

COMPANY REGISTRATION NUMBER: 07686451

**AK Electrical Kenilworth Limited**

**Filleted Unaudited Financial Statements**

**31 March 2017**

# **AK Electrical Kenilworth Limited**

## **Financial Statements**

**Year ended 31 March 2017**

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# **AK Electrical Kenilworth Limited**

## **Officers and Professional Advisers**

### **Director**

Mr A. Kennell

### **Registered office**

8 Jury Street

Warwick

CV34 4EW

### **Accountants**

Edwards Pearson & White LLP

Chartered Certified Accountants

Warwick & Coventry

# **AK Electrical Kenilworth Limited**

## **Chartered Certified Accountants Report to the Director on the Preparation of the Unaudited Statutory Financial Statements of AK Electrical Kenilworth Limited**

### **Year ended 31 March 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 AK Electrical Kenilworth Limited for the year ended 31 March 2017, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us. As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at [www.accaglobal.com/en/member/professional-standards/rules-standards/acca-rulebook.html](http://www.accaglobal.com/en/member/professional-standards/rules-standards/acca-rulebook.html). This report is made solely to the director of AK Electrical Kenilworth Limited in accordance with the terms of our engagement letter dated 20 October 2011. Our work has been undertaken solely to prepare for your approval the financial statements of AK Electrical Kenilworth Limited and state those matters that we have agreed to state to you in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at [www.accaglobal.com/content/dam/ACCA\\_Global/Technical/fact/technical-factsheet-163.pdf](http://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AK Electrical Kenilworth Limited and its director for our work or for this report.

It is your duty to ensure that AK Electrical Kenilworth 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 loss of AK Electrical Kenilworth Limited. You consider that AK Electrical Kenilworth Limited is exempt from the statutory audit requirement for the year. We have not been instructed to carry out an audit or a review of the financial statements of AK Electrical Kenilworth 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.

Edwards Pearson & White LLP Chartered Certified Accountants

Warwick & Coventry

20 December 2017

# AK Electrical Kenilworth Limited

## Statement of Financial Position

31 March 2017

		2017	2016
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	4	3,096	6,192
<b>Current assets</b>			
Debtors	5	1,500	—
Cash at bank and in hand		7,711	3,456
		-----	-----
		9,211	3,456
<b>Creditors: amounts falling due within one year</b>	6	18,607	8,043
		-----	-----
<b>Net current liabilities</b>		9,396	4,587
		-----	-----
<b>Total assets less current liabilities</b>		( 6,300)	1,605
<b>Provisions</b>			
Taxation including deferred tax		619	1,238
		-----	-----
<b>Net (liabilities)/assets</b>		( 6,919)	367
		-----	-----
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		( 7,019)	267
		-----	-----
<b>Shareholders (deficit)/funds</b>		( 6,919)	367
		-----	-----

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

**AK Electrical Kenilworth Limited**  
**Statement of Financial Position** *(continued)*

**31 March 2017**

These financial statements were approved by the board of directors and authorised for issue on 19 December 2017 , and are signed on behalf of the board by:

Mr A. Kennell

Director

Company registration number: 07686451

# **AK Electrical Kenilworth Limited**

## **Notes to the Financial Statements**

### **Year ended 31 March 2017**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 8 Jury Street, Warwick, CV34 4EW and the principle place of business is also in England.

#### **2. Statement of compliance**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 Section 1A smaller entities 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and Companies Act 2006.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the company and rounded to the nearest £.

##### **Going concern**

The continuation of the company's affairs is dependent upon the support of the directors. These accounts have been prepared on a going concern basis which assumes their continued support for the foreseeable future.

##### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 10.

## **Judgements in applying accounting policies and key sources of estimation in uncertainty**

In preparing these financial statements the directors have had to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances. The results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The significant judgements, estimates and assumptions are: - Trade debtors and amounts owed by group and associated undertakings At each reporting date, amounts owed by trade debtors and group and associated undertakings are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income. - Revenue recognition As explained in note 1, contract revenues are recognised based on stage of completion. The application of this accounting policy requires the state of completion on contracts to be assessed. Surveys of work performed are carried out by qualified surveyors. An inherent degree of judgement will exist in determining the stage of completion on a contract at a given time. - Tangible fixed assets Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessment consider issues such as future market conditions, the remaining life of the asset and projected disposal values. - Stocks At each reporting date, the amounts in stock are assessed for recoverability. If there is any evidence of impairment the carrying amount of the stock is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income.

### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.



## **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

## **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Motor Vehicles	-	25% straight line
Plant & Equipment	-	33% straight line

## **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

## **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### 4. Tangible assets

	Motor vehicles	Equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2016 and 31 March 2017	12,384	890	13,274
	-----	----	-----
<b>Depreciation</b>			
At 1 April 2016	6,192	890	7,082
Charge for the year	3,096	—	3,096
	-----	----	-----
At 31 March 2017	9,288	890	10,178
	-----	----	-----
<b>Carrying amount</b>			
At 31 March 2017	3,096	—	3,096
	-----	----	-----
At 31 March 2016	6,192	—	6,192
	-----	----	-----

#### 5. Debtors

	2017	2016
	£	£
Trade debtors	1,500	—
	-----	----

#### 6. Creditors: amounts falling due within one year

	2017	2016
	£	£
Corporation tax	—	1,711
Other creditors	18,607	6,332
	-----	-----
	18,607	8,043
	-----	-----

## 7. Financial instruments at fair value

The company only has basic financial instruments.

- **Financial assets** Financial assets comprise cash at bank and in hand, trade debtors and amounts owed by group undertakings; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The company considers evidence of impairment for all individual trade and other debtors and any subsequent impairment is recognised in profit or loss.
- **Impairment of financial assets** carries at amortised cost Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment. Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.
- **Investment Properties** Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including transaction costs. Subsequently investment properties whose fair value can be measured reliably without undue cost or effort on an on-going basis are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the profit and loss in the period in which they arise. Investment properties whose fair value cannot be measured reliably without undue cost or effort on an on-going basis are included in plant, property and equipment at cost less accumulated depreciation and accumulated impairment losses.
- **Financial liabilities** Financial liabilities comprise corporation tax, social security and other taxes and accruals; these are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost under the effective interest rate method.
- **Debtors** Short term debtors are measured at transaction price, less any impairment.
- **Creditors** Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.
- **Cash and cash equivalents** Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice or not more than 24 hours.
- **Holiday pay accrual** A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.
- **Stock and work in progress** Stock and work in progress is valued at the lower of cost or net realisable value. Cost is based on purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs for completion and disposal. At each reporting date stock and work in progress are assessed for impairment. If stock and work in progress is impaired the carrying value is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit and loss.
- **Leases** Leases are classified as finance leases when they transfer substantially all the risks and rewards of ownership of the leased assets of the company. Other leases that do not transfer substantially all the risks and rewards of ownership of the leased assets to the company are classified as operating leases. The company has entered into some hire purchase agreements for certain machinery assets that include the option to purchase the items at the end of the lease term for a nominal amount, which is expected to be much lower than their fair value at that date. The hire purchase agreements have been classified as finance leases as it is reasonably certain that the option will be exercised. Rights to use assets and corresponding obligations to lessors under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of fair value of the assets and the present value of the minimum lease payments, determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of outstanding lease liabilities using the effective interest method, so as to produce a constant rate of interest on the remaining balance of the liabilities. Finance charges are recognised in profit or loss. Assets held under finance leases are included in property, plant and equipment and are depreciated and reviewed for impairment in the same way as assets owned outright. Payments received under operating leases are recognised as income over the lease term on a straight-line basis.
- **Borrowing Costs** All borrowing costs are recognised in profit or loss in the period in which they are incurred.
- **Income Tax** Taxation expense represents the aggregate amount of the current tax and deferred tax recognised in the reporting period. Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. A deferred tax asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of current and previous periods. Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantially enacted by the reporting date and that they are expected to apply to the reversal of the timing differences. Deferred tax relating to land and investment properties that is measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset.

## 8. Director's advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

	2017		
	Balance brought forward	Amounts repaid	Balance outstanding
	£	£	£
Mr A. Kennell	( 5,330)	( 12,188)	( 17,518)
	-----	-----	-----
	2016		
	Balance brought forward	Amounts repaid	Balance outstanding
	£	£	£
Mr A. Kennell	( 11,191)	5,861	( 5,330)

## 9. Related party transactions

The company was under the control of Mr A. Kennell throughout the current period. Mr A. Kennell is the managing director and majority shareholder.

## 10. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2015.

No transitional adjustments were required in equity or profit or loss for the year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.