

COMPANY REGISTRATION NUMBER 1292813

**PEARLCASTLE LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR**  
**31ST DECEMBER 2002**



**PRAVIN MALDE & CO.**  
Chartered Accountants & Registered Auditors  
6 Bruce Grove  
London  
N17 6RA

**PEARLCASTLE LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST DECEMBER 2002**

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# **PEARLCASTLE LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE COMPANY**

### **PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 31st December 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B 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 THE DIRECTORS AND THE 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 report our opinion to you.

#### **BASIS OF OPINION**

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. 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 Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

6 Bruce Grove  
London  
N17 6RA

815 August 2003

*Pravin Malde & Co*  
PRAVIN MALDE & CO.  
Chartered Accountants  
& Registered Auditors

**PEARLCASTLE LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31ST DECEMBER 2002**

	Note	2002 £	2001 £
<b>FIXED ASSETS</b>	<b>2</b>		
Intangible assets		19,251	21,001
Tangible assets		1,104,672	657,488
Investments		209,591	209,591
		<u>1,333,514</u>	<u>888,080</u>
<b>CURRENT ASSETS</b>			
Stocks		764,340	745,808
Debtors		280,101	221,845
Cash at bank and in hand		70,346	51,047
		<u>1,114,787</u>	<u>1,018,700</u>
<b>CREDITORS: Amounts falling due within one year</b>	<b>3</b>	<u>1,024,537</u>	<u>977,505</u>
<b>NET CURRENT ASSETS</b>		90,250	41,195
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,423,764</u>	<u>929,275</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	<b>4</b>	<u>964,782</u>	<u>361,702</u>
		<u>£458,982</u>	<u>£567,573</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	<b>5</b>	140	140
Share premium account		121,658	121,658
Revaluation reserve		238,765	238,765
Profit and loss account		98,419	207,010
<b>SHAREHOLDERS' FUNDS</b>		<u>£458,982</u>	<u>£567,573</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 09-01-2003 and are signed on their behalf by:

  
 MR RAMNIKLAL K SHAH

  
 MR KANTILAL K SHAH

The notes on pages 3 to 6 form part of these abbreviated accounts.

# PEARLCASTLE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2002

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been 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 June 2002).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **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 reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- Straight line over 20 years.
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#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- Straight line over fifty years
Fixtures, Fittings & Equipment	- 15% Reducing balance
Motor Vehicles	- 25% Reducing balance
Leasehold Properties	- Straight line over the life of the lease

#### **Investment properties**

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

# **PEARLCASTLE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST DECEMBER 2002**

### **1. ACCOUNTING POLICIES** *(continued)*

#### **Stocks**

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

#### **Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### **Deferred taxation**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

#### **Investment in associated company**

The company's participating interest comprise investment in associated undertaking where the company has shareholding between 20% and 50%, and exercises significant influence over the strategic operating and financial policy decisions. The investment in the Associated company has been stated at valuation.

# PEARLCASTLE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2002

### 2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Associated Company Investment £	Total £
<b>COST OR VALUATION</b>				
At 1st January 2002	37,000	917,322	209,591	1,163,913
Additions	—	528,704	—	528,704
Disposals	—	(44,756)	—	(44,756)
<b>At 31st December 2002</b>	<u>37,000</u>	<u>1,401,270</u>	<u>209,591</u>	<u>1,647,861</u>
<b>DEPRECIATION</b>				
At 1st January 2002	15,999	259,834	—	275,833
Charge for year	1,750	68,863	—	70,613
On disposals	—	(32,099)	—	(32,099)
<b>At 31st December 2002</b>	<u>17,749</u>	<u>296,598</u>	<u>—</u>	<u>314,347</u>
<b>NET BOOK VALUE</b>				
<b>At 31st December 2002</b>	<u>£19,251</u>	<u>£1,104,672</u>	<u>£209,591</u>	<u>£1,333,514</u>
At 31st December 2001	<u>£21,001</u>	<u>£657,488</u>	<u>£209,591</u>	<u>£888,080</u>

#### Investment Property

In the opinion of the directors the market value of the investment property included in Tangible Assets is at least equal to its book value.

#### Associated Company

In the opinion of the directors the aggregate value of the company's investment in the Associated Company is not less than the amount included in the balance sheet. The historical cost of the investment is £5,960.

The company owns more than 10% of the issued share capital of the company listed below,

Company	Country of registration or incorporation	Shares held Class	%
Associated Company		Ordinary	39.7
Learstar Limited	Great Britain		

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

	Capital and reserves	Loss for the year
Learstar Limited	£525,566	£2,370

The principal activity of the Associated Company is that of property investment.

# PEARLCASTLE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

### YEAR ENDED 31ST DECEMBER 2002

#### 3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002	2001
	£	£
Bank loans and overdrafts	<u>409,515</u>	<u>327,341</u>

#### 4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002	2001
	£	£
Bank loans and overdrafts	<u>710,320</u>	<u>168,446</u>

Included within creditors falling due after more than one year is an amount of £385,320 (2001 - £9,969) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

#### 5. SHARE CAPITAL

##### Authorised share capital:

	2002	2001
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

##### Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>140</u>	<u>140</u>	<u>140</u>	<u>140</u>