

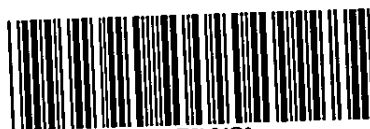
Registration number 04899928

Eagle Strategic Property Limited

Abbreviated accounts

for the year ended 30 June 2011

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30/03/2012
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Eagle Strategic Property Limited

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**Independent auditors' report to Eagle Strategic Property Limited
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 2 to 7 together with the financial statements of Eagle Strategic Property Limited for the year ended 30 June 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and the auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Alan James FCA (Senior Statutory Auditor)
For and on behalf of Alan James & Co
Chartered Accountants and
and Registered Auditors

29 March 2012

Quantum House
59-61 Guildford Street
Chertsey
Surrey
KT16 9AX

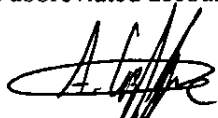
Eagle Strategic Property Limited

Abbreviated balance sheet as at 30 June 2011

		30/06/11		30/06/10	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		875		975
Tangible assets	4		15,754		16,672
Investments	4		14,000,002		8,002,934
			<u>14,016,631</u>		<u>8,020,581</u>
Current assets					
Debtors		256,950		228,614	
Cash at bank and in hand		33,700		183,903	
		<u>290,650</u>		<u>412,517</u>	
Creditors: amounts falling due within one year	5	(13,280,447)		(13,322,830)	
Net current liabilities			(12,989,797)		(12,910,313)
Total assets less current liabilities			1,026,834		(4,889,732)
Provisions for liabilities			<u>(1,777)</u>		<u>-</u>
Net assets/(liabilities)			<u>1,025,057</u>		<u>(4,889,732)</u>
Capital and reserves					
Called up share capital	6		9,592,367		9,592,367
Revaluation reserve			1,216,303		(4,755,000)
Profit and loss account			<u>(9,783,613)</u>		<u>(9,727,099)</u>
Shareholders' funds			<u>1,025,057</u>		<u>(4,889,732)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies

The abbreviated accounts were approved by the Board on 28/03/12 and signed on its behalf by



Alexander Harrington-Griffin
Director
Registration number 04899928

The notes on pages 3 to 7 form an integral part of these financial statements.

Eagle Strategic Property Limited

Notes to the abbreviated financial statements for the year ended 30 June 2011

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

In common with many other businesses of our size and nature, we use our auditors to prepare and submit returns to the tax authorities, audit our service charge accounts and assist with the preparation of both our management accounts and financial statements

1.2. Turnover

Turnover comprises the income receivable (net of VAT) that is properly attributable to the year under review. This relates primarily to the short and long term leasing of commercial office suites within Eagle Tower. Where income attributable to the year is invoiced outside of the year, this is correctly brought into the results as part of the accrued and deferred income adjustments.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25% reducing balance basis
-------------------------------------	------------------------------

1.5. Fixed asset investments

Subsidiary undertakings shares

Subsidiary undertakings shares are stated at cost less provision for permanent diminution in value.

Freehold investment property

In accordance with paragraphs 6.50 and 6.51 of the Financial Reporting Standard for Smaller Entities (April 2008), freehold investment property is not depreciated but is held in the accounts at open market value. This is determined by the director by reference to the most recent professional valuation of the property. In the opinion of the director, this policy, despite not complying with the requirements of the Companies Act with regards depreciation, is necessary for a true and fair view to be presented. An increase in value or a temporary diminution in value are taken to the revaluation reserve. A permanent diminution in value is charged to the profit and loss account.

Eagle Strategic Property Limited

Notes to the abbreviated financial statements for the year ended 30 June 2011

1.6. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.7. Group accounts

The company is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts

2. Auditors' remuneration

	Year ended 30/06/11 £	Period ended 30/06/10 £
Auditors' remuneration - audit of the financial statements	<u>6,000</u>	<u>1,950</u>
Auditors' remuneration - other fees		
- audit of other group companies	1,500	3,750
- audit of service charge accounts	3,000	3,000
- assistance with management accounts and sundry matters	<u>5,473</u>	<u>1,475</u>
	<u>9,973</u>	<u>8,225</u>

Eagle Strategic Property Limited

Notes to the abbreviated financial statements for the year ended 30 June 2011

			Year ended 30/06/11 £	Period ended 30/06/10 £
3. Exceptional items				
Loans (to) / from former subsidiary companies written off			(46,457)	349,474
			<u> </u>	<u> </u>
4. Fixed assets				
	Intangible assets £	Tangible fixed assets £	Investments £	Total £
Cost or valuation				
At 1 July 2010	1,000	17,863	30,172,104	30,190,967
Additions	-	2,377	25,766	28,143
Revaluation	-	-	1,216,303	1,216,303
Disposals	-	-	(17,414,171)	(17,414,171)
At 30 June 2011	<u>1,000</u>	<u>20,240</u>	<u>14,000,002</u>	<u>14,021,242</u>
Depreciation and Provision for diminution in value				
At 1 July 2010	25	1,191	22,169,170	22,170,386
On disposals	-	-	(17,414,170)	(17,414,170)
Charge for year and movement	100	3,295	(4,755,000)	(4,751,605)
At 30 June 2011	<u>125</u>	<u>4,486</u>	<u>-</u>	<u>4,611</u>
Net book values				
At 30 June 2011	<u>875</u>	<u>15,754</u>	<u>14,000,002</u>	<u>14,016,631</u>
At 30 June 2010	<u>975</u>	<u>16,672</u>	<u>8,002,934</u>	<u>8,020,581</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5. Creditors: amounts falling due within one year			30/06/11 £	30/06/10 £
Creditors include the following				
Secured creditors			12,754,221	12,754,221
			<u> </u>	<u> </u>

Eagle Strategic Property Limited

Notes to the abbreviated financial statements for the year ended 30 June 2011

6. Share capital	30/06/11	30/06/10
	£	£
Authorised		
413,668,700 Ordinary shares of £0 10 each	41,366,870	41,366,870
86,331,300 Deferred shares of £0 10 each	8,633,130	8,633,130
	<u>50,000,000</u>	<u>50,000,000</u>
Allotted, called up and fully paid		
9,592,370 Ordinary shares of £0 10 each	959,237	959,237
86,331,300 Deferred shares of £0 10 each	8,633,130	8,633,130
	<u>9,592,367</u>	<u>9,592,367</u>
Equity Shares		
9,592,370 Ordinary shares of £0 10 each	959,237	959,237
86,331,300 Deferred shares of £0 10 each	8,633,130	8,633,130
	<u>9,592,367</u>	<u>9,592,367</u>

7. Financial commitments

In 2010, as a result of a Novation, the company was obliged to enter into a Sterling LIBOR Callable Swap Transaction (interest rate hedge) During the year the company incurred an interest charge of approximately £31,000 a month in connection with this transaction If the one month Sterling LIBOR were to remain unchanged, a liability of £31,000 a month would have continued until 2028 Since the year-end the director determined that early termination of the transaction would be in the best interests of the company In December 2011, an agreement was reached to terminate the transaction, which gave rise to an early redemption penalty of £3,580,000 This was charged to the company overdraft on 23rd December 2011

8. Related party transactions

During the year the company made payments on behalf of a subsidiary, ESL (Shepperton) Limited, totalling £17,337 The balance due from ESL (Shepperton) Limited at the year-end was £17,337 This is included within debtors Amounts paid on behalf of another subsidiary, Astro Hastings Forty Eight Limited, have been written off under exceptional items as the company is in liquidation

During the year the company made payments on behalf of the participator, Mr Melvin Griffin, totalling £59,155 In addition, a balance of £3,584 was due to the company from Mr Melvin Griffin at the year-end

Eagle Strategic Property Limited

Notes to the abbreviated financial statements for the year ended 30 June 2011

9. Controlling interest

The company's immediate parent company is Eagle Strategic Land Limited. That company is controlled by Mr Melvin Griffin, who therefore holds the overall controlling interest in the group.

10. Post balance sheet events

In December 2011 the Director decided it would be beneficial for the company debt to be re-financed with an alternative lender. As a result of the re-finance, the company has a new five year term loan facility in place of £8,250,000, with interest to be charged at 2.5% above Bank Base Rate.

11. Going concern

Since the year-end the high occupancy levels in Eagle Tower have been maintained. However, due to the significant interest charges being incurred in connection with bank borrowings, the Director decided it would be beneficial for the company debt to be re-financed with an alternative lender. As a result of the re-finance, the company has a new five year term loan facility in place of £8,250,000, with interest at 2.5% above Bank Base Rate. This compares to previous bank borrowings of £12,754,221 at an average interest of 2.3% above Bank Base Rate. Following the re-finance, the Director has prepared cash flow projections for the twelve months following the date of this report and is confident that these demonstrate significantly improved cash flow over the forthcoming twelve months. As a result of this, the Director is confident that the company will be able to meet its obligations as they fall due over the forthcoming twelve months.

Following the re-finance and the early redemption penalty on termination of the Sterling LIBOR Callable Swap Transaction, the company overdraft with its previous lender was approximately £3.9 million. In February 2012 the lender wrote off approximately £1.1 million from the company overdraft. The lender has received a personal guarantee from the ultimate beneficial owner of the company in respect of the £2.8 million balance remaining. In light of the personal guarantee that is in place, the Director is of the opinion that the £2.8 million owing should not form part of the company obligations considered in the twelve months cashflow forecasts mentioned above.