

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 24 MARCH 2005 TO 30 JUNE 2006
FOR
G C CORBY LIMITED
(formerly RGC West Bromwich Limited)
(formerly Shoo 148 Limited)
5403888**



G C CORBY LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS for the period 24 March 2005 to 30 June 2006

	Page
Company Information	1
Report of the Directors	2
Independent Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

G C CORBY LIMITED

COMPANY INFORMATION

for the period 24 March 2005 to 30 June 2006

DIRECTORS:

A C Gallagher
G H Gosling
J G Downer
P A King

SECRETARY:

S A Burnett

REGISTERED OFFICE:

15 Hockley Court
Stratford Road
Hockley Heath
Solihull
West Midlands
B94 6NW

REGISTERED NUMBER:

5403888 (England and Wales)

AUDITORS:

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

G C CORBY LIMITED

REPORT OF THE DIRECTORS for the period 24 March 2005 to 30 June 2006

The directors present their report with the audited financial statements of the company for the period 24 March 2005 to 30 June 2006.

INCORPORATION

The company was incorporated on 24 March 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of property development.

REVIEW OF BUSINESS

During the period the company purchased a site at Brunel Road, Corby which it promoted for development purposes. Subsequent to the period end the site was sold for £3.56 million. The results for the period and financial position of the company are as shown in the annexed financial statements.

CHANGE OF NAME

The company passed a special resolution on 10 May 2005 changing its name from Shoo 148 Limited to RGC West Bromwich Limited and the passed a special resolution on 5 August 2005 changing its name from RGC West Bromwich Limited to G C Corby Limited.

DIVIDENDS

No dividends will be distributed for the period ended 30 June 2006.

DIRECTORS

The directors during the period under review were:

A C Gallagher	- appointed 4.8.05
G H Gosling	- appointed 4.8.05
J G Downer	- appointed 4.8.05
P A King	- appointed 4.8.05

The directors holding office at 30 June 2006 did not hold any beneficial interest in the issued share capital of the company at date of appointment or 30 June 2006.

The initial director Shoosmiths Nominees Limited resigned on 4 August 2005.

A C Gallagher controls Gallagher UK Limited, whose subsidiary J J Gallagher Limited holds 50% of the shares and J G Downer controls Countrywide Property Holdings PLC, which holds the remaining 50% of the shares.

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 of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

G C CORBY LIMITED

REPORT OF THE DIRECTORS

for the period 24 March 2005 to 30 June 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 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.

So far as the directors are aware, there is no relevant information of which the company's auditors are unaware, and the directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
G H Gosling - Director

22 January 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G C CORBY LIMITED

We have audited the financial statements of G C Corby Limited for the period ended 30 June 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

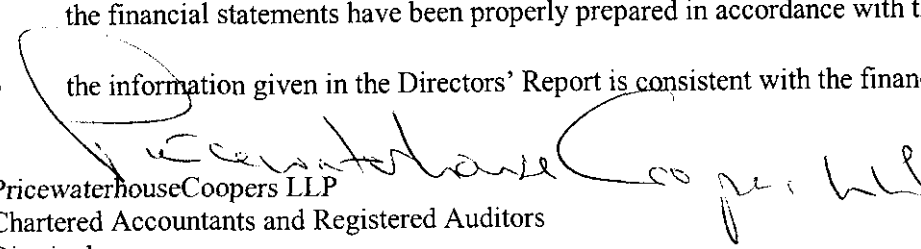
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2006 and of its loss for the period 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.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
22 January 2007

G C CORBY LIMITED

PROFIT AND LOSS ACCOUNT

for the period 24 March 2005 to 30 June 2006

	Notes	£
TURNOVER		-
Cost of sales		<u>(1,972)</u>
GROSS LOSS		(1,972)
Administrative expenses		<u>(1,275)</u>
OPERATING LOSS	3	(3,247)
Interest payable and similar charges	4	<u>(60,753)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(64,000)
Tax on loss on ordinary activities	5	<u>19,200</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>(44,800)</u>
LOSS FOR THE PERIOD	10	<u>(44,800)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current period.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

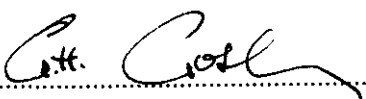
G C CORBY LIMITED

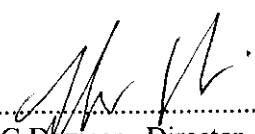
BALANCE SHEET

30 June 2006

	Notes	£
CURRENT ASSETS		
Stocks	6	1,530,030
Debtors	7	10,609
Cash at bank		<u>2,969</u>
		1,543,608
CREDITORS		
Amounts falling due within one year	8	<u>(1,588,406)</u>
NET CURRENT LIABILITIES		<u>(44,798)</u>
NET LIABILITIES		<u><u>(44,798)</u></u>
CAPITAL AND RESERVES		
Called up share capital	9	2
Profit and loss account	10	<u>(44,800)</u>
SHAREHOLDERS' DEFICIT	11	<u><u>(44,798)</u></u>

ON BEHALF OF THE BOARD:


.....
G H Gosling - Director


.....
J G Downer - Director

Approved by the Board on 22 January 2007

G C CORBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period 24 March 2005 to 30 June 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention 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.

Cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Cost of sales

In addition to the costs originally stocked in work in progress attributable to each sales transaction, 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 until the viability of such a development is reasonably secure, after which such costs including interest and similar charges are capitalised in accordance with the stocks accounting policy.

Stocks

Work in progress, which includes land held for development, is valued at the lower of cost and net realisable value. Cost initially includes the purchase of land and acquisition expenses. Directly attributable development costs are expensed until the viability of a development is considered reasonably secure. Provision is made against stock where circumstances indicate that recovery is unlikely.

Deferred tax

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.

Amortisation of loan issue costs

Costs incurred in respect of obtaining loan finance are included in other debtors and the costs are amortised over the period of repayment of the loan in proportion to the outstanding loan.

Going concern

Notwithstanding the fact that at 30 June 2006 the company had net current liabilities, net liabilities and made a loss for the period, the accounts have been prepared on a going concern basis as the company has received confirmation of financial support from its shareholders.

2. STAFF COSTS

There were no staff costs for the period ended 30 June 2006.

The average monthly number of employees during the period was as follows:

Directors

4

G C CORBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 24 March 2005 to 30 June 2006

3. OPERATING LOSS

The operating loss is stated after charging:

	£
Auditors' remuneration	<u>1,250</u>
Directors' emoluments	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	£
Bank interest	53,328
Amortisation of loan issue costs	<u>7,425</u>
	<u>60,753</u>

5. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the period which equates to the loss at the corporation tax rate of 30% was as follows:

	£
Current tax:	
Consortium relief	<u>(19,200)</u>
Tax on loss on ordinary activities	<u>(19,200)</u>

The company has no deferred tax assets or liabilities.

6. STOCKS

	£
Work in progress	<u>1,530,030</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Other debtors	<u>10,609</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Bank loan	1,284,000
Trade creditors	1,661
Amounts owed to shareholders	146,858
Amounts owed to related parties	146,858
Other creditors	<u>9,029</u>
	<u>1,588,406</u>

G C CORBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 24 March 2005 to 30 June 2006

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

The bank loan is on normal commercial terms and is secured by way of a fixed and floating charge over the assets of the company. Associated interest is payable at commercial rates linked to the bank's base rate. The bank loan was due for repayment on or before 30 April 2007 and was repaid post year end on the sale of the property.

£146,858 is owed to J J Gallagher Limited, a shareholder and £146,858 to Countrywide Homes Limited, a subsidiary of Countrywide Property Holdings PLC, a shareholder. The loans are interest free and subordinated to the bank loan.

9. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	£
Number:	Class:		
1,000	Ordinary	£1	<u>1,000</u>

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
2	Ordinary	£1	<u>2</u>

The following shares were allotted and fully paid for cash at par during the period:

2 Ordinary shares of £1 each

10. RESERVES

	Profit and loss account £
Loss for the period	<u>(44,800)</u>
At 30 June 2006	<u>(44,800)</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Loss for the financial period	(44,800)
Issue of shares	<u>2</u>
Net addition to shareholders' deficit	(44,798)
Opening shareholders' funds	<u>-</u>
Closing shareholders' deficit	<u>(44,798)</u>
Equity interests	<u>(44,798)</u>

G C CORBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 24 March 2005 to 30 June 2006

12. CONTROLLING PARTY

The company is jointly controlled by J J Gallagher Limited and Countrywide Property Holdings PLC.
Each of the shareholders is incorporated in England and Wales.