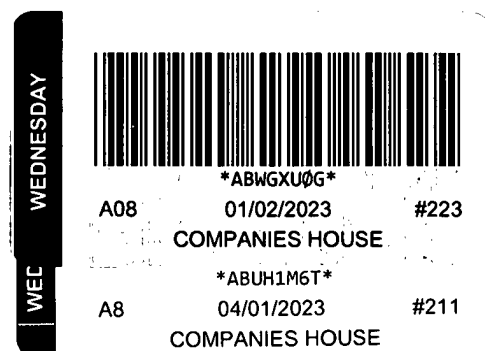


Ace Supplies UK Limited

**Directors' report and financial
statements**

Registered number 03006923
For the year ended 31 December 2021



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Company information

Directors

PR Earp
HR Earp

Registered office

Unit C1 B
Stafford park
Telford
Shropshire
TF3 3BA

Registered number

03006923 (England and Wales)

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2021.

The directors took advantage of the small companies' exemption not to prepare a Strategic report or enhanced business review

Principal activities

The principal activity of the company during the year continued to be the manufacture and distribution of small plastic components.

Review of business

The directors are happy with the profit for the year and the state of affairs at the balance sheet date.

The company remains in a strong position to continue to achieve sales and profit growth, including continued expansion into new markets.

The trading results for the period can be found on page 5.

Principal risks and uncertainties

The Company aims to maintain its position through the development of new and innovative products and the continuation of its policy to provide excellent service and support to its customers.

As the company is a distributor the main risks to the company are the availability of products from its key supplier base and exposure to foreign exchange fluctuations. The company has embarked on a program of widening its product offering and therefore reducing its reliance on any one key supplier. The company has maintained its position with its customers and limited the currency exposure, when possible, by the natural hedge of trading with customers and suppliers in the same currency. The risk has therefore been minimised and is not considered material.

The company has recovered well following the pandemic with sales and profits recovering to pre-pandemic levels during the year. The Company has continued to tightly control discretionary expenditure with a particular focus on controlling working capital.

The company is funded by working capital and the parent company's strong cash reserve of £24m, with no external debt.

The Directors of the company and group have prepared more detailed group wide profit and cash forecasts for the period to 31 December 2022 and have considered the potential effects of the pandemic on the company's performance, liquidity and therefore ability to meet its financial obligations. Based on this assessment the company is forecast to have available working capital facilities at all times to meet its liabilities as they fall due and the Directors consider that it is appropriate to adopt the going concern basis having reviewed any uncertainties that may affect the Company's ability to continue as a going concern for at least the next 12 months from the date these Financial Statements were approved.

Dividends

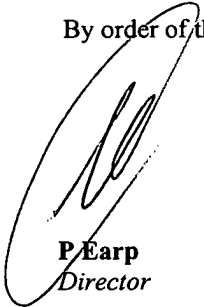
No dividends will be distributed for the year ended 31 December 2021 (2020: £Nil)

Directors

PR Earp
HR Earp

Directors' report *(continued)*

By order of the board



P Earp
Director

Unit C1 B
Stafford Park
Telford
Shropshire
TF3 3BA

14th December 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE 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 applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently.
- make judgements 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.
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2021

| | <i>Note</i> | 2021 £ | 2020 £ |
|---|-------------|------------------|-----------|
| Turnover | 2 | 1,146,346 | 961,961 |
| Cost of sales | | (528,957) | (517,121) |
| | | <hr/> | <hr/> |
| Gross profit | | 617,389 | 444,840 |
| Distribution costs | | (62,085) | (66,968) |
| Administrative expenses | | (255,972) | (159,693) |
| | | <hr/> | <hr/> |
| Operating profit | 3 | 299,332 | 218,179 |
| Interest receivable and similar income: | 6 | - | 1,020 |
| Interest payable and similar expenses | 7 | (1,674) | - |
| | | <hr/> | <hr/> |
| Profit before taxation | | 297,658 | 219,199 |
| Taxation | 8 | (56,959) | (41,813) |
| | | <hr/> | <hr/> |
| Profit for the year, being total comprehensive income for the year | | 240,699 | 177,386 |
| | | <hr/> | <hr/> |

The notes on pages 8 to 16 form an integral part of these financial statements.

Balance Sheet
at 31 December 2021

| | <i>Note</i> | 2020 £ | £ | 2020 £ | £ |
|---|-------------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 9 | | 4,890 | | 6,734 |
| Current assets | | | | | |
| Stocks | 10 | 151,007 | | 128,402 | |
| Debtors | 11 | 1,436,220 | | 1,119,502 | |
| Cash at bank and in hand | | 156,107 | | 318,887 | |
| | | <u>1,743,334</u> | | <u>1,566,791</u> | |
| Creditors: amounts falling due within one year | 12 | <u>(137,645)</u> | | <u>(204,617)</u> | |
| Net current assets | | | <u>1,605,689</u> | | <u>1,362,174</u> |
| Total assets less current liabilities | | | <u>1,610,579</u> | | <u>1,368,908</u> |
| Provisions for liabilities | 13 | | <u>(1,685)</u> | | <u>(713)</u> |
| | | | <u>1,608,894</u> | | <u>1,368,195</u> |
| Capital and reserves | | | | | |
| Called up share capital | 14 | 50,000 | | 50,000 | |
| Profit and loss account | | 1,558,894 | | 1,318,195 | |
| Shareholders' funds | | | <u>1,608,894</u> | | <u>1,368,195</u> |

The notes on pages 8 to 16 form an integral part of these financial statements.

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These financial statements were approved by the board of directors on 14th December 2022 and were signed on its behalf by:


PR Earp
Director

Company registered number: 03006923

Statement of Changes in Equity

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|--|---------------------------------|---------------------------------|-------------------|
| Balance at 1 January 2020 | 50,000 | 1,140,809 | 1,190,809 |
| Total comprehensive income for the year | | | |
| Profit for the year | - | 177,386 | 177,386 |
| | <u>50,000</u> | <u>1,318,195</u> | <u>1,368,195</u> |
| Balance at 31 December 2020 | 50,000 | 1,318,195 | 1,368,195 |
| | <u>50,000</u> | <u>1,318,195</u> | <u>1,368,195</u> |
| Balance at 1 January 2021 | 50,000 | 1,318,195 | 1,368,195 |
| Total comprehensive income for the year | | | |
| Profit for the year | - | 240,699 | 240,699 |
| | <u>50,000</u> | <u>1,558,894</u> | <u>1,608,894</u> |
| Balance at 31 December 2021 | <u>50,000</u> | <u>1,558,894</u> | <u>1,608,894</u> |

The notes on pages 11 to 19 form an integral part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

Ace Supplies UK Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 03006923 and the registered address is Spring Lane, Malvern Link, Malvern, Worcestershire WR14 1AL.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, English Braids Limited includes the Company in its consolidated financial statements. The consolidated financial statements of English Braids Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Spring Lane, Malvern Link, Malvern, Worcestershire WR14 1AL. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period.
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

English Braids Limited has guaranteed the liabilities of the company in order for it to qualify for the exemption from audit under section 479A of the Companies Act 2006 in respect of the year ended 31 December 2021

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company has recovered well following the pandemic with sales and profits recovering to pre-pandemic levels during the year. The Company has continued to tightly control discretionary expenditure with a particular focus on controlling working capital.

The company is funded by its own working capital and is also backed by the parent company's strong cash reserve of £24m, with no external debt.

The Directors of the company and group have prepared more detailed group wide profit and cash forecasts for the period to 31 December 2022 and have considered the potential effects of the pandemic on the company's performance, liquidity and therefore ability to meet its financial obligations. Based on this assessment the company is forecast to have available working capital facilities at all times to meet its liabilities as they fall due and the Directors consider that it is appropriate to adopt the going concern basis having reviewed any uncertainties that may affect the Company's ability to continue as a going concern for at least the next 12 months from the date these Financial Statements were approved.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.2 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

1.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- plant and machinery 3 to 8 years
- motor vehicles 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.5 Employee benefits

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes (continued)

1 Accounting policies (continued)

1.6 Turnover

Turnover represents the amount derived from the provision of goods and services to customers, excluding value added tax.

1.7 Expenses

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable. Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing difference is not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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 (continued)

2 Turnover

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

An analysis of turnover by geographical market is as follows:

| | 2021 £ | 2020 £ |
|-------------------|------------------|----------------|
| United Kingdom | 1,136,347 | 843,311 |
| Rest of the World | 9,999 | 118,650 |
| | <u>1,146,346</u> | <u>961,961</u> |

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

| | 2021 £ | 2020 £ |
|-----------------------------|---------------|---------------|
| Management fees | 30,000 | 30,000 |
| Business property rental | 18,000 | 18,000 |
| Depreciation – owned assets | 3,048 | 3,819 |
| | <u>51,048</u> | <u>51,819</u> |

Auditor's remuneration:

| | | |
|-------------------------------------|--------------|--------------|
| Audit of these financial statements | - | 4,339 |
| Taxation compliance services | 1,050 | 1,050 |
| | <u>1,050</u> | <u>5,389</u> |

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

| | Number of employees 2021 | 2020 |
|----------------|-----------------------------|----------|
| Administration | 3 | 3 |
| Production | 2 | 2 |
| | <u>5</u> | <u>5</u> |

The aggregate payroll costs of these persons were as follows:

| | £ | £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 131,789 | 106,951 |
| Social security costs | 11,388 | 8,623 |
| Other pension costs | 2,761 | 2,548 |
| | <u>145,938</u> | <u>118,122</u> |

Notes (continued)

5 Directors' remuneration

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Directors' remuneration | - | - |
| Directors' pension contributions to money purchase schemes | - | - |
| | <u> </u> | <u> </u> |

The number of directors to whom retirement benefits were accruing was as follows:

| | | |
|------------------------|-------------------|-------------------|
| Money purchase schemes | - | - |
| | <u> </u> | <u> </u> |

Information regarding the highest paid director is as follows:

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Emoluments etc | | |
| Pension contributions to money purchase schemes | - | - |
| | <u> </u> | <u> </u> |

The directors received no emoluments for qualifying services to this company during the year (2019: £Nil).

The remuneration of the directors is borne by English Braids Limited.

6 Interest receivable and similar income

| | 2021 £ | 2020 £ |
|--------------------------|-------------------|-------------------|
| Deposit account interest | - | 1 |
| Foreign exchange gain | - | 1,019 |
| | <u> </u> | <u> </u> |
| | - | 1,020 |
| | <u> </u> | <u> </u> |

7 Interest payable and similar expenses

| | 2021 £ | 2020 £ |
|-----------------------|-------------------|-------------------|
| Foreign exchange loss | (1,674) | - |
| | <u> </u> | <u> </u> |

Notes (continued)

8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

| | 2021 £ | £ | 2020 £ | £ |
|------------------------|-----------|-------------|-----------|-------------|
| Current tax | 55,987 | | 42,499 | |
| Prior year adjustment | - | | - | |
| | <hr/> | | <hr/> | |
| | | 55,987 | | 42,499 |
| Deferred tax | | | | |
| Timing differences | 972 | | (686) | |
| Prior year adjustments | - | | - | |
| | <hr/> | | <hr/> | |
| | | 972 | | (686) |
| | | <hr/> | | <hr/> |
| | | 56,959 | | 41,813 |
| | | <hr/> <hr/> | | <hr/> <hr/> |

Reconciliation of effective tax rate

| | 2021 £ | 2020 £ |
|---|-------------|-------------|
| Profit for the year | 240,699 | 177,386 |
| Total tax expense | 56,959 | 41,813 |
| | <hr/> | <hr/> |
| Profit excluding taxation | 297,658 | 219,199 |
| Tax using the UK corporation tax rate of 19 % (2019: 19%) | 56,555 | 41,648 |
| Difference between corporation and deferred tax rates | - | 165 |
| Remeasurement of Deferred tax for changes in rates | 404 | - |
| | <hr/> | <hr/> |
| Total tax expense included in profit or loss | 56,959 | 41,813 |
| | <hr/> <hr/> | <hr/> <hr/> |

Factors that may affect future current and total tax charges

On the 3rd March 2021 the Chancellor of the Exchequer announced that the corporation tax rate will increase from 19% to 25% from 1st April 2023. This will increase the company's future current tax charge accordingly. The impact of the rate change on the deferred tax liability is not considered to be significant.

The deferred tax liability at 31st December 2021 has been calculated at 19% (2020: 19%)

Notes (continued)

9 Tangible fixed assets

| | Plant and machinery £ |
|------------------------------------|-----------------------------|
| Cost | |
| At beginning of the year | 92,099 |
| Additions | 1,204 |
| At end of the year | 93,303 |
| | <hr/> |
| Depreciation and impairment | |
| At beginning of year | 85,365 |
| Depreciation charge for the year | 3,048 |
| | <hr/> |
| At end of year | 88,413 |
| | <hr/> |
| Net book value | |
| At 31 December 2021 | 4,890 |
| | <hr/> |
| At 31 December 2020 | 6,734 |
| | <hr/> |

10 Stocks

| | 2021 £ | 2020 £ |
|------------------|----------------|----------------|
| Work in progress | - | 1,185 |
| Finished goods | 151,007 | 127,217 |
| | <hr/> | <hr/> |
| | 151,007 | 128,402 |
| | <hr/> | <hr/> |

11 Debtors

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| <i>Amounts falling due within one year</i> | | |
| Trade debtors | 70,694 | 126,919 |
| Amounts due from group undertakings | 1,358,973 | 989,220 |
| Other debtors | 6,553 | 3,363 |
| | <hr/> | <hr/> |
| | 1,436,220 | 1,119,502 |
| | <hr/> | <hr/> |

Notes (continued)

12 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---------------------------------|----------------|----------------|
| Trade creditors | 42,996 | 51,030 |
| Corporation tax | 55,604 | 85,815 |
| Social security and other taxes | 29,789 | 59,645 |
| Other creditors | 9,256 | 8,127 |
| | <u>137,645</u> | <u>204,617</u> |

13 Provision for liabilities

Deferred taxation

| | £ |
|---------------------------------------|---------------------|
| At beginning of year | 713 |
| Credit to the profit and loss account | 972 |
| | <u>1,685</u> |
| At end of year | <u>1,685</u> |

| | 2021 £ | 2020 £ |
|--------------------------------|------------|------------|
| Accelerated capital allowances | <u>972</u> | <u>713</u> |

14 Capital and reserves

Share capital

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Allotted, issued and fully paid | | |
| 50,000 ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> |

15 Pension commitments

The pension cost charge represents contributions payable by the company to the scheme and amounted to £2,761 (2020: £2,548). At the end of the financial year there were contributions outstanding of £3,293 (2020: £1,447).

Notes (continued)

16 Operating leases

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2021 £ | 2020 £ |
|-----------------|---------------|---------------|
| Within one year | <u>18,000</u> | <u>18,000</u> |

17 Related party

Goods and services amounting to £942 were supplied to Ibex Marina Ropes Limited. Purchases from Ibex Marina Ropes Limited amounted to £4,666. All transactions were made in the normal course of business. Ibex Marina Ropes Limited is 50% owned by English Braids Limited and 50% owned by P Earp, the ultimate controlling party.

The Company was charged the following amounts by its parent company, English Braids Limited, during the year.

| | |
|--------------------|-------------------------|
| Management charges | £30,000 (2020: £30,000) |
| Property rental | £18,000 (2020: £18,000) |
| Rental of a car | £NIL (2020: £235) |
| VAT liabilities | £NIL (2020: £NIL) |

The total balance owed by English Braids Limited to the Company at 31 December 2021 was £1,358,973 (2020: £1,002,344).

English Braids Limited is 100% owned by P Earp, the controlling party.

18 Ultimate parent company and ultimate controlling party

The company is a subsidiary undertaking of English Braids Limited, a company incorporated in Great Britain.

Copies of English Braids Limited's financial statements are available from:

Spring Lane
Malvern
Worcestershire
WR14 1AL

The ultimate controlling party is P Earp, who controls 100% of the share capital of the ultimate parent company.

19 Accounting estimates and judgements

Estimates and assumptions are reviewed on an ongoing basis. There were no key estimates or judgements.