
A & C KENNEDY PROPERTIES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2017

A & C KENNEDY PROPERTIES LIMITED

COMPANY INFORMATION

Directors	Allan Kennedy Colin Kennedy
Registered number	SC360912
Registered office	1 Heron Place Kingennie By Broughty Ferry Dundee DD5 3PR
Accountants	Findlays Chartered Accountants 11 Dudhope Terrace Dundee DD3 6TS
Bankers	Royal Bank of Scotland Brothock Bridge Arbroath DD11 1NP

A & C KENNEDY PROPERTIES LIMITED

CONTENTS

	Page
Accountants' Report	1
Balance Sheet	2 - 3
Statement of Changes in Equity	4
Notes to the Financial Statements	5 - 13

**REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF A & C KENNEDY PROPERTIES LIMITED
FOR THE YEAR ENDED 30 JUNE 2017**

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 & C Kennedy Properties Limited for the year ended 30 June 2017 which comprise , the Statement of Changes in Equity and the related notes from the Company accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants of Scotland, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/technical-resources/framework-for-the-preparation-of-accounts-revised-january-2017>.

This report is made solely to the Board of Directors of A & C Kennedy Properties Limited, as a body, in accordance with the terms of our engagement letter dated 24 January 2018. Our work has been undertaken solely to prepare for your approval the financial statements of A & C Kennedy Properties Limited and state those matters that we have agreed to state to the Board of Directors of A & C Kennedy Properties Limited, as a body, in this report in accordance with the requirements of the Institute of Chartered Accountants of Scotland as detailed at <http://www.icas.com/technical-resources/framework-for-the-preparation-of-accounts-revised-january-2017>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than A & C Kennedy Properties Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that A & C Kennedy Properties Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of A & C Kennedy Properties Limited. You consider that A & C Kennedy Properties 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 & C Kennedy Properties 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.

Findlays

Chartered Accountants
11 Dudhope Terrace
Dundee
DD3 6TS
9 March 2018

A & C KENNEDY PROPERTIES LIMITED
REGISTERED NUMBER: SC360912

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	183,229	235,946
Investment property	5	623,476	567,024
		<u>806,705</u>	<u>802,970</u>
Current assets			
Debtors: amounts falling due within one year	6	2,600	4,729
Cash at bank and in hand	7	5,212	86,491
		<u>7,812</u>	<u>91,220</u>
Creditors: amounts falling due within one year	8	(443,573)	(527,316)
Net current liabilities		<u>(435,761)</u>	<u>(436,096)</u>
Total assets less current liabilities		<u>370,944</u>	<u>366,874</u>
Creditors: amounts falling due after more than one year	9	(227,352)	(221,245)
Provisions for liabilities			
Deferred tax	10	(13,020)	(19,103)
		<u>(13,020)</u>	<u>(19,103)</u>
Net assets		<u><u>130,572</u></u>	<u><u>126,526</u></u>
Capital and reserves			
Called up share capital	11	2	2
Revaluation reserve		18,351	18,351
Undistributable reserve		55,508	54,822
Profit and loss account		56,711	53,351
		<u><u>130,572</u></u>	<u><u>126,526</u></u>

A & C KENNEDY PROPERTIES LIMITED
REGISTERED NUMBER: SC360912

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2017

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 March 2018.

Colin Kennedy

Director

The notes on pages 5 to 13 form part of these financial statements.

A & C KENNEDY PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital	Revaluation reserve	Undistributable reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2015	2	18,351	54,822	69,151	142,326
Comprehensive income for the year					
Loss for the year	-	-	-	(15,800)	(15,800)
At 1 July 2016	2	18,351	54,822	53,351	126,526
Comprehensive income for the year					
Profit for the year	-	-	-	4,046	4,046
Transfer to/from profit and loss account	-	-	-	(686)	(686)
Transfer between other reserves	-	-	686	-	686
At 30 June 2017	2	18,351	55,508	56,711	130,572

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. General information

A & C Kennedy Properties Limited Limited is a private company limited by shares incorporated in Scotland within the United Kingdom (company number SC360912). The address of the registered office is given in the company information page of these financial statements.

The financial statements are presented in sterling which is the functional currency of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Not depreciated
Plant and machinery	- 20% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.5 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2016 - 3).

A & C KENNEDY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 July 2016	121,930	194,346	4,310	5,607	326,193
Transfers between classes	-	(18,565)	-	-	(18,565)
At 30 June 2017	121,930	175,781	4,310	5,607	307,628
Depreciation					
At 1 July 2016	-	83,758	2,514	3,975	90,247
Charge for the year on owned assets	-	31,442	1,078	1,632	34,152
At 30 June 2017	-	115,200	3,592	5,607	124,399
Net book value					
At 30 June 2017	121,930	60,581	718	-	183,229
At 30 June 2016	121,930	110,588	1,796	1,632	235,946

The land and buildings were valued by chartered surveyors Graham and Sibbald in June 2015 at £120,000. Additional costs of £1,930 have been incurred from this date and the directors consider the current market value to be £121,930.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	103,579	103,579
Accumulated depreciation	(2,397)	(1,598)
Net book value	101,182	101,981

A & C KENNEDY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

5. Investment property

	Freehold investment property £
Valuation	
At 1 July 2016	567,024
Additions at cost	37,887
Transfers between classes	18,565
At 30 June 2017	623,476

The 2017 valuations were made by the directors, on an open market value for existing use basis. This is based upon a professional valuation by chartered surveyors Graham & Sibbald in June 2015 and current market rents and investment property yields for comparable real estate.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	554,948	517,061
	<u>554,948</u>	<u>517,061</u>

6. Debtors

	2017 £	2016 £
Trade debtors	600	-
Other debtors	2,000	4,729
	<u>2,600</u>	<u>4,729</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	5,212	86,491
	<u>5,212</u>	<u>86,491</u>

A & C KENNEDY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	23,437	20,674
Trade creditors	2,042	240
Corporation tax	4,123	-
Other taxation and social security	5,517	4,807
Obligations under finance lease and hire purchase contracts	16,482	6,690
Other creditors	389,472	492,906
Accruals and deferred income	2,500	1,999
	<u>443,573</u>	<u>527,316</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	181,137	206,952
Net obligations under finance leases and hire purchase contracts	46,215	14,293
	<u>227,352</u>	<u>221,245</u>

The Royal Bank of Scotland holds standard securities and a bond and floating charge over the company's assets for £204,574 (2016 - £227,626).

Bank loans payable after 5 years amounted to £78,425 (2016 - £106,050).

10. Deferred taxation

	2017 £
At beginning of year	(19,103)
Charged to profit or loss	6,083
At end of year	<u><u>(13,020)</u></u>

A & C KENNEDY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

10. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017	2016
	£	£
Deferred taxation on investment property revaluation.	(13,020)	(19,103)
	<u>(13,020)</u>	<u>(19,103)</u>

11. Share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
1 Ordinary A Shares share of £1	1	1
1 Ordinary B Shares share of £1	1	1
	<u>2</u>	<u>2</u>

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £2,504 (2016 - £2,400).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

13. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 July 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 July 2015

	Note	£
Equity at 1 July 2015 under previous UK GAAP		156,032
Deferred taxation on investment property revaluation.		(13,706)
Equity shareholders funds at 1 July 2015 under FRS 102		142,326

Reconciliation of equity at 30 June 2016

	Note	£
Equity at 30 June 2016 under previous UK GAAP		140,232
Deferred taxation on investment property revaluation.		(13,706)
Equity shareholders funds at 30 June 2016 under FRS 102		126,526

Reconciliation of profit and loss account for the year ended 30 June 2016

	£
Profit for the year under previous UK GAAP	(17,332)
Loss for the year ended 30 June 2016 under FRS 102	(17,332)

The following were changes in accounting policies arising from the transition to FRS 102:

1 FRS 102 states deferred taxation should be accounted for on revaluations of investment properties. Consequently deferred taxation of £13,706 has been accounted for at the transition date 1st July 2015.