

Registration number 1758817

Eagle One Estates Limited
Directors' report and financial statements
for the year ended 31 March 2008

TUESDAY



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Eagle One Estates Limited

Company information

| | |
|-------------------|--|
| Directors | P J Goodes A P Cutler C D Fayers |
| Secretary | P J Goodes |
| Company number | 1758817 |
| Registered office | Palatine House Matford Court Exeter Devon EX2 8NL |
| Auditors | Thompson Jenner 1 Colleton Crescent Exeter Devon EX2 4DG |

Eagle One Estates Limited

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Eagle One Estates Limited

Directors' report for the year ended 31 March 2008

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

Principal activity

The principal activity of the company was the letting of investment properties.

Directors

The directors who served during the year are as stated below:

P J Goodes
A P Cutler
C D Fayers

Charitable and political contributions

During the year the company contributed £100,000 to the Northcott Theatre Foundation.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 15-01-2009

and signed on its behalf by

P J Goodes
Secretary



Eagle One Estates Limited

Independent auditors' report to the shareholders of Eagle One Estates Limited

We have audited the financial statements of Eagle One Estates Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable for Smaller Entities, of the state of the company's affairs as at 31 March 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.


Thompson Jenner
Chartered Accountants and
Registered auditors

1 Colleton Crescent
Exeter, Devon
EX2 4DG

22.01.2009

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Eagle One Estates Limited

**Profit and loss account
for the year ended 31 March 2008**

| | | 2008 | 2007 |
|--|--------------|-----------------------|-----------------------|
| | Notes | £ | £ |
| Turnover | 2 | 1,043,027 | 1,067,684 |
| Cost of sales | | <u>(56,486)</u> | <u>(70,876)</u> |
| Gross profit | | 986,541 | 996,808 |
| Administrative expenses | | <u>(103,048)</u> | <u>(3,329)</u> |
| Operating profit | 3 | 883,493 | 993,479 |
| Other interest receivable and similar income | | 685 | 1,991 |
| Interest payable and similar charges | | <u>(593,152)</u> | <u>(510,076)</u> |
| Profit on ordinary activities before taxation | | 291,026 | 485,394 |
| Tax on profit on ordinary activities | 4 | <u>(72,892)</u> | <u>(144,274)</u> |
| Profit for the year | 13 | <u><u>218,134</u></u> | <u><u>341,120</u></u> |

The notes on pages 5 to 10 form an integral part of these financial statements.

Eagle One Estates Limited

Balance sheet as at 31 March 2008

| | Notes | 2008 | | 2007 | |
|--|-------|------------------|-------------------|----------------|-------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 6 | | 11,908,237 | | 11,908,237 |
| Investments | 7 | | 3 | | 3 |
| | | | <u>11,908,240</u> | | <u>11,908,240</u> |
| Current assets | | | | | |
| Debtors | 8 | | | | |
| falling due after more than one year | | 1,036,820 | | 334,512 | |
| falling due within one year | | 72,706 | | 55,144 | |
| Cash at bank and in hand | | 99 | | 99 | |
| | | <u>1,109,625</u> | | <u>389,755</u> | |
| Creditors: amounts falling due within one year | 9 | (1,566,865) | | (851,965) | |
| Net current liabilities | | | (457,240) | | (462,210) |
| Total assets less current liabilities | | | 11,451,000 | | 11,446,030 |
| Creditors: amounts falling due after more than one year | 10 | | (8,153,688) | | (8,360,533) |
| Provisions for liabilities | 11 | | (203,395) | | (209,714) |
| Net assets | | | <u>3,093,917</u> | | <u>2,875,783</u> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 100 | | 100 |
| Other reserves | 13 | | 2,035,000 | | 2,035,000 |
| Profit and loss account | 13 | | 1,058,817 | | 840,683 |
| Shareholders' funds | | | <u>3,093,917</u> | | <u>2,875,783</u> |

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2007) relating to small companies.

The financial statements were approved by the Board on 15-01-2009

and signed on its behalf by

P J Goodes
Director



The notes on pages 5 to 10 form an integral part of these financial statements.

Eagle One Estates Limited

Notes to the financial statements for the year ended 31 March 2008

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.4. Investment properties

In accordance with the Financial Reporting Standard for Smaller Entities, certain of the company's properties are held for long-term investment and are included in the Balance Sheet at their open market values. The surplus or deficit on revaluation of such properties is transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the Financial Statements may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

1.5. Deferred taxation

Where material, deferred tax is recognised in respect of timing differences that have originated but not reversed by the balance sheet date. Deferred tax balances are not discounted.

1.6. Comparative amount

Rental costs are now disclosed as a cost of sale as the directors believe that this is a more accurate representation of the nature of the expense. This is a change in presentation from previous years, when they were included in administration expenses. The effect on comparative amounts is to increase cost of sales by £4,738, decreases gross profit by £4,738 and to decrease administration expenses by £4,738. There is no effect on net profit or reserves.

1.7. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts as it is a member of a small sized group. These accounts therefore present information about the company as an individual undertaking and not about its group.

2. Turnover

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

Eagle One Estates Limited

Notes to the financial statements for the year ended 31 March 2008

..... continued

| | | |
|--|-------------------|-------------------|
| 3. Operating profit | 2008 | 2007 |
| | £ | £ |
| Operating profit is stated after charging: | | |
| Auditors' remuneration | 2,050 | 1,900 |
| Directors' remuneration | - | - |
| | <u> </u> | <u> </u> |
| 4. Tax on profit on ordinary activities | | |
| Analysis of charge in period | 2008 | 2007 |
| | £ | £ |
| Current tax | | |
| UK corporation tax | 79,211 | 136,809 |
| Adjustments in respect of previous periods | (16,890) | (121,488) |
| Group relief | 16,890 | 120,112 |
| | <u>79,211</u> | <u>135,433</u> |
| Total current tax charge | <u>79,211</u> | <u>135,433</u> |
| Deferred tax | | |
| Timing differences, origination and reversal | 7,685 | 8,841 |
| Effect of changes in tax rates | (13,981) | - |
| Prior period adjustments | (23) | - |
| | <u>(6,319)</u> | <u>8,841</u> |
| Total deferred tax | <u>(6,319)</u> | <u>8,841</u> |
| Tax on profit on ordinary activities | <u>72,892</u> | <u>144,274</u> |
| 5. Dividends | | |
| Dividends paid on equity shares | 2008 | 2007 |
| | £ | £ |
| Paid during the year: | | |
| Equity dividends on Ordinary shares | - | 1,900,000 |
| | <u>-</u> | <u>1,900,000</u> |
| Paid after the year-end (not recognised as a liability): | | |
| Equity dividends on Ordinary shares | 750,000 | - |
| | <u>750,000</u> | <u>-</u> |

Eagle One Estates Limited
Notes to the financial statements
for the year ended 31 March 2008

..... continued

6. Tangible fixed assets

| | Investment Property £ | Total £ |
|------------------------|--------------------------------------|--------------------|
| Cost | | |
| At 1 April 2007 | 11,908,237 | 11,908,237 |
| At 31 March 2008 | <u>11,908,237</u> | <u>11,908,237</u> |
| Net book values | | |
| At 31 March 2008 | <u>11,908,237</u> | <u>11,908,237</u> |
| At 31 March 2007 | <u>11,908,237</u> | <u>11,908,237</u> |

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

| | 2008 £ | 2007 £ |
|----------------|-------------------|-------------------|
| Cost | 9,873,237 | 9,873,237 |
| Depreciation | <u>-</u> | <u>-</u> |
| Net book value | <u>9,873,237</u> | <u>9,873,237</u> |

Investment properties were valued on an open market basis at 31 March 2008 by the directors at £11,908,237. These were based on professional valuations undertaken on 7 May 2004 by King Sturge, independent valuers amounting to £11,885,000.

7. Fixed asset investments

| | Other unlisted investments £ | Total £ |
|-------------------------|---|--------------------|
| Cost/revaluation | | |
| At 1 April 2007 | | |
| At 31 March 2008 | <u>3</u> | <u>3</u> |
| Net book values | | |
| At 31 March 2008 | <u>3</u> | <u>3</u> |
| At 31 March 2007 | <u>3</u> | <u>3</u> |

The fixed asset investment represents holdings in the ordinary share capital of The Square Management Company (Bath) Limited (18.75%).

Eagle One Estates Limited

Notes to the financial statements for the year ended 31 March 2008

..... continued

| 8. Debtors | 2008 | 2007 |
|------------------------------------|------------------|----------------|
| | £ | £ |
| Trade debtors | 54,049 | 43,729 |
| Amounts owed by group undertakings | 1,036,820 | 334,512 |
| Prepayments and accrued income | 18,657 | 11,415 |
| | <u>1,109,526</u> | <u>389,656</u> |

Amounts falling due after more than one year and included in debtors are:

| | | |
|-----------------------------------|------------------|----------------|
| Amounts owed by group undertaking | 1,036,820 | 334,512 |
| | <u>1,036,820</u> | <u>334,512</u> |

| 9. Creditors: amounts falling due within one year | 2008 | 2007 |
|--|------------------|----------------|
| | £ | £ |
| Bank overdraft | 2,728 | 1,489 |
| Bank loan | 297,915 | 231,948 |
| Trade creditors | - | 3,216 |
| Corporation tax | 79,211 | 136,809 |
| Other taxes and social security costs | 52,152 | 53,123 |
| Other creditors | 700,000 | - |
| Accruals and deferred income | 434,859 | 425,380 |
| | <u>1,566,865</u> | <u>851,965</u> |

| 10. Creditors: amounts falling due after more than one year | 2008 | 2007 |
|--|------------------|------------------|
| | £ | £ |
| Bank loan | <u>8,153,688</u> | <u>8,360,533</u> |
| Loans | | |
| Repayable in five years or more | <u>6,734,296</u> | <u>7,131,848</u> |

The bank loans are stated net of prepaid finance costs. At the year end the prepaid finance costs amounted to £7,081 (2007: £7,519).

Bank loans are secured on the investment properties.

Eagle One Estates Limited

Notes to the financial statements for the year ended 31 March 2008

..... continued

11. Deferred taxation

Deferred tax is analysed over the following timing differences:

| | Not provided | | Provided | |
|---------------------------------------|--------------|---------|----------|---------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Accelerated capital allowances | - | - | 203,395 | 209,714 |
| | - | - | 203,395 | 209,714 |
| Surplus on revaluation of property | 840,616 | 990,178 | - | - |
| | 840,616 | 990,178 | 203,395 | 209,714 |

The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 28%. (2007: 30%)

Movements on the provision for deferred taxation are:

| | 2008 | 2007 |
|---|---------|---------|
| | £ | £ |
| At 1 April 2007 | 209,714 | 200,873 |
| Transferred to profit and loss account | (6,319) | 8,841 |
| At 31 March 2008 | 203,395 | 209,714 |

12. Share capital

Authorised

100 Ordinary shares of £1 each

Allotted, called up and fully paid

100 Ordinary shares of £1 each

| 2008 | 2007 |
|------|------|
| £ | £ |
| 100 | 100 |
| 100 | 100 |

Eagle One Estates Limited
Notes to the financial statements
for the year ended 31 March 2008

..... continued

| 13. Reserves | Profit and loss account £ | Investment property reserve £ | Total £ |
|-------------------------|--|--|--------------------|
| At 1 April 2007 | 840,683 | 2,035,000 | 2,875,683 |
| Profit for the year | 218,134 | - | 218,134 |
| At 31 March 2008 | <u>1,058,817</u> | <u>2,035,000</u> | <u>3,093,817</u> |

14. Related party transactions

During the year, the company continued to provide an interest free loan to Eagle One Limited. The balance due from Eagle One Limited at the year end was £1,036,820 (2007 : £334,512), this amount is included in debtors falling due after more than one year.

Eagle One Limited provides the company with unrestricted banking facilities on an ongoing basis. A management charge is paid by the company to Eagle One Limited each year. This amounted to £52,151 (2007 : £53,384).

During the year the company paid £16,890 (2007 : £120,112) for group relief received from Eagle One Limited, this amount is included with in the interest free loan balance disclosed above.

During the year rent of £26,250 (2007: £26,250) was received from Eagle One Limited. At the year end £15,422 owed by Eagle One in respect of rent payable was included in trade debtors (2007: £nil).

During the year the company was provided with an interest free loan from Mr M R Kay, the ultimate controlling party. The balance owed to Mr M R Kay, included with in other creditors, at the year end was £700,000 (2007:£nil).

15. Ultimate parent undertaking

The company's parent company is Eagle One Limited, which is a company incorporated in England.

The company's ultimate parent company is Eagle One Investment Holdings Limited, a company incorporated in England.

16. Controlling interest

The company's ultimate controlling party is Mr M R Kay.