

Ash & Lacy Services Limited

Registered number 2798286

Directors' report and Financial Statements
For the year ended 31 December 2009



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Directors' report

The directors present their annual report and Financial Statements for the year ended 31 December 2009

Principal activity

The principal activity of the Company is that of an intermediate holding company

Dividends

Dividends of £6,000,000 were received during the year (2008 £Nil) Dividends totalling £6,000,000 were also paid during the year (2008 £7,284,000)

Directors

The directors serving during the year were as follows

D W Muir
M Pegler

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office

By order of the Board



J C Humphreys
Secretary

7 May 2010

Westhaven House
Arleston Way
Shirley
Solihull
B90 4LH

Statement of directors' responsibilities in respect of the Directors' Report and Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Ash & Lacy Services Limited

We have audited the financial statements of Ash & Lacy Services Limited for the year ended 31 December 2009 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



G Neale (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

7 May 2010

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Profit on sale of fixed asset investments	3	-	7,284
Income received from shares in group undertakings		6,000	-
Profit before interest		6,000	7,284
Interest receivable and similar income	4	169	118
Profit on ordinary activities before taxation		6,169	7,402
Tax on profit on ordinary activities	5	(47)	(34)
Profit for the financial year		6,122	7,368

All operations are continuing

There are no recognised gains and losses other than those disclosed in the profit and loss account

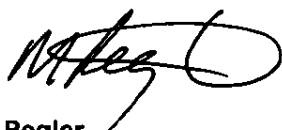
Balance sheet
 as at 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Fixed assets			
Investments	6	13,996	13,996
Debtors	7	7,646	7,511
Creditors corporation tax		(47)	(34)
Net assets		<u>21,595</u>	<u>21,473</u>
Capital and reserves			
Called up share capital	8	19,857	19,857
Profit and loss account	9	1,738	1,616
Equity shareholder's funds		<u>21,595</u>	<u>21,473</u>

These Financial Statements were approved by the board of directors on 7 May 2010 and signed on their behalf by



D W Muir
 Director



M Pegler
 Director

Reconciliation of movements in shareholder's funds
for the year ended 31 December 2009

	2009 £000	2008 £000
Profit for the financial year	6,122	7,368
Dividends paid during the year	(6,000)	(7,284)
Increase in shareholder's funds	122	84
Opening shareholder's funds	21,473	21,389
Closing shareholder's funds	21,595	21,473

Notes

(forming part of the Financial Statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements

Basis of accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards

Cash flow statement

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated Financial Statements

Consolidation

In accordance with Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the Company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company incorporated in England, which has prepared consolidated Financial Statements to include the results of the Company

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date, except as otherwise required by FRS 19

Ordinary dividends

Dividends payable are accounted in the Financial Statements when the Company declares the payment of the dividend. Dividends receivable are accounted for on a cash accounting basis

2 Directors and employees

The Company had no employees either this year or last and, as such, in both years the aggregate payroll costs were £Nil (2008 £Nil)

3 Profit on sale of fixed asset investments

The profit on sale of fixed asset investments of £7,284,000 in the year ended 31 December 2008 relates to the Company's sale of its investment in Express Reinforcements Limited

4 Interest receivable and similar income

	2009 £000	2008 £000
On loans to group undertakings	169	118

Notes (continued)

5 Tax on profit on ordinary activities

Analysis of charge in year

	2009 £000	2008 £000
UK corporation tax		
Current tax on profit for the year	47	34

Factors affecting tax charge for the year

The effective current tax rate for the year is lower (2008 lower) than the standard rate of corporation tax in the UK. The differences are explained below

	2009 £000	2008 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	6,169	7,402
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	1,727	2,110
<i>Effects of</i>		
Non-taxable profit on sale of investment	-	(2,076)
Non-taxable dividend income	(1,680)	-
Current tax charge	47	34

6 Fixed asset investments

Cost and net book value

	£000
At 1 January 2009 and 31 December 2009	13,996

The Company owns the whole of all classes of issued share capital and voting rights of Joseph Ash Limited, a company registered and operating in England & Wales whose principal activity is galvanizing

7 Debtors

	2009 £000	2008 £000
Amounts owed by group undertakings	7,646	7,511

Intercompany loans are unsecured and with no fixed repayment date. Interest is charged at a rate equivalent to the Group's average borrowing rate for the year.

8 Share capital

	2009 £000	2008 £000
<i>Allotted called up and fully paid</i>		
Ordinary shares of £1 each	19,857	19,857

Notes (continued)

9 Profit and loss account

	£000
Balance as at 1 January 2009	1,616
Profit for the financial year	6,122
Dividends paid during the year	(6,000)
	<hr/>
Balance as at 31 December 2009	1,738
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10 Related party transactions

The Company has taken advantage of the exemption available under FRS 8 *Related party transactions* not to disclose transactions that have been made between the Company and other fellow subsidiaries of Hill & Smith Holdings PLC

11 Ultimate parent company

The Company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company registered in England. Copies of the Group Financial Statements may be obtained from the registered office

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 Arleston Way
 Shirley
 Solihull
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