

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE PERIOD 5 JULY 2005 TO 30 JUNE 2006  
FOR  
G C NEWPORT LIMITED  
(previously Shoo 174 Limited)**

**5499095**



# **G C NEWPORT LIMITED**

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**G C NEWPORT LIMITED**

**COMPANY INFORMATION**

**for the period 5 July 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:**

5499095 (England and Wales)

**AUDITORS:**

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

## **G C NEWPORT LIMITED**

### **REPORT OF THE DIRECTORS for the period 5 July 2005 to 30 June 2006**

The directors present their report with the audited financial statements of the company for the period 5 July 2005 to 30 June 2006

#### **INCORPORATION**

The company was incorporated on 5 July 2005

#### **PRINCIPAL ACTIVITY**

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

#### **CHANGE OF NAME**

The company passed a special resolution on 15 August 2005 changing its name from Shoo 174 Limited to G C Newport Limited

#### **REVIEW OF BUSINESS**

The results for the period and financial position of the company are as shown in the annexed financial statements

During the period the company purchased and subsequently sold its site in Newport at a profit

#### **DIVIDENDS**

A dividend of £600,000 has been paid in the period ended 30 June 2006

#### **DIRECTORS**

The directors during the period under review were

A C Gallagher	- appointed 29 9 05
G H Gosling	- appointed 29 9 05
J G Downer	- appointed 29 9 05
P A King	- appointed 29 9 05

The directors holding office at 30 June 2006 did not hold any direct 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 29 September 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

## **G C NEWPORT LIMITED**

### **REPORT OF THE DIRECTORS**

**for the period 5 July 2005 to 30 June 2006**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 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

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.

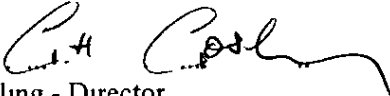
#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself 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

23 April 2007

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G C NEWPORT LIMITED

We have audited the financial statements of G C Newport Limited for the year 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

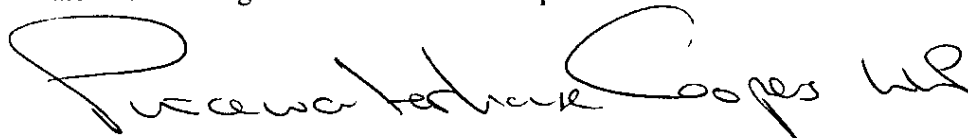
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham  
23 April 2007

## G C NEWPORT LIMITED

### PROFIT AND LOSS ACCOUNT for the period 5 July 2005 to 30 June 2006

	Notes	£
<b>TURNOVER</b>		14,208,666
Cost of sales		<u>(11,916,680)</u>
<b>GROSS PROFIT</b>		2,291,986
Administrative expenses		<u>(1,635)</u>
<b>OPERATING PROFIT</b>	3	2,290,351
Interest receivable and similar income		<u>1,563</u>
		2,291,914
Interest payable and similar charges	4	<u>(596,459)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,695,455
Tax on profit on ordinary activities	5	<u>(508,637)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		1,186,818
Dividends	6	<u>(600,000)</u>
<b>RETAINED PROFIT FOR THE PERIOD</b>	10	<u>586,818</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 profit 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

The notes form part of these financial statements

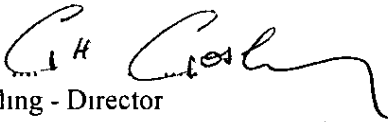
# G C NEWPORT LIMITED

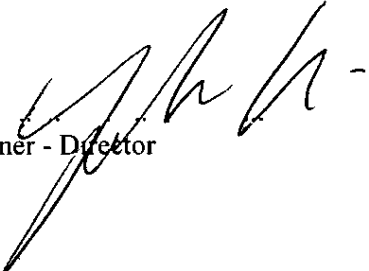
## BALANCE SHEET

30 June 2006

	Notes	£
<b>CURRENT ASSETS</b>		
Debtors	7	1,091,617
Cash at bank		<u>5,470</u>
		1,097,087
<b>CREDITORS</b>		
Amounts falling due within one year	8	<u>(510,267)</u>
<b>NET CURRENT ASSETS</b>		<u>586,820</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>586,820</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	9	2
Profit and loss account	10	<u>586,818</u>
<b>SHAREHOLDERS' FUNDS</b>	11	<u>586,820</u>

The financial statements were approved by the Board of Directors on 23 April 2007 and were signed on its behalf by

  
G H Gosling - Director

  
J G Downer - Director

The notes form part of these financial statements



# G C NEWPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the period 5 July 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.

#### Turnover

Turnover represents the invoiced value of work done resulting from property development activities. Turnover from land sales is recognised on completion.

#### 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 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 includes the purchase of land and acquisition expenses. Promotional costs associated with 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.

#### 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.

### 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	<u>4</u>
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### 3 OPERATING PROFIT

The operating profit is stated after charging:

	£
Auditors' remuneration	1,250
Auditors' remuneration for non audit work	<u>180</u>
Directors' emoluments	<u>-</u>

## G C NEWPORT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued for the period 5 July 2005 to 30 June 2006

#### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	£
Bank interest	444,296
Amortisation of loan issue costs	<u>152,163</u>
	<u>596,459</u>

A loan of £12,990,000 was advanced to the company to finance the purchase of a site at Newport. The loan was repaid on sale and all issue costs consequently expensed.

#### 5 TAXATION

##### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period which equates to the profit at 30% was as follows

	£
Current tax	
UK corporation tax	<u>508,637</u>
Tax on profit on ordinary activities	<u>508,637</u>

#### 6 DIVIDENDS

	£
Ordinary A & B shares of £1	
Final	<u>600,000</u>

#### 7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	74,435
Amounts owed by shareholders	988,360
VAT recoverable	<u>28,822</u>
	<u>1,091,617</u>

£494,180 is owed by J J Gallagher Limited, a subsidiary of Gallagher UK and £494,180 by Countrywide Property Holdings PLC, the shareholders. No interest is receivable.

#### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Corporation tax	508,637
Other creditors	<u>1,630</u>
	<u>510,267</u>

# G C NEWPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 5 July 2005 to 30 June 2006

### 9 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	£
500	Ordinary A	£1	500
500	Ordinary B	£1	<u>500</u>
			<u>1,000</u>

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

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

1 Ordinary A shares of £1 each  
1 Ordinary B shares of £1 each

### 10 RESERVES

	Profit and loss account £
Profit for the period	1,186,818
Dividends	<u>(600,000)</u>
At 30 June 2006	<u>586,818</u>

## G C NEWPORT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued for the period 5 July 2005 to 30 June 2006

#### 11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Profit for the financial period	1,186,818
Dividends	<u>(600,000)</u>
	586,818
Issue of shares	<u>2</u>
<b>Net addition to shareholders' funds</b>	586,820
Opening shareholders' funds	<u>-</u>
<b>Closing shareholders' funds</b>	<u><u>586,820</u></u>
Equity interests	<u><u>586,820</u></u>

#### 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