

Charles Church Southern Limited

**Directors' report and financial
statements**

Registered number 1710584

31 December 2004



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Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2004.

Results and dividends

The company did not trade in the year ended 31 December 2004 and consequently no profit and loss account has been prepared. The directors do not recommend the payment of a final dividend.

Directors and directors' interests

The directors who served during the year were as follows:

MH Killoran
 J White
 GN Francis

None of the directors had any interest in the share capital of the company during the year ended 31 December 2004.

GN Francis had the following interests in the ordinary shares of 10p each in the ultimate parent company, Persimmon plc, as recorded in the register of directors' share and debenture interests:

	Interest at 31 December 2004				Interest at 31 December 2003
		Number of shares			
<i>Ordinary shares</i>					
GN Francis	5,300				5,282
		Number of options during the year			
		Exercised	Granted	Lapsed	
<i>Share options</i>					
GN Francis	18,740	(20,000)	3,240	-	35,500
<i>SAYE share options</i>					
GN Francis	5,617	-	1,804	-	3,813

Options are exercisable from January 2005 to May 2008 at prices ranging from 254.0p to 617.5p.

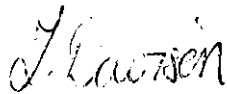
The interests of MH Killoran and J White in the share capital of the ultimate parent company, Persimmon plc, are disclosed in the accounts of that company.

Directors' report *(continued)*

Auditors

The company has elected to dispense with the laying of accounts before the company in general meeting, with holding an annual general meeting under Section 250 of the Companies Act 1985 to dispense with the requirement to appoint auditors.

By order of the board



TL Davison
Secretary

Persimmon House
Fulford
York
YO19 4FE

8 July 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors confirm that:

- suitable accounting policies have been selected and then applied consistently;
- judgements and estimates have been made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Balance sheet
at 31 December 2004

	<i>Note</i>	2004 £	2003 £
Current assets			
Debtors	2	100	100
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	4	100	100
		<hr/>	<hr/>

The notes on pages 5 to 6 form part of these accounts.

The company was a dormant company within the meaning of Section 250 of the Companies Act 1985 throughout the accounting year ended at the date of this balance sheet.

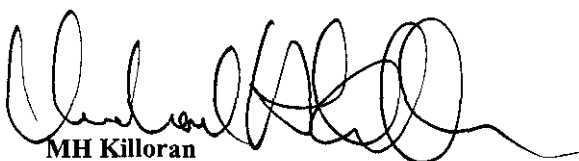
For the year ended 31 December 2004 the company was entitled to exemption under section 249 AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for :

- a) Ensuring the company keeps accounting records which comply with section 221;
- b) *Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company*

These financial statements were approved by the board of directors on 8 July 2005 and were signed on its behalf by:


MH Killoran
Director

Notes

(forming part of the financial statements)

1 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 the historical cost convention.

The financial statements have been prepared on a going concern basis which assumes that its parent company will continue to provide financial support to the company and such support will not be withdrawn in the foreseeable future.

The company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Persimmon plc and its cash flows are included within the consolidated cash flow statement of that company.

2 Debtors

	2004 £	2003 £
Amounts owed by group undertakings	100	100

3 Security

The Charles Church Group plc and its subsidiary undertakings, which include the company, ("the group") are financed by loans from their fellow group company, Beazer Group Limited. These loans are secured by fixed equitable charges over the group's assets and are jointly and severally guaranteed by the group. The group's net indebtedness to Beazer Group Limited at 31 December 2004 amounted to £93,982,107 (2003: £93,982,107).

4 Called up share capital

	2004 £	2003 £
<i>Authorised</i>		
100 Ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	100	100

Notes *(continued)*

5 Ultimate controlling party

The company is a wholly owned subsidiary undertaking of Charles Church Developments Limited, incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Persimmon plc.

The consolidated accounts of this company are available to the public and may be obtained from:

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