

**TOPPESFIELD LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2015**

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## **TOPPESFIELD LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	D J Last G B Pryor M J Pryor C J Germeney M A Salmon S Gorman
<b>Company secretary</b>	M A Salmon
<b>Registered number</b>	05054176
<b>Registered office</b>	Toppesfield House Unit 12, Hillview Business Park Old Ipswich Road Claydon Ipswich Suffolk IP6 0AJ
<b>Independent auditor</b>	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

# **TOPPESFIELD LIMITED**

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## **TOPPESFIELD LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2015**

The directors present their report and the financial statements for the year ended 31 May 2015.

#### **Principal activities**

The principal activity of the company during the year was that of road surfacing.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £3,726,494 (2014 - £2,183,402).

The company paid dividends of £1,139,697 (2014: £904,030) during the year.

#### **Directors**

The directors who served during the year were:

D J Last  
G B Pryor  
M J Pryor  
C J Germeney  
N J M Burman (resigned 31 May 2015)  
M A Salmon (appointed 15 January 2015)  
S Gorman (appointed 1 April 2015)

#### **Political and charitable contributions**

During the year charitable donations totalling £47,426 (2014: £6,264) were made.

#### **Financial instruments**

The company does not actively use financial instruments as part of its financial risk management. Its policy is to finance working capital through retained earnings and, where required, to fund the purchase of fixed assets through the utilisation of hire purchase or finance lease arrangements.

The company's exposure to the price risk of financial instruments is therefore minimal. The nature of its financial instruments means they are not subject to price risk or liquidity risk.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of the company's financial position or profit.

#### **Provision of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.


**TOPPESFIELD LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MAY 2015**

**Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *23 October 2015* and signed on its behalf.

  
.....  
**M J Pryor**  
Director

## **TOPPESFIELD LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MAY 2015**

The directors are responsible for preparing the directors' report, the strategic 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; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

## **TOPPESFIELD LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2015**

#### **Business review**

Toppesfield Limited enjoyed another year of extremely strong organic growth. The growth in revenue continues to be driven by the successful delivery of a number of large long term framework contracts, major national projects and an expansion of our client base.

Strong financial results for the year to 31 May 2015 show revenues increasing by 92% to £75,106k (2014: £39,095k) and an increase of 71% in Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') to £5,775k (2014: £3,377k)

The company strategy is to be highly flexible to provide the best surfacing solutions for our varied client base. Toppesfield Limited has a proven track record of delivering large schemes nationally while continuing to be able to swiftly react to all client needs.

Toppesfield Limited continue to increase investment in the latest technologies available in plant and equipment. Capital expenditure additions grew 159% to £3,788k (2014: £1,464k) as we continue to purchase state of the art machinery and focus on high quality and safety standards. The long term projects we hold enable us to invest with confidence.

The Company's relationships with all major asphalt suppliers have been enhanced even further throughout the year. The key suppliers are fully aligned with our forecasted growth and we look forward to continuing to work in a collaborative fashion with them.

Working capital remains a constant focus for the business and the management team are proud to have increased our year end cash position by £6.7m to £9.2m (275% increase from 2014).

Investment in both new and existing staff was a key strategy in the year. Recruiting high calibre personnel to support our growth led to an average 61% headcount growth. The directors continue to make Health and Safety the priority as training expenditure increased 189% from 2014.

The board has also strengthened in the period with the addition of Sean Gorman (Sales and Strategy Director) and Mark Salmon (Finance Director). Together they bring contractual expertise and excellent experience of managing fast growing businesses.

The annual expenditure on UK infrastructure investment is set to soar over the next five years and the forecast for transport infrastructure investment currently contains projects with an overall value of £121bn. The Company feels perfectly placed to support Highways England and Local Authorities, in delivering the required infrastructure required. In addition, the company is further well placed to support its key clients as the construction industry transitions to a period of growth.

#### **Safety, health, environment and quality**

The company operates a fully integrated management system to drive excellence in all areas of safety, health, environment and quality. The company has obtained a number of accreditations that include:

- ISO9001
- ISO14001
- ISO18001
- Achilles Building Confidence
- Achilles Link Up
- Safe Contractor
- CHAS
- Construction Line

The Company continues to invest heavily in training, new plant and SHEQ staff to ensure its record of maintaining a safe working environment for all of its team.

## TOPPESFIELD LIMITED

### STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MAY 2015

#### Principal risks and uncertainties

The directors anticipate further growth in revenue in 2016, due to additional long term contracts that have been awarded to the company; further involvement in major highways improvement schemes; and investment in growing the company's sales function. The Company feel well placed to react when any major project is available for tender and subsequent delivery.

Management continue to monitor working capital carefully in order to ensure that the exciting growth opportunities in the sector are maximised, without compromising on supplier payment times. The company mitigates risk by having a wide spread of clients, credit insurance and an overdraft facility provided by its bankers.


The Company is investing in an apprentice scheme to ensure it has the skilled labour force required for a growing construction company and mitigate the risk of lack of personnel resources.

#### Financial key performance indicators

The directors formally monitor KPIs as part of monthly board meetings, including but not limited to financial performance, H&S statistics, and quality performance. In addition, the Company continues to operate a weekly, contract by contract, P&L and with all directors involved in the business on a daily basis, they are able to ensure that the appropriate margins are being met. The key KPI's for the year are as follows:

KPI's	2015 £'000	2014 £'000	Movement £'000	Growth %
Turnover	75,106	39,095	36,011	+92%
EBITDA	5,775	3,377	2,398	+71%
CAPEX	3,788	1,464	2,324	+159%
Cash flow from operations	10,835	3,089	7,746	+251%

This report was approved by the board on *23 October 2015* and signed on its behalf.

  
.....  
**M J Pryor**  
Director



## **TOPPESFIELD LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOPPESFIELD LIMITED**

We have audited the financial statements of Toppesfield Limited for the year ended 31 May 2015 which comprise the profit and loss account, the balance sheet, the cash flow statement, 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 auditor**

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 May 2015 and of its profit 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 matter prescribed by the Companies Act 2006**

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

## TOPPESFIELD LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOPPESFIELD LIMITED

#### 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.

BDO LLP

**Timothy Taylor** (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Ipswich  
United Kingdom

23 October 2015

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

**TOPPESFIELD LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2	<b>75,105,565</b>	39,095,463
Cost of sales		<u>(64,267,308)</u>	<u>(32,812,831)</u>
<b>GROSS PROFIT</b>		<b>10,838,257</b>	6,282,632
Administrative expenses		<u>(5,758,532)</u>	(3,343,975)
Exceptional administrative expenses	8	<u>(177,190)</u>	-
Total administrative expenses		<u>(5,935,722)</u>	<u>(3,343,975)</u>
<b>OPERATING PROFIT</b>	3	<b>4,902,535</b>	2,938,657
Interest receivable and similar income		<u>5,273</u>	3,443
Interest payable and similar charges	7	<u>(107,181)</u>	<u>(85,240)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>4,800,627</b>	2,856,860
Tax on profit on ordinary activities	9	<u>(1,074,133)</u>	<u>(673,458)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	<u><b>3,726,494</b></u>	<u>2,183,402</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 11 to 21 form part of these financial statements.

**UNAUDITED RECONCILIATION OF OPERATING PROFIT TO EARNINGS BEFORE EXCEPTIONAL  
ADMINISTRATIVE ITEMS, INTEREST, TAX, DEPRECIATION AND AMORTISATION  
YEAR ENDED 31 MAY 2015**

	2015 £	2014 £
Operating profit	<b>4,902,535</b>	2,938,657
Exceptional administrative expenses	<u>177,190</u>	-
Depreciation	<u>695,349</u>	438,460
<b>EBITDA</b>	<u><b>5,775,074</b></u>	<u>3,377,117</u>

In addition to measuring financial performance based on profit, the directors have also chosen to disclose EBITDA. This is because, in the directors' view, EBITDA reflects the underlying operating cash generation, by eliminating depreciation and amortisation. The directors consider EBITDA to be a useful measure of the operating performance.

Since this is a non-UK GAAP measure, it may not be directly comparable to the EBITDA of other companies, as they may define it differently.

**TOPPESFIELD LIMITED**  
**REGISTERED NUMBER: 05054176**

**BALANCE SHEET**  
**AS AT 31 MAY 2015**

	Note	£	2015 £	2014 £
<b>FIXED ASSETS</b>				
Tangible assets	10		5,954,777	3,044,969
<b>CURRENT ASSETS</b>				
Stocks	11	34,467		22,118
Debtors	12	16,456,299		8,283,369
Cash at bank and in hand		9,222,802		2,456,646
		<u>25,713,568</u>		<u>10,762,133</u>
<b>CREDITORS:</b> amounts falling due within one year	13	(24,840,275)	(10,614,279)	
<b>NET CURRENT ASSETS</b>			<u>873,293</u>	<u>147,854</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,828,070</u>	<u>3,192,823</u>
<b>CREDITORS:</b> amounts falling due after more than one year	14	(1,658,427)		(727,897)
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred tax	15	(293,519)		(175,599)
<b>NET ASSETS</b>			<u><u>4,876,124</u></u>	<u><u>2,289,327</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	16		110	110
Profit and loss account	17		<u>4,876,014</u>	<u>2,289,217</u>
<b>SHAREHOLDERS' FUNDS</b>	18		<u><u>4,876,124</u></u>	<u><u>2,289,327</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
*23 October 2015*

*M Salmon*

.....  
**M A Salmon**  
 Director

The notes on pages 11 to 21 form part of these financial statements.

**TOPPESFIELD LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MAY 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	20	10,835,429	3,089,069
Returns on investments and servicing of finance	21	(101,908)	(81,797)
Taxation	21	(748,927)	(487,231)
Capital expenditure and financial investment	21	(548,465)	(360,046)
Equity dividends paid		(1,139,697)	(904,030)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>8,296,432</b>	<b>1,255,965</b>
Financing	21	(1,530,276)	(614,073)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>6,766,156</b>	<b>641,892</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 MAY 2015**

	2015 £	2014 £
Increase in cash in the year	6,766,156	641,892
Cash outflow from decrease in debt and lease financing	1,530,276	614,073
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>8,296,432</b>	<b>1,255,965</b>
Other non-cash changes	(3,141,684)	(981,783)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>5,154,748</b>	<b>274,182</b>
Net funds at 1 June 2014	947,115	672,933
<b>NET FUNDS AT 31 MAY 2015</b>	<b>6,101,863</b>	<b>947,115</b>

The notes on pages 11 to 21 form part of these financial statements.

## **TOPPESFIELD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015**

#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

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

##### **1.2 Turnover**

Invoices for short term contracts are raised when work is completed and turnover is recognised at this stage.

Contracts are treated as long term where the company completes a material short term contract just after the year end, but a substantial amount of work on a contract has been completed before the year end. Turnover on such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in the previous periods.

Applications for payment on long term contracts are raised when phases of work are completed and recognised as turnover. Invoices are raised on receipt of the payment of the application and credited to turnover and the original posting of the application reversed.

Retentions on contracts are recognised when invoices are raised. Provisions are made for work that is in dispute and turnover is reduced to reflect this.

Turnover in respect of all work is stated net of value added tax and trade discounts.

##### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	10% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	33% straight line

No depreciation is provided in respect of property improvements as the amounts involved are considered to be immaterial. The property improvements are therefore included at cost. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but in the opinion of the directors this does not affect the true and fair view given.

##### **1.4 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

## **TOPPESFIELD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015**

#### **1. ACCOUNTING POLICIES (continued)**

##### **1.5 Operating leases**

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

##### **1.6 Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

##### **1.7 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### **1.8 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.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments received from clients. Payments received from clients in excess of the turnover recognised are included within payments on account in creditors. Amounts included within work in progress represent costs incurred on contracts in their initial stages as at the year end for which no application for payment has been made.

##### **1.9 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### **2. TURNOVER**

The whole of the turnover is attributable to road surfacing.

All turnover arose within the United Kingdom.

**TOPPESFIELD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015**

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	313,574	110,826
- held under finance leases	381,775	327,634
Operating lease rentals:		
- plant and machinery	204,263	37,946
- other operating leases	125,245	107,333
	<u>          </u>	<u>          </u>

**4. AUDITORS' REMUNERATION**

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	15,700	14,450
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services not included above	1,750	1,575
Corporate finance services not included above	-	26,800
All other non-audit services not included above	14,386	8,618
	<u>          </u>	<u>          </u>

**5. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	5,398,819	3,386,197
Social security costs	598,160	351,512
Other pension costs	93,621	62,604
	<u>          </u>	<u>          </u>
	6,090,600	3,800,313
	<u>          </u>	<u>          </u>

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

	2015 No.	2014 No.
Management	9	5
Supervisors	10	8
Office	21	12
Direct labour	74	46
	<u>          </u>	<u>          </u>
	114	71
	<u>          </u>	<u>          </u>



**TOPPESFIELD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015**

**6. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Remuneration	<u>411,065</u>	<u>203,051</u>
Company pension contributions to defined contribution pension schemes	<u>43,590</u>	<u>29,736</u>

During the year retirement benefits were accruing to 5 directors (2014 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £156,287 (2014 - £81,329).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,000 (2014 - £6,000).

**7. INTEREST PAYABLE**

	2015 £	2014 £
On bank loans and overdrafts	16,424	23,391
On finance leases and hire purchase contracts	89,673	61,849
Other interest payable	1,084	-
	<u>107,181</u>	<u>85,240</u>

**8. EXCEPTIONAL ADMINISTRATIVE EXPENSES**

	2015 £	2014 £
Strategic planning	<u>177,190</u>	<u>-</u>

**TOPPESFIELD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015**

**9. TAXATION**

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the year	963,979	618,259
Adjustments in respect of prior periods	(7,766)	1,059
<b>Total current tax</b>	<u>956,213</u>	<u>619,318</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	131,506	46,276
Effect of increased tax rate on opening liability	(20,439)	(19,399)
Adjustments in respect of prior periods	6,853	27,263
<b>Total deferred tax (see note 15)</b>	<u>117,920</u>	<u>54,140</u>
<b>Tax on profit on ordinary activities</b>	<u><u>1,074,133</u></u>	<u><u>673,458</u></u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.83% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>4,800,627</u>	<u>2,856,860</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.83% (2014 - 23%)	1,000,109	657,078
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	76,110	27,466
Capital allowances for year in excess of depreciation	(132,684)	(58,675)
Adjustments to tax charge in respect of prior periods	(7,766)	1,059
Short term timing difference leading to an increase (decrease) in taxation	20,444	1,507
Other differences leading to an increase (decrease) in the tax charge	-	(9,117)
<b>Current tax charge for the year (see note above)</b>	<u><u>956,213</u></u>	<u><u>619,318</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

TOPPESFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015

10. TANGIBLE FIXED ASSETS

	Property Improve- ments £	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>					
At 1 June 2014	43,853	3,051,245	955,725	83,693	4,134,516
Additions	79,814	2,773,840	887,096	46,816	3,787,566
Disposals	(43,853)	(185,700)	(145,824)	(5,103)	(380,480)
At 31 May 2015	<u>79,814</u>	<u>5,639,385</u>	<u>1,696,997</u>	<u>125,406</u>	<u>7,541,602</u>
<b>Depreciation</b>					
At 1 June 2014	-	711,175	331,760	46,612	1,089,547
Charge for the year	-	435,699	235,377	24,273	695,349
On disposals	-	(108,247)	(85,233)	(4,591)	(198,071)
At 31 May 2015	<u>-</u>	<u>1,038,627</u>	<u>481,904</u>	<u>66,294</u>	<u>1,586,825</u>
<b>Net book value</b>					
At 31 May 2015	<u>79,814</u>	<u>4,600,758</u>	<u>1,215,093</u>	<u>59,112</u>	<u>5,954,777</u>
At 31 May 2014	<u>43,853</u>	<u>2,340,070</u>	<u>623,965</u>	<u>37,081</u>	<u>3,044,969</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and machinery	3,577,800	2,038,215
Motor vehicles	712,060	427,267
	<u>4,289,860</u>	<u>2,465,482</u>

11. STOCKS

	2015 £	2014 £
Raw materials	<u>34,467</u>	<u>22,118</u>

12. DEBTORS

	2015 £	2014 £
Trade debtors	606,201	1,007,691
Other debtors	383,779	65,671
Amounts recoverable on contracts	15,466,319	7,210,007
	<u>16,456,299</u>	<u>8,283,369</u>

**TOPPESFIELD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015**

**13. CREDITORS:  
Amounts falling due within one year**

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	1,462,512	781,634
Trade creditors	20,776,148	8,353,520
Corporation tax	600,545	393,259
Other taxation and social security	733,625	549,489
Other creditors	1,267,445	536,377
	<u>24,840,275</u>	<u>10,614,279</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

Included in other creditors are outstanding pension contributions totalling £12,332 (2014: £15,388).

**14. CREDITORS:  
Amounts falling due after more than one year**

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	<u>1,658,427</u>	<u>727,897</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2015 £	2014 £
Between one and five years	<u>1,658,427</u>	<u>727,897</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

**15. DEFERRED TAXATION**

	2015 £	2014 £
At beginning of year	175,599	121,459
Charge for year (P&L)	117,920	54,140
At end of year	<u>293,519</u>	<u>175,599</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Fixed asset timing differences	315,053	177,511
Short term timing differences	(21,534)	(1,912)
	<u>293,519</u>	<u>175,599</u>

**TOPPESFIELD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015**

**16. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary A shares of £1 each	100	100
10 Ordinary B shares of £1 each	10	10
	<hr/>	<hr/>
	<b>110</b>	<b>110</b>
	<hr/>	<hr/>

The 'A' shares carry dividend entitlement to the first £500,000 of profits generated in any financial year, along with 90% of the "profit balance", being 20% of profits generated thereafter in any financial year. Where profits are below £500,000 in any financial year, any unpaid balance is accrued for payment when reserves permit.

The 'B' shares carry dividend entitlement to 10% of the "profit balance", being the 20% of profits generated in any financial year over and above the first £500,000 attributable to the 'A' shareholders.

On winding up, the 'A' shares carry rights to 90% of distributable profits, along with any accrued unpaid balance. The 'B' shares carry rights to 10% of distributable profits, after deduction of the accrued unpaid balance due to 'A' shareholders.

**17. RESERVES**

	Profit and loss account £
At 1 June 2014	2,289,217
Profit for the financial year	3,726,494
Dividends: Equity capital	(1,139,697)
	<hr/>
At 31 May 2015	<b>4,876,014</b>
	<hr/>

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2015 £	2014 £
Opening shareholders' funds	2,289,327	1,009,955
Profit for the financial year	3,726,494	2,183,402
Dividends (Note 19)	(1,139,697)	(904,030)
	<hr/>	<hr/>
Closing shareholders' funds	<b>4,876,124</b>	2,289,327
	<hr/>	<hr/>

**TOPPESFIELD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015**

**19. DIVIDENDS**

	2015 £	2014 £
Dividends paid on equity capital	<u>1,139,697</u>	<u>904,030</u>

All dividends were paid during the year.

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Operating profit	4,902,535	2,938,657
Depreciation of tangible fixed assets	695,349	438,460
Loss on disposal of tangible fixed assets	84,992	39,172
Increase in stocks	(12,349)	(3,542)
Increase in debtors	(8,172,930)	(5,052,819)
Increase in creditors	13,337,832	4,729,141
<b>Net cash inflow from operating activities</b>	<u><u>10,835,429</u></u>	<u><u>3,089,069</u></u>

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	5,273	3,443
Interest paid	(18,592)	(23,391)
Hire purchase interest	(88,589)	(61,849)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u><u>(101,908)</u></u>	<u><u>(81,797)</u></u>

	2015 £	2014 £
<b>Taxation</b>		
Corporation tax	(748,927)	(487,231)

	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(645,882)	(482,142)
Sale of tangible fixed assets	97,417	122,096
<b>Net cash outflow from capital expenditure</b>	<u><u>(548,465)</u></u>	<u><u>(360,046)</u></u>

**TOPPESFIELD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015**

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2015 £	2014 £
<b>Financing</b>		
Repayment of finance leases and hire purchase contracts	<u>(1,530,276)</u>	<u>(614,073)</u>

**22. ANALYSIS OF CHANGES IN NET FUNDS**

	1 June 2014 £	Cash flow £	Other non-cash changes £	31 May 2015 £
Cash at bank and in hand	2,456,646	6,766,156	-	9,222,802
<b>Debt:</b>				
Finance leases and hire purchase contracts	(1,509,531)	1,530,276	(3,141,684)	(3,120,939)
<b>Net Funds</b>	<u>947,115</u>	<u>8,296,432</u>	<u>(3,141,684)</u>	<u>6,101,863</u>

The non-cash changes relate wholly to new hire purchase agreements entered into during the year.

**23. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

**24. OPERATING LEASE COMMITMENTS**

At 31 May 2015, the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 2015 £	2014 £	2015 £	Other 2014 £
<b>Expiry date:</b>				
Within 1 year	-	-	8,443	-
Between 2 and 5 years	<u>53,250</u>	<u>15,000</u>	<u>337,492</u>	<u>241,016</u>

## TOPPESFIELD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

#### 25. RELATED PARTY TRANSACTIONS

Included within creditors due within one year is £nil (2014: £1,210) due to M J Pryor, a director and shareholder.

Included within creditors due within one year is £nil (2014: £1,472) due to G B Pryor, a director and shareholder.

Included within debtors due within one year is £3,177 (2014: £Nil) due to C J Germeney, a director and shareholder.

During the year, rent was paid to G B Pryor totalling £35,000 (2014: £60,000).

During the prior year, the company sold a motor vehicle at arm's length value of £24,167 to G B Pryor. The net book value of the vehicle at the date of sale was £26,739.

During the prior year, the company sold a motor vehicle at arm's length value of £2,450 to M J Pryor. The net book value of the vehicle at the date of sale was £2,110.

During the prior year, the company sold a motor vehicle at arm's length value of £1,270 to D J Last. The net book value of the vehicle at the date of sale was £3,283.

During the year, dividends were paid to directors as follows:

M J Pryor - £543,297 (2014: £344,412)  
G B Pryor - £265,700 (2014: £258,309)  
D J Last - £265,700 (2014: £258,309)  
C J Germeney - £65,000 (2014: £43,000)

#### 26. CONTROLLING PARTY

In the opinion of the directors there is no overall controlling party.