

PRECIOUS PEARL LIMITED

REPORT AND
ABBREVIATED ACCOUNTS

30 NOVEMBER 2003

COMPANY NO: 4265186



HORWATH CLARK WHITEHILL (YORKSHIRE) LLP

CHARTERED ACCOUNTANTS

Bradford

PRECIOUS PEARL LIMITEDABBREVIATED BALANCE SHEET 30 NOVEMBER 2003

	<u>Notes</u>	<u>2003</u> £	<u>2002</u> £
Current assets:			
Stock		948,976	913,356
Debtors		119	-
Cash in hand		2	2
		<hr/> 949,097	<hr/> 913,358
Creditors: amounts falling due within one year		955,919	915,276
		<hr/>	<hr/>
Net current liabilities		(6,822)	(1,918)
		<hr/>	<hr/>
		(6,822)	(1,918)
		<hr/>	<hr/>
Capital and reserves:			
Called up share capital	2	2	2
Profit & Loss account		(6,824)	(1,920)
		<hr/>	<hr/>
		(6,822)	(1,918)
		<hr/>	<hr/>

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

In the directors' opinion the company was entitled under section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 30 November 2003. No member of the company has deposited a notice under Section 249B(2) requiring an audit of these accounts.

The directors are responsible for ensuring that the company keeps accounting records which comply with Section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss of each year in accordance with requirements of section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

P H Holmes
Director

23 September 2004

The notes on pages 2 to 3 form part of these accounts

PRECIOUS PEARL LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS AT 30 NOVEMBER 20031. Accounting policiesBasis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

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

Stocks

Dealing properties are stated at cost.

Interest costs relating to the financing of properties in the course of construction are capitalised, net of tax relief, up to the date of practical completion.

Long term contracts

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to the total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

PRECIOUS PEARL LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS AT 30 NOVEMBER 2003 - continued1. Accounting policies - continuedDeferred taxation - continued

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Share capital

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>2003</u> No.	<u>2002</u> No.	<u>2003</u> £	<u>2002</u> £
Ordinary shares of £1 each	1,000	1,000	£2	£2