

Registration number 4621472

Lone Eagle Investments Limited
Directors' report and financial statements
for the year ended 30 September 2006

SATURDAY



AOT4CRMK
A02 28/07/2007 680
COMPANIES HOUSE

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
Auditors	Thompson Jenner 1 Colleton Crescent Exeter Devon EX2 4DG

Lone Eagle Investments Limited

Contents

	Page
Directors' report	1 - 2
Auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11

Lone Eagle Investments Limited

Directors' report for the year ended 30 September 2006

The directors present their report and the financial statements for the year ended 30 September 2006

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 £1 shares	
	30/09/06	01/10/05
P J Goodes	-	-
A P Cutler	-	-
C D Fayers	-	-

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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;
- 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.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice

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.

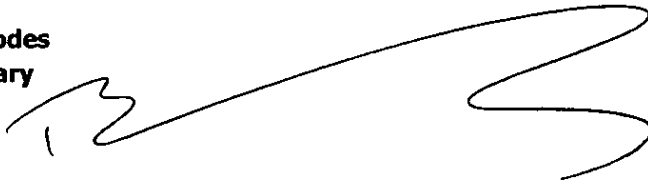
This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Lone Eagle Investments Limited
Directors' report
for the year ended 30 September 2006

... continued

This report was approved by the Board on 19th July 2007 and signed on its behalf by

P J Goodes
Secretary

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned to the right of the name P J Goodes.

Lone Eagle Investments Limited

Independent auditors' report to the shareholders of Lone Eagle Investments Limited

We have audited the financial statements of Lone Eagle Investments Limited for the year ended 30 September 2006 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

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

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether the information given in the directors' report is consistent with the financial statements. We also 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.

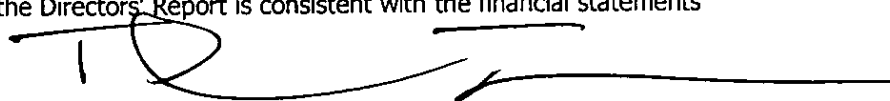
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Lone Eagle Investments Limited

Opinion

In our opinion.

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), of the state of the company's affairs as at 30 September 2006 and of its profit for the year then ended and 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**

25.7.2007

Lone Eagle Investments Limited

**Profit and loss account
for the year ended 30 September 2006**

		2006	2005
	Notes	£	£
Turnover	2	193,213	203,474
Cost of sales		(21,110)	(23,435)
Gross profit		172,103	180,039
Administrative expenses		(32,571)	(21,529)
Operating profit		139,532	158,510
Other interest receivable and similar income		1,881	123
Interest payable and similar charges		(119,923)	(129,372)
Profit on ordinary activities before taxation		21,490	29,261
Tax on profit on ordinary activities	3	79,501	(27,770)
Profit on ordinary activities after taxation		100,991	1,491
Retained profit for the year	10	100,991	1,491
Retained profit brought forward		36,507	35,016
Retained profit carried forward		137,498	36,507
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		100,991	1,491
Unrealised movement on revaluation of investment property		756,982	-
Total recognised gains relating to the year		857,973	1,491

The notes on pages 7 to 11 form an integral part of these financial statements.

Lone Eagle Investments Limited

**Balance sheet
as at 30 September 2006**

	Notes	2006		2005	
		£	£	£	£
Fixed assets					
Tangible assets	4		3,290,936		2,379,632
Current assets					
Debtors	5	20,505		67,180	
Cash at bank and in hand		1		1	
		<u>20,506</u>		<u>67,181</u>	
Creditors: amounts falling due within one year	6	<u>(2,416,961)</u>		<u>(252,384)</u>	
Net current liabilities			<u>(2,396,455)</u>		<u>(185,203)</u>
Total assets less current liabilities			894,481		2,194,429
Creditors: amounts falling due after more than one year	7		-		(2,114,285)
Provisions for liabilities	8		-		<u>(43,636)</u>
Net assets			<u>894,481</u>		<u>36,508</u>
Capital and reserves					
Called up share capital	9		1		1
Other reserves	10		756,982		-
Profit and loss account	10		<u>137,498</u>		<u>36,507</u>
Shareholders' funds			<u>894,481</u>		<u>36,508</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 2005) relating to small companies

The financial statements were approved by the Board on 19th July 2007 and signed on its behalf by

P J Goodes
Director

The notes on pages 7 to 11 form an integral part of these financial statements.

Lone Eagle Investments Limited
Notes to the financial statements
for the year ended 30 September 2006

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 2005).

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 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

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.

Lone Eagle Investments Limited

**Notes to the financial statements
for the year ended 30 September 2006**

... continued

3. Tax on profit on ordinary activities

Analysis of charge in period	2006 £	2005 £
Current tax		
UK corporation tax	(35,865)	-
Total current tax charge	<u>(35,865)</u>	<u>-</u>
Deferred tax		
Timing differences, origination and reversal	(24,099)	27,770
Prior period adjustments	(19,537)	-
Total deferred tax	<u>(43,636)</u>	<u>27,770</u>
Tax on profit on ordinary activities	<u>(79,501)</u>	<u>27,770</u>

4. Tangible fixed assets

	Investment Property £	Total £
Cost or valuation		
At 1 October 2005	2,379,632	2,379,632
Additions	2,200	2,200
Revaluation	909,104	909,104
At 30 September 2006	<u>3,290,936</u>	<u>3,290,936</u>
Net book values		
At 30 September 2006	<u>3,290,936</u>	<u>3,290,936</u>
At 30 September 2005	<u>2,379,632</u>	<u>2,379,632</u>

The investment property has been valued by the directors at 30 September 2006, at open market value for existing or alternative use basis as appropriate, at £3,290,936

5. Debtors

	2006 £	2005 £
Trade debtors	19,505	64,753
Prepayments and accrued income	1,000	2,427
	<u>20,505</u>	<u>67,180</u>

Lone Eagle Investments Limited

**Notes to the financial statements
for the year ended 30 September 2006**

... continued

6. Creditors: amounts falling due within one year	2006 £	2005 £
Bank overdraft	42	88
Bank loan	1,420,000	76,595
Trade creditors	2,842	3,286
Amounts owed to connected companies	730,150	-
Corporation tax	116,257	-
Other taxes and social security costs	10,993	13,768
Accruals and deferred income	136,677	158,647
	<u>2,416,961</u>	<u>252,384</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 £nil (2005 - £8,229).

7. Creditors: amounts falling due after more than one year	2006 £	2005 £
Bank loan	-	1,415,176
Amounts due to connected companies	-	699,109
	<u>-</u>	<u>2,114,285</u>

8. Provision for deferred taxation	2006 £	2005 £
Accelerated capital allowances	-	52,892
Tax losses carried forward	-	(9,256)
Undiscounted provision for deferred tax	<u>-</u>	<u>43,636</u>
Provision at 1 October 2005	43,636	
Deferred tax credit in profit and loss account	<u>(43,636)</u>	
Provision at 30 September 2006	<u>-</u>	

Lone Eagle Investments Limited

Notes to the financial statements for the year ended 30 September 2006

..... continued

9.	Share capital	2006 £	2005 £	
	Authorised			
	1,000 Ordinary shares of £1 each	1,000	1,000	
	Allotted, called up and fully paid			
	1 Ordinary shares of £1 each	1	1	
10.	Reserves	Profit and loss account £	Investment property reserve £	Total £
	At 1 October 2005	36,507	-	36,507
	Revaluation of property	-	909,104	909,104
	Deferred tax on revaluation of property		(152,122)	(152,122)
	Retained profit for the year	100,991		100,991
	At 30 September 2006	137,498	756,982	894,480
11.	Capital commitments	2006 £	2005 £	
	Details of capital commitments at the accounting date are as follows			
	Contracted for but not provided in the financial statements	50,800	50,800	

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

Lone Eagle Investments Limited
Notes to the financial statements
for the year ended 30 September 2006

continued

12. Related party transactions

During the year Eagle One Limited, a company controlled by Mr M R Kay, provided the company with a loan to service the company's working capital requirements. The amount included in creditors falling due within one year at the year end amounted to £730,150 (2005 : included within creditors falling due after one year amounted to £699,109).

During the year Eagle One Limited charged the company, on an arms length basis, £33,143 (2005 : £33,533) for interest accruing on the loan

During the year, Eagle One Limited charged the company management charges of £9,018 (2005 £9,684)

13. Controlling interest

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

14. Post balance sheet events

The company has disposed of the investment property after the year end for £3,337,000. The company has repaid the associated bank borrowings and intercompany loan from the proceeds of the sale