

PEARHILL PROPERTIES LIMITED

Report and financial statements

52 weeks ended 1 June 2019

Company number 07273951



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GENERAL INFORMATION

Directors

A Thirlwell

P M Harris

Registered office

Mint House, Newark Close, Royston, Hertfordshire, SG8 5HL

Registered company number

07273951

Pearhill Properties Limited

REPORT OF THE DIRECTORS

The Directors present their report together with the financial statements for the 52 weeks ended 30 June 2019.

Directors

The Directors of the Company throughout the period were:

A Thirlwell

P M Harris

Principal activities and business review

The principal activity of the Company during the period was that of a property holding company.

Financial instruments

Foreign exchange risk

The Company has no underlying trade in foreign exchange.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. In order to minimise this risk the Company endeavours only to deal with companies which are demonstrably creditworthy. The aggregate financial exposure is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount of trade receivables. The management do not consider that there is any concentration of risk within trade receivables.

Liquidity risk

The Company currently monitors trade and other payables as part of normal management routine. The management do not consider that there is any material liquidity risk to the Company.

Further information of the principal risks that the Directors believe could impact the business and any controls which are in place to mitigate any potential adverse impacts, can be found on pages 26 to 27 of the Hotel Chocolat Group plc annual report.

Events subsequent to the reporting date

There have been no material events subsequent to the period end and up to 25 November 2019, the date of approval of the financial statements.

Pearhill Properties Limited

REPORT OF THE DIRECTORS

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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:

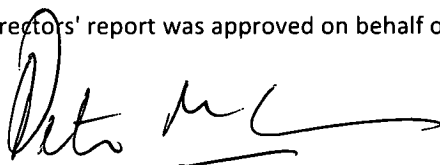
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

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.

Approval

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

This Directors' report was approved on behalf of the Board on 25 November 2019.



Peter M Harris
Director
25 November 2019

Pearhill Properties Limited**STATEMENT OF COMPREHENSIVE INCOME**

52 weeks ended 30 June 2019

	Notes	52 weeks ended 30 June 2019 £	52 weeks ended 1 July 2018 £
Turnover	3	107,600	87,850
Administrative expenses		(107,600)	(87,850)
Operating profit	4	-	-
Tax expense		-	-
Profit for the period and total comprehensive income		-	-

The notes on pages 8 to 11 form part of these financial statements.

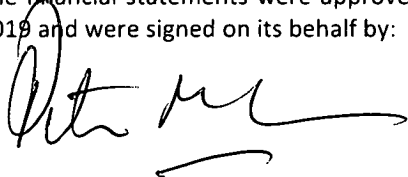
Pearhill Properties Limited**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2019

	Notes	As at 30 June 2019 £	As at 1 July 2018 £
ASSETS			
Current assets			
Trade and other receivables	6	<u>2</u>	<u>2</u>
		2	2
NET CURRENT ASSETS			
		2	2
TOTAL ASSETS LESS CURRENT LIABILITIES			
		2	2
NET ASSETS			
		<u>2</u>	<u>2</u>
EQUITY			
Share capital	7	<u>2</u>	<u>2</u>
Total equity attributable to shareholders		<u>2</u>	<u>2</u>

The notes on pages 8 to 11 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 25 November 2019 and were signed on its behalf by:



Peter M Harris
Director

Pearhill Properties Limited

STATEMENT OF CHANGES IN EQUITY

52 weeks ended 30 June 2019

	Share capital £	Total £
As at 2 July 2017	2	2
Equity as at 1 July 2018	2	2
Equity as at 30 June 2019	2	2

The notes on pages 8 to 11 form part of these financial statements.

Pearhill Properties Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Pearhill Properties Limited (the Company) is a private limited company limited by shares in the United Kingdom under the Companies Act.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*' (FRS 102) and the Companies Act 2006.

The financial statements for the period ended 30 June 2019 are the company's first financial statements prepared under FRS 102. The date of transition was 2 July 2017. The comparative prior year amounts have been restated.

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.

The financial statements are prepared in sterling which is the functional currency of the Company.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of the following disclosure exemptions available in FRS 102. Therefore these financial statements do not include:

- a statement of cash flows;
- disclosure of the effect of future accounting standards not yet adopted;
- disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Hotel Chocolat Group plc.

The financial statements of Hotel Chocolat Group plc can be obtained from the Group's website at www.hotelchocolat.com.

Judgements and key areas of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies. The Company has chosen to adopt the accounting policies of Hotel Chocolat Group plc (the Group), as these are applied consistently to all companies across the Group. The accounting policies are outlined below and have been applied to all the years presented, unless otherwise stated.

Going concern

The Directors have prepared a cash flow forecast for the Group covering a period extending beyond 18 months from the financial information presented as at 30 June 2019. The Group cash flow includes details of the Company within it.

The Directors have taken into account the historic cash flows, growth in business and the inherent risks and uncertainties facing the business, and have derived forecast assumptions that are the Directors' best estimate of the future development of the business. The forecasts and projections, which take into account the projected trading performance of companies within the Group's combined bank facilities, show that the Group will be able to operate within the level of its current facilities. On this basis, the Directors have a reasonable expectation that the Group, and therefore the Company, has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the consolidated financial information.

Pearhill Properties Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

Turnover recognition

Turnover is the total amount receivable by the Company from the recharge of property related costs to other Group companies, and is recorded excluding VAT.

Operating profit

Operating profit is stated after all expenses but before finance income or expenses.

Leases

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rentals applicable to operating leases are charged against profits on a straight line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments which are not subject to significant changes in value and have original maturities of less than three months.

Foreign currency translation

The Company's financial information is presented in sterling, which is also the parent company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income. Foreign exchange gains and losses resulting from the translation of monetary assets and liabilities denominated in foreign currencies at the reporting period end exchange rates are also recognised in the Statement of Comprehensive Income.

Financial instruments

Financial instruments are classified according to the substance of the contractual arrangements into which the Company enters. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Financial assets

On initial recognition, financial assets are classified as either financial assets at fair value through income statement, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

The classification depends on the purpose for which the financial assets were acquired. The Company classifies all its financial assets as loans and receivables.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Pearhill Properties Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

Financial liabilities

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through income statement.

Equity

Equity comprises of share capital: the nominal value of equity shares.

Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for distribution.

2. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP during the period ended 30 June 2019. The transition has not had any impact on the Company's financial statements.

3. Turnover

Turnover of £107,600 (1 July 2018: £87,850) is attributable to the principal activity of the Company.

There is no geographical split for turnover, with all turnover being received and recognised in the United Kingdom.

4. Profit from operations

Profit from operations is arrived at after charging:

	52 weeks ended 30 June 2019 £	52 weeks ended 1 July 2018 £
Property operating leases	95,116	79,631

5. Staff costs

The Company has no employees other than the Directors, who did not receive any remuneration from the Company during the year. Details of their emoluments are disclosed in the annual report of Hotel Chocolat Group plc, the ultimate parent company.

6. Trade and other receivables

There were no material receivables which were past due but not impaired at the end of any period.

	52 weeks ended 30 June 2019 £	52 weeks ended 1 July 2018 £
Current		
Amounts due from Group undertakings	2	2
	<u>2</u>	<u>2</u>

Pearhill Properties Limited

NOTES TO THE FINANCIAL STATEMENTS

7. Share capital

	As at 30 June 2019 Shares	As at 30 June 2019 £	As at 1 July 2018 Shares	As at 1 July 2018 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

8. Lease commitments

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	52 weeks ended 30 June 2019 £	52 weeks ended 1 July 2018 £
Land and buildings		
Operating leases which expire:		
Within one year	87,977	87,977
In two to five years	351,908	351,908
In over five years	109,730	197,365
	<u>549,615</u>	<u>637,250</u>

9. Categories of financial instruments

	52 weeks ended 30 June 2019 £	52 weeks ended 1 July 2018 £
Financial assets		
<u>At amortised cost</u>		
Trade and other receivables	2	2
	<u>2</u>	<u>2</u>

10. Capital commitments

There were no amounts contracted for but not provided for as at 30 June 2019 (1 July 2018: £ nil).

11. Events subsequent to the reporting date

There have been no material events subsequent to the period end and up to 25 November 2019, the date of approval of the financial statements.

12. Ultimate controlling party

The immediate parent company is Hazelnuthill Properties Limited. The ultimate parent undertaking of the Company is Hotel Chocolat Group plc. In the opinion of the directors there is no one ultimate controlling party of the Company. The smallest and largest group in which the results of the Company are consolidated is that headed by Hotel Chocolat Group plc. Copies of the Hotel Chocolat Group plc consolidated financial statements can be obtained from the Company Secretary at Mint House, Newark Close, Royston, Hertfordshire, SG8 5HL or from the Group's website at www.hotelchocolat.com.