

**KRS Services Limited**

**Company number 6473775**

Report and Financial Statements

Year Ended

31 December 2014

TUESDAY



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# KRS Services Limited

Annual report and financial statements  
for the year ended 31 December 2014

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## Directors

Dean Mirfin  
Richard Overson  
Colin Taylor

## Secretary and registered office

Stephen Kilgallon  
Baines House  
Midgery Court  
Pittman Way  
Fulwood  
Preston  
PR2 9ZH

## Company number

6473775

## Auditors

BDO LLP, 3 Hardman Street, Spinningfields, Manchester M3 3AT

# **KRS Services Limited**

## **Report of the directors for the year ended 31 December 2014**

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The directors present their report together with the audited financial statements for the year ended 31 December 2014.

### **Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors do not recommend the payment of a dividend.

### **Principal activities and future developments**

The principal activity of the company, which has not changed during the year, is that of a service company providing support functions for other group companies. These functions encompass Compliance, Change, HR & Training, Finance, Information Technology, Corporate Sales and Marketing & Operations.

### **Directors and officers insurance**

The company's ultimate parent company, Key Group Topco Limited, maintains cover with respect to directors and officers indemnity insurance. This insurance covers them in their roles as directors of this company.

### **Directors**

The directors of the company during the year were:

Dean Mirfin  
Richard Overson  
Colin Taylor  
Paul Wilson (resigned 31 August 2014)

# KRS Services Limited

## Report of the directors for the year ended 31 December 2014 (*Continued*)

### Directors' responsibilities

The directors are responsible for preparing the directors' report 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.

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.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

### By order of the board



Stephen Kilgallon  
Secretary

Date

20/04/15

# **KRS Services Limited**

## **Report of the independent auditors**

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### **Independent auditor's report to the members of KRS Services Limited**

We have audited the financial statements of KRS Services Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# KRS Services Limited

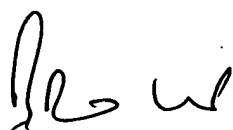
## Report of the independent auditors (*Continued*)

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



*Julien Rye (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Manchester*

*Date: 22 APRIL 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# KRS Services Limited

## Profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Administrative expenses		(7,683,279)	(6,154,579)
Other operating income		7,908,100	6,151,822
		<u>          </u>	<u>          </u>
<b>Profit/(loss) on ordinary activities before taxation</b>	4	224,821	(2,757)
Taxation on profit/(loss) on ordinary activities	5	52,936	(77,222)
		<u>          </u>	<u>          </u>
<b>Profit/(loss) on ordinary activities after taxation</b>	10	<u>277,757</u>	<u>(79,979)</u>

All amounts relate to continuing activities.

There are no recognised gains or losses in the current or prior year other than those recorded in the profit and loss account.

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

# KRS Services Limited

Company number 6473775

Balance sheet at 31 December 2014

	Note	2014 £	2014 £	2013 £	2013 £
<b>Current assets</b>					
Debtors	6	2,643,204		2,127,649	
Cash at bank and in hand		4,648		25,246	
		<u>2,647,852</u>		<u>2,152,895</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(2,168,323)</u>		<u>(1,951,073)</u>	
<b>Net current assets</b>			<u>479,529</u>		<u>201,822</u>
<b>Total assets less current liabilities</b>			<u>479,529</u>		<u>201,822</u>
<b>Net assets</b>			<u>479,529</u>		<u>201,822</u>
<b>Capital and reserves</b>					
Called up share capital	9		2		2
Profit and loss account	10		<u>479,527</u>		<u>201,820</u>
<b>Equity shareholders' funds</b>	11		<u>479,529</u>		<u>201,822</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on 20 April 2015 -



Colin Taylor  
Director

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



# KRS Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2014

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

#### *Basis of preparation*

These financial statements have been prepared on the going concern basis. The directors have prepared detailed trading and cash flow forecasts covering the period to December 2016 which indicate that the company will have sufficient financial resources to enable the company to trade for that period. Due to this, the directors consider the going concern basis of preparation to be appropriate.

The following principal accounting policies have been applied:

#### *Other operating income*

This represents management charges to fellow group companies for the period covered by the financial statements.

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund. Any amounts outstanding at the year end are shown as a separately identifiable asset or liability in the balance sheet.

#### *Cash flow statement*

Under the provisions of Financial Reporting Standard No.1, the company has not prepared a cash flow statement because its ultimate parent undertaking, Key Group Topco Limited, which is incorporated in England and Wales, has prepared consolidated financial statements which include the financial statements of the company for the period and contain a consolidated cash flow statement.

#### *Taxation*

The charge for taxation is based on the result for the year and taking into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except for deferred tax assets which are only recognised to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

# KRS Services Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 *(Continued)*

## 2 Employees

	2014 £	2013 £
Staff costs, which include directors remuneration, consist of:		
Wages and salaries	4,077,173	2,923,356
Social security costs	457,711	321,776
Other pension costs	151,250	238,208
	<u>4,686,134</u>	<u>3,483,340</u>

The average number of employees, including directors, analysed by category were

	2014 No	2013 No
Management	19	12
Sales	5	-
Administration	72	56
	<u>96</u>	<u>68</u>

## 3 Directors

	2014 £	2013 £
Aggregated directors' remuneration consists of:		
Emoluments	-	497,941
Payments to money purchase pension scheme	-	69,600
	<u>-</u>	<u>567,541</u>
Highest paid director		
Emoluments	-	113,600
	<u>-</u>	<u>19,392</u>
Amounts paid to the company's money purchase pension scheme	-	19,392
	<u>-</u>	<u>19,392</u>

No director received any remuneration from the company during the current year. Any remuneration paid by fellow group companies is disclosed in those companies accounts.

# KRS Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (Continued)

### 4 Profit/(loss) before taxation

Audit fees are borne by Key Group Topco Limited, the company's ultimate parent company. In the director's opinion a reasonable allocation of the audit fee to this company would be £3,000 (2013: £1,500).

### 5 Taxation on profit/(loss) on ordinary activities

	2014 £	2014 £	2013 £	2013 £
<i>Current tax</i>				
UK corporation tax on profit/(loss) of the year	-		77,539	
Adjustments in respect of prior periods	(51,598)		-	
Total current tax (credit)/charge	(51,598)		77,539	
<i>Deferred tax</i>				
Origination and reversal of timing differences	(1,338)		(317)	
Effect of tax rate change on opening balance	-		-	
Movement in deferred tax provision		(1,338)		(317)
Taxation on profit/(loss) on ordinary activities		(52,936)		77,222

# KRS Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (Continued)

### 5 Taxation on profit/(loss) on ordinary activities (Continued)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	224,821	(2,757)
Tax on profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	48,314	(641)
Effects of:		
Expenses not deductible for tax purposes	128,012	78,180
Group relief claimed	(177,764)	-
Adjustments to tax charge in respect of previous periods	(51,598)	-
Depreciation in excess of capital allowances	1,438	-
Current tax (credit)/charge for the year	(51,598)	77,539

### 6 Debtors

	2014 £	2013 £
Amounts due from group undertakings	2,349,496	1,903,909
Deferred tax (note 8)	1,655	317
Other debtors	785	320
Other tax and social security	6,038	3,704
Prepayments and accrued income	285,230	219,399
	2,643,204	2,127,649

All amounts shown under debtors fall due for payment within one year.

### 7 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	46,635	13,608
Amounts due to group undertakings	1,657,068	1,427,509
Corporation tax	-	59,359
Pension creditor	4,592	4,592
Accruals	460,028	446,005
	2,168,323	1,951,073

# KRS Services Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (*Continued*)

## 8 Deferred taxation

	£
At 1 January 2014	(317)
Credit for the year	(1,338)
	<hr/>
At 31 December 2014	(1,655)
	<hr/>

### *Deferred taxation*

	2014 £	2013 £
Accelerated capital allowances	(1,338)	-
Short term timing differences	(317)	(317)
	<hr/>	<hr/>
	(1,655)	(317)
	<hr/>	<hr/>

## 9 Share capital

	Allotted, called up and fully paid			2013
	2014 Number	2013 Number	2014 £	£
Ordinary shares of £1 each	2	2	2	2
	<hr/>	<hr/>	<hr/>	<hr/>
	2	2	2	2
	<hr/>	<hr/>	<hr/>	<hr/>

## 10 Reserves

	Profit and loss account £
At 1 January 2014	201,820
Capital distribution	(50)
Profit for the year	277,757
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As at 31 December 2014	479,527
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During the year, KRS Services Limited waived debt of £50 from Key Move Limited.

# KRS Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (*Continued*)

### 11 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit/(loss) for the year	277,757	(79,979)
Capital distribution	(50)	-
Opening shareholders' funds	201,822	281,801
Closing shareholders' funds	479,529	201,822

### 12 Related Party transactions

The company has taken advantage of the related party transaction disclosure exemption available to it under Financial Reporting Standard 8. Under Financial Reporting Standard 8, in the financial statements of subsidiary undertakings, 100 per cent of whose voting rights are controlled within the group, transactions with entities that are part of the group or investees of the group qualifying as related parties do not require disclosure, provided that the consolidated financial statements in which that subsidiary is included are publicly available.

As the results of the company are consolidated into those of Key Group Topco Limited, the company's ultimate parent company, which are publicly available, the company has taken advantage of this exemption.

### 13 Ultimate parent company

At 31 December 2014 the company's ultimate parent company was Key Group Topco Limited which is the parent of the largest group of which the company is a member.

The company's immediate parent is KRS Finance Limited.