

**A J KERNAHAN DEVELOPMENTS LIMITED**

**UNAUDITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 OCTOBER 2016**

**A J KERNAHAN DEVELOPMENTS LIMITED**

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## **A J KERNAHAN DEVELOPMENTS LIMITED**

The following reproduces the text of the Chartered Accountants' Report in respect of the company's annual financial statements , from which the abbreviated accounts (set out on pages 2 to 7) have been prepared.

### **CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF A J KERNAHAN DEVELOPMENTS LIMITED FOR THE YEAR ENDED 31 OCTOBER 2016**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of A J Kernahan Developments Limited for the year ended 31 October 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given to us.

As a 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 <http://www.icaew.com/en/membership/>

regulations-standards-and-guidance.

This report is made solely to the Board of Directors of A J Kernahan Developments Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of A J Kernahan Developments Limited and state those matters that we have agreed to state to the Board of Directors of A J Kernahan Developments 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 A J Kernahan Developments Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that A J Kernahan Developments Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the company's assets, liabilities, financial position and loss of A J Kernahan Developments Limited. You consider that A J Kernahan Developments Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of A J Kernahan Developments 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 financial statements.

#### **Scrutton Bland LLP**

Chartered Accountants

Fitzroy House  
Crown Street  
Ipswich  
Suffolk  
IP1 3LG

10 June 2017

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# A J KERNAHAN DEVELOPMENTS LIMITED

REGISTERED NUMBER: 05588193

## ABBREVIATED BALANCE SHEET AS AT 31 OCTOBER 2016

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	2		45,849		25,350
<b>Current assets</b>					
Stocks		155,352		843,377	
Debtors		18,878		69,580	
Cash at bank		347,571		350	
		521,801		913,307	
<b>Creditors: amounts falling due within one year</b>		(144,600)		(402,462)	
<b>Net current assets</b>			377,201		510,845
<b>Total assets less current liabilities</b>			423,050		536,195
<b>Provisions for liabilities</b>					
Deferred tax			(4,221)		(4,221)
<b>Net assets</b>			418,829		531,974
<b>Capital and reserves</b>					
Called up share capital	3		1,000		1,000
Profit and loss account			417,829		530,974
<b>Shareholders' funds</b>			418,829		531,974

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 October 2016 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

# **A J KERNAHAN DEVELOPMENTS LIMITED**

## **ABBREVIATED BALANCE SHEET (continued) AS AT 31 OCTOBER 2016**

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The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf by:

**Mr A J Kernahan**  
Director

Date: 10 June 2017

The notes on pages 4 to 7 form part of these financial statements.

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# A J KERNAHAN DEVELOPMENTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2016

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### 1. Accounting Policies

#### 1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	25% straight line
Motor vehicles	-	25% straight line
Office equipment	-	33 1/3% & 15% straight line

#### 1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.5 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

# A J KERNAHAN DEVELOPMENTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2016

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### 1. Accounting Policies (continued)

#### 1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### 1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### 1.8 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 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.

#### 1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### 1.10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# A J KERNAHAN DEVELOPMENTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2016

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### 2. Tangible fixed assets

	£
<b>Cost</b>	
At 1 November 2015	122,174
Additions	42,000
Disposals	<u>(29,632)</u>
At 31 October 2016	<u>134,542</u>
<b>Depreciation</b>	
At 1 November 2015	96,824
Charge for the year	21,501
On disposals	<u>(29,632)</u>
At 31 October 2016	<u>88,693</u>
<b>Net book value</b>	
At 31 October 2016	<u><u>45,849</u></u>
At 31 October 2015	<u><u>25,350</u></u>

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# A J KERNAHAN DEVELOPMENTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2016

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### 3. Share capital

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

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