

Registered number: 10805226

**ASH & LACY SOLUTIONS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2020**



---

**ASH & LACY SOLUTIONS LIMITED**

---

**COMPANY INFORMATION**

---

**DIRECTORS**

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

**REGISTERED NUMBER**

10805226

**REGISTERED OFFICE**

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

**INDEPENDENT AUDITOR**

Crowe U.K. LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

---

**ASH & LACY SOLUTIONS LIMITED**

---

**CONTENTS**

---

	Page
<b>Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>Independent Auditor's Report</b>	5 - 8
<b>Statement of Income and Retained Earnings</b>	9
<b>Balance Sheet</b>	10
<b>Notes to the Financial Statements</b>	11 - 22

---

## ASH & LACY SOLUTIONS LIMITED

---

### STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

---

#### PRINCIPAL ACTIVITY

The principal activity of the Company is the design, manufacture and supply of materials to UK and overseas commercial and industrial steel framing, roofing, cladding and façade contractors.

#### BUSINESS REVIEW

The overwhelming factor the Group had to deal with in 2020 was the global impact of Covid-19. All areas of the business were performing well even before the end of 2019, and the first three months on 2020 were at record levels. When the first lockdown took effect construction sites and factories across Europe shut down, decimating sales. This continued well into May when many sites began to open with sever social distancing measures in place. We can be very grateful to the diversity of the business across construction, automotive and aerospace sectors which have suffered to different extents.

We did however, take the decision not to renew our Port Talbot operation's lease. We had felt that presence in South Wales was beneficial to our sales in that region, but this was difficult to quantify in the face of reduced productivity with an operation so far from the main manufacturing hub in the West Midlands. The decision was made easier in the context of our two Sandwell leases ending in May 2021 and the decision to merge the operations onto the Alma Street site in Smethwick. This work will largely take place in late 2021 resulting in an efficient home for all main manufacturing operations and office staff. We expect to see significant cost savings and improvements in communication and morale from bringing these three operations together along with some new exciting investments.

The furlough scheme worked well for us, especially in its flexible form as the group overall had to deal with output levels of 20-25% less than expected. Without doubt however, we do not believe we will see a return to normal levels until the furlough scheme has ended as it is too easy for some firms to sit this period out and wait until people can be fully utilised. The same can be said of European manufacturers of steel where furlough schemes appear to have disincentivised the reopening of blast furnaces which has caused serious shortages in raw materials. This threatens to damped the bounce-back recovery we are all hoping for. Material shortages were compounded towards the second half of 2020 by concerns about Brexit leading businesses to stockpile which clogged up the import networks. This still causes problems at the time of writing, but overall, we are happy that the Brexit agreement was reached and that it will have little impact on our exports to Europe. I believe our teams planned their stock levels well which has allowed us to maintain supply to good levels and even pick up new customers from competitors who weren't able to finance equally robust stock levels.

Our Building Systems and envelope Solutions businesses were performing very strongly prior to the first lockdown. The years of development and certification of our systems were beginning to pay off and we were seeing rapid growth in the acceptance of our new brick slip systems. Despite sites operating at reduced productivity levels and many projects postponed, this was able to support a reasonable level of activity in these areas. From sales of our commodity items like fixings and fabrications, we can see that the market is still subdued at around 20% less than normal levels. In view of this, we believe we have outperformed the market. Of course, we have the regrettable cladding crisis which is going to take several years to replace the dangerous cladding that our government has permitted over the past two decades. Estimates suggest that nearly 10 market-years' worth of cladding needs to be replaced as a matter of urgency. With over £5.1bn of support from the government, we will begin to see this accelerate into the mid part of 2021. For the time being, this has mitigated the downturn in new cladding projects and delays caused by Covid, however as these restrictions and the concerns over Brexit subside, we expect the cladding market to be extremely buoyant over the next few years. The construction sector is one of the few that the government can directly stimulate to kick start the economy, so we expect funding for projects like schools and hospital construction to be prioritised which are areas that we are strong in.

---

## ASH & LACY SOLUTIONS LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

---

Following the April lockdown and the dramatic travel restrictions had on the travel sector, the remainder of 2020 saw hardly any aerospace orders at all. These are traditionally our highest margin products. Although the automotive market has been very negatively impacted, our continued strengthening of relationships with the likes of JLR and the strong sales of the well-received Defender meant that sales continued strongly. As a result, our Perforating division managed to perform well despite the aerospace issues and general architectural perforating downturn. We are now thankfully seeing a cautious return to aerospace orders and are on track for a solid recovery in 2021.

Our Accordial movable walls business probably suffered more than most due to site access problems and schools being totally closed to third parties during the lockdowns. Nevertheless, the management did an excellent job in managing the reduced demand, minimising costs but still winning orders for the future. The signs are that this business will recover well in 2021 being the only remaining manufacture of operable walls in the UK.

Without doubt, Brexit and Covid presented a uniquely testing period but Ash and Lacy has come through strongly, demonstrated its strength in depth and resilience. On top of this we saw funding availability reductions due to the late 2020 HMRC Crown Preference rule changes, but the strength of trading meant we did not need any further facilities from our bank or investors, ending the year in a strong position. The business has come to the end of a phase of concerted drive on manufacturing investment and product development and testing. As such, our capital repayments are beginning to reduce as our sales of new products are increasing. We therefore envisage a period of strong cash generation and the company is once again looking for new opportunities to grow as well as acquisitions.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The medium term consequences of Covid-19 remain uncertain, although the sectors serviced by Ash & Lacy Holdings Limited and its subsidiary entities have out-performed the vast majority and KPI's indicate that this will continue throughout 2021. Activity rebounding post-lockdown will have its own challenges such as raw material and labour shortages, rising prices and possible interest rate increases which will all need to be managed.

#### FINANCIAL KEY PERFORMANCE INDICATORS

Continually improving gross margin by product set, whilst ensuring overheads and working capital cycles are minimised will ensure cash flow is adequate to meet the needs of all stakeholders and continue our investment in capital equipment, systems and our workforce.

#### OTHER KEY PERFORMANCE INDICATORS

A well trained and motivated workforce is of paramount importance in achieving continuous improvement throughout the Company and we therefore continue our investment in our apprentices and in a number of training initiatives throughout all departments.

This report was approved by the board on 31/3/2021

and signed on its behalf.



A D Waterhouse  
Director

---

## ASH & LACY SOLUTIONS LIMITED

---

### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

---

The directors present their report and the financial statements for the period ended 31 December 2020.

#### 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 period, after taxation, amounted to £295,164 (2019 - loss £433,981).

#### DIRECTORS

The directors who served during the period were:

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

#### FUTURE DEVELOPMENTS

Our technically biased senior management team are continually focused on R&D, driving the introduction of new innovative products and systems designed to meet the heightened requirements of 21st century construction relative to safety, aesthetics, performance and of course the efficiency of installation.

---

**ASH & LACY SOLUTIONS LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

**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.

**AUDITOR**

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

This report was approved by the board on 31/3/2021

and signed on its behalf.



**A D Waterhouse**  
Director

---

## ASH & LACY SOLUTIONS LIMITED

---

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASH & LACY SOLUTIONS LIMITED

---

#### OPINION

We have audited the financial statements of Ash & Lacy Solutions Limited (the 'Company') for the period ended 31 December 2020, 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 2020 and of its profit for the period 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

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.



---

## ASH & LACY SOLUTIONS LIMITED

---

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASH & LACY SOLUTIONS 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 period 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 SOLUTIONS LIMITED**

---

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASH & LACY SOLUTIONS LIMITED (CONTINUED)**

---

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

#### **AUDITOR'S 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Taxation legislation and health & safety regulations compliance.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: timing of recognition of income; the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

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 Auditor's Report.

---

**ASH & LACY SOLUTIONS LIMITED**

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASH & LACY SOLUTIONS LIMITED  
(CONTINUED)**

---

**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 U.K. LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: 31 March 2021

**ASH & LACY SOLUTIONS LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	10,354,433	11,517,451
Cost of sales		(7,609,389)	(8,564,379)
<b>Gross profit</b>		<b>2,745,044</b>	<b>2,953,072</b>
Distribution costs		(2,083,205)	(2,668,401)
Administrative expenses		(720,472)	(751,595)
Other operating income	5	345,992	-
<b>Operating profit/(loss)</b>	6	<b>287,359</b>	<b>(466,924)</b>
Interest payable and expenses	9	(83,402)	(76,290)
<b>Profit/(loss) before tax</b>		<b>203,957</b>	<b>(543,214)</b>
Tax on profit/(loss)	10	91,207	109,233
<b>Profit/(loss) after tax</b>		<b>295,164</b>	<b>(433,981)</b>
Retained earnings at the beginning of the period		(447,608)	(13,627)
Profit/(loss) for the period		295,164	(433,981)
<b>Retained earnings at the end of the period</b>		<b>(152,444)</b>	<b>(447,608)</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

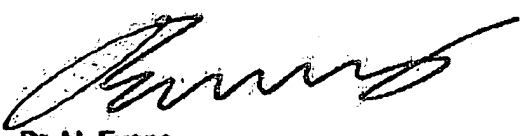
The notes on pages 11 to 22 form part of these financial statements.

**ASH & LACY SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 10805226**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	11	105,394	100,290
Tangible assets	12	168,607	194,587
		<u>274,001</u>	<u>294,877</u>
<b>Current assets</b>			
Stocks	13	1,100,818	921,650
Debtors: amounts falling due within one year	14	5,331,107	3,576,768
Cash at bank and in hand		84,469	-
		<u>6,516,394</u>	<u>4,498,418</u>
Creditors: amounts falling due within one year	15	(6,932,998)	(5,240,902)
<b>Net current liabilities</b>		<u>(416,604)</u>	<u>(742,484)</u>
<b>Total assets less current liabilities</b>		<u>(142,603)</u>	<u>(447,607)</u>
<b>Provisions for liabilities</b>			
Deferred tax	16	(9,840)	-
		<u>(9,840)</u>	<u>-</u>
<b>Net liabilities</b>		<u><u>(152,443)</u></u>	<u><u>(447,607)</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1	1
Profit and loss account		(152,444)	(447,608)
		<u><u>(152,443)</u></u>	<u><u>(447,607)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31/3/2021

  
**Dr J L Evans**  
 Director

  
**A D Waterhouse**  
 Director

The notes on pages 11 to 22 form part of these financial statements.

---

## ASH & LACY SOLUTIONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

---

#### 1. GENERAL INFORMATION

Ash & Lacy Solutions Limited is a private limited company (registration number 10805226), limited by shares, 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 design, manufacture and supply of materials to the roofing and cladding market.

#### 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 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 11.42, 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 2020 and these financial statements may be obtained from Companies House.

---

## ASH & LACY SOLUTIONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

---

## 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 Company meets its day-to-day working capital requirements through asset based lending facilities and the directors are confident that current facilities will continue to be made available to the Company.

Ash & Lacy Solutions Limited is reliant on financial support and strategic advice from its parent company (Ash & Lacy Holdings Limited). Ash & Lacy Holdings Limited has agreed to provide sufficient competent management and adequate financial and other resources to enable the Company to continue as a going concern.

Accordingly, 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.

### 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 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents	-	10	years
---------	---	----	-------

### 2.6 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.

---

## ASH & LACY SOLUTIONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

---

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.6 TANGIBLE FIXED ASSETS (CONTINUED)

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.

Depreciation is provided on the following basis:

Long-term leasehold property	- 10 years
Plant and machinery	- 3 to 20 years
Fixtures and fittings	- 3 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 profit or loss.

### 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.

### 2.9 GOVERNMENT GRANTS

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.



---

## ASH & LACY SOLUTIONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

---

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.10 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 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:

##### **Stock impairment**

Stock impairment is recognised for slow-moving, obsolete or unsaleable stock and is reviewed annually. A 100% provision is made against stock where there has been no movement for at least a year. These stock lines are then reviewed by management for the possibility of use on other product lines, with an adjustment made to the provision if appropriate.

#### 4. TURNOVER

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	10,242,421	11,417,958
Europe	112,012	99,493
	<u>10,354,433</u>	<u>11,517,451</u>

---

**ASH & LACY SOLUTIONS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

**5. OTHER OPERATING INCOME**

	2020 £	2019 £
Government grants receivable	345,992	-
	<u>345,992</u>	<u>-</u>

The Company has been eligible to claim additional funding in the year to 31 December 2020 from the Coronavirus Job Retention Scheme (CJRS) provided by the Government in response to the COVID-19 pandemic. The funding received of £345,992 relates to staff costs incurred.

**6. OPERATING PROFIT/(LOSS)**

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

	2020 £	2019 £
Depreciation of fixed assets	94,522	71,805
Amortisation of intangible assets	11,711	-
Operating lease rentals	56,731	-
	<u>162,964</u>	<u>71,805</u>

**7. AUDITOR'S REMUNERATION**

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,050	10,000
	<u>10,050</u>	<u>10,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

---

**ASH & LACY SOLUTIONS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

**8. EMPLOYEES**

	2020 £	2019 £
Wages and salaries	2,351,364	2,493,686
Social security costs	160,296	235,077
Cost of defined contribution scheme	115,856	119,585
	<u>2,627,516</u>	<u>2,848,348</u>

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

	2020 No.	2019 No.
Production	47	46
Sales	14	17
Operations	6	7
Technical	18	18
Admin	7	8
	<u>92</u>	<u>96</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020 £	2019 £
Bank interest payable	<u>83,402</u>	<u>76,290</u>

**ASH & LACY SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

**10. TAXATION**

	2020 £	2019 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	(41,687)
Adjustments in respect of previous periods	(168,593)	-
<b>TOTAL CURRENT TAX</b>	<u>(168,593)</u>	<u>(41,687)</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	25,146	(67,546)
Relating to prior year	52,240	-
<b>TOTAL DEFERRED TAX</b>	<u>77,386</u>	<u>(67,546)</u>
<b>TAXATION ON LOSS ON ORDINARY ACTIVITIES</b>	<u>(91,207)</u>	<u>(109,233)</u>
<b>FACTORS AFFECTING TAX CHARGE FOR THE PERIOD/YEAR</b>		
The tax assessed for the period/year is lower than (2019 - <i>lower than</i> ) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:		
	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	<u>203,957</u>	<u>(543,214)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	38,752	(103,211)
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	1,091	2,055
Adjustments to current and deferred tax charge in respect of prior periods	(116,353)	-
Deferred tax not recognised	-	93
Adjustment in research and development expenditure	(74,100)	(30,875)
Effect of tax rate change	-	13
Group relief	59,403	9,755
Surrender of tax losses for R&D tax credit refund	-	12,937
<b>TOTAL TAX CHARGE FOR THE PERIOD/YEAR</b>	<u>(91,207)</u>	<u>(109,233)</u>

---

ASH & LACY SOLUTIONS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020

---

10. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

11. INTANGIBLE ASSETS

	Intellectual Property £
<b>COST</b>	
At 1 January 2020	100,290
Additions	16,815
At 31 December 2020	<u>117,105</u>
<b>AMORTISATION</b>	
Charge for the period	11,711
At 31 December 2020	<u>11,711</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u><u>105,394</u></u>
At 31 December 2019	<u><u>100,290</u></u>

**ASH & LACY SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

**12. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2020	5,207	266,148	24,898	296,253
Additions	-	64,152	4,420	68,572
At 31 December 2020	5,207	330,300	29,318	364,825
<b>DEPRECIATION</b>				
At 1 January 2020	1,649	87,882	12,135	101,666
Charge for the period	1,041	84,492	9,019	94,552
At 31 December 2020	2,690	172,374	21,154	196,218
<b>NET BOOK VALUE</b>				
At 31 December 2020	2,517	157,926	8,164	168,607
At 31 December 2019	3,558	178,266	12,763	194,587

**13. STOCKS**

	2020 £	2019 £
Raw materials	541,270	392,769
Work in progress	28,825	-
Finished goods	530,723	528,881
	<u>1,100,818</u>	<u>921,650</u>

---

**ASH & LACY SOLUTIONS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

**14. DEBTORS**

	2020 £	2019 £
Trade debtors	2,580,404	2,269,962
Amounts owed by group undertakings	2,327,360	1,121,943
Other debtors	210,280	41,687
Prepayments and accrued income	213,063	75,630
Deferred taxation	-	67,546
	<u>5,331,107</u>	<u>3,576,768</u>

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

	2020 £	2019 £
Bank overdrafts	-	22,808
Trade creditors	1,414,890	1,235,215
Amounts owed to group undertakings	2,322,906	1,283,876
Other taxation and social security	391,314	399,880
Invoice and stock finance	2,624,101	2,252,271
Other creditors	12,353	4,006
Accruals and deferred income	167,434	42,846
	<u>6,932,998</u>	<u>5,240,902</u>

The finance facility is secured by both fixed and floating charges, including the book debts of the Company.

---

**ASH & LACY SOLUTIONS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

**16. DEFERRED TAXATION**

	2020 £	2019 £
At beginning of year	67,546	-
Charged to profit or loss	(77,386)	67,546
<b>AT END OF YEAR</b>	<b>(9,840)</b>	<b>67,546</b>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(11,879)	(12,587)
Short term timing differences	2,039	2,264
Losses and other deductions	-	77,869
	<b>(9,840)</b>	<b>67,546</b>

**17. SHARE CAPITAL**

	2020 £	2019 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1 (2019 - 1) Ordinary share of £1.00	1	1

**18. 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 £115,856 (2019: £119,585). Contributions totaling £3,715 (2019: £4,006) were payable to the fund at the balance sheet date and are included in creditors.



---

## ASH & LACY SOLUTIONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

---

#### 19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	33,162	-
Later than 1 year and not later than 5 years	12,841	-
	<u>46,003</u>	<u>-</u>

#### 20. CONTINGENT LIABILITIES

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 2020 was £848 (2019: £60,557).

#### 21. 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.

#### 22. CONTROLLING PARTY

The ultimate parent Company and controlling party is Ash & Lacy Holdings Limited, a Company registered in England and 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.