

ACL Properties (2013) Limited
Annual Report and Unaudited Financial Statements
Year Ended 30 June 2020

Registration number: 08462851

ACL Properties (2013) Limited

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ACL Properties (2013) Limited

Company Information

Directors	Mr R A Day Mr J J Dutfield
Registered office	Centenary House Peninsula Park Rydon Lane Exeter Devon EX2 7XE
Accountants	Francis Clark LLP Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE

ACL Properties (2013) Limited

Directors' Report for the Year Ended 30 June 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

Principal activity

The principal activity of the company is the letting of property.

Directors of the company

The directors who held office during the year were as follows:

Mr R A Day

Mr J J Dutfield

Review of the business

In February 2020 Axminster Carpets, a subsidiary of H. Dawson Sons and Company (Wool) Limited, went into administration. Axminster Carpets occupied circa 400,000sq.ft. of industrial space, offices and showroom at the Woodmead Road and Abbeygate sites. The aggregate price for the space leased was approximately 50p sq.ft.

In April 2020, wholly owned subsidiaries of ACL Properties (2013) Ltd [ACL] acquired the brand, business and assets of Axminster Carpets from the administrator to form Axminster Carpets Ltd.

This resulted in ACL having full control of both the Woodmead Road site and the Abbeygate site for the first time since incorporation in March 2013.

The initial focus of the management team has been to consolidate the carpet business down from circa 400,000 sq.ft to 40,000 sq.ft. of space. This consolidation included vacating the Abbeygate site in its entirety. The work involved a considerable amount of site clearance and general upgrading at the Woodmead Road site. This process will be ongoing throughout 2020-21 and beyond as the site develops and new tenants move in.

In May 2020, Ulster Carpets (Ulster Carpet Mills (Holdings) Limited, leased around 50,000 sq.ft at the Woodmead Road site, whilst the Abbeygate (Carpet Outlet) site was leased to the Wilton Carpets group. Both businesses representing excellent covenants.

The release of further significant amounts of industrial space at the Woodmead Road site has coincided with a major uptick in warehouse demand across the SW in 2020. This demand has also seen asking rents increase.

The Directors expect to see a transformational uplift in rental income in the 2020/21 financial year.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 13 September 2021 and signed on its behalf by:

.....

Mr J J Dutfield

Director

ACL Properties (2013) Limited

Balance Sheet

30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>4</u>	6,876	6,124
Investment property	<u>5</u>	6,700,000	5,500,000
Investments	<u>6</u>	400	100
		<u>6,707,276</u>	<u>5,506,224</u>
Current assets			
Debtors	<u>7</u>	497,495	219,894
Cash at bank and in hand		10,979	86,929
		508,474	306,823
Creditors: Amounts falling due within one year	<u>8</u>	<u>(363,355)</u>	<u>(113,536)</u>
Net current assets		<u>145,119</u>	<u>193,287</u>
Total assets less current liabilities		6,852,395	5,699,511
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(1,712,039)</u>	<u>(1,570,184)</u>
Provisions for liabilities		<u>(975,600)</u>	<u>(704,700)</u>
Net assets		<u>4,164,756</u>	<u>3,424,627</u>
Capital and reserves			
Called up share capital		65	65
Capital redemption reserve		45	45
Profit and loss account		<u>4,164,646</u>	<u>3,424,517</u>
Shareholders' funds		<u>4,164,756</u>	<u>3,424,627</u>

ACL Properties (2013) Limited

Balance Sheet

30 June 2020

For the financial year ending 30 June 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- 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 have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 13 September 2021 and signed on its behalf by:

.....

Mr J J Dutfield

Director

Company Registration Number: 08462851

ACL Properties (2013) Limited

Notes to the Financial Statements

Year Ended 30 June 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Centenary House
Peninsula Park
Rydon Lane
Exeter
Devon
EX2 7XE

The principal place of business is:

Gamberlake
Woodmead Road
Axminster
Devon
EX13 5PQ

These financial statements were authorised for issue by the Board on 13 September 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', including Section 1A and the Companies Act 2006. There are no material departures from FRS102.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Group accounts not prepared

The group headed by ACL Properties (2013) Limited qualifies as small as set out in section 383 of the Companies Act, and the parent and group are considered eligible for the exemption from preparing group accounts, as determined by reference to sections of 384 and 399 (2A) of the Act.

ACL Properties (2013) Limited

Notes to the Financial Statements

Year Ended 30 June 2020

Going concern

The directors of the company have considered the impact of Covid-19. The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. This depends on the continued financial support of the company's directors (and bankers).

The directors have prepared the financial statements on a going concern basis, on the understanding that they will continue to provide financial support if it is required and, accordingly, the financial statements do not include any adjustments that would result if this support were not forthcoming.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of rental income in the ordinary course of the company's activities. Turnover is shown net of value added tax.

Government grants

Grant income is included in other operating income, it comprises the fair value of the consideration received or receivable for the year.

During the year the business received grants relating to Coronavirus Business Interruption Loan Scheme interest payments. Interest on the Coronavirus Business Interruption Loan Scheme is accounted for on the accruals basis.

The total of grants received was £208.

Tax

Tax is recognised in the profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and Machinery	20% Straight line basis

ACL Properties (2013) Limited

Notes to the Financial Statements

Year Ended 30 June 2020

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable property as determined by external qualified valuers. Changes in fair value are recognised in the profit or loss.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Unsecured debentures; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

ACL Properties (2013) Limited

Notes to the Financial Statements

Year Ended 30 June 2020

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 0 (2019 - 0).

4 Tangible assets

	Other tangible assets £	Total £
Cost or valuation		
At 1 July 2019	7,655	7,655
Additions	2,854	2,854
At 30 June 2020	10,509	10,509
Depreciation		
At 1 July 2019	1,531	1,531
Charge for the year	2,102	2,102
At 30 June 2020	3,633	3,633
Carrying amount		
At 30 June 2020	6,876	6,876
At 30 June 2019	6,124	6,124

5 Investment properties

	2020 £
At 1 July 2018	5,500,000
Additions	204,952
Fair value adjustments	995,048
At 30 June 2019	6,700,000

The investment property has been measured at fair value which is the open market value of the property based on a valuation by an independent valuer.

The property was valued in December 2020 by an external valuer (Symonds and Sampson LLP) on a 10% capitalised rental yield basis. The directors believe this fairly reflects the valuation at 30 June 2020 based on rental agreements in place or negotiated at that date.

ACL Properties (2013) Limited

Notes to the Financial Statements

Year Ended 30 June 2020

6 Investments

	2020 £	2019 £
Investments in subsidiaries	400	100
Subsidiaries		£
Cost or valuation		
At 1 July 2019		100
Additions		300
At 30 June 2020		400
Provision		
Carrying amount		
At 30 June 2020		400
At 30 June 2019		100

7 Debtors

	2020 £	2019 £
Trade debtors	88,908	48,469
Amounts due from group undertakings	183,869	53,205
Other debtors	26,982	49,262
Prepayments	197,736	68,958
	497,495	219,894

ACL Properties (2013) Limited

Notes to the Financial Statements

Year Ended 30 June 2020

8 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	<u>9</u>	220,066	51,235
Trade creditors		107,787	39,157
Amounts owed to group undertakings		12,756	-
Taxation and social security		13,086	19,144
Accruals and deferred income		9,150	4,000
Other creditors		510	-
		<u>363,355</u>	<u>113,536</u>

Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	<u>9</u>	<u>1,712,039</u>	<u>1,570,184</u>
		2020 £	2019 £
Due after more than five years			
After more than five years by instalments		691,784	671,422
		<u>691,784</u>	<u>671,422</u>

9 Loans and borrowings

	2020 £	2019 £
Loans and borrowings due after one year		
Bank borrowings	968,183	898,507
Unsecured loan notes	649,935	649,935
Other borrowings	93,921	21,742
	<u>1,712,039</u>	<u>1,570,184</u>

ACL Properties (2013) Limited

Notes to the Financial Statements

Year Ended 30 June 2020

	2020 £	2019 £
Current loans and borrowings		
Bank borrowings	95,616	51,235
Bank overdrafts	124,450	-
	<u>220,066</u>	<u>51,235</u>

Bank borrowings

Bank loans are denominated in sterling and the final instalment is due on 18 June 2034. The carrying amount at year end is £1,637,799 (2019 - £949,742).

There are four bank loans repayable by instalments and with fixed charges over the investment property and floating charges over all the property and undertakings of the company. A personal guarantee has also been provided by the directors of the company.

Two of the loans incur interest at 4.05%, one incurs interest at 4.2% over base rate and a new loan was entered into during the year, which bears an interest rate of 4%, and carries the same repayment terms as the existing loan facilities.

Also included in borrowings is a bounceback loan which has no security provided and incurs no interest for a period of 12 months.

Other borrowings

The unsecured loan notes and other borrowings totalling £743,856 (2019 - £671,677) are owed to the directors of the company. Whilst the amounts are repayable to the directors, their intention is to provide long-term funding to the company and will not seek repayment for the foreseeable future.

Borrowings due after five years

Included in bank borrowings due after more than one year is £691,784 (2019 - £671,422) relating to the four bank loans, due after five years and payable by instalments.

ACL Properties (2013) Limited

Notes to the Financial Statements

Year Ended 30 June 2020

10 Non-distributable reserves

Included in the profit and loss reserves are non-distributable reserves of £2,276,357 (2019 - £1,549,709).

11 Share capital

Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary shares of £1 each	65	65	65	65

12 Related party transactions

Summary of transactions with all subsidiaries

The company has taken advantage of the exemption under FRS 102 not to disclose transactions between wholly owned group companies.

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.