
PEARLCASTLE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

PEARLCASTLE LIMITED
REGISTERED NUMBER: 01292813

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	-	-
Tangible fixed assets	5	334,245	369,533
		<u>334,245</u>	<u>369,533</u>
Current assets			
Stocks		1,286,686	1,308,983
Debtors: amounts falling due within one year	6	776,324	744,388
Cash at bank and in hand	7	41,915	77,898
		<u>2,104,925</u>	<u>2,131,269</u>
Creditors: amounts falling due within one year	8	(1,780,218)	(1,637,266)
		<u>324,707</u>	<u>494,003</u>
Net current assets			
		<u>658,952</u>	<u>863,536</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	9	(64,009)	(101,612)
Provisions for liabilities			
Deferred tax	11	(46,649)	(46,649)
		<u>(46,649)</u>	<u>(46,649)</u>
Net assets			
		<u><u>548,294</u></u>	<u><u>715,275</u></u>
Capital and reserves			
Called up share capital	12	140	140
Share premium account		121,658	121,658
Profit and loss account		426,496	593,477
		<u>548,294</u>	<u>715,275</u>

PEARLCASTLE LIMITED
REGISTERED NUMBER: 01292813

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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.

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

A Shah
Director

Date: 15 October 2020

The notes on pages 4 to 13 form part of these financial statements.

PEARLCASTLE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2018	140	121,658	679,255	801,053
Profit for the year	-	-	154,222	154,222
Dividends: Equity capital	-	-	(240,000)	(240,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2019	140	121,658	593,477	715,275
Comprehensive income for the year				
Profit for the year	-	-	73,019	73,019
Dividends: Equity capital	-	-	(240,000)	(240,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	<u>140</u>	<u>121,658</u>	<u>426,496</u>	<u>548,294</u>

The notes on pages 4 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Pearlcastle Limited is a private company limited by shares and registered in England and Wales. The company's registration number is 01292813. The registered office address is Unit 14a, Brunswick Industrial Park, Brunswick Way, London, 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 Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue trading for the foreseeable future. The Directors have evaluated the impact to the Company in respect of the Covid-19 (Coronavirus) pandemic ongoing at the time of approving these financial statements. The Directors are confident that adopting government initiatives to support businesses during the initial lockdown have been sufficient to offset any losses incurred as a result of Covid-19. The Company has subsequently re-opened its sites and operations have successfully resumed. As a result, the Directors do not consider there to be a material uncertainty to the Company's ability to continue as a going concern as a result of Covid-19.

2.3 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.

2.4 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 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.

2.6 Interest income

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

2.7 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.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 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 reducing balance basis.

Depreciation is provided on the following basis:

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.

2.13 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.

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.

2.14 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.

2.15 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.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Financial instruments

The Company only enters into basic financial instrument 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

2.19 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.

3. Employees

The average monthly number of employees, including directors, during the year was 58 (2018 - 57).

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2019	37,000
At 31 December 2019	<u>37,000</u>
Amortisation	
At 1 January 2019	37,000
At 31 December 2019	<u>37,000</u>
Net book value	
At 31 December 2019	<u><u>-</u></u>
At 31 December 2018	<u><u>-</u></u>

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2019	348,331	798,962	1,147,293
Additions	46,862	6,493	53,355
Disposals	(30,818)	-	(30,818)
At 31 December 2019	364,375	805,455	1,169,830
Depreciation			
At 1 January 2019	105,568	672,194	777,762
Charge for the year on owned assets	15,813	19,991	35,804
Charge for the year on financed assets	48,626	-	48,626
Disposals	(26,607)	-	(26,607)
At 31 December 2019	143,400	692,185	835,585
Net book value			
At 31 December 2019	220,975	113,270	334,245
At 31 December 2018	242,763	126,768	369,531

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

	2019 £	2018 £
Motor vehicles	200,732	206,522
	<u>200,732</u>	<u>206,522</u>

PEARLCASTLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Debtors

	2019 £	2018 £
Trade debtors	488,810	486,650
Amounts owed by group undertakings	196,946	186,673
Other debtors	44,048	23,275
Prepayments and accrued income	46,520	47,790
	<u>776,324</u>	<u>744,388</u>

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	41,915	77,898
Less: bank overdrafts	(271,445)	(258,571)
	<u>(229,530)</u>	<u>(180,673)</u>

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	271,445	258,571
Trade creditors	842,317	948,776
Amounts owed to group undertakings	231,992	-
Corporation tax	39,676	6,297
Other taxation and social security	122,177	113,876
Obligations under finance lease and hire purchase contracts	67,462	58,072
Other creditors	85,021	112,354
Accruals and deferred income	120,128	139,320
	<u>1,780,218</u>	<u>1,637,266</u>

The bank overdraft is secured by a guarantee supported by a debenture creating a fixed and floating charge over the assets of the company.

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	64,009	101,612
	<u>64,009</u>	<u>101,612</u>

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	67,462	58,072
Between 1-5 years	64,009	101,610
	<u>131,471</u>	<u>159,682</u>

11. Deferred taxation

	2019 £	2018 £
At beginning of year	(46,649)	(46,649)
At end of year	<u>(46,649)</u>	<u>(46,649)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(46,649)	(46,649)
	<u>(46,649)</u>	<u>(46,649)</u>

PEARLCASTLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
10 (2018 - 10) Ordinary A shares of £1.00 each	10	10
10 (2018 - 10) Ordinary B shares of £1.00 each	10	10
10 (2018 - 10) Ordinary C shares of £1.00 each	10	10
10 (2018 - 10) Ordinary D shares of £1.00 each	10	10
10 (2018 - 10) Ordinary E shares of £1.00 each	10	10
10 (2018 - 10) Ordinary F shares of £1.00 each	10	10
10 (2018 - 10) Ordinary G shares of £1.00 each	10	10
10 (2018 - 10) Ordinary H shares of £1.00 each	10	10
10 (2018 - 10) Ordinary I shares of £1.00 each	10	10
10 (2018 - 10) Ordinary J shares of £1.00 each	10	10
10 (2018 - 10) Ordinary K shares of £1.00 each	10	10
10 (2018 - 10) Ordinary L shares of £1.00 each	10	10
10 (2018 - 10) Ordinary M shares of £1.00 each	10	10
10 (2018 - 10) Ordinary N shares of £1.00 each	10	10
	<hr/>	<hr/>
	140	140

13. Controlling party

The parent undertaking is Castlepearl Limited, a company incorporated in England & Wales and whose registered office address is Unit 14a Brunswick Industrial Park, Brunswick Way, London N11 1JL.

The accounts of the Company are included in the consolidated financial statements of Castlepearl Limited, copies of which are available from Companies House.

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

14. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 16 October 2020 by Alexander Chrysapiades FCA (Senior Statutory Auditor) on behalf of Adler Shine LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.