

ASH & LACY SOLUTIONS LIMITED

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2022

Contents of the Financial Statements  
for the year ended 31 December 2022

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3 to 4
Report of the Independent Auditors	5 to 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 19

ASH & LACY SOLUTIONS LIMITED

Company Information  
for the year ended 31 December 2022

**Directors:** Dr J L Evans  
D B Nock  
Y Tian  
A D Waterhouse

**Registered office:** Ash & Lacy House  
Bromford Lane  
West Bromwich  
West Midlands  
B70 7JJ

**Registered number:** 10805226 (England and Wales)

**Auditors:** Haines Watts Birmingham LLP  
5-6 Greenfield Crescent  
Edgbaston  
Birmingham  
West Midlands  
B15 3BE

Strategic Report  
for the year ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

**Review of business**

In December 2021 the Ash and Lacy Group demerged into its separate divisional entities due to widely varying business, investment and management needs. Each business continued to perform well into 2022 with record sales and profits in most areas. This was particularly helped by the contribution of new products and systems that are becoming established in their markets. The combined EBITDA net of shareholder bonuses across the Ash and Lacy companies was £8.6m (£6.2m 2021) and management continue to reinvest in the business to broaden our product range and increase capacity and productivity.

Manufacturing businesses in the UK face many challenges, but also great opportunities as global instability encourages customers to seek local and reliable suppliers. Quality was once though the main risk with lowest-cost sourcing, but recent history has shown that continuity and availability are even more important. Material pricing and availability continues to be a challenge as well as ever-increasing labour and energy inflation. The availability of skills, especially as the business evolves into ever-more sophisticated manufacturing processes and value-added products, is becoming an increasing difficulty. Automation goes some way to addressing this, but we are also strengthening ties to local colleges and universities to ensure continued supply of skilled individuals to support this development.

Whilst our new products continue to outperform the market, the UK construction sector appears to be weaker as we move into 2023 than post-Covid. We are therefore planning on very modest progress in this area whilst investing in developing our automotive and aerospace businesses which now seem to be gearing up with new technologies and vehicles in response to the environmental challenges of low-carbon transport.

Ash and Lacy is an exciting, innovative company and in 2022 we made a wide range of manufacturing investments from chemical etching to load bearing framing production to support modern methods of manufacturing. Research and Development remains a high priority and we continue to file patents in a wide range of applications from solar power to audio electronics. This helps to continue to differentiate our business and protect margins from the commoditisation of our products.

**Principal risks and uncertainties**

The threat to global stability continues to be a major risk to the business and we continually seek to reduce our dependency on supply chains that might be affected most. We achieve this by procuring directly to have greater visibility on the country of origin, as well as not relying on a single supplier for any one critical product.

As we're all in the same situation, credit risk and the cost of it continues to be a challenge. We have therefore stepped up our active monitoring of the robustness of our customers and a proactive approach to credit management whilst taking a realistic approach to keep sales levels strong.

Having suffered a cyber attack in 2021, we invested heavily in new IT systems and security protocols. IT threats are a constant challenge and we aim to have systems operating independently as much as possible with manual operational backup plans as well as multiple platform back ups of critical files and programs.

**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.

**On behalf of the board:**

A D Waterhouse - Director

7 June 2023

Report of the Directors  
for the year ended 31 December 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

**Principal activity**

The principal activity of the company in the year under review was that of manufacture and supply of materials to UK and overseas commercial and industrial steel framing, roofing, cladding and facade contractors.

**Dividends**

No dividends will be distributed for the year ended 31 December 2022.

**Directors**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Dr J L Evans  
Y Tian  
A D Waterhouse

Other changes in directors holding office are as follows:

D B Nock - appointed 1 December 2022

D G Wright ceased to be a director after 31 December 2022 but prior to the date of this report.

**Results**

The profit for the year, after taxation, amounted to £1,349,246 (2021 - £442,088).

**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.

**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.

**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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors  
for the year ended 31 December 2022

**Auditors**

The auditors, Haines Watts Birmingham LLP, were appointed during the year and are deemed to be reappointed under Section 487 (2) of the Companies Act 2006.

**On behalf of the board:**

A D Waterhouse - Director

7 June 2023

Report of the Independent Auditors to the Members of  
Ash & Lacy Solutions Limited

### **Opinion**

We have audited the financial statements of Ash & Lacy Solutions Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and 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 31 December 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.

### **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.

Report of the Independent Auditors to the Members of  
Ash & Lacy Solutions Limited

**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.

**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.

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 framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included, but were not limited to:

- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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  
Ash & Lacy Solutions 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.

Kevin Hodgetts (Senior Statutory Auditor)  
for and on behalf of Haines Watts Birmingham LLP  
5-6 Greenfield Crescent  
Edgbaston  
Birmingham  
West Midlands  
B15 3BE

20 June 2023

Statement of Comprehensive  
Income  
for the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover	4	15,726,691	13,191,723
Cost of sales		(12,107,993)	(9,744,511)
<b>Gross profit</b>		<b>3,618,698</b>	<b>3,447,212</b>
Distribution costs		(2,416,297)	(2,369,945)
Administrative expenses		(1,049,293)	(826,628)
		<b>153,108</b>	<b>250,639</b>
Other operating income		1,404,294	64,185
<b>Operating profit</b>	6	<b>1,557,402</b>	<b>314,824</b>
Interest payable and similar expenses	7	(104,387)	(65,017)
<b>Profit before taxation</b>		<b>1,453,015</b>	<b>249,807</b>
Tax on profit	8	(103,769)	192,281
<b>Profit for the financial year</b>		<b>1,349,246</b>	<b>442,088</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,349,246</b>	<b>442,088</b>

The notes form part of these financial statements

Statement of Financial Position  
31 December 2022

	Notes	£	2022 £	£	2021 £
<b>Fixed assets</b>					
Intangible assets	9		235,872		135,068
Tangible assets	10		<u>2,049,651</u>		<u>721,315</u>
			<b>2,285,523</b>		<b>856,383</b>
<b>Current assets</b>					
Stocks	11	1,443,846		2,460,234	
Debtors	12	3,724,721		3,079,404	
Cash at bank		<u>623,557</u>		<u>886,247</u>	
			<b>5,792,124</b>	<b>6,425,885</b>	
<b>Creditors</b>					
Amounts falling due within one year	13	<u>5,676,960</u>		<u>5,068,842</u>	
<b>Net current assets</b>			<b>115,164</b>		<b>1,357,043</b>
<b>Total assets less current liabilities</b>			<b>2,400,687</b>		<b>2,213,426</b>
<b>Creditors</b>					
Amounts falling due after more than one year	14		<b>(584,485)</b>		<b>(1,850,239)</b>
<b>Provisions for liabilities</b>	17		<b>(177,311)</b>		<b>(73,542)</b>
<b>Net assets</b>			<b>1,638,891</b>		<b>289,645</b>
<b>Capital and reserves</b>					
Called up share capital	18		<b>1</b>		<b>1</b>
Retained earnings	19		<u>1,638,890</u>		<u>289,644</u>
<b>Shareholders' funds</b>			<b>1,638,891</b>		<b>289,645</b>

The financial statements were approved by the Board of Directors and authorised for issue on 7 June 2023 and were signed on its behalf by:

Dr J L Evans - Director

A D Waterhouse - Director

Statement of Changes in Equity  
for the year ended 31 December 2022

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2021</b>	1	(152,444)	(152,443)
<b>Changes in equity</b>			
Total comprehensive income	-	442,088	442,088
<b>Balance at 31 December 2021</b>	<u>1</u>	<u>289,644</u>	<u>289,645</u>
<b>Changes in equity</b>			
Total comprehensive income	-	1,349,246	1,349,246
<b>Balance at 31 December 2022</b>	<u>1</u>	<u>1,638,890</u>	<u>1,638,891</u>

The notes form part of these financial statements

Notes to the Financial Statements  
for the year ended 31 December 2022

1. **Statutory information**

Ash & Lacy Solutions 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.

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.

**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 of financial support and strategic advice from the wider Ash & Lacy Group under common control. 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.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

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

- the requirements of Section 7 Statement of Cash Flows.

**Revenue**

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

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

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of nil years.

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 - 5 years

Notes to the Financial Statements - continued  
for the year ended 31 December 2022

**2. Accounting policies - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

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.

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	3 to 10 years
Plant and machinery	3 to 20 years
Fixtures and fittings	3 to 5 years
Computer equipment	3 to 5 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.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

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.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 31 December 2022

2. **Accounting policies - continued**

**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.

**Financial instruments**

The company only enters into basic financial instrument 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.

**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.

**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. Any 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. **Critical accounting judgements and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements 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**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	15,726,691	13,191,723
	<u>15,726,691</u>	<u>13,191,723</u>

5. **Employees and directors**

	2022	2021
	£	£
Wages and salaries	2,240,434	2,275,558
Social security costs	223,134	215,224
Other pension costs	122,218	129,023
	<u>2,585,786</u>	<u>2,619,805</u>

Notes to the Financial Statements - continued  
for the year ended 31 December 2022

5. **Employees and directors - continued**

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

	2022	2021
Production	38	42
Sales	10	12
Operations	5	5
Technical	17	16
Admin	6	6
	<u>76</u>	<u>81</u>

	2022	2021
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

6. **Operating profit**

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

	2022	2021
	£	£
Depreciation - owned assets	227,456	94,786
Patents and licences amortisation	29,466	17,610
Auditors' remuneration	10,500	7,750
Foreign exchange differences	(9,372)	2,010
Operating lease rentals	<u>69,285</u>	<u>40,199</u>

7. **Interest payable and similar expenses**

	2022	2021
	£	£
Bank interest	<u>104,387</u>	<u>65,017</u>

8. **Taxation**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	-	(255,912)
Adjustments in respect of previous periods	-	(71)
Total current tax	<u>-</u>	<u>(255,983)</u>
Deferred tax	103,769	63,702
Tax on profit	<u>103,769</u>	<u>(192,281)</u>

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

Notes to the Financial Statements - continued  
for the year ended 31 December 2022

8. **Taxation - continued**

**Reconciliation of total tax charge/(credit) 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>1,453,015</u>	<u>249,807</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	276,073	47,463
Effects of:		
Expenses not deductible for tax purposes	1,787	1,696
Adjustments to tax charge in respect of previous periods	-	(71)
Research and development expenditure - enhanced deduction	(104,964)	(74,100)
Group relief surrendered	-	48,623
Receipt for group relief surrendered	-	(255,912)
Deferred tax - rate differences	18,906	17,650
Fixed asset timing differences	(88,033)	22,370
Total tax charge/(credit)	<u>103,769</u>	<u>(192,281)</u>

**Factors affecting future tax charges**

The main rate of corporation tax in force at the Statement of Financial Position date was 19%. A resolution to amend the corporation tax rate from 1 April 2023 was passed on 3 March 2021. The main rate of corporation tax has now been increased to 25% with effect from 1 April 2023. A small profits rate of 19% for companies with profits not exceeding £50k has also been introduced from the same date.

The deferred taxation balance has therefore been calculated at 25%, being the rate substantively enacted at the Statement of Financial Position date.

9. **Intangible fixed assets**

	Patents and licences £
<b>Cost</b>	
At 1 January 2022	164,389
Additions	130,270
At 31 December 2022	<u>294,659</u>
<b>Amortisation</b>	
At 1 January 2022	29,321
Amortisation for year	29,466
At 31 December 2022	<u>58,787</u>
<b>Net book value</b>	
At 31 December 2022	<u>235,872</u>
At 31 December 2021	<u>135,068</u>

Notes to the Financial Statements - continued  
for the year ended 31 December 2022

10. **Tangible fixed assets**

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>Cost</b>					
At 1 January 2022	5,207	957,586	31,379	18,147	1,012,319
Additions	70,854	1,434,838	50,100	-	1,555,792
At 31 December 2022	<u>76,061</u>	<u>2,392,424</u>	<u>81,479</u>	<u>18,147</u>	<u>2,568,111</u>
<b>Depreciation</b>					
At 1 January 2022	3,732	258,459	26,835	1,978	291,004
Charge for year	1,041	213,049	7,317	6,049	227,456
At 31 December 2022	<u>4,773</u>	<u>471,508</u>	<u>34,152</u>	<u>8,027</u>	<u>518,460</u>
<b>Net book value</b>					
At 31 December 2022	<u>71,288</u>	<u>1,920,916</u>	<u>47,327</u>	<u>10,120</u>	<u>2,049,651</u>
At 31 December 2021	<u>1,475</u>	<u>699,127</u>	<u>4,544</u>	<u>16,169</u>	<u>721,315</u>

The net book value of assets held finance under finance leases or hire purchase contracts, included above were £799,983 (2021: £54,908).

11. **Stocks**

	2022 £	2021 £
Raw materials	1,015,685	1,683,686
Work-in-progress	207,430	301,262
Finished goods	220,731	475,286
	<u>1,443,846</u>	<u>2,460,234</u>

12. **Debtors: amounts falling due within one year**

	2022 £	2021 £
Trade debtors	3,003,903	2,746,578
Other debtors	228,601	256,050
Prepayments	492,217	76,776
	<u>3,724,721</u>	<u>3,079,404</u>

13. **Creditors: amounts falling due within one year**

	2022 £	2021 £
Hire purchase contracts (see note 15)	111,591	15,377
Trade creditors	1,984,514	3,509,535
Social security and other taxes	61,970	181,196
VAT	60,916	-
Other creditors	1,524,358	12,412
Accruals and deferred income	171,942	229,076
Proceeds of factored debts	1,761,669	1,121,246
	<u>5,676,960</u>	<u>5,068,842</u>

Notes to the Financial Statements - continued  
for the year ended 31 December 2022

14. **Creditors: amounts falling due after more than one year**

	2022	2021
	£	£
Hire purchase contracts (see note 15)	584,485	3,049
Other creditors	-	1,847,190
	<u>584,485</u>	<u>1,850,239</u>

15. **Leasing agreements**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
<b>Net obligations repayable:</b>		
<b>Within one year</b>	111,591	15,377
<b>Between one and five years</b>	502,163	3,049
<b>In more than five years</b>	82,322	-
	<u>696,076</u>	<u>18,426</u>
	Non-cancellable	
	operating leases	
	2022	2021
	£	£
<b>Within one year</b>	50,367	40,199
<b>Between one and five years</b>	66,756	70,873
	<u>117,123</u>	<u>111,072</u>

16. **Secured debts**

The following secured debts are included within creditors:

	2022	2021
	£	£
Hire purchase contracts	696,076	18,426
Receivables finance facility	1,761,669	1,121,246
	<u>2,457,745</u>	<u>1,139,672</u>

The receivables finance facility (proceeds of factored debts) is secured by both fixed and floating charges, including the book debts of the company.

Liabilities under hire purchase contracts are secured on the individual assets concerned.

The company provides cross-guarantee security to several other companies under common control. Further details are given in note 22 - contingent liabilities.

Notes to the Financial Statements - continued  
for the year ended 31 December 2022

## 17. Provisions for liabilities

	2022 £	2021 £
Deferred tax		
Accelerated capital allowances	420,820	76,645
Tax losses carried forward	(240,601)	-
Other timing differences	(2,908)	(3,103)
	<u>177,311</u>	<u>73,542</u>
		<b>Deferred tax</b>
		£
Balance at 1 January 2022		73,542
Provided during year		103,769
Balance at 31 December 2022		<u>177,311</u>

## 18. Called up share capital

## Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
1	Ordinary	1	<u>1</u>	<u>1</u>

## 19. Reserves

	Retained earnings £
At 1 January 2022	289,644
Profit for the year	1,349,246
At 31 December 2022	<u>1,638,890</u>

## 20. 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 £122,218 (2021: £129,023). Contributions totalling £11,630 (2021: £12,412) were payable to the fund at the balance sheet date and are included in creditors.

## 21. Ultimate parent company

Until 31 December 2021, the company's immediate and ultimate parent company was Ash & Lacy Holdings Limited,

Following the demerger exercise on 31 December 2021, the company's immediate and ultimate parent undertaking is now newly incorporated, Ash & Lacy Solutions Holdings Limited, whose registered office address is Ash & Lacy House, Bromford Lane, West Bromwich, England, B70 7JJ.

Notes to the Financial Statements - continued  
for the year ended 31 December 2022

**22. Contingent liabilities**

In respect of amounts due to HSBC Bank plc, there is an Unlimited Multilateral Guarantee dated 29 December 2021 given by:

Ash & Lacy Group Limited, Ash & Lacy Holdings Limited, Ash & Lacy Building Systems Holdings Limited, Ash & Lacy Building Systems Limited, Ash & Lacy Automotive Holdings Limited, Ash & Lacy Automotive Limited, Ash & Lacy Solutions Holdings Limited, Ash & Lacy Solutions Limited, Ash & Lacy Finishes Holdings Limited, Ash & Lacy Finishes Limited, Ash & Lacy Perforating Holdings Limited, Ash & Lacy Perforating Limited, Accordial Holdings Limited and Halo Solar Limited (previously named Accordial Limited).

The potential liability of the company at 31 December 2022 was £nil (2021: £nil).

The company is also party to a debenture dated 20 December 2022 providing cross-guarantee security to Ash & Lacy Group Limited as security trustee for all present and future liabilities of the following secured parties:

Ash & Lacy Holdings Limited, Ash & Lacy Building Systems Limited, Ash & Lacy Automotive Limited, Ash & Lacy Solutions Limited, Ash & Lacy Finishes Limited, Ash & Lacy Perforating Limited, and Halo Solar Limited (previously named Accordial Limited).

**23. Related party disclosures**

Ash & Lacy Solutions Limited undertook transactions and had balances debtors/(creditors) with the following companies under common control as shown below:

			<b>Sales</b>	<b>Purchases</b>	<b>Balance</b>	<b>Balance</b>
	£	£	£		2022	2021
Ash & Lacy Holdings Limited			-	419,314	(1,333,265)	(3,694,290)
Ash & Lacy Building Systems Limited			777,485	2,194,932	84,939	3,799,020
Ash & Lacy Finishes Limited			1,452	685,774	(17,558)	1,013,556
Ash & Lacy Perforating Limited			-	262,925	17,447	69,446
Ash & Lacy Automotive Limited			-	-	-	(13,782)
Halo Solar Limited (previously Accordial Limited)			4,428	-	1,225	(190,107)

The above balances are a combination of amounts within trade debtors, other debtors, trade creditors and other creditors which are allocated as such according to transaction type.

**24. Controlling party**

By virtue of share ownership of the parent company, Dr J L Evans remains the the ultimate controlling party.

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.