

Everest Secondary Limited

**Directors' report and financial
statements**

Registered number 05948885

31 October 2009



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Directors' Report

The directors present their Directors' Report and financial statements for the year ended 31 October 2009

Principal activities

The Company did not trade during the current or period

Business review

The loss for the period absorbed by the Company is £8,344,000 (2008 £969,000)

Directors

The directors who held office during the period were as follows

S Lees (resigned 10 February 2010)
D J Challinor (appointed 10 June 2009)
S L Woods (resigned 10 June 2009)

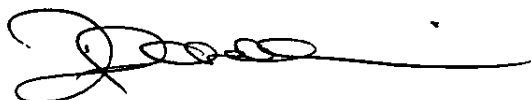
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



D Challinor
Director

4th Floor
Bow Chambers
8 Tib Lane
Manchester
M2 4JB

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Everest Secondary Limited

We have audited the financial statements of Everest Secondary Limited for the year ended 31 October 2009 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 2, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 31 October 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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.

Independent auditors' report to the members of Everest Secondary Limited *(continued)*

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
- we have not received all the information and explanations we require for our audit

Nicola Quayle

30 July 2010

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP (Statutory Auditor)
Chartered Accountants
St James Square
Manchester
M2 6DS

Profit and Loss Account
for the year ended 31 October 2009

	<i>Note</i>	2009 £000	2008 £000
Turnover	<i>1</i>	-	-
Administrative expenses		-	-
		<hr/>	<hr/>
Operating profit		-	-
Interest payable and similar charges	<i>3</i>	(894)	(969)
Amount written off fixed asset investment	<i>2</i>	(7,450)	
		<hr/>	<hr/>
Loss before taxation		(8,344)	(969)
Tax on loss on ordinary activities	<i>4</i>	-	-
		<hr/>	<hr/>
Loss for the financial year	<i>8</i>	(8,344)	(969)
		<hr/>	<hr/>

All amounts are derived from continuing activities

The Company has no recognised gains or losses in either the current or preceding year other than those presented above and therefore no statement of total recognised gains and losses has been presented

Balance Sheet
at 31 October 2009

	<i>Note</i>	2009 £000	2009 £000	2008 £000	2008 £000
Fixed assets					
Investments	5	-	-	-	7,450
Current assets					
Cash at bank and in hand		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors amounts falling due within one year		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net current liabilities			-		-
			<hr/>		<hr/>
Total assets less current liabilities			-		7,450
Creditors amounts falling due after one year	6		(9,613)		(8,719)
			<hr/>		<hr/>
Net liabilities			(9,613)		(1 269)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	7	-	-	-	-
Profit and loss reserve	8		(9,613)		(1 269)
			<hr/>		<hr/>
Equity shareholder's deficit			(9,613)		(1 269)
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 27.2.2010 and were signed on its behalf by



D Challinor
Director

Reconciliation of Movements in Shareholder's Deficit
for the year ended 31 October 2009

	2009 £000	2008 £000
Loss for the financial year	(8,344)	(969)
Net reduction in shareholder's funds	(8,344)	(969)
Opening shareholder's deficit	(1,269)	(300)
Closing shareholder's deficit	(9,613)	(1,269)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Going concern

The accounts have been prepared on a going concern basis, notwithstanding that the Company has net liabilities. The loan stock liabilities, and the related payment terms, are set out in note 6 to the accounts. The loan note holders have acknowledged that the ability of the Company to repay these amounts on their due date, which is more than twelve months from the date of these accounts, is dependent on the ability of the Company to realise its investment, or income there from, in the Four Seasons Partnership. Whilst the directors and loan note holders consider this achievable, the loan note holders have confirmed in writing to the Company that they will not seek repayment of the amounts owed under this agreement if and until the Company has realised its investment in the Four Seasons Partnership, or has been in receipt of funds from its investment which would enable it to meet this financial commitment.

Group accounts exemption

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Turnover

Turnover represents amounts (excluding value added tax) derived from the provision of services to customers arising from the Company's principal activity, and is derived solely in the United Kingdom

2 Directors and staff costs

The Company has no employees other than the directors. The directors received no remuneration in either the current and preceding periods from the Company in respect of their services to the Company

3 Interest payable

	2009 £000	2008 £000
Interest on loan stock	894	969

4 Operating loss

Operating loss is stated after charging the following

	2009 £000	2008 £000
Auditors' remuneration Audit of these financial statements	-	-

Auditors' remuneration of £1,500 was borne by the parent company in the current and prior year

Notes (continued)

5 Fixed asset investment

	£000
Brought forward	7,450
Provision	(7,450)
	<hr/>
Carried forward	-
	<hr/>

The Company in which the Company's interest at the year end is more than 20% is as follows

Subsidiary undertaking	Country of incorporation	Principal activity	Partnership Interest	Net assets
			%	\$000
Four Seasons Solar Products LLC	USA	Retail of Sunrooms	50	51,863
			<hr/>	<hr/>

The directors have reviewed the carrying value of the investment during the year and, based on current trading forecasts for the foreseeable future, have recorded a provision of £7,450,000

6 Creditors amounts falling due after one year

	2009 £000	2008 £000
Accrued interest	2,163	1,269
Secured loan notes	2,450	2,450
Unsecured loan notes	5,000	5,000
	<hr/>	<hr/>
Unsecured loan notes	9,613	8 719
	<hr/>	<hr/>

On 14 November 2006, the Company issued £2,450,000, 12% fixed rate, secured loan notes. The interest and capital is payable on the maturity date of 31 October 2013 or immediately if the Company ceases to trade. The loan notes are secured on the investment in Four Seasons Partnership.

On 4 September 2007, the Company issued £5,000,000, 12% fixed rate, unsecured loan notes. The interest and capital is payable on the maturity date of 31 October 2013 or immediately if the Company ceases to trade.

The payment of interest and capital on these secured and unsecured notes is subordinated, under the terms of an intercreditor agreement, behind the repayment of senior debt by the Four Seasons Partnership and the Company's parent undertaking, NE Investments Limited.

Notes (continued)

7 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
Equity – 1 000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Equity – 1 ordinary share of £1	1	1
	<hr/>	<hr/>

8 Reserves

	Profit and loss reserve £000
At beginning of the year	(1,269)
Retained loss for the period	(8,344)
	<hr/>
At end of the year	(9,613)
	<hr/>

9 Related party transactions

There were no related party transactions in the current year or preceding year

10 Ultimate parent undertaking

The Company is a wholly owned subsidiary undertaking of NE Investments Ltd, a Company registered in England and Wales. Copies of these accounts can be obtained from 4th Floor, Bow Chambers, 8 Tib Lane, Manchester, M24JB