COMPANY REGISTRATION NUMBER SC282018

K2 SPECIALIST SERVICES (UK) LTD

UNAUDITED FINANCIAL STATEMENTS

31 MAY 2011

WEDNESDAY

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COMPANIES HOUSE

ATKINSON & CO LIMITED
Chartered Accountants
Victoria House
87 High Street
Tillicoultry
Clackmannanshire
FK13 6AA

K2 SPECIALIST SERVICES (UK) LTD

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2011

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K2 SPECIALIST SERVICES (UK) LTD

OFFICERS AND PROFESSIONAL ADVISERS

The director	Mr G Smyth
Company secretary	Mrs K Smyth
Registered office	1 Dryden Place Bilston Glen Industrial Estate Loanhead Midlothian EH20 9HP
Accountants	Atkinson & Co Limited Chartered Accountants Victoria House 87 High Street Tillicoultry Clackmannanshire FK13 6AA
Bankers	The Royal Bank of Scotland 206 Bruntsfield Place Edinburgh EH10 4DF

K2 SPECIALIST SERVICES (UK) LTD

THE DIRECTOR'S REPORT

YEAR ENDED 31 MAY 2011

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31 May 2011.

PRINCIPAL ACTIVITIES
The principal activity of the company during the year was that of steeplejacks and roofing contractors.

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

Mr G Smyth
Mr L Hirst

Mr L Hirst retired as a director on 11 November 2010.

PURCHASE OF OWN SHARES
During the year the company purchased back three of its own shares at an aggregate consideration of £194,000. These were purchased to buy out the director Mr Lee Hirst who resigned from the company on 11 November 2010.

SMALL COMPANY PROVISIONS
This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
1 Dryden Place
Bilston Glen Industrial Estate
Loanhead
Midlothian
EH20 9HP

Signed by order of the director

Kathleen Smyth

MRS K SMYTH
Company Secretary

Approved by the director on 15 August 2011

Company Registration Number: SC282018

K2 SPECIALIST SERVICES (UK) LTD

CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE UNAUDITED FINANCIAL STATEMENTS OF K2 SPECIALIST SERVICES (UK) LTD

YEAR ENDED 31 MAY 2011

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared the financial statements of the company on pages 4 to 12 from the accounting records and information and explanations supplied to us.

This report is made to the Company's Director, in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the financial statements on behalf of the Company's Director 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 best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of financial statements.

You have acknowledged on the balance sheet as at 31 May 2011 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.

Atkinson & Co Limited

ATKINSON & CO LIMITED
Chartered Accountants

Victoria House
87 High Street
Tillicoultry
Clackmannanshire
FK13 6AA

15 August 2011

K2 SPECIALIST SERVICES (UK) LTD

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MAY 2011

	Note	2011 £	2010 £
TURNOVER		**958,143**	747,242
Cost of sales		**617,471**	384,576
GROSS PROFIT		**340,672**	362,666
Administrative expenses		**286,597**	250,920
Other operating income	**2**	**(490)**	(75)
OPERATING PROFIT	**3**	**54,565**	111,821
Interest receivable		**972**	43
Interest payable and similar charges		**(3,262)**	(2,301)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**52,275**	109,563
Tax on profit on ordinary activities	**4**	**10,630**	22,994
PROFIT FOR THE FINANCIAL YEAR		**41,645**	86,569

The notes on pages 7 to 12 form part of these financial statements.

K2 SPECIALIST SERVICES (UK) LTD

BALANCE SHEET

31 MAY 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Intangible assets	6	–	–
Tangible assets	7	50,153	29,392
		50,153	29,392
CURRENT ASSETS			
Debtors	8	229,147	155,410
Cash at bank and in hand		39,870	151,335
		269,017	306,745
CREDITORS: Amounts falling due within one year	9	225,146	144,073
NET CURRENT ASSETS		43,871	162,672
TOTAL ASSETS LESS CURRENT LIABILITIES		94,024	192,064
CREDITORS: Amounts falling due after more than one year	10	82,749	13,253
PROVISIONS FOR LIABILITIES			
Deferred taxation	11	6,955	2,136
		4,320	176,675
CAPITAL AND RESERVES			
Called-up equity share capital	13	3	6
Other reserves	14	3	–
Profit and loss account	15	4,314	176,669
SHAREHOLDERS' FUNDS		4,320	176,675

The Balance sheet continues on the following page.

The notes on pages 7 to 12 form part of these financial statements.

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The director acknowledges his responsibility for:

(i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved and signed by the director and authorised for issue on 15 August 2011.

MR G SMYTH
Director



1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation 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:

Goodwill	-	20% per annum straight line basis

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:

Plant & Machinery	-	25% per annum straight line basis
Motor Vehicles	-	25% per annum straight line basis

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

1. ACCOUNTING POLICIES *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OTHER OPERATING INCOME

	2011	2010
	£	£
Rent receivable	**490**	–
Other operating income	**–**	75
	490	75

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2011	2010
	£	£
Director's remuneration	**6,036**	12,000
Amortisation of intangible assets	**–**	16,000
Depreciation of owned fixed assets	**2,223**	3,162
Depreciation of assets held under hire purchase agreements	**13,988**	16,822
Profit on disposal of fixed assets	**–**	(2,345)

4. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2011 £	2010 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	**5,811**	24,888
Total current tax	**5,811**	24,888
Deferred tax:		
Origination and reversal of timing differences (note 11) Capital allowances	**4,819**	(1,894)
Tax on profit on ordinary activities	**10,630**	22,994

5. DIVIDENDS

Equity dividends

	2011 £	2010 £
Paid during the year: Dividends on ordinary shares	**20,000**	123,000

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 June 2010 and 31 May 2011	**80,000**
AMORTISATION	
At 1 June 2010 and 31 May 2011	**80,000**
NET BOOK VALUE	
At 31 May 2011	–
At 31 May 2010	–

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Motor Vehicles £	Total £
COST			
At 1 June 2010	**15,821**	**87,297**	**103,118**
Additions	**990**	**35,982**	**36,972**
At 31 May 2011	**16,811**	**123,279**	**140,090**
DEPRECIATION			
At 1 June 2010	**9,904**	**63,822**	**73,726**
Charge for the year	**2,223**	**13,988**	**16,211**
At 31 May 2011	**12,127**	**77,810**	**89,937**
NET BOOK VALUE			
At 31 May 2011	**4,684**	**45,469**	**50,153**
At 31 May 2010	5,917	23,475	29,392

Hire purchase agreements

Included within the net book value of £50,153 is £45,469 (2010 - £23,475) 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 £13,988 (2010 - £16,822).

8. DEBTORS

	2011 £	2010 £
Trade debtors	**177,052**	143,059
Other debtors	**9,338**	12,351
Directors current accounts	**36,370**	–
Prepayments and accrued income	**6,387**	–
	229,147	155,410

9. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	**65,907**	21,516
Corporation tax	**6,135**	24,888
PAYE and social security	**11,601**	–
VAT	**61,650**	68,252
Hire purchase agreements	**18,214**	13,639
Other creditors	**50,339**	15,778
Accruals and deferred income	**11,300**	–
	225,146	144,073

10. CREDITORS: Amounts falling due after more than one year

	2011	2010
	£	£
Hire purchase agreements	29,006	13,253
Other creditors	53,743	–
	82,749	13,253

11. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2011	2010
	£	£
Provision brought forward	2,136	4,030
Profit and loss account movement arising during the year	4,819	(1,894)
Provision carried forward	6,955	2,136

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2011	2010
	£	£
Excess of taxation allowances over depreciation on fixed assets	6,955	2,136
	6,955	2,136

12. RELATED PARTY TRANSACTIONS

The company was under the control of Mr Smyth, the director throughout the current year. In the prior year the company was under no common control.

Included in other debtors is an amount of £35,237 in respect of an interest free loan advance by the company to Mr G Smyth. The maximum balance outstanding during the year was £35,237. During the year Mr Smyth received dividends amounting to £13,333.

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
3 Ordinary shares of £1 each	3	3	6	6

14. OTHER RESERVES

	2011	2010
	£	£
Purchase of own shares	3	–

15. PROFIT AND LOSS ACCOUNT

	2011	2010
	£	£
Balance brought forward	**176,669**	213,100
Profit for the financial year	**41,645**	86,569
Equity dividends	**(20,000)**	(123,000)
Purchase of own shares	**(194,000)**	–
Balance carried forward	**4,314**	176,669