

## **Topalpha (Warehouse) Limited**

Annual report and financial statements  
for the 53 week period ended 3 October 2015

Registered number: 04453090

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Annual report and financial statements for the 53 week period ended 3  
October 2015

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## Officers and professional advisers

### **DIRECTORS**

R. Parker

M.T.M. Williams

### **COMPANY SECRETARY**

S. Davey

### **REGISTERED OFFICE**

Thorpe Way

Grove Park

Enderby

Leicestershire

LE19 1SU

### **AUDITOR**

Deloitte LLP

Chartered Accountants and Statutory Auditor

Manchester

### **BANKERS**

Barclays

3 Hardman Street

Manchester,

M3 3HF

### **SOLICITORS**

TLT Solicitors

1 Redcliffe Street

Bristol

BS99 7JZ

Sinclair Abson Smith Lawyers

19 Market Place

Stockport

SK1 1HA

Beachcroft Wansbroughs Solicitors

St. Ann's House

St. Ann Street

Manchester

M2 7LP

## Strategic Report

### PRINCIPAL ACTIVITY

The principal activity of Topalpha (Warehouse) Limited is the provision of warehousing services to the Topps Tiles Plc Group of companies, the main trading company being Topps Tiles (UK) Limited.

The company is a subsidiary of Topps Tiles Plc. The ultimate parent company produces consolidated financial statements.

Details of the Group Business Model, and that of the subsidiary companies is explained in more detail in the financial statements of the ultimate parent, Topps Tiles Plc (company number: 03213782). A copy of its financial statements can be obtained from the Registered Office, Thorpe Way, Grove Park, Enderby, Leicestershire, LE19 1SU.

All Topps Tiles companies are managed and controlled on a unified basis. Whilst the directors take a responsible approach to the performance of each Group and individual holding and subsidiary company, the results of these subsidiary companies can vary from time to time.

Risks to the business include the continuing challenges of the UK economy and the subsequent business impact, balancing the longer term investment needs of the business against the uncertain economic outlook, its relationship with key suppliers, the potential threat of new competitors, the risk that key information technology systems could fail, the possible impacts on costs of sourcing due to the weakness of Sterling in comparison to the Euro and US dollar currencies, the loss of key personnel and the development of substitute products. The directors routinely monitor all these risks and uncertainties and appropriate actions are taken to mitigate the risks or their potential outcomes.

## Strategic Report (continued)

### REVIEW OF THE PERIOD

#### *Profit and Loss Account*

We have achieved an overall loss before tax of £2.2m compared to £1.8m in the prior period. This is after net finance income of £nil (2014: £13). During the period the company did not pay any dividend (2014: £nil).

#### *Balance Sheet*

Capital expenditure in the period amounted to £0.2 million (2014: £0.1 million), relating to fixtures and fittings.

As the company does not trade, the directors believe there are no other relevant key performance indicators (KPIs) for this business.

### FUTURE OUTLOOK

During the 53 week period ended 3 October 2015 this business's sole activity was the provision of warehousing services to the Topps Tiles Plc Group of companies. The directors are not aware, at the date of this annual report, of any likely major changes in the company's activities in the next period.

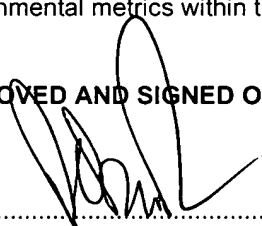
### EMPLOYEES

The company has a monthly average number of 77 employees including directors (2014: 77).

### CORPORATE SOCIAL RESPONSIBILITY

Topps has a long-standing Corporate Social Responsibility (CSR) agenda covering Community and Charity, Environment and Our People. The full detail of our current CSR activities is detailed in our Group financial statements. We take the impact of our business on our environment extremely seriously and have included a range of environmental metrics within the Directors section of our Annual report within the Group financial statements.

**APPROVED AND SIGNED ON BEHALF OF THE BOARD BY:**



.....  
R Parker, Director

Date: 15 March 2016

## **Directors' report**

For the 53 week period ended 3 October 2015

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditor's report, for the 53 week period ended 3 October 2015.

### **Principal activities and business review**

The principal activities of the company are those of the provision of warehousing services.

### **Results and dividends**

The audited financial statements for the 53 week period ended 3 October 2015 are set out on pages 9 to 19. The loss for the 53 week period after taxation was £2,213,805 (2014: £1,654,411 loss).

The directors do not recommend the payment of a dividend (2014: £nil).

Given the nature of the company there are no non-financial key performance indicators to disclose in this review.

### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements (see note 1).

### **Future prospects**

The directors expect the general level of activity to continue.

### **Share option schemes**

The directors recognise the importance of motivating employees and believe that one of the most effective incentives is increased employee participation in the company through share ownership.

This has been achieved through the introduction of a number of employee sharesave, share bonus, approved and unapproved share option schemes in the Topps Tiles Plc Group of companies.

The total number of share options in the company held by employees, including directors, is 156,763 (2014: 126,155). The directors will continue to incentivise employees through additional employee share option schemes in the forthcoming financial period.

Details on the share option scheme are given in note 17.

### **Directors**

The directors who served during the period and thereafter were as follows:

M.T.M. Williams

R. Parker

J. M. Jack (resigned 19 March 2015)

D. Shapland (appointed 19 March 2015, resigned 27 April 2015)

## Directors' report (continued)

For the 53 week period ended 3 October 2015

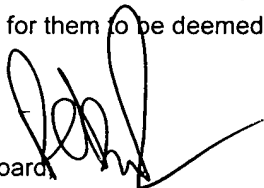
### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information which the company's auditor is unaware;  
and
- the 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 establish that the company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

A handwritten signature in black ink, appearing to be 'R. Parker', written over the text 'By order of the Board'.

By order of the Board

R. Parker - Director

15 March 2016

## Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.



## Independent auditor's report

### **To the Members of Topalpha (Warehouse) Limited**

We have audited the financial statements of Topalpha (Warehouse) Limited for the 53 week period ended 3 October 2015 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 3 October 2015 and of its loss for the 53 week period 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.

## Independent auditor's report (continued)

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

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statement.

### **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.



**Damian Sanders (Senior Statutory Auditor)**

**for and on behalf of Deloitte LLP**

Chartered Accountants and Statutory Auditor

Manchester, United Kingdom

15 March 2016

## Profit and loss account

For the 53 week period ended 3 October 2015

	Notes	2015 £	2014 £
<b>Turnover</b>	1(d)	898,581	881,628
Administrative expenses	2	<u>(3,102,784)</u>	<u>(2,714,335)</u>
<b>Operating loss</b>		<u>(2,204,203)</u>	<u>(1,832,707)</u>
Net finance income	4	<u>-</u>	<u>13</u>
<b>Loss on ordinary activities before taxation</b>	5	<u>(2,204,203)</u>	<u>(1,832,694)</u>
Tax on loss on ordinary activities	7	<u>(9,602)</u>	<u>178,283</u>
<b>Retained loss</b>	13,14	<u><u>(2,213,805)</u></u>	<u><u>(1,654,411)</u></u>

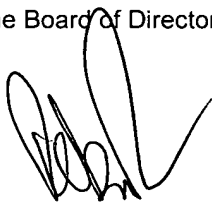
All activity arose from continuing operations.

There are no recognised gains or losses in either period other than the loss for the current and preceding periods shown above and accordingly no separate statement of total recognised gains and losses has been presented.

Balance sheet  
As at 3 October 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	8	<u>12,652,171</u>	<u>12,686,932</u>
<b>Current assets</b>			
Debtors	9	<u>374,746</u>	<u>253,870</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(16,571,396)</u>	<u>(14,280,918)</u>
<b>Net current liabilities</b>		<u>(16,196,650)</u>	<u>(14,027,048)</u>
<b>Total assets less current liabilities</b>		<u>(3,544,479)</u>	<u>(1,340,116)</u>
<b>Provision for liabilities</b>	11	<u>-</u>	<u>-</u>
<b>Net liabilities</b>		<u>(3,544,479)</u>	<u>(1,340,116)</u>
<b>Capital and reserves</b>			
Called-up share capital	12	1	1
Profit and loss account	13	<u>(3,544,480)</u>	<u>(1,340,117)</u>
<b>Shareholder's deficit</b>	14	<u>(3,544,479)</u>	<u>(1,340,116)</u>

The financial statements of Topalpha (Warehouse) Limited, company registration number 04453090, were approved by the Board of Directors and authorised for issue on 15 March 2016 and signed on its behalf by:



R Parker  
Director

## Notes to the financial statements

For the 53 week period ended 3 October 2015

### 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period and the preceding period, is set out below.

#### a) Basis of accounting

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

### Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis in preparing the financial statements.

The company is in receipt of a letter from Topps Tiles Plc, confirming that Topps Tiles Plc will provide any necessary funding to ensure that the company has sufficient funding to meet its liabilities as they fall due, for a period of not less than 12 months from the date of the signing of these financial statements, thus they continue to adopt the going concern basis in preparing the financial statements.

In arriving at their conclusion on going concern, the directors are cognisant of the disclosure made within the Group financial statements of Topps Tiles Plc, the company's ultimate parent company:

*"Based on a detailed review of the risks and uncertainties discussed within the Strategic Report, the Group's forecast covenant and cash headroom against lending facilities (which were refinanced in June 2014) and management's current expectations the Board believes that the Group will continue to meet all of its financial commitments as they fall due and will be able to continue as a going concern.*

*Therefore, the Board considers it appropriate to prepare the financial statements on the going concern basis."*

The directors have made enquiries of the directors of Topps Tiles Plc and have confirmed that there have been no significant changes in the financial position of Topps Tiles Plc since the date of approval of the financial statements of Topps Tiles Plc.

## Notes to the financial statements (continued)

For the 53 week period ended 3 October 2015

### 1 Accounting policies (continued)

#### b) *Financial period*

Throughout the financial statements references to 2015 mean at 3 October 2015 or the 53 weeks then ended; references to 2014 mean at 27 September 2014 or the 52 weeks then ended.

#### c) *Cash flow statements*

The company is part of the Topps Tiles Plc group, which prepares publicly available consolidated financial statements, therefore the company is exempt from the requirements of FRS 1 to present a cash flow statement.

#### d) *Revenue recognition*

Turnover comprises rents receivable, net of VAT, in respect of properties situated in the UK. Revenue is recognised in the period in which the service is provided.

#### e) *Tangible fixed assets*

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. Depreciation is provided to write off the cost, less estimated residual value, of each asset over its estimated useful life, as follows:

Freehold buildings	-	2% per annum
Fixtures and fittings	-	10% straight-line

Residual value is calculated on prices prevailing at the date of acquisition.

Interest costs incurred in bringing assets to a state where they are ready to be used are capitalised as part of the costs of the assets.

#### f) *Taxation*

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### g) *Pension costs*

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## Notes to the financial statements (continued)

For the 53 week period ended 3 October 2015

### 1 Accounting policies (continued)

#### h) Share based payments

The company has applied the requirements of FRS 20, Share-based payments. In accordance with the transitional provisions FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were vested at 1 January 2005.

Topps Tiles Plc, the ultimate parent company, issues equity settled share-based payments to certain employees of its subsidiaries. As such, these transactions are treated as equity settled in the financial statements of each subsidiary. The fair value determined at the grant date of the equity-settled share-based payments is expressed on a straight line basis over the vesting period, based on the company's estimate of shares that will eventually vest. Fair value is measured by use of the Black-Scholes model.

### 2 Other administration costs

	2015 £	2014 £
Distribution costs	2,639,800	2,147,325
Other administration	256,061	321,534
Profit share	206,923	245,476
	<u>3,102,784</u>	<u>2,714,335</u>

### 3 Staff costs

The average monthly number of employees (including directors) during the period was:

	2015 Number	2014 Number
Warehouse	77	77
	<u>77</u>	<u>77</u>

The aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	1,828,351	1,795,126
Social security costs	161,712	165,033
Pension costs	32,859	24,224
	<u>2,022,922</u>	<u>1,984,383</u>

### 4 Net Finance Income

	2015 £	2014 £
Interest receivable and similar income	<u>-</u>	<u>13</u>

## Notes to the financial statements (continued)

For the 53 week period ended 3 October 2015

### 5 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2015 £	2014 £
Depreciation of owned tangible fixed assets	<u>245,591</u>	<u>314,555</u>

Fees paid to the company's auditor, Deloitte LLP and its associates for the audit of the company were £1,000 (2014: £919), paid by the ultimate parent company without recourse. Fees paid for services other than the statutory audit of the company are not disclosed in the company's financial statements since the consolidated financial statements of the company's parent, Topps Tiles Plc, are required to disclose non-audit fees on a consolidated basis.

### 6 Directors' remuneration

The directors did not receive any remuneration during the period (2014: £nil) for their services to this company.

### 7 Tax on loss on ordinary activities

The tax charge/ (credit) comprises:

	2015 £	2014 £
<b>Current tax</b>		
Adjustments in respect of prior periods	<u>5,454</u>	<u>-</u>
<b>Total current tax</b>	5,454	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(10,776)	(176,558)
Adjustments in respect of prior periods	<u>14,924</u>	<u>(1,725)</u>
<b>Total deferred tax (see note 11)</b>	4,148	(178,283)
<b>Total tax charge/ (credit) on loss on ordinary activities</b>	<u>9,602</u>	<u>(178,283)</u>



## Notes to the financial statements (continued)

For the 53 week period ended 3 October 2015

### 7 Tax on loss on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2015 £	2014 £
<b>Loss on ordinary activities before tax</b>	<b>(2,204,203)</b>	<b>(1,832,694)</b>
Tax on loss on ordinary activities at UK corporation tax rate of 20.5% (2014: 22.0%)	(451,862)	(403,193)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1,936	-
Capital allowances (greater)/ less than depreciation	(5,064)	3,866
Depreciation on tangible fixed assets not qualifying for capital allowances	23,159	32,525
Group relief surrendered	431,831	366,802
Adjustments in respect of prior periods	5,454	-
<b>Current tax charge for period</b>	<b>5,454</b>	<b>-</b>

The company accrues its losses in the UK, therefore the tax rate used for tax on loss on ordinary activities is the standard rate for UK corporation tax, which was an average of 20.5% for the 53 week period ended 3 October 2015 (2014: 22.0%).

### 8 Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 28 September 2014	14,046,846	1,778,033	15,824,879
Additions	-	210,830	210,830
At 3 October 2015	<u>14,046,846</u>	<u>1,988,863</u>	<u>16,035,709</u>
<b>Depreciation</b>			
At 28 September 2014	1,516,186	1,621,761	3,137,947
Charge for the period	204,934	40,657	245,591
At 3 October 2015	<u>1,721,120</u>	<u>1,662,418</u>	<u>3,383,538</u>
<b>Net book value</b>			
At 3 October 2015	<u>12,325,726</u>	<u>326,445</u>	<u>12,652,171</u>
At 27 September 2014	<u>12,530,660</u>	<u>156,272</u>	<u>12,686,932</u>

Cumulative finance costs capitalised included in the cost of tangible fixed assets amount to £176,452 (2014: £176,452). Included in the net book value of freehold property at 3 October 2015 is non-depreciable land of £4,104,000 (2014: £4,104,000). The freehold property is used as security against the bank overdraft in another group company, Topps Tiles Kingdom Limited.

## Notes to the financial statements (continued)

For the 53 week period ended 3 October 2015

### 9 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	6,357	-
Prepayments	194,473	197,431
Deferred tax asset	51,555	55,703
Amounts owed by group undertakings	89,741	-
VAT	32,620	736
	<u>374,746</u>	<u>253,870</u>

### 10 Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank loans and overdraft	15,425,412	13,551,659
Trade creditors	113,145	190,170
Other taxes and social security	38,165	30,287
Amounts owed to other group companies	862,531	324,938
Other creditors	14,437	109,650
Accruals and deferred income	117,706	74,214
	<u>16,571,396</u>	<u>14,280,918</u>

The overdraft is secured through multi lateral guarantees with fellow group undertakings and incurs an interest rate of LIBOR plus 0.75% where total group balances are in surplus, or LIBOR plus 1% if in an overdraft position.

### 11 Provisions for liabilities

	Deferred taxation £
At 28 September 2014	(55,703)
Credited to profit and loss account	4,148
At 3 October 2015	<u>(51,555)</u>

A deferred tax asset (see note 9) arises as follows:

Deferred tax is provided as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>51,555</u>	<u>55,703</u>

## Notes to the financial statements (continued)

For the 53 week period ended 3 October 2015

### 12 Called-up share capital

	2015 £	2014 £
<i>Authorised, allotted, called-up and fully paid</i>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

### 13 Reserves

	Profit and loss account £
At 28 September 2014	(1,340,117)
Adjustment to capital contribution for share based payments	9,442
Loss for the financial period	<u>(2,213,805)</u>
At 3 October 2015	<u>(3,544,480)</u>

### 14 Reconciliation of movements in shareholder's funds/ (deficit)

	2015 £	2014 £
Loss for the financial period	(2,213,805)	(1,654,411)
Capital contribution for share based payments	<u>9,442</u>	<u>5,060</u>
Net reduction to shareholder's (deficit)/ funds	(2,204,363)	(1,649,351)
Opening shareholder's (deficit)/ funds	<u>(1,340,116)</u>	<u>309,235</u>
Closing shareholder's deficit	<u>(3,544,479)</u>	<u>(1,340,116)</u>

### 15 Financial commitments

#### a) Pension arrangements

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company in the period to the funds and amounted to £32,859 (2014: £24,224). As at the period end there were outstanding contributions of £5,895 (2014: £5,527).

### 16 Contingent liabilities

At 3 October 2015, the company had unlimited multilateral guarantees with the company's bank for fellow group undertakings in respect of overdrafts of £144,108,152 (2014: £123,981,621) and bank loans of £45,000,000 (2014: £50,000,000).

## Notes to the financial statements (continued)

For the 53 week period ended 3 October 2015

### 17 Share based payments

The company recognised a total credit of £9,442 (2014: £5,060 credit) relating to share based payments.

The employee share purchase plans are open to almost all employees and provide for a purchase price equal to the daily average market price on the date of grant, less 20%. The shares can be purchased during a two-week period each year. The shares so purchased are generally placed in the employee share savings plan for a 3 or 5 year period.

Movements in share based payment plan options are summarised as follows:

	2015 number of share options	2015 weighted average exercise price	2014 number of share options	2014 weighted average exercise price
Outstanding at beginning of period	126,155	63p	235,111	37p
Issued during the period	30,909	92p	30,298	98p
Expired during the period	(301)	75p	(33,488)	43p
Exercised during the period	-	45p	(105,766)	29p
Outstanding at end of period	156,763	71p	126,155	63p
Exercisable at end of period	-	-	-	-

The inputs to the Black-Scholes Model are as follows:

		2015	2014
Weighted average share price	- pence	90.5	79.0
Weighted average exercise price	- pence	71.1	63.2
Expected volatility	- %	42.2 ,36.4 and 35.1	42.2 and 43.7
Expected life	- years	3	3 or 5
Risk – free rate of interest	- %	0.42	0.60
Dividend yield	- %	2.03	2.79

Expected volatility was determined by calculating the historical volatility of the Topps Tiles Plc share price over the previous 3 years. The expected risk used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural forces.

### 18 Ultimate controlling party

The directors regard Topps Tiles Plc, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party.

Topps Tiles Plc is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from The Registrar of Companies, Companies' Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.

## Notes to the financial statements (continued)

For the 53 week period ended 3 October 2015

### **19 Related party transactions**

As a subsidiary undertaking of Topps Tiles Plc, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Topps Tiles Plc.

### **20 Subsequent events**

Subsequent to the balance sheet date, Topps Tiles plc relocated its finance function to Leicester and exited the Topps Clearance format. This was announced in the period, and resulted in redundancies and the closure of one central support office and nine store locations.