

Company Registration No 03360708 (England and Wales)

REGISTRAR'S
COPY

PIXIEACRE LIMITED

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

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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
Bankers	Allied Irish Bank (GB) 10 Berkeley Square London W1J 6AA



PIXIEACRE LIMITED

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PIXIEACRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2012

The directors present their report and financial statements for the year ended 31 August 2012

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

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 2011

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)

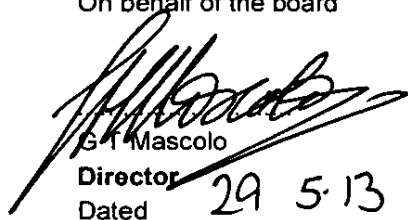
FOR THE YEAR ENDED 31 AUGUST 2012

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all 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 relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board


G. T. Mascolo
Director
Dated 29.5.13

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 2012 set out on pages 5 to 12. 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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**

31 May 2013

**Chartered Accountants
Statutory Auditor**

30 Camp Road
Farnborough
Hampshire
GU14 6EW

PIXIEACRE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2012

	Notes	2012 £	2011 £
Turnover	2	395,172	337,441
Cost of sales		(88,939)	(58,027)
Gross profit		306,233	279,414
Administrative expenses		4,546	(4,309)
Operating profit	3	310,779	275,105
Interest payable and similar charges	4	(14,414)	(22,937)
Profit on ordinary activities before taxation		296,365	252,168
Tax on profit on ordinary activities	5	(74,577)	(68,493)
Profit for the year	11	221,788	183,675

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

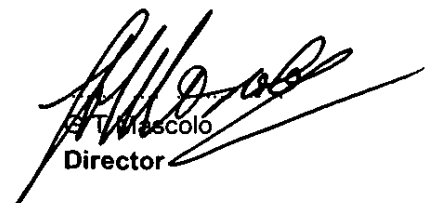
BALANCE SHEET

AS AT 31 AUGUST 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	6	6,311,729		4,459,390	
Current assets					
Debtors	7	15,313		21,233	
Cash at bank and in hand		33,360		4,909	
		<u>48,673</u>		<u>26,142</u>	
Creditors amounts falling due within one year	8	<u>(1,230,250)</u>		<u>(1,255,552)</u>	
Net current liabilities		<u>(1,181,577)</u>		<u>(1,229,410)</u>	
Total assets less current liabilities		5,130,152		3,229,980	
Creditors amounts falling due after more than one year	9	<u>(2,822,350)</u>		<u>(1,143,966)</u>	
		<u>2,307,802</u>		<u>2,086,014</u>	
Capital and reserves					
Called up share capital	10	31		31	
Revaluation reserve	11	644,813		644,813	
Profit and loss account	11	1,662,958		1,441,170	
Shareholders' funds	12	<u>2,307,802</u>		<u>2,086,014</u>	

Approved by the Board and authorised for issue on

29.5.13


S. T. Mascolo
Director

Company Registration No. 03360708

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

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 potential net capital gains as the company has no immediately foreseeable intention to sell the investment properties

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

2012
£

2011
£

3,350

2,600

Exceptional Item Included in cost of sales is an exceptional item of £45,698 (2011 £58,027) relating to repairs to one of the investment properties, while the property was in a void rent period

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

4	Interest payable	2012	2011
		£	£
	On bank loans and overdrafts	14,015	22,006
	On overdue tax	399	931
		<u>14,414</u>	<u>22,937</u>
5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	74,577	68,493
	Total current tax	<u>74,577</u>	<u>68,493</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>296,365</u>	<u>252,168</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	<u>71,128</u>	<u>65,564</u>
	Effects of		
	Other tax adjustments	<u>3,449</u>	<u>2,929</u>
		<u>3,449</u>	<u>2,929</u>
	Current tax charge for the year	<u>74,577</u>	<u>68,493</u>

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

6 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 September 2011	4,459,390
Additions	1,852,339
At 31 August 2012	6,311,729
Net book value	
At 31 August 2012	6,311,729
At 31 August 2011	4,459,390

On 26 February 2010 the investment properties held at the time were revalued by a qualified chartered surveyor to £3,522,000, on an open market value basis

On a historical cost basis the revalued properties would have been at an original cost of £2,877,187 (2011 £2,877,187) Properties acquired since the valuation are held at an original cost of £2,789,729 (2011 £937,390) Whilst the directors consider the valuations of the investment properties to be a reasonable reflection of market value they are mindful of the difficult market conditions at the present time and their impact on property valuations

The company has an estimated unprovided deferred tax asset arising on the revaluation of investment properties of £12,114 (2011 £5,689 liability)

7 Debtors	2012 £	2011 £
Trade debtors	15,313	21,222
Other debtors	-	11
	15,313	21,233

Included in trade debtors is an amount owed from a group company as detailed in note 15

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

8 Creditors amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	220,517	282,924
Trade creditors	10,204	37,440
Amounts owed to parent and fellow subsidiary undertakings	342,016	249,414
Corporation tax	52,870	73,736
Other taxes and social security costs	15,874	-
Directors' current accounts	555,969	585,619
Accruals and deferred income	32,800	26,419
	<u>1,230,250</u>	<u>1,255,552</u>
Debt due in one year or less	<u>220,517</u>	<u>282,924</u>

The bank loans and overdraft are secured as detailed in note 9

The amounts owed to parent and fellow subsidiary undertakings are detailed in note 15 The 31 August 2011 comparative of £249,414 has been reclassified from other creditors to amounts owed to parent and fellow subsidiary undertakings to give a fairer presentation

The director, G T Mascolo and former director P P Mascolo, have provided the company with advances of £350,999 (2011 £350,999) and £204,970 (2011 £234,620) respectively These advances are interest free, and in the absence of any formal repayment terms deemed repayable on demand

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

9	Creditors' amounts falling due after more than one year	2012 £	2011 £
	Bank loans	-	206,576
	Other loans	2,822,350	937,390
		<u>2,822,350</u>	<u>1,143,966</u>
	Analysis of loans		
	Wholly repayable within five years	3,042,867	1,426,890
		<u>3,042,867</u>	<u>1,426,890</u>
	Included in current liabilities	(220,517)	(282,924)
		<u>2,822,350</u>	<u>1,143,966</u>
	Loan maturity analysis		
	In more than one year but not more than two years	-	206,576
		<u>-</u>	<u>206,576</u>

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

Other loans are from group companies, as detailed in note 15. There are no formal repayment terms in place, however the funds will not be called on within twenty-four months.

10	Share capital	2012 £	2011 £
	Allotted, called up and fully paid		
	311,239 Ordinary shares of 0.01p each	31	31
		<u>31</u>	<u>31</u>

11	Statement of movements on reserves	Revaluation reserve £	Profit and loss account £
	Balance at 1 September 2011	644,813	1,441,170
	Profit for the year	-	221,788
		<u>-</u>	<u>221,788</u>
	Balance at 31 August 2012	<u>644,813</u>	<u>1,662,958</u>

PIXIEACRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

12 Reconciliation of movements in shareholders' funds	2012 £	2011 £
Profit for the financial year	221,788	183,675
Opening shareholders' funds	2,086,014	1,902,339
Closing shareholders' funds	2,307,802	2,086,014

13 Employees

Number of employees

There were no employees during the year apart from the directors

14 Control

The immediate and ultimate controlling company is Toni & Guy International Limited, a company incorporated in England and Wales. The ultimate controlling party is G T Mascolo.

15 Related party relationships and transactions

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

Included in other creditors due after more than one year, note 9, is a loan of £2,761,350 (2011 £937,390) from Mascolo Limited. The increase in the year was to finance newly acquired investment properties. Also included in other creditors due after more than one year, note 9, is a loan of £61,000 (2011 £nil) from Toni & Guy Holdings Limited. This was also received to finance the purchase of the newly acquired investment.

During the year rents receivable from Mascolo Limited amounted to £389,275 (2011 £308,995). At the year end £15,313 (2011 £8,668) was owed from Mascolo Limited and is included in trade debtors. Included in creditors due within one year are amounts owed to Mascolo Limited of £342,016 (2011 £249,414). The increase in the year is attributable to costs payable by Mascolo Limited on the company's behalf.

Also included in creditors due within one year are advances of £555,969 (2011 £585,619), from the directors, as detailed in note 8. The movement in the year relates to amounts repaid by the company.