

**REGISTERED NUMBER: 5859746 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009  
FOR  
G C NETHERTON LIMITED**

**TUESDAY**



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**COMPANIES HOUSE**

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**for the year ended 30 June 2009**

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**G C NETHERTON LIMITED**

**COMPANY INFORMATION**  
**for the year ended 30 June 2009**

**DIRECTORS:**

A C Gallagher  
G H Gosling  
P A Ryan  
Mrs M A Ryan

**SECRETARY:**

S A Burnett

**REGISTERED OFFICE:**

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

**REGISTERED NUMBER:**

5859746 (England and Wales)

**INDEPENDENT  
AUDITORS:**

Deloitte LLP  
Chartered Accountants  
Birmingham  
United Kingdom

## **G C NETHERTON LIMITED**

### **REPORT OF THE DIRECTORS for the year ended 30 June 2009**

The directors present their report with the audited financial statements of the company for the year ended 30 June 2009. The Directors' report has been prepared in accordance with the special provisions relating to small companies under Section 415A of the Companies Act 2006.

#### **PRINCIPAL ACTIVITY**

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

#### **REVIEW OF BUSINESS**

Both the result for the year, and the year end financial position were satisfactory. The directors consider future prospects to be satisfactory.

#### **DIVIDENDS**

No dividends were paid in the year ended 30 June 2009 (2008: £nil).

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2008 to the date of this report.

A C Gallagher  
G H Gosling  
P A Ryan  
Mrs M A Ryan

Other changes in directors holding office are as follows:

J G Downer - resigned 4 November 2008

P A King - resigned 4 November 2008

#### **GOING CONCERN**

The financial statements have been prepared on a going concern basis as the company continues to have available a loan with HSBC bank plc, which is guaranteed by a shareholder. The company is in a net liabilities position of £174,825. The directors have obtained confirmation from the company's shareholders that financial support is available to the company to enable it to meet its obligations as they fall due for a period of not less than 12 months from signing of these financial statements.

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

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). 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 judgements and accounting 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 NETHERTON LIMITED**

## **REPORT OF THE DIRECTORS (continued) for the year ended 30 June 2009**

### **DIRECTORS' RESPONSIBILITIES STATEMENT (continued)**

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 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**

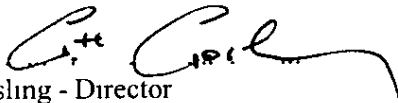
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **AUDITORS**

PricewaterhouseCoopers LLP resigned as auditors during the year and Deloitte LLP were appointed to fill the casual vacancy.

The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

### **ON BEHALF OF THE BOARD:**



G H Gosling - Director

Date 5 January 2010

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

We have audited the financial statements of G C Netherton Limited for the year ended 30 June 2009 which comprises of Profit and Loss Account and Balance Sheet, and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 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**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

## **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report; or
- we have not received all the information and explanations we require for our audit.



Peter Gallimore FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
Date: 5 January 2010

**G C NETHERTON LIMITED****PROFIT AND LOSS ACCOUNT  
for the year ended 30 June 2009**

	Notes	30 6 09 £	30 6 08 £
<b>TURNOVER</b>		-	-
Cost of sales		<u>-</u>	<u>(12,480)</u>
<b>GROSS LOSS</b>		-	(12,480)
Administrative expenses		<u>(2,426)</u>	<u>(1,133)</u>
<b>OPERATING LOSS</b>	3	(2,426)	(13,613)
Interest receivable and similar income		<u>167</u>	<u>648</u>
		(2,259)	(12,965)
Interest payable and similar charges	4	<u>(29,667)</u>	<u>(59,443)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(31,926)	(72,408)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>	10	<u>(31,926)</u>	<u>(72,408)</u>

**CONTINUING OPERATIONS**

All of the company's activities relate to continuing operations

**TOTAL RECOGNISED GAINS AND LOSSES**

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

The notes form part of these financial statements

**G C NETHERTON LIMITED****BALANCE SHEET**  
**30 June 2009**

	Notes	30 6 09 £	30 6 08 £
<b>CURRENT ASSETS</b>			
Stocks	6	888,937	879,487
Debtors	7	181	705
Cash at bank		<u>4,365</u>	<u>3,142</u>
		893,483	883,334
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(1,068,308)</u>	<u>(1,026,233)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(174,825)</u>	<u>(142,899)</u>
<b>NET LIABILITIES</b>		<u>(174,825)</u>	<u>(142,899)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	9	9
Profit and loss account	10	<u>(174,834)</u>	<u>(142,908)</u>
<b>SHAREHOLDERS' DEFICIT</b>	12	<u>(174,825)</u>	<u>(142,899)</u>

The financial statements of G C Netherton Limited, company number 5859746 were approved by the Board of Directors and authorised for issue on 5 January 2010

Signed on behalf of the Board of Directors



G H Gosling - Director

The notes form part of these financial statements



# **G C NETHERTON LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009**

### **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 in both periods, 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 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.

#### **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.

#### **Amortisation of loan issue**

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**

The financial statements have been prepared on a going concern basis as the company continues to have available a loan with HSBC bank plc, which is guaranteed by a shareholder. The company is in a net liabilities position of £174,825. The directors have obtained confirmation from the company's shareholders that financial support is available to the company to enable it to meet its obligations as they fall due for a period of not less than 12 months from signing of these financial statements.

## G C NETHERTON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 June 2009

#### 2 STAFF COSTS

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

#### 3 OPERATING LOSS

The operating loss is stated after charging

	30 6 09	30 6 08
	£	£
Auditors' remuneration – fees payable to the Company's auditors for the audit of the Company's annual accounts	<u>1,000</u>	<u>1,050</u>

Auditors' remuneration for the year ended 30 June 2008 was payable to PricewaterhouseCoopers LLP and for the year ended 30 June 2009 was due to Deloitte LLP.

#### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	30 6 09	30 6 08
	£	£
Bank interest	29,667	57,105
Amortisation of loan issue costs	<u>-</u>	<u>2,338</u>
	<u>29,667</u>	<u>59,443</u>

#### 5 TAXATION

##### Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2009 nor for the year ended 30 June 2008.

The current corporation tax credit differs from the standard UK corporation tax rate of 28% applied to the loss for the year. The differences are

	30 6 09	30 6 08
	£	£
Loss for the year at 28% (2008: 29.5%)	(8,939)	(21,360)
Consortium relief not paid	-	21,360
Losses carried forward	<u>8,939</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The company has tax losses of £104,000 (2008: £72,000) which are available to carry forward. No deferred tax asset has been recognised as the directors are, as yet, uncertain when these will be utilised.

# G C NETHERTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 June 2009

### 6 STOCKS

	30 6 09	30 6 08
	£	£
Work in progress	<u>888,937</u>	<u>879,487</u>

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

	30 6 09	30 6 08
	£	£
Other debtors	23	-
VAT recoverable	<u>158</u>	<u>705</u>
	<u>181</u>	<u>705</u>

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

	30 6 09	30 6 08
	£	£
Bank loan	850,000	850,000
Trade creditors	8	1,789
Amounts owed to related undertakings	213,535	164,384
Accruals and deferred income	<u>4,765</u>	<u>10,060</u>
	<u>1,068,308</u>	<u>1,026,233</u>

At 30 June 2009, £82,945 (2008 £54,795) was owed to J J Gallagher Limited, £59,795 (2008 £54,795) to Countrywide Homes Limited (in Administration), and £70,795 (2008 £54,794) to MarCity Developments Limited, the shareholders in respect of funding

The bank loan, which is repayable on demand, 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.

### 9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			30 6 09	30 6 08
Number	Class	Nominal value	£	£
9	Ordinary	£1	<u>9</u>	<u>9</u>

# G C NETHERTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 June 2009

### 10 RESERVES

	Profit and loss account £
At 1 July 2008	(142,908)
Loss for the year	<u>(31,926)</u>
At 30 June 2009	<u>(174,834)</u>

### 11 RELATED PARTY DISCLOSURES

There are no further related party transactions other than those disclosed in the financial statements

### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	30 6 09 £	30 6 08 £
Loss for the financial year	<u>(31,926)</u>	<u>(72,408)</u>
<b>Net addition to shareholders' deficit</b>	(31,926)	(72,408)
Opening shareholders' deficit	<u>(142,899)</u>	<u>(70,491)</u>
<b>Closing shareholders' deficit</b>	<u>(174,825)</u>	<u>(142,899)</u>

### 13 CONTROLLING PARTY

There is no single controlling party as the company is equally owned by 3 parties