

Wescott Homes Limited

**Directors' report and financial
statements**

Registered number 4995310

31 December 2017

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Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2017. The directors have taken advantage of the small company's exemption in not preparing a strategic report.

Principal activities

The principal activity of the company continues to be the construction and sale of new houses and apartments.

Business review, results and dividend

The profit on ordinary activities for the year ended 31 December 2017, after taxation, amounted to £nil (2016: £17,213). The directors are not able to recommend payment of a dividend (2016: £nil).

The company has net liabilities at 31 December 2017 of £1,620,203 (2016: £1,620,203), 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 wholly owned 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.

Directors

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

MH Killoran
J Fairburn
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 information 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



T L Davison
Secretary

Persimmon House
Fulford
York
YO19 4FE

24 September 2018

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 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; 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 Wescott Homes Limited

Opinion

We have audited the financial statements of Wescott Homes Limited for the year ended 31 December 2017 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 2017 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 Wescott Homes 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 Wescott Homes 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.

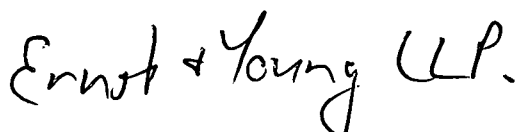
Auditor's responsibilities for the audit of the financial statements

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

A handwritten signature in black ink that reads "Ernst & Young LLP".

Peter McIver (Senior Statutory Auditor)

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

London

25 September 2018

Income statement
for the year ended 31 December 2017

	<i>Note</i>	2017 £	2016 £
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Operating expenses		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	-	-
Taxation on profit on ordinary activities	4	-	17,213
		<hr/>	<hr/>
Profit for the year		-	17,213
		<hr/> <hr/>	<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 12 form part of these financial statements.

Balance sheet
at 31 December 2017

	<i>Note</i>	2017 £	2016 £
Fixed assets			
Investments	5	1	1
Current assets			
Debtors	6	31,964,172	33,624,649
		<hr/>	<hr/>
		31,964,172	33,624,649
Creditors: amounts falling due within one year	7	(33,584,376)	(35,244,853)
		<hr/>	<hr/>
Net current liabilities		(1,620,204)	(1,620,204)
		<hr/>	<hr/>
Net liabilities		(1,620,203)	(1,620,203)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	59,260	59,260
Share premium account		5,866,740	5,866,740
Profit and loss account		(7,546,203)	(7,546,203)
		<hr/>	<hr/>
Shareholders' deficit		(1,620,203)	(1,620,203)
		<hr/>	<hr/>

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

These financial statements were approved by the board of directors on 24 September 2018 and were signed on its behalf by:



MH Killoran
Director

Statement of Changes in Equity

	Called up Share capital £	Share Premium account £	Profit and loss account £	Total equity £
Balance at 1 January 2016	59,260	5,866,740	(7,563,416)	(1,637,416)
Profit after tax	-	-	17,213	17,213
Balance at 31 December 2016	59,260	5,866,740	(7,546,203)	(1,620,203)

	Called up Share capital £	Share Premium account £	Profit and loss account £	Total equity £
Balance at 1 January 2017	59,260	5,866,740	(7,546,203)	(1,620,203)
Profit after tax	-	-	-	-
Balance at 31 December 2017	59,260	5,866,740	(7,546,203)	(1,620,203)

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

The company has net current liabilities at 31 December 2017 of £1,620,204 (2016: £1,620,204) and net liabilities at 31 December 2017 of £1,620,203 (2016: £1,620,203), 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"). The amendments to FRS 101 (2016/17 Cycle) issued in July 2017 and effective immediately have been applied.

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 2017:

- Amendments to IAS 7: Disclosure Initiatives
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses
- 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 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases

The Company is currently considering the implication of these standards. IFRS 9 Financial Instruments will be effective for the Company from 1 January 2018 and will replace IAS 39 Financial Instruments: Recognition and Measurement. The new standard affects the classification, measurement, impairment and de-recognition of financial instruments. We do not currently expect the standard to have a material impact on our reported results.

Stocks

Stocks, which comprise land held for development and work in progress, are stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of direct overheads and includes directly attributable interest charges. Stocks are recovered through cost of sales. Estimated future costs to build complete a development are included within work in progress as credit balances.

Fixed asset investments

Fixed asset investments are shown at cost less any provision for impairment.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes (continued)

2 Notes to the income statement

No fees were paid by the company for audit services performed in either the current or prior year. Audit fees of £200 (2016: £500) were met by other group companies. The company did not pay any fees in respect of non-audit services in the year (2016: £nil).

3 Staff numbers and costs

No persons were employed by the company during either the current or prior year other than the directors, who received no emoluments from this company (2016: £nil). All other staff duties were carried out by employees of other group companies.

4 Taxation on profit on ordinary activities

Analysis of credit in the year:

	2017 £	2016 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of prior periods	-	(17,213)
	<hr/>	<hr/>
Taxation on profit on ordinary activities	-	(17,213)
	<hr/>	<hr/>

Factors affecting the current tax on income for the year

The taxation on profit on ordinary activities for the year is the same as (2016: less than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

Factors that may affect future current and total 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.

5 Fixed asset investments

	2017 £	2016 £
Investment in subsidiary undertaking	1	1
	<hr/>	<hr/>

Wescott Homes Limited has one wholly owned subsidiary, Broomco (3385) Limited, which is incorporated in Great Britain and registered at Persimmon House, Fulford, York, YO19 4FE. Wescott Homes Limited owns 100% of the £1 Ordinary Shares of this company.

Wescott Homes Limited also owns 8 of the £1 C Ordinary Shared of Leftbank Management Limited (representing a 50% holding of that share class).

Notes (continued)

6 Debtors

	2017 £	2016 £
Amounts due from group undertakings	31,964,172	33,624,649

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	729	729
Other creditors	597,143	597,217
Amounts owed to group undertakings	32,986,504	32,986,430
Corporation tax	-	1,660,477
	<u>33,584,376</u>	<u>35,244,853</u>

8 Called up share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid:</i>		
5,926,000 (2016: 5,926,000) ordinary shares of 1 pence each	59,260	59,260

9 Related party transactions

The company has taken advantage of the exemptions available to subsidiary undertakings under FRS 101 by not disclosing transactions with entities of the group qualifying as related parties.

10 Ultimate parent undertaking

Wescott Homes 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 Wescott 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