

GRAPHITE PRIVATE EQUITY

DIRECTORS' REPORT AND UNAUDITED ACCOUNTS

YEAR ENDED 31 DECEMBER 2011



Company Registration No. 1516579

DIRECTORS

A J Curtis

A Gandola

REPORT OF THE DIRECTORS

The directors' report and the accounts of the Company for the year ended 31 December 2011 are presented below

Principal Activities and Future Prospects

The principal activities of Graphite Private Equity (formerly Graphite Capital Management Limited) and its former subsidiaries were the provision of management and advisory services to private equity investment funds until the Group was restructured on 15 December 2005. Prior to the restructuring the Group also undertook consultancy and advisory services on behalf of certain investee or potential investee companies. All of these activities ceased with effect from 15 December 2005. It is the intention of the Board that the Company will in due course apply for a voluntary wind-up.

Results and Dividends

The Company made a loss of £15 for the year ended 31 December 2011 and no dividend was paid during the year.

Directors

Ms Gandola and Mrs Curtis both served throughout the period.

Auditors

Advantage has been taken of the audit exemptions available for small companies conferred by Section 475 of the Companies Act 2006.

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements 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 confirm that the above requirements have been complied with in preparing the financial statements.

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 2006. The directors 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.

Under the provisions of Section 416 (3) and 417 (1) of the Companies Act 2006, the Company is exempt from disclosing certain information relating to business review and financial instruments disclosures.

By Order of the Board


A J Curtis

Secretary
3 July 2012

Registered in England
Company Registration No. 1516579

UNAUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER

	<u>Notes</u>	2011	2010
		<u>£</u>	<u>£</u>
Turnover		-	-
Administrative expenses		(16)	(17)
Operating (loss)/profit		(16)	(17)
Interest receivable		1	10
Profit/(loss) on ordinary activities before taxation	2	(15)	(7)
Taxation on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) on ordinary activities after taxation		(15)	(7)
Interim dividend		-	-
Retained profit/(loss)		(15)	(7)
Profit and loss account brought forward		893	900
Profit and loss account carried forward		<u>878</u>	<u>893</u>

The notes on pages 4 to 6 form an integral part of these accounts

All revenue and profits arose from discontinued operations

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

UNAUDITED BALANCE SHEET AS AT 31 DECEMBER

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
		<u>£</u>	<u>£</u>
Current Assets			
Trade debtors		-	-
Amounts due from group undertakings		-	-
Deferred taxation	6	-	-
Other debtors		-	-
Taxation recoverable		-	-
Prepayments and accrued income		-	-
Cash at bank and in hand		904	918
		<u>904</u>	<u>918</u>
Creditors amounts falling due within one year	5	(16)	(15)
Net current assets		<u>888</u>	<u>903</u>
Total assets less current liabilities		<u>888</u>	<u>903</u>
Provisions for liabilities and charges			
Deferred taxation	6	-	-
		<u>888</u>	<u>903</u>
Share capital and reserves			
Equity share capital	8	1	1
Special reserve	9	9	9
Profit and loss account		878	893
Shareholders' funds (equity)	13	<u>888</u>	<u>903</u>

For the year ended 31 December 2011 the Company was entitled to exemption from audit under Section 477 (2) of the Companies Act 2006



No members have required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006

The directors acknowledge their responsibility for

a) Ensuring the Company keeps accounting records which comply with Section 386, and

b) Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of Section 393, and which otherwise comply with the requirements of the Companies Act relating to accounts so far as is applicable to the Company

Approved by the Board on 3 July 2012

A J Curtis )
) Directors
 A Gandola )

The notes on pages 4 to 6 form an integral part of these accounts

NOTES TO THE ACCOUNTS

1) Accounting policies

a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards

b) Turnover

Turnover, which excludes value added tax, represents the invoiced value of services provided to the investment trusts and partnerships formerly managed by the Company. All income is recognised on an accruals basis.

c) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have accrued at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

d) Cash Flow Statement

In accordance with FRS 1 (revised) the Company is not required to prepare a cash flow statement as it is a wholly owned subsidiary of Graphite Capital Holdings Limited and its cash flows are reflected within the cash flows of the parent company.

e) Dividend policy

FRS 21 requires that dividends are recorded as a liability when paid or approved.

2) Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging

	2011	2010
	£	£
Depreciation	-	-
Amortisation of leasehold improvements	-	-
Auditors' remuneration		
for services as auditors	-	-
for non audit services	-	-
Operating lease rentals - non plant & machinery	-	-

3) Directors and Staff

No directors had contracts of employment with the Company during the year.

a) Employees

The average number of staff, including directors, employed by the Company during the year was nil (2010 - nil).

NOTES TO THE ACCOUNTS (cont)

4) Taxation on (loss)/profit on ordinary activities

	2011	2010
	£	£
a) Analysis of charge in year		
UK Corporation tax on profits of the period	-	-
Adjustment in respect of previous periods	-	-
Total current tax	-	-
Deferred taxation		
Origination and reversal of timing differences	-	-
Tax on (loss)/profit on ordinary activities	-	-

5) Creditors amounts falling due within one year

	2011	2010
	£	£
Trade creditors	-	-
Amounts due to group undertakings	-	-
Taxation and social security	-	-
Other creditors	16	15
Accruals and deferred income	-	-
Dividends payable	-	-
	16	15

6) Deferred taxation

There was no deferred taxation as at 31 December 2011 (2010 nil)

7) Contingent liabilities

As at 31 December 2011 there were no contingent liabilities (2010 nil)

8) Share Capital

The Company's share capital is as follows

Ordinary shares

Authorised 20 shares of 5p (2010 20)

Allotted and fully paid 20 shares of 5p (2010 20)

	2011	2010
	£	£
Authorised 20 shares of 5p (2010 20)	1	1
Allotted and fully paid 20 shares of 5p (2010 20)	1	1

9) Special Reserve

On 12 December 2001 a court order was issued approving a reduction in the nominal value of each issued and paid up share from £1 to 5p. A transfer of £2,375,000 was made from the share capital account to a special reserve to reflect this order. The purpose of this reduction was to create a reserve which is available for distribution. Since then all but £9 of this reserve has been distributed.

NOTES TO THE ACCOUNTS (cont)

10) Ultimate parent undertaking

Graphite Capital Holdings Limited, incorporated in England, is this Company's ultimate parent company. It is a small company and is not required to prepare consolidated accounts. Copies of the parent company accounts can be obtained from the Company Secretary, Graphite Capital, 4th Floor, Berkeley Square House, Berkeley Square, London W1J 6BQ.

11) Capital Commitments

As at 31 December 2011 the Company had no contractual capital commitments (2010: nil)

12) Reserves

	Special Reserve	Profit and loss account
	£	£
Balance at 1 January 2011	9	900
Retained profit for the year	-	(15)
Balance at 31 December 2011	9	885

13) Reconciliation of movement in ordinary equity shareholders' funds

	2011	2010
	£	£
Net revenue after taxation	(15)	(7)
Revenue Dividend	-	-
Capital Dividends	-	-
Ordinary equity shareholders' funds brought forward	893	900
Ordinary equity shareholders' funds carried forward	878	893

14) Related Party Transactions

Exemption has been taken in accordance with paragraph 3 (c) of FRS 8 "Related Party Disclosures" not to disclose all transactions with group companies as the Company is a wholly owned subsidiary of Graphite Capital Holdings Limited.

15) Obligations under operating leases

As at 31 December 2011 the Company had no obligations under operating leases (2010: nil)