

Registration number 4621472

Lone Eagle Investments Limited

Directors' report and unaudited financial statements

for the year ended 30 September 2005



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Lone Eagle Investments Limited

Company information

Directors	P J Goodes A P Cutler C D Fayers
Secretary	P J Goodes
Company number	4621472
Registered office	Palatine House Exeter Devon EX2 8NL
Accountants	Thompson Jenner 1 Colleton Crescent Exeter Devon EX1 8NL

Lone Eagle Investments Limited

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Lone Eagle Investments Limited
Directors' report
for the year ended 30 September 2005

The directors present their report and the financial statements for the year ended 30 September 2005.

Principal activity

The principal activity during the year was that of a property investment company.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	30/09/05	01/10/04
P J Goodes	-	-
A P Cutler	-	-
C D Fayers	-	-

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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.

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 18th July 2006 and signed on its behalf by

P J Goodes
Secretary



Lone Eagle Investments Limited

**Profit and loss account
for the year ended 30 September 2005**

		2005	2004
	Notes	£	£
Turnover	2	203,474	188,741
Cost of sales		(23,435)	(30,157)
Gross profit		180,039	158,584
Administrative expenses		(21,529)	(26,969)
Operating profit		158,510	131,615
Other interest receivable and similar income		123	55
Interest payable and similar charges		(129,372)	(116,619)
Profit on ordinary activities before taxation		29,261	15,051
Tax on profit on ordinary activities	3	(27,770)	(5,117)
Profit on ordinary activities after taxation		1,491	9,934
Retained profit for the year		1,491	9,934
Retained profit brought forward		35,016	25,082
Retained profit carried forward		36,507	35,016

The notes on pages 5 to 8 form an integral part of these financial statements.

Lone Eagle Investments Limited

**Balance sheet
as at 30 September 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		2,379,632		2,379,632
Current assets					
Debtors	5	67,180		37,628	
Cash at bank and in hand		<u>1</u>		<u>1</u>	
		67,181		37,629	
Creditors: amounts falling due within one year	6	<u>(252,384)</u>		<u>(234,614)</u>	
Net current liabilities			<u>(185,203)</u>		<u>(196,985)</u>
Total assets less current liabilities			2,194,429		2,182,647
Creditors: amounts falling due after more than one year	7		(2,114,285)		(2,131,764)
Provisions for liabilities and charges			<u>(43,636)</u>		<u>(15,866)</u>
Net assets			<u>36,508</u>		<u>35,017</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		<u>36,507</u>		<u>35,016</u>
Shareholders' funds			<u>36,508</u>		<u>35,017</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 8 form an integral part of these financial statements.

Lone Eagle Investments Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 30 September 2005**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30 September 2005 and

(c) that we acknowledge our responsibilities for:

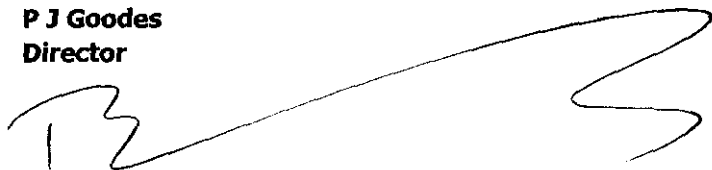
(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 18th July 2006 and signed on its behalf by

P J Goodes
Director

A handwritten signature in black ink, appearing to be 'PJ Goodes', written over a horizontal line.

The notes on pages 5 to 8 form an integral part of these financial statements.

Lone Eagle Investments Limited

Notes to the financial statements for the year ended 30 September 2005

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

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

1.3 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 are 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 the Companies Act 1985, which requires 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.

1.4. Deferred taxation

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.

2. Turnover

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

3. Tax on profit on ordinary activities

Analysis of charge in period

	2005 £	2004 £
Current tax		
Total current tax charge	-	-
Deferred tax		
Timing differences, origination and reversal	27,770	5,117
Total deferred tax	27,770	5,117
Tax on profit on ordinary activities	27,770	5,117

Lone Eagle Investments Limited

Notes to the financial statements for the year ended 30 September 2005

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4. Tangible fixed assets

	Investment Property £	Total £
Cost		
At 1 October 2004	2,379,632	2,379,632
At 30 September 2005	2,379,632	2,379,632
Net book values		
At 30 September 2005	2,379,632	2,379,632
At 30 September 2004	2,379,632	2,379,632

The investment property has been valued by the directors at 30 September 2005, at open market value for existing or alternative use basis as appropriate, at £2,379,632.

5. Debtors

	2005 £	2004 £
Trade debtors	64,753	36,628
Prepayments and accrued income	2,427	1,000
	<u>67,180</u>	<u>37,628</u>

6. Creditors: amounts falling due within one year

	2005 £	2004 £
Bank overdraft	88	107
Bank loan	76,595	76,595
Trade creditors	3,286	2,317
Other taxes and social security costs	13,768	10,811
Accruals and deferred income	158,647	144,784
	<u>252,384</u>	<u>234,614</u>

The bank loan is secured by a fixed legal charge on the investment property and over the assets of the business.

The bank loan is stated net of prepaid finance costs totalling £8,229. (2004: £11,634).

Lone Eagle Investments Limited

**Notes to the financial statements
for the year ended 30 September 2005**

..... continued

7. Creditors: amounts falling due after more than one year	2005 £	2004 £
Bank loan	1,415,176	1,491,771
Amounts due to connected companies	699,109	639,993
	<u>2,114,285</u>	<u>2,131,764</u>

The bank loan is secured by a fixed legal charge on the investment property and over the assets of the business.

The bank loan is stated net of prepaid finance costs totalling £8,229. (2004: £11,634).

8. Provision for deferred taxation	2005 £	2004 £
Accelerated capital allowances	52,892	34,831
Tax losses carried forward	(9,256)	(18,965)
Undiscounted provision for deferred tax	<u>43,636</u>	<u>15,866</u>
Provision at 1 October 2004	15,866	
Deferred tax charge in profit and loss account	<u>27,770</u>	
Provision at 30 September 2005	<u>43,636</u>	

9. Share capital	2005 £	2004 £
Authorised		
1,000 Ordinary shares	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 Ordinary shares	<u>1</u>	<u>1</u>

Lone Eagle Investments Limited

Notes to the financial statements for the year ended 30 September 2005

..... continued

10. Reserves	Profit and loss account £	Total £
At 1 October 2004	35,016	35,016
Retained profit for the year	1,491	1,491
At 30 September 2005	<u>36,507</u>	<u>36,507</u>

11. Capital commitments	2005 £	2004 £
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	<u>50,800</u>	<u>50,800</u>

The company is contracted to make repairs necessary to bring the rental units of the investment property back to their original state. Included in accruals is £50,800 relating to amounts received from previous tenants with regards to the dilapidation of the investment property.

12. Related party transactions

During the year Eagle One Limited, a company controlled by M M R Kay, provided the company with a loan to service the company's working capital requirements. The amount included in creditors falling due after more than one at the year end amounts to £699,109.

During the year Eagle One Limited charged the company, on an arms length basis, £33,533 for interest accruing on the loan.

During the year, Eagle One Limited, charged the company management charges of £9,684.

13. Controlling interest

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