

**Strategic Report, Report of the Directors and**  
**Financial Statements for the Year Ended 30 September 2022**  
**for**  
**Ashe Controls Limited**

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**for the Year Ended 30 September 2022**

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**Ashe Controls Limited**  
**Company Information**  
**for the Year Ended 30 September 2022**

**DIRECTORS:**

J B Godbold  
J O M Godbold  
M O Godbold  
S J Godbold  
Mrs B M Godbold

**SECRETARY:**

Mrs B M Godbold

**REGISTERED OFFICE:**

St Johns Works  
Bluestem Road  
Ransomes Europark  
Ipswich  
Suffolk  
IP3 9RR

**REGISTERED NUMBER:**

01154966 (England and Wales)

**AUDITORS:**

Knights Lowe Limited  
Eldo House  
Kempson Way  
Suffolk Business Park  
Bury St Edmunds  
Suffolk  
IP32 7AR

**Strategic Report**  
**for the Year Ended 30 September 2022**

The directors present their strategic report for the year ended 30 September 2022.

**REVIEW OF BUSINESS**

The Financial year ending 30 September 2022 was quite successful. We are pleased to report that we remain quite profitable and are looking forward to producing hopefully a similar result in the following year.

We can report that we have a reasonable order book, however there are serious concerns around the supply of electronic components such as plcs, hmi screens, digital drives, IO units etc, as it seems that most of these electronic components, although the whole assembly is not made in China or Taiwan, the raw basic components are, and we have researched the market thoroughly and unfortunately these manufacturers, on coming out of covid, have such a big demand from the telecommunication industry i.e., mobile phones, that they are concentrating on, as this appears to be more profitable for them.

To counteract this, we are trying to advance order and increase our stock, but trying to plan ahead is extremely difficult as of course the bulk of our production is not of a standard design. We give a customer exactly what he requires, not a "this is what we make" attitude. So, predicting stock especially in the electronic equipment area is difficult.

An example of this is one of our machine models could have up to 10 difference drive sizes depending on what the customer requires on the machine, and what product is being run.

There is also a large problem in sourcing servo drives, some of the products that we source we are blessed with low prices but these have also gone out with long deliveries and finding alternatives means we will have to increase prices as the prices of the motors are double what we are purchasing at the moment, however we are confident that the Financial Year 2023 will be successful, although maybe not as profitable as the previous year.

**ON BEHALF OF THE BOARD:**

J O M Godbold - Director

12 June 2023

**Report of the Directors**  
**for the Year Ended 30 September 2022**

The directors present their report with the financial statements of the company for the year ended 30 September 2022.

**PRINCIPAL ACTIVITY**

The principal activities of the company during the year were the design, development, manufacture and distribution of electronic control equipment and automated slitting and rewind machines.

**DIVIDENDS**

Interim dividends per share were paid as follows:

£250.00	- 18 March 2022
<u>£625.00</u>	- 30 September 2022
<u>£875.00</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 September 2022 will be £ 1,400,000 .

**RESEARCH AND DEVELOPMENT**

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

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2021 to the date of this report.

J B Godbold  
J O M Godbold  
M O Godbold  
S J Godbold  
Mrs B M Godbold

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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.

**Report of the Directors**  
**for the Year Ended 30 September 2022**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Knights Lowe Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

J O M Godbold - Director

12 June 2023

**Report of the Independent Auditors to the Members of**  
**Ashe Controls Limited**

**Opinion**

We have audited the financial statements of Ashe Controls Limited (the 'company') for the year ended 30 September 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 30 September 2022 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 UK, including the FRC'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of**  
**Ashe Controls Limited**

**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 Report of the Directors.

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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.



**Report of the Independent Auditors to the Members of**  
**Ashe Controls Limited**

**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 a Report of the Auditors 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company's operating sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation ;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of**  
**Ashe Controls Limited**

**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 a Report of the Auditors 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.

J Knights ACA (Senior Statutory Auditor)  
for and on behalf of Knights Lowe Limited  
Eldo House  
Kempson Way  
Suffolk Business Park  
Bury St Edmunds  
Suffolk  
IP32 7AR

30 June 2023

**Income Statement**  
**for the Year Ended 30 September 2022**

	Notes	2022 £	£	2021 £	£
<b>TURNOVER</b>			<b>8,867,203</b>		7,217,565
Cost of sales			<u>3,906,867</u>		<u>3,135,174</u>
<b>GROSS PROFIT</b>			<b>4,960,336</b>		4,082,391
Distribution costs		<b>264,622</b>		110,197	
Administrative expenses		<u><b>2,601,477</b></u>		<u>2,221,650</u>	
			<u><b>2,866,099</b></u>		<u>2,331,847</u>
			<b>2,094,237</b>		1,750,544
Other operating income			<u>5,816</u>		<u>1,725</u>
<b>OPERATING PROFIT</b>	4		<u><b>2,100,053</b></u>		<u>1,752,269</u>
Interest receivable and similar income			<u>10,544</u>		<u>1,334</u>
			<b>2,110,597</b>		1,753,603
Interest payable and similar expenses	5		<u>15,125</u>		<u>13,030</u>
<b>PROFIT BEFORE TAXATION</b>			<u><b>2,095,472</b></u>		<u>1,740,573</u>
Tax on profit	6		<u>313,903</u>		<u>260,123</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u><b>1,781,569</b></u>		<u>1,480,450</u>

The notes form part of these financial statements

**Other Comprehensive Income**  
**for the Year Ended 30 September 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		1,781,569	1,480,450
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,781,569</u>	<u>1,480,450</u>

The notes form part of these financial statements

**Balance Sheet**  
**30 September 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		<b>760,612</b>		831,264
Investments	9		<u><b>2</b></u>		<u><b>2</b></u>
			<b>760,614</b>		831,266
<b>CURRENT ASSETS</b>					
Stocks	10	<b>662,805</b>		730,132	
Debtors	11	<b>3,216,623</b>		1,583,400	
Cash at bank		<u><b>5,105,286</b></u>		<u>6,047,788</u>	
		<b>8,984,714</b>		<b>8,361,320</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u><b>4,458,917</b></u>		<u>4,260,645</u>	
<b>NET CURRENT ASSETS</b>			<u><b>4,525,797</b></u>		<u>4,100,675</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>5,286,411</b></u>		<u>4,931,941</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<b>(27,027)</b>		(60,892)
<b>PROVISIONS FOR LIABILITIES</b>	15		<u><b>(80,570)</b></u>		<u>(73,804)</u>
<b>NET ASSETS</b>			<u><b>5,178,814</b></u>		<u>4,797,245</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		<b>4,000</b>		4,000
Capital redemption reserve	17		<b>4,000</b>		4,000
Retained earnings	17		<u><b>5,170,814</b></u>		<u>4,789,245</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>5,178,814</b></u>		<u>4,797,245</u>

The financial statements were approved by the Board of Directors and authorised for issue on 12 June 2023 and were signed on its behalf by:

J O M Godbold - Director

**Statement of Changes in Equity**  
**for the Year Ended 30 September 2022**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 October 2020</b>	4,000	4,708,795	4,000	4,716,795
<b>Changes in equity</b>				
Dividends	-	(1,400,000)	-	(1,400,000)
Total comprehensive income	-	1,480,450	-	1,480,450
<b>Balance at 30 September 2021</b>	4,000	4,789,245	4,000	4,797,245
<b>Changes in equity</b>				
Dividends	-	(1,400,000)	-	(1,400,000)
Total comprehensive income	-	1,781,569	-	1,781,569
<b>Balance at 30 September 2022</b>	4,000	5,170,814	4,000	5,178,814

The notes form part of these financial statements

**Cash Flow Statement  
for the Year Ended 30 September 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	489,226	2,494,300
Interest paid		(9,548)	(11,147)
Interest element of hire purchase payments paid		(5,577)	(1,883)
Tax paid		(246,039)	(187,715)
Government grant		5,816	1,725
Net cash from operating activities		<u>233,878</u>	<u>2,295,280</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(53,153)	(27,692)
Sale of tangible fixed assets		23,580	-
Interest received		10,544	1,334
Net cash from investing activities		<u>(19,029)</u>	<u>(26,358)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(31,566)	86,004
Amount introduced by directors		274,215	598,871
Equity dividends paid		(1,400,000)	(1,400,000)
Net cash from financing activities		<u>(1,157,351)</u>	<u>(715,125)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(942,502)</u>	<u>1,553,797</u>
<b>Cash and cash equivalents at beginning of year</b>	2	6,047,788	4,493,991
<b>Cash and cash equivalents at end of year</b>	2	<u>5,105,286</u>	<u>6,047,788</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 30 September 2022**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Profit before taxation	2,095,472	1,740,573
Depreciation charges	115,121	131,645
(Profit)/loss on disposal of fixed assets	(14,896)	1,478
Government grants	(5,816)	(1,725)
Finance costs	15,125	13,030
Finance income	(10,544)	(1,334)
	<u>2,194,462</u>	<u>1,883,667</u>
Decrease/(increase) in stocks	67,327	(177,889)
(Increase)/decrease in trade and other debtors	(1,633,223)	295,871
(Decrease)/increase in trade and other creditors	(139,340)	492,651
<b>Cash generated from operations</b>	<u><u>489,226</u></u>	<u><u>2,494,300</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 September 2022**

	30.9.22	1.10.21
	£	£
Cash and cash equivalents	<u>5,105,286</u>	<u>6,047,788</u>

**Year ended 30 September 2021**

	30.9.21	1.10.20
	£	£
Cash and cash equivalents	<u>6,047,788</u>	<u>4,493,991</u>

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

	At 1.10.21	Cash flow	At 30.9.22
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>6,047,788</u>	<u>(942,502)</u>	<u>5,105,286</u>
	<u>6,047,788</u>	<u>(942,502)</u>	<u>5,105,286</u>
<b>Debt</b>			
Finance leases	<u>(92,458)</u>	<u>31,566</u>	<u>(60,892)</u>
	<u>(92,458)</u>	<u>31,566</u>	<u>(60,892)</u>
<b>Total</b>	<u><u>5,955,330</u></u>	<u><u>(910,936)</u></u>	<u><u>5,044,394</u></u>



**Notes to the Financial Statements**  
**for the Year Ended 30 September 2022**

**1. STATUTORY INFORMATION**

Ashe Controls Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**COVID-19**

The effects of the global COVID-19 pandemic have been carefully considered when preparing these financial statements. These financial statements continue to be prepared on a going concern basis as the directors are confident that the company is in a strong financial position and can continue to trade within the current climate going forward.

**Preparation of consolidated financial statements**

The financial statements contain information about Ashe Controls Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 402/405 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

**Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Where long term build contracts are in place, revenue and profit is recognised based on the stage of completion and the estimated expected margin on the contract, where the margin can be reliably estimated. It is generally considered that the first point of reliable margin estimation to be on completion of the construction phase of the project, prior to delivery and installation.

**Tangible fixed assets**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 September 2022**

**2. ACCOUNTING POLICIES - continued**

**Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating to either revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Machines are built to order however during the build phase the realisable value is considered to be uncertain by the directors due to the bespoke nature of the machines. Machines are built to high specification and therefore until machine build is fully complete the increase in stock value for the direct labour and allocated overheads is not considered to be realised and therefore is not included in the cost of stock. For this reason, until machine builds are fully complete, machines are only valued at materials value as, until completion, the materials value is considered to be the most realisable value of the unit. The full value of the machine build is recognised once the machine build has been completed. The directors consider this to be a prudent approach and an effective ongoing impairment of stock to ensure that the value of stock held in the balance sheet is never in excess of their minimum realisable value.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and costs, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 September 2022**

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans from banks or other related parties.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 September 2022**

**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Impairment**

At each reporting date, goodwill and other fixed assets, including tangible fixed assets and investments but excluding investment properties, are assessed to determine whether there is an indication that the carrying amount of an asset may be more than its recoverable amount and that the asset should be impaired. If there is an indication of possible impairment, the recoverable amount of an asset, which is the higher of its value in use and its net realisable value, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the income statement.

**3. EMPLOYEES AND DIRECTORS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,387,915</b>	2,188,673
Social security costs	<b>148,431</b>	142,725
Other pension costs	<b>47,169</b>	43,097
	<b><u>2,583,515</u></b>	<b><u>2,374,495</u></b>

The average number of employees during the year was as follows:

	<b>2022</b>	<b>2021</b>
Directors	<b>5</b>	5
Employees	<b><u>58</u></b>	<b><u>57</u></b>
	<b><u>63</u></b>	<b><u>62</u></b>

  

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Directors' remuneration	<b><u>241,552</u></b>	<b><u>239,966</u></b>

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 September 2022**

**3. EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	<b>2022</b>	2021
	£	£
Emoluments etc	<u>72,769</u>	<u>73,401</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	<b>2022</b>	2021
	£	£
Hire of plant & equipment	2,314	3,142
Depreciation - owned assets	89,521	96,575
Depreciation - assets on hire purchase contracts	25,600	35,070
(Profit)/loss on disposal of fixed assets	(14,896)	1,478
Auditors' remuneration	7,500	6,000
Foreign exchange differences	<u>(174,179)</u>	<u>(65,105)</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2022</b>	2021
	£	£
Bank charges	9,548	11,147
Hire purchase interest	<u>5,577</u>	<u>1,883</u>
	<u>15,125</u>	<u>13,030</u>

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	<b>2022</b>	2021
	£	£
Current tax:		
UK corporation tax	307,137	246,039
Deferred tax	6,766	14,084
Tax on profit	<u>313,903</u>	<u>260,123</u>

UK corporation tax has been charged at 19% (2021 - 19%).

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 September 2022**

**6. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	<u>2,095,472</u>	<u>1,740,573</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>398,140</b>	330,709
Effects of:		
Expenses not deductible for tax purposes	(58)	278
Capital allowances in excess of depreciation	-	(14,772)
Depreciation in excess of capital allowances	12,562	-
Deferred Tax Adjustment	6,766	14,084
Enhanced R&D tax relief	<u>(103,507)</u>	<u>(70,176)</u>
Total tax charge	<u><b>313,903</b></u>	<u>260,123</u>

**7. DIVIDENDS**

	2022 £	2021 £
Ordinary Share Capital shares of £1 each		
Interim	<u>1,400,000</u>	<u>1,400,000</u>

**8. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 October 2021	394,320	1,383,234	79,982	335,095	2,192,631
Additions	-	4,875	10,162	38,116	53,153
Disposals	-	-	-	(85,456)	(85,456)
At 30 September 2022	<u>394,320</u>	<u>1,388,109</u>	<u>90,144</u>	<u>287,755</u>	<u>2,160,328</u>
<b>DEPRECIATION</b>					
At 1 October 2021	71,430	944,174	67,685	278,078	1,361,367
Charge for year	4,762	88,296	2,677	19,386	115,121
Eliminated on disposal	-	-	-	(76,772)	(76,772)
At 30 September 2022	<u>76,192</u>	<u>1,032,470</u>	<u>70,362</u>	<u>220,692</u>	<u>1,399,716</u>
<b>NET BOOK VALUE</b>					
At 30 September 2022	<u>318,128</u>	<u>355,639</u>	<u>19,782</u>	<u>67,063</u>	<u>760,612</u>
At 30 September 2021	<u>322,890</u>	<u>439,060</u>	<u>12,297</u>	<u>57,017</u>	<u>831,264</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 September 2022**

**8. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
<b>COST</b>	
At 1 October 2021	
and 30 September 2022	<u>160,000</u>
<b>DEPRECIATION</b>	
At 1 October 2021	32,000
Charge for year	<u>25,600</u>
At 30 September 2022	<u>57,600</u>
<b>NET BOOK VALUE</b>	
At 30 September 2022	<u>102,400</u>
At 30 September 2021	<u>128,000</u>

**9. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 October 2021	
and 30 September 2022	<u>2</u>
<b>NET BOOK VALUE</b>	
At 30 September 2022	<u>2</u>
At 30 September 2021	<u>2</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Ashe Controls (Northern) Limited**

Registered office: St Johns Works Bluestem Road, Ransome Industrial Estate, Ipswich, Suffolk, United Kingdom, IP3 9RR

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	66.00		
		<b>2022</b>	2021
		<b>£</b>	<b>£</b>
Aggregate capital and reserves		<u><b>3</b></u>	<u><b>3</b></u>

This subsidiary is not consolidated in these financial statements as it is excluded from consolidation under Section 405 of the Companies Act 2006.

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 September 2022**

**10. STOCKS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Stocks	<b>119,159</b>	126,132
Work-in-progress	<b>543,646</b>	604,000
	<b><u>662,805</u></b>	<b><u>730,132</u></b>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>2,980,227</b>	1,450,979
Other debtors	<b>5,550</b>	7,050
VAT	<b>87,586</b>	39,547
Prepayments	<b>143,260</b>	85,824
	<b><u>3,216,623</u></b>	<b><u>1,583,400</u></b>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Hire purchase contracts (see note 14)	<b>33,865</b>	31,566
Trade creditors	<b>471,013</b>	533,578
Corporation tax	<b>307,198</b>	246,100
Social security and other taxes	<b>71,788</b>	61,245
Other creditors	<b>1,517,720</b>	1,779,263
Directors' loan accounts	<b>1,762,821</b>	1,488,606
Accruals	<b>294,512</b>	120,287
	<b><u>4,458,917</u></b>	<b><u>4,260,645</u></b>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Hire purchase contracts (see note 14)	<b><u>27,027</u></b>	<b><u>60,892</u></b>

**14. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>33,865</b>	31,566
Between one and five years	<b><u>27,027</u></b>	<b><u>60,892</u></b>
	<b><u>60,892</u></b>	<b><u>92,458</u></b>



**Notes to the Financial Statements - continued**  
**for the Year Ended 30 September 2022**

**14. LEASING AGREEMENTS - continued**

	Non-cancellable	operating leases
	2022	2021
	£	£
Within one year	16,202	19,603
Between one and five years	<u>27,373</u>	<u>37,988</u>
	<u><b>43,575</b></u>	<u><b>57,591</b></u>

**15. PROVISIONS FOR LIABILITIES**

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	<u><b>80,570</b></u>	<u><b>73,804</b></u>
		<b>Deferred tax</b>
		£
Balance at 1 October 2021		<b>73,804</b>
Provided during year		<u><b>6,766</b></u>
Balance at 30 September 2022		<u><b>80,570</b></u>

**16. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022	2021
			£	£
4,000	Ordinary Share Capital	£1	<u><b>4,000</b></u>	<u><b>4,000</b></u>

**17. RESERVES**

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 October 2021	4,789,245	4,000	4,793,245
Profit for the year	1,781,569		1,781,569
Dividends	<u>(1,400,000)</u>		<u>(1,400,000)</u>
At 30 September 2022	<u><b>5,170,814</b></u>	<u><b>4,000</b></u>	<u><b>5,174,814</b></u>

**18. RELATED PARTY DISCLOSURES**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 September 2022**

**18. RELATED PARTY DISCLOSURES - continued**

**Entities under common control**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Sales	<b>3,370</b>	5,733
Purchases	<b>320,577</b>	359,472
Amount due from related party	-	5,733
Amount due to related party	<b><u>37,575</u></b>	<b><u>37,575</u></b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.