

**The Charles Church Group Limited**

**Directors' report and financial  
statements**

**Registered number 2342908**

**31 December 2018**

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## Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2018. The directors have taken advantage of the small company's exemption in not preparing a strategic report.

### Principal activities

The company's principal activity is the holding of shares in subsidiary undertakings.

### Business review

Profit after tax was £172 (2017: £135). The directors do not recommend payment of a dividend this year (2017: £nil).

The company has net liabilities at 31 December 2018 of £234,902 (2017: £235,074), however the directors have prepared the financial statements on a going concern basis as they have received an undertaking from the ultimate parent company, Persimmon plc, that it will provide such financial support as will enable the company to meet its liabilities for the foreseeable future.

The company is a subsidiary of Persimmon plc, the ultimate parent company and ultimate controlling party. All principal risks and uncertainties facing the company, relevant key performance indicators (both financial and non-financial), financial risk management objectives and policies, and comments upon likely future developments have been included in the strategic report within the annual report of Persimmon plc.

A copy of the Persimmon plc annual report is available from the company secretary or, alternatively, from the investor relations section of the website at [www.persimmonhomes.com](http://www.persimmonhomes.com).

### Directors

The directors who held office during the year, and to the date of this report, were as follows:

MH Killoran  
J Fairburn (resigned 31 December 2018)  
D Jenkinson  
RP Stenhouse

### Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the 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.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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

By order of the board



TL Davison  
Secretary

Persimmon House  
Fulford  
York  
YO19 4FE

26 September 2019

## **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 FRS101 *Reduced Disclosure Framework*.

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 judgments and accounting 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; 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 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 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 The Charles Church Group Limited**

## **Opinion**

We have audited the financial statements of The Charles Church Group Limited for the year ended 31 December 2018 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards including FRS 101 "Reduced Disclosure Framework" (UK 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 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 below. 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**

We have nothing to report in respect of the following matters in relation to which the 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.

## **Independent auditor's report to the members of The Charles Church Group Limited *(continued)***

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **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.
- ▶ the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

## **Independent auditor's report to the members of The Charles Church Group Limited** *(continued)*

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement 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.

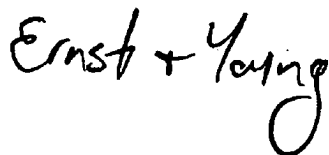
### **Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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



**Peter McIver (Senior Statutory Auditor)**

**For and on behalf of Ernst & Young LLP, Statutory Auditor**

London

27 September 2019

**Income statement**  
*for the year ended 31 December 2018*

	<i>Note</i>	<b>2018</b> <b>£</b>	2017 <b>£</b>
<b>Operating profit</b>	<i>2</i>	-	-
Net finance income	<i>3</i>	<b>212</b>	167
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>212</b>	167
Taxation on profit on ordinary activities	<i>4</i>	<b>(40)</b>	(32)
		<hr/>	<hr/>
<b>Profit for the year</b>		<b>172</b>	135
		<hr/>	<hr/>

No separate statement of other comprehensive income has been presented as the company has no other comprehensive income or loss other than the result for each year as shown above.

All results arose from the continuing operations of the company.

The notes on pages 9 to 14 form part of these financial statements.




**Balance sheet**  
*at 31 December 2018*

	<i>Note</i>	<b>2018</b> £	2017 £
<b>Fixed assets</b>			
Investments	5	1	1
<b>Current assets</b>			
Debtors due within one year	6	<b>392,184</b>	392,004
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	7	<b>(627,087)</b>	(627,079)
		<hr/>	<hr/>
<b>Net liabilities</b>		<b>(234,902)</b>	(235,074)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	8	<b>130,000</b>	130,000
Profit and loss account		<b>(364,902)</b>	(365,074)
		<hr/>	<hr/>
<b>Shareholders' deficit</b>		<b>(234,902)</b>	(235,074)
		<hr/>	<hr/>

The notes on pages 9 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 26 September 2019 and were signed on its behalf by:

  
**MH Killoran**  
Director

## Statement of Changes in Equity

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2017	130,000	(365,209)	(235,209)
Profit after tax	-	135	135
<b>Balance at 31 December 2017</b>	<b>130,000</b>	<b>(365,074)</b>	<b>(235,074)</b>

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2018	130,000	(365,074)	(235,074)
Profit after tax	-	172	172
<b>Balance at 31 December 2018</b>	<b>130,000</b>	<b>(364,902)</b>	<b>(234,902)</b>

## Notes

*(forming part of the financial statements)*

### 1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below:

#### ***Basis of accounting***

The financial statements are prepared in accordance with applicable accounting standards and under historical cost accounting rules.

The company has net liabilities at 31 December 2018 of £234,902 (2017: £235,074), however the directors have prepared the financial statements on a going concern basis as they have received an undertaking from the ultimate parent company, Persimmon plc, that it will provide such financial support as will enable the company to meet its liabilities for the foreseeable future.

The company is exempt, under section 400 of the Companies Act 2006, from the requirement to prepare group accounts.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Persimmon plc includes the Company in its consolidated financial statements. The consolidated financial statements of Persimmon plc are prepared in accordance with International Financial Reporting Standards.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital; and
- The effects of new but not yet effective IFRSs

As the consolidated financial statements of Persimmon plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

## **Notes** *(continued)*

### **1 Principal accounting policies (continued)**

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
- Annual Improvements to IFRS Standards 2014-2016 Cycle

The effects of the implementation of these standards have been limited to disclosure amendments.

The Company has not applied the following amendments to standards which are EU endorsed but not yet effective:

- IFRS 16 Leases
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- IFRIC 23 Uncertainty over Income Tax Treatments

The Company is currently considering the implication of these standards.

### ***Investments***

Investments are valued at cost less provision for any impairment in value.

### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised on all timing differences where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### ***Impairment of financial assets***

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit and loss. Expected credit losses are based on the difference between the contracted cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and intercompany receivables, the Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date.

## 2 Notes to the income statement

No fees were paid by the company for audit services performed in the year (2017: £nil). Audit of £200 (2017: £200) fees were met by other group companies. The company did not pay any fees in respect of non-audit services.

No persons were employed by the company during the year other than the directors, who received no emoluments from this company (2017: £nil). All other staff duties were carried out by employees of other group companies.

## 3 Net finance income

	2018 £	2017 £
Group interest receivable	212	167

## 4 Taxation on profit on ordinary activities

	2018 £	2017 £
<i>Analysis of charge in the year</i>		
<i>UK corporation tax</i>		
Current tax on income for the year	40	32
Total current tax	40	32
Taxation on profit on ordinary activities	40	32

### *Factors affecting the tax charge for the current year*

The taxation on profit on ordinary activities for the year is the same as (2017: same as) the standard rate of corporation tax in the UK of 19.00%(2017: 19.25%).

### *Factors affecting future tax charges*

The applicable corporation tax rate has reduced from the prior year in line with corporation tax rates effective from 1 April 2017 (19%).

Corporation tax rate changes enacted on 15 September 2016 effective from 1 April 2020 (17%) will reduce the company's future tax charge accordingly.

## Notes (continued)

### 5 Fixed asset investments

	Subsidiary undertaking £	Associated undertaking £	Total £
<i>Cost</i>			
At 1 January 2018 and 31 December 2018	7,390,066	715,000	8,105,066
<i>Provision</i>			
At 1 January 2018 and 31 December 2018	7,390,065	715,000	8,105,065
<i>Net book value</i>			
<b>At 31 December 2018</b>	<b>1</b>	<b>-</b>	<b>1</b>
At 31 December 2017	1	-	1

In the opinion of the directors, the value of the company's investments is not less than the amount at which they are stated in the balance sheet.

All of the following companies are wholly owned by The Charles Church Group Limited and are incorporated in Great Britain, unless otherwise indicated.

<u>Name of undertaking</u>	<u>Description of shares held</u>
The Charles Church Group Share Trustees Limited	£1 Ordinary
Charles Church Holdings plc	£1 Ordinary, £0.00001 A Convertible Ordinary, £0.00001 B Ordinary, £0.50 B Redeemable Preference, £0.00001 D Ordinary, £1 D Preference, £0.00001 Deferred, £0.00001 E Deferred, £0.00001 E Ordinary, £1 Preference

All of the following companies are wholly owned by Charles Church Holdings plc, a wholly owned subsidiary of The Charles Church Group Limited, and are incorporated in Great Britain, unless otherwise indicated.

<u>Name of undertaking</u>	<u>Description of shares held</u>
Charles Church Civil Engineering Limited	£1 Ordinary
Charles Church Essex Limited	£0.01 Ordinary
Charles Church Investment Properties Limited	£1 Ordinary
Charles Church Kent Limited	£1 Ordinary
Charles Church London Limited	£1 Ordinary
Charles Church Management Limited	£1 Ordinary
Charles Church Partnership Homes Limited	£1 Ordinary
Charles Church Residential Developments Limited <sup>1</sup>	£1 Ordinary
Charles Church South East Limited	£1 Ordinary
Charles Church Thames Valley Limited	£1 Ordinary
Charles Church Trading Limited	£1 Ordinary
Charles Church Village Heritage plc.	£1 Ordinary

<sup>1</sup> A wholly owned subsidiary of Charles Church Essex Limited, a wholly owned subsidiary of Charles Church Holdings plc.

## Notes (continued)

### 5 Fixed asset investments (continued)

Mapleleigh Limited <sup>2</sup>	£1 Ordinary
Townedge Estates Limited <sup>3</sup>	£1 Ordinary
Townedge (Holdings) Limited	£1 Ordinary

#### Joint Arrangements

Name of undertaking	Description of shares held	Proportion of nominal value of share class held
Atlantis One Limited <sup>4</sup>	£1 Preference	100%
Beechpath Limited	£1 Ordinary	50%

The Registered Office for each company in which investments are held is Persimmon House, Fulford, York, YO19 4FE.

### 6 Debtors due within one year

	2018 £	2017 £
Amounts due from group undertakings	<u>392,184</u>	<u>392,004</u>

<sup>2</sup> A wholly owned subsidiary of Townedge (Holdings) Limited, a wholly owned subsidiary of Charles Church Holdings plc.

<sup>3</sup> A wholly owned subsidiary of Townedge (Holdings) Limited, a wholly owned subsidiary of Charles Church Holdings plc.

<sup>4</sup> The other share classes of this company are held by other companies within the Persimmon Group.

## Notes (continued)

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

	2018 £	2017 £
Amounts owed to group undertakings	625,000	625,000
Corporation tax	40	32
Other creditors	2,047	2,047
	<u>627,087</u>	<u>627,079</u>

### 8 Called up share capital

	2018 £	2017 £
<i>Allotted, called up and fully paid:</i>		
12,999,947(2017: 12,999,947) 'A' ordinary shares of 1p each	<u>130,000</u>	<u>130,000</u>

### 9 Related party transactions

The company is controlled by Persimmon plc, its ultimate parent company.

The company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the group.

### 10 Ultimate parent company

The Charles Church Group Limited is a private company limited by shares and domiciled in England and Wales. The registered address for the company is Persimmon House, Fulford, York, YO19 4FE.

The immediate parent company is Persimmon Holdings Limited.

The directors regard Persimmon plc, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party. Persimmon plc is the parent company of the smallest and largest group of which the company is a member and for which group financial statements are drawn up.

Copies of the financial statements of this company are available from:

The Company Secretary  
Persimmon plc  
Persimmon House  
Fulford  
York  
YO19 4FE