

COMPANY REGISTRATION NUMBER: 01293651

First Charles Investments Limited
Financial Statements
31 March 2019



First Charles Investments Limited

Financial Statements

Year ended 31 March 2019

Contents	Page
Directors' Report	1
Independent Auditor's Report to the Members of First Charles Investments Limited	3
Balance Sheet	6
Notes to the Financial Statements	7

First Charles Investments Limited

Directors' Report

Year ended 31 March 2019

The directors present their report and the financial statements of the Company for the year ended 31 March 2019.

The Company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year and preceding financial year. It is anticipated that the Company will remain dormant for the foreseeable future.

Principal activities and business review

The Company did not trade during the year.

Directors

The directors who served the Company during the year were as follows:

D David
BSE Freshwater

The Articles of Association of the Company do not require the directors to retire by rotation.

Directors' responsibilities statement

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 the directors have elected to prepare 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

First Charles Investments Limited

Directors' Report *(continued)*

Year ended 31 March 2019

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

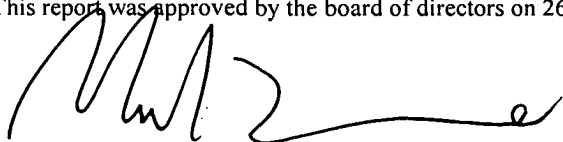
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Small company provisions

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

This report was approved by the board of directors on 26 November 2019 and signed on behalf of the board by:



M R M Jenner, F.C.I.S
Company Secretary

Registered office:
Freshwater House
158-162 Shaftesbury Avenue
London
England
WC2H 8HR

First Charles Investments Limited

Independent Auditor's Report to the Members of First Charles Investments Limited

Year ended 31 March 2019

Opinion

We have audited the financial statements of First Charles Investments Limited ("the Company") for the year ended 31 March 2019 which comprise the Balance Sheet and the related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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, and the provisions available for small entities, in the circumstances set out in note 3 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

First Charles Investments Limited

Independent Auditor's Report to the Members of First Charles Investments Limited

(continued)

Year ended 31 March 2019

Directors' report

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read 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 Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under 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 the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Directors' responsibilities statement, 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 material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

First Charles Investments Limited

Independent Auditor's Report to the Members of First Charles Investments Limited

(continued)

Year ended 31 March 2019

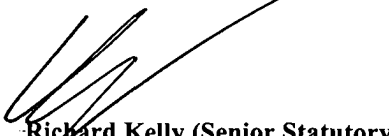
Auditor's responsibilities for the audit of the financial statements

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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Richard Kelly (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

2 December 2019

First Charles Investments Limited

Balance Sheet


31 March 2019

	Note	2019 £	£	2018 £	£
Current assets					
Debtors	6	5,050		5,050	
Creditors: amounts falling due within one year	7	<u>(24,192)</u>		<u>(24,192)</u>	
Net current liabilities			<u>(19,142)</u>		<u>(19,142)</u>
Total assets less current liabilities			<u>(19,142)</u>		<u>(19,142)</u>
Capital and reserves					
Called up share capital	8		97		97
Other reserve	9		3,730		3,730
Profit and loss account	9		<u>(22,969)</u>		<u>(22,969)</u>
Shareholder deficit			<u>(19,142)</u>		<u>(19,142)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The Company did not trade during the current year or prior year and has not made either a profit or loss.

These financial statements were approved by the board of directors and authorised for issue on 26 November 2019, and are signed on behalf of the board by:


BSE Freshwater
Director

Company registration number: 01293651

The notes on pages 7 to 10 form part of these financial statements.

First Charles Investments Limited

Notes to the Financial Statements

Year ended 31 March 2019

1. General information

The Company is a company limited by shares, registered in England and Wales. The address of the registered office is Freshwater House, 158-162 Shaftesbury Avenue, London, WC2H 8HR.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention except that investment property is measured at fair value.

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, notwithstanding the Company's net liabilities, which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Daejan Holdings PLC, the Company's ultimate parent undertaking. The Daejan Holding PLC group has considerable financial resources together with a large property portfolio and access to credit facilities. Daejan Holdings PLC has provided the Company with an undertaking that, for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the Company.

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of the approval of these financial statements they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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

Disclosure exemptions

The Company's ultimate parent undertaking, Daejan Holdings PLC includes the Company in its consolidated financial statements. The consolidated financial statements of Daejan Holdings PLC are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and other financial instruments.

First Charles Investments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Dormant status

The Company is dormant as defined by section 1169 of the Companies Act 2006. The Company received no income and incurred no expenditure during the current year or prior year and therefore no income statement is presented within these financial statements. There have been no movements in shareholder deficit during the current year or prior year.

Financial instruments

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 entity after deducting all its financial liabilities.

Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Income available for distribution

Under the Articles of Association, realised capital profits are not available for distribution as dividends and these profits are taken to a non-distributable reserve.

Related party transactions

The Company has taken advantage of the exemptions in FRS 102 in order to dispense with the requirements to disclose transactions with other companies in the Daejan Holdings PLC group.

First Charles Investments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

4. Remuneration of directors

The directors did not receive any remuneration during the year or in the previous year.

Apart from the directors, there were no other employees of the Company during the year or in the previous year.

5. Auditor's remuneration

Audit fees are borne by the ultimate parent company and are not recharged to the Company.

6. Debtors

	2019 £	2018 £
Amounts owed by group undertakings and undertakings in which the Company has a participating interest	<u>5,050</u>	<u>5,050</u>

All debtors are payable within one year or are payable on demand and interest free.

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	5	5
Amounts owed to group undertakings and undertakings in which the Company has a participating interest	<u>24,187</u>	<u>24,187</u>
	<u>24,192</u>	<u>24,192</u>

All intra-group loans are sterling loans repayable on demand and interest free.

8. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	7	7	7	7
10% non-cumulative non-voting preference shares of £1 each	<u>90</u>	<u>90</u>	<u>90</u>	<u>90</u>
	<u>97</u>	<u>97</u>	<u>97</u>	<u>97</u>

The preference shares confer the right on the holders to receive a non-cumulative dividend each year at the rate of 10% net on the amounts paid up. These shares would rank above the ordinary shares and be redeemable at par, in the event of the winding up of the Company. There are insufficient reserves to pay a dividend.

First Charles Investments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

9. Reserves

The Profit and loss account reserve records retained earnings and accumulated losses.

The Other reserve records a non-distributable reserve.

10. Controlling party

The Company's ultimate controlling party is its ultimate and immediate parent company, Daejan Holdings PLC, which is incorporated in Great Britain and registered in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by Daejan Holdings PLC. The consolidated financial statements of Daejan Holdings PLC are available to the public and may be obtained from the Daejan Holdings PLC website (www.daejanholdings.com) or Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. No other group financial statements include the results of the Company.