

Company Registration No. 3360708 (England and Wales)

REGISTRAR'S
COPY

PIXIEACRE LIMITED

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2008

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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

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PIXIEACRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2008

The directors present their report and financial statements for the year ended 31 August 2008.

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 2007:

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 2008	1 September 2007
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

HW are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

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 2008

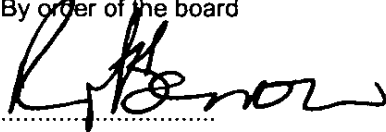
Statement of disclosure to auditors

(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

31/10/09

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 2008. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), 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.

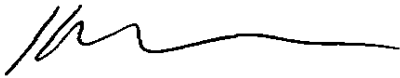
PIXIEACRE LIMITED

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 2008 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

**Chartered Accountants and
Registered Auditors**

24 April 2009

**30 Camp Road
Farnborough
Hampshire
GU14 6EW**



PIXIEACRE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2008

		2008	2007
	Notes	£	£
Turnover		295,363	293,500
Cost of sales		-	(100)
Gross profit		295,363	293,400
Administrative expenses		(2,457)	(11,252)
Operating profit	2	292,906	282,148
Other interest receivable and similar income	3	26	-
Interest payable and similar charges		(95,953)	(99,538)
Profit on ordinary activities before taxation		196,979	182,610
Tax on profit on ordinary activities	4	(57,526)	(54,782)
Profit for the year	10	139,453	127,828

PIXIEACRE LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	5	3,617,349		3,617,349	
Current assets					
Debtors	6	5,144		7,911	
Cash at bank and in hand		36,029		22,948	
		<u>41,173</u>		<u>30,859</u>	
Creditors: amounts falling due within one year	7	<u>(1,074,859)</u>		<u>(979,179)</u>	
Net current liabilities		<u>(1,033,686)</u>		<u>(948,320)</u>	
Total assets less current liabilities		2,583,663		2,669,029	
Creditors: amounts falling due after more than one year	8	<u>(961,604)</u>		<u>(1,186,423)</u>	
		<u>1,622,059</u>		<u>1,482,606</u>	
Capital and reserves					
Called up share capital	9	2		2	
Revaluation reserve	10	740,162		740,162	
Profit and loss account	10	881,895		742,442	
Shareholders' funds		<u>1,622,059</u>		<u>1,482,606</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 2007).

Approved by the Board for issue on 31/4/09

G T Mascolo
Director

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

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 2007).

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

1.4 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 2007), 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.

1.5 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	2008	2007
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	2,000	1,900
	<u> </u>	<u> </u>
3 Investment income	2008	2007
	£	£
Other interest	26	-
	<u> </u>	<u> </u>

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2008

4	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	57,526	54,782
	Current tax charge	<u>57,526</u>	<u>54,782</u>

5	Tangible fixed assets	Investment properties £
	Cost or valuation	
	At 1 September 2007 & at 31 August 2008	<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 2008. 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 (2007 - £2,877,187).

The company has an estimated unprovided deferred tax liability arising on the revaluation of investment properties of £93,036 (2007 - £124,999).

6	Debtors	2008 £	2007 £
	Trade debtors	<u>5,144</u>	<u>7,911</u>

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2008

7	Creditors: amounts falling due within one year	2008 £	2007 £
	Bank loans and overdrafts	282,924	245,076
	Trade creditors	317	38
	Taxation and social security	59,933	59,544
	Other creditors	731,685	674,521
		<u>1,074,859</u>	<u>979,179</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 (2007: £350,999) and £300,999 (2007: £300,999) respectively. These loans are interest free and are included on other creditors.

8	Creditors: amounts falling due after more than one year	2008 £	2007 £
	Bank loans	<u>961,604</u>	<u>1,186,423</u>
	Analysis of loans		
	Wholly repayable within five years	1,244,528	1,431,499
	Included in current liabilities	<u>(282,924)</u>	<u>(245,076)</u>
		<u>961,604</u>	<u>1,186,423</u>

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

9	Share capital	2008 £	2007 £
	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 2008

10 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 September 2007	740,162	742,442
Profit for the year	-	139,453
Balance at 31 August 2008	<u>740,162</u>	<u>881,895</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 £256,500 (2007: £254,500) and at the year end £57,513 (2007 : £586) was owed to Mascolo Limited. There are loans from the shareholders and directors of £651,998 (2007 : £651,998) as detailed in note 7.