

COMPANY REGISTRATION NUMBER: 01123750

KERNBERG HOLDINGS LIMITED
Filleted Unaudited Financial Statements
For the year ended
31 March 2017



KERNBERG HOLDINGS LIMITED

Financial Statements

Year ended 31 March 2017

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KERNBERG HOLDINGS LIMITED

Balance Sheet

31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Investment properties	5	3,250,000	2,320,000
Current assets			
Debtors	6	27,863	7,048
Cash at bank and in hand		1,714	1,059
		<u>29,577</u>	<u>8,107</u>
Creditors: amounts falling due within one year	7	<u>(1,760,299)</u>	<u>(1,721,182)</u>
Net current liabilities		<u>(1,730,722)</u>	<u>(1,713,075)</u>
Total assets less current liabilities		<u>1,519,278</u>	<u>606,925</u>
Provisions			
Taxation including deferred tax		<u>(101,000)</u>	<u>(33,000)</u>
Net assets		<u>1,418,278</u>	<u>573,925</u>
Capital and reserves			
Called up share capital		110	110
Profit and loss account		<u>1,418,168</u>	<u>573,815</u>
Total equity		<u>1,418,278</u>	<u>573,925</u>

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 profit and loss account 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.

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

The balance sheet
continues on the following page.

The notes on pages 3 to 8 form part of these financial statements.

KERNBERG HOLDINGS LIMITED

Balance Sheet *(continued)*

31 March 2017

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



.....
Mr E Kernkraut
Director

Company registration number: 01123750

KERNBERG HOLDINGS 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 New Burlington House, 1075 Finchley Road, LONDON, NW11 0PU.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment properties measured at fair value through profit or loss.

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 and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Director does not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

KERNBERG HOLDINGS LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the property.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future profits.

KERNBERG HOLDINGS LIMITED
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

3. Accounting policies *(continued)*

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition -

i. Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and

ii. No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is determined by the Director based on his understanding of property market conditions and the specific properties concerned using a sales valuation approach, derived from recent comparable transactions on the market, adjusted by applying discounts to reflect status of occupation and condition.

Acquisitions and disposals of properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

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.

The Company has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 9 (2016: 9).

KERNBERG HOLDINGS LIMITED
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

5. Investment properties

	Freehold properties £
Fair value	
At 1 April 2016	2,320,000
Additions	6,300
Revaluations	923,700
At 31 March 2017	<u>3,250,000</u>
Carrying amount	
At 31 March 2017	<u>3,250,000</u>
At 31 March 2016	<u>2,320,000</u>

The Company's investment properties were valued by the Director at 31 March 2017 based on his understanding of property market conditions and the specific properties concerned, using a sales valuation approach, derived from recent comparable transactions on the market, adjusted by applying discounts to reflect status of occupation and condition.

The historical cost of the properties is £1,821,178.

6. Debtors

	2017 £	2016 £
Trade debtors	2,889	–
Other debtors	24,974	7,048
	<u>27,863</u>	<u>7,048</u>

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	–	4,130
Social security and other taxes	2,960	–
Other creditors	1,757,339	1,717,052
	<u>1,760,299</u>	<u>1,721,182</u>

KERNBERG HOLDINGS LIMITED

Notes to the Detailed Profit and Loss Account

Year ended 31 March 2017

	2017 £	2016 £
Administrative expenses		
Director's salaries	5,500	5,500
Wages and salaries	56,280	56,280
Secretary's fees	5,500	5,500
General expenses	201	210
Accountancy fees	2,820	1,998
Bank charges	122	148
	<u>70,423</u>	<u>69,636</u>
 Interest receivable and similar income		
Interest receivable	<u>—</u>	<u>22</u>

KERNBERG HOLDINGS LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

8. Related party transactions

(i) Included in Other debtors (Note 7) is an amount of £18,080 due from a Company of which the Director of this Company is also a Director. The loan is interest-free and repayable on demand.

(ii) Included in Other creditors (Note 8) are amounts aggregating £1,596,000 due to Companies of which the Director of this Company is also a Director and £10,000 to the Director of this Company. The loans are interest-free and repayable on demand.

9. Controlling party

The Company is controlled by Mr S Kernkraut and his Wife Mrs C Kernkraut.

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.

Reconciliation of equity

	1 April 2015			31 March 2016		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	2,300,000	–	2,300,000	2,320,000	–	2,320,000
Current assets	6,584	–	6,584	8,107	–	8,107
Creditors: amounts falling due within one year	(1,708,486)	–	(1,708,486)	(1,721,182)	–	(1,721,182)
Net current liabilities	(1,701,902)	–	(1,701,902)	(1,713,075)	–	(1,713,075)
Total assets less current liabilities	598,098	–	598,098	606,925	–	606,925
Provisions	–	(40,000)	(40,000)	–	(33,000)	(33,000)
Net assets	598,098	(40,000)	558,098	606,925	(33,000)	573,925
Capital and reserves	598,098	(40,000)	558,098	606,925	(33,000)	573,925

KERNBERG HOLDINGS LIMITED
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

10. Transition to FRS 102 *(continued)*

Changes in accounting policies

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

(a) Investment properties

Previously, the Company's investment properties were held at market value, with aggregate surplus or deficit being recorded in the revaluation reserve, with the exception of permanent diminutions in value which were written off through the profit and loss account. Under FRS 102, these properties are held at fair value, with changes in fair value being recorded in the profit and loss account.

(b) Deferred tax on unrealised gains and losses on investment properties

Previously, no deferred tax was recognised on the timing differences between the accounting and tax treatment of the revaluation of the Company's investment properties. Under FRS 102, deferred tax is recognised on the difference between the cost for tax purposes and the fair value of the company's investment properties, with movements recorded in the profit and loss account.