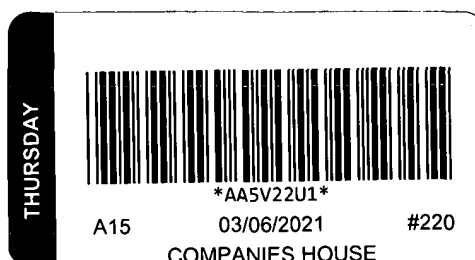


Company Registration No. 6346742 (England and Wales)

**COUNTYWIDE HEATHCOTE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**



# COUNTYWIDE HEATHCOTE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Sir A C Gallagher Mr G H Gosling
<b>Company number</b>	6346742
<b>Registered office</b>	Gallagher House Gallagher Way Gallagher Business Park Warwick Warwickshire CV34 6AF
<b>Auditor</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Birmingham United Kingdom

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# COUNTYWIDE HEATHCOTE LIMITED

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# COUNTYWIDE HEATHCOTE LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The directors present their annual report and audited financial statements for the year ended 30 September 2020.

### Principal activities

The principal activity of the company continued to be that of property development.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Sir A C Gallagher  
Mr G H Gosling

### Going Concern

On 11 March 2020 the World Health Organisation declared Covid-19 a global pandemic and recommended containment and mitigation measures. In making their assessment of the companies' ability to continue as a going concern the directors have considered the impact of Covid-19 on the companies' liquidity including compliance with loan covenants, liabilities payable and financing requirements. The directors note that business and key stakeholders have been impacted by Covid-19. While the business continues to work through this, because of the financial strength of the company and Group the directors believe that Covid-19 will not have any long term impact.

The financial statements have been prepared on a going concern basis. In considering the appropriateness of the going concern assumption, the directors have taken into consideration the company's cash flow forecast, the present level of funding and the receipt of confirmation of financial support from its immediate parent undertaking, Countywide Developments Limited.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted with the provisions of s418 of the Companies Act 2006.

### Auditor

In accordance with the company's articles, a resolution proposing that PricewaterhouseCoopers LLP be reappointed as auditor of the company will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved on behalf of the board



Mr G H Gosling

Director

26 January 2021

# **COUNTYWIDE HEATHCOTE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2020***

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

# COUNTYWIDE HEATHCOTE LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBER OF COUNTYWIDE HEATHCOTE LIMITED

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#### Report on the audit of the financial statements

##### Opinion

In our opinion, Countywide Heathcote Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 September 2020; and the statement of comprehensive income for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

# **COUNTYWIDE HEATHCOTE LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBER OF COUNTYWIDE HEATHCOTE LIMITED**

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 September 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

#### **Responsibilities for the financial statements and audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

##### **Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# COUNTYWIDE HEATHCOTE LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBER OF COUNTYWIDE HEATHCOTE LIMITED

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#### Use of this report

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.

#### Other required reporting

##### Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham, United Kingdom

9/2/21



# COUNTYWIDE HEATHCOTE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
Cost of sales		(12,525)	(95,979)
Administrative expenses		(2,527)	(2,000)
Other operating expenses		(6,739)	(2,805)
<b>Operating loss</b>		<b>(21,791)</b>	<b>(100,784)</b>
Interest receivable and similar income	3	-	489
Interest payable and similar expenses	4	(4,395)	-
<b>Loss before taxation</b>		<b>(26,186)</b>	<b>(100,295)</b>
Tax on loss	5	-	12,029
<b>Loss for the financial year</b>		<b>(26,186)</b>	<b>(88,266)</b>

All results are from continuing operations.

# COUNTYWIDE HEATHCOTE LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Current assets</b>					
Stocks	6	656,605		656,605	
Debtors	7	-		10,219	
		<u>656,605</u>		<u>666,824</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(484,334)</u>		<u>(468,367)</u>	
<b>Net current assets</b>			<u>172,271</u>		<u>198,457</u>
<b>Capital and reserves</b>					
Called up share capital	9		2		2
Profit and loss reserves	10		<u>172,269</u>		<u>198,455</u>
<b>Total equity</b>			<u>172,271</u>		<u>198,457</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 26 January 2021 and are signed on its behalf by:



Mr G H Gosling  
Director

Company Registration No. 6346742

# COUNTYWIDE HEATHCOTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies

#### Company information

Countywide Heathcote Limited ("the company") acts as a property development company.

Countywide Heathcote Limited is a private company limited by shares incorporated in England and Wales. The registered office is Gallagher House, Gallagher Way, Gallagher Business Park, Warwick, Warwickshire, CV34 6AF.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements of the company are consolidated in the financial statements of Gallagher Developments Group Limited (incorporated in England and Wales) and is the smallest group preparing consolidated financial statements that include Countywide Heathcote Limited. These consolidated financial statements are available from its registered office at Gallagher House, Gallagher Way, Gallagher Business Park, Warwick, CV34 6AF.

#### 1.2 Going concern

On 11 March 2020 the World Health Organisation declared Covid-19 a global pandemic and recommended containment and mitigation measures. In making their assessment of the companies' ability to continue as a going concern the directors have considered the impact of Covid-19 on the companies' liquidity including compliance with loan covenants, liabilities payable and financing requirements. The directors note that business and key stakeholders have been impacted by Covid-19. While the business continues to work through this, because of the financial strength of the company and Group the directors believe that Covid-19 will not have any long term impact.

The financial statements have been prepared on a going concern basis. In considering the appropriateness of the going concern assumption, the directors have taken into consideration the company's cash flow forecast, the present level of funding and the receipt of confirmation of financial support from its immediate parent undertaking, Countywide Developments Limited.

#### 1.3 Turnover

Turnover represents the invoiced value of work done resulting from property development activities. Turnover from land sales is recognised on legal completion.

#### 1.4 Cost of sales

In addition to the costs originally stocked in work in progress attributable to each sales transaction, also included in cost of sales and written off to the statement of comprehensive income, are expenses necessarily incurred on projects of the business prior to the viability of the project being reasonably secure, after which such costs are capitalised in accordance with the stocks accounting policy.

#### 1.5 Other operating expenses

Other operating expenses represent incidental expenses arising from the holding of property interests before development or redevelopment is undertaken.

# COUNTYWIDE HEATHCOTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.6 Stocks

Work in progress is valued at the lower of cost and estimated selling price less costs to complete and selling expenses. Cost initially includes the purchase of a development property and acquisition expenses. Directly attributable development costs are capitalised. Provision is made against stock where circumstances indicate that recovery is unlikely.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# COUNTYWIDE HEATHCOTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax assets and liabilities arising due to timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation at the current rate of tax are recognised in the financial statements. Deferred tax assets are only recognised when it is considered more likely than not that they will be realised.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### *(i) Carrying value of land and work in progress (estimate)*

Work in progress, which includes land held for development, is valued at the lower of cost and estimated selling price less costs to complete and selling expenses. In order to assess the appropriateness of the carrying value of work in progress in the financial statements, the company is required to determine forecast sales rates, expected sales prices and estimated costs to complete.

##### *(ii) Provision for future costs (estimate)*

Provision for costs (included in other creditors) is based on estimates of future costs expected to be incurred to satisfy contractual obligations. In order to assess the appropriateness of the provision for future costs, these are reviewed on an annual basis taking account of the latest price information and works that will be required. The estimate of costs to complete may differ from the actual costs incurred on completion.

### 3 Interest receivable and similar income

	2020	2019
	£	£
Interest receivable and similar income includes the following:		
Interest receivable from group companies	-	489
	<u>          </u>	<u>          </u>

# COUNTYWIDE HEATHCOTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 4 Interest payable and similar expenses

	2020 £	2019 £
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	4,395	-

### 5 Taxation

	2020 £	2019 £
<b>Current tax</b>		
Adjustments in respect of prior periods	-	(2,433)
Group tax relief	-	(9,596)
Total current tax	-	(12,029)

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(26,186)	(100,295)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(4,975)	(19,056)
Tax effect of expenses that are not deductible in determining taxable profit	-	9,460
Unutilised tax losses carried forward	4,975	-
Group relief	-	(2,433)
Taxation charge/(credit) for the year	-	(12,029)

The company has an unrecognised deferred tax asset in respect of tax losses of £14,551 using a rate of 19% (2019: £8,586 using a rate of 17%) available to be carried forward. No deferred tax asset has been recognised in respect of these as the directors are, as yet, uncertain of when they will be utilised.

### 6 Stocks

	2020 £	2019 £
Stocks	656,605	656,605

# COUNTYWIDE HEATHCOTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 7 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	-	9,596
Prepayments and accrued income	-	623
	<u>-</u>	<u>10,219</u>
	<u>-</u>	<u>10,219</u>

### 8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	5,916	99,330
Amounts due to group undertakings	399,676	16,479
Other creditors	78,742	352,558
	<u>484,334</u>	<u>468,367</u>
	<u>484,334</u>	<u>468,367</u>

Amounts owed to group undertakings are unsecured, accrue interest at rates of 1.1% - 1.75%, have no fixed date of repayment and are repayable on demand.

### 9 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary of £1 each	2	2
	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

### 10 Profit and loss reserves

	2020	2019
	£	£
At the beginning of the year	198,455	286,721
Loss for the year	(26,186)	(88,266)
	<u>172,269</u>	<u>198,455</u>
At the end of the year	<u>172,269</u>	<u>198,455</u>

### 11 Related party transactions

# COUNTYWIDE HEATHCOTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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### **11 Related party transactions**

**(Continued)**

In accordance with section 33.1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', disclosure is not given in these financial statements of transactions entered into between two or more members of the group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

There are no related party disclosures to be made other than those disclosed in these financial statements concerning the year ended 30 September 2020 (2019: none).

### **12 Controlling Party**

Countywide Heathcote Limited is a wholly owned subsidiary of Countywide Developments Limited (incorporated in England and Wales).

Gallagher Developments Group Limited is the ultimate parent by virtue of its entire shareholding in Countywide Developments Limited. Gallagher Developments Group Limited is the smallest group preparing consolidated financial statements that include Countywide Heathcote Limited. The registered address of both companies is Gallagher House, Gallagher Way, Gallagher Business Park, Warwick, Warwickshire, CV34 6AF.

The ultimate controlling party of the company is Sir A C Gallagher by virtue of his ownership of the entire share capital of Gallagher Developments Group Limited.