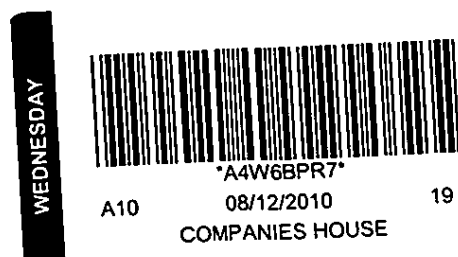


REGISTERED NUMBER: 5859746 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010
FOR
G C NETHERTON LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010**

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G C NETHERTON LIMITED

COMPANY INFORMATION
for the year ended 30 June 2010

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 and Statutory Auditors
Birmingham
United Kingdom

**REPORT OF THE DIRECTORS
for the year ended 30 June 2010**

The directors present their report with the financial statements of the company for the year ended 30 June 2010. 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 given the prevailing economic conditions. The directors consider future prospects to be satisfactory.

DIVIDENDS

No dividends were paid in the year ended 30 June 2010 (2009: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2009 to the date of this report.

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

GOING CONCERN

The financial statements have been prepared on a going concern basis because the company has received letters of financial support from its shareholders. The company also continues to have available a loan with HSBC Bank plc. The company is in a net liabilities position of £388,676 at 30 June 2010 and so has 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 the date of signing of these financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Report of the Directors 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.

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.

REPORT OF THE DIRECTORS (continued)
for the year ended 30 June 2010

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'G.H. Gosling', written in a cursive style.

G H Gosling – Director

9 November 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 2010 which comprise the Profit and Loss Account and Balance Sheet, and the related notes 1 to 14. 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 Chapter 3 of Part 16 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 2010 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.

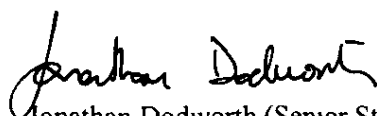
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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.



Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom
9 November 2010

G C NETHERTON LIMITED (REGISTERED NUMBER: 5859746)

PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2010

| | Notes | 30 6 10 £ | 30 6 09 £ |
|--|-------|------------------|-----------------|
| TURNOVER | | - | - |
| Cost of sales | 6, 14 | <u>(191,387)</u> | <u>-</u> |
| GROSS LOSS | | (191,387) | - |
| Administrative expenses | | <u>(2,322)</u> | <u>(2,426)</u> |
| OPERATING LOSS | 3 | (193,709) | (2,426) |
| Interest receivable and similar income | | 2 | 167 |
| Interest payable and similar charges | 4 | <u>(20,144)</u> | <u>(29,667)</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (213,851) | (31,926) |
| Tax on loss on ordinary activities | 5 | <u>-</u> | <u>-</u> |
| LOSS FOR THE FINANCIAL YEAR AFTER TAXATION | 10 | <u>(213,851)</u> | <u>(31,926)</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

G C NETHERTON LIMITED (REGISTERED NUMBER: 5859746)

BALANCE SHEET
30 June 2010

| | Notes | 30 6 10 £ | 30 6 09 £ |
|-------------------------------------|-------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Stocks | 6 | 697,550 | 888,937 |
| Debtors | 7 | 219 | 181 |
| Cash at bank | | <u>769</u> | <u>4,365</u> |
| | | 698,538 | 893,483 |
| CREDITORS | | | |
| Amounts falling due within one year | 8 | <u>(1,087,214)</u> | <u>(1,068,308)</u> |
| NET CURRENT LIABILITIES | | <u>(388,676)</u> | <u>(174,825)</u> |
| NET LIABILITIES | | <u>(388,676)</u> | <u>(174,825)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 9 | 9 |
| Profit and loss account | 10 | <u>(388,685)</u> | <u>(174,834)</u> |
| TOTAL SHAREHOLDERS' DEFICIT | 12 | <u>(388,676)</u> | <u>(174,825)</u> |

The financial statements of G C Netherton Limited, company number 5859746 were approved by the Board of Directors and authorised for issue on 9 November 2010

Signed on behalf of the Board of Directors


G H Gosling – Director


P A Ryan – Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010**

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 because the company has received letters of financial support from its shareholders. The company also continues to have available a loan with HSBC Bank plc. The company is in a net liabilities position of £388,676 at 30 June 2010 and so has 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 the date of signing of these financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2010

3 OPERATING LOSS

The operating loss is stated after charging

| | 30 6 10 | 30 6 09 |
|--|--------------|--------------|
| | £ | £ |
| Auditors' remuneration – fees payable to the Company's auditors for the audit of the Company's annual accounts | <u>1,000</u> | <u>1,000</u> |

4 INTEREST PAYABLE AND SIMILAR CHARGES

| | 30 6 10 | 30 6 09 |
|---------------|---------------|---------------|
| | £ | £ |
| Bank interest | <u>20,144</u> | <u>29,667</u> |

5 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2010 nor for the year ended 30 June 2009

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 10 | 30 6 09 |
|--------------------------|---------------|--------------|
| | £ | £ |
| Loss for the year at 28% | (59,878) | (8,939) |
| Losses carried forward | <u>59,878</u> | <u>8,939</u> |
| | <u>-</u> | <u>-</u> |

An unprovided deferred tax asset in respect of tax losses of £89,092 at 28% (2009 £29,214) is available to be carried forward. No deferred tax asset has been recognised in respect of these as the directors are, as yet, uncertain of when they will be utilised.

The Emergency Budget 2010 introduced a reduction in the rate of corporation tax from 28% to 27% from 1 April 2011. This legislation was substantively enacted on 21 July 2010 and as such will impact the company's tax charge from 1 April 2011. Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. Accordingly, this reduction has not been taken into account when stating the deferred tax assets and liabilities at 30 June 2010 but will impact the company's deferred tax assets and liabilities in future periods.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2010

6 STOCKS

| | 30 6 10 | 30 6 09 |
|------------------|----------------|----------------|
| | £ | £ |
| Work in progress | <u>697,550</u> | <u>888,937</u> |

There is a reduction in the carrying value of stock of £191,387 (2009 £nil) as a result of an exceptional impairment due to the prevailing economic conditions

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30 6 10 | 30 6 09 |
|-----------------|------------|------------|
| | £ | £ |
| Other debtors | - | 23 |
| VAT recoverable | <u>219</u> | <u>158</u> |
| | <u>219</u> | <u>181</u> |

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30 6 10 | 30 6 09 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Bank loan | 850,000 | 850,000 |
| Trade creditors | 1,469 | 8 |
| Amounts owed to related undertakings | 228,884 | 213,535 |
| Accruals and deferred income | <u>6,861</u> | <u>4,765</u> |
| | <u>1,087,214</u> | <u>1,068,308</u> |

At 30 June 2010, £92,794 (2009 £82,945) was owed to J J Gallagher Limited, £59,795 (2009 £59,795) to Countrywide Homes Limited (in Administration), and £76,295 (2009 £70,795) to Mar City Developments Limited, the shareholders

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

9 CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid | | | 30 6 10 | 30 6 09 |
|---------------------------------|----------|---------------|----------|----------|
| Number | Class | Nominal value | £ | £ |
| 9 | Ordinary | £1 | <u>9</u> | <u>9</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2010

10 RESERVES

| | Profit and loss account £ |
|-----------------------------|------------------------------------|
| At 1 July 2009 | (174,834) |
| Loss for the financial year | <u>(213,851)</u> |
| At 30 June 2010 | <u>(388,685)</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 10 £ | 30 6 09 £ |
|--|-------------------------|-------------------------|
| Loss for the financial year | <u>(213,851)</u> | <u>(31,926)</u> |
| Net addition to shareholders' deficit | (213,851) | (31,926) |
| Opening shareholders' deficit | <u>(174,825)</u> | <u>(142,899)</u> |
| Closing shareholders' deficit | <u>(388,676)</u> | <u>(174,825)</u> |

13 CONTROLLING PARTY

The company is jointly controlled by J J Gallagher Limited, Hockley Court Investments Limited and Mar City Developments Limited. All of the shareholders are incorporated in England and Wales.

14 EXCEPTIONAL ITEMS

Cost of sales includes an exceptional reduction in the carrying value of stock of £191,387 (2009: £nil) as a result of impairment due to the prevailing economic conditions.