

Company Registration Number: 07199239 (England & Wales)

**ACEPARK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JANUARY 2022**

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# ACEPARK LIMITED

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YEAR ENDED 31 JANUARY 2022

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# **ACEPARK LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	TD Hopkinson TJP Knowles CC Sharp
<b>Company secretary</b>	CC Sharp
<b>Company number</b>	07199239 (England & Wales)
<b>Registered office</b>	Botany Bay Canal Mill Botany Brow Chorley Lancashire PR6 9AF
<b>Auditor</b>	MHA Moore and Smalley Richard House 9 Winckley Square Preston Lancashire PR1 3HP

# ACEPARK LIMITED

## STRATEGIC REPORT

YEAR ENDED 31 JANUARY 2022

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The directors present their strategic report for the group.

### Strategy and business model

The principal activities of the group are disclosed within note 14 of the financial statements.

The Acepark group operated for many years in a number of business sectors largely with property at its core but on 3rd February 2020 it sold its shareholding in Pro Investments Limited, Lea Valley Limited and Wildmoor (Hull) Limited. The first two companies own a portfolio of commercial property and the third one owns a large multi-let shopping centre, though in a secondary location. The proceeds from the disposal of the three companies were on deferred terms on which interest is earned. The disposal left the group with only the property portfolio owned by Toys "R" Us Properties (UK) Limited and the other major companies in the group providing services to third party managed portfolios. FI Facilities Management Limited manages the provision of services to the tenants in the various properties owned by third parties. The company also oversees capital expenditure programmes at various locations. FI Real Estate Management Limited operates as a property and asset manager for various properties owned by third parties. Solutus Advisors Limited operates as a primary servicer of loans. In previous years that company had also operated as a special servicer of loans which covered property portfolios where covenants have been breached and the loan was in default. Such work relied on input from FI Facilities Management Limited and FI Real Estate Management Limited. The final tranche of loans that were in special servicing were repaid at the beginning of the previous financial year. In addition an existing trading business owns and operates a retail outlet under the Bygone Times banner. During the year a new subsidiary was formed, FI Construction Limited, which is to undertake development projects on properties and sites owned by third parties.

The strategy and business model of the Company is to continue to build up skills acquired over many years of trading within the commercial property market on the group's own property portfolio, to put these at the disposal of note holders and other interested parties whose underlying properties have not performed as expected and to provide them with a solution to their current problems. It is accepted that opportunities for such work have reduced and the Company is now focussed on managing third party portfolios financed under normal lending arrangements.

### Business review

The trading results for the current year show the group in its slimmed down form without the historic commercial property businesses. As this is the second year of operation in the new guise the results can be compared to the previous year and meaningful comparisons drawn. In the previous year there was a significant profit made of nearly £42M but this was caused by a gain of some £35M on selling the three subsidiary companies mentioned above, and gains on both selling and revaluing investment properties. This year a profit of £4M was generated however this included property revaluations of £4.5M, without this a loss of £0.5M was incurred due to the interest cost of loans secured against properties. The group still has an interest in commercial property through Toys "R" Us Properties (UK) Limited acquired in 2018. The group had taken on significant liabilities of £363M in the belief that the sales of properties would generate sufficient proceeds to enable the note holders to be repaid in full and a profit to the group. Liabilities were £140M more than the assets acquired so there was an impairment of goodwill of this amount. All the properties remain vacant and there are material vacant property costs being incurred. However in the current year seven properties were sold realising over £82M, there was a loss on sale of over £1M and a revaluation surplus of nearly £4.5M for the last remaining property sold after the year end. This takes the total number of properties sold in this portfolio to 30 realising proceeds of nearly £243M. It is now clear that insufficient funds will be realised to make an overall profit for the group. The remaining property in Toys "R" Us Properties (UK) Limited is valued at its net sale price realised after the year end.

# ACEPARK LIMITED

## STRATEGIC REPORT *(continued)*

### YEAR ENDED 31 JANUARY 2022

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Turning to the group results sales have increased from £30,159,184 in 2021 to £32,591,923 in the current year. The current year has seen an increase in sales for the property services companies such as FI Facilities Management Limited and FI Real Estate Management Limited reflecting a more normal level of business activity after the interruptions caused by the Covid-19 pandemic in 2020. The increase in sales has fed through to an increased gross profit from £11,753,490 in 2021 to £12,550,810 in the current year. There has been a reduction in administrative expenses despite the increase in turnover. They have fallen from £12,636,843 in 2021 to £9,372,465 in the current year. In 2021 there was the cost of buying out an onerous contract which has not been repeated this year. Also administrative expenses have reduced significantly in Toys "R" Us Properties (UK) Limited. Costs in the previous year had increased due to the associated sale costs on the properties sold by the company, also there had been significant repair costs and vacant costs on the properties remaining. As the portfolio has become so much smaller such costs have not been incurred to the same extent as in the previous year. All this means that with an increase in sales of over £2M and reduced administrative costs the group has swung from an operating loss of £883,353 in 2021 to an operating profit of £3,178,345 in the current year.

The group profit before tax of £3,963,642 in the year compared to a profit of £41,791,999 in 2021. This year there was a credit of £4,517,412 from the revaluation of investment properties compared to £7,818,044 in 2021. In addition there was a loss on selling investment properties of £1,176,481 in the year compared to a gain of £6,964,264 in 2021. There was an Exceptional Item in the previous year relating to a review of loan debtors which resulted in a charge of £393,157 compared to a charge of £129,785 in the current year. With the benefit of properties sold within Toys "R" Us Properties (UK) Limited the proceeds were used to repay the loan by some £68M. This has meant that interest payable has reduced significantly from £16,010,230 in 2021 to £11,042,779 this year. The major contributor to the profit in the previous year was the gain of £35,551,419 made in selling the three subsidiary companies just after the beginning of the financial year. The sale on deferred terms resulted in interest receivable of £8,490,071 being earned in the year compared to £8,130,970 in 2021. Looking at the operating profit less interest receivable and payable the current year generated a profit of £625,637 compared to an underlying loss of £8,762,613 in 2021. Due to the availability of various tax allowances there was no corporation tax to pay on the result for the year.

It is encouraging that an operating profit was made by the group of £3,178,345 this year compared to a loss of £883,353 in the previous year. Comments have been made earlier in this report about the change in the nature of the group, it is now more a property services business rather than a property owning and services business. It gives a slightly misleading picture of the group when reviewing performance at the operating profit level, this is because deferred consideration of some £134M remains outstanding on which interest is earned. The group earned interest of £8,490,071 in the year and will continue to do so in future years though interest payable will reduce dramatically given that it will cease once the final property is sold in Toys "R" Us Properties (UK) Limited.

The acquisition of Toys "R" Us Properties (UK) Limited in 2018 had a dramatic impact on the group's balance sheet. Properties acquired have been valued at vacant possession value and the company has significant liabilities which were £140,079,996 more than the value of assets when it was acquired. This amount is termed goodwill and the directors deemed it prudent not to recognise this asset. The goodwill impairment has meant that the group had net liabilities of £11,108,424 at the previous year end, with the profit generated this year the figure has decreased to £7,124,551 at January 2022. Given that properties sold will not realise sufficient funds to repay the loan in Toys "R" Us Properties (UK) Limited there will have to be an element of debt forgiveness which, once effected, will result in the group balance sheet having net assets.

Cash generated from operations was only £343,962 in 2021 and this turned to an outflow of £2,679,423 this year. There was a cash outflow of £49,163,889 in 2020 but this year there was an inflow of £3,742,314. This was largely due to the timing of repaying debt from property sales. Sales of properties realised £82,501,107 within Toys "R" Us Properties (UK) Limited to repay £68,211,120 of the debt taken on with the company. The comparative figures were £51,470,562 and £61,000,000 respectively. Given that not all the proceeds from the sale of properties were used to repay debt this year the surplus funds were used to cover operating costs within that company. The group's cash increased to £19,328,309 at the year end but nearly £9M of this total is controlled by lenders or in client accounts so is not available to fund the day to day operations of the group. Despite this it is believed that there are sufficient monies to fund future working capital and loan repayments.

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# ACEPARK LIMITED

## STRATEGIC REPORT *(continued)*

YEAR ENDED 31 JANUARY 2022

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### Principal risks and uncertainties

The directors have identified the principal risks and uncertainties affecting the group:

**Gearing** – the total of all net debt is some £190M against a property valued at some £11M. The group's external financing is predominantly related to Toys "R" Us Properties (UK) Limited. Following the settlement of the legal dispute the bank loan within Toys "R" Us Properties (UK) Limited was due to be repaid by December 2019. This deadline was not achieved and at 31 January 2022 £79M was still owed in respect of bank loans. No formal further extension to the Standstill Agreement has been agreed. The remaining property in the portfolio was sold for some £11M after the year end, these proceeds together with remaining cash balances will be used to partially repay the outstanding loan.

**Special Servicing Mandates** – it is unlikely that the group will be awarded fresh mandates to manage distressed portfolios given the difficulty in changing the servicer. This means that income streams from that source will not appear in the future. Solutus Advisors continues to concentrate on building up the Primary Servicing arm to a level where that income stream now achieves a profit.

**High Street Retail** – the group manages a number of shopping centres; all these are secondary shopping centres none are prime. There are major issues with retail given the impact of internet shopping on the High Street as well as that of the Covid-19 Pandemic which has accelerated the move to online shopping. A succession of major retailers are putting forward CVA's in an attempt to reduce their annual rent liability or are entering an insolvency process, all this is putting pressure on rental and fee income. Certain shopping centres are only generating sufficient free cash flow from rental income to pay interest, any further deterioration in rental income will put at risk the fees earned from the management of these portfolios. The group is working on solutions in an attempt to ensure fee income remains secure.

**Project Management** – the significant sales made in the previous years by the group from the project management of development projects will not continue now that the major development has completed. There are other potential sites that could be developed but planning permission would be needed and the exact timescales are not known. There is expected to be capital expenditure projects undertaken on sites owned by third parties but it is unlikely that such other sources of income will be obtained to replace those sales. Given the level of margin generated from the project management the group will not see a major reduction in profit.

**Development Projects** – the newly formed subsidiary, FI Construction Limited, is to undertake development projects on third party sites. These third parties will require funding to be obtained to finance the development and demand from potential tenants to justify the individual projects. As such there needs to be a benign economic climate where long term investment decisions can be taken by companies who are confident about their future so deciding to lease new premises.

**Toys "R" Us Properties (UK) Limited** – the group acquired this company during 2018, the intention being to sell the properties to return proceeds to note holders. The group took on significant liabilities of £363M in the belief that the sales of properties would generate sufficient proceeds to enable the note holders to be repaid in full. This is now not likely and in addition bank loans were to have been repaid by December 2019. No formal extension to the Standstill Agreement has been received. The remaining property in the portfolio was sold for some £11M after the year end, these proceeds together with remaining cash balances will be used to partially repay the outstanding loan. It is expected that the funding vehicle for the property loan will be put into administration as the remaining debt cannot be repaid given all properties will have been sold. This will lead to an element of debt forgiveness on the remaining debt which will strengthen the group's balance sheet.

# ACEPARK LIMITED

## STRATEGIC REPORT *(continued)*

YEAR ENDED 31 JANUARY 2022

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Economic Outlook – having largely recovered from the various lockdowns and interruption to business due to the outbreak of the Covid 19 virus in early 2020 the Economy is now faced with inflation and rising interest rates. This is bound to have some impact on business volumes and could result in a decrease of demand within the Economy, in effect a recession. The group continues to organise itself to adjust working capital and costs in line with actual business levels in order to protect its cash flow. The group has sufficient cash reserves so is able to implement the necessary measures. Working capital is closely monitored, especially to ensure the timely collection of debtors. It is unclear what impact a recession could have on the group and also the third party companies with which it trades, and indeed how long a recession might last, but in such an event it is likely that there will be some impact on the trading performance of the group.


### Future developments

Details of future developments are included in the other sections of the strategic report.

### Section 172 statement

The directors make the following statement of compliance with their duty to promote the success of the Company as required under Section 172(1) (a) to (f) of the Companies Act 2006 in the financial year ended 31st January 2022. The stakeholders of the business include employees, customers and suppliers to the business. The directors consider that they have acted in good faith to promote the success of the Company on behalf of the stakeholders in relation to the matters set out in Section 172 of the Act. The directors monitor and review strategic objectives against long term growth plans. Regular reviews are held across key business areas covering financial performance, risks and opportunities, Health & Safety, Human Resources and operations. The group's performance and progress are reviewed regularly at department and board meetings.

This report was approved by the board of directors on 20 October 2022 and signed on behalf of the board by:



TD Hopkinson  
Director

# **ACEPARK LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 JANUARY 2022**

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The directors present their report and the financial statements of the group for the year ended 31 January 2022.

### **Directors**

The directors who served the company during the year were as follows:

TD Hopkinson  
TJP Knowles  
CC Sharp

### **Dividends**

Particulars of recommended dividends are detailed in note 11 to the financial statements.

### **Financial risk management objectives and policies**

The group's operations expose it to a variety of financial risks that include debt management risk, credit risk, liquidity risk and interest rate risk. The group has in place risk management systems that seek to limit any adverse effects on the financial performance of the group by continuously monitoring these risk areas.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the board of directors are implemented by the group's finance department.

The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

### **Employment of disabled persons**

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### **Employee involvement**

The group's policy is to consult and discuss with employees matters likely to affect employees' interests. Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

### **Auditor**

The auditor is deemed to be re-appointed in accordance with section 487(2) of the Companies Act 2006.

### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

### **Energy and carbon report**

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.



# ACEPARK LIMITED

## DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2022

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### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

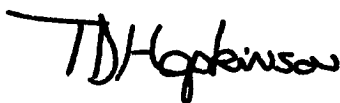
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 20 October 2022 and signed on behalf of the board by:



TD Hopkinson  
Director

# **ACEPARK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACEPARK LIMITED**

**YEAR ENDED 31 JANUARY 2022**

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### **Opinion**

We have audited the financial statements of Acepark Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2022 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including 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 and of the parent company's affairs as at 31 January 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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 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 auditor's 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.

# ACEPARK LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACEPARK LIMITED *(continued)*

YEAR ENDED 31 JANUARY 2022

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### **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 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 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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, 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.

# ACEPARK LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACEPARK LIMITED *(continued)*

YEAR ENDED 31 JANUARY 2022

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### Auditor's 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 auditor's 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 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

Because of the field in which the client operates we identified that employment law, health and safety legislation and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's 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.



Paul Williams (Senior Statutory Auditor)  
for and on behalf of MHA Moore and Smalley  
Chartered Accountants  
Statutory Auditor

Richard House  
9 Winckley Square  
Preston  
Lancashire  
PR1 3HP

20 October 2022

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**ACEPARK LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 JANUARY 2022**

	Note	Total 2022 £	Total 2021 £
Turnover	3	32,591,923	30,159,184
Cost of sales		(20,041,113)	(18,405,694)
Gross profit		12,550,810	11,753,490
Administrative expenses		(9,372,465)	(12,636,843)
Operating profit/(loss)	4	3,178,345	(883,353)
Exceptional items	7	(129,785)	(393,157)
Coronavirus grants		126,859	614,042
Gain on sale of group undertakings	30	-	35,551,419
Impairment of goodwill	12	-	-
Interest receivable and similar income		8,490,071	8,130,970
Interest payable and similar charges	8	(11,042,779)	(16,010,230)
(Loss)/gain on sale of investment properties		(1,176,481)	6,964,264
Revaluation of investment properties	13	4,517,412	7,818,044
Profit on ordinary activities before taxation		3,963,642	41,791,999
Tax on profit on ordinary activities	9	-	-
Profit for the financial year		3,963,642	41,791,999
Other comprehensive income			
Adjustments to the fair value of financial assets	14	20,231	16,318
Total comprehensive income for the year		3,983,873	41,808,317

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**ACEPARK LIMITED****CONSOLIDATED BALANCE SHEET****AS AT 31 JANUARY 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	-	-
Tangible assets	13	15,006,686	90,127,427
Investments	14	632,946	612,715
		<u>15,639,632</u>	<u>90,740,142</u>
<b>Current assets</b>			
Stocks	15	793,294	15,172
Debtors	16	174,118,912	172,839,458
Cash at bank and in hand		19,328,309	15,585,995
		<u>194,240,515</u>	<u>188,440,625</u>
<b>Creditors: amounts falling due within one year</b>	17	(216,395,409)	(289,602,329)
<b>Net current liabilities</b>		<u>(22,154,894)</u>	<u>(101,161,704)</u>
<b>Total assets less current liabilities</b>		<u>(6,515,262)</u>	<u>(10,421,562)</u>
<b>Creditors: amounts falling due after more than one year</b>	18	(609,289)	(686,862)
<b>Deferred tax</b>	22	-	-
<b>Net liabilities</b>		<u>(7,124,551)</u>	<u>(11,108,424)</u>
<b>Capital and reserves</b>			
Called up share capital	24	18,758	18,758
Share premium account	25	495,310	495,310
Capital redemption reserve	25	4,690	4,690
Revaluation reserve	25	55,503	35,272
Profit and loss account	25	(7,698,812)	(11,662,454)
<b>Shareholder funds</b>		<u>(7,124,551)</u>	<u>(11,108,424)</u>

These financial statements were approved by the board of directors and authorised for issue on 20 October 2022, and are signed on behalf of the board by:



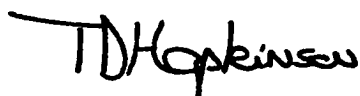
TD Hopkinson  
Director

Company registration number: 07199239

**ACEPARK LIMITED****COMPANY BALANCE SHEET****AS AT 31 JANUARY 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	14	8,018,759	<u>8,018,759</u>
<b>Current assets</b>			
Debtors	16	38,360,766	41,142,153
Cash at bank and in hand		<u>6,303,530</u>	<u>251,168</u>
		44,664,296	41,393,321
<b>Creditors: amounts falling due within one year</b>	17	<u>(21,211,262)</u>	<u>(21,917,294)</u>
<b>Net current assets</b>		23,453,034	19,476,027
<b>Total assets less current liabilities</b>		31,471,793	27,494,786
<b>Creditors: amounts falling due after more than one year</b>	18	-	-
<b>Net assets</b>		<u>31,471,793</u>	<u>27,494,786</u>
<b>Capital and reserves</b>			
Called up share capital	24	18,758	18,758
Share premium account	25	495,310	495,310
Capital redemption reserve	25	4,690	4,690
Profit and loss account	25	<u>30,953,035</u>	<u>26,976,028</u>
<b>Shareholder funds</b>		<u>31,471,793</u>	<u>27,494,786</u>

These financial statements were approved by the board of directors and authorised for issue on 20 October 2022, and are signed on behalf of the board by:



TD Hopkinson  
Director

Company registration number: 07199239

# ACEPARK LIMITED

## STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 JANUARY 2022

Group	Note	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
<b>At 1 February 2020</b>		18,758	495,310	4,690	18,954	(53,454,453)	(52,916,741)
Profit for the year		-	-	-	-	41,791,999	41,791,999
Adjustment to fair value of financial assets		-	-	-	16,318	-	16,318
Dividends paid and payable	11	-	-	-	-	-	-
<b>At 31 January 2021</b>		18,758	495,310	4,690	35,272	(11,662,454)	(11,108,424)
Profit for the year		-	-	-	-	3,963,642	3,963,642
Adjustment to fair value of financial assets		-	-	-	20,231	-	20,231
Dividends paid and payable	11	-	-	-	-	-	-
<b>At 31 January 2022</b>		18,758	495,310	4,690	55,503	(7,698,812)	(7,124,551)

Company	Note	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
<b>At 1 February 2020</b>		18,758	495,310	4,690	-	17,537,369	18,056,127
Profit for the year		-	-	-	-	9,438,659	9,438,659
Dividends paid and payable	11	-	-	-	-	-	-
<b>At 31 January 2021</b>		18,758	495,310	4,690	-	26,976,028	27,494,786
Profit for the year		-	-	-	-	3,977,007	3,977,007
Dividends paid and payable	11	-	-	-	-	-	-
<b>At 31 January 2022</b>		18,758	495,310	4,690	-	30,953,035	31,471,793



# ACEPARK LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 JANUARY 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		3,963,642	41,791,999
<i>Adjustments for:</i>			
Interest receivable and similar income		(8,490,071)	(8,130,970)
Interest payable and similar charges		11,042,779	16,010,230
Depreciation of tangible assets		380,434	267,341
Loss/(gain) on disposal of tangible assets		1,176,481	(6,964,264)
Gain on disposal of group undertakings		-	(35,551,419)
Goodwill amortisation		-	-
Revaluation of investment properties		(4,517,412)	(7,818,044)
Exceptional items		-	393,157
Movement in deferred loan arrangement fees		-	716,000
Tax charges/(credits)		-	-
<i>Changes in:</i>			
Stocks		(778,122)	1,321
Trade and other debtors		(439,320)	(27,192,610)
Trade and other creditors		(5,017,834)	26,821,221
Cashflow from operating activities		(2,679,423)	343,962
Interest paid		(11,042,779)	(16,010,230)
Interest received		8,169,823	7,807,509
Net cash outflow from operating activities		<u>(5,552,379)</u>	<u>(7,858,759)</u>
<b>Taxation</b>			
Corporation tax paid		(519,886)	(519,965)
		<u>(519,886)</u>	<u>(519,965)</u>
<b>Cash flows from investing activities</b>			
Cash released on disposal of group undertakings		-	(2,504,607)
Loans made to other parties		-	-
Receipts from loans made to other parties		-	-
Purchase of tangible assets		(4,156,869)	(493,269)
Purchase of investments		-	-
Proceeds from sale of tangible assets		82,501,107	51,470,562
Proceeds from sale of investments		-	-
Net cash generated by / (used in) investing activities		<u>78,344,238</u>	<u>48,472,686</u>
<b>Cash flows from financing activities</b>			
Loan advances from bank		-	50,000
Payment of bank loans		(68,211,120)	(61,000,000)
Loans advances from other parties		-	-
Payment of other loans		(249,693)	(28,306,790)
Payments of finance lease liabilities		(68,846)	(1,061)
Dividends paid		-	-
Net cash used in from financing activities		<u>(68,529,659)</u>	<u>(89,257,851)</u>
<b>Net movement in cash and cash equivalents</b>		3,742,314	(49,163,889)
Cash and cash equivalents at beginning of year		15,585,995	64,749,884
<b>Cash and cash equivalents at end of year</b>	<b>21</b>	<u>19,328,309</u>	<u>15,585,995</u>

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 1 Company information

Acepark Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is Botany Bay, Canal Mill, Botany Brow, Chorley, Lancashire, PR6 9AF.

### 2 Accounting policies

#### **Basis of preparation**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis, as modified by the inclusion of investment properties and other investment assets measured at fair value.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest pound.

The parent company is a qualifying entity for the purposes of FRS 102, being a member of a group where consolidated financial statements are prepared, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The parent company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.

#### **Consolidation**

The financial statements consolidate the financial statements under the acquisition method of Acepark Limited and all of its subsidiary undertakings, except for Solutus Advisors GmbH which is not considered to be material for the purpose of giving a true and fair view as per FRS 102 Section 9.9A. Goodwill arising on consolidation is capitalised and amortised over ten years, being the directors' estimation of its useful life. The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

#### **Going concern**

At the time of approving the financial statements, the directors have considered the group's financial position and performance.

The directors have prepared projections to cover at least the twelve months following the approval of the financial statements as well as considering obligations falling due over the next twelve months. The projections indicate that the group will have sufficient resources to meet their obligations as they fall due.

At the year end the group had net liabilities of £7m. One of the group companies, Toys "R" Us Properties (UK) Ltd, was acquired in April 2018. Goodwill arising on the acquisition of £140m has been fully impaired which has resulted in the group having net liabilities.

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 2 Accounting policies *(continued)*

#### Going concern *(continued)*

Toys "R" Us Properties (UK) Limited has bank borrowings of £79m that were originally due to mature in July 2020. Included within tangible fixed assets are investment properties which are held as security against bank borrowings provided to Toys "R" Us Properties (UK) Ltd.

Prior to being acquired by Acepark Limited, and as a result of Toys "R" Us Limited entering administration, Toys "R" Us Properties (UK) Ltd breached conditions of the borrowings. Toys "R" Us Properties (UK) Limited signed a standstill agreement with its main lender until July 2019 (subsequently extended to December 2019) to give the company time to undertake an agreed business plan to include property disposals and letting to new tenants. This deadline was not achieved and at 31 January 2022 £79m was still owed in respect of bank loans. No formal further extension to the standstill agreement has been agreed. The lenders have appointed receivers to market and dispose of the remaining properties in the portfolio to repay the outstanding loan.

The borrowings in Toys "R" Us Properties (UK) Limited are now repayable on demand and by the year end the company had not completed its property disposals. At the year end there was one property left to sell and this was sold soon after the year end. As there are no further assets left to realise and reduce Toys "R" Us Properties (UK) Ltd's liabilities, it is uncertain as to when Toys "R" Us Properties (UK) Ltd will be released from those liabilities. In addition, the director is currently considering the next steps for the Toys "R" Us Properties (UK) Ltd and its future operations.

However, no cross guarantee has been provided by any other company within the Acepark Limited group, and therefore whether or not Toys "R" Us Properties (UK) Limited is able to repay the bank borrowings will not impact on the continuing trade of the remaining companies within the Acepark Limited group, and will not affect the group's ability to meet its other obligations as they fall due.

Based on the above, at the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Rent receivable is recognised in the accounting period to which it relates.

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 2 Accounting policies *(continued)*

#### **Exceptional items**

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 2 Accounting policies *(continued)*

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Other financial assets**

All of the company's assets are basic financial assets.

#### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

All the group's financial liabilities are classed as basic financial liabilities.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the obligation specified in the contract is discharged, cancelled, or expires.

#### **Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 2 Accounting policies *(continued)*

#### **Intangible assets - goodwill**

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised immediately on acquisition or on a straight line basis over a period not exceeding 20 years. The periods chosen for writing off goodwill are based on reliable estimates of future cash flows arising from each acquisition. These estimates are reviewed at each reporting date. Provision is made for any impairment.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold alterations	- 10% straight line
Plant and machinery	- Based on the directors' assessment of the carrying value at the year end
Fixtures, fittings and equipment	- 15% to 20% reducing balance
Motor vehicles	- 25% reducing balance

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### **Investment properties**

Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Investment properties whose fair value can be measured reliably are subsequently measured at fair value at each reporting date. The surplus or deficit on revaluation is recognised in the profit and loss account and accumulated in the profit and loss reserve.

#### **Investment in group undertakings**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

#### **Other fixed asset investments**

Fixed asset investments represents assets held for investment purposes. These are measured at fair value at each year end with investment gains and losses shown as other comprehensive income. The cumulative gain on the investments is included in the revaluation reserve.

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 2 Accounting policies *(continued)*

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement benefits**

Payments to a defined contribution retirement benefit scheme are charged as an expense as they fall due. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 2 Accounting policies *(continued)*

#### **Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below:

- Valuation of investment properties – management consider the fair value at each reporting date. Further detail can be found within note 13.
- Valuation of other investments – management consider the fair value at each reporting date. Further detail can be found within note 14.
- Classification of financial liabilities as either basic or other – management have reviewed the terms of loan agreements and have deemed that all of the group's financial liabilities are basic financial liabilities.
- Impairment of debtors – management review the expected recoverability of amounts due and make provision where necessary. The provisions are reviewed annually and where provisions are no longer required they are credited back to the profit and loss account.



# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

### 3 Turnover

An analysis of the group's turnover is as follows:

	2022 £	2021 £
Property related services	28,308,873	25,974,450
Investment property rentals	1,817,850	2,015,796
Loan servicing	1,863,956	2,042,071
Retail and leisure	601,244	126,867
	<u>32,591,923</u>	<u>30,159,184</u>

The whole of the turnover is attributable to the principal activities of the group wholly undertaken in the United Kingdom.

### 4 Operating profit

	2022 £	2021 £
Operating profit or loss is stated after charging/(crediting):		
Operating lease rentals	512,448	350,448
Amortisation of intangible assets	-	-
Depreciation of tangible assets	380,434	267,341
Gain on disposal of tangible assets	-	-
Auditor's remuneration – as auditor	57,560	49,400
Auditor's remuneration – for other services	50,534	46,775
Amortisation of loan arrangement fees	-	716,000
	<u>-</u>	<u>716,000</u>

#### Auditor's fees

The fees charged can be further analysed under the following headings for services rendered:

	2022 £	2021 £
Audit of these accounts	7,200	7,500
Audit of subsidiary companies	50,360	41,900
Taxation	14,390	12,500
Business consultancy	36,144	34,275
	<u>108,094</u>	<u>96,175</u>

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 5 Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2022 No	2021 No
Operational staff	109	128
Administrative staff	79	85
Management staff	11	11
	<u>199</u>	<u>224</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022 £	2021 £
Wages and salaries	5,526,009	5,694,936
Social security costs	496,236	534,857
Other pension costs	96,499	107,635
	<u>6,118,744</u>	<u>6,337,428</u>

Pension costs all relate to the defined contribution scheme.

### 6 Directors remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022 £	2021 £
Remuneration	152,309	114,474
Company contributions to defined contribution pension plan	5,000	4,463
	<u>157,309</u>	<u>118,937</u>

The number of directors who accrued benefits under the company's defined contribution pension plan was one (2021: one).

### 7 Exceptional items

The exceptional item comprises a provision of £129,785I (2021: £393,157) provided against other debtors.

**ACEPARK LIMITED****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 JANUARY 2022****8 Interest payable and similar charges**

	2022 £	2021 £
Interest on bank loans and overdrafts	10,777,847	15,029,574
Interest on finance leases and hire purchase contracts	188	273
Redemption premium on discounted securities	-	-
Other interest payable and similar charges	264,744	980,383
	<u>11,042,779</u>	<u>16,010,230</u>

**9 Tax on profit on ordinary activities**

	2022 £	2021 £
<i>Current tax</i>		
UK corporation tax on profits for the current period	-	-
Total current tax	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Adjustments in respect of prior periods	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax charge / (credit)	<u>-</u>	<u>-</u>

**Reconciliation of tax income**

The actual tax charge for the year can be reconciled to the expected charge for the year based on the profit and the standard rate of tax of 19% (2021: 19%) as follows:

	2022 £	2021 £
Profit on ordinary activities before taxation	<u>3,963,642</u>	<u>41,791,999</u>
Profit on ordinary activities by rate of tax	753,092	7,940,480
Effect of expenses not deductible for tax purposes	129,416	99,317
Effect of income not taxable for tax purposes	-	-
Super deduction	(33,826)	-
Capital gain	-	-
Gains not taxable	(634,777)	(9,563,408)
Depreciation on assets not qualifying for tax allowances	25	324,274
Utilisation of tax losses net of deferred tax not recognised on additional losses arising in the period	<u>(213,930)</u>	<u>1,199,337</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 10 Profit for the year of the parent company

The profit for the financial year of the parent company was £3,977,007 (2021: £9,438,659).

### 11 Dividends

Dividends paid during the year:

	2022 £	2021 £
Dividends on equity shares	-	-

### 12 Intangible assets

Group	Goodwill £
<b>Cost</b>	
At 1 Feb 2021	147,576,105
Additions	-
At 31 Jan 2022	147,576,105
<b>Amortisation</b>	
At 1 Feb 2021	147,576,105
Charge for the year	-
At 31 Jan 2022	147,576,105
<b>Carrying amount</b>	
At 31 Jan 2022	-
At 31 Jan 2021	-

The parent company holds shares in subsidiaries, the amount paid for these subsidiaries in total less the fair value of assets and liabilities acquired, created goodwill arising on consolidation. At the year end the directors' have considered the value of the consolidated goodwill and have recognised an impairment of £nil (2021: £nil).

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2022

### 13 Tangible assets

Group	Freehold investment property £	Leasehold investment property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 Feb 2021	75,139,754	13,424,394	2,522,553	387,229	93,751	91,567,681
Additions	1,584,327	-	2,534,822	155,521	145,199	4,419,869
Disposals	(70,334,915)	(13,342,673)	-	(8,233)	-	(83,685,821)
Revaluation	4,517,412	-	-	-	-	4,517,412
At 31 Jan 2022	<u>10,906,578</u>	<u>81,721</u>	<u>5,057,375</u>	<u>534,517</u>	<u>238,950</u>	<u>16,819,141</u>
<b>Depreciation</b>						
At 1 Feb 2021	-	80,375	1,044,910	246,961	68,008	1,440,254
Charge for the year	-	129	340,257	23,759	16,289	380,434
Disposals	-	-	-	(8,233)	-	(8,233)
At 31 Jan 2022	<u>-</u>	<u>80,504</u>	<u>1,385,167</u>	<u>262,487</u>	<u>84,297</u>	<u>1,812,455</u>
<b>Carrying amount</b>						
At 31 Jan 2022	<u>10,906,578</u>	<u>1,217</u>	<u>3,672,208</u>	<u>272,030</u>	<u>154,653</u>	<u>15,006,686</u>
At 31 Jan 2021	<u>75,139,754</u>	<u>13,344,019</u>	<u>1,477,643</u>	<u>140,268</u>	<u>25,743</u>	<u>90,127,427</u>

#### Revaluation of investment properties

The director has considered the fair value of the properties by reference to the vacant possession values calculated following an independent valuation carried out by CBRE Limited, who are not connected with the company, on 1 April 2017. The directors have undertaken a review of the investment properties and recognised movements in fair value at the year end. As part of this review the directors have considered the CBRE valuation noted above, as well as post year end sale proceeds and offers received for properties.

In respect of fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2022 £	2021 £
<b>Historical cost:</b>		
At 1 Feb 2021	156,722,058	465,539,080
Cost of additions	1,578,425	493,269
Transferred on disposal of group undertakings	-	(185,991,885)
Disposals in year	(135,656,549)	(123,318,406)
At 31 Jan 2022	<u>22,643,934</u>	<u>156,722,058</u>

#### Hire purchase agreements

Included within the net book value of fixed assets is £255,079 (2021: £3,910), relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £11,831 (2021: £1,124).

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 14 Investments

Group	Unlisted investments £
<b>Cost or valuation</b>	
At 1 Feb 2021	612,715
Additions	-
Disposals	-
Fair value changes	20,231
At 31 Jan 2022	<u>632,946</u>

Other unlisted investments are made of commodities which have been acquired for financial gain. These assets are externally valued by a professional valuer of these commodities, and any gain or loss during the year has been recognised in the accounts.

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 Feb 2021	13,718,759
Additions	-
Disposals	-
At 31 Jan 2022	<u>13,718,759</u>
<b>Impairment</b>	
At 1 Feb 2021	5,700,000
Amount written off investments	-
At 31 Jan 2022	<u>5,700,000</u>
<b>Carrying amount</b>	
At 31 Jan 2022	<u>8,018,759</u>
At 31 Jan 2021	<u>8,018,759</u>

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 14 Investments *(continued)*

All group undertakings are wholly owned by the parent company and their details are as follows:

#### Wholly owned group companies

Barrowway No.1 Ltd  
Barrowway No.2 Ltd  
BG Holdings Ltd  
Bollinway Properties Ltd  
Botany Aviation Ltd  
Britannic Holdings Ltd  
Bygone Times Rents Ltd  
Bygone Times Trading Ltd  
F I Construction Ltd  
F I Facilities Management Ltd  
F I Real Estate Management Ltd  
Fifedale Trading Ltd  
First Investments Ltd  
Solutus Advisors Ltd  
Solutus Advisors GmbH  
Toys "R" Us Properties (UK) Ltd  
USL (Trading) Ltd

#### Incorporated in

England & Wales  
England & Wales  
Jersey  
England & Wales  
England & Wales  
England & Wales  
England & Wales  
England & Wales  
England & Wales  
England & Wales  
England & Wales  
England & Wales  
England & Wales  
England & Wales  
England & Wales  
Germany  
England & Wales  
England & Wales

#### Nature of business

Holding company  
Interest collection  
Dormant holding company  
Dormant company  
Hire of air transport  
Dormant holding company  
Rent collection  
Retail and leisure  
Property development  
Estate support services  
Property related services  
Dormant company  
Dormant company  
Loan servicing  
Loan servicing  
Investment property  
Dormant company

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2022

### 15 Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Work in progress	779,216	-	-	-
Goods for resale & consumables	14,078	15,172	-	-
	<u>793,294</u>	<u>15,172</u>	<u>-</u>	<u>-</u>

### 16 Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	3,837,792	2,777,010	-	-
Amounts owed by group undertakings	14,378,791	-	7,731,589	9,232,924
Prepayments and accrued income	817,789	1,336,605	6,995	3,171,896
Corporation tax recoverable	1,441,322	921,436	-	-
Other loans	9,687,942	9,367,694	9,687,942	9,367,694
Other debtors	143,955,276	158,436,713	20,934,240	19,369,639
	<u>174,118,912</u>	<u>172,839,458</u>	<u>38,360,766</u>	<u>41,142,153</u>

The amounts owed by group undertakings in the group totals above represents a balance due from CCS Co. Ltd, which acquired 100% of the share capital of Acepark Limited during the year and is now the ultimate parent company. CCS Co. Ltd will prepare its next set of accounts for the period from 26 October 2021 to 31 January 2023

### 17 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank overdrafts	-	-	-	-
Bank loans	78,958,426	147,160,380	-	-
Other loans	110,463,214	110,478,040	909,913	909,913
Trade creditors	2,036,811	1,229,325	-	-
Amounts owed to group undertakings	-	-	15,914,512	16,827,704
Accruals and deferred income	16,695,001	23,733,865	2,524	2,524
Social security and other taxes	2,383,848	1,522,500	-	-
Finance leases and hire purchase	28,613	919	-	-
Directors' loan accounts	-	-	-	-
Other creditors	5,829,496	5,477,300	4,384,313	4,177,153
	<u>216,395,409</u>	<u>289,602,329</u>	<u>21,211,262</u>	<u>21,917,294</u>



# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

### 18 Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	39,167	48,333	-	-
Other loans	401,278	636,145	-	-
Finance leases and hire purchase	168,844	2,384	-	-
	<u>609,289</u>	<u>686,862</u>	<u>-</u>	<u>-</u>

Creditors include finance capital which is due for repayment as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts repayable:				
In more than one year but not more than two years	279,497	266,089	-	-
In more than two years but not more than five years	272,962	412,440	-	-
In more than five years	56,830	8,333	-	-
	<u>609,289</u>	<u>686,862</u>	<u>-</u>	<u>-</u>

The above figures represent the repayment dates in place at the balance sheet date.

### 19 Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	28,613	919	-	-
In two to five years	168,844	2,384	-	-
	<u>197,457</u>	<u>3,303</u>	<u>-</u>	<u>-</u>

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

### 20 Securities

Bank loans include a loan balance of £78,948,426 (2021: £147,158,713) less unamortised debt issue costs of £nil (2021: £nil) relating to Toys "R" Us Properties (UK) Ltd ("TRUP"). TRUP entered into a new Propco facilities agreement in March 2013 which was due to mature in July 2020 but, following the new standstill agreement, was due to mature in July 2019. The standstill agreement that ran until July 2019 was then extended and TRUP had to meet agreed capital repayments as well as completion of leases for retained properties at various dates between July 2019 and December 2019 with the requirement that the bank borrowings are repaid in full by December 2019. TRUP had not repaid the bank borrowings by 31 January 2022. Interest is payable quarterly at three different interest rates. Based on the year end loan balance these rates average 9.0% (2021: 7.6%). The loan is secured on the properties owned by TRUP.

Other loans include £642,162 (2021: £891,855) which is secured on an asset included within plant and equipment. Interest is charged at 2.9%. Monthly capital repayments are made, with the final payment due in September 2024.

At the year end the cash in the bank included £8,691,921 (2021: £10,394,825) of restricted cash. This is held in accounts controlled by the lenders of the bank loan as security against payment default.

Hire purchase liabilities, which represent amounts payable by the group for certain assets, are secured on the assets to which they relate.

### 21 Analysis of changes in net debt

	B/fwd £	Cashflow £	Non-cash £	C/fwd £
<b><i>Borrowings</i></b>				
Debt due within one year	257,638,420	(68,216,780)	-	189,421,640
Debt due after more than one year	684,478	(244,033)	-	440,445
Finance leases and hire purchase	3,303	(68,846)	263,000	197,457
	<u>258,326,201</u>	<u>(68,529,659)</u>	<u>263,000</u>	<u>190,059,542</u>
<b><i>Cash and cash equivalents</i></b>				
Cash at bank & in hand	(15,585,995)	(3,742,314)	-	(19,328,309)
Bank overdraft	-	-	-	-
	<u>(15,585,995)</u>	<u>(3,742,314)</u>	<u>-</u>	<u>(19,328,309)</u>
<b><i>Net debt</i></b>	<u>242,740,206</u>	<u>(72,271,973)</u>	<u>263,000</u>	<u>170,731,233</u>

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

### 22 Deferred tax

Deferred tax assets and liabilities are offset where the group or parent company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes, stated at 25% (2021: 19%):

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	729,001	232,286	-	-
Capital gain	-	-	-	-
Tax losses	(729,001)	(227,001)	-	-
Other timing differences	-	(5,285)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Movement in the year:</i>				
At 1 Feb 2021	-	639,424	-	-
Transferred on disposal of group undertakings	-	(639,424)	-	-
Charge/(credit) to profit or loss	-	-	-	-
At 31 Jan 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The directors, on the basis that it is prudent, have provided for deferred tax on losses only to the extent of any liability arising on accelerated capital allowances and other timing differences. The amount unprovided on tax losses is an asset of £8,036,710 (2021: £6,326,477).

The group has not finalised its capital expenditure programme for the next financial year and therefore an assessment as to the likely movement of timing differences cannot reasonably be made.

### 23 Financial instruments

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	192,629,432	187,088,848	44,657,301	38,221,425
Equity instruments measured at cost less impairment	632,946	612,715	8,018,759	8,018,759
	<u>193,262,378</u>	<u>187,701,563</u>	<u>52,676,060</u>	<u>46,240,184</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<u>214,620,850</u>	<u>288,766,691</u>	<u>21,211,262</u>	<u>21,917,294</u>

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 24 Called up share capital

Issued, called up and fully paid

	2022		2021	
	No	£	No	£
Ordinary shares of £1 each	<u>18,758</u>	<u>18,758</u>	<u>18,758</u>	<u>18,758</u>

### 25 Reserves

Share premium account - represents the premium arising on the issue of shares.

Capital redemption reserve - represents amounts transferred following a purchase of own shares.

Revaluation reserve - represents adjustments to the fair value of financial assets.

Profit and loss account - represents cumulative profits and losses net of dividends.

### 26 Control

TJP Knowles was the managing director and sole shareholder until 26 October 2021, when the entire share capital of the company was acquired by CCS Co. Ltd. CCS Co. Ltd is now the ultimate parent company.

The ultimate controlling party is now the trustees of the Claire Caroline Sharp Discretionary Settlement 2021.

### 27 Directors advances, credits and guarantees

At 1 February 2021 the outstanding balance owed by TJP Knowles, a director of the company, was £11,915,922. During the year the company made further advances totalling £8,529,806 to TJP Knowles, TJP Knowles made repayments totalling £12,240,696, and interest of £254,020 was charged at the official HMRC interest rate. At 31 January 2022 the amount owed to the company by TJP Knowles was £8,459,052. The maximum amount due to the company by TJP Knowles during the year was £19,827,002.

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 28 Related party transactions

During the year, the group had sales totalling £15,626,032 (2021: £13,729,467), interest receivable of £1,571,018 (2021: £1,569,037), purchases of £250,000 (2021: £247,000) and interest payable of £167,736 (2021: £177,114) with companies with a common director. At the year end a total of £23,292,726 (2021: £20,803,872) was due from these companies, after a provision of £1,143,281 (2021: £1,143,281), and a total of £1,863,074 (2021: £2,203,665) was due to these companies.

During the year, companies within the group raised invoices to a director, totalling £151,505 (2021: £710,794), dividends of £nil (2021: £nil) were declared and paid to one of the directors, and debtors include an amount of £110,000 (2021: £110,000) due from a close family member of a director.

The total key management personnel remuneration was £170,579 (2021: £132,111).

As permitted by FRS 102 Section 33, transactions entered into between two or more members of the group are not disclosed, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

### 29 Operating leases

Operating lease payments represent rentals payable by group companies for certain properties, vehicles and other assets.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	388,478	327,448
Between two and five years	303,333	290,978
	<u>691,811</u>	<u>618,426</u>

# ACEPARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JANUARY 2022

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### 30 Disposals

In the prior year on 3 February 2020, the company disposed of its 100% shareholding in Wildmoor (Hull) Limited for proceeds of £1 and its 100% shareholding in Lea Valley Limited for proceeds of £6,512,960. A further 100% group company (Barrowway No.2 Limited) disposed of its 100% shareholding in Pro Investments Limited for proceeds of £105,860,802. These group undertakings were sold to companies with common directors.

The balance sheet total of the group undertakings at the date of leaving the group and the proceeds along with the profit arising in the consolidated accounts, were as follows:

	Book Value £	Fair Value £
Investment property	183,145,000	183,145,000
Trade and other debtors	5,695,331	5,695,331
Cash and cash equivalents	2,504,607	2,504,607
Trade and other creditors	(82,184,330)	(82,184,330)
Bank loans	(31,698,840)	(31,698,840)
Deferred taxation	(639,424)	(639,424)
		<u>76,822,344</u>
Proceeds		<u>(112,373,763)</u>
(Profit)/Loss on disposal of group undertakings		<u>(35,551,419)</u>

The group undertakings disposed did not contribute to the trading results in the prior year.