

## GRADECLEAR LIMITED



### Director's Report And Unaudited Financial Statements

For the year ended 27 August 2012

Company Registration No 04531203 (England And Wales)

# GRADECLEAR LIMITED

## COMPANY INFORMATION

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|                          |   |
|--------------------------|---|
| <b>Director</b>          | N R Peele   |
| <b>Secretary</b>         | D A Peele   |
| <b>Company number</b>    | 04531203  |
| <b>Registered office</b> | Devonshire House<br>60 Goswell Road<br>London<br>EC1M 7AD                       |
| <b>Accountants</b>       | Kingston Smith LLP<br>Devonshire House<br>60 Goswell Road<br>London<br>EC1M 7AD |

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# GRADECLEAR LIMITED

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# GRADECLEAR LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 27 AUGUST 2012

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The director presents his report and financial statements for the year ended 27 August 2012

### Principal activities

The principal activity of the company continued to be that of property development

On 22 November 2011, the Grade II listed mansion owned by the company was significantly damaged by a major fire, started by arsonists who broke into the building. The accused have been successfully prosecuted. The property was insured for £7,000,000. The insurers are investigating all details of the fire. Up to the date of signing these financial statements a total of £800,000 had been received of advance payments from the insurance company prior to agreement of the insurance claim payable.

Between 28 August 2011 and 27 August 2012, loan repayments totalling £202,440 have been made to Coutts Bank, against the loan shown in short term creditors.

### Director

The following director has held office since 28 August 2011

N R Peele

### Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

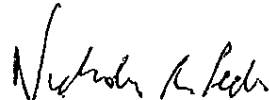
Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



N R Peele

Director

Date 21 January 2013

# GRADECLEAR LIMITED

## CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF GRADECLEAR LIMITED FOR THE YEAR ENDED 27 AUGUST 2012

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Gradeclear Limited for the year ended 27 August 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [icaew.com/membershandbook](http://icaew.com/membershandbook)

This report is made solely to the Board of Directors of Gradeclear Limited, as a body, in accordance with the terms of our engagement letter dated 15 May 2008. Our work has been undertaken solely to prepare for your approval the financial statements of Gradeclear Limited and state those matters that we have agreed to state to the Board of Directors of Gradeclear Limited, as a body, in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Gradeclear Limited and its Board of Directors as a body, for our work or for this report

It is your duty to ensure that Gradeclear Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Gradeclear Limited. You consider that Gradeclear Limited is exempt from the statutory audit requirement for the year

We have not been instructed to carry out an audit or a review of the financial statements of Gradeclear Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements

Kingston Smith LLP

Kingston Smith LLP

Chartered Accountants

22 January 2013

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# GRADECLEAR LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 27 AUGUST 2012

|   | Notes    | 2012<br>£        | 2011<br>£      |
|---|----------|------------------|----------------|
| Turnover  |          | -                | 190,000        |
| Cost of sales   |          | (700,000)        | (2,023)        |
| <b>Gross (loss)/profit</b>                                  |          | <b>(700,000)</b> | <b>187,977</b> |
| Administrative expenses                                     |          | 92,786           | (83,613)       |
| Other operating income                                      |          | 42,242           | 20,808         |
| <b>Operating (loss)/profit</b>                              |          | <b>(564,972)</b> | <b>125,172</b> |
| Other interest receivable and similar income                | 2        | 25               | 1              |
| Interest payable and similar charges                        |          | (46,071)         | (57,528)       |
| <b>(Loss)/profit on ordinary activities before taxation</b> |          | <b>(611,018)</b> | <b>67,645</b>  |
| Tax on (loss)/profit on ordinary activities                 | 3        | -                | -              |
| <b>(Loss)/profit for the year</b>                           | <b>9</b> | <b>(611,018)</b> | <b>67,645</b>  |

# GRADECLEAR LIMITED

## BALANCE SHEET AS AT 27 AUGUST 2012

|  | Notes | 2012<br>£          | £                  | 2011<br>£          | £                  |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| <b>Current assets</b>  |       |                    |                    |                    |                    |
| Stocks   | 4     | 1,800,000          |                    | 2,500,000          |                    |
| Debtors  | 5     | 57,445             |                    | 190,482            |                    |
| Cash at bank and in hand                                       |       | 66,299             |                    | 110                |                    |
|  |       | <u>1,923,744</u>   |                    | <u>2,690,592</u>   |                    |
| <b>Creditors' amounts falling due within one year</b>          | 6     | <u>(2,308,756)</u> |                    | <u>(2,212,053)</u> |                    |
| <b>Total assets less current liabilities</b>                   |       |                    | (385,012)          |                    | 478,539            |
| <b>Creditors' amounts falling due after more than one year</b> | 7     |                    | <u>(2,414,016)</u> |                    | <u>(2,666,549)</u> |
|  |       |                    | <u>(2,799,028)</u> |                    | <u>(2,188,010)</u> |
| <b>Capital and reserves</b>                                    |       |                    |                    |                    |                    |
| Called up share capital  | 8     |                    | 2                  |                    | 2                  |
| Profit and loss account  | 9     |                    | <u>(2,799,030)</u> |                    | <u>(2,188,012)</u> |
| <b>Shareholders' funds</b>                                     |       |                    | <u>(2,799,028)</u> |                    | <u>(2,188,010)</u> |

For the financial year ended 27 August 2012 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements 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 sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 21 January 2013



N R Peele  
Director

Company Registration No. 04531203

# GRADECLEAR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 27 AUGUST 2012

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company meets its day to day working capital requirements through advances from shareholders. Planning permission has been granted on land held for development. The Grade II Listed building on land was significantly damaged by fire (see note 4). During the year the company has received advance payments from the insurance company totalling £800,000 to cover interim costs of repairing the damage to the property.

The director has received confirmation from the creditors making up the balance shown in long-term creditors, that the amounts due will not be called upon until such time that the company has the necessary funds to pay them.

For the above reasons the director considers the company to be a going concern. The financial statements do not include any adjustments that would result from a withdrawal of the financial support from the shareholders, or the bank who have provided the loan included in short term creditors.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for the sale of land and property, rent receivable on land and buildings during development and management fees all net of VAT.

#### 1.4 Stock and work in progress

Stock represents land and property held for resale and associated development expenditure. Stock is valued at the lower of cost and net realisable value.

### 2 Investment income

|               | 2012  | 2011  |
|---------------|-------|-------|
|               | £     | £     |
| Bank interest | 25    | 1     |
|               | <hr/> | <hr/> |
|               | 25    | 1     |
|               | <hr/> | <hr/> |

### 3 Taxation

Based on these financial statements there is no tax charge arising in the current year or prior period.



# GRADECLEAR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2012

| <b>4</b> | <b>Stocks and work in progress</b> | <b>2012</b>      | <b>2011</b>      |
|----------|------------------------------------|------------------|------------------|
|          |                                    | <b>£</b>         | <b>£</b>         |
|          | Property held for redevelopment    | <u>1,800,000</u> | <u>2,500,000</u> |

In November 2011, the Grade II listed mansion on the site was significantly damaged by fire. The director has assessed the value of the property held in stock as £1,800,000 after taking into account the impact of the damage caused by the fire.

| <b>5</b> | <b>Debtors</b> | <b>2012</b>   | <b>2011</b>    |
|----------|----------------|---------------|----------------|
|          |                | <b>£</b>      | <b>£</b>       |
|          | Other debtors  | <u>57,445</u> | <u>190,482</u> |

| <b>6</b> | <b>Creditors' amounts falling due within one year</b> | <b>2012</b>      | <b>2011</b>      |
|----------|---|------------------|------------------|
|          |   | <b>£</b>         | <b>£</b>         |
|          | Bank loans and overdrafts                             | 1,556,691        | 1,759,131        |
|          | Trade creditors                                       | 316,448          | 259,238          |
|          | Taxation and social security                          | 471              | 636              |
|          | Other creditors                                       | 435,146          | 193,048          |
|          |   | <u>2,308,756</u> | <u>2,212,053</u> |

The bank loan is secured by a fixed charge over the land and property held in stock. N R Peele, director and J D C Peele have also provided personal guarantees in respect of the loan.

| <b>7</b> | <b>Creditors' amounts falling due after more than one year</b> | <b>2012</b>      | <b>2011</b>      |
|----------|--|------------------|------------------|
|          |  | <b>£</b>         | <b>£</b>         |
|          | Other creditors  | <u>2,414,016</u> | <u>2,666,549</u> |
|          | <b>Analysis of loans</b>                                       |                  |                  |
|          | Wholly repayable within five years                             | 3,970,707        | 4,425,680        |
|          | Included in current liabilities                                | (1,556,691)      | (1,759,131)      |
|          |  | <u>2,414,016</u> | <u>2,666,549</u> |

# GRADECLEAR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2012

| 8 | Share capital                      | 2012<br>£ | 2011<br>£ |
|---|------------------------------------|-----------|-----------|
|   | Allotted, called up and fully paid |           |           |
|   | 2 Ordinary shares of £1 each       | 2         | 2         |

### 9 Statement of movements on profit and loss account

|                           | Profit and<br>loss<br>account<br>£ |
|---------------------------|------------------------------------|
| Balance at 28 August 2011 | (2,188,012)                        |
| Loss for the year         | (611,018)                          |
| Balance at 27 August 2012 | (2,799,030)                        |

### 10 Control

The immediate parent company is Blanquilla Limited, a company registered in Bermuda. At the balance sheet date Gradeclear Limited was controlled equally by N R Peele and Cameron Capital (Delaware) LLC, a company registered in Delaware, USA.

# GRADECLEAR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2012

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### 11 Related party relationships and transactions

#### Transactions with directors

At the balance sheet date the company owed N R Peele an amount of £392,997 (2011 £599,320) An amount of £111,824 (2011 £111,824) has also been included in accruals in respect of interest unpaid on the amount owed to N R Peele

At the balance sheet date the company owed D Peele, wife of N R Peele, an amount of £20,524 (2011 £20,524)

At the balance sheet date the company owed J D C Peele, the brother of N R Peele, an amount of £161,712 (2011 £40,931)

#### Other transactions

N P Consultants Limited is controlled by N R Peele At the balance sheet date the company owed N P Consultants Limited an amount of £443,229 (2011 £654,200) During the year the amount repayable to N P Consultants Limited was reduced by £210,997 (2011 £nil) An amount of £9,398 (2011 £9,398) is included in other creditors in respect of interest unpaid on balance due to N P Consultants Limited

Solar Power South Limited is controlled by N R Peele At the balance sheet date the company owed Solar Power South Limited an amount of £217,986 (2011 £208,056)

At the balance sheet date the company owed Blanquilla Limited £584,076 (2011 £584,076)

Polbond Limited is controlled by Cameron Capital (Delaware) LLC At the balance sheet date the company owed Polbond Limited £152,309 (2011 £159,164)

All of the above loans are only repayable as and when the cashflow of the company permits