand		<u>312</u>	<u>316</u>
		<u>334</u>	<u>351</u>
<b>Creditors: amounts falling due within one year</b>	8	( 236)	( 216)
<b>Net current assets</b>		<u>98</u>	<u>135</u>
<b>Total assets less current liabilities</b>		<u>271</u>	<u>263</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account		<u>271</u>	<u>263</u>
<b>Total shareholders' funds</b>		<u>271</u>	<u>263</u>

The financial statements on pages 6 to 12 were approved by the Board on 29th August 2017 and signed on its behalf by;

S.C.Waddington - Director



Heathcoat Property Management Company Limited - registered number 00960456



# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Statement of Changes in Equity

<b>Year Ended 31 May 2016</b>	<u>Called up</u> <u>Share capital</u> £000	<u>Profit and loss</u> <u>account</u> £000	<u>Total</u> <u>equity</u> £000
<b>Balance at 1 June 2015</b>	-	249	249
<b>Total comprehensive income for the period:</b>			
Profit for the financial year	-	14	14
<b>Balance at 31 May 2016</b>	-	263	263
<b>Year Ended 31 May 2017</b>	<u>Called up</u> <u>Share capital</u> £000	<u>Profit and loss</u> <u>account</u> £000	<u>Total</u> <u>equity</u> £000
<b>Balance at 1 June 2016</b>	-	263	263
<b>Total comprehensive income for the period:</b>			
Profit for the financial year	-	8	8
<b>Balance at 31 May 2017</b>	-	271	271

## HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

### Notes to the financial statements

#### 1 Accounting policies

Heathcoat Property Management Company Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company is included in the consolidated financial statements of John Heathcoat & Company (Holdings) Limited, and is considered to be a qualifying entity under FRS 102. The following exemptions available under FRS 102 in respect of certain disclosures for the company financial statements have been applied:

- No Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **Going concern**

The company continues to trade profitably and will do so for the foreseeable future. The company also has adequate cash to continue to invest in the future prosperity of the business, therefore the financial statements of the company have been prepared on a going concern basis.

#### **Impairment excluding stocks, investment properties and deferred tax assets**

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

##### *Non-financial assets*

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

#### **Provisions**

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

## HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

### Notes to the financial statements (continued)

#### **Turnover**

Turnover represents amounts receivable from leasing of motor vehicles, 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**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Notes to the financial statements (continued)

	2017 £000	2016 £000
<b>2 Profit on ordinary activities before taxation</b>		
Profit on ordinary activities before taxation is stated after charging / (crediting):		
Auditors' remuneration - audit of the Company's financial statements	2	2
Depreciation of owned tangible fixed assets	67	63
Profit on sale of tangible fixed assets	( 5)	( 14)

## 3 Taxation

### Total tax expense recognised in the profit and loss account.

#### Current tax

Current tax on income for the period	3	4
Adjustments in respect of prior periods	-	-
<b>Total current tax</b>	<u>3</u>	<u>4</u>

#### Deferred tax

Origination and reversal of timing differences	-	-
Change in tax rate	1	3
<b>Total deferred tax</b>	<u>1</u>	<u>3</u>

#### Total Tax

<u>4</u>	<u>7</u>
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#### Reconciliation of effective tax rate

Profit for the year	8	14
Tax charge	4	7
<b>Profit before tax</b>	<u>12</u>	<u>21</u>

Tax using the UK corporation tax rate of 19.8% (2016: 20%)

Reduction in tax rate on deferred tax balances	3	4
<b>Total Tax</b>	<u>1</u>	<u>3</u>
	<u>4</u>	<u>7</u>

#### Factors that may effect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and a further reduction to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

The deferred tax liability at 31 May 2017 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

## 4 Directors and staff costs

The company has no employees (2016: none). The directors do not receive any emoluments in respect of their services to the company (2016: nil).

## 5 Tangible fixed assets

Motor vehicles  
£000

Cost at 1st June 2016	469
Additions	112
Disposals	( 46)
<b>Cost at 31st May 2017</b>	<u>535</u>
Accumulated Depreciation at 1st June 2016	341
Charge for the year	67
Disposals	( 46)
<b>Accumulated depreciation at 31st May 2017</b>	<u>362</u>
<b>Net book value at 31st May 2017</b>	<u>173</u>
<b>Net book value at 31st May 2016</b>	<u>128</u>

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

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Notes to the financial statements (continued)

	2017 £000	2016 £000
<b>6 Debtors</b>		
Other debtors	-	12
	<u>-</u>	<u>12</u>

	2017 £000	2016 £000
<b>7 Deferred Tax Asset</b>		
At 1st June	23	26
Deferred tax in the Profit & loss account	(1)	(3)
At 31st May	<u>22</u>	<u>23</u>
Capital allowances in excess of depreciation	<u>22</u>	<u>23</u>

	2017 £000	2016 £000
<b>8 Creditors: amounts falling due within one year</b>		
Amounts owed to group undertakings	229	215
Corporation tax	3	1
Value added tax	4	-
	<u>236</u>	<u>216</u>

Amounts owed by/to group undertakings are repayable on demand and interest free.

	2017 £	2016 £
<b>9 Called up share capital</b>		
Authorised:		
100 (2016: 100) ordinary shares at £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
2 (2016: 2) ordinary shares at £1 each	<u>2</u>	<u>2</u>

## 10 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 102. Consequently, intra-group transactions are not disclosed.

## 11 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, Westexe, Tiverton, Devon EX16 5LL.

## 12 Items affected by the judgement of the directors

Directors have exercised their judgement in the calculation of vehicle lease charges.