

REGISTERED NUMBER: 5890097 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD 11 MAY 2010 TO 30 APRIL 2011
FOR
PEARLSTYLE LIMITED

TUESDAY



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PEARLSTYLE LIMITED (REGISTERED NUMBER: 5890097)

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for the period 11 May 2010 to 30 April 2011

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PEARLSTYLE LIMITED
COMPANY INFORMATION
for the period 11 May 2010 to 30 April 2011

DIRECTORS:

Mr B W Ritchie
Mr B Palos

SECRETARY:

Mr J S D A Rust

REGISTERED OFFICE:

59-60 Grosvenor Street
Mayfair
London
W1K 3HZ

REGISTERED NUMBER:

5890097 (England and Wales)

AUDITOR:

Deloitte LLP
Chartered Accountants and
Statutory Auditor
London, UK
EC4A 3BZ

REPORT OF THE DIRECTORS
for the period 11 May 2010 to 30 April 2011

The accounting reference date has been amended to 30 April 2011, accordingly the directors present their report with the financial statements of the company for the period from 11 May 2010 to 30 April 2011. This report of the directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITIES

The principal activities of the company in the period under review were those of property trading and development.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 11 May 2010 to the date of this report.

Mr B W Ritchie
Mr B Palos

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business,
- state whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITOR

In the case of each of the directors who are directors of the company at the date when this report is approved:

- So far as they are individually aware, there is no relevant audit information of which the company's auditor is unaware, and
- Each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of the information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD


Mr B W Ritchie - Director

Date

31/01/12

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
PEARLSTYLE LIMITED**

We have audited the financial statements of Pearlstyle Limited for the period ended 30 April 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditor.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors.



Richard Muschamp (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and
Statutory Auditor
London, UK
EC4A 3BZ

Date 31.1.12

PEARLSTYLE LIMITED (REGISTERED NUMBER: 5890097)

PROFIT AND LOSS ACCOUNT
for the period 11 May 2010 to 30 April 2011

		Period 11 5 10 to 30 4 11 £	Period 11 10 to 10 5 10 £
	Notes		
TURNOVER	1	2,005,000	61,617
Cost of sales		<u>1,714,242</u>	<u>61,569</u>
GROSS PROFIT		290,758	48
Administrative expenses		<u>125,201</u>	<u>611</u>
		165,557	(563)
Other operating income		<u>219,761</u>	<u>-</u>
OPERATING PROFIT/(LOSS)	2	385,318	(563)
Bank interest payable and similar charges		<u>80,085</u>	<u>15,237</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		305,233	(15,800)
Tax on profit/(loss) on ordinary activities	3	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		<u>305,233</u>	<u>(15,800)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period and the loss for the previous period

PEARLSTYLE LIMITED (REGISTERED NUMBER: 5890097)

BALANCE SHEET
30 April 2011

	Notes	2011 £	2010 £
CURRENT ASSETS			
Stock of property		4,873,871	6,502,500
Debtors	4	12,295	11,302
Cash at bank		19,348	-
		<u>4,905,514</u>	<u>6,513,802</u>
CREDITORS			
Amounts falling due within one year	5	<u>79,102</u>	<u>36,935</u>
NET CURRENT ASSETS		<u>4,826,412</u>	<u>6,476,867</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,826,412	6,476,867
CREDITORS			
Amounts falling due after more than one year	6	<u>4,424,568</u>	<u>6,380,256</u>
NET ASSETS		<u>401,844</u>	<u>96,611</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Share premium	10	8,399	8,399
Profit and loss account	10	<u>393,443</u>	<u>88,210</u>
SHAREHOLDERS' FUNDS	14	<u>401,844</u>	<u>96,611</u>

The financial statements were approved by the Board of Directors on

31/3/12

and were signed on its behalf by


Mr B W Ritchie - Director

PEARLSTYLE LIMITED (REGISTERED NUMBER 5890097)

NOTES TO THE FINANCIAL STATEMENTS
for the period 11 May 2010 to 30 April 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and on the going concern basis

The principal accounting policies are summarised below. They have been applied consistently throughout the current and previous period

Financial Reporting Standard Number 1 (revised)

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

Turnover

Turnover comprises income in relation to the sale of properties and is recognised on the point of completion and originated in the United Kingdom

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price, less costs to be incurred to completion and disposal

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Rental income

Rental is measured at the fair value of the consideration received or receivable and is stated net of discounts and VAT

2 OPERATING PROFIT/(LOSS)

The operating profit / (loss) is stated after charging

Fees payable to the company's Auditor for the audit of the company's annual accounts

Period	Period
11 05 11	01 01 10
to	to
30 04 11	10 05 10
£	£
<u>-</u>	<u>-</u>

Fees payable to the company's Auditor for the audit of the company's accounts of £600 (2010 - £104) has been borne by another group company

There were no non-audit fees for the current or previous period

The directors are employees of another company within the group and are not paid for their services as directors of this company

3 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period ended 30 April 2011 nor for the period ended 10 May 2010

PEARLSTYLE LIMITED (REGISTERED NUMBER: 5890097)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 11 May 2010 to 30 April 2011

3 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below

	Period 11 5 10 to 30 4 11 £	Period 1 1 10 to 10 5 10 £
Profit/(loss) on ordinary activities before tax	<u>305,233</u>	<u>(15,800)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.83% (2010 - 28%)	84,956	(4,424)
Effects of		
Losses transferred to other group companies for nil consideration	-	4,424
Utilisation of losses brought forward	(83,060)	-
Losses transferred from other group companies for nil consideration	(2,035)	-
Disallowable expense / Non-taxable income	<u>139</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

A deferred tax asset of £607,433 (2010 £737,716) relating to unrelieved tax losses at the balance sheet date has not been recognised on the basis there is no certainty that there will be future taxable profits against which these can be offset

On 23 March 2011 the Government announced that the main rate of corporation tax would reduce to 26% with effect from 1 April 2011. This tax rate reduction was substantively enacted at the balance sheet date and therefore deferred tax balances have been calculated using a rate of 26%. The Government also announced subsequent 1% reductions per annum to reach 23% with effect from 1 April 2014. These tax rate reductions had not been substantively enacted at the balance sheet date and therefore have not been reflected in the financial statements. The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

The Finance Bill 2011 reduced the main rate of corporation tax to 25% and was substantively enacted in July 2011. The effect of this is to reduce the deferred tax asset to £584,070.

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	8,487	-
Other debtors	<u>3,808</u>	<u>11,302</u>
	<u>12,295</u>	<u>11,302</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	30,101	-
Other creditors	<u>49,001</u>	<u>36,935</u>
	<u>79,102</u>	<u>36,935</u>

6 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Bank loans (see note 7)	3,508,532	4,041,146
Amounts owed to parent	<u>916,036</u>	<u>2,339,110</u>
	<u>4,424,568</u>	<u>6,380,256</u>

7 LOANS

An analysis of the maturity of loans is given below

	2011 £	2010 £
Amounts falling due between two and five years		
Bank loans	<u>3,508,532</u>	<u>4,041,146</u>

PEARLSTYLE LIMITED (REGISTERED NUMBER 5890097)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 11 May 2010 to 30 April 2011

8 SECURED DEBTS

The following secured debts are included within creditors

	2011 £	2010 £
Bank loans	<u>3,508,532</u>	<u>4,041,146</u>

The bank loans outstanding at 30 April 2011 are secured by fixed charge over the company's assets and are repayable on 31 March 2016

9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2011 £	2010 £
10,000	Ordinary	0 01p	1	1
4,221	Ordinary A	0 01p	<u>1</u>	<u>1</u>
			<u>2</u>	<u>2</u>

All shares rank pari passu

10 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 11 May 2010	88,210	8,399	96,609
Profit for the period	<u>305,233</u>		<u>305,233</u>
At 30 April 2011	<u>393,443</u>	<u>8,399</u>	<u>401,842</u>

11 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption within Financial Reporting Standard Number 8 in relation to the disclosure of transactions with other group companies

12 POST BALANCE SHEET EVENTS

Post year end the company disposed of property for proceeds in excess of its carrying value

13 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Prime London Residential Limited by virtue of its ownership of the entire issued share capital. During the previous period, the company was controlled by Pureskill Limited by virtue of its ownership of the entire issued share capital.

The smallest and largest group in which the results of the company will be consolidated is Prime London Residential Limited whose accounts will be obtainable from 59-60 Grosvenor Street, Mayfair, London, W1K 3HZ.

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit/(Loss) for the financial period	305,233	(15,800)
Capital contribution	<u>-</u>	<u>116,230</u>
Net addition to shareholders' funds	305,233	100,430
Opening shareholders' funds	<u>96,611</u>	<u>(3,819)</u>
Closing shareholders' funds	<u>401,844</u>	<u>96,611</u>