

Company Registration No. 03360708 (England and Wales)

**REGISTRAR'S
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PIXIEACRE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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COMPANY INFORMATION

Directors	G T Mascolo S M Mascolo-Tarbuck (Appointed 22 February 2017)
Secretary	R W L Berrow
Company number	03360708
Registered office	Innovia House Marish Wharf St Marys Road Middlegreen Slough SL3 6DA
Auditor	Haines Watts Farnborough LLP 30 Camp Road Farnborough Hampshire GU14 6EW
Bankers	Allied Irish Bank (GB) 10 Berkeley Square London W1J 6AA

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their annual report and financial statements for the year ended 31 August 2016.

Principal activities

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G T Mascolo

S M Mascolo-Tar buck

(Appointed 22 February 2017)

Results and dividends

The results for the year are set out on page 5.

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.

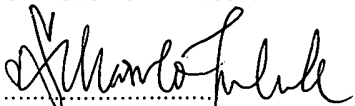
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor 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 provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


S.M. MASCOLO-TARBUCK

Dated: 15/08/2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PIXIEACRE LIMITED**

We have audited the financial statements of Pixieacre Limited for the year ended 31 August 2016 set out on pages 4 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor's 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 auditor

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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

PIXIEACRE LIMITED

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Andrew Parsons (Senior Statutory Auditor)
for and on behalf of Haines Watts Farnborough LLP

18 August 2017

Chartered Accountants
Statutory Auditor

30 Camp Road
Farnborough
Hampshire
GU14 6EW

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2015 £
Turnover		422,516	394,801
Cost of sales		(16,147)	(16,836)
Gross profit		406,369	377,965
Administrative expenses		(9,874)	(10,182)
Exceptional items	2	48,840	-
Operating profit	3	445,335	367,783
Interest receivable and similar income		-	3,686
Fair value gains and losses on investment properties		695,930	-
Profit before taxation		1,141,265	371,469
Taxation	4	(79,173)	(77,364)
Profit for the financial year		1,062,092	294,105

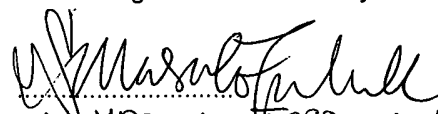
BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investment properties	5		5,932,000		5,457,484
Current assets					
Debtors	6	41,803		-	
Cash at bank and in hand		339,647		7,227	
		381,450		7,227	
Creditors: amounts falling due within one year	7	(3,351,801)		(3,565,154)	
Net current liabilities			(2,970,351)		(3,557,927)
Total assets less current liabilities			2,961,649		1,899,557
Capital and reserves					
Called up share capital	8		31		31
Fair value reserve			178,519		(705,644)
Profit and loss reserves			2,783,099		2,605,170
Total equity			2,961,649		1,899,557

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 15.8.2017 and are signed on its behalf by:


 S. M. MASCOLO-TARBUCK 15/08/2017
 Director

Company Registration No. 03360708

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	Share capital £	Fair value reserve £	Profit and loss reserves £	Total £
Balance at 1 September 2014		31	(705,644)	2,311,065	1,605,452
Year ended 31 August 2015:					
Profit and total comprehensive income for the year		-	-	294,105	294,105
Balance at 31 August 2015		31	(705,644)	2,605,170	1,899,557
Year ended 31 August 2016:					
Profit and total comprehensive income for the year		-	-	1,062,092	1,062,092
Transfer		-	884,163	(884,163)	-
Balance at 31 August 2016		31	178,519	2,783,099	2,961,649

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Company information

Pixieacre Limited is a private company limited by shares incorporated in England and Wales. The registered office is Innovia House Marish Wharf, St Marys Road, Middlegreen, Slough, SL3 6DA.

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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 August 2016 are the first financial statements of Pixieacre Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014.

The adjustments required on transition to FRS 102, being the adjustment to fair value for the investment properties, is as detailed in notes 5 and 11. In addition, long term loans have been reclassified as falling due within one year, as detailed in note 7.

1.2 Turnover

Turnover represents rents receivable in the United Kingdom, net of value added tax.

1.3 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016
1 Accounting policies
(Continued)
Classification of financial liabilities
Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies that are classified as debt, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. A deferred tax asset is only recognised when expected to crystallise in the foreseeable future.

Deferred tax

The tax expense represents the sum of the tax currently payable and deferred tax.

Turnover is comprised of comprise rental income from operating leases, hence this is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term

2 Exceptional costs/(income)

	2016 £	2015 £
Profit on disposal of property	(48,840)	-
	<u> </u>	<u> </u>

3 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	3,250	3,575
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016
4 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	79,173	77,364
	<u>79,173</u>	<u>77,364</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	1,141,265	371,469
	<u>1,141,265</u>	<u>371,469</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	228,253	74,294
Group relief	-	3,165
Permanent capital allowances in excess of depreciation	(78)	(95)
Other permanent differences	(48)	-
Notional adjustment on fair value	(148,954)	-
	<u>79,173</u>	<u>77,364</u>
Taxation for the year	79,173	77,364
	<u>79,173</u>	<u>77,364</u>

5 Investment property

	2016 £
Fair value	
At 1 September 2015	5,457,484
Additions	61,919
Disposals	(283,333)
Revaluations	695,930
	<u>5,932,000</u>
At 31 August 2016	5,932,000
	<u>5,932,000</u>

The fair value of the investment properties has been derived from a valuation carried out by Chartered Surveyors, who are not connected with the company. The valuation was made at 31 August 2016, on the basis of fair value as defined under UK GAAP. A further valuation by the same Chartered Surveyors on the same basis, was undertaken on 1 September 2014, for the purposes of restatement on transition, as detailed further in note 11. There is no material estimated deferred tax liability at the year end or on transition, due to the availability of indexation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016
5 Investment property (Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2016 £	2015 £
Cost	5,753,481	6,163,128
Accumulated depreciation	-	-
Carrying amount	<u>5,753,481</u>	<u>6,163,128</u>

6 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	12,822	-
Other debtors	28,981	-
	<u>41,803</u>	<u>-</u>

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Notes		
Other borrowings	-	25,413
Trade creditors	390	1,534
Amounts due to group undertakings	2,901,735	3,103,915
Corporation tax	42,188	43,110
Other taxation and social security	14,449	11,618
Other creditors	362,099	350,999
Accruals and deferred income	30,940	28,565
	<u>3,351,801</u>	<u>3,565,154</u>

The director, G T Mascolo has provided the company with advances of £350,999 (2015 : £350,999) These advances are interest free, and in the absence of any formal repayment terms deemed repayable on demand. Although there are no formal repayment terms in place, the director acknowledges that funds would not be called upon unless there were sufficient liquid resources to pay.

As part of the considerations during the transition to FRS102, amounts due to fellow group companies that were greater than one year have been reclassified as less than one year to give a fairer presentation of the underlying arrangements in place.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016
8 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
3,100 Ordinary shares of 1p each	31	31

9 Related party transactions

Mascolo Limited and Toni & Guy Holdings Limited are related parties due to being members of the same group. A group bank cross guarantee, in the form of a legal mortgage charge, exists on the investment properties.

Included in other creditors, note 7, is a loan of £2,761,350 (2015 : £2,761,350) from Mascolo Limited. Also, included in other creditors is a loan of £61,000 (2015 : £61,000) from Toni & Guy Holdings Limited. During the year rents receivable from Mascolo Limited amounted to £422,516 (2015 : £386,837). Included in creditors due within one year are amounts owed to Mascolo Limited of £79,385 (2015 : £281,565).

Also, included in creditors due within one year are advances of £350,999 (2015 : £350,999), from the director, as detailed in note 7. Included in debtors due within one year are amounts receivable of £28,439 (2015 : £25,413 payable to) from P Mascolo, a participator of the company.

10 Parent company

The immediate and ultimate controlling company is Toni & Guy International Limited, a company incorporated in England and Wales. Consolidated financial statements are prepared, and the registered office of the ultimate parent company is 58/60 Stamford Street, London, SE1 9LX.

11 Reconciliations on adoption of FRS 102
Reconciliation of equity

	1 September 2014 £	31 August 2015 £
Notes		
Equity as reported under previous UK GAAP	2,955,909	3,250,014
Adjustments arising from transition to FRS 102:		
Fair value adjustment on investment properties	(1,350,457)	(1,350,457)
Equity reported under FRS 102	1,605,452	1,899,557

Reconciliation of profit for the financial period

	2015 £
Profit as reported under previous UK GAAP and under FRS 102	294,105

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

11 Reconciliations on adoption of FRS 102**(Continued)****Notes to reconciliations on adoption of FRS 102**

On 1 September 2014, the date of transition, the balance of the cumulative unrealised adjusted loss on revaluation, was recorded in a separate "Fair value reserve". This has no impact on the reported equity. The original balance on the former revaluation reserve, prior to restatement was £644,813, the adjustment on transition was a downward valuation of £1,350,457, as reported above, giving a cumulative net transfer of £705,644, as detailed in the Statement Of Changes In Equity.

The directors have given due consideration as to whether the above constitutes a prior year adjustment. On balance, as this adjustment arose as a result of the implementation of FRS 102, and as no information or valuations were available since 2010, an adjustment on transition was considered to be the most appropriate treatment; and there would be no difference in the reported equity.