

COMPANY REGISTRATION NUMBER SC282018

K2 SPECIALIST SERVICES (UK) LTD
UNAUDITED FINANCIAL STATEMENTS
31 MAY 2012



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 2012

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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 2012

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31 May 2012.

PRINCIPAL ACTIVITIES

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

DIRECTOR

The director who served the company during the year was as follows:

Mr G Smyth

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



Mr G Smyth

Director

Approved by the director on 7 September 2012

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 2012

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 2012 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.

Victoria House
87 High Street
Tillicoultry
Clackmannanshire
FK13 6AA

ATKINSON & CO LIMITED
Chartered Accountants

7 September 2012

K2 SPECIALIST SERVICES (UK) LTD

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MAY 2012

	Note	2012 £	2011 £
TURNOVER		1,574,742	958,143
Cost of sales		<u>896,807</u>	<u>617,471</u>
GROSS PROFIT		677,935	340,672
Administrative expenses		401,516	286,597
Other operating income	2	<u>—</u>	<u>(490)</u>
OPERATING PROFIT	3	276,419	54,565
Interest receivable		2	972
Interest payable and similar charges		<u>(5,340)</u>	<u>(3,262)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		271,081	52,275
Tax on profit on ordinary activities	4	59,756	10,630
PROFIT FOR THE FINANCIAL YEAR		<u>211,325</u>	<u>41,645</u>

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

K2 SPECIALIST SERVICES (UK) LTD

BALANCE SHEET

31 MAY 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Intangible assets	6	—	—
Tangible assets	7	88,407	50,153
		<u>88,407</u>	<u>50,153</u>
CURRENT ASSETS			
Debtors	8	365,441	229,147
Cash at bank and in hand		543	39,870
		<u>365,984</u>	<u>269,017</u>
CREDITORS: Amounts falling due within one year	9	<u>285,917</u>	<u>225,146</u>
NET CURRENT ASSETS		<u>80,067</u>	<u>43,871</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>168,474</u>	<u>94,024</u>
CREDITORS: Amounts falling due after more than one year	10	56,868	82,749
PROVISIONS FOR LIABILITIES			
Deferred taxation	11	19,961	6,955
		<u>91,645</u>	<u>4,320</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	3	3
Other reserves	14	3	3
Profit and loss account	14	91,639	4,314
SHAREHOLDERS' FUNDS		<u>91,645</u>	<u>4,320</u>

The Balance sheet continues on the following page.

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

K2 SPECIALIST SERVICES (UK) LTD

BALANCE SHEET *(continued)*

31 MAY 2012

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.

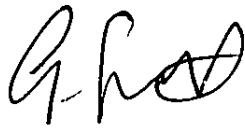
The director acknowledges his responsibility for:

- (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 7 September 2012.

MR G SMYTH
Director



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

K2 SPECIALIST SERVICES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2012

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.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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.

K2 SPECIALIST SERVICES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2012

1. ACCOUNTING POLICIES *(continued)*

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:

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

	2012	2011
	£	£
Rent receivable	—	490

3. OPERATING PROFIT

Operating profit is stated after charging:

	2012	2011
	£	£
Director's remuneration	6,894	6,036
Depreciation of owned fixed assets	2,426	2,223
Depreciation of assets held under hire purchase agreements	28,644	13,988
Loss on disposal of fixed assets	1,736	—

K2 SPECIALIST SERVICES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2012

4. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2012 £	2011 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	47,075	5,811
Over/under provision in prior year	(325)	-
Total current tax	46,750	5,811
Deferred tax:		
Origination and reversal of timing differences (note 11)		
Capital allowances	13,006	4,819
Tax on profit on ordinary activities	<u>59,756</u>	<u>10,630</u>

5. DIVIDENDS

Equity dividends

	2012 £	2011 £
Paid during the year:		
Dividends on ordinary shares	<u>124,000</u>	<u>20,000</u>

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 June 2011 and 31 May 2012	<u>80,000</u>
AMORTISATION	
At 1 June 2011 and 31 May 2012	<u>80,000</u>
NET BOOK VALUE	
At 31 May 2012	-
At 31 May 2011	-

K2 SPECIALIST SERVICES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2012

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Motor Vehicles £	Total £
COST			
At 1 June 2011	16,811	123,279	140,090
Additions	2,465	78,595	81,060
Disposals	–	(46,945)	(46,945)
At 31 May 2012	19,276	154,929	174,205
DEPRECIATION			
At 1 June 2011	12,127	77,810	89,937
Charge for the year	2,426	28,644	31,070
On disposals	–	(35,209)	(35,209)
At 31 May 2012	14,553	71,245	85,798
NET BOOK VALUE			
At 31 May 2012	4,723	83,684	88,407
At 31 May 2011	4,684	45,469	50,153

Hire purchase agreements

Included within the net book value of £88,407 is £Nil (2011 - £45,469) relating to assets held under hire purchase agreements, and £83,684 (2011 - £Nil) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £28,644 (2011 - £13,988), and £Nil (2011 - £Nil) in respect of assets held under finance lease agreements.

8. DEBTORS

	2012 £	2011 £
Trade debtors	354,313	177,052
Other debtors	8,405	9,338
Directors current accounts	–	36,370
Prepayments and accrued income	2,723	6,387
	365,441	229,147

K2 SPECIALIST SERVICES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2012

9. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Overdrafts	1,843	–
Trade creditors	58,295	65,907
Corporation tax	47,075	6,135
PAYE and social security	9,656	11,601
VAT	86,389	61,650
Hire purchase agreements	25,544	18,214
Directors current accounts	45,731	–
Other creditors	7,884	50,339
Accruals and deferred income	3,500	11,300
	<u>285,917</u>	<u>225,146</u>

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

	2012	2011
	£	£
Hire purchase agreements	56,868	29,006
Other creditors	–	53,743
	<u>56,868</u>	<u>82,749</u>

11. DEFERRED TAXATION

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

	2012	2011
	£	£
Provision brought forward	6,955	2,136
Profit and loss account movement arising during the year	13,006	4,819
Provision carried forward	<u>19,961</u>	<u>6,955</u>

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

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	19,961	6,955
	<u>19,961</u>	<u>6,955</u>

K2 SPECIALIST SERVICES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2012

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 creditors is an unsecured loan from the director Mr G Smyth of £45731 (2011 overdrawn loan of £36370). During the year Mr Smyth received dividends amounting to £64000 and Mrs Smyth received dividends amounting to £60000.

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

14. RESERVES

	Capital redemption reserve £	Profit and loss account £
Balance brought forward	3	4,314
Profit for the year	—	211,325
Equity dividends	—	(124,000)
Balance carried forward	<u>3</u>	<u>91,639</u>