

Company Registration No. 01154966 (England and Wales)

ASHE CONTROLS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

THURSDAY



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ASHE CONTROLS LIMITED

COMPANY INFORMATION

Directors	J O M Godbold Mrs B M Godbold
Secretary	Mrs B M Godbold
Company number	01154966
Registered office	St Johns Works Bluestem Road Ransomes Europark Ipswich IP3 9RR
Auditors	Ensors Cardinal House 46 St Nicholas Street Ipswich IP1 1TT
Bankers	Lloyds TSB plc 13 Cornhill Ipswich IP1 1DG
Solicitors	Birketts 24-26 Museum Street Ipswich IP1 1HZ

ASHE CONTROLS LIMITED

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ASHE CONTROLS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

The directors present their report and financial statements for the year ended 30 September 2012

Principal activities and review of the business

The principal activity of the company during the year was that of design, development, manufacture and distribution of electronic control equipment and automated slitting and rewinding machines

During the year the company continued to develop the product range to ensure that it will be able to continue to remain competitive in the global market

Turnover increased from approximately £6 million to £7 million and operating profit increased from £0.18 million to £0.55 million

Given the straightforward nature of the business, the company's directors are of the opinion that a more detailed analysis, using key performance indicators, is not necessary to understand the development, performance or position of the business

The management of the business and the execution of the company's strategy are subject to a number of risks. These include global trading conditions, technological advancement, credit risk and currency risk. The directors take the necessary steps to ensure that these risks are mitigated.

At the year end the results are considered to be reasonable given current global trading conditions

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

Research and development

The company engages in research and development activities to support its principal activity

Directors

The following directors have held office since 1 October 2011

J O M Godbold

Mrs B M Godbold

Auditors

Ensors were appointed auditors to the company and in accordance with section 487(2) of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

ASHE CONTROLS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



J O M Godbold

Director

25 / 6 / 2013

ASHE CONTROLS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ASHE CONTROLS LIMITED

We have audited the financial statements of Ashe Controls Limited for the year ended 30 September 2012 set out on pages 5 to 17. 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 21 to the financial statements.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2012 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ASHE CONTROLS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ASHE CONTROLS 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

Malcolm McGready (Senior Statutory Auditor)
for and on behalf of Ensors

Chartered Accountants
Statutory Auditor

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Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

ASHE CONTROLS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	7,045,961	5,967,002
Cost of sales		(3,878,790)	(3,343,602)
Gross profit		3,167,171	2,623,400
Distribution costs		(635,351)	(792,756)
Administrative expenses		(1,977,112)	(1,653,430)
Operating profit	3	554,708	177,214
Other interest receivable and similar income	4	-	447
Interest payable and similar charges	5	(6,105)	(6,097)
Profit on ordinary activities before taxation		548,603	171,564
Tax on profit on ordinary activities	6	(84,590)	8,048
Profit for the year	16	464,013	179,612

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

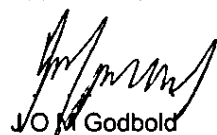
ASHE CONTROLS LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	8		630,342		658,633
Current assets					
Stocks	9	701,832		882,813	
Debtors	10	2,048,641		2,139,242	
Cash at bank and in hand		199,282		1,011,398	
		<u>2,949,755</u>		<u>4,033,453</u>	
Creditors amounts falling due within one year	11	<u>(1,675,244)</u>		<u>(3,184,107)</u>	
Net current assets			1,274,511		849,346
Total assets less current liabilities			1,904,853		1,507,979
Creditors amounts falling due after more than one year	12		(13,220)		(47,092)
Provisions for liabilities	13		-		(5,267)
			<u>1,891,633</u>		<u>1,455,620</u>
Capital and reserves					
Called up share capital	15		4,000		4,000
Other reserves	16		4,000		4,000
Profit and loss account	16		1,883,633		1,447,620
Shareholders' funds	17		<u>1,891,633</u>		<u>1,455,620</u>

Approved by the Board and authorised for issue on 25/6/2013



J O M Godbold
Director

Company Registration No 01154966

ASHE CONTROLS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	£	2012 £	£	2011 £
Net cash (outflow)/inflow from operating activities	24		(689,776)		488,733
Taxation			(10,875)		(185,736)
Capital expenditure					
Payments to acquire tangible assets		(16,729)		(59,319)	
Receipts from sales of tangible assets		3,000		1,646	
Net cash outflow for capital expenditure			(13,729)		(57,673)
Equity dividends paid			(28,000)		-
Net cash (outflow)/inflow before management of liquid resources and financing			(742,380)		245,324
Financing					
Capital element of hire purchase contracts		(69,736)		(41,048)	
Net cash outflow from financing			(69,736)		(41,048)
(Decrease)/increase in cash in the year	25, 26		(812,116)		204,276

ASHE CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	2% on cost (buildings only)
Plant and machinery	20% to 33% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	25% reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

ASHE CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 Accounting policies (continued)

1 10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Turnover

Geographical market

	Turnover	
	2012	2011
	£	£
United Kingdom	461,776	905,500
Europe (excluding United Kingdom)	957,422	897,175
North America	1,134,704	2,307,048
Rest of World	4,492,059	1,857,279
	<u>7,045,961</u>	<u>5,967,002</u>

3 Operating profit

	2012	2011
	£	£

Operating profit is stated after charging

Depreciation of tangible assets	81,424	86,803
Loss on disposal of tangible assets	3,595	-
Loss on foreign exchange transactions	132,355	-
Operating lease rentals	124,522	115,534
Auditors' remuneration (including expenses and benefits in kind)	4,000	4,000

and after crediting

Profit on disposal of tangible assets	-	(733)
Profit on foreign exchange transactions	-	(35,856)

4 Investment income

	2012	2011
	£	£

Bank interest	-	433
Other interest	-	14
	<u>-</u>	<u>447</u>

ASHE CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

5	Interest payable	2012	2011
		£	£
	On bank loans and overdrafts	1,040	-
	Hire purchase interest	5,065	6,097
		<u>6,105</u>	<u>6,097</u>
 6	 Taxation	 2012	 2011
		£	£
	Domestic current year tax		
	U K corporation tax	92,302	10,875
	Total current tax	<u>92,302</u>	<u>10,875</u>
	Deferred tax		
	Origination and reversal of timing differences	(7,712)	(18,923)
		<u>84,590</u>	<u>(8,048)</u>
	 Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>548,603</u>	<u>171,564</u>
	 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.00% (2011 - 20.50%)	<u>137,151</u>	<u>35,171</u>
	Effects of		
	Non deductible expenses	1,633	1,453
	Depreciation add back	21,255	17,644
	Capital allowances	(10,953)	(10,739)
	Research and development tax credit	(55,227)	(39,020)
	Remuneration adjustment	-	6,366
	Other tax adjustments - marginal relief	(1,557)	-
		<u>(44,849)</u>	<u>(24,296)</u>
	Current tax charge for the year	<u>92,302</u>	<u>10,875</u>
 7	 Dividends	 2012	 2011
		£	£
	Ordinary interim paid	<u>28,000</u>	<u>-</u>

ASHE CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

8 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2011	394,320	625,279	41,833	291,442	1,352,874
Additions	-	-	-	59,728	59,728
Disposals	-	-	-	(24,095)	(24,095)
At 30 September 2012	394,320	625,279	41,833	327,075	1,388,507
Depreciation					
At 1 October 2011	23,810	470,827	27,278	172,326	694,241
On disposals	-	-	-	(17,500)	(17,500)
Charge for the year	4,762	30,934	2,911	42,817	81,424
At 30 September 2012	28,572	501,761	30,189	197,643	758,165
Net book value					
At 30 September 2012	365,748	123,518	11,644	129,432	630,342
At 30 September 2011	370,510	154,452	14,555	119,116	658,633

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 30 September 2012	48,640	66,128	114,768
At 30 September 2011	60,800	71,868	132,668
Depreciation charge for the year			
At 30 September 2012	12,160	22,045	34,205
At 30 September 2011	15,200	23,957	39,157

ASHE CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

9	Stocks and work in progress	2012	2011
		£	£
	Raw materials and consumables	157,832	143,106
	Work in progress	544,000	739,707
		<u>701,832</u>	<u>882,813</u>
10	Debtors	2012	2011
		£	£
	Trade debtors	1,740,962	1,671,890
	Other debtors	277,732	323,646
	Prepayments and accrued income	27,502	143,706
	Deferred tax asset (see note 13)	2,445	-
		<u>2,048,641</u>	<u>2,139,242</u>
	Amounts falling due after more than one year and included in the debtors above are		
		2012	2011
		£	£
	Other debtors	<u>75,000</u>	<u>75,000</u>
11	Creditors amounts falling due within one year	2012	2011
		£	£
	Payments received on account	487,454	1,569,690
	Net obligations under hire purchase contracts	60,248	53,113
	Trade creditors	386,160	866,378
	Corporation tax	92,302	10,875
	Other taxes and social security costs	53,552	60,806
	Directors' current accounts	392,844	313,373
	Other creditors	10,880	14,728
	Accruals and deferred income	191,804	295,144
		<u>1,675,244</u>	<u>3,184,107</u>

ASHE CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

12 Creditors amounts falling due after more than one year	2012 £	2011 £
Net obligations under hire purchase contracts	<u>13,220</u>	<u>47,092</u>
Net obligations under hire purchase contracts		
Repayable within one year	60,248	53,113
Repayable between one and five years	<u>13,220</u>	<u>47,092</u>
	73,468	100,205
Included in liabilities falling due within one year	<u>(60,248)</u>	<u>(53,113)</u>
	<u>13,220</u>	<u>47,092</u>
13 Provisions for liabilities		
The deferred tax asset (included in debtors, note 10) is made up as follows:		
	2012 £	
Balance at 1 October 2011	5,267	
Profit and loss account	<u>(7,712)</u>	
Balance at 30 September 2012	<u>(2,445)</u>	
	2012 £	2011 £
Accelerated capital allowances	5,009	11,479
Other timing differences	<u>(7,454)</u>	<u>(6,212)</u>
	<u>(2,445)</u>	<u>5,267</u>

ASHE CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

14 Pension costs

Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	76,200	1,800

15 Share capital

	2012 £	2011 £
Allotted, called up and fully paid 4,000 Ordinary shares of £1 each	4,000	4,000

16 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 October 2011	4,000	1,447,620
Profit for the year	-	464,013
Dividends paid	-	(28,000)
Balance at 30 September 2012	4,000	1,883,633
Other reserves		
Capital redemption reserve		
Balance at 1 October 2011 & at 30 September 2012	4,000	

17 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	464,013	179,612
Dividends	(28,000)	-
Net addition to shareholders' funds	436,013	179,612
Opening shareholders' funds	1,455,620	1,276,008
Closing shareholders' funds	1,891,633	1,455,620

ASHE CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

18 Financial commitments

At 30 September 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2013

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Operating leases which expire				
Within one year	113,000	113,000	616	1,638
Between two and five years	-	-	3,459	616
	<u>113,000</u>	<u>113,000</u>	<u>4,075</u>	<u>2,254</u>

19 Directors' remuneration

	2012	2011
	£	£
Remuneration for qualifying services	<u>34,956</u>	<u>35,039</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2011 - 1)

20 Employees

Number of employees

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

	2012	2011
	Number	Number
Office and management	7	7
Production and sales	58	60
	<u>65</u>	<u>67</u>

Employment costs

	2012	2011
	£	£
Wages and salaries	2,066,233	2,187,393
Social security costs	122,116	123,114
Other pension costs	76,200	1,800
	<u>2,264,549</u>	<u>2,312,307</u>

ASHE CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

21 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

22 Control

The company was under the control of J O M Godbold throughout the year

23 Related party transactions

During the year the company paid dividends amounting to £28,000 (2011 £-) to the director J O M Godbold

The amount owing to J O M Godbold at the 30 September 2012 was £309,199 (2011 £262,119)

The amount owing to Mrs B M Godbold at the 30 September 2012 was £50,645 (2011 £51,254)

Included in other debtors is a loan of £180,000 (2011 £180,000) to Cobbold and Godbold Limited, a company controlled by J O M Godbold. The loan is interest free and repayable on demand

During the year the company made sales of £- (2011 £88,000) to Ashe Converting Equipment Limited a company in which the director J O M Godbold has a 25% shareholding. At the year end £6,544 (2011 £130,600) was owed to the company by Ashe Converting Equipment Limited

24 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2012	2011
	£	£
Operating profit	554,708	177,214
Depreciation of tangible assets	81,424	86,803
Loss/(profit) on disposal of tangible assets	3,595	(733)
Decrease/(increase) in stocks	180,981	(324,249)
Decrease/(increase) in debtors	93,046	(186,105)
(Decrease)/Increase in creditors within one year	(1,603,530)	735,803
Net cash (outflow)/inflow from operating activities	(689,776)	488,733

ASHE CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

25	Analysis of net funds	1 October 2011	Cash flow	Other non-cash changes	30 September 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,011,231	(812,116)	-	199,115
	Liquid resources				
	Bank deposits	167	-	-	167
	Debt				
	Finance leases	(100,205)	26,737	-	(73,468)
	Net funds	911,193	(785,379)	-	125,814
26	Reconciliation of net cash flow to movement in net funds			2012	2011
				£	£
	(Decrease)/increase in cash in the year			(812,116)	204,276
	Cash outflow from decrease in debt and lease financing			26,737	41,045
	Movement in net funds in the year			(785,379)	245,321
	Opening net funds			911,193	665,872
	Closing net funds			125,814	911,193