

9

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Registered number: 960456

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 May 2014**

FRIDAY



A3ETX95F

A12

22/08/2014

#347

COMPANIES HOUSE

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 2014.

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 Companies 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

	2014 £'000s	2013 £'000s
Turnover	109	114
Profit on ordinary activities before taxation	23	11
Cash flow	10	101



By order of the Board
J H Hayman, Company secretary

18th July 2014

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Directors' Report

The directors submit their report and audited financial statements for the year ended 31st May 2014. 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

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 2014 (2013: £10,000). The dividend is £nil per share (2013: £5,000 per share).

Directors

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

S C Waddington
J H Hayman

Statement of Directors' responsibilities

The directors are responsible for preparing the strategic report, 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.

Disclosure of information to auditors

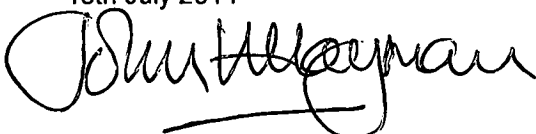
So far as each of the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and each of the directors has taken all steps that he ought to have taken in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

18th July 2014



HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Independent auditors' report to the members of Heathcoat Property Management Company Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 and of its profit for the financial 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Heathcoat Property Management Company Limited, comprise:

- the balance sheet as at 31 May 2014;
- the profit and loss account for the financial year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 for the Year Ended 31 May 2014 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Independent auditors' report to the members of Heathcoat Property Management Company Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 ISAs (UK & 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.

Heather Ancient

Heather Ancient (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Plymouth
18th July 2014

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Profit and loss account for the year ended 31st May 2014

	Notes	2014 £000	2013 £000
Turnover	1	109	114
Administrative expenses		(86)	(103)
Profit on ordinary activities before taxation	2	23	11
Tax on profit on ordinary activities	3	(7)	20
Profit for the financial year		<u>16</u>	<u>31</u>
Statement of retained profits			
At start of financial year		221	200
Profit for the financial year		16	31
Dividends		-	(10)
At end of financial year		<u>237</u>	<u>221</u>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial 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 7 to 9 form part of these financial statements.

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Balance sheet as at 31st May 2014

	Notes	2014 £000	2013 £000
Fixed assets			
Tangible assets	5	160	125
Current assets			
Debtors	6	4	4
Deferred Tax asset	7	24	24
Cash at bank and in hand		<u>236</u>	<u>226</u>
		<u>264</u>	<u>254</u>
Creditors: amounts falling due within one year	8	(187)	(158)
Net current assets		<u>77</u>	<u>96</u>
Total assets less current liabilities		<u>237</u>	<u>221</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>237</u>	<u>221</u>
Total shareholders' funds	10	<u>237</u>	<u>221</u>

The financial statements on pages 5 to 9 were approved by the Board on 18th July 2014 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 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

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.

2 Profit on ordinary activities before taxation

	2014	2013
	£000	£000

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	72	77
Profit on sale of tangible fixed assets	(13)	-

Notes to the financial statements (continued)

3 Tax on profit on ordinary activities	2014 £000	2013 £000
Analysis of charge in the year		
Corporation tax on profits for the year	6	6
Adjustments in respect of prior years	<u>1</u>	<u>(2)</u>
	7	4
Difference between accumulated depreciation and capital allowances	(1)	(4)
Deferred tax adjustment in respect of prior years	<u>1</u>	<u>(20)</u>
Total tax on profit on ordinary activities	<u>7</u>	<u>(20)</u>
The tax assessed for the year is higher (2013 : higher) 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>23</u>	<u>11</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax at 20% (2013:20%)	5	2
<i>Effects of:</i>		
Capital allowances for the year greater/(less) than depreciation	1	4
Adjustments in respect of prior years	<u>1</u>	<u>(2)</u>
Total current tax charge for year	<u>7</u>	<u>4</u>

4 Directors and staff costs

The company has no employees (2013: none). The directors do not receive any emoluments in respect of their services to the company (2013: nil).

5 Tangible fixed assets

	Motor vehicles £000
Cost at 1st June 2013	537
Additions	107
Disposals	<u>(100)</u>
Cost at 31st May 2014	<u>544</u>
Accumulated Depreciation at 1st June 2013	412
Charge for the year	72
Disposals	<u>(100)</u>
Accumulated depreciation at 31st May 2014	<u>384</u>
Net book value at 31st May 2014	<u>160</u>
Net book value at 31st May 2013	<u>125</u>

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

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Notes to the financial statements (continued)

	2014	2013
	£000	£000
6 Debtors		
Other debtors	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>
	2014	2013
	£000	£000
7 Deferred Tax Asset		
At 1st June	24	24
Deferred tax in the Profit & Loss account	<u>-</u>	<u>-</u>
At 31st May	<u>24</u>	<u>24</u>
	<u>24</u>	<u>24</u>
Capital allowances in excess of depreciation	<u>24</u>	<u>24</u>
	2014	2013
	£000	£000
8 Creditors: amounts falling due within one year		
Amounts owed to group undertakings	178	142
Corporation tax	4	6
Value added tax	1	7
Other creditors	<u>4</u>	<u>3</u>
	<u>187</u>	<u>158</u>
	2014	2013
	£	£
9 Called up share capital		
Authorised:		
100 (2013: 100) ordinary shares at £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
2 (2013: 2) ordinary shares at £1 each	<u>2</u>	<u>2</u>
	2014	2013
	£000	£000
10 Reconciliation of movements in shareholders' funds		
Profit for the financial year	16	31
Dividend	-	(10)
Opening shareholders' funds	<u>221</u>	<u>200</u>
Closing shareholders' funds	<u>237</u>	<u>221</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, Westexe, Tiverton, Devon EX16 5LL.