
The Ace Supply Holding Company Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2022

The Ace Supply Holding Company Limited

Company Information

| | |
|-----------------------------|--|
| Directors | D Silverman D Davis N Silverman |
| Registered number | 10287536 |
| Registered office | Suite G4 Marsland House Marsland Road Sale M33 3AQ |
| Independent auditors | Hurst Accountants Limited Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport SK1 1TD |
| Bankers | Yorkshire Bank 17-21 Oxford Street Bolton BL1 1RD |

The Ace Supply Holding Company Limited

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Group Strategic Report
For the Year Ended 31 December 2022

Introduction

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

Business review

The Ace Supply Holding Company Limited is one of the UK's largest distributors of car, caravan and leisure accessories. As we present the financial statements for the year ended 31 December 2022, we are pleased to share the highlights of our performance and our strategic outlook for the future.

During the year under review, there were no significant changes to the Group's principal activities. Looking ahead, we do not anticipate any planned shifts in our focus for the next year. Our commitment remains steadfast in providing quality car, caravan, and leisure accessories to our valued customers.

Turnover for the year ended 31 December 2022 reached £16,935,516, reflecting an increase compared to £16,654,164 for the year ended 31 December 2021. This growth can be attributed to a robust summer season, driven by increased consumer demand for home, garden and 'staycation' products. While the second half of the year experienced a dip, characterised by negative talk around inflation and the state of the economy, we are pleased to report that trade has rebounded in early 2023.

However, it is worth noting that the Group's gross profit reduced to £4,080,791 from £4,679,553 in the previous financial year. The decline in gross profit is primarily due to a 4.0 percentage points decrease in gross margin, which now stands at 24.1%. The decrease can be attributed to the extremely high costs of carriage experienced towards the end of 2021 and through 2022. Consequently, the Group faced higher-priced residual stock, impacting margins. Nonetheless, we are optimistic about the future, as the cost of carriage has now reduced, and the Directors anticipate a return to previous gross margin levels once the higher priced stock has sold through.

Throughout the financial year, the Group faced market caution stemming from several external factors. These included the ongoing war in Ukraine, high rates of interest, inflation, and general economic uncertainty. Despite these challenges, we are proud to have managed to generate a profit before tax of £675,390. While this figure is lower compared to the previous year's profit before tax of £1,434,884, we view it as a commendable achievement given the prevailing market conditions.

The Group maintains a strong and stable financial position, with significant net current assets of £6,412,004 as of 31 December 2022. This figure represents a slight increase from £6,334,113 recorded on 31 December 2021. Our robust financial position enables us to weather economic uncertainties and invest in strategic initiatives to enhance our offerings to our customers.

As we look ahead, the Group remains committed to its core mission of providing quality car, caravan and leisure accessories. We will continue to closely monitor market dynamics and adapt our strategies accordingly. In light of the rebound in trade at the beginning of 2023, we are cautiously optimistic about the potential for growth in the coming year.

The Ace Supply Holding Company Limited

Group Strategic Report (continued) For the Year Ended 31 December 2022

Principal risks and uncertainties

Foreign Currency Risk

Risks faced by the Group during the forthcoming year relate to overseas purchases. With exchange rates fluctuating due to recent economic events, gross margin performance and the requirement for hedging is being continually monitored by the Directors. From time to time, the Group takes out FX contracts to mitigate and manage currency fluctuations.

Price Risk

It may not always be possible to maintain gross margin against a backdrop of increasing product prices as clients are reluctant to accept price increases mid-year as they are unable to pass these onto their end customers, therefore these are absorbed by the company where agreements are in place. Management regularly monitor all aspects of product and labour costs in order to speedily react to any and all adverse influences which might affect achieved margins.

Liquidity Risk

The Group seeks to manage financial risk by ensuring liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved through the utilisation of various credit facilities including invoice discounting and trade loans.

Credit Risk

The principal credit risk arises from the Group's trade debtors.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Interest Rate Risk

The Group finances its operations through a mixture of retained profits, cash and external loans. The Group's exposure to interest rate fluctuations on its borrowings is not considered material.

Financial key performance indicators

The Group's financial KPIs continue to be turnover, gross profit and margin, which remain the major areas in shaping the future success of the business.

| | 2022 | 2021 |
|---------------------|-------------|-------------|
| Turnover | £16,935,516 | £16,654,164 |
| Gross profit | £4,080,791 | £4,697,553 |
| Gross profit margin | 24.1% | 28.1% |

The Ace Supply Holding Company Limited

Group Strategic Report (continued)
For the Year Ended 31 December 2022

This report was approved by the board and signed on its behalf.

.....
D Silverman
Director

Date: 22 September 2023

The Ace Supply Holding Company Limited

Directors' Report For the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £523,831 (2021: £1,129,534).

Ordinary dividends were paid to the shareholders amounting to £387,020 (2021: £453,042).

Directors

The directors who served during the year were:

M Silverman (resigned 30 June 2023)
D Silverman
D Davis
N Silverman
L Silverman (resigned 30 June 2023)

Future developments

The Group will continue to import and distribute motor vehicle, leisure and garden accessories and seek opportunities to diversify through incremental growth opportunities.

The Ace Supply Holding Company Limited

Directors' Report (continued)
For the Year Ended 31 December 2022

Disclosure of information to auditors

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 and the Group's auditors are 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 and the Group's auditors are aware of that information.

Post balance sheet events

Subsequent to the year, on 30 June 2023, the entire share capital of The Ace Supply Holding Company Limited was acquired by The Ace Supply Topco Limited.

Auditors

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
D Silverman
Director

Date: 22 September 2023

Independent Auditors' Report to the Members of The Ace Supply Holding Company Limited

Opinion

We have audited the financial statements of The Ace Supply Holding Company Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity 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 Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's 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 Group 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 Group's or the parent 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

The Ace Supply Holding Company Limited

Independent Auditors' Report to the Members of The Ace Supply Holding Company Limited (continued)

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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of The Ace Supply Holding Company Limited (continued)

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 an Auditors' 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 Group 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:

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following.

- The nature of the industry and sector in which the Group operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Group's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations.
 - Detecting and responding to the risks of fraud.
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Group operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Group, including General Data Protection requirements, and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

The Ace Supply Holding Company Limited

Independent Auditors' Report to the Members of The Ace Supply Holding Company Limited (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments. We have used data analytics software to identify accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or error.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 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.

Chris Stewardson (Senior Statutory Auditor)
for and on behalf of
Hurst Accountants Limited
Chartered Accountants & Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
Sk1 1TD

22 September 2023

The Ace Supply Holding Company Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2022

| | Note | 2022 £ | 2021 £ |
|---|------|------------------|------------------|
| Turnover | 4 | 16,935,516 | 16,654,164 |
| Cost of sales | | (12,854,725) | (11,974,611) |
| Gross profit | | 4,080,791 | 4,679,553 |
| Distribution costs | | (1,597,174) | (1,550,668) |
| Administrative expenses | | (1,752,717) | (1,625,575) |
| Exceptional administrative expenses | 5 | - | (175,000) |
| Other operating income | 6 | 44,836 | 127,502 |
| Operating profit | 7 | 775,736 | 1,455,812 |
| Interest receivable and similar income | 11 | 247 | 150 |
| Interest payable and similar expenses | 12 | (100,593) | (21,078) |
| Profit before taxation | | 675,390 | 1,434,884 |
| Tax on profit | 13 | (151,559) | (305,350) |
| Profit for the financial year | | 523,831 | 1,129,534 |
| Fair value gains/(losses) on forward currency contracts | | (38,249) | 103,779 |
| Other comprehensive income | | (38,249) | 103,779 |
| Total comprehensive income for the year | | 485,582 | 1,233,313 |
| Profit for the year attributable to: | | | |
| Owners of the parent Company | | 523,831 | 1,129,534 |
| Total comprehensive income for the year attributable to: | | | |
| Owners of the parent Company | | 485,582 | 1,233,313 |

The notes on pages 17 to 37 form part of these financial statements.

The Ace Supply Holding Company Limited
Registered number: 10287536

Consolidated Balance Sheet
As at 31 December 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 15 | - | (28,264) |
| Tangible assets | 16 | 126,767 | 195,242 |
| | | <u>126,767</u> | <u>166,978</u> |
| Current assets | | | |
| Stocks | 18 | 5,129,358 | 5,753,969 |
| Debtors: amounts falling due within one year | 19 | 3,379,986 | 3,822,818 |
| Cash at bank and in hand | 20 | 226,800 | 576,669 |
| | | <u>8,736,144</u> | <u>10,153,456</u> |
| Creditors: amounts falling due within one year | 21 | (2,324,140) | (3,819,343) |
| Net current assets | | <u>6,412,004</u> | <u>6,334,113</u> |
| Total assets less current liabilities | | <u>6,538,771</u> | <u>6,501,091</u> |
| Creditors: amounts falling due after more than one year | 22 | (146,939) | (205,715) |
| Provisions for liabilities | | | |
| Deferred taxation | 25 | - | (2,106) |
| Other provisions | 26 | (175,000) | (175,000) |
| Net assets | | <u><u>6,216,832</u></u> | <u><u>6,118,270</u></u> |
| Capital and reserves | | | |
| Called up share capital | 27 | 3,464 | 3,464 |
| Other reserves | 28 | (15,385) | 22,864 |
| Merger reserve | 28 | 2,222,021 | 2,222,021 |
| Profit and loss account | 28 | 4,006,732 | 3,869,921 |
| | | <u><u>6,216,832</u></u> | <u><u>6,118,270</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
D Silverman
Director

Date: 22 September 2023

The notes on pages 17 to 37 form part of these financial statements.

The Ace Supply Holding Company Limited
Registered number: 10287536

Company Balance Sheet
As at 31 December 2022

| | Note | 2022 £ | 2021 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Investments | 17 | 3,566,285 | 3,566,285 |
| Creditors: amounts falling due within one year | 21 | (902,141) | (902,141) |
| Net current liabilities | | (902,141) | (902,141) |
| Total assets less current liabilities | | 2,664,144 | 2,664,144 |
| Net assets | | 2,664,144 | 2,664,144 |
| Capital and reserves | | | |
| Called up share capital | 27 | 3,464 | 3,464 |
| Merger reserve | 28 | 2,222,021 | 2,222,021 |
| Profit and loss account brought forward | | 438,659 | 449,541 |
| Profit for the year | | 387,020 | 442,160 |
| Dividends paid | | (387,020) | (453,042) |
| Profit and loss account carried forward | | 438,659 | 438,659 |
| | | 2,664,144 | 2,664,144 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
D Silverman

Director

Date: 22 September 2023

The notes on pages 17 to 37 form part of these financial statements.

The Ace Supply Holding Company Limited

**Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2022**

| | Called up share capital £ | Cashflow hedge reserve £ | Merger reserve £ | Profit and loss account £ | Total equity £ |
|---|--|---|-----------------------------|--|---------------------------|
| At 1 January 2021 | 3,464 | (80,915) | 2,222,021 | 3,193,429 | 5,337,999 |
| Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 1,129,534 | 1,129,534 |
| Fair value gains / (losses) on forward currency contracts | - | 103,779 | - | - | 103,779 |
| Dividends: Equity capital | - | - | - | (453,042) | (453,042) |
| At 1 January 2022 | 3,464 | 22,864 | 2,222,021 | 3,869,921 | 6,118,270 |
| Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 523,831 | 523,831 |
| Fair value gains / (losses) on forward currency contracts | - | (38,249) | - | - | (38,249) |
| Dividends: Equity capital | - | - | - | (387,020) | (387,020) |
| At 31 December 2022 | 3,464 | (15,385) | 2,222,021 | 4,006,732 | 6,216,832 |

The notes on pages 17 to 37 form part of these financial statements.

The Ace Supply Holding Company Limited

**Company Statement of Changes in Equity
For the Year Ended 31 December 2022**

| | Called up share capital £ | Merger reserve £ | Profit and loss account £ | Total equity £ |
|--|---------------------------------|---------------------|---------------------------------|-------------------|
| At 1 January 2021 | 3,464 | 2,222,021 | 449,541 | 2,675,026 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 442,160 | 442,160 |
| Dividends: Equity capital | - | - | (453,042) | (453,042) |
| At 1 January 2022 | 3,464 | 2,222,021 | 438,659 | 2,664,144 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 387,020 | 387,020 |
| Dividends: Equity capital | - | - | (387,020) | (387,020) |
| At 31 December 2022 | 3,464 | 2,222,021 | 438,659 | 2,664,144 |

The notes on pages 17 to 37 form part of these financial statements.

The Ace Supply Holding Company Limited

**Consolidated Statement of Cash Flows
For the Year Ended 31 December 2022**

| | 2022 £ | 2021 £ |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 523,831 | 1,129,534 |
| Adjustments for: | | |
| Amortisation of intangible assets | (28,264) | (55,809) |
| Depreciation of tangible assets | 83,039 | 86,811 |
| Loss / (Profit) on disposal of tangible assets | - | (27,739) |
| Interest paid | 100,593 | 21,078 |
| Interest received | (247) | (150) |
| Taxation charge | 151,559 | 305,350 |
| Decrease/(increase) in stocks | 624,611 | (2,823,463) |
| Decrease/(increase) in debtors | 429,477 | (403,886) |
| (Decrease)/increase in creditors | (641,437) | 623,913 |
| Increase in provisions | - | 175,000 |
| Corporation tax (paid) | (311,430) | (468,896) |
| Net cash generated from operating activities | 931,732 | (1,438,257) |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (14,564) | (86,575) |
| Sale of tangible fixed assets | - | 35,999 |
| Interest received | 247 | 150 |
| Net cash from investing activities | (14,317) | (50,426) |
| Cash flows from financing activities | | |
| New secured loans | 198,122 | 404,417 |
| Repayment of loans | (438,475) | - |
| Dividends paid | (387,020) | (453,042) |
| Interest paid | (92,297) | (21,078) |
| Movement in invoice discounting | (547,614) | 1,470,167 |
| Net cash used in financing activities | (1,267,284) | 1,400,464 |
| Net (decrease) in cash and cash equivalents | (349,869) | (88,219) |
| Cash and cash equivalents at beginning of year | 576,669 | 664,888 |
| Cash and cash equivalents at the end of year | 226,800 | 576,669 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 226,800 | 576,669 |

The notes on pages 17 to 37 form part of these financial statements.

The Ace Supply Holding Company Limited

**Consolidated Analysis of Net Debt
For the Year Ended 31 December 2022**

| | At 1 January 2022 £ | Cash flows £ | Other non-cash changes £ | At 31 December 2022 £ |
|--------------------------|---------------------------|------------------|--------------------------------|-----------------------------|
| Cash at bank and in hand | 576,669 | (349,869) | - | 226,800 |
| Debt due after 1 year | (205,715) | 58,776 | - | (146,939) |
| Debt due within 1 year | (438,474) | 181,577 | - | (256,897) |
| Financial instruments | 22,864 | - | (38,249) | (15,385) |
| | <u>(44,656)</u> | <u>(109,516)</u> | <u>(38,249)</u> | <u>(192,421)</u> |

The notes on pages 17 to 37 form part of these financial statements.

The Ace Supply Holding Company Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. General information

The Ace Supply Holding Company Limited ("the Company") is a private Company limited by share capital, incorporated in England & Wales, company number 10287536. The address of the registered office and the principal place of business is Suite Ga Marlsand House, Marlsand Road, Sale, M33 3AQ.

The Group consists of The Ace Supply Holding Company Limited and its subsidiaries, The Ace Supply Company Limited and The Ace Supply Company Europe Limited. The nature of the subsidiary's operation and its principal activity is the wholesale trade of motor vehicle and leisure accessories. The nature of the Company's operation is that of a holding Company.

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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

In the previous period, customer rebates were presented within cost of sales. In the current period, customer rebates have been deducted from turnover. The comparative figures for turnover and cost of sales have both been reduced by £257,047.

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent *Company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of Cash Flows has been presented for the parent *Company*;

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The Company has not presented its own Statement of cash flows on the basis that these figures are included in the Consolidated statement of cash flows.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised upon the despatch of the goods.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.5 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Government grants

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Negative goodwill is amortised based on the group's expected consumption of non-monetary assets.

Other 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.

2.14 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods described below.

Depreciation is provided on the following basis:

| | |
|--|--|
| Leasehold improvements | - straight line over the remaining length of the lease |
| Plant and machinery | - 25% per annum on a straight line basis |
| Motor vehicles | - 25% per annum on a straight line basis |
| Fixtures and fittings | - 25% per annum on a reducing balance basis |
| Computer equipment (Disclosed within Fixtures and fittings) | - 33% per annum on a straight line basis |

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.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.16 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.

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in other comprehensive income.

2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

The Ace Supply Holding Company Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual outcomes may differ from these judgements, estimates and assumptions. The judgements, estimates and assumptions that have the most significant effect on the carrying value of assets and liabilities of the Group as at 31 December 2022 are discussed below:

Provisions for slow moving and obsolete stock

Management exercise judgement in estimating the obsolescence of stock and making impairments to reflect the difference between cost and estimated net realisable value. At the year end, the value of the stock is £5,129,358 (2021: £5,753,969) and provisions of £439,560 (2021: £439,560) had been recognised against stock.

Amortisation of goodwill

Upon consolidation, an amount of negative goodwill has been recognised. This is being amortised with due consideration being given to the usage of non-monetary assets, as required by FRS 102. Amortisation of £28,264 (2021: £55,809) has been credited to the Statement of comprehensive income during the year.

4. Turnover

The whole of the turnover is attributable to the Group's principal activity as described in note 1.

Analysis of turnover by country of destination:

| | 2022 £ | 2021 £ |
|-------------------|-------------------|-------------------|
| United Kingdom | 15,779,021 | 15,705,929 |
| Rest of Europe | 988,947 | 743,705 |
| Rest of the world | 167,548 | 204,530 |
| | <u>16,935,516</u> | <u>16,654,164</u> |

5. Exceptional items

| | 2022 £ | 2021 £ |
|------------------------|-----------|----------------|
| Dilapidation provision | <u>-</u> | <u>175,000</u> |

During the prior year, the Group recognised a provision for the estimated costs payable by the Group on exit from the property which from it operates.

The Ace Supply Holding Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

6. Other operating income

| | 2022 | 2021 |
|-----------------------------------|---------------|----------------|
| | £ | £ |
| Government grants receivable | - | 49,823 |
| Sundry income | 16,572 | 21,870 |
| Amortisation of negative goodwill | 28,264 | 55,809 |
| | <u>44,836</u> | <u>127,502</u> |

Government grants receivable in the prior year relates to amounts claimed in accordance with the Coronavirus Job Retention Scheme.

7. Operating profit

The operating profit is stated after charging:

| | 2022 | 2021 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Exchange differences | (225,951) | 21,730 |
| Other operating lease rentals | <u>294,963</u> | <u>189,645</u> |

8. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

| | 2022 | 2021 |
|--|-------|-------|
| | £ | £ |
| Fees payable to the Group's auditors for the audit of the consolidated and parent Group's financial statements | 2,000 | 2,000 |

Fees payable to the Group's auditor and its associates in respect of:

| | | |
|------------------------------|---------------|---------------|
| Audit of subsidiary | 16,000 | 15,000 |
| Taxation compliance services | 4,000 | 3,000 |
| | <u>20,000</u> | <u>18,000</u> |

The Ace Supply Holding Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

9. Employees

Staff costs, including directors' remuneration, were as follows:

| | Group 2022 £ | <i>Group 2021 £</i> |
|-------------------------------------|-----------------------------|-----------------------------|
| Wages and salaries | 1,349,348 | <i>1,331,254</i> |
| Social security costs | 137,330 | <i>111,576</i> |
| Cost of defined contribution scheme | 44,228 | <i>47,764</i> |
| | <u>1,530,906</u> | <i><u>1,490,594</u></i> |

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

| | 2022 No. | <i>2021 No.</i> |
|----------------|---------------------|---------------------|
| Distribution | 24 | <i>26</i> |
| Administrative | 23 | <i>20</i> |
| Sales | 5 | <i>7</i> |
| | <u>52</u> | <i><u>53</u></i> |

10. Directors' remuneration

| | 2022 £ | <i>2021 £</i> |
|---|----------------------|-----------------------|
| Directors' emoluments | 72,107 | <i>66,890</i> |
| Group contributions to defined contribution pension schemes | 27,678 | <i>35,422</i> |
| | <u>99,785</u> | <i><u>102,312</u></i> |

During the 12 months retirement benefits were accruing to 4 directors (2021 - 4) in respect of defined contribution pension schemes.

11. Interest receivable

| | 2022 £ | <i>2021 £</i> |
|---------------------------|-------------------|-------------------|
| Other interest receivable | <u>247</u> | <i><u>150</u></i> |

The Ace Supply Holding Company Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

12. Interest payable and similar expenses

| | 2022 £ | 2021 £ |
|------------------------|----------------|---------------|
| Bank interest payable | 92,297 | 20,625 |
| Other interest payable | 8,296 | 453 |
| | <u>100,593</u> | <u>21,078</u> |

13. Taxation

| | 2022 £ | 2021 £ |
|--|-----------------|----------------|
| Corporation tax | | |
| Current tax on profits for the year | 163,174 | 306,697 |
| | <u>163,174</u> | <u>306,697</u> |
| Total current tax | <u>163,174</u> | <u>306,697</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (11,615) | (1,347) |
| Total deferred tax | <u>(11,615)</u> | <u>(1,347)</u> |
| Taxation on profit on ordinary activities | <u>151,559</u> | <u>305,350</u> |

The Ace Supply Holding Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

| | 2022 £ | 2021 £ |
|--|----------------|------------------|
| Profit on ordinary activities before tax | <u>675,390</u> | <u>1,434,884</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | 128,324 | 272,628 |
| Effects of: | | |
| Non-tax deductible amortisation of goodwill and impairment | (5,371) | (10,604) |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 28,860 | 10,680 |
| Changes in provisions leading to an increase (decrease) in the tax charge | - | 33,250 |
| Super deduction | (468) | (604) |
| Other differences leading to an increase (decrease) in the tax charge | 214 | - |
| Total tax charge for the year | <u>151,559</u> | <u>305,350</u> |

Factors that may affect future tax charges

The main rate of Corporation Tax increased to 25% in the tax year beginning 1 April 2023 for companies where profits exceed £250,000. A tapered rate has been introduced for profits above £50,000 up to £250,000.

14. Dividends

| | 2022 £ | 2021 £ |
|-----------------------|----------------|----------------|
| Interim dividend paid | <u>387,020</u> | <u>453,042</u> |

The Ace Supply Holding Company Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

15. Intangible assets

Group

| | Goodwill £ |
|-------------------------------------|------------------------|
| Cost | |
| At 1 January 2022 | (1,000,057) |
| At 31 December 2022 | <u>(1,000,057)</u> |
| Amortisation | |
| At 1 January 2022 | (971,793) |
| Charge for the year on owned assets | <u>(28,264)</u> |
| At 31 December 2022 | <u>(1,000,057)</u> |
| Net book value | |
| At 31 December 2022 | <u><u>-</u></u> |
| <i>At 31 December 2021</i> | <u><u>(28,264)</u></u> |

The Ace Supply Holding Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

16. Tangible fixed assets

Group

| | Leasehold improvements | Plant and machinery | Motor vehicles | Fixtures and fittings | Total |
|----------------------------|-----------------------------------|--------------------------------|-----------------------|----------------------------------|----------------|
| | £ | £ | £ | £ | £ |
| Cost or valuation | | | | | |
| At 1 January 2022 | 24,311 | 85,138 | 225,705 | 126,655 | 461,809 |
| Additions | - | - | - | 14,564 | 14,564 |
| At 31 December 2022 | <u>24,311</u> | <u>85,138</u> | <u>225,705</u> | <u>141,219</u> | <u>476,373</u> |
| Depreciation | | | | | |
| At 1 January 2022 | 18,176 | 76,635 | 79,342 | 92,414 | 266,567 |
| Charge for the year | 4,076 | 7,387 | 38,355 | 33,221 | 83,039 |
| At 31 December 2022 | <u>22,252</u> | <u>84,022</u> | <u>117,697</u> | <u>125,635</u> | <u>349,606</u> |
| Net book value | | | | | |
| At 31 December 2022 | <u>2,059</u> | <u>1,116</u> | <u>108,008</u> | <u>15,584</u> | <u>126,767</u> |
| <i>At 31 December 2021</i> | <u>6,135</u> | <u>8,503</u> | <u>146,363</u> | <u>34,241</u> | <u>195,242</u> |

The net book value of land and buildings may be further analysed as follows:

| | 2022 | 2021 |
|-----------------|--------------|--------------|
| | £ | £ |
| Short leasehold | <u>2,059</u> | <u>6,135</u> |

The Company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

The Ace Supply Holding Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

17. Fixed asset investments

Company

| | Investments in subsidiary companies £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 January 2022 | 3,566,285 |
| At 31 December 2022 | <u>3,566,285</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Registered office | Class of shares | Holding |
|---------------------------------------|--|------------------------|----------------|
| The Ace Supply Company Limited | Same as the company | | 100 |
| | | Ordinary | % |
| The Ace Supply Company Europe Limited | 25 Herbert Place, Dublin 2, D02 A098, Republic of Ireland | Ordinary | 100 % |

The subsidiaries are included in the consolidation.

18. Stocks

| | Group 2022 £ | Group 2021 £ |
|-------------------------------------|-----------------------------|-----------------------------|
| Finished goods and goods for resale | <u>5,129,358</u> | <u>5,753,969</u> |

An impairment loss totalling £Nil (2021: £180,669) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

The Ace Supply Holding Company Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

19. Debtors

| | Group 2022 £ | Group 2021 £ |
|--------------------------------|--------------------|--------------------|
| Trade debtors | 2,668,651 | 2,384,775 |
| Other debtors | 54,057 | 27,791 |
| Prepayments and accrued income | 647,769 | 1,387,388 |
| Deferred taxation | 9,509 | - |
| Financial instruments | - | 22,864 |
| | <u>3,379,986</u> | <u>3,822,818</u> |

Impairments of £76,770 (2021: reversal £9,777) were charged to the profit and loss account in respect of bad debts.

20. Cash and cash equivalents

| | Group 2022 £ | Group 2021 £ |
|--------------------------|--------------------|--------------------|
| Cash at bank and in hand | <u>226,800</u> | <u>576,669</u> |

21. Creditors: Amounts falling due within one year

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 256,897 | 438,474 | - | - |
| Trade creditors | 444,053 | 916,626 | - | - |
| Amounts owed to group undertakings | - | - | 902,141 | 902,141 |
| Corporation tax | 163,174 | 303,134 | - | - |
| Other taxation and social security | 400,507 | 411,459 | - | - |
| Other creditors | 1,008,249 | 1,572,360 | - | - |
| Accruals and deferred income | 35,875 | 177,290 | - | - |
| Financial instruments | 15,385 | - | - | - |
| | <u>2,324,140</u> | <u>3,819,343</u> | <u>902,141</u> | <u>902,141</u> |

Included within other creditors are advances from invoice discounting facilities of £923,003 (2021: £1,470,167). Included in Bank Loans is a Trade loan agreement of £198,122 (2021: £404,189).

The Bank loan, the Trade Loan and the invoice discounting facility are secured by way of a fixed and floating charge over assets held by the Group.

The Ace Supply Holding Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

22. Creditors: Amounts falling due after more than one year

| | Group 2022 | <i>Group 2021</i> |
|------------|-----------------------|-----------------------|
| | £ | <i>£</i> |
| Bank loans | <u>146,939</u> | <i><u>205,715</u></i> |

No amounts were due in more than five years in both the current and prior year.

23. Loans

| | Group 2022 | <i>Group 2021</i> |
|--|-----------------------|-----------------------|
| | £ | <i>£</i> |
| Amounts falling due within one year | | |
| Bank loans | 256,897 | <i>438,474</i> |
| Amounts falling due 1-2 years | | |
| Bank loans | 58,776 | <i>58,776</i> |
| Amounts falling due 2-5 years | | |
| Bank loans | 88,163 | <i>146,939</i> |
| | <u>403,836</u> | <i><u>644,189</u></i> |

In October 2022 the Group took out a trade loan of £198,172 and is repayable 180 days from the date of drawdown.

The Group entered into loan agreement in 2020 in respect of a loan totalling £240,000 with Clydesdale Bank PLC. The lending facility is supported by the Coronavirus Business Interruption Loan Scheme, with interest due during the first 12 months being payable by the UK Government under the terms of the Scheme. After the first 12 months, interest became payable by the Group at an interest rate of 3.75% per annum above the base rate, and is repayable 49 months after the loan is drawn. The outstanding amount on the loan at 31 December 2022 was £205,714 (2021: £240,000).

The Ace Supply Holding Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

24. Financial instruments

| | Group 2022 £ | <i>Group 2021 £</i> |
|--|-----------------------------|-----------------------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | <u>-</u> | <u>22,864</u> |
| Financial liabilities | | |
| Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio | <u>(15,385)</u> | <u>-</u> |

Financial assets and liabilities measured at fair value through other comprehensive income comprise fair value gains and losses on forward contracts. The company has elected to adopt hedging rules in accordance with FRS102 section 12. The company is hedging against exchange rate risk on future foreign currency stock purchases by using forward exchange contracts. The fair value on gain on contracts in place at the year end is held in reserves.

25. Deferred taxation

Group

| | 2022 £ | <i>2021 £</i> |
|--------------------------------|-----------------------------|-----------------------------|
| At beginning of year | (2,106) | <i>(3,453)</i> |
| Charged to profit or loss | 11,615 | <i>1,347</i> |
| At end of year | <u>9,509</u> | <u><i>(2,106)</i></u> |
| | Group 2022 £ | <i>Group 2021 £</i> |
| Accelerated capital allowances | 9,509 | <i>(3,453)</i> |
| Tax losses carried forward | <u>-</u> | <u>1,347</u> |
| | <u>9,509</u> | <u><i>(2,106)</i></u> |

The Ace Supply Holding Company Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

26. Provisions

Group

Dilapidations
provision
£

At 1 January 2022

175,000

At 31 December 2022

175,000

The dilapidations provision is an estimate of costs payable by the Group on exit from the property from which it operates.

27. Share capital

| | 2022 £ | 2021 £ |
|--|--------------|--------------|
| Allotted, called up and fully paid | | |
| 9,666 (2021 -9,666) Ordinary A shares shares of £0.10 each | 967 | 967 |
| 24,969 (2021 -24,969) Ordinary C shares shares of £0.10 each | 2,497 | 2,497 |
| | <u>3,464</u> | <u>3,464</u> |

All shares rank pari passu.

28. Reserves

Cashflow hedge reserve

The cashflow hedge reserve includes all gains and losses made on forward contracts.

Merger reserve

Merger reserve represents a merger reserve arising on a share for share exchange.

Profit and loss account

Profit and loss account represents profit made net of dividends paid to shareholders.

The Ace Supply Holding Company Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

29. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £44,228 (2021: £47,764). Contributions totalling £1,782 (2021: £1,782) were payable to the fund at the balance sheet date and are included in creditors.

30. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group 2022 £ | <i>Group 2021 £</i> |
|--|-----------------------------|-----------------------------|
| Land and buildings | | |
| Not later than 1 year | 116,667 | <i>200,000</i> |
| Later than 1 year and not later than 5 years | - | <i>116,667</i> |
| | <u>116,667</u> | <i><u>316,667</u></i> |
| | | |
| | Group 2022 £ | <i>Group 2021 £</i> |
| Other | | |
| Not later than 1 year | 6,292 | <i>-</i> |
| Later than 1 year and not later than 5 years | 12,061 | <i>-</i> |
| | <u>18,353</u> | <i><u>-</u></i> |

31. Transactions with directors

Included within other debtors due within one year is a loan due from one of the directors, amounting to £47,510 (2021: £Nil). The maximum outstanding during the year was £47,510. The loan has been provided interest free and there is no scheduled repayment date.

The Ace Supply Holding Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

32. Related party transactions

The directors have chosen not to disclose transactions entered into with other companies wholly owned within the Group, as permitted by FRS 102 paragraph 33.1A.

During the year, dividends were paid to directors of the parent company totalling £387,020 (2021: £453,042).

Key management are considered to be the directors. Key management compensation totalled £99,785 (2021: £102,312).

33. Controlling party

There was no overall controlling party of The Ace Supply Holding Company Limited at 31 December 2022.

Subsequent to the year, on 30 June 2023, the entire share capital of The Ace Supply Holding Company Limited was acquired by The Ace Supply Topco Limited. The Ace Supply Topco Limited registered office is Suite Ga Marsland House, Marsland Road, Sale, M33 3AQ.

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.