

Pixieacre Limited

Report and Financial Statements

Year Ended 31 August 1999

Company Registration No. 3360708
(England and Wales)



Pixieacre Limited

Annual report and financial statements for the year ended 31 August 1999

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Directors

G T Mascolo
P P Mascolo

Secretaries and registered office

R W L Berrow and G T Mascolo
19 Doughty Street, London, WC1N 2PL

Company number

3360708

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Pixieacre Limited

Report of the directors for the year ended 31 August 1999

The directors present their report together with the financial statements for the year ended 31 August 1999.

Results and dividends

The profit and loss account is set out on page 3 and shows the results for the year.

The directors do not recommend the payment of a final ordinary dividend and the balance on the profit and loss account is to be carried forward.

Principal activities, trading review and future developments

The principal activity of the company continued to be that of a property investment company.

Year 2000

The directors are pleased to announce that the company did not suffer any adverse effects from the Year 2000 problem following the date change at the end of the financial year. They remain diligent and are continuously monitoring any issues arising from the date change that may occur during the remainder of the year 2000.

Directors and directors' interests

The directors and directors' interests of the company during the year were:

	Ordinary A shares of £1 each	
	31 August 1999	31 August 1998
G T Mascolo	1	1
P P Mascolo	1	1

Pixieacre Limited

Report of the directors for the year ended 31 August 1999 (Continued)

Directors' responsibilities

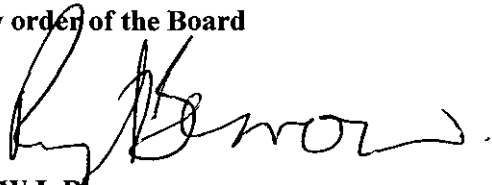
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 departure 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

This report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



R W L Berrow
Secretary

Date

Pixieacre Limited**Profit and loss account for the year ended 31 August 1999**

	Note	1999 £	1998 £
Turnover	1	72,949	17,774
Administrative expenses		(3,237)	(6,262)
Operating profit		69,712	11,512
Interest payable and similar charges	2	(31,974)	(8,009)
Profit on ordinary activities before taxation		37,738	3,503
Taxation on profit from ordinary activities	3	(11,900)	(922)
Retained profit for the year		25,838	2,581

All amounts relate to continuing activities.

There are no recognised gains and losses other than the result for the year as shown above.

The notes on pages 6 to 10 form part of these financial statements.

Pixieacre Limited**Balance sheet at 31 August 1999**

	Note	1999		1998	
		£	£	£	£
Fixed assets					
Tangible assets	4		661,750		314,650
Current assets					
Debtors	5	1,572		2,565	
Cash at bank and in hand		25,586		14,794	
		<u>27,158</u>		<u>17,359</u>	
Creditors: amounts falling due within one year	6	<u>(357,050)</u>		<u>(190,717)</u>	
Net current liabilities			(329,892)		(173,358)
Total assets less current liabilities			331,858		141,292
Creditors: amounts falling due after more than one year	7		(303,437)		(138,709)
Net assets			<u>28,421</u>		<u>2,583</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		28,419		2,581
Equity shareholders' funds			<u>28,421</u>		<u>2,583</u>

These accounts were prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Pixieacre Limited

Balance sheet at 31 August 1999 *(continued)*

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249(B) of the Companies Act 1985. The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 August 1999 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board on

Director

The notes on pages 6 to 10 form part of these financial statements.

Pixieacre Limited

Notes forming part of the financial statements for the year ended 31 August 1999

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents rents receivable in the United Kingdom.

Tangible fixed assets and depreciation

In accordance with Statement of Standard Accounting Practice No 19, no depreciation was provided in respect of investment properties. This is a departure from the requirements of the Companies Act 1985 which requires all properties to be depreciated. These properties are not held for use by the company but of investment and the directors consider that to depreciate them would not give a true and fair view.

Depreciation is only one amongst many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified. The directors consider that this policy results in the accounts giving a true and fair view.

2 Interest payable and similar charges

	1999 £	1998 £
Bank interest	31,974	8,009

Pixieacre Limited

Notes forming part of the financial statements for the year ended 31 August 1999 (*Continued*)

	1999 £	1998 £
3 Taxation on profit from ordinary activities		
UK corporation tax	11,900	922
	<u> </u>	<u> </u>
4 Investment Properties		£
<i>Cost</i>		
At 1 September 1998		314,650
Additions		347,100
		<u> </u>
As at 31 August 1999		661,750
<i>Net book value</i>		
At 31 August 1999		661,750
		<u> </u>
At 31 August 1998		314,650
		<u> </u>

Pixieacre Limited**Notes forming part of the financial statements for the year ended 31 August 1999 (Continued)****5 Debtors**

	1999 £	1998 £
Trade debtors	1,572	1,515
Other debtors	-	1,050
	1,572	2,565

All amounts shown under debtors fall due for payment within one year.

6 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts	29,843	10,556
Trade creditors	2,750	-
Taxation and social security	11,900	922
Other creditors	305,998	179,239
Accruals and deferred income	6,559	-
	357,050	190,717

The bank loan is secured with a fixed and floating charge over the assets of the company. Other creditors includes interest free loans due to directors of the company as shown below:

	1999 £	1998 £
G T Mascolo	152,999	86,999
P P Mascolo	152,999	86,999

Pixieacre Limited**Notes forming part of the financial statements for the year ended 31 August 1999 (Continued)****7 Creditors: amounts falling due after more than one year**

	1999 £	1998 £
Bank loan	115,617	138,709
Trade creditors	187,820	-
	<u>303,437</u>	<u>138,709</u>
Bank loan maturity:		
Within one year	11,546	11,546
Within one and two years	30,008	41,554
Within two and five years	85,609	85,609
	<u>127,163</u>	<u>138,709</u>

8 Share capital

	Authorised		Allotted, called up and fully paid	
	1999 £	1998 £	1999 £	1998 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>2</u>	<u>2</u>

9 Reserves

	Profit and loss account £
At 1 September 1998	2,581
Profit for year	25,838
	<u>28,419</u>
At 31 August 1999	

Pixieacre Limited

Notes forming part of the financial statements for the year ended 31 August 1999 (Continued)

11 Related party transactions

During the year, the company has entered into transactions and has balances, with the following companies which fall within the definition of related parties under Financial Reporting Standard No. 8:

Mascolo Plc

Aggregate transactions with these companies were:

	1999 £	1998 £
Rent received	72,949	17,774
	<u> </u>	<u> </u>

Aggregate balances with those companies were:

Debtors	1,574	1,515
Creditors	2,750	-
	<u> </u>	<u> </u>