

Company Registration No. 01154966 (England and Wales)

ASHE CONTROLS LTD
ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

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ASHE CONTROLS LTD

COMPANY INFORMATION

Directors	Mr J O M Godbold Mrs B Godbold
Secretary	Mrs B Godbold
Company number	01154966
Registered office	St Johns Works Bluestem Road Ransomes Europark Ipswich Suffolk IP3 9RR
Auditors	Ensors Accountants LLP Cardinal House 46 St Nicholas Street Ipswich Suffolk IP1 1TT

ASHE CONTROLS LTD

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ASHE CONTROLS LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

The directors present the strategic report and financial statements for the year ended 30 September 2015.

Review of the business

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 slightly from approximately £5.5 million to £5.7 million, mainly as a result of the completion of significant orders on hand at 30 September 2014. Global trading conditions remain difficult and orders at the current year end are slightly down on the prior year. Orders from North America continue to be hard to obtain, partly as a result of a strong pound, and this is also now having a similar effect on European orders along with the continuing uncertainty over the Euro.

Pre-tax profits have increased significantly from £0.25 million to £0.44 million. This can partly be attributable to a reduction in costs relating to the development of larger products within the range, a reduction in overseas commissioning costs and a further increase in the number of parts made internally.

The management of the business and the execution of the company's strategy are subject to a number of risks. These included 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.

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.

On behalf of the board



Mr J O M Godbold

Director

20/06/2016

ASHE CONTROLS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

The directors present their report and financial statements for the year ended 30 September 2015.

Results and dividends

The results for the year are set out on page 5.

The directors recommended the payment of an ordinary dividend of £300,000 during the year.

Research and development

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

Directors

The following directors have held office since 1 October 2014:

Mr J O M Godbold

Mrs B Godbold

Auditors

Ensors Accountants LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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



Mr J O M Godbold

Director

20/06/2016

ASHE CONTROLS LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ASHE CONTROLS LTD

We have audited the financial statements of Ashe Controls Ltd for the year ended 30 September 2015 set out on pages 5 to 16. 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 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

ASHE CONTROLS LTD

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

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) 20/6/16
for and on behalf of Ensors Accountants LLP

Chartered Accountants
Statutory Auditor

Cardinal House
46 St Nicholas Street
Ipswich
Suffolk
IP1 1TT

ASHE CONTROLS LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	2015 £	2014 £
Turnover	2	5,722,126	5,467,175
Cost of sales		(2,789,599)	(2,892,353)
Gross profit		<u>2,932,527</u>	<u>2,574,822</u>
Distribution costs		(610,734)	(526,030)
Administrative expenses		(1,881,366)	(1,800,493)
Operating profit	3	<u>440,427</u>	<u>248,299</u>
Other interest receivable and similar income	4	-	183
Interest payable and similar charges	5	(3,193)	(3,407)
Profit on ordinary activities before taxation		<u>437,234</u>	<u>245,075</u>
Tax on profit on ordinary activities	6	(65,352)	(3,067)
Profit for the year	16	<u><u>371,882</u></u>	<u><u>242,008</u></u>

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.

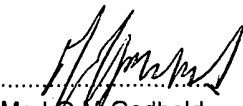
ASHE CONTROLS LTD

BALANCE SHEET

AS AT 30 SEPTEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	8		547,171		599,387
Current assets					
Stocks	9	383,519		571,635	
Debtors	10	2,203,070		1,907,843	
Cash at bank and in hand		731,972		1,159,894	
		<u>3,318,561</u>		<u>3,639,372</u>	
Creditors: amounts falling due within one year	11	<u>(1,504,261)</u>		<u>(1,928,473)</u>	
Net current assets			1,814,300		1,710,899
Total assets less current liabilities			<u>2,361,471</u>		<u>2,310,286</u>
Creditors: amounts falling due after more than one year	12		(2,791)		(23,488)
			<u>2,358,680</u>		<u>2,286,798</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		2,350,680		2,278,798
Shareholders' funds	17		<u>2,358,680</u>		<u>2,286,798</u>

Approved by the Board and authorised for issue on 20/06/2016



 Mr J O M Godbold
 Director

Company Registration No. 01154966

ASHE CONTROLS LTD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	£	2015 £	£	2014 £
Net cash (outflow)/inflow from operating activities	22		(85,009)		611,388
Returns on investments and servicing of finance					
Interest paid		(750)		-	
Net cash outflow for returns on investments and servicing of finance			(750)		-
Taxation			(8,941)		32,139
Capital expenditure					
Payments to acquire tangible assets		(10,418)		(13,384)	
Receipts from sales of tangible assets		-		200	
Net cash outflow for capital expenditure			(10,418)		(13,184)
Equity dividends paid			(300,000)		-
Net cash (outflow)/inflow before management of liquid resources and financing			(405,118)		630,343
Management of liquid resources					
Bank deposits		167		-	
			167		-
Financing					
Capital element of hire purchase contracts		(22,804)		(29,267)	
Net cash outflow from financing			(22,804)		(29,267)
(Decrease)/increase in cash in the year	23, 24		(427,755)		601,076

ASHE CONTROLS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 using the sum of digits method.

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 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 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.

ASHE CONTROLS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

1 Accounting policies

(Continued)

1.10 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.

2 Turnover

Geographical market

	Turnover	
	2015	2014
	£	£
United Kingdom	1,151,118	703,413
Europe	1,288,414	1,696,436
North America	991,692	579,185
Rest of the World	2,290,902	2,488,141
	<u>5,722,126</u>	<u>5,467,175</u>

3 Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	61,841	76,494
Loss on disposal of tangible assets	793	1,667
Loss on foreign exchange transactions	60,146	43,392
Operating lease rentals	113,000	113,000
Auditors' remuneration (including expenses and benefits in kind)	6,000	4,000
	<u></u>	<u></u>

4 Investment income

	2015	2014
	£	£
Other interest	-	183
	<u></u>	<u></u>

5 Interest payable

	2015	2014
	£	£
On bank loans and overdrafts	750	-
Hire purchase interest	2,443	3,407
	<u>3,193</u>	<u>3,407</u>

ASHE CONTROLS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

6	Taxation	2015	2014
		£	£
	Domestic current year tax		
	U.K. corporation tax	65,524	8,940
	Total current tax	65,524	8,940
	Deferred tax		
	Origination and reversal of timing differences	(172)	(5,873)
		65,352	3,067
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	437,234	245,075
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.50% (2014 - 20.00%)	89,633	49,015
	Effects of:		
	Non deductible expenses	15,015	400
	Depreciation add back	12,839	15,632
	Capital allowances	(9,138)	(8,479)
	Research and development tax credit	(42,602)	(47,628)
	Other tax adjustments - marginal relief	(223)	-
		(24,109)	(40,075)
	Current tax charge for the year	65,524	8,940
7	Dividends	2015	2014
		£	£
	Ordinary interim paid	300,000	-

ASHE CONTROLS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

8 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2014	394,320	645,984	60,313	376,285	1,476,902
Additions	-	10,008	410	-	10,418
Disposals	-	-	-	(14,100)	(14,100)
At 30 September 2015	394,320	655,992	60,723	362,185	1,473,220
Depreciation					
At 1 October 2014	38,096	553,313	40,797	245,309	877,515
On disposals	-	-	-	(13,307)	(13,307)
Charge for the year	4,762	20,545	3,985	32,549	61,841
At 30 September 2015	42,858	573,858	44,782	264,551	926,049
Net book value					
At 30 September 2015	351,462	82,134	15,941	97,634	547,171
At 30 September 2014	356,224	92,671	19,516	130,976	599,387

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 2015	17,284	35,972	53,256
At 30 September 2014	-	71,050	71,050
Depreciation charge for the year			
At 30 September 2015	43,121	11,991	55,112
At 30 September 2014	-	23,683	23,683

9 Stocks and work in progress

	2015 £	2014 £
Raw materials and consumables	150,519	152,058
Work in progress	233,000	419,577
	383,519	571,635

ASHE CONTROLS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

10 Debtors	2015	2014
	£	£
Trade debtors	1,967,891	1,568,343
Other debtors	201,956	291,717
Prepayments and accrued income	24,549	39,282
Deferred tax asset (see note 13)	8,674	8,501
	<u>2,203,070</u>	<u>1,907,843</u>
Amounts falling due after more than one year and included in the debtors above are:		
	2015	2014
	£	£
Other debtors	-	75,000
	<u>-</u>	<u>75,000</u>
11 Creditors: amounts falling due within one year	2015	2014
	£	£
Payments received on account	487,335	865,183
Net obligations under hire purchase contracts	28,525	30,632
Trade creditors	373,587	696,413
Corporation tax	65,524	8,940
Other taxes and social security costs	43,679	45,126
Directors' current accounts	402,662	160,219
Other creditors	28,233	11,481
Accruals and deferred income	74,716	110,479
	<u>1,504,261</u>	<u>1,928,473</u>
12 Creditors: amounts falling due after more than one year	2015	2014
	£	£
Net obligations under hire purchase contracts	2,791	23,488
	<u>2,791</u>	<u>23,488</u>
Net obligations under hire purchase contracts		
Repayable within one year	28,525	30,632
Repayable between one and five years	2,791	23,488
	<u>31,316</u>	<u>54,120</u>
Included in liabilities falling due within one year	(28,525)	(30,632)
	<u>2,791</u>	<u>23,488</u>

ASHE CONTROLS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

13 Provisions for liabilities

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2015 £
Balance at 1 October 2014	(6,000)
Profit and loss account	(2,674)
Balance at 30 September 2015	<u>(8,674)</u>

	2015 £	2014 £
Decelerated capital allowances	(4,964)	(2,290)
Other timing differences	(3,710)	(6,211)
	<u>(8,674)</u>	<u>(8,501)</u>

14 Retirement Benefits

	2015 £	2014 £
Contributions payable by the company for the year	<u>42,100</u>	<u>46,097</u>

15 Share capital

	2015 £	2014 £
Allotted, called up and fully paid 4,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

ASHE CONTROLS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

16 Statement of movements on reserves

	Other Profit and loss reserves (see below) £	account £
Balance at 1 October 2014	4,000	2,278,798
Profit for the year	-	371,882
Dividends paid	-	(300,000)
Balance at 30 September 2015	4,000	2,350,680
Other reserves		
Capital redemption reserve		
Balance at 1 October 2014 & at 30 September 2015	4,000	

17 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	371,882	242,008
Dividends	(300,000)	-
Net addition to shareholders' funds	71,882	242,008
Opening Shareholders' funds	2,286,798	2,044,790
Closing Shareholders' funds	2,358,680	2,286,798

18 Financial commitments

At 30 September 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2016:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within one year	113,000	113,000	3,459	-
Between two and five years	-	-	680	4,139
	113,000	113,000	4,139	4,139

ASHE CONTROLS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

19 Directors' remuneration	2015	2014
	£	£
Remuneration for qualifying services	34,000	34,892

20 Employees

Number of employees

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

	2015	2014
	Number	Number
Office and management	6	6
Production and sales	52	52
	58	58

Employment costs

	2015	2014
	£	£
Wages and salaries	1,899,711	1,914,532
Social security costs	110,715	109,393
Other pension costs	42,100	46,097
	2,052,526	2,070,022

21 Control

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

22 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2015	2014
	£	£
Operating profit	440,427	248,299
Depreciation of tangible assets	61,841	76,494
Loss on disposal of tangible assets	793	1,667
Decrease in stocks	188,116	16,339
Increase in debtors	(295,054)	(342,084)
(Decrease)/Increase in creditors within one year	(481,132)	610,673
Net cash (outflow)/inflow from operating activities	(85,009)	611,388

ASHE CONTROLS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

23	Analysis of net funds	1 October 2014 £	Cash flow £	Other non- cash changes £	30 September 2015 £
	Net cash:				
	Cash at bank and in hand	1,159,727	(427,755)	-	731,972
	Liquid resources:				
	Bank deposits	167	(167)	-	-
	Debt:				
	Finance leases	(54,120)	22,804	-	(31,316)
	Net funds	1,105,774	(405,118)	-	700,656

24	Reconciliation of net cash flow to movement in net funds	2015 £	2014 £
	(Decrease)/increase in cash in the year	(427,755)	601,076
	Cash inflow from decrease in liquid resources	(167)	-
	Cash outflow from decrease in debt and lease financing	22,804	29,267
	Change in net debt resulting from cash flows	(405,118)	630,343
	New finance lease	-	(70,113)
	Movement in net funds in the year	(405,118)	560,230
	Opening net funds	1,105,774	545,544
	Closing net funds	700,656	1,105,774

25 Related party relationships and transactions

During the year the company paid dividends amounting to £300,000 (2014:£-) to the director Mr J O M Godbold.

The amount owing to Mr J O M Godbold at the year end was £354,998 (2014:£112,409).

The amount owing to Mrs B M Godbold at the year end was £47,664 (2014:£47,810).

Included in other debtors is a loan of £180,000 (2014:£180,000) to Cobbold and Godbold Limited, a company controlled by Mr J O M Godbold. The loan is interest free and repayable on demand.

During the year the company made sales of £23,000 (2014:£60,000) to Ashe Converting Equipment Limited, a company in which the director, Mr J O M Godbold has a 25% shareholding.

At the year end trade debtors included £9,600 (2014:£-) owed by Ashe Converting Equipment Limited. A loan of £14,156 (2014:£1,615) owed to Ashe Converting Limited is included in other creditors.