

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Registered number: 00960456

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MAY 2022**



HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

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HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Directors' report

The directors submit their report and audited financial statements for the year ended 31st May 2022.

Principal activities

The principal activities of the Company are the acquisition and leasing of motor vehicles for group purposes.

Profit and dividends

The Directors do not recommend payment of a dividend (2021: £nil).

Directors

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

C G Harvie
C D Kiely

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and PKF Francis Clark will therefore continue in office.



By order of the Board
C P Mowat, Company Secretary

22nd September 2022

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 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 2022, which comprise Profit & Loss Account, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a year of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Heathcoat Property Management Company Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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.

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the company. We gained an understanding of the company and the industry in which the company operates as part of this assessment to identify the key laws and regulations affecting the company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as The Companies Act 2006 and relevant tax legislation.

We discussed with management how the compliance with these laws and regulations is monitored and obtained copies of the key policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the company complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the company's ability to continue trading and the risk of material misstatement to the accounts.

Independent Auditor's Report to the Members of Heathcoat Property Management Company Limited

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries to members of Senior Management, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of the design and implementation of management's controls designed to prevent and detect irregularities;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Reviewing draft tax computations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



.....
Glenn Nicol (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: 22 September 2022

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Profit and loss account for the year ended 31st May 2022

	Notes	2022 £000	2021 £000
Turnover	1	68	74
Administrative expenses		(50)	(53)
Profit before taxation	2	18	21
Tax on profit	3	8	(4)
Profit for the financial year		<u>26</u>	<u>17</u>

During the year the company had no items of Other Comprehensive income (2021: £nil).

All the results were derived from continuing operations.

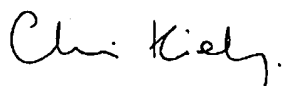
The notes on pages 9 to 12 form part of these financial statements.

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Balance sheet as at 31st May 2022

	Notes	2022 £000	2021 £000
Fixed assets			
Tangible assets	5	150	66
Current assets			
Debtors	6	2	-
Deferred Tax asset	6	36	28
Cash at bank and in hand		207	550
		<u>245</u>	<u>578</u>
Creditors: amounts falling due within one year	7	<u>(24)</u>	<u>(299)</u>
Net current assets		<u>221</u>	<u>279</u>
Total assets less current liabilities		<u>371</u>	<u>345</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account		371	345
Total shareholders' funds		<u>371</u>	<u>345</u>

The financial statements on pages 6 to 12 were approved by the Board on 22nd September 2022 and signed on its behalf by;



C D Kiely
Director

Heathcoat Property Management Company Limited - registered number 00960456

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Statement of Changes in Equity

Year Ended 31 May 2021

	<u>Called up</u> <u>Share capital</u> £000	<u>Profit and loss</u> <u>account</u> £000	Total <u>equity</u> £000
Balance at 1 June 2020	-	328	328
Total comprehensive income for the period:			
Profit for the financial year	-	17	17
Transactions with owners, recorded directly in equity:			
Dividends	-	-	-
Balance at 31 May 2021	-	345	345

Year Ended 31 May 2022

	<u>Called up</u> <u>Share capital</u> £000	<u>Profit and loss</u> <u>account</u> £000	Total <u>equity</u> £000
Balance at 1 June 2021	-	345	345
Total comprehensive income for the period:			
Profit for the financial year	-	26	26
Transactions with owners, recorded directly in equity:			
Dividends	-	-	-
Balance at 31 May 2022	-	371	371

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Notes to the financial statements

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"). 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.

There are no areas of significant judgement required as lease terms and depreciation are straightforward calculations.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The Directors have taken account of any potential downside impact of the wider economic environment on the operations and financial resources of the company and are confident that the company will continue to trade profitably for the foreseeable future. Leasing income is derived from a group company and a review of group forecasts demonstrate the group's ability to continue to meet lease commitments. The company has adequate cash resources to meet its liabilities as they fall due, 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.

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Notes to the financial statements (continued)

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.

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)

2 Profit before taxation	2022	2021
Profit before taxation is stated after charging / (crediting):		
Auditors' remuneration - audit of the Company's financial statements	2	2
Depreciation of owned tangible fixed assets	52	57
Profit on sale of tangible fixed assets	(14)	(16)
3 Taxation		
Total tax expense recognised in the profit and loss account.		
Current tax		
Current tax on income for the period	-	5
Adjustments in respect of prior periods		
Total current tax	<u>-</u>	<u>5</u>
Deferred tax		
Origination and reversal of timing differences	3	(1)
Change in tax rate	(9)	
Prior year	(2)	
Total deferred tax	<u>(8)</u>	<u>(1)</u>
Total Tax	<u>(8)</u>	<u>4</u>
Reconciliation of effective tax rate		
Profit for the year	26	17
Tax charge	(8)	4
Profit before tax	<u>18</u>	<u>21</u>
Tax using the UK corporation tax rate of 19% (2021: 19%)	3	4
Reduction in tax rate on deferred tax balances	(9)	
Over provided in prior years	(2)	-
Total Tax	<u>(8)</u>	<u>4</u>

Factors that may affect future tax charges

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 May 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related expected timing of reversal of the related temporary differences (2021: 19%).

4 Directors and staff costs

The company has no employees (2021: none). The directors do not receive any emoluments in respect of their services to the company as the time spent on such activities is insignificant (2021: nil).

5 Tangible fixed assets	Motor vehicles
	£000
Cost at 1st June 2021	406
Additions	136
Disposals	(59)
Cost at 31st May 2022	<u>483</u>
Accumulated Depreciation at 1st June 2021	340
Charge for the year	52
Disposals	(59)
Accumulated depreciation at 31st May 2022	<u>333</u>
Net book value at 31st May 2022	<u>150</u>
Net book value at 31st May 2021	<u>66</u>

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

HEATHCOAT PROPERTY MANAGEMENT COMPANY LIMITED

Notes to the financial statements (continued)

	2022 £000	2021 £000
6 Debtors		
Other debtors	-	-
Corporation tax	2	-
	<u>2</u>	<u>-</u>

	2022 £000	2021 £000
6 Deferred Tax Asset		
At 1st June	28	27
Deferred tax in the Profit & loss account	8	1
At 31st May	<u>36</u>	<u>28</u>
Capital allowances in excess of depreciation	<u>36</u>	<u>28</u>

	2022 £000	2021 £000
7 Creditors: amounts falling due within one year		
Amounts owed to group undertakings	21	294
Corporation tax	-	3
Value added tax	3	2
Other creditors	-	-
	<u>24</u>	<u>299</u>

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

	2022 £	2021 £
8 Called up share capital		
Authorised:		
100 (2021: 100) ordinary shares at £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
2 (2021: 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 is 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.