

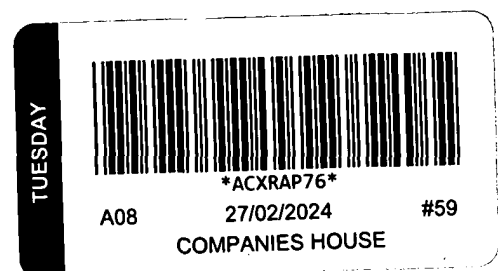
PCAL Properties Limited

Unaudited Report and Financial Statements

Year Ended

31 May 2023

Company Number 03444266



PCAL Properties Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of PCAL Properties Limited for the Year Ended 31 May 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of PCAL Properties Limited for the year ended 31 May 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

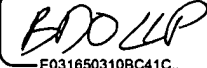
As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>

It is your duty to ensure that PCAL Properties Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of PCAL Properties Limited. You consider that PCAL Properties Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of PCAL Properties Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of directors of PCAL Properties Limited, as a body, in accordance with the terms of our engagement letter dated 15 January 2021. Our work has been undertaken solely to prepare for your approval the accounts of PCAL Properties Limited and state those matters that we have agreed to state to the board of directors of PCAL Properties Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PCAL Properties Limited and its board of directors as a body for our work or for this report.

DocuSigned by:

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BDO LLP
London
United Kingdom

Date: 23/2/2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PCAL Properties Limited

Registered number: 03444266

**Statement of Financial Position
as at 31 May 2023**

	Note	2023 £	As restated 2022 £
Fixed assets			
Investment properties	5,10	582,100	1,007,100
Current assets			
Debtors: amounts falling due within one year	6	75,786	900
Cash at bank and in hand		1,061,462	910,494
Current liabilities		1,137,248	911,394
Creditors: amounts falling due within one year	7	(17,661)	(121,348)
Net current assets		1,119,587	790,046
Total assets less current liabilities		1,701,687	1,797,146
Provisions for liabilities			
Deferred tax	8	-	(25,865)
Net assets		1,701,687	1,771,281
Capital and reserves			
Share capital	9	2	2
Profit and loss account		1,701,685	1,771,279
		1,701,687	1,771,281

PCAL Properties Limited
Registered number: 03444266

Statement of Financial Position (continued)
as at 31 May 2023

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

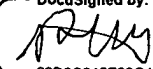
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 by:

DocuSigned by:

.....63D2C2A5E93C4DE.....
P H Friend
Director

Date: 23/2/2024

The notes on pages 5 to 10 form part of these financial statements.

PCAL Properties Limited

Statement of Changes in Equity for the Year Ended 31 May 2023

	Share capital £	Profit and loss account £	Total equity £
At 1 June 2022 (as previously stated)	2	2,467,879	2,467,881
Prior year adjustment (note 11)	-	(696,600)	(696,600)
At 1 June 2022 (as restated)	2	1,771,279	1,771,281
Comprehensive loss for the year			
Loss for the year	-	(69,594)	(69,594)
At 31 May 2023	2	1,701,685	1,701,687

Statement of Changes in Equity for the Year Ended 31 May 2022

	Share capital £	Profit and loss account £	Total equity £
At 1 June 2021	2	1,671,209	1,671,211
Comprehensive income for the year			
Profit for the year (as restated)	-	100,070	100,070
At 31 May 2022 (as restated)	2	1,771,279	1,771,281

The notes on pages 5 to 10 form part of these financial statements.

PCAL Properties Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

1. General information

The Company is a private company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is 55 Baker Street, London, W1U 7EU.

The principal activity of the Company is to invest in rental properties.

These financial statements are presented in Great British Pounds (GBP), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the individual private company for the year ended 31 May 2023.

The Company has determined that the pound is the functional currency as this is the currency of the economic environment in which the Company predominantly operates.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The accounts have been prepared on a going concern basis having regard to the future trading performance of the company.

The directors continually monitor the financial conditions of the company and believe that there are sufficient resources to allow the company to continue trading for the next twelve months from the date of signing the accounts.

The financial statements do not include any adjustments that might be required if the application of the going concern basis proves to be inappropriate.

2.3 Turnover

Turnover represents rent receivable in the year.

2.4 Interest income

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

2.5 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.

PCAL Properties Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit or loss 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 reporting 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 reporting, 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 reporting date.

2.7 Investment property

Investment property is carried at fair value determined annually by the directors 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.

2.8 Debtors

Short-term debtors are measured at transaction price, 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.

2.10 Creditors

Short-term creditors are measured at the transaction price.

PCAL Properties Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

2. Accounting policies (continued)

2.11 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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 Statement of Financial Position.

2.12 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.

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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

- *Investment property (see note 5)*
The Company's investment properties are measured at fair value. The valuation was carried out by the directors. The directors have used observable market prices, which can fluctuate upwards as well as downwards and have been adjusted, as necessary, for any difference in the condition of the asset.

4. Employees

The average monthly number of employees, including directors, during the year was 2 (2022 - 2).

PCAL Properties Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

5. Investment properties

	Long term leasehold investment properties £
Valuation	
At 1 June 2022 (as previously stated)	1,703,700
Prior year adjustment	(696,600)
At 1 June 2022 (as restated)	1,007,100
Disposals	(425,000)
At 31 May 2023	582,100

The 2023 valuations were made by the directors, on an open market value for existing use basis.

Please see note 11 for further details on the prior year adjustment.

6. Debtors

	2023 £	2022 £
Trade debtors	900	900
Other debtors	74,665	-
Deferred taxation	221	-
	75,786	900

Other debtors includes £74,665 (2022 - £Nil) in relation to amounts due from the director. See note 11 for related party transactions.

PCAL Properties Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

7. Creditors: Amounts falling due within one year

	2023 £	As restated 2022 £
Corporation tax	10,736	35,343
Other creditors (note 11)	-	80,070
Accruals and deferred income	6,925	5,935
	<u>17,661</u>	<u>121,348</u>

8. Deferred taxation

	2023 £	2022 £
At beginning of year	(25,865)	(56,897)
Charge in the year	26,086	31,032
At end of year	<u>221</u>	<u>(25,865)</u>
	2023 £	2022 £
On revaluation of property	-	(26,135)
Fixed asset timing differences	221	270
	<u>221</u>	<u>(25,865)</u>

9. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

PCAL Properties Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

10. Prior year adjustment

The financial statements for the year ended 31 May 2023 have been revised to reflect the correction of the disposal of investment properties in the prior year due to historic revaluations not been adjusted on disposal of the property. This has resulted in a £696,600 reduction in the profit on disposal of investment properties from £734,102 to £37,502, and a £696,600 reduction in investment properties from £1,703,700 to £1,007,100. As such, the profit for the year and the net assets figure has also reduced by £696,600.

Additionally, the financial statements for the year ended 31 May 2023 have been restated to correct the classification of directors' loan accounts creditor from other creditors due after more than one year to other creditors due within one year to reflect the fact that the company does not have the unconditional right to defer payment for more than 12 months from the balance sheet date. There is no impact on the profit for the year or the net assets position.

11. Related party transactions

In the year, there was an amount in other debtors of £74,665 (2022: creditor of £80,070), which represented amounts due to P H Friend and C M Friend, directors and shareholders of the company. Interest was charged at 3% on the creditor balance owed to C M Friend until repayment which totalled £300 (2022 - £5,514). No interest was charged on the amount owing to P H Friend (2021 - £Nil). This creditor has been repaid during the year and the overdrawn balance included in other debtors was repaid within 9 months following the reporting date. This balance carries interest of 2% and interest receivable of £184 was charged due from each director.

12. Controlling party

The directors do not consider there to be a single ultimate controlling party.