

# **HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED**

Registered number: 00960456

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## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018**



# 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 2018.

### 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

	2018 £'000s	2017 £'000s
Turnover	105	86
Profit on ordinary activities before taxation	26	12
Cash (outflow) / inflow	33	(4)



By order of the Board  
D A Penn, Company secretary

26th July 2018

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Directors' report

The directors submit their report and audited financial statements for the year ended 31st May 2018.

### **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 2018 (2017: £nil).  
The dividend is £nil per share (2017: £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

26th July 2018

## 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED**

### **Opinion**

We have audited the financial statements of Heathcoat Property Management Company Limited ("the company") for the year ended 31 May 2018 which comprise the Profit and loss account, Balance sheet, Statement of changes in equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; 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**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

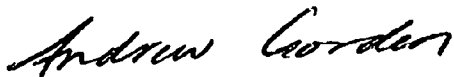
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at

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

**The purpose of our audit work and to whom we owe our responsibilities**

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.



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

15<sup>th</sup> August 2018

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Profit and loss account for the year ended 31st May 2018

	Notes	2018 £000	2017 £000
<b>Turnover</b>	1	105	86
Administrative expenses		( 79)	( 74)
<b>Profit before taxation</b>	2	26	12
Tax on profit	3	( 4)	( 4)
<b>Profit for the financial year</b>		<u>22</u>	<u>8</u>

During the year the company had no items of Other Comprehensive income (2017: £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 2018**

	Notes	2018 £000	2017 £000
<b>Fixed assets</b>			
Tangible assets	5	176	173
<b>Current assets</b>			
Deferred Tax asset	6	17	22
Cash at bank and in hand		<u>345</u>	<u>312</u>
		<u>362</u>	<u>334</u>
<b>Creditors: amounts falling due within one year</b>	7	( 245)	( 236)
<b>Net current assets</b>		<u>117</u>	<u>98</u>
<b>Total assets less current liabilities</b>		<u>293</u>	<u>271</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account		<u>293</u>	<u>271</u>
<b>Total shareholders' funds</b>		<u>293</u>	<u>271</u>

The financial statements on pages 6 to 12 were approved by the Board on 26th July 2018 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 2018</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 2017</b>	-	271	271
<b>Total comprehensive income for the period:</b>			
Profit for the financial year	-	22	22
	<hr/>	<hr/>	<hr/>
<b>Transactions with owners, recorded directly in equity:</b>			
Dividends	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 May 2018</b>	-	293	293
	<hr/>	<hr/>	<hr/>
<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
	<hr/>	<hr/>	<hr/>
<b>Transactions with owners, recorded directly in equity:</b>			
Dividends	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 May 2017</b>	-	271	271
	<hr/>	<hr/>	<hr/>

## HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

### Notes to the financial statements

#### 1 Accounting policies

Heathcoat Property Management Company Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 00960456 and the registered address is Westexe, Tiverton, Devon, EX16 5LL.

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)

	2018 £000	2017 £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	81	67
Profit on sale of tangible fixed assets	( 14)	( 5)
<b>3 Taxation</b>		
<b>Total tax expense recognised in the profit and loss account.</b>		
<b>Current tax</b>		
Current tax on income for the period	( 1)	3
Adjustments in respect of prior periods	-	-
Total current tax	<u>( 1)</u>	<u>3</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	5	-
Change in tax rate	-	1
Total deferred tax	<u>5</u>	<u>1</u>
<b>Total Tax</b>	<u><u>4</u></u>	<u><u>4</u></u>
<b>Reconciliation of effective tax rate</b>		
Profit for the year	22	8
Tax charge	4	4
Profit before tax	<u>26</u>	<u>12</u>
Tax using the UK corporation tax rate of 19% (2017: 20%)	4	3
Reduction in tax rate on deferred tax balances	-	1
<b>Total Tax</b>	<u><u>4</u></u>	<u><u>4</u></u>

### Factors that may effect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 May 2018 has been calculated based on these rates.

### 4 Directors and staff costs

The company has no employees (2017: none). The directors do not receive any emoluments in respect of their services to the company (2017: nil).

### 5 Tangible fixed assets

Motor vehicles  
£000

Cost at 1st June 2017	535
Additions	84
Disposals	( 53)
Cost at 31st May 2018	<u>566</u>
Accumulated Depreciation at 1st June 2017	362
Charge for the year	81
Disposals	( 53)
Accumulated depreciation at 31st May 2018	<u>390</u>
Net book value at 31st May 2018	<u>176</u>
Net book value at 31st May 2017	<u>173</u>

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

# HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

## Notes to the financial statements (continued)

	2018 £000	2017 £000
<b>6 Deferred Tax Asset</b>		
At 1st June	22	23
Deferred tax in the Profit & loss account	( 5)	( 1)
At 31st May	<u>17</u>	<u>22</u>
Capital allowances in excess of depreciation	<u>17</u>	<u>22</u>

	2018 £000	2017 £000
<b>7 Creditors: amounts falling due within one year</b>		
Amounts owed to group undertakings	243	229
Corporation tax	-	3
Value added tax	<u>2</u>	<u>4</u>
	<u>245</u>	<u>236</u>

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

	2018 £	2017 £
<b>8 Called up share capital</b>		
Authorised:		
100 (2017: 100) ordinary shares at £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
2 (2017: 2) ordinary shares at £1 each	<u>2</u>	<u>2</u>

## 9 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. There are no related party transactions aside from intra-group transactions.

## 10 Holding company

The company a wholly owned subsidiary of, and is ultimately controlled by, John Heathcoat & Company (Holdings) Limited, a company incorporated, domiciled and registered in England in the UK.  
The registered address of John Heathcoat & Company (Holdings) Limited is Westexe, Tiverton, Devon, EX16 5LL.

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.

## 11 Items affected by the judgement of the directors

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