

Company Registration No. 05182577

GC Peterborough Limited

Report and Financial Statements

30 June 2008

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GC Peterborough Limited

Report and financial statements 2008

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GC Peterborough Limited

Report and financial statements 2008

Officers and professional advisers

Directors

A C Gallagher
G H Gosling

Secretary

S A Burnett

Registered Office

15 Hockley Court
Stratford Road
Solihull
West Midlands
B94 6NW

Auditors

Deloitte LLP
Chartered Accountants
Birmingham
United Kingdom

GC Peterborough Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2008.

The above report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Activities

The Company's principal activity is that of dealing in land and buildings, either as an agent or principal.

The directors are satisfied with the result for the period and are optimistic about future prospects.

Results and Dividends

The profit and loss account is set out on page 7 and shows the loss for the year of £1,346,243 (2007: £50,630). The directors do not recommend the payment of a dividend.

Directors

The directors of the Company during the year and subsequently were:

A C Gallagher

J G Downer (resigned 4 November 2008)

G H Gosling

P A King (resigned 4 November 2008)

A C Gallagher controls Gallagher UK Limited whose subsidiary J J Gallagher Limited holds 50% of the shares in the Company and J G Downer controls Countrywide Property Holdings Limited, which as at 30 June 2008, held the remaining 50% of the shares.

Going concern

The directors consider that the most significant risks and uncertainties for the Company relate to the continuing adverse conditions in the UK housing market impacting on the valuation of the land held.

The Company is currently in discussions with its bankers, Anglo Irish Bank, regarding the funding for this development. The facility for this development held by this Company expired in November 2008. Based on the discussions held to date, no matters have been drawn to the directors' attention to suggest that renewal may not be forthcoming and therefore that facilities will continue to be available as required to complete the development of the site.

Due to the above factors, there is a material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In light of the information currently available to them, the directors, after making enquiries, consider that the Company has adequate resources to remain in operation for the foreseeable future and have, therefore, continued to adopt the going concern basis in preparing the financial statements. Therefore, these financial statements do not include any adjustments that would result if the going concern basis of preparation is inappropriate.

GC Peterborough Limited

Directors' report (continued)

Auditors

In the case of each of the persons who are directors of the company at the date when this report is approved:

- So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware; and
- Each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

This provision is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP and have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



G H Gosling
Director

30 April 2009

GC Peterborough Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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; 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 proper accounting records that 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 1985. 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.

Independent auditors' report to the members of GC Peterborough Limited

We have audited the financial statements of GC Peterborough Limited for the year ended 30 June 2008 which comprise profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

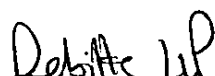
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Independent auditors' report to the members of GC Peterborough Limited (continued)

Emphasis of Matter – Going Concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The Company is reliant on banking facilities which have expired during the year. This condition as explained in note 1 to the financial statements, indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.



Deloitte LLP
Chartered Accountants and Registered Auditors
Birmingham, United Kingdom
30 April 2009

GC Peterborough Limited

Profit and loss account Year ended 30 June 2008

	Note	Year Ended 30 June 2008 £	Year Ended 30 June 2007 £
Cost of sales (including exceptional land impairment of £1,197,221 (2007: £nil))	15	(1,197,221)	-
Gross loss		(1,197,221)	-
Administrative expenses		(146,163)	(84,452)
Other operating income		205,767	200,478
Operating (loss)/profit	3	(1,137,617)	116,026
Interest payable and similar charges	5	(208,626)	(189,788)
Loss on ordinary activities before taxation		(1,346,243)	(73,762)
Tax on loss on ordinary activities	6	-	23,132
Loss on ordinary activities after taxation for the financial year		<u>(1,346,243)</u>	<u>(50,630)</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account, therefore no statement of recognised gains and losses has been prepared.

There are no movements in shareholders' funds other than the profit for the current and prior year.

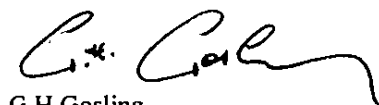
GC Peterborough Limited

Balance sheet 30 June 2008

	Note	30 June 2008 £	30 June 2007 £
Current assets			
Stocks	7	3,000,000	4,197,221
Debtors	8	14,374	30,586
Cash at bank and in hand		-	-
		<u>3,014,374</u>	<u>4,227,807</u>
Creditors: amounts falling due within one year	9	<u>(4,044,837)</u>	<u>(3,912,027)</u>
Net current (liabilities)/assets		<u>(1,030,463)</u>	<u>315,780</u>
Total assets less current liabilities		<u>(1,030,463)</u>	<u>315,780</u>
Net (Liabilities)/assets		<u>(1,030,463)</u>	<u>315,780</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	<u>(1,030,465)</u>	<u>315,778</u>
Total shareholders' (deficit)/funds	12	<u>(1,030,463)</u>	<u>315,780</u>

These financial statements were approved and authorised for issue by the Board of Directors on 30 April 2009.

Signed on behalf of the Board of Directors



G H Gosling

Director

GC Peterborough Limited

Notes to the accounts Year ending 30 June 2008

1. Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with applicable law and Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, are set out below.

Going concern

The directors consider that the most significant risks and uncertainties for the Company relate to the continuing adverse conditions in the UK housing market impacting on the valuation of the land held.

The Company is currently in discussions with its bankers, Anglo Irish Bank, regarding the funding for this development. The facility for this development held by this Company expired in November 2008. Based on the discussions held to date, no matters have been drawn to the directors' attention to suggest that renewal may not be forthcoming and therefore that facilities will continue to be available as required to complete the development of the site.

Due to the above factors, there is a material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In light of the information currently available to them, the directors, after making enquiries, consider that the Company has adequate resources to remain in operation for the foreseeable future and have, therefore, continued to adopt the going concern basis in preparing the financial statements. Therefore, these financial statements do not include any adjustments that would result if the going concern basis of preparation is inappropriate.

Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) on the grounds of being a small company.

Turnover

Turnover represents the invoiced value of work done resulting from property development activities.

Other operating income

Other operating income represents rental income receivable from development land.

Cost of sales

Included within cost of sales are expenses relating to fees expended in promoting developments through the planning system which are written off to the profit and loss account, as and when incurred, in accordance with the work in progress accounting policy.

Stock and Work in Progress

Work in progress, which includes land held for development, is valued at the lower of cost and net realisable value. Cost includes the purchase of land and acquisition expenses. Promotional costs associated with the developments are expensed until the viability of that development is reasonably secure. Work in progress is reduced to net realisable value where changes in circumstances indicate full recovery is uncertain.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Full provision is made on a non-discounted basis for 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. Deferred tax assets are only recognised when it is considered more likely than not that they will be realised.

GC Peterborough Limited

Notes to the accounts (continued) Year ending 30 June 2008

2. Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3. Operating (loss)/profit

	2008 £	2007 £
Operating profit is after charging		
Auditor's remuneration – fees payable to the company's auditors for the audit of the company's annual accounts	2,100	2,000

4. Employees and Directors

There are no employees other than the directors in the current or previous year. No remuneration was paid in the current or previous year. The directors received no remuneration for their services to the Company in either period.

5. Interest payable and similar charges

	2008 £	2007 £
Bank loans, overdrafts	208,626	189,788

6. Tax on loss on ordinary activities

	2008 £	2007 £
Current tax		
UK Corporation Tax	-	21,632
Adjustment to prior year		
UK corporation tax	-	1,500
Total current tax	-	23,132

GC Peterborough Limited

Notes to the accounts (continued) Year ending 30 June 2008

6. Tax on loss on ordinary activities (continued)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2008 £	2007 £
Loss on ordinary activities before tax	<u>(1,346,243)</u>	<u>(73,762)</u>
Tax on ordinary activities at the standard rate of corporation tax in the UK of 29.5% (2007 – 30%)	(397,141)	(22,129)
Effect of:		
Expenses not deductible for tax purposes	-	497
Prior period adjustment	-	(1,500)
Tax losses not utilised	<u>397,141</u>	<u>-</u>
Current tax credit for year	<u>-</u>	<u>(23,132)</u>

The impact of the change introduced in the Finance Act 2007 regarding the reduction in corporation tax rate from April 2008 from 30% to 28% has been incorporated into the Company's tax charge and deferred tax provided. The tax rate of 29.5%, used above, is therefore a blended rate.

A deferred tax asset of £376,948 (2007: £nil) has not been recognised as it is uncertain whether suitable profits will be generated in the foreseeable future.

7. Stocks

	2008 £	2007 £
Work-in-progress	<u>3,000,000</u>	<u>4,197,221</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

8. Debtors

	2008 £	2007 £
Trade debtors	111	8,953
Other debtors	<u>14,263</u>	<u>21,633</u>
	<u>14,374</u>	<u>30,586</u>

All amounts shown under debtors fall due for payment within one year.

GC Peterborough Limited

Notes to the accounts (continued) Year ending 30 June 2008

9. Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loan and overdraft	2,775,656	2,716,615
Loans from related undertakings	1,259,858	1,175,490
Other tax and social security	-	922
Accruals and deferred income	9,323	19,000
	<u>4,044,837</u>	<u>3,912,027</u>

10. Called up share capital

	2008 £	2007 £
Authorised, allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. Profit and loss account

	2008 £	2007 £
Balance at 1 July	315,778	366,408
Loss in the year	(1,346,243)	(50,630)
Balance at 30 June	<u>(1,030,465)</u>	<u>315,778</u>

12. Reconciliation of movement in shareholders (deficit)/funds

	2008 £	2007 £
Loss for the year	(1,346,243)	(50,630)
Opening shareholders funds	<u>315,780</u>	<u>366,410</u>
Closing shareholders (deficit)/funds	<u>(1,030,463)</u>	<u>315,780</u>

13. Ultimate controlling party

At the 30 June 2008 the Company was under the joint control of JJ Gallagher Limited and Countrywide Property Holdings Limited. Subsequent to the year-end, Countrywide Property Holdings Limited disposed of its shareholding in G C Peterborough Limited to Hockley Court Investments Ltd.

GC Peterborough Limited

Notes to the accounts (continued) Year ending 30 June 2008

14. Related party transactions

As at the year end the company has borrowed the following amounts from the parties as described below;

	2008 £	2007 £
JJ. Gallagher Limited (50% shareholder)	629,929	587,745
Countrywide Group of companies Limited (50% shareholder)	629,929	587,745

The only transaction in the year being the advancement of funds by each party. There were no further related party transactions during the period or balances at the period end.

15. Exceptional items

Cost of sales includes an exceptional reduction in the carrying value of stock of £1,197,221 as a result of impairment due to the current economic conditions.