

Company Registration No. 02786101 (England and Wales)

CONNELL DEVELOPMENTS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017
PAGES FOR FILING WITH REGISTRAR

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CONNELL DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	J M Connell B Connell J J Connell
Secretary	J M Connell
Company number	02786101
Registered office	Orchard Street Salford Manchester M6 6FL
Accountants	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR

CONNELL DEVELOPMENTS LIMITED

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CONNELL DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 31 MAY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		30,313		27,985
Investment properties	4		5,250,000		5,490,000
			<u>5,280,313</u>		<u>5,517,985</u>
Current assets					
Debtors	5	20,345		12,309	
Cash at bank and in hand		1,210,848		1,347,859	
		<u>1,231,193</u>		<u>1,360,168</u>	
Creditors: amounts falling due within one year	6	(177,549)		(436,822)	
Net current assets			<u>1,053,644</u>		<u>923,346</u>
Total assets less current liabilities			<u>6,333,957</u>		<u>6,441,331</u>
Creditors: amounts falling due after more than one year	7	(1,034,048)		(1,109,768)	
Provisions for liabilities		(256,252)		(269,413)	
Net assets			<u><u>5,043,657</u></u>		<u><u>5,062,150</u></u>
Capital and reserves					
Called up share capital	8		102		102
Profit and loss reserves			5,043,555		5,062,048
Total equity			<u><u>5,043,657</u></u>		<u><u>5,062,150</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

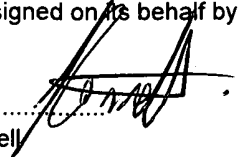
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

CONNELL DEVELOPMENTS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2017

The financial statements were approved by the board of directors and authorised for issue on 27/02/18 and are signed on its behalf by:


.....
J J Connell
Director

Company Registration No. 02786101

CONNELL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

Company information

Connell Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Orchard Street, Salford, Manchester, M6 6FL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 May 2017 are the first financial statements of Connell Developments Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 10.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	15% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Investment properties

The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors on an open market value basis.

CONNELL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CONNELL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2016 - 3).

CONNELL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2017

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 June 2016	60,650
Additions	7,072
At 31 May 2017	67,722
Depreciation and impairment	
At 1 June 2016	32,665
Depreciation charged in the year	4,744
At 31 May 2017	37,409
Carrying amount	
At 31 May 2017	30,313
At 31 May 2016	27,985

4 Investment property

	2017 £
Fair value	
At 1 June 2016	5,490,000
Disposals	(240,000)
At 31 May 2017	5,250,000

The fair value of investment property has been arrived at on the basis of a valuation carried out by the directors on an open market value basis.

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	16,251	10,257
Other debtors	4,094	2,052
	20,345	12,309

CONNELL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2017

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	74,000	69,500
Trade creditors	1,597	6,122
Corporation tax	32,018	227,431
Other taxation and social security	68	-
Other creditors	69,866	133,769
	<u>177,549</u>	<u>436,822</u>

Bank borrowing are secured by way of a charge over the investment property.

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	<u>1,034,048</u>	<u>1,109,768</u>

Bank borrowings are secured by way of a charge over investment properties.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 102 Ordinary of £1 each	<u>102</u>	<u>102</u>
	<u>102</u>	<u>102</u>

9 Directors' transactions

Dividends totalling £165,000 (2016 - £0) were paid in the year in respect of shares held by the company's directors.

10 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

CONNELL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2017

10 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity

	Notes	1 June 2015 £	31 May 2016 £
Equity as reported under previous UK GAAP		2,167,510	3,914,611
Adjustments arising from transition to FRS 102: Investment properties at valuation	1	1,147,539	1,147,539
Equity reported under FRS 102		<u>3,315,049</u>	<u>5,062,150</u>

Reconciliation of profit for the financial period

		2016 £
Profit as reported under previous UK GAAP and under FRS 102		914,300
Investment properties at valuation	1	<u>-</u>

Notes to reconciliations on adoption of FRS 102

Investment properties at fair value

A requirement of FRS 102 is that investment properties are initially capitalised at cost and then accounted for at fair value through profit and loss. The revaluation gain shown in the profit and loss account is not distributable. In accordance with section 29 of FRS 102, deferred tax is provided for on investment property revaluation adjustments.