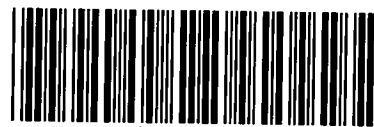


PEARLCASTLE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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PEARLCASTLE LIMITED
REGISTERED NUMBER:01292813

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	2,634,995	2,695,527
Investment property	6	540,000	540,000
		<u>3,174,995</u>	<u>3,235,527</u>
Current assets			
Stocks	7	943,738	551,052
Debtors: amounts falling due within one year	8	2,146,058	2,084,773
Cash at bank and in hand	9	22,817	12,355
		<u>3,112,613</u>	<u>2,648,180</u>
Creditors: amounts falling due within one year	10	(2,773,384)	(2,038,827)
Net current assets		<u>339,229</u>	<u>609,353</u>
Total assets less current liabilities		<u>3,514,224</u>	<u>3,844,880</u>
Creditors: amounts falling due after more than one year	11	(1,742,724)	(1,856,524)
Provisions for liabilities			
Deferred tax	14	(58,412)	(50,901)
		<u>(58,412)</u>	<u>(50,901)</u>
Net assets		<u><u>1,713,088</u></u>	<u><u>1,937,455</u></u>
Capital and reserves			
Called up share capital		140	140
Share premium account	15	121,658	121,658
Revaluation reserve	15	808,668	808,668
Profit and loss account	15	782,622	1,006,989
		<u>1,713,088</u>	<u>1,937,455</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

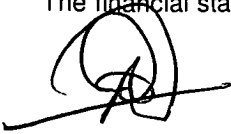
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

PEARLCASTLE LIMITED
REGISTERED NUMBER:01292813

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



14/6/17

A Shah
Director

The notes on pages 3 to 14 form part of these financial statements.

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Pearlcastle Limited is a private company limited by shares and incorporated in England and Wales. Its principal place of business is 14a Brunswick Industrial Park, New Southgate N11 1JL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line and reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- Straight line over 50 years
Short-term leasehold property	- Straight line over the life of the lease
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 15% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

PEARLCASTLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

PEARLCASTLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 49 (2015 - 49).

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2016	37,000
At 31 December 2016	<u>37,000</u>
Amortisation	
At 1 January 2016	37,000
At 31 December 2016	<u>37,000</u>
Net book value	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>-</u>

PEARLCASTLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2016	2,844,681	223,982	745,666	3,814,329
Additions	-	20,490	40,507	60,997
Disposals	-	(7,269)	-	(7,269)
At 31 December 2016	<u>2,844,681</u>	<u>237,203</u>	<u>786,173</u>	<u>3,868,057</u>
Depreciation				
At 1 January 2016	444,798	73,649	600,354	1,118,801
Charge for the year on owned assets	57,840	34,986	24,602	117,428
Disposals	-	(3,168)	-	(3,168)
At 31 December 2016	<u>502,638</u>	<u>105,467</u>	<u>624,956</u>	<u>1,233,061</u>
Net book value				
At 31 December 2016	<u>2,342,043</u>	<u>131,736</u>	<u>161,217</u>	<u>2,634,996</u>
At 31 December 2015	<u>2,399,882</u>	<u>150,333</u>	<u>145,312</u>	<u>2,695,527</u>

PEARLCASTLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Freehold property	2,342,043	2,399,882
	<u>2,342,043</u>	<u>2,399,882</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Motor vehicles	35,170	52,319
	<u>35,170</u>	<u>52,319</u>

6. Investment property

	Freehold investment property £
Valuation	
At 1 January 2016	540,000
At 31 December 2016	<u>540,000</u>
Comprising	
Cost	215,000
Annual revaluation surplus/(deficit):	
2005	285,000
2007	40,000
At 31 December 2016	<u>540,000</u>

The 2016 valuations were made by the director, on an open market value for existing use basis.

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7. Stocks

	2016 £	2015 £
Goods for resale	943,738	551,052
	<u>943,738</u>	<u>551,052</u>

8. Debtors

	2016 £	2015 £
Trade debtors	591,174	549,581
Amounts owed by group undertakings	1,415,118	1,410,618
Other debtors	24,782	5,471
Prepayments and accrued income	114,984	119,103
	<u>2,146,058</u>	<u>2,084,773</u>

9. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	22,817	12,355
Less: bank overdrafts	(300,634)	(206,159)
	<u>(277,817)</u>	<u>(193,804)</u>

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	300,634	206,159
Bank loans	167,886	192,441
Trade creditors	983,805	960,862
Amounts owed to group undertakings	916,747	336,749
Corporation tax	28,925	32,863
Taxation and social security	139,591	128,343
Obligations under finance lease and hire purchase contracts	14,776	21,217
Other creditors	83,891	4,500
Accruals and deferred income	137,129	155,693
	<u>2,773,384</u>	<u>2,038,827</u>

11. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	1,718,916	1,835,456
Net obligations under finance leases and hire purchase contracts	23,808	21,068
	<u>1,742,724</u>	<u>1,856,524</u>

Secured loans

The bank loans are secured by a debenture and first legal charge over the company's assets. The hire purchase and finance lease agreements are secured on the assets concerned. Interest on these bank loans is charged at 1.25% per annum above the Bank's Base Rate. The loans are repayable by monthly instalments with the last instalment due in March 2028. The total amount secured is £2,217,973 (2015: £2,276,342).

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

12. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	167,886	192,441
	<u>167,886</u>	<u>192,441</u>
Amounts falling due 1-2 years		
Bank loans	1,718,916	1,835,456
	<u>1,718,916</u>	<u>1,835,456</u>

13. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	14,776	21,217
Between 1-5 years	23,808	21,068
	<u>38,584</u>	<u>42,285</u>

14. Deferred taxation

	2016 £
At beginning of year	(50,901)
Charged to profit or loss	(7,511)
At end of year	<u>(58,412)</u>

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

14. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	(58,412)
	<u>(58,412)</u>

15. Reserves

Share premium account

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve

Revaluation reserve includes gains and losses arising on the revaluation of assets. Deferred tax is provided on the surplus on revaluations of the investment property.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

16. Controlling party

In the opinion of the directors there is no controlling party.

17. Auditor's information

The auditor's report was unqualified and signed by Darsh K Shah (Senior statutory auditor) for and on behalf of Adler Shine LLP.