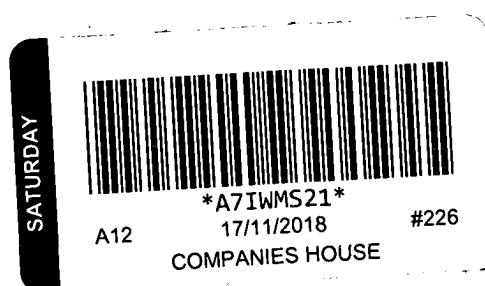


DOWHIGH LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**



DOWHIGH LIMITED

COMPANY INFORMATION

Directors

M. Murray
T. D. Murray
P. P. Allard
B. W. G. Morrey

Registered number

01210665

Registered office

Park Lane West
Netherton
Liverpool
Merseyside
L30 6UH

Independent auditors

Langtons Professional Services Limited
Chartered Accountants & Statutory Auditor
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

DOWHIGH LIMITED

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DOWHIGH LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2018

Business review

The company continues to focus on the highway repair requirements of local authority and connected clients. A number of larger contracts came to an end in 2016/17, and this, together with pressures on margins resulted in a decrease in turnover and profits in 2017/18. Nevertheless the company was able to acquire a further parcel of land for operational purposes and to continue to invest heavily in plant and vehicles.

The directors are pleased to report that trading activity in the first half of the current year has exceeded the levels of the previous year and the continuing opportunities for work in this sector are such that they remain confident about the company's prospects for the remainder of the current financial year and for the foreseeable future.

Principal risks and uncertainties

The company uses various financial instruments, including cash, trade debtors and trade creditors, that arise directly from its operations. The existence of these financial instruments exposes the company to a number of financial risks.

The main risks arising from the company's financial instruments are liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below:-

Liquidity Risk

The company seeks to manage financial risks by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by the use of overdraft facilities and hire purchase arrangements. The maturity of borrowings is set out in the notes to the financial statements.

Credit Risk

The company's principal credit risks are those associated with its trade debtors and amounts recoverable on contracts. In order to manage credit risk, contract work is generally restricted to local authorities and others with an established payments history. Short-term work is invoiced promptly, and the longer-term work is measured, applied for and invoiced on a monthly basis. Debt ageing is reviewed on a regular basis.

Financial key performance indicators

Given the straightforward nature of the business, the directors' believe that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 13 November 2018 and signed on its behalf.



T. D. Murray
Director

DOWHIGH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2018

The directors present their report and the financial statements for the year ended 31 May 2018.

Principal activity

The principal activity of the company is in civil engineering and in particular the construction and repair of road and similar surfaces.

Results and dividends

The profit for the year, after taxation, amounted to £37,579 (2017 - £327,474).

Dividends amounting to £102,278 (2017 - £163,142) were declared and paid in the year. No further dividends are proposed for the year.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- 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 to 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.

DOWHIGH LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2018**

Directors

The directors who served during the year were:

M. Murray
T. D. Murray
P. P. Allard
B. W. G. Morrey

Matters covered in the strategic report

The business review and future developments, principal risks and uncertainties and key performance indicators are covered in the strategic report.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Langtons Professional Services Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 November 2018 and signed on its behalf.



T. D. Murray
Director

DOWHIGH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DOWHIGH LIMITED

Opinion

We have audited the financial statements of Dowhigh Limited (the 'Company') for the year ended 31 May 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

DOWHIGH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DOWHIGH LIMITED (CONTINUED)

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

DOWHIGH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DOWHIGH LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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 Auditors' 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.

Stephen Talbot (Senior statutory auditor)

for and on behalf of

Langtons Professional Services Limited

Chartered Accountants

Statutory Auditor

The Plaza

100 Old Hall Street

Liverpool

L3 9QJ

13 November 2018

DOWHIGH LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2018**

	Note	2018 £	2017 £
Turnover	4	10,111,163	11,225,044
Cost of sales		(9,238,439)	(10,054,848)
Gross profit		872,724	1,170,196
Administrative expenses		(825,042)	(763,235)
Other operating income	5	9,600	3,200
Operating profit	6	57,282	410,161
Interest receivable and similar income	10	12,972	20,048
Interest payable and similar charges	11	(15,316)	(18,216)
Profit before tax		54,938	411,993
Tax on profit	12	(17,359)	(84,519)
Profit for the financial year		37,579	327,474

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£nil).

The notes on pages 13 to 27 form part of these financial statements.

DOWHIGH LIMITED
REGISTERED NUMBER: 01210665

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	2,050,019	1,948,806
		<u>2,050,019</u>	<u>1,948,806</u>
Current assets			
Stocks	15	29,665	35,013
Debtors: amounts falling due within one year	16	2,534,143	1,645,463
Cash at bank and in hand	17	2,707,984	3,138,966
		<u>5,271,792</u>	<u>4,819,442</u>
Creditors: amounts falling due within one year	18	(3,036,141)	(2,404,981)
Net current assets		<u>2,235,651</u>	<u>2,414,461</u>
Total assets less current liabilities		<u>4,285,670</u>	<u>4,363,267</u>
Creditors: amounts falling due after more than one year	19	(191,510)	(202,658)
Provisions for liabilities			
Deferred tax	22	(148,950)	(150,700)
		<u>(148,950)</u>	<u>(150,700)</u>
Net assets		<u><u>3,945,210</u></u>	<u><u>4,009,909</u></u>
Capital and reserves			
Called up share capital	23	6,955	6,955
Capital redemption reserve	24	3,045	3,045
Profit and loss account	24	3,935,210	3,999,909
		<u>3,945,210</u>	<u>4,009,909</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 November 2018.

T. D. Murray 
Director

The notes on pages 13 to 27 form part of these financial statements.

DOWHIGH LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2018**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2017	6,955	3,045	3,999,909	4,009,909
Comprehensive income for the year				
Profit for the year	-	-	37,579	37,579
Total comprehensive income for the year	-	-	37,579	37,579
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(102,278)	(102,278)
Total transactions with owners	-	-	(102,278)	(102,278)
At 31 May 2018	6,955	3,045	3,935,210	3,945,210

The notes on pages 13 to 27 form part of these financial statements.

DOWHIGH LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2017**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2016	6,955	3,045	3,835,577	3,845,577
Comprehensive income for the year				
Profit for the year	-	-	327,474	327,474
Total comprehensive income for the year	-	-	327,474	327,474
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(163,142)	(163,142)
Total transactions with owners	-	-	(163,142)	(163,142)
At 31 May 2017	6,955	3,045	3,999,909	4,009,909

The notes on pages 13 to 27 form part of these financial statements.

DOWHIGH LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	37,579	327,474
Adjustments for:		
Depreciation of tangible assets	342,858	384,972
Loss / (profit) on disposal of tangible assets	1,022	(17,709)
Interest paid	15,316	18,216
Interest received	(12,972)	(20,048)
Taxation charge	17,359	84,519
Decrease in stocks	5,348	41,126
(Increase)/decrease in debtors	(888,680)	950,248
Increase in creditors	702,479	84,967
Corporation tax (paid)	(90,319)	(90,361)
Net cash generated from operating activities	<u>129,990</u>	<u>1,763,404</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(341,818)	(504,073)
Sale of tangible fixed assets	146,648	58,531
Interest received	12,972	20,048
HP interest paid	(15,316)	(18,216)
Net cash from investing activities	<u>(197,514)</u>	<u>(443,710)</u>

DOWHIGH LIMITED

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2018**

	2018 £	2017 £
Cash flows from financing activities		
Repayment of/new finance leases	(259,061)	(281,300)
Dividends paid	(104,397)	(163,142)
Net cash used in financing activities	<u>(363,458)</u>	<u>(444,442)</u>
Net (decrease)/increase in cash and cash equivalents	(430,982)	875,252
Cash and cash equivalents at beginning of year	3,138,966	2,263,714
Cash and cash equivalents at the end of year	<u><u>2,707,984</u></u>	<u><u>3,138,966</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,707,984	3,138,966
	<u><u>2,707,984</u></u>	<u><u>3,138,966</u></u>

The notes on pages 13 to 27 form part of these financial statements.

DOWHIGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

1. General information

Dowhigh Limited is a private limited company incorporated in England and Wales. Its registered office is Park Lane West, Netherton, Liverpool, Merseyside, L30 6UH. The company number is 01210665.

The principal activity of the company is in civil engineering and in particular the construction and repair of road and similar surfaces.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

The presentation currency of these financial statements is £ sterling; the financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company has cash resources and the only external funding is hire purchase contracts. The directors consider that the company has adequate resources to continue in operational existence for the foreseeable future and therefore believe the going concern basis of accounting appropriate in preparing the annual financial statements.

DOWHIGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Contract Accounting

The company's contracts are generally of a short-term nature, and accordingly the profit or loss on individual contracts is not accounted for until the work is complete. Profit or loss on longer-term and annual contracts is taken as the work progresses.

Work in progress is stated at the lower of direct cost and net realisable value; work completed but not invoiced is included at selling value as Amounts Recoverable on Contracts (see Debtors).

DOWHIGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line and reducing balance method.

Depreciation is provided on the following basis:

Freehold buildings	- 5% straight line
Plant & machinery	- 20% reducing balance
Motor vehicles	- 20% reducing balance
Fixtures & fittings	- 15% reducing balance
Computer equipment	- 33% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.6 Stocks

Stocks of materials are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

DOWHIGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.13 Hire purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their useful lives. Interest is charged as incurred.

2.14 Pensions

The Company contributes to money purchase pension schemes of its directors and operates a defined contribution plan for its employees

DOWHIGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors have made judgements regarding the depreciation of fixed assets, the amounts recoverable on contracts, and the value of any doubtful debts.

4. Turnover

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

DOWHIGH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

5. Other operating income

	2018	2017
	£	£
Rents receivable	9,600	3,200
	<u>9,600</u>	<u>3,200</u>

6. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Operating lease rentals	4,372	4,239
	<u>4,372</u>	<u>4,239</u>

7. Auditors' remuneration

	2018	2017
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,000	8,500
	<u>9,000</u>	<u>8,500</u>

DOWHIGH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

8. Employees

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

	2018 £	2017 £
Wages and salaries	1,696,011	1,740,108
Social security costs	172,334	174,595
Director and employee pension contributions	165,201	87,876
	<u>2,033,546</u>	<u>2,002,579</u>

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

	2018 No.	2017 No.
Directors	4	4
Administration	9	9
Direct labour	45	47
	<u>58</u>	<u>60</u>

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	144,062	127,945
Company contributions to defined contribution pension schemes	151,250	75,342
	<u>295,312</u>	<u>203,287</u>

During the year retirement benefits were accruing to 4 directors (2017 - 4) in respect of defined contribution pension schemes.

In addition to the directors' emoluments noted above, directors also received benefits in kind amounting to £23,335 (2017 - £17,629).

The highest paid director received emoluments of £8,204 (2017 - £67,551) and the value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £80,000 (2017 - £Nil).

DOWHIGH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

10. Interest receivable

	2018 £	2017 £
Bank interest receivable	12,972	20,048
	<u>12,972</u>	<u>20,048</u>

11. Interest payable and similar expenses

	2018 £	2017 £
Hire purchase contracts	15,316	18,216
	<u>15,316</u>	<u>18,216</u>

12. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	19,109	90,319
Adjustments in respect of previous periods	-	3,000
Total current tax	<u>19,109</u>	<u>93,319</u>
Deferred tax		
Origination and reversal of timing differences	(1,750)	(8,800)
Total deferred tax	<u>(1,750)</u>	<u>(8,800)</u>
Taxation on profit on ordinary activities	<u>17,359</u>	<u>84,519</u>

DOWHIGH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.83%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>54,938</u>	<u>411,993</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.83%)	10,438	81,698
Effects of:		
Expenses not deductible for tax purposes	6,651	8,588
Capital allowances for year in excess of depreciation	-	94
Adjustments to tax charge in respect of prior periods	-	3,000
Difference between standard rate of tax and tax used to calculate deferred tax	270	(8,861)
Total tax charge for the year	<u><u>17,359</u></u>	<u><u>84,519</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	2018 £	2017 £
Ordinary shares of £1 each	102,278	163,142
	<u><u>102,278</u></u>	<u><u>163,142</u></u>

DOWHIGH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

14. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost or valuation					
At 1 June 2017	344,608	2,513,689	1,192,448	85,281	4,136,026
Additions	206,609	188,240	196,892	-	591,741
Disposals	-	(206,350)	(160,563)	-	(366,913)
At 31 May 2018	551,217	2,495,579	1,228,777	85,281	4,360,854
Depreciation					
At 1 June 2017	102,811	1,534,741	473,487	76,181	2,187,220
Charge for the year on owned assets	-	127,801	99,741	2,249	229,791
Charge for the year on financed assets	-	72,716	40,351	-	113,067
Disposals	-	(140,346)	(78,897)	-	(219,243)
At 31 May 2018	102,811	1,594,912	534,682	78,430	2,310,835
Net book value					
At 31 May 2018	448,406	900,667	694,095	6,851	2,050,019
At 31 May 2017	241,797	978,948	718,961	9,100	1,948,806

DOWHIGH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

14. Tangible fixed assets (continued)

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

	2018 £	2017 £
Plant and machinery	387,400	460,723
Motor vehicles	255,817	319,783
	<u>643,217</u>	<u>780,506</u>

15. Stocks

	2018 £	2017 £
Raw materials and consumables	29,665	35,013
	<u>29,665</u>	<u>35,013</u>

16. Debtors

	2018 £	2017 £
Trade debtors	1,182,402	253,739
Prepayments and accrued income	96,741	96,724
Amounts recoverable on contracts	1,255,000	1,295,000
	<u>2,534,143</u>	<u>1,645,463</u>

17. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	2,707,984	3,138,966
	<u>2,707,984</u>	<u>3,138,966</u>

DOWHIGH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

18. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,565,860	971,243
Corporation tax	19,109	90,319
Other taxation and social security	384,520	194,809
Obligations under hire purchase contracts	197,336	195,326
Other creditors and directors loans	718,937	786,888
Accruals and deferred income	150,379	166,396
	<u>3,036,141</u>	<u>2,404,981</u>

19. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Obligations under hire purchase contracts	191,510	202,658
	<u>191,510</u>	<u>202,658</u>

Secured loans

Obligations under hire purchase contracts are secured on the assets concerned.

20. Hire purchase

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	209,590	217,884
Between 1-5 years	206,156	210,290
	<u>415,746</u>	<u>428,174</u>

DOWHIGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

21. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,707,984	3,138,966
Financial assets that are debt instruments measured at amortised cost	1,182,404	253,739
	<u>3,890,388</u>	<u>3,392,705</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,795,617)</u>	<u>(1,196,432)</u>

Financial assets measured at fair value through profit or loss comprise bank and cash balances.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors excluding related parties transactions.

22. Deferred taxation

	2018 £	2017 £
At beginning of year	(150,700)	(159,500)
Charged to profit or loss	1,750	8,800
At end of year	<u>(148,950)</u>	<u>(150,700)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(149,800)	(150,700)
Short term timing differences	850	-
	<u>(148,950)</u>	<u>(150,700)</u>

DOWHIGH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

23. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
6,955 (2017 - 6,955) Ordinary shares of £1.00 each	6,955	6,955

24. Reserves

Capital redemption reserve

Represents the nominal value of shares repurchased by the company.

Profit & loss account

Includes all current and prior period retained profits and losses.

25. Pension commitments

The Company operates defined contributions pension schemes. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund.

26. Commitments under operating leases

At 31 May 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	2,208	2,279
	2,208	2,279

DOWHIGH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

27. Related party transactions

	2018	2017
	£	£
Dividends paid to M. Murray and T.D. Murray	91,020	163,142
Amount due (to) / from M. Murray	(329,292)	(371,059)
Amount due (to) / from T. D. Murray	(310,267)	(357,035)
Rent charged by T. D. Murray	7,600	15,600

M. Murray and T. D. Murray are directors of the company.

28. Controlling parties

The company is jointly controlled by M. Murray and T. D. Murray.