REGISTERED NUMBER: SC268909 (Scotland)

Abbreviated Accounts

for the Year Ended 31 July 2011

for

Kilmac Construction Limited



Kilmac Construction Limited (Registered number: SC268909)

Contents of the Abbreviated Accounts
for the Year Ended 31 July 2011

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Accounts	10

Kilmac Construction Limited

Company Information
for the Year Ended 31 July 2011

DIRECTORS:	A McDonald R G Kilcullen
SECRETARY:	A McDonald
REGISTERED OFFICE:	Glendevon House Old Gallows Road Western Edge Perth Perthshire PH1 1QE
REGISTERED NUMBER:	SC268909 (Scotland)
AUDITORS:	Campbell Dallas LLP Chartered Accountants & Registered Auditors 4 Atholl Crescent Perth Perthshire PH1 5NG

The directors present their report with the accounts of the company for the year ended 31 July 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of construction services.

REVIEW OF BUSINESS

The directors consider that the company has performed well during the year and are pleased with the overall trading results achieved in a challenging economy.

The company's turnover decreased by 25.3% while the gross profit percentage increased from 26.5% to 29.1% producing a gross profit of £2,002,936 and a net profit before tax of £117,464.

The construction industry and general business environment in which the company operates continue to be highly competitive. The directors are aware that the future performance of the company will be directly affected by circumstances prevailing in the UK economy but believe that the good flow of future work and constant assessment and review of costs, will ensure the future prosperity of the business.

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2011.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the accounts.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2010 to the date of this report.

A McDonald
R G Kilcullen

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made charitable donations of £2,875 during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Campbell Dallas LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A McDonald - Director

12 March 2012

Report of the Independent Auditors to
Kilmac Construction Limited
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages five to nineteen, together with the full financial statements of Kilmac Construction Limited for the year ended 31 July 2011 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion
We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Campbell Dallas LLP

Alan Taylor (Senior Statutory Auditor)
for and on behalf of Campbell Dallas LLP
Chartered Accountants &
Registered Auditors
4 Atholl Crescent
Perth
Perthshire
PH1 5NG

12 March 2012

Kilmac Construction Limited (Registered number: SC268909)

Abbreviated Profit and Loss Account
for the Year Ended 31 July 2011

	Notes	2011 £	2011 £	2010 £	2010 £
TURNOVER			6,876,212		9,207,124
Cost of sales and other operating income			(4,856,936)		(6,745,768)
			2,019,276		2,461,356
Administrative expenses			1,889,129		2,439,364
OPERATING PROFIT	3		130,147		21,992
Income from shares in group undertakings		-		120,528	
Interest receivable and similar income		607		833	
			607		121,361
			130,754		143,353
Interest payable and similar charges	4		13,290		19,818
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			117,464		123,535
Tax on profit on ordinary activities	5		32,495		2,218
PROFIT FOR THE FINANCIAL YEAR			84,969		121,317

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

Kilmac Construction Limited (Registered number: SC268909)

Abbreviated Balance Sheet
31 July 2011

	Notes	2011 £	£	2010 £	£
FIXED ASSETS					
Tangible assets	6		785,148		859,023
Investments	7		20,001		1
			805,149		859,024
CURRENT ASSETS					
Stocks	8	93,325		93,000	
Debtors	9	1,824,897		1,925,486	
Cash at bank and in hand		940,967		406,343	
		2,859,189		2,424,829	
CREDITORS					
Amounts falling due within one year	10	2,796,290		2,460,666	
NET CURRENT ASSETS/(LIABILITIES)			62,899		(35,837)
TOTAL ASSETS LESS CURRENT LIABILITIES			868,048		823,187
CREDITORS					
Amounts falling due after more than one year	11		(299,703)		(341,451)
PROVISIONS FOR LIABILITIES	15		(2,194)		(554)
NET ASSETS			566,151		481,182
CAPITAL AND RESERVES					
Called up share capital	16		100		100
Profit and loss account	17		566,051		481,082
SHAREHOLDERS' FUNDS	23		566,151		481,182

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 12 March 2012 and were signed on its behalf by:



R G Kilcullen - Director

The notes form part of these abbreviated accounts

Kilmac Construction Limited (Registered number: SC268909)

Cash Flow Statement
for the Year Ended 31 July 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Net cash inflow/(outflow) from operating activities	1		941,498		(1,882,211)
Returns on investments and servicing of finance	2		(12,683)		101,543
Taxation			(12,714)		(106,260)
Capital expenditure and financial investment	2		(16,496)		21,347
			899,605		(1,865,581)
Financing	2		(364,981)		872,611
Increase/(Decrease) in cash in the period			534,624		(992,970)
Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		534,624		(992,970)	
Cash outflow from decrease in debt and lease financing		54,948		105,067	
Change in net funds resulting from cash flows			589,572		(887,903)
Movement in net funds in the period			589,572		(887,903)
Net funds at 1 August			11,047		898,950
Net funds at 31 July			600,619		11,047

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 July 2011

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit	130,147	21,992
Depreciation charges	62,120	82,211
Loss on disposal of fixed assets	8,251	23,346
(Increase)/Decrease in stocks	(325)	293,672
Decrease/(Increase) in debtors	190,950	(1,299,911)
Increase/(Decrease) in creditors	550,355	(1,003,521)
Net cash inflow/(outflow) from operating activities	941,498	(1,882,211)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest received	607	833
Interest paid	(12,128)	(12,782)
Interest element of hire purchase payments	(1,162)	(7,036)
Dividends received	-	120,528
Net cash (outflow)/inflow for returns on investments and servicing of finance	(12,683)	101,543
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(64,696)	(99,203)
Purchase of fixed asset investments	(20,000)	-
Sale of tangible fixed assets	68,200	120,550
Net cash (outflow)/inflow for capital expenditure and financial investment	(16,496)	21,347
Financing		
Loan repayments in year	(37,263)	(40,234)
Hire purchase capital repayments in year	(17,685)	(64,833)
Amount introduced by directors	-	989,117
Amount withdrawn by directors	(310,029)	-
Movement on group balances	(4)	(11,439)
Net cash (outflow)/inflow from financing	(364,981)	872,611

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 July 2011

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.10 £	Cash flow £	At 31.7.11 £
Net cash:			
Cash at bank and in hand	406,343	534,624	940,967
	406,343	534,624	940,967
Debt:			
Hire purchase	(21,396)	17,685	(3,711)
Debts falling due within one year	(36,159)	(1,055)	(37,214)
Debts falling due after one year	(337,741)	38,318	(299,423)
	(395,296)	54,948	(340,348)
Total	11,047	589,572	600,619

The notes form part of these abbreviated accounts

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements
The financial statements contain information about Kilmac Construction Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Kilmac Holdings Limited, a company registered in Scotland.

Turnover
Turnover consists of the sales value, excluding VAT, of work in the period under contracts to supply goods and services to third parties. It includes the relevant proportion of contract value for performance up to the period end.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Heritable property	- 2% on cost
Plant and machinery	- 25% on reducing balance
Furniture and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

Stocks
Stocks comprise stock and work in progress, which is valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax
Deferred tax is provided at the average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their useful lives. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

continued...

1. ACCOUNTING POLICIES - continued

Long-term contracts
Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Employer-Financed Retirement Benefit Scheme (EFRBS)
The company has established trusts for the benefit of employees and persons connected with them. Monies held in these trusts are held by independent trustees and managed at their discretion. The trustees are empowered to provide both retirement and other employee benefits.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and are payable after completion of the employment, such monies are charged to the profit and loss account in the period during which services are rendered by employees.

2. STAFF COSTS

	2011	2010
	£	£
Wages and salaries	1,862,419	1,444,604
Social security costs	129,751	153,968
Other pension costs	14,930	1,029,978
	2,007,100	2,628,550

The average monthly number of employees during the year was as follows:

	2011	2010
Productive staff	33	44
Management & administration staff	17	14
	50	58

continued...

3. OPERATING PROFIT

The operating profit is stated after charging:

	2011	2010
	£	£
Hire of plant and machinery	475,131	499,679
Other operating leases	24,069	25,592
Depreciation - owned assets	62,120	82,211
Loss on disposal of fixed assets	8,251	23,346
Auditors' remuneration	6,000	5,057
Auditors' remuneration for non audit work	10,340	16,654
Directors' remuneration	16,173	100,456

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank loan interest	9,213	9,829
Bank charges	2,803	2,953
VAT surcharge	112	-
Hire purchase	1,162	7,036
	13,290	19,818

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2011	2010
	£	£
Current tax:		
UK corporation tax	30,855	12,714
Overprovision for tax in the prior year	-	(1,985)
Total current tax	30,855	10,729
Deferred tax	1,640	(8,511)
Tax on profit on ordinary activities	32,495	2,218

continued...

6. TANGIBLE FIXED ASSETS

	Heritable property £	Plant and machinery £	Furniture and fittings £
COST			
At 1 August 2010	680,433	11,395	36,185
Additions	-	4,210	331
At 31 July 2011	680,433	15,605	36,516
DEPRECIATION			
At 1 August 2010	27,218	5,230	15,881
Charge for year	13,609	2,594	5,156
Eliminated on disposal	-	-	-
At 31 July 2011	40,827	7,824	21,037
NET BOOK VALUE			
At 31 July 2011	639,606	7,781	15,479
At 31 July 2010	653,215	6,165	20,304

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 August 2010	375,379	34,714	1,138,106
Additions	46,047	14,108	64,696
Disposals	(141,985)	(3,482)	(145,467)
At 31 July 2011	279,441	45,340	1,057,335
DEPRECIATION			
At 1 August 2010	213,202	17,552	279,083
Charge for year	33,281	7,480	62,120
Eliminated on disposal	(66,885)	(2,131)	(69,016)
At 31 July 2011	179,598	22,901	272,187
NET BOOK VALUE			
At 31 July 2011	99,843	22,439	785,148
At 31 July 2010	162,177	17,162	859,023

Included within Motor vehicles is £4,449 (2010 - £34,966), relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £1,483.

continued...

7. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 August 2010	1	-	1
Additions	-	20,000	20,000
At 31 July 2011	1	20,000	20,001
NET BOOK VALUE			
At 31 July 2011	1	20,000	20,001
At 31 July 2010	1	-	1

The company's investments at the balance sheet date in the share capital of companies include the following:

Kilmac Surfacing Limited
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2011 £	2010 £
Aggregate capital and reserves	28	28

8. **STOCKS**

	2011 £	2010 £
Work in progress	90,000	90,000
Raw materials	3,325	3,000
	93,325	93,000

continued...

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	1,370,271	1,732,466
Amounts owed by group undertakings	4	-
Other debtors	197,229	26,384
Platinum Recruitment Services Limited loan	150,000	150,000
Directors' current accounts	90,357	-
Prepayments	17,036	16,636
	1,824,897	1,925,486

Included within trade debtors is £796,857 (2010 - £1,216,485) being amounts recoverable on long-term contracts.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 12)	37,214	36,159
Hire purchase contracts (see note 13)	3,431	17,686
Payments on account	558,202	240,197
Trade creditors	1,279,565	1,731,494
Tax	30,855	12,714
Social security and other taxes	51,887	46,312
VAT	131,491	14,283
Other creditors	1,386	4,110
Directors' current accounts	-	219,672
Accruals and deferred income	702,259	138,039
	2,796,290	2,460,666

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	£	£
Bank loans (see note 12)	299,423	337,741
Hire purchase contracts (see note 13)	280	3,710
	299,703	341,451

continued...

12. LOANS

An analysis of the maturity of loans is given below:

	2011 £	2010 £
Amounts falling due within one year or on demand:		
Bank loans	37,214	36,159
Amounts falling due between two and five years:		
Bank loans	299,423	337,741

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2011 £	2010 £
Gross obligations repayable:		
Within one year	3,827	19,157
Between one and five years	319	3,827
	4,146	22,984
Finance charges repayable:		
Within one year	396	1,471
Between one and five years	39	117
	435	1,588
Net obligations repayable:		
Within one year	3,431	17,686
Between one and five years	280	3,710
	3,711	21,396

continued...

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2011	2010
	£	£
Expiring:		
Within one year	819	6,500
Between one and five years	22,464	812
	23,283	7,312

14. SECURED DEBTS

The following secured debts are included within creditors:

	2011	2010
	£	£
Hire purchase contracts	3,711	21,396
Bank loan	336,637	373,900
	340,348	395,296

The bank loans are secured by a bond and floating charge over the company's assets and a first standard security over the premises at Glendevon House, Old Gallows Road, Perth.

The hire purchase debt is secured over the motor vehicles for which it was provided.

15. PROVISIONS FOR LIABILITIES

	2011	2010
	£	£
Deferred tax	2,194	554

	Deferred tax
	£
Balance at 1 August 2010	554
Accelerated capital allowances	1,640
Balance at 31 July 2011	2,194

continued...

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2011 £	2010 £
100	Ordinary	£1	100	100

17. RESERVES

	Profit and loss account £
At 1 August 2010	481,082
Profit for the year	84,969
At 31 July 2011	566,051

18. ULTIMATE PARENT COMPANY

The ultimate parent company is Kilmac Holdings Limited which is incorporated in Scotland.

19. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 July 2011 and 31 July 2010:

	2011 £	2010 £
R G Kilcullen		
Balance outstanding at start of year	(109,748)	111,101
Amounts advanced	233,312	136,251
Amounts repaid	(34,767)	(357,100)
Balance outstanding at end of year	88,797	(109,748)
A McDonald		
Balance outstanding at start of year	(109,924)	658,345
Amounts advanced	158,051	40,076
Amounts repaid	(47,272)	(808,345)
Balance outstanding at end of year	855	(109,924)

continued...

20. RELATED PARTY DISCLOSURES

R G Kilcullen and A McDonald are directors of Platinum Recruitment Services Limited. During the year, the company sold £16,340 of goods and services and purchased £71,422 of goods and services from Platinum Recruitment Services Limited. At the balance sheet date, Platinum Recruitment Services Limited owed the company £144,926.

R G Kilcullen and A McDonald are members of Kilmac Energy LLP. During the year, the company sold £116,620 of goods and services and advanced loan funds of £190,000 to Kilmac Energy LLP. At the balance sheet date, Kilmac Energy LLP owed the company £218,851.

R G Kilcullen and A McDonald are directors of Kilmac Holdings Limited. At the balance sheet date, Kilmac Holdings Limited owed the company £4.

During the year, R G Kilcullen purchased a motor vehicle from the company, on an arms length basis, for £10,000.

During the year, A McDonald purchased motor vehicles from the company, on an arms length basis, for £52,000.

21. POST BALANCE SHEET EVENTS

Since the year end, the company has established an Employer-Financed Retirement Benefit Scheme to assist in the reward and motivation of the company's employees.

22. ULTIMATE CONTROLLING PARTY

R G Kilcullen and A McDonald are the ultimate controlling parties.

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	84,969	121,317
Net addition to shareholders' funds	84,969	121,317
Opening shareholders' funds	481,182	359,865
Closing shareholders' funds	566,151	481,182