

Company Registration No. 1292813 (England and Wales)

PEARLCASTLE LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005



PEARLCASTLE LIMITED

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PEARLCASTLE LIMITED

INDEPENDENT AUDITORS' REPORT TO PEARLCASTLE LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 7, together with the financial statements of the company for the year ended 31 December 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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 directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered 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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 7 are properly prepared in accordance with those provisions.

Glaziers

Glaziers

..... 12 July 2006

Chartered Accountants
Registered Auditor

843 Finchley Road
London
NW11 8NA

PEARLCASTLE LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2005


	Notes	2005 £	£	2004 £	£
Fixed assets					
Intangible assets	2	14,001		15,751	
Tangible assets	2	2,367,020		1,058,980	
Investments	2	209,591		209,591	
		<u>2,590,612</u>		<u>1,284,322</u>	
Current assets					
Stocks		976,934		949,884	
Debtors		516,357		415,469	
		<u>1,493,291</u>		<u>1,365,353</u>	
Creditors: amounts falling due within one year		<u>(1,361,935)</u>		<u>(1,331,700)</u>	
Net current assets		<u>131,356</u>		<u>33,653</u>	
Total assets less current liabilities		<u>2,721,968</u>		<u>1,317,975</u>	
Creditors: amounts falling due after more than one year	3	(737,182)		(660,452)	
Provisions for liabilities and charges		<u>(38,018)</u>		<u>-</u>	
		<u>1,946,768</u>		<u>657,523</u>	
Capital and reserves					
Called up share capital	4	140		140	
Share premium account		121,658		121,658	
Revaluation reserve		1,541,418		203,631	
Profit and loss account		283,552		332,094	
Shareholders' funds		<u>1,946,768</u>		<u>657,523</u>	

PEARLCASTLE LIMITED

ABBREVIATED BALANCE SHEET (CONTINUED) AS AT 31 DECEMBER 2005

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 12 June 2006



Mr Ramniklal K Shah
Director



Mr Kantilal K Shah
Director

PEARLCASTLE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period.

Goodwill is amortised on a straight line method over 20 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Straight line over fifty years
Land and buildings Leasehold	Straight line over the life of the lease
Fixtures, fittings & equipment	15% per annum reducing balance method
Motor vehicles	25% per annum reducing balance method

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

PEARLCASTLE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

(continued)

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

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

1.8 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

PEARLCASTLE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

2 Fixed assets

	Intangible assets £	Tangible assets £	Investments £	Total £
Cost or valuation				
At 1 January 2005	37,000	1,478,387	209,591	1,724,978
Additions	-	75,125	-	75,125
Revaluation	-	1,337,787	-	1,337,787
Disposals	-	(20,962)	-	(20,962)
At 31 December 2005	37,000	2,870,337	209,591	3,116,928
Depreciation				
At 1 January 2005	21,249	419,407	-	440,656
On disposals	-	(13,612)	-	(13,612)
Charge for the year	1,750	97,522	-	99,272
At 31 December 2005	22,999	503,317	-	526,316
Net book value				
At 31 December 2005	14,001	2,367,020	209,591	2,590,612
At 31 December 2004	15,751	1,058,980	209,591	1,284,322

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Participating interests			
Learstar Limited	England and Wales	Ordinary	40.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2005 £	Profit for the year 2005 £
Learstar Limited	Property investment	-	-

PEARLCASTLE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

3	Creditors: amounts falling due after more than one year	2005	2004
		£	£

Analysis of loans repayable in more than five years

Total amounts repayable by instalments which are due in more than five years

252,679	314,564
<u> </u>	<u> </u>

The aggregate amount of creditors for which security has been given amounted to £1,105,882 (2004 - £1,184,043).

4	Share capital	2005	2004
		£	£

Authorised

100,000 Ordinary shares of £1 each

100,000	100,000
<u> </u>	<u> </u>

Allotted, called up and fully paid

140 Ordinary shares of £1 each

140	140
<u> </u>	<u> </u>

5 Transactions with directors

At the balance sheet date the company owed the following amounts to some of its directors:

K K Shah - £394 (2004 - £394);

N K Shah - £2,380 (2004 - £2,380);

V P Haria - £7,057 (2004 - £7,057);

R K Shah - £818 (2004 - £818).

These loans are interest free and repayable at par as and when company funds permit.