Registration number: SC491949

Karnach Projects Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2016

Roderick Gunkel & Associates Ltd
Orchardlea
Callander
FK17 8BG

Karnach Projects Limited
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Karnach Projects Limited
Company Information

Directors	Derek Henderson
Registered office	Karnach Main Street Kinbuck Dunblane FK15 0NQ
Bankers	HSBC 118 Princes Street Edinburgh EH2 4AA
Accountants	Roderick Gunkel & Associates Ltd Orchardlea Callander FK17 8BG

Karnach Projects Limited
Director's Report for the Year Ended 31 December 2016

The director presents his report and the financial statements for the year ended 31 December 2016.

Director of the company

The director who held office during the year was as follows:

Derek Henderson

Principal activity

The principal activity of the company is supplying project management services

Small companies provision statement

This report has 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.

Approved by the Board on 23 March 2017 and signed on its behalf by:

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D e r e k H e n d e r s o n

Director

Chartered Accountants' Report to the Director on the Preparation of the Unaudited Statutory Accounts of Karnach Projects Limited for the Year Ended 31 December 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Karnach Projects Limited for the year ended 31 December 2016 as set out on pages 4 to 10 from the company's accounting records and from information and explanations you have given us.

As a member of the Association of Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at http://rulebook.accaglobal.com.

This report is made solely to the Board of Directors of Karnach Projects Limited, as a body, in accordance with the terms of our engagement. Our work has been undertaken solely to prepare for your approval the accounts of Karnach Projects Limited and state those matters that we have agreed to state to the Board of Directors of Karnach Projects Limited, as a body, in this report.

This is in accordance with the requirements of the Association of Chartered Certified Accountants detailed at http://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.doc.. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Karnach Projects Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Karnach Projects Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Karnach Projects Limited. You consider that Karnach Projects 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 accounts of Karnach Projects 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 accounts.

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Roderick Gunkel & Associates Ltd
Orchardlea
Callander
FK17 8BG

23 March 2017

Karnach Projects Limited
Profit and Loss Account for the Year Ended 31 December 2016

	Note	Total 31 December 2016 £	Total 31 December 2015 £
Turnover		109,592	112,647
Cost of sales		(4,920)	(6,175)
Gross profit		104,672	106,472
Administrative expenses		(35,704)	(20,207)
Operating profit		68,968	86,265
Profit before tax	3	68,968	86,265
Taxation		(14,218)	(16,961)
Profit for the financial year		54,750	69,304

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 7 to 10 form an integral part of these financial statements.

Karnach Projects Limited
(Registration number: SC491949)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	1,000	1,500
Current assets			
Debtors	5	9,030	7,130
Cash at bank and in hand		103,759	67,266
		112,789	74,396
Creditors: Amounts falling due within one year	6	(20,335)	(22,492)
Net current assets		92,454	51,904
Total assets less current liabilities		93,454	53,404
Provisions for liabilities		(300)	-
Net assets		93,154	53,404
Capital and reserves			
Called up share capital		100	100
Profit and loss account		93,054	53,304
Total equity		93,154	53,404

For the financial year ending 31 December 2016 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 accounts for the year in question in accordance with section 476; and

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements 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.

Approved and authorised by the director on 23 March 2017

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Derek Henderson

Director

The notes on pages 7 to 10 form an integral part of these financial statements.

Karnach Projects Limited
Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £	Profit and loss account £	Total £
At 1 January 2016	100	53,304	53,404
Profit for the year	-	54,750	54,750
Total comprehensive income	-	54,750	54,750
Dividends	-	(15,000)	(15,000)
At 31 December 2016	100	93,054	93,154

	Share capital £	Profit and loss account £	Total £
At 1 January 2015	100	-	100
Profit for the year	-	69,304	69,304
Total comprehensive income	-	69,304	69,304
Dividends	-	(16,000)	(16,000)
At 31 December 2015	100	53,304	53,404

The notes on pages 7 to 10 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital incorporated in Scotland.

The address of its registered office is:
Karnach
Main Street
Kinbuck
Dunblane
FK15 0NQ

These financial statements were authorised for issue by the director on 23 March 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures, fittings, equipment	20-50% p.a reducing balance basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Profit before tax

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation expense	500	750

4 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2016	2,250	2,250
At 31 December 2016	2,250	2,250
Depreciation		
At 1 January 2016	750	750
Charge for the year	500	500
At 31 December 2016	1,250	1,250
Carrying amount		

At 31 December 2016	1,000	1,000
At 31 December 2015	1,500	1,500

5 Debtors

	2016 £	2015 £
Trade debtors	9,030	7,130
Total current trade and other debtors	9,030	7,130

6 Creditors

	Note	2016 £	2015 £
Due within one year			
Bank loans and overdrafts	7	1,676	165
Taxation and social security		3,741	3,966
Other creditors		14,918	18,361
		20,335	22,492

7 Loans and borrowings

	2016 £	2015 £
Current loans and borrowings		
Director current account	1,676	165

Karnach Projects Limited
Detailed Profit and Loss Account for the Year Ended 31 December 2016

	2016 £	2015 £
Turnover (analysed below)	109,592	112,647
Cost of sales (analysed below)	(4,920)	(6,175)
Gross profit	104,672	106,472
Gross profit (%)		
Administrative expenses		
Employment costs (analysed below)	(31,900)	(16,500)
General administrative expenses (analysed below)	(3,245)	(2,957)
Finance charges (analysed below)	(59)	-
Depreciation costs (analysed below)	(500)	(750)
	(35,704)	(20,207)
Operating profit	68,968	86,265
Profit before tax	68,968	86,265

This page does not form part of the statutory financial statements.

Karnach Projects Limited
Detailed Profit and Loss Account for the Year Ended 31 December 2016

	2016 £	2015 £
Turnover		
Sales, UK	107,692	105,517
Sales - debtor+wip adjustment	1,900	7,130
	109,592	112,647
Cost of sales		
Rechargeable expenses	-	443
Travel non-car	388	447
Travel - subsistence	632	633
Use of private car(s)	3,900	4,652
	(4,920)	(6,175)
Employment costs		
Salaries - admin	1,800	7,050
Directors remuneration	10,500	9,450
Directors personal pension contributions	19,600	-
	(31,900)	(16,500)
General administrative expenses		
Insurance	241	216
Use of home as office	800	800
Use of mobile phones	100	100

Use of home phone	50	50
Postage and stationery	30	30
Use of home broadband	45	45
Advertising	172	278
Customer entertaining (disallowable for tax)	121	38
Accountancy fees	1,686	1,400
	(3,245)	(2,957)
Finance charges		
Bank charges	59	-
	(59)	-
Depreciation costs		
Depreciation	(500)	(750)
Operating profit	68,968	86,265
Profit before tax	68,968	86,265

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.