

KERNE HOLDINGS (1962) LIMITED
UNAUDITED FINANCIAL STATEMENTS
31ST MARCH 2016

CHALMERS & CO (SW) LIMITED

Chartered Accountants
Trading as Chalmers & Co
Magnolia House
Princes Street
YEOVIL
Somerset
BA20 1EP



KERNE HOLDINGS (1962) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2016

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KERNE HOLDINGS (1962) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director	Miss.H.F. Lawrence
Company secretary	Mrs.S.M.Weekes
Registered office	Shutteroaks, CREWKERNE Somerset
Accountants	Chalmers & Co (SW) Limited Chartered Accountants Trading as Chalmers & Co Magnolia House Princes Street YEOVIL Somerset BA20 1EP
Bankers	Lloyds Bank Plc 9 High Street YEOVIL Somerset

KERNE HOLDINGS (1962) LIMITED

DIRECTOR'S REPORT

YEAR ENDED 31ST MARCH 2016

The director presents her report and the unaudited financial statements of the company for the year ended 31st March 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year continued to be that of managing its Investment Property portfolio and other investments.

DIRECTORS

The directors who served the company during the year were as follows:

Miss.H.F. Lawrence

S.G. Lawrence

(Died 5th November 2015)

We regret to report the death of S.G. Lawrence on 5th November 2015.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.


Registered office:

Shutteroaks,

CREWKERNE

Somerset

Signed by order of the director



Mrs.S.M.Weekes

Company Secretary

Approved by the director on 19th December 2016

KERNE HOLDINGS (1962) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MARCH 2016**

	Note	2016 £	2015 £
TURNOVER		18,500	18,050
Cost of sales		<u>2,076</u>	<u>2,583</u>
GROSS PROFIT		16,424	15,467
Administrative expenses		<u>24,031</u>	<u>23,895</u>
OPERATING LOSS		(7,607)	(8,428)
Profit on disposal of fixed assets		<u>24,144</u>	<u>42,745</u>
		<u>16,537</u>	<u>34,317</u>
Interest receivable		<u>47,173</u>	<u>40,186</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		63,710	74,503
Tax on profit on ordinary activities	3	<u>8,452</u>	<u>9,428</u>
PROFIT FOR THE FINANCIAL YEAR		<u>55,258</u>	<u>65,075</u>

KERNE HOLDINGS (1962) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31ST MARCH 2016

	2016 £	2015 £
Profit for the financial year attributable to the shareholders	55,258	65,075
Unrealised (loss)/profit on revaluation of freehold investment property	(136,500)	30,000
Unrealised loss on revaluation of: Investments	<u>(79,484)</u>	<u>(211,320)</u>
Total gains and losses recognised since the last annual report	<u>(160,726)</u>	<u>(116,245)</u>

KERNE HOLDINGS (1962) LIMITED

BALANCE SHEET

31ST MARCH 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	4	825,000	961,500
Investments	5	826,281	938,109
		<u>1,651,281</u>	<u>1,899,609</u>
CURRENT ASSETS			
Debtors	6	7,445	7,178
Cash at bank		1,004,555	914,877
		<u>1,012,000</u>	<u>922,055</u>
CREDITORS: Amounts falling due within one year	7	17,386	15,043
NET CURRENT ASSETS		<u>994,614</u>	<u>907,012</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,645,895</u>	<u>2,806,621</u>
CAPITAL AND RESERVES			
Called up equity share capital	10	100	100
Other reserves	11	2,600,119	2,575,828
Profit and loss account	12	45,676	230,693
SHAREHOLDERS' FUNDS		<u>2,645,895</u>	<u>2,806,621</u>

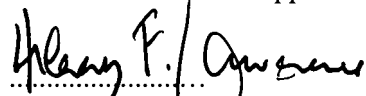
For the year ended 31st March 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These accounts were approved and signed by the director and authorised for issue on 19th December, 2016


Miss H.F. Lawrence

Company Registration Number: 739106

KERNE HOLDINGS (1962) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2016

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Turnover

Turnover consists of Rent from Investment Properties.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Investment Properties are stated in the Balance Sheet at estimated Market Value in accordance with Statement of Standard Accounting Practice No.19 (SSAP19). No depreciation is provided and changes in the value of the Investment Properties are shown in the Investment Property Reserve.

On subsequent disposals only surpluses or deficits compared to the carrying value, i.e. valuation at previous accounting date, are taken to Profit and Loss Account. The profit, if any, compared to historical cost, net of any tax liability, is then transferred from Profit and Loss Account and Investment Property Reserve to Realised Capital Reserve.

This accounting treatment is not in accordance with the Companies Act 2006 which requires all fixed assets to be depreciated. In accordance with section 393 of that Act the Directors have departed from the provision concerning the depreciation of fixed assets in order to comply with SSAP 19 and to show a true and fair view.

2. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were:

	2016	2015
	£	£
Aggregate remuneration	<u>4,000</u>	<u>2,917</u>

KERNE HOLDINGS (1962) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2016

3. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2016 £	2015 £
Current tax:		
UK Corporation tax based on the results for the year at 20% (2015 - 21%)	8,452	9,428
Total current tax	<u>8,452</u>	<u>9,428</u>

4. TANGIBLE ASSETS

	Freehold Property	Office Equipment	Total
	£	£	£
COST OR VALUATION			
At 1st April 2015	961,500	2,313	963,813
Disposals	–	(2,313)	(2,313)
Revaluation	(136,500)	–	(136,500)
At 31st March 2016	<u>825,000</u>	<u>–</u>	<u>825,000</u>
DEPRECIATION			
At 1st April 2015	–	2,313	2,313
On disposals	–	(2,313)	(2,313)
At 31st March 2016	<u>–</u>	<u>–</u>	<u>–</u>
NET BOOK VALUE			
At 31st March 2016	<u>825,000</u>	<u>–</u>	<u>825,000</u>
At 31st March 2015	<u>961,500</u>	<u>–</u>	<u>961,500</u>

Freehold Land and Buildings with a cost of £823,497. was revalued on the 31st March 2016 based on an informal valuation given by Charles Clark MA (Cantab) FAAV, a partner of Greenslade Taylor Hunt, on the basis of net realisable value giving appropriate weight to the tenancy arrangements.

KERNE HOLDINGS (1962) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2016

5. INVESTMENTS

	Total
	£
COST OR VALUATION	
At 1st April 2015	938,109
Additions	99,878
Disposals	(132,222)
Revaluations	(79,484)
At 31st March 2016	<u>826,281</u>
NET BOOK VALUE	
At 31st March 2016	<u>826,281</u>
At 31st March 2015	<u>938,109</u>

An investment in an unquoted company registered in Bermuda, originally in the form of a promissory note, is now held in common shares. The accumulative cost carried forward is £281,266 (2015: £281,266). There is no quoted market for these shares. The director is, however, of the opinion that their realisable value as at the Balance Sheet date was £nil(2015: £nil)and they were revalued accordingly.

The remaining investments are quoted securities with an accumulative cost of £807,905 (2015: £840,248) and a market value at 31 March 2016 of £826,281 (2015 £938,109).

6. DEBTORS

	2016	2015
	£	£
Trade debtors	792	575
Other debtors	500	500
Prepayments and accrued income	6,153	6,103
	<u>7,445</u>	<u>7,178</u>

7. CREDITORS: Amounts falling due within one year

	2016		2015
	£	£	£
Trade creditors		8,509	8,509
Other creditors including taxation:			
Corporation tax	6,476		6,534
Directors current accounts	2,401		—
	<u>8,877</u>		<u>6,534</u>
	<u>17,386</u>		<u>15,043</u>

KERNE HOLDINGS (1962) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2016

8. DEFERRED TAXATION

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2016	2015
	£	£
Other timing differences	<u>(16,000)</u>	<u>19,000</u>

The unprovided deferred tax relates to an asset that would arise in relation to unrealised net surpluses on the revaluation of investment properties and the portfolio of quoted securities in the event of a notional disposal of the whole portfolio at the Balance Sheet date.

A Corporation Tax rate of 20% (2015: 21%) is assumed.

9. RELATED PARTY TRANSACTIONS

The company was under the control of the Directors throughout the current and previous year.

A freehold property purchased by the company in April 2010 at a cost of £184,293 is occupied rent-free by an employee of Linen Yard Investments (Crewkerne) Limited, a company controlled by the shareholders of Kerne Holdings (1962) Limited.

10. SHARE CAPITAL**Authorised share capital:**

	2016	2015
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

11. OTHER RESERVES

	2016	2015
	£	£
Realised Capital Reserve:		
Balance brought forward	2,575,828	2,535,266
Transfer from the Profit and Loss Account	24,291	40,562
	<u>2,600,119</u>	<u>2,575,828</u>

KERNE HOLDINGS (1962) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2016

12. PROFIT AND LOSS ACCOUNT

	2016	2015
	£	£
Balance brought forward	230,693	251,584
Profit for the financial year	55,258	65,075
Transfer to revaluation reserve	(215,984)	(45,403)
Transfer to realised capital reserve	(24,291)	(40,563)
Balance carried forward	<u>45,676</u>	<u>230,693</u>

KERNE HOLDINGS (1962) LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31ST MARCH 2016

The following pages do not form part of the statutory financial statements.

KERNE HOLDINGS (1962) LIMITED
CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE
UNAUDITED ACCOUNTS OF KERNE HOLDINGS (1962) LIMITED
YEAR ENDED 31ST MARCH 2016

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Director, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Director that we have done so, and state those matters that we have agreed to state to her in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Director, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31st March 2016 your duty to ensure that the company has kept adequate accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. 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 financial statements.

Trading as Chalmers & Co
Magnolia House
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Somerset
BA20 1EP

CHALMERS & CO (SW) LIMITED
Chartered Accountants

19th December 2016

KERNE HOLDINGS (1962) LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2016

	2016		2015
	£	£	£
TURNOVER			
Rents Receivable	18,500		18,050
COST OF SALES			
Repairs and Maintenance	310		660
Insurance	<u>1,766</u>		<u>1,923</u>
	<u>2,076</u>		<u>2,583</u>
GROSS PROFIT	<u>16,424</u>		<u>15,467</u>
OVERHEADS			
Administrative expenses	<u>24,031</u>		<u>23,895</u>
OPERATING LOSS	<u>(7,607)</u>		<u>(8,428)</u>
Profit on disposal of fixed assets	<u>24,144</u>		<u>42,745</u>
	<u>16,537</u>		<u>34,317</u>
Interest receivable	<u>47,173</u>		<u>40,186</u>
PROFIT ON ORDINARY ACTIVITIES	<u><u>63,710</u></u>		<u><u>74,503</u></u>

KERNE HOLDINGS (1962) LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2016

	2016		2015	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors Remuneration	4,000		2,917	
Secretarial Services	<u>9,504</u>		<u>9,504</u>	
		13,504		12,421
General expenses				
Sundry Expenses	1,007		1,288	
Investment Management Charges	5,826		5,886	
Accountancy Fee	<u>3,600</u>		<u>4,200</u>	
		10,433		11,374
Financial costs				
Bank Charges		<u>94</u>		<u>100</u>
		<u>24,031</u>		<u>23,895</u>
INTEREST RECEIVABLE				
Other Interest Receivable		33,323		25,257
Dividends Received		<u>13,850</u>		<u>14,929</u>
		<u>47,173</u>		<u>40,186</u>