

Pixieacre Limited

Report and Financial Statements

Year Ended 31 August 2000

Company Registration No. 3360708
(England and Wales)



Pixieacre Limited

Annual report and financial statements for the year ended 31 August 2000

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Directors

GT Mascolo
PP Mascolo
R Staal

Secretaries and Registered office

RWL Berrow
19 Doughty Street, London, WC1N 2PL

Company number

3360708

Pixieacre Limited

Report of the directors for the year ended 31 August 2000

The directors present their report together with the financial statements of the company for the year ended 31 August 2000.

Principal activities, trading review and future developments

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

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.

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 their interests

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

	Ordinary A shares of £1 each	
	31 August 2000	31 August 1999
G T Mascolo	1	1
PP Mascolo	1	1
R Staal	-	-

R Staal is an alternate director for GT Mascolo, and can act as a director in his absence.

Pixieacre Limited

Report of the directors for the year ended 31 August 2000 (*Continued*)

Statement of directors' responsibilities

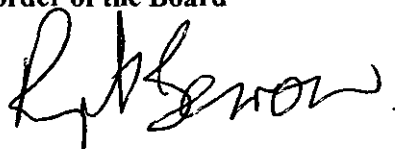
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended and estimates have been made in preparing the financial statements for the year ended 31st August 2000 and that applicable accounting standards have been followed.

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 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.

The directors' report 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

27th July 2001

Pixieacre Limited

Profit and loss account for the year ended 31 August 2000

	Note	2000 £	1999 £
Turnover	1	84,643	72,949
Administrative expenses		(1,343)	(3,237)
Operating profit		83,300	69,712
Interest payable and similar charges	2	(55,819)	(31,974)
Profit on ordinary activities before taxation		27,481	37,738
Taxation on profit on ordinary activities	3	(5,625)	(11,900)
Retained profit for the financial year		21,856	25,838

All amounts relate to continuing activities.

Statement of Total Recognised Gains and Losses

		2000 £	1999 £
Profit for the financial year		21,856	25,838
Unrealised surplus on revaluation of property	9	288,732	-
Total recognised gains for the year		310,588	25,838

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

Pixieacre Limited

Balance sheet at 31 August 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	4	1,626,750	661,750
Current assets			
Debtors	5	171	1,572
Cash at bank and in hand		-	25,586
		<u>171</u>	<u>27,158</u>
Creditors: Amounts falling due within one year	6	<u>(717,828)</u>	<u>(357,050)</u>
Net current liabilities		<u>(717,657)</u>	<u>(329,892)</u>
Total assets less current liabilities		909,093	331,858
Creditors: Amounts falling due after more than one year	7	(570,084)	(303,437)
Net assets		<u>339,009</u>	<u>28,421</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	50,275	28,419
Revaluation reserve	9	288,732	-
Equity shareholders' funds		<u>339,009</u>	<u>28,421</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

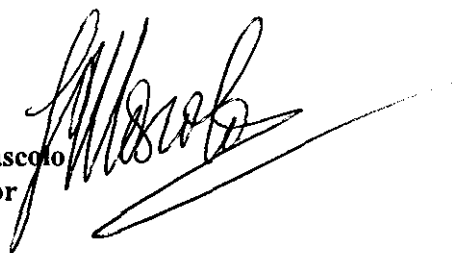
Balance sheet at 31 August 2000 (continued)

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 2000 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 on pages 3 to 10 were approved by the board of directors on 27th July 2001 and were signed on its behalf by:

GT Mascolo
Director

A handwritten signature in black ink, appearing to read 'GT Mascolo', written over a horizontal line.

Pixieacre Limited

Notes forming part of the financial statements for the year ended 31 August 2000

1 Accounting policies

These 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 rent receivable in the United Kingdom.

Investment properties

The investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the requirements of the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

2 Interest payable and similar charges

	2000 £	1999 £
Bank interest	51,018	31,974

Pixieacre Limited

Notes forming part of the financial statements for the year ended 31 August 2000 (Continued)

	2000 £	1999 £
3 Taxation on profit from ordinary activities		
UK Corporation tax	5,625	11,900
	<u> </u>	<u> </u>
4 Investment Properties		£
<i>Cost</i>		
At 1 September 1999		661,750
Additions		965,000
		<u> </u>
As at 31 August 2000		1,626,750
		<u> </u>
<i>Net book value</i>		
At 31 August 2000		1,626,750
		<u> </u>
At 31 August 1999		661,750
		<u> </u>

During the year a property was purchased. The property was valued as at 31st August 2000, in accordance with the Group's accounting policy, by external valuers, David Menzies Associates. This valuation was carried out in accordance with the practice statements of the Royal Institute of Chartered Surveyors Appraisal Valuation Manual.

An independent qualified valuer did not revalue the other two investment properties in the year, but they are carried at the directors' estimate of current market value.

Pixieacre Limited

Notes forming part of the financial statements for the year ended 31 August 2000 (Continued)

5 Debtors

	2000	1999
	£	£
Trade debtors	171	1,572
Other debtors	-	-
	<u>171</u>	<u>1,572</u>

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

6 Creditors: Amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	81,975	29,843
Trade creditors	22,000	2,750
Taxation and social security	555	11,900
Other creditors	601,998	305,998
Accruals and deferred income	11,300	6,559
	<u>717,828</u>	<u>357,050</u>

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

	2000	1999
	£	£
GT Mascolo	300,999	152,999
P Mascolo	300,999	152,999

Pixieacre Limited

Notes forming part of the financial statements for the year ended 31 August 2000 (Continued)

7 Creditors: Amounts falling due after more than one year

	2000 £	1999 £
Bank loan	570,084	303,437
	<u>570,084</u>	<u>303,437</u>

Maturity of bank loan:

In one year or less, or on demand	74,183	29,843
In more than one year, but not more than two years	107,890	45,605
In more than two years, but not more than five years	315,031	145,234
In more than five years	147,164	112,598
	<u>644,268</u>	<u>333,280</u>

8 Share capital

	Authorised 2000 £	1999 £	Allotted, called up and fully paid 2000 £	1999 £
Ordinary shares of £1 each	1,000,000	1,000,000	2	2

9 Reserves

	Profit & Loss Account £	Revaluation Reserve £
As at 1 st September 1999	28,419	-
Profit for the year	21,856	-
Revaluation in the year	-	288,732
As at 31 st August 2000	<u>50,275</u>	<u>288,732</u>

Pixieacre Limited

Notes forming part of the financial statements for the year ended 31 August 2000 (*Continued*)

10 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:

	2000 £	1999 £
Rent received	84,643	72,949
	<u> </u>	<u> </u>

Aggregate balances with those companies were:

Debtors	-	1,574
Creditors	4,100	2,750
	<u> </u>	<u> </u>