

**Company Registration No. 02306979 (England and Wales)**

**WORLDPEARL LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2017**  
**PAGES FOR FILING WITH REGISTRAR**



# WORLDPEARL LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Mr J Taylor
<b>Company number</b>	02306979
<b>Registered office</b>	Isle of Wight Pearl Military Road Brighstone Isle of Wight PO30 4DD
<b>Auditor</b>	Moore Stephens (South) LLP 9 St Johns Place Newport Isle of Wight PO30 1LH
<b>Bankers</b>	HSBC Bank Plc PO Box 14 St Hellier Jersey JE4 8NJ

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# **WORLDPEARL LIMITED**

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# WORLDPEARL LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2017

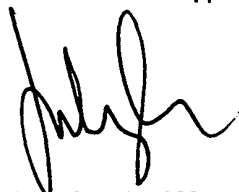
	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	3		6,000		9,000
Property, plant and equipment	4		149,270		157,772
			<u>155,270</u>		<u>166,772</u>
<b>Current assets</b>					
Inventories		218,100		243,767	
Trade and other receivables	5	836,530		327,197	
Cash and cash equivalents		24,347		31,889	
		<u>1,078,977</u>		<u>602,853</u>	
<b>Current liabilities</b>	6	<u>(2,132,902)</u>		<u>(1,646,804)</u>	
<b>Net current liabilities</b>			<u>(1,053,925)</u>		<u>(1,043,951)</u>
<b>Total assets less current liabilities</b>			<u>(898,655)</u>		<u>(877,179)</u>
<b>Equity</b>					
Called up share capital	7		2		2
Retained earnings			<u>(898,657)</u>		<u>(877,181)</u>
<b>Total equity</b>			<u>(898,655)</u>		<u>(877,179)</u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 26 July 2018

Mr J Taylor  
Director



Company Registration No. 02306979

# **WORLDPEARL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017**

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### **1 Accounting policies**

#### **Company information**

Worldpearl Limited is a private company limited by shares incorporated in England and Wales. The registered office is Isle of Wight Pearl, Military Road, Brighstone, Isle of Wight, PO30 4DD.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

During the year ended 31 October 2017, the company reported a loss of £21,476 (2016 - £154,841) and reported net liabilities of £898,655 (2016 - £877,179).

The directors have prepared detailed budgets and forecasts to October 2018 and a broad monthly assessment for the year to October 2019. Cash flow is monitored on a daily basis, the in-year budgets are updated to actual on a weekly basis, and accordingly forecasts are flexed forward. Regular reporting to directors ensures good monitoring and response thereafter for the purpose of anticipating future funding requirements. The company is reliant on the continued support from the parent company, along with other members of the group, and the parent company having considered the funding requirements for the group as a whole have agreed that amounts due to group members will be deferred whilst the company is reliant on these funds. As part of this process the directors have secured a group overdraft facility of £770,000 and given the improved group turnover to date they are confident the group will continue to work within this facility.

Based on the confirmation of continued support from the parent company, along with agreed financing from the bank, the directors consider it appropriate to adopt the going concern basis in the preparation of these financial statements.

#### **1.3 Revenue**

Turnover represents amounts receivable from the sale of jewellery and hampers, net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.4 Intangible fixed assets - goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. Goodwill relates to Simply Cornish Hampers which was transferred to Worldpearl Limited as part of the group reorganisation.

# WORLDPEARL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 1 Accounting policies

(Continued)

#### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	
Plant and machinery	20% - 25% reducing balance
Fixtures, fittings and equipment	14.4% - 25% reducing balance
Computer equipment	20% - 25% reducing balance
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# WORLDPEARL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

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### 1 Accounting policies

(Continued)

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# WORLDPEARL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 39 (2016 - 43).



# WORLDPEARL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 November 2016 and 31 October 2017	30,000
<b>Amortisation and impairment</b>	
At 1 November 2016	21,000
Amortisation charged for the year	3,000
At 31 October 2017	24,000
<b>Carrying amount</b>	
At 31 October 2017	6,000
At 31 October 2016	9,000

### 4 Property, plant and equipment

	Impr'ments to leasehold property £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 November 2016	76,393	472,930	549,323
Additions	-	12,839	12,839
At 31 October 2017	76,393	485,769	562,162
<b>Depreciation and impairment</b>			
At 1 November 2016	9,356	382,195	391,551
Depreciation charged in the year	4,509	16,832	21,341
At 31 October 2017	13,865	399,027	412,892
<b>Carrying amount</b>			
At 31 October 2017	62,528	86,742	149,270
At 31 October 2016	67,037	90,735	157,772

### 5 Trade and other receivables

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade receivables	15,891	16,524
Amounts owed by group undertakings	802,675	285,774
Other receivables	17,964	24,899
	836,530	327,197

# WORLDPEARL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 6 Current liabilities

	2017 £	2016 £
Bank loans and overdrafts	329,006	7,061
Trade payables	153,747	120,493
Amounts due to group undertakings	1,539,853	1,382,021
Other taxation and social security	74,364	105,423
Other payables	35,932	31,806
	<u>2,132,902</u>	<u>1,646,804</u>

The bank overdraft is secured by fixed and floating charges over the assets of Worldpearl Limited and a large number of the other companies in the group.

### 7 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

#### Emphasis of matter - Going Concern

We draw attention to Note 1.2 of the financial statements, which describe the consideration by management in adopting the going concern basis of accounting in the preparation of these financial statements. Our opinion is not modified in respect of this matter.

The senior statutory auditor was Esme Shakeshaft.

The auditor was Moore Stephens (South) LLP.

# WORLDPEARL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 9 Financial commitments, guarantees and contingent liabilities

At the balance sheet date the FS Holdings Group, of which Worldpearl Limited is a member, had a net overdraft facility of £770,000, which is repayable on demand. The group also has a term loan facility of £1,149,992 (2016 - £1,316,661) which is repayable over the remaining 7 years of the 15 year term at an interest rate of 2.75% over LIBOR.

The bank overdraft and loans are secured by fixed and floating charges over the assets of Worldpearl Limited and a large number of the other companies in the group.

### 10 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017	2016
	£	£
	326,700	445,500

### 11 Related party transactions

#### Amounts owed to/by related parties

The following amounts were outstanding at the reporting end date:

	Amount owed to		Amounts owed by	
	2017	2016	2017	2016
	£	£	£	£
Entities with control, joint control or significant influence over the company	1,444,855	1,281,426	351,619	-
Fellow subsidiaries of FS Holdings	94,998	100,595	451,056	285,774

No guarantees have been given or received. The Group has guaranteed an inter-company balance of £251,984 owed to Worldpearl Limited by Mission Management Limited.

The company has taken advantage of the exemption available within section 1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

### 12 Parent company

The immediate parent company is Pearl Centre Holdings Limited, a company incorporated in Jersey. The ultimate parent company is FS Holdings Limited, a company incorporated in Jersey and registered office at Jersey Pearl, La Grande Route des Meilles, St Ouen, Jersey, JE3 2FN. FS Holdings Limited produce consolidated financial statements.