

Company Registration No. 3360708 (England and Wales)

REGISTERED
COPY

PIXIEACRE LIMITED

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2007

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PIXIEACRE LIMITED

COMPANY INFORMATION

Directors	G T Mascolo
	P P Mascolo
	R J Staal
Secretary	R W L Berrow
Company number	3360708
Registered office	19 Doughty Street London WC1N 2PL
Auditors	HW 30 Camp Road Farnborough Hampshire GU14 6EW



PIXIEACRE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

PIXIEACRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2007

The directors present their report and financial statements for the year ended 31 August 2007

Principal activities

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

Directors

The following directors have held office since 1 September 2006

G T Mascolo

P P Mascolo

R J Staal

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 August 2007	1 September 2006
G T Mascolo	1	1
P P Mascolo	1	1
R J Staal	-	-

R J Staal is an alternate director for G T Mascolo, and can act as director in his absence

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, HW, will be deemed to be reappointed for each succeeding financial year

Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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,
- 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 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

PIXIEACRE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2007

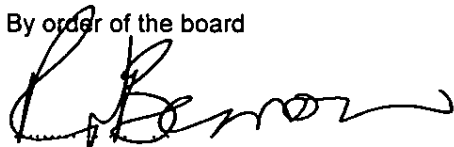
Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This 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

6/6/08

PIXIEACRE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PIXIEACRE LIMITED

We have audited the financial statements of Pixieacre Limited on pages 5 to 10 for the year ended 31 August 2007. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

PIXIEACRE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF PIXIEACRE LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 August 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



HW

12 June 2008

**Registered Auditors and
Chartered Accountants**

30 Camp Road
Farnborough
Hampshire
GU14 6EW

PIXIEACRE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2007

	Notes	2007 £	2006 £
Turnover		293,500	293,850
Cost of sales		(100)	(2,315)
Gross profit		293,400	291,535
Administrative expenses		(11,252)	(2,615)
Operating profit	2	282,148	288,920
Other interest receivable and similar income	3	-	2,903
Interest payable and similar charges		(99,538)	(101,424)
Profit on ordinary activities before taxation		182,610	190,399
Tax on profit on ordinary activities	4	(54,782)	(56,118)
Profit for the year	10	127,828	134,281

PIXIEACRE LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	5	3,617,349		3,617,349	
Current assets					
Debtors	6	7,911		8,261	
Cash at bank and in hand		22,948		14,666	
		<u>30,859</u>		<u>22,927</u>	
Creditors: amounts falling due within one year	7	<u>(979,179)</u>		<u>(953,529)</u>	
Net current liabilities		<u>(948,320)</u>		<u>(930,602)</u>	
Total assets less current liabilities		2,669,029		2,686,747	
Creditors: amounts falling due after more than one year	8	<u>(1,186,423)</u>		<u>(1,331,969)</u>	
		<u>1,482,606</u>		<u>1,354,778</u>	
Capital and reserves					
Called up share capital	9	2		2	
Revaluation reserve	10	740,162		740,162	
Profit and loss account	10	742,442		614,614	
Shareholders' funds		<u>1,482,606</u>		<u>1,354,778</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Board for issue on 6/6/08.


G. Mascolo
Director

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Turnover

Turnover represents rents receivable in the United Kingdom, net of Value Added Tax

1.3 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified

1.4 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets

2 Operating profit

	2007 £	2006 £
Operating profit is stated after charging		
Auditors' remuneration	1,900	1,900

3 Investment income

	2007 £	2006 £
Other interest	-	2,903

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

4	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	54,782	56,118
	Current tax charge	<u>54,782</u>	<u>56,118</u>

5	Tangible fixed assets	Investment properties £
	Cost or valuation	
	At 1 September 2006 & at 31 August 2007	<u>3,617,349</u>

The valuations of investment properties were made as at 31 August 2004 by qualified external valuers on an open market basis, in accordance with the practice statements of the Royal Institute of Chartered Surveyors Appraisal Valuation Manual. No depreciation is provided in respect of these properties and the directors consider that there has been no material change in the market value to 31 August 2007. No provision has been made against cost unless there is considered to be a permanent fall in value of the properties.

On an historical cost basis these would have been at an original cost of £2,877,187 (2006 - £2,877,187).

The company has an estimated unprovided deferred tax liability arising on the revaluation of investment properties of £124,999 (2006 - £144,603).

6	Debtors	2007 £	2006 £
	Trade debtors	<u>7,911</u>	<u>8,261</u>

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

7 Creditors: amounts falling due within one year	2007	2006
	£	£
Bank loans and overdrafts	245,076	245,076
Trade creditors	38	20
Taxation and social security	59,544	33,805
Other creditors	674,521	674,628
	<u>979,179</u>	<u>953,529</u>

The bank loans and overdraft are secured as detailed in note 8

The directors, G T Mascolo and P P Mascolo have provided the company with loans of £350,999 (2006 £350,999) and £300,999 (2006 £300,999) respectively. These loans are interest free and are included on other creditors.

8 Creditors: amounts falling due after more than one year	2007	2006
	£	£
Bank loans	<u>1,186,423</u>	<u>1,331,969</u>
Analysis of loans		
Wholly repayable within five years	1,431,499	1,577,045
Included in current liabilities	(245,076)	(245,076)
	<u>1,186,423</u>	<u>1,331,969</u>

The bank loan is secured by a fixed and floating charge over the assets of the company

9 Share capital	2007	2006
	£	£
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

10 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 September 2006	740,162	614,614
Profit for the year	-	127,828
Balance at 31 August 2007	<u>740,162</u>	<u>742,442</u>

11 Related party transactions

Mascolo Limited is considered to be a related party due to G T Mascolo being a common director

During the year rents received from Mascolo Limited amounted to £254,500 (2006 £254,500) and at the year end £nil (2006 £nil) was owed by Mascolo Limited. There are loans from the shareholders and directors of £651,998 (2006 £651,998) as detailed in note 7.