

Company Registration No. 03360708 (England and Wales)

REGISTRAR'S COPY

PIXIEACRE LIMITED

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

SATURDAY



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COMPANIES HOUSE



PIXIEACRE LIMITED

COMPANY INFORMATION

Directors	G T Mascolo R J Staal
Secretary	R W L Berrow
Company number	03360708
Registered office	58 / 60 Stamford Street London SE1 9LX
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 2010

The directors present their report and financial statements for the year ended 31 August 2010

Principal activities and review of the business

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

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

An external valuation of the Investment Properties held was completed in February 2010

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office since 1 September 2009

P P Mascolo

(Resigned 15 March 2010)

G T Mascolo

R J Staal

Statement of directors' responsibilities

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 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). 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 judgements and accounting 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,
- 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 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 2010

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

On behalf of the board



G T Mascolo

Director

Dated 12/04/11

PIXIEACRE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PIXIEACRE LIMITED

We have audited the financial statements of Pixieacre Limited for the year ended 31 August 2010 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 1, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 August 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.

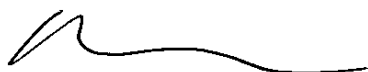
PIXIEACRE LIMITED

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

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



Andrew Parsons (Senior Statutory Auditor)
for and on behalf of HW

21 April 2011

Chartered Accountants
Statutory Auditor

30 Camp Road
Farnborough
Hampshire
GU14 6EW

PIXIEACRE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2010

	Notes	2010 £	2009 £
Turnover	2	298,005	297,840
Administrative expenses		(2,392)	1,773
Operating profit	3	295,613	299,613
Other interest receivable and similar income	4	73	53
Interest payable and similar charges	5	(21,311)	(51,142)
Profit on ordinary activities before taxation		274,375	248,524
Tax on profit on ordinary activities	6	(77,673)	(69,626)
Profit for the year	12	196,702	178,898

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

PIXIEACRE LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	7	4,459,390		3,522,000	
Current assets					
Debtors	8	53		8,432	
Cash at bank and in hand		-		5,975	
		<u>53</u>		<u>14,407</u>	
Creditors: amounts falling due within one year	9	<u>(1,151,933)</u>		<u>(1,101,145)</u>	
Net current liabilities		<u>(1,151,880)</u>		<u>(1,086,738)</u>	
Total assets less current liabilities		3,307,510		2,435,262	
Creditors: amounts falling due after more than one year	10	<u>(1,405,171)</u>		<u>(729,654)</u>	
		<u>1,902,339</u>		<u>1,705,608</u>	
Capital and reserves					
Called up share capital	11	31		2	
Revaluation reserve	12	644,813		644,813	
Profit and loss account	12	1,257,495		1,060,793	
Shareholders' funds	13	<u>1,902,339</u>		<u>1,705,608</u>	

Approved by the Board and authorised for issue on 12/04/11


G.T. Mascolo
Director

Company Registration No. 03360708

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

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

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 applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 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 net gains on the investment property as the company has no immediately foreseeable intention to sell the assets

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit

Operating profit is stated after charging

Fees payable to the company's auditor for the audit of the company's annual accounts

2010	2009
£	£

1,900	1,900
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PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010

4	Investment income	2010	2009
		£	£
	Other interest	73	53
		<u>73</u>	<u>53</u>
5	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	21,311	50,974
	On overdue tax	-	168
		<u>21,311</u>	<u>51,142</u>
6	Taxation	2010	2009
		£	£
	Domestic current year tax		
	U K corporation tax	77,673	69,704
	Adjustment for prior years	-	(78)
	Total current tax	<u>77,673</u>	<u>69,626</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>274,375</u>	<u>248,524</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>76,825</u>	<u>69,587</u>
	Effects of Other tax adjustments	<u>848</u>	<u>39</u>
		<u>848</u>	<u>39</u>
	Current tax charge for the year	<u>77,673</u>	<u>69,626</u>

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010

7 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 September 2009	3,522,000
Additions	937,390
	<u>4,459,390</u>
At 31 August 2010	<u>4,459,390</u>
Net book value	
At 31 August 2010	<u>4,459,390</u>
At 31 August 2009	<u>3,522,000</u>

In February 2010, a revaluation of the investment properties was completed by qualified external valuers, on an open market basis for existing use, in accordance with the practice statements of the Royal Institute of Chartered Surveyors Appraisal Valuation Manual. The net effect of the revaluation in respect of these properties had already been reflected in the revaluation reserve in the August 2009 financial statements.

On an historical cost basis the revalued properties would have been at an original cost of £2,877,187 (2009 £2,877,187).

The company has an estimated unprovided deferred tax liability arising on the revaluation of investment properties of £40,185 (2009 £72,308).

8 Debtors	2010 £	2009 £
Trade debtors	<u>53</u>	<u>8,432</u>

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010

9	Creditors' amounts falling due within one year	2010 £	2009 £
	Bank loans and overdrafts	283,326	282,924
	Trade creditors	2,608	17
	Corporation tax	77,673	69,704
	Other taxes and social security costs	4,273	4,062
	Directors' current accounts	651,998	651,998
	Other creditors	109,675	70,129
	Accruals and deferred income	22,380	22,311
		<u>1,151,933</u>	<u>1,101,145</u>
	Debt due in one year or less	<u>283,326</u>	<u>282,924</u>

The bank loans and overdraft are secured as detailed in note 10

Included in other creditors is £109,673 (2009 £70,129) owed to group companies, as detailed in note 16

The director, G T Mascolo and former director P P Mascolo, have provided the company with advances of £350,999 (2009 £350,999) and £300,999 (2009 £300,999) respectively. These advances are interest free and are included on other creditors.

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010

10 Creditors, amounts falling due after more than one year	2010 £	2009 £
Bank loans	467,781	729,654
Other loans	937,390	-
	<u>1,405,171</u>	<u>729,654</u>
Analysis of loans		
Wholly repayable within five years	1,688,095	1,012,578
	<u>1,688,095</u>	<u>1,012,578</u>
Included in current liabilities	(282,924)	(282,924)
	<u>1,405,171</u>	<u>729,654</u>
Loan maturity analysis		
In more than one year but not more than two years	282,924	282,924
In more than two years but not more than five years	184,857	446,730
	<u>282,924</u>	<u>446,730</u>

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

Other creditors represent a loan received from a group company, as detailed in note 16. There are no formal terms in place, however the funds will not be repayable within twelve months.

11 Share capital	2010 £	2009 £
Allotted, called up and fully paid		
311,239 Ordinary shares of 0.01p each	<u>31</u>	<u>2</u>

On 15 March 2010 the two existing issued ordinary shares of £1 each were subdivided into ordinary shares of £0.0001 each resulting in 20,000 issued ordinary shares. In addition, on 26 March 2010, the share capital of the company was increased by the issue of 291,239 ordinary shares of £0.0001 each.

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010

12 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 September 2009	644,813	1,060,793
Profit for the year	-	196,702
Balance at 31 August 2010	<u>644,813</u>	<u>1,257,495</u>

13 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	196,702	178,898
Other recognised gains and losses	-	(95,349)
Proceeds from issue of shares	29	-
Net addition to shareholders' funds	<u>196,731</u>	<u>83,549</u>
Opening shareholders' funds	<u>1,705,608</u>	<u>1,622,059</u>
Closing shareholders' funds	<u>1,902,339</u>	<u>1,705,608</u>

14 Employees

Number of employees

There were no employees during the year apart from the directors

15 Control

On 31 August 2010, as a result of the company reorganisation, the ultimate controlling company is now Toni & Guy International Limited, a company incorporated in England and Wales. The ultimate controlling party is G T Mascolo.

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2010**

16 Related party relationships and transactions

Mascolo Limited is considered to be a related party due to being member of the same group

During the year rents received from Mascolo Limited amounted to £259,500 (2009 £258,978) and at the year end £109,673 (2009 £70,129) was owed to Mascolo Limited

Included in other creditors due after more than one year, note 10, is a loan of £937,390 (2009 £nil) from Mascolo Limited This was received in August 2010 to facilitate the purchase of the newly acquired investment property

Included in other creditors due within one year are advances of £651,998 (2009 £651,998), from the directors, as detailed in note 9