

Registered number: 00529602

**ASH & LACY AUTOMOTIVE LIMITED
(FORMERLY ASH & LACY PERFORATORS LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

COMPANY INFORMATION

DIRECTORS

D B Nock
Dr J L Evans
Dr Y Tian
A D Waterhouse
D G Wright

REGISTERED NUMBER

00529602

REGISTERED OFFICE

Ash & Lacy House
Bromford Lane
West Bromwich
West Midlands
B70 7JJ

INDEPENDENT AUDITOR

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG



ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 6
Statement of Income and Retained Earnings	7
Balance Sheet	8
Notes to the Financial Statements	9 - 20

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

PRINCIPAL ACTIVITY

The principal activity of the Company is the manufacture and supply of perforated and expanded materials to the UK and overseas Automotive markets.

BUSINESS REVIEW

The Company was renamed from Ash & Lacy Perforators Ltd on 1st September 2017 as part of a wider Group reorganisation, involving a restructure of assets, associated debt and trade around the Group. At about the same time last year, it was confirmed IATF 16949:2016 compliant which, coupled with its pre-existing ISO 9001:2015 quality management systems, qualified it to supply components to first and second tier automotive companies. The achievement of this quality standard is a major development and will enable it to significantly increase its revenue and margins, both in the UK and overseas; for example as a direct result of achieving the standard, it has been awarded the contract to supply Bentley with the rear parcel shelf fitted to their Continental GT.

PRINCIPAL RISKS AND UNCERTAINTIES

Whilst the full impact of Brexit has yet to be fully defined and therefore understood, the improvement in quality and process as a result of investment over the last eighteen months stand us in good stead to increase revenue and improve gross margins and therefore capitalise on a relatively buoyant global automotive market.

FINANCIAL KEY PERFORMANCE INDICATORS

Continually improving revenue and gross margin, whilst ensuring overheads are closely managed ensures cash flow is maximised which can then be reinvested for the benefit of all stakeholders.

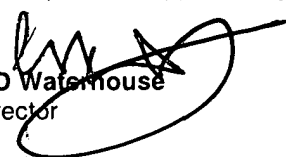
OTHER KEY PERFORMANCE INDICATORS

Continuing our investment in R&D and continually improving our processes will ensure we maximise our share of the growth in global automotive sales. In addition, a well-trained and motivated workforce is of paramount importance in achieving continuous improvement throughout the Company and we are therefore investing in our apprentices and in a number of training initiatives throughout all departments.

This report was approved by the board on

14/6/2018

and signed on its behalf.


A D Waterhouse
Director

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

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;
- 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £299,332 (2016 - £314,580).

DIRECTORS

The directors who served during the year were:

D B Nock
Dr J L Evans
Dr Y Tian
A D Waterhouse
D G Wright

FUTURE DEVELOPMENTS

Sales of new products and new manufacturing capabilities are being developed for future markets.

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

DISCLOSURE 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 the director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

POST BALANCE SHEET EVENTS

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

AUDITOR

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

This report was approved by the board on

14/6/2018

and signed on its behalf.


A D Waterhouse
Director

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASH & LACY AUTOMOTIVE LIMITED
(FORMERLY ASH & LACY PERFORATORS LIMITED)**

OPINION

We have audited the financial statements of Ash & Lacy Automotive Limited (Formerly Ash & Lacy Perforators Limited) (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Income and Retained Earnings, the Balance Sheet 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 December 2017 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 Auditor's 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.

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASH & LACY AUTOMOTIVE LIMITED
(FORMERLY ASH & LACY PERFORATORS LIMITED) (CONTINUED)**

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 Auditor's 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 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.

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASH & LACY AUTOMOTIVE LIMITED
(FORMERLY ASH & LACY PERFORATORS LIMITED) (CONTINUED)**

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.

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 Auditor's 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 Auditor's 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 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.



Ross Prince (Senior Statutory Auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date:

15 June 2018

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	5,480,688	5,848,147
Cost of sales		(4,507,377)	(4,807,408)
GROSS PROFIT		973,311	1,040,739
Distribution costs		(326,267)	(446,048)
Administrative expenses		(257,534)	(217,541)
OPERATING PROFIT	5	389,510	377,150
Interest payable and expenses	9	(22,625)	(29,539)
PROFIT BEFORE TAX		366,885	347,611
Tax on profit	10	(67,553)	(33,031)
PROFIT AFTER TAX		299,332	314,580
Retained earnings at the beginning of the year		856,934	589,855
Profit for the year		299,332	314,580
Dividends declared and paid		-	(47,501)
RETAINED EARNINGS AT THE END OF THE YEAR		1,156,266	856,934

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 20 form part of these financial statements.

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)
REGISTERED NUMBER: 00529602

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	12		-		383,998
Investments	13		2		2
			<u>2</u>		<u>384,000</u>
CURRENT ASSETS					
Stocks	14	121,939		261,398	
Debtors: amounts falling due within one year	15	5,318,836		5,896,000	
Cash at bank and in hand		24,363		47,308	
		<u>5,465,138</u>		<u>6,204,706</u>	
Creditors: amounts falling due within one year	16	(1,399,874)		(2,355,791)	
NET CURRENT ASSETS			<u>4,065,264</u>		<u>3,848,915</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,065,266</u>		<u>4,232,915</u>
Creditors: amounts falling due after more than one year	17		-		(466,264)
PROVISIONS FOR LIABILITIES					
Deferred tax	19		-		(717)
NET ASSETS			<u><u>4,065,266</u></u>		<u><u>3,765,934</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		1,738,000		1,738,000
Share premium account	21		1,171,000		1,171,000
Profit and loss account	21		1,156,266		856,934
			<u><u>4,065,266</u></u>		<u><u>3,765,934</u></u>

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


Dr J L Evans
 Director


A B Waterhouse
 Director

14 JUNE 2018.

The notes on pages 9 to 20 form part of these financial statements.

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. GENERAL INFORMATION

Ash & Lacy Automotive Limited is a private limited company, limited by shares (registration number 00529602), which is incorporated in England and Wales. The address of the registered office is Ash & Lacy House, Bromford Lane, West Bromwich, B70 7JJ.

The principal activity of the Company is the manufacture and supply of perforated and expanded materials to the UK and overseas Automotive markets.

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 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 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ash & Lacy Holdings Limited as at 31 December 2017 and these financial statements may be obtained from Companies House.

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The directors have assessed the Company's ability to continue as a going concern. As a result of this assessment, no material uncertainties have been identified that cast doubt about the ability of the company to continue as a going concern.

The directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing these financial statements.

The directors have further considered the risks and uncertainties facing the Company through the Directors' Report.

2.4 REVENUE

Revenue is recognised when the significant risks and rewards of ownership have transferred to the customer. For the supply of goods this is at the point of dispatch.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model 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.

On 1 September 2017, as part of a group reconstruction, all tangible fixed assets were transferred to Ash & Lacy Holdings Limited at fair value.

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

The estimated useful lives range as follows:

Plant and machinery	- 4 to 20 years
---------------------	-----------------

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 Income and Retained Earnings.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties.

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

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

Bad debt provision

A bad debt provision is recognised when the likelihood of recovering the debt has diminished and appears improbable. The level of provision will be based on any current repayment plan entered into and which is being adhered to by the debtor, together with an estimate of the likelihood of the amounts due being fully recovered.

Discontinued operations

Operations and cashflows for discontinued operations could not be clearly distinguished for financial reporting purposes

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. TURNOVER

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	4,883,572	5,444,085
Rest of Europe	172,964	166,112
Rest of the world	424,152	237,950
	<u>5,480,688</u>	<u>5,848,147</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of owned tangible fixed assets	87,247	122,867
Other operating lease rentals	272,364	267,815
Defined contribution pension cost	41,176	63,829
	<u></u>	<u></u>

6. AUDITOR'S REMUNERATION

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>2,750</u>	<u>4,500</u>
FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:		
All other services	<u>2,500</u>	<u>-</u>

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. EMPLOYEES

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

	2017 £	2016 £
Wages and salaries	1,101,947	1,497,496
Social security costs	105,496	143,284
Cost of defined contribution scheme	41,176	63,829
	<u>1,248,619</u>	<u>1,704,609</u>

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

	2017 No.	2016 No.
Production	38	49
Administration	3	3
Sales	4	6
Distribution	3	4
	<u>48</u>	<u>62</u>

8. DIRECTORS' REMUNERATION

	2017 £	2016 £
Directors' emoluments	89,804	161,742
Company contributions to defined contribution pension schemes	807	7,959
	<u>90,611</u>	<u>169,701</u>

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Bank interest payable	10,586	11,778
Other loan interest payable	12,039	15,846
Finance leases and hire purchase contracts	-	1,915
	<u>22,625</u>	<u>29,539</u>

10. TAXATION

	2017 £	2016 £
CORPORATION TAX		
Current tax on profits for the year	96,175	51,536
Adjustments in respect of previous periods	(3,642)	(9,356)
TOTAL CORPORATION TAX	<u>92,533</u>	<u>42,180</u>
DEFERRED TAX		
Origination and reversal of timing differences	(23,900)	(8,163)
Changes to tax rates	-	(986)
Adjustment in respect of prior periods	(1,080)	-
TOTAL DEFERRED TAX	<u>(24,980)</u>	<u>(9,149)</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>67,553</u>	<u>33,031</u>

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>366,885</u>	<u>347,611</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	70,613	69,522
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	39	279
Capital allowances for year in excess of depreciation	(44)	(9,356)
Adjustments to tax charge in respect of prior periods	(4,710)	(80)
Deferred tax not previously recognised	-	(27,334)
Effect of tax rate change	1,655	-
TOTAL TAX CHARGE FOR THE YEAR	<u>67,553</u>	<u>33,031</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company has capital losses carried forward of £1,871,000 (2016 : £1,871,000).

11. DIVIDENDS

	2017 £	2016 £
Dividends paid	<u>-</u>	<u>47,501</u>

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

12. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST OR VALUATION	
At 1 January 2017	8,618,526
Additions	33,549
Transfers intra group	(33,549)
Disposals	(8,618,526)
At 31 December 2017	-
DEPRECIATION	
At 1 January 2017	8,234,528
Charge for the year on owned assets	87,247
Transfers intra group	(759)
Disposals	(8,321,016)
At 31 December 2017	-
NET BOOK VALUE	
At 31 December 2017	-
At 31 December 2016	383,998

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2017	2
At 31 December 2017	<u>2</u>
NET BOOK VALUE	
At 31 December 2017	<u>2</u>
At 31 December 2016	<u>2</u>

SUBSIDIARY UNDERTAKINGS

The following are subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Ash & Lacy Pressings Limited	Ordinary	100 %	Forging, pressing, stamping and roll-forming of metal
A & L Pressings Limited	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Ash & Lacy Pressings Limited	562,052	110,685
A & L Pressings Limited	<u>1</u>	<u>-</u>

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. STOCKS

	2017 £	2016 £
Raw materials	26,739	74,557
Work in progress	32,125	45,942
Finished goods	63,075	140,899
	<u>121,939</u>	<u>261,398</u>

Stock recognised in cost of sales during the year as an expense was £2,697,445 (2016 - £2,285,655).

15. DEBTORS

	2017 £	2016 £
Trade debtors	516,869	1,219,227
Amounts owed by group undertakings	4,777,704	4,642,792
Prepayments and accrued income	-	33,981
Deferred taxation	24,263	-
	<u>5,318,836</u>	<u>5,896,000</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans	-	123,563
Trade creditors	211,026	866,750
Amounts owed to group undertakings	554,656	125,785
Corporation tax	96,175	51,540
Other taxation and social security	40,990	175,577
Proceeds of factored debts	468,693	939,322
Other creditors	-	400
Accruals and deferred income	28,334	72,854
	<u>1,399,874</u>	<u>2,355,791</u>

There is a cross guarantee, in respect of amounts due to HSBC Bank Plc, between Ash & Lacy Holdings Limited, Ash & Lacy Finishes Limited, Ash & Lacy Automotive Limited, Ash & Lacy Perforating Limited, Ash & Lacy Building Systems Limited, Ash & Lacy Solutions Limited, Accordial Limited and Ash & Lacy Pressings Limited. The potential liability of the Company at 31 December 2017 was £183,000.

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Loans and overdrafts	-	466,264
	<u> </u>	<u> </u>

Secured loans

The bank loan was secured against plant and machinery owned by the company, this loan was transferred to Ash & Lacy Holdings Limited as part of the group restructure on 1 September 2017.

18. LOANS

Analysis of the maturity of loans is given below:

	2017 £	2016 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts falling due within one year	-	123,563
Amounts falling due 2 - 5 years	-	466,264
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	-	589,827
	<u> </u>	<u> </u>

19. DEFERRED TAXATION

	2017 £	2016 £
At beginning of year	717	9,866
Charged to profit or loss	(24,980)	-
Utilised in year	-	(9,149)
	<u> </u>	<u> </u>
AT END OF YEAR	<u> </u>	<u> </u>
	(24,263)	717

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(23,616)	1,491
Short term timing differences	(647)	(774)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	(24,263)	717
	<u> </u>	<u> </u>

ASH & LACY AUTOMOTIVE LIMITED (FORMERLY ASH & LACY PERFORATORS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

20. SHARE CAPITAL

	2017	2016
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
1,738,000 Ordinary shares shares of £1 each	1,738,000	1,738,000

21. RESERVES

Share premium account

Includes all current and prior period monies received from shareholders above the par value of the shares which have been issued by the company.

22. 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. The pension cost charge represents contributions payable by the company to the fund and amounted to £41,176 (2016: £63,829). Contributions totalling £701 (2016: £6,039) were payable to the fund at the balance sheet date and are included in creditors.

23. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Within one year	214,689	267,480
Between two to five years	608,646	784,089
	823,335	1,051,569

24. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Ash & Lacy Holdings Limited, the Company has taken advantage of the exemption available under FRS 102 not to disclose transactions that have been made between companies within the consolidated group.

25. CONTROLLING PARTY

The ultimate parent company is Ash & Lacy Holdings Limited, a company registered in England & Wales. The registered office of Ash & Lacy Holdings Limited is Ash & Lacy House, Bromford Lane, West Bromwich, West Midlands, B70 7JJ. The consolidated accounts can be obtained from Companies House.