

Pure Fishing (UK) Limited

Directors' Report and Financial Statements

for the year ended 31 December 2019

Registered number: 02298581

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Pure Fishing (UK) Limited

Directors' report and financial statements

for the year ended 31 December 2019

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Pure Fishing (UK) Limited

STRATEGIC REPORT for the year ended 31 December 2019

The Directors present their strategic report for the year ended 31 December 2019.

REVIEW OF THE BUSINESS

The Company's key financial and other performance indicators during the year were as follows:

| | 2019 | 2018 |
|--|----------|---------|
| | £'000 | £'000 |
| Turnover | 19,508 | 20,012 |
| Gross profit | 5,455 | 6,366 |
| Gross profit as a % of turnover | 28.0% | 31.8% |
| Operating loss | (685) | (922) |
| Loss for the financial year | (29,703) | (1,368) |
| Net Assets | 81,751 | 110,860 |
| Current assets as a % of current liabilities | 15.6% | 73.7% |
| Average number of employees | 120 | 122 |

Turnover decreased by £504,000 (2.5%) (2018 decreased: £2,963,000 (12.9%)). The 2019 decrease was primarily due to a continued fall in demand for product in the advanced composites business arising from one major customer.

The Company purchases the majority of its products in US dollars but sells them in Sterling. The profitability of the Company is therefore heavily dependent upon foreign exchange rates.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks and uncertainties facing the Company would have to be categorised as follows:

- Any further unpredicted general economic downturn.
- Severe and unseasonable weather in any prime selling seasons for fishing as sales are always weather dependent.
- Future inventory prices from China can fluctuate due to supply and currency. We purchase the majority of our inventory from China, denominated in USD which can alter the price we pay for product over time.

Pure Fishing (UK) Limited

STRATEGIC REPORT for the year ended 31 December 2019 (continued) PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- Excessive short-term fluctuations in foreign exchange rates affecting the price of products sourced from overseas in foreign currency.
- The continued availability of credit facilities to the Company, as part of the wider Pure Fishing group, at competitive prices.

All the above can be managed with good planning, long-term strategy and careful investment.

POST BALANCE SHEET EVENTS

The business and its investments were impacted by COVID-19 from March 2020 and management acted accordingly to reduce the cost base in the short term by reducing discretionary operational spend, furloughing employees where necessary and reducing orders placed for product to preserve cash flow. Through careful management the business recovered sales from June 2020 to previous levels with an overall growth in the core fishing sales, and they do not see significant future impact to the fishing business.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and loans due to and from fellow group undertakings. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are foreign exchange risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

FOREIGN EXCHANGE RISK

The Company is exposed to foreign exchange risk on its products and on amounts due to and from fellow group undertakings. The Company monitors its exposure to foreign exchange risk on an ongoing basis.

CREDIT RISK

The Company trades with only recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis and, where appropriate, credit insurance is utilised with the result that the Company's exposure to bad debts is mitigated.

LIQUIDITY RISK

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans from fellow group undertakings.

PRICE RISK

The company manufactures and purchases product with exposure to fluctuating purchase prices. Where this occurs the company sets its selling prices accordingly to mitigate this effect.

SECTION 172 STATEMENT

The directors work to promote the success of the company, by considering the impact that their decisions may have on the company, along with the company's stakeholders. The issues and factors which have guided the directors' decisions are outlined in the "Review of the Business" and "Principle Risks and Uncertainties" section of this report.

Pure Fishing (UK) Limited

STRATEGIC REPORT for the year ended 31 December 2019 (continued) SECTION 172 STATEMENT (continued)

The company's key stakeholders include but are not limited to:

- Customers
- Employees
- Suppliers
- Funders

During the financial year ended 31 December 2019 the directors, having regard to the financial performance and position of the company, and the ability to meet the expectations of its key stakeholders, decided not to pay a dividend.

The core values at Pure Fishing are to work as a team, providing great customer experience. These values underpin the Pure Fishing group's strategy and vision. The vision is to be the leading global player in the fishing tackle industry, and its strategy is to have the best employees, products and processes to create a platform for growth.

The directors of the company promote good governance, which is key to driving the success of the business. The directors aim to promote strong relationships with key stakeholders at all times which are also critical to achieving long term growth and success.

The Senior Leadership team meet at least every quarter to review the business and its operations to ensure it is meeting targets and that decisions taken are in line with the groups' values and objectives.

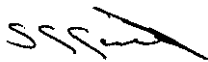
During 2019 the company invested in new product development to ensure that the company can achieve its growth targets.

The company also engaged with external customers to ensure a positive customer experience and to ensure the new product development was in line with market trends.

Internally the company looked at its operations to determine productivity improvements that could be made to strengthen its ability to compete in the marketplace.

The business is mindful of its impact on the environment and supports sustainable fishing practices in the markets in which it operates and participates actively in many local organisations.

On behalf of the board



S G Garrett
Director
11 March 2021

Pure Fishing (UK) Limited

DIRECTORS' REPORT for the year ended 31 December 2019

The Directors present their report and audited financial statements for the year ended 31 December 2019.

RESULTS AND DIVIDENDS

The loss for the financial year attributable to shareholders amounts to £29,703,000 (2018: loss of £1,368,000) and is dealt with as shown in the profit and loss account. No dividends were paid during the year (2018: £nil). The Directors do not recommend payment of a final dividend for 2019 (2018: £nil).

PRINCIPAL ACTIVITIES

The principal activity of the Company is the purchasing of fishing tackle for distribution to retailers. The Company also designs and manufactures composite tubing.

The company's financial risk management policies have been disclosed within the Strategic report.

FUTURE DEVELOPMENTS

Overall in the coming year the company expects to continue operating with its current business model. We will continue to develop strong relationships with our customers, suppliers and with the fishing industry in general, generating new business where possible and seeking growth for the business.

POST BALANCE SHEET EVENTS

Please refer to the Strategic report for details of post balance sheet events.

DIRECTORS

The directors of the Company who, except where indicated, were in office during the year and up to the date of signing the financial statements were:

K H Clefjord (appointed 15th October 2019)

S G Garrett (appointed 15th October 2019)

K M Jayson (appointed 21st December 2018)

G Moore (appointed 21st December 2018)

G Ottignon-Harris (appointed 21st December 2018, resigned 16th September 2019)

N R Eibeler (appointed 21st December 2018, resigned 17th January 2019)

QUALIFYING THIRD PARTY AND PENSION SCHEME INDEMNITY PROVISIONS

At the time this report is approved, no qualifying third party indemnity provisions or qualifying pension scheme indemnity provisions are in place for the benefit of one or more of the directors. At no time during the period were any such provisions in force for the benefit of one or more persons who were then directors.

REGISTERED OFFICE

Willowburn Trading Estate, Alnwick, Northumberland, NE66 2PF.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

Pure Fishing (UK) Limited

DIRECTORS' REPORT for the year ended 31 December 2019 (continued) **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (continued)**

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

GOING CONCERN

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Pure Fishing Inc. The company has net current liabilities of £97,296,000, however the directors have received confirmation that a parent company, SP PF Cayman Holdings I LP, intends to support the Company for at least one year after these financial statements are signed.

The UK business was adversely affected from March 2020 due to the COVID-19 virus. All necessary actions were taken to protect the business during this downturn as per the Strategic Report. Whilst revenues fell between March and May 2020, sales recovered from June to end 2020 ahead of previous year.

DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 418, in the case of each director in office at the date the directors' report is approved:

- so far as each of the directors is aware there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated they will step down from office and new auditors have been appointed.

On behalf of the Board



S G Garrett
Director
11 March 2021
Company No. 02298581

Independent auditors' report to the members of Pure Fishing (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Pure Fishing (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the profit and loss account, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Pure Fishing (UK) Limited (continued)

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

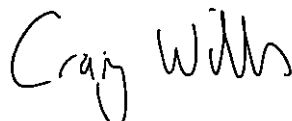
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Craig Willis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
11 March 2021

Pure Fishing (UK) Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2019

| | Note | 2019 £'000 | 2018 £'000 |
|---|------|-----------------|---------------|
| TURNOVER | 2 | 19,508 | 20,012 |
| Cost of sales | | (14,053) | (13,646) |
| GROSS PROFIT | | 5,455 | 6,366 |
| Distribution costs | | (4,462) | (4,612) |
| Administrative expenses | | (1,678) | (2,676) |
| OPERATING LOSS | 3 | (685) | (922) |
| Interest receivable and similar income | 6 | 62 | 62 |
| Amounts written off investments in subsidiaries | 12 | (26,064) | - |
| Interest payable and similar expenses | 7 | (2,237) | (622) |
| Other finance charges | 8 | - | (81) |
| LOSS BEFORE TAXATION | | (28,924) | (1,563) |
| Tax on loss | 9 | (779) | 195 |
| LOSS FOR THE FINANCIAL YEAR | | (29,703) | (1,368) |

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2019

| | Note | 2019 £'000 | 2018 £'000 |
|---|------|-----------------|---------------|
| Loss for the financial year | | (29,703) | (1,368) |
| Return on scheme assets excluding interest income | 17 | - | (590) |
| Actuarial gains on post employment obligation | 17 | - | 545 |
| Changes to restriction under paragraph 28.22 of FRS 102 | 17 | - | 126 |
| Gross amount received upon winding up of scheme | 17 | 470 | - |
| Scheme administrative costs | 17 | 124 | - |
| Total comprehensive expense for the year | | (29,109) | (1,287) |

All activities relate to continuing operations.

Pure Fishing (UK) Limited

BALANCE SHEET as at 31 December 2019

| | Note | 2019 £'000 | 2018 £'000 |
|--|------|------------------|-----------------|
| FIXED ASSETS | | | |
| Intangible assets | 10 | 3,118 | 3,301 |
| Tangible assets | 11 | 590 | 743 |
| Investments | 12 | 175,339 | 201,403 |
| | | 179,047 | 205,447 |
| CURRENT ASSETS | | | |
| Inventories | 13 | 5,962 | 6,665 |
| Debtors (including £nil (2018: £1,078,000) due after one year) | 14 | 11,351 | 25,382 |
| Cash at bank and in hand | | 636 | 202 |
| | | 17,949 | 32,249 |
| CREDITORS: amounts falling due within one year | 15 | (115,245) | (43,773) |
| NET CURRENT LIABILITIES | | (97,296) | (11,524) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 81,751 | 193,923 |
| CREDITORS: amounts falling due after more than one year | 16 | - | (83,063) |
| NET ASSETS EXCLUDING PENSION LIABILITY | | 81,751 | 110,860 |
| Post employment benefit | 17 | - | - |
| NET ASSETS | | 81,751 | 110,860 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 18 | 4,712 | 4,712 |
| Share premium account | | 114,379 | 114,379 |
| Profit and loss account | | (37,340) | (8,231) |
| TOTAL SHAREHOLDERS' FUNDS | | 81,751 | 110,860 |

The notes on pages 11 to 25 form part of these financial statements.

The financial statements on pages 8 to 25 were approved by the Board of directors and were signed on its behalf by:



S G Garrett
Director

11 March 2021

Registered Number: 02298581

Pure Fishing (UK) Limited

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2019

| | Note | Called up share capital £'000 | Share premium £'000 | Profit and loss account £'000 | Total shareholders' (deficit)/funds £'000 |
|---|------|---|---------------------------|-------------------------------------|--|
| At 1 January 2018 | | 750 | - | (6,944) | (6,194) |
| Loss for the financial year | | - | - | (1,368) | (1,368) |
| Return on scheme assets excluding interest income | | - | - | (590) | (590) |
| Actuarial gains on post employment obligation | | - | - | 545 | 545 |
| Changes to restriction under paragraph 28.22 of FRS 102 | | - | - | 126 | 126 |
| Total comprehensive expense | | - | - | (1,287) | (1,287) |
| Issue of share capital | 18 | 3,962 | 114,379 | - | 118,341 |
| At 31 December 2018 and 1 January 2019 | | 4,712 | 114,379 | (8,231) | 110,860 |
| Loss for the financial year | | - | - | (29,703) | (29,703) |
| Gross amount received upon winding up of scheme | | - | - | 470 | 470 |
| Scheme administrative costs | | - | - | 124 | 124 |
| Total comprehensive expense | | - | - | (29,109) | (29,109) |
| At 31 December 2019 | | 4,712 | 114,379 | (37,340) | 81,751 |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

1. ACCOUNTING POLICIES

General information

The principal activity of the Company is the purchasing of fishing tackle for distribution to retailers. The Company also designs and manufactures composite tubing. The Company is a private company, limited by shares and incorporated and registered in England, United Kingdom. The address of its registered office is Willowburn Trading Estate, Alnwick, Northumberland NE66 2PF.

Statement of compliance

The financial statements of Pure Fishing (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in the current and prior year, unless otherwise stated.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The company's results are consolidated in the group financial statements produced by SP PF Cayman Holdings I LP and available on request from Pure Fishing Inc. Accordingly, the Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act.

Going concern

The financial statements have been prepared under the going concern concept because the directors have confirmed that continuing finance will be made available from a parent company, SP PF Cayman Holdings I LP, in order for the Company to meet its liabilities as they fall due and to continue operations without realisation of its assets.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the financial statements of another group company, SP PF Cayman Holdings I LP, includes the company's cash flows;
- (ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- (iii) from disclosing the company's key management personnel compensation, as required by FRS 102 paragraph 33.7.
- (iv) from disclosing the reconciliation of the number of shares outstanding at the beginning and end of the period.

These financial statements present information about this Company as an individual undertaking and not as part of a group.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

1. ACCOUNTING POLICIES (*continued*)

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset in equal instalments over its expected useful life as follows:

| | | | |
|-----------------------------------|---------------|-------------|---------|
| Leasehold & building improvements | 15.5 years | IT hardware | 2 years |
| Plant and equipment | 3 to 10 years | | |

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Goodwill

Goodwill is valued at full cost and amortised over a useful life of 20 years. If the directors consider the maximum life to be less than 20 years, goodwill will be amortised over a shorter period than 20 years.

Fixed asset investments

Fixed asset investments are stated at cost unless, in the opinion of the Directors, there has been an impairment of the value in use of the asset, in which case an appropriate adjustment is made. To determine this, management consider annually the expected future financial performance of the asset using a Discounted Cash Flow model. Key estimates used in the model are detailed below within the section Critical accounting judgements and key sources of estimation uncertainty.

Inventory and work in progress

Inventory is valued at the lower of cost, on a cumulative average cost basis, and fair value less costs to sell after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, except that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs

The Company's defined benefit pension scheme closed on 31 December 2008 and defined benefits ceased to accrue in the scheme from that date.

The defined benefit pension scheme assets are measured using fair values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The expected return on scheme assets and the interest cost on scheme liabilities are included in the Profit and Loss Account in other finance charges. Actuarial gains and losses are recognised in the Profit and Loss Account.

The Company operates defined contribution schemes and contributes to personal pension plans for certain other employees. The costs of the Company's contributions to each are charged to the profit and loss account.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date the transaction occurs or at the contracted rate if the transaction is covered by a forward exchange contract.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

1. ACCOUNTING POLICIES *(continued)*

Assets and liabilities denominated in a foreign currency are translated at the balance sheet date at the exchange rate ruling on that day or if appropriate at the forward contract rate. Resulting exchange differences are dealt with in the determination of profit for the financial year.

Share Capital

Ordinary shares are classed as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Turnover

Turnover (which is stated net of VAT) from the sale of fishing equipment is recognised on delivery of the goods, which is when the significant risks and rewards of ownership of the goods have passed to the buyer.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Onerous leases

The Company makes provision for the estimated future lease liabilities of currently vacant properties, on a non-discounted basis.

Financial instruments

The Company has applied sections 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Critical accounting estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Fixed Asset Investments

As noted above, to determine whether there has been an impairment of a fixed asset investment, management consider annually the expected future financial performance of the asset using a Discounted Cash Flow model. The key base assumptions of the model used include: A Weighted Average Cost of Capital (WACC) calculated at 9%. Revenue growth at 50% of planned levels compared to the 5 year strategic plan and gross margin improvements of 0.5% each year over the next 5 years.

Pure Fishing (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

1. ACCOUNTING POLICIES *(continued)*

The key base assumptions of the model used include: A Weighted Average Cost of Capital (WACC) calculated at 9%. Revenue growth at 50% of planned levels compared to the 5 year strategic plan and gross margin improvements of 0.5% each year over the next 5 years. The model is sensitive to changes in the assumptions as highlighted below:

A change in WACC +/- 0.5% would result in movement of £(11.5)m or £13.3m respectively in the asset value.

A change in growth assumptions of +/- 10% would result in movement of £10.2m or £(9.9)m respectively in asset value.

A change in FX rate assumptions of +/- 5% would result in movement of £8.5m or £(10.0)m respectively in asset value

If the company and its subsidiaries meet the 5 year targeted growth and margin improvements at 9% WACC then there would be an impairment of £(9.9)m

2. TURNOVER

Turnover represents the value of goods and services supplied by the company exclusive of VAT.

Turnover by geographical market was as follows:

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------|---------------|---------------|
| UK and Ireland | 12,996 | 13,175 |
| Other European Economic Community | 2,876 | 3,146 |
| Other Europe | 70 | 44 |
| Rest of the World | 3,566 | 3,647 |
| | 19,508 | 20,012 |

Turnover by segment was as follows:

| | 2019 £'000 | 2018 £'000 |
|---------------------|---------------|---------------|
| Fishing tackle | 16,386 | 16,237 |
| Advanced composites | 3,122 | 3,775 |
| | 19,508 | 20,012 |

Pure Fishing (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

3. OPERATING LOSS

| Operating loss is stated after charging: | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| Depreciation - owned assets | 248 | 249 |
| Amortisation – goodwill | 183 | 184 |
| Impairment of trade receivables | 4 | 11 |
| Operating lease rentals (note 19): | | |
| - land and buildings | 387 | 387 |
| - plant and machinery | 113 | 124 |
| Auditors' remuneration: | | |
| - audit services relating to this company | 47 | 42 |
| - the auditing of accounts of any associate of the company | 28 | - |
| Foreign exchange (gains)/losses | (399) | 68 |

4. STAFF COSTS

| | 2019 £'000 | 2018 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 3,478 | 3,659 |
| Social security costs | 368 | 389 |
| Other pension costs | 230 | 221 |
| | 4,076 | 4,269 |

The average monthly number of persons employed by the company during the year was as follows:

| | 2019 No | 2018 No |
|-----------------------------------|------------|------------|
| Production, warehouse and service | 56 | 59 |
| Administration and selling | 64 | 63 |
| | 120 | 122 |

5. DIRECTORS' REMUNERATION

| | 2019 £'000 | 2018 £'000 |
|---------------------------------|---------------|---------------|
| Aggregate directors' emoluments | 425 | - |

Emoluments of the highest paid director were £397,000 (2018: nil).

Both of these figures include compensation for loss of office totalling £135,000 (2018: nil). Some director's emoluments were borne by another group Company.

In 2018, no directors' emoluments or benefits in kind were provided by the company.

Pure Fishing (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2019 £'000 | 2018 £'000 |
|---------------------------|---------------|---------------|
| Group interest receivable | 62 | 62 |

7. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2019 £'000 | 2018 £'000 |
|------------------------|---------------|---------------|
| Group interest payable | 2,237 | 622 |

8. OTHER FINANCE CHARGES

| | 2019 £'000 | 2018 £'000 |
|--------------------------------|---------------|---------------|
| Scheme administration expenses | - | 81 |

9. TAX ON LOSS

(a) Analysis of (tax) / tax credit in the year

The (tax) / tax credit for the year is as follows:

| | 2019 £'000 | 2018 £'000 |
|---|---------------|---------------|
| Current tax: | | |
| Current (tax) / tax credit for the year | (779) | 195 |
| | (779) | 195 |

An adjustment of £779,000 has arisen in 2019 in respect of prior years (2018: £nil). This relates to the write off of group relief that was never surrendered.

(b) Factors affecting the (tax) / tax credit for the year

The tax assessed on the loss for the year is higher (2018: higher) than the standard rate of corporation tax.

The differences are explained below:

| | 2019 £'000 | 2018 £'000 |
|---|---------------|---------------|
| Loss before tax | (28,925) | (1,563) |
| Loss before tax multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%) | (5,495) | (297) |
| Effect of: | | |
| Disallowed expenses and non-taxable income | 5,035 | 60 |
| Adjustment from previous periods | 779 | - |
| Deferred tax not recognised | (31) | 26 |
| Movement in unrecognised deferred tax | 491 | - |
| Contributions to pension scheme | - | 16 |
| Tax / (tax credit) for the year | 779 | (195) |

Pure Fishing (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

9. TAX ON LOSS (continued)

(c) Deferred taxation

No deferred tax has been provided.

The major components of the potential deferred tax asset and the asset recognised in the financial statements are as follows:

| | Potential | | Actual | |
|---|------------------|--------------|---------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Depreciation in advance of capital allowances | 112 | 231 | - | - |
| Other short-term timing differences | 30 | 27 | - | - |
| Tax losses carried forward | 683 | 486 | - | - |
| | 825 | 744 | - | - |

The potential deferred tax asset has not been recognised due to uncertainty over its recovery. The deferred tax asset will be recognised when the Company is able to demonstrate that sufficient profits will be generated to enable the asset to be realised.

10. INTANGIBLE ASSETS

| | Goodwill |
|----------------------------------|-----------------|
| | £'000 |
| Cost: | |
| At 1 January 2019 | 3,668 |
| At 31 December 2019 | 3,668 |
| Accumulated amortisation: | |
| At 1 January 2019 | 367 |
| Charge for the year | 183 |
| At 31 December 2019 | 550 |
| Net book amount: | |
| At 31 December 2019 | 3,118 |
| At 31 December 2018 | 3,301 |

Pure Fishing (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

11. TANGIBLE ASSETS

| | Leasehold improvements £'000 | Plant and equipment £'000 | IT hardware £'000 | Total £'000 |
|----------------------------------|------------------------------------|---------------------------------|-------------------------|----------------|
| Cost: | | | | |
| At 1 January 2019 | 690 | 856 | 133 | 1,679 |
| Additions | 28 | 67 | - | 95 |
| At 31 December 2019 | 718 | 923 | 133 | 1,774 |
| Accumulated depreciation: | | | | |
| At 1 January 2019 | 426 | 386 | 124 | 936 |
| Charge for the year | 130 | 110 | 8 | 248 |
| At 31 December 2019 | 556 | 496 | 132 | 1,184 |
| Net book amount: | | | | |
| At 31 December 2019 | 162 | 427 | 1 | 590 |
| At 31 December 2018 | 264 | 470 | 9 | 743 |

12. INVESTMENTS

| | £'000 |
|--|----------------|
| Cost and Net book value: At 1 January 2019 | 201,403 |
| Impairment in the year | (26,064) |
| At 31 December 2019 | 175,339 |

| Name of subsidiary | Registered address | Holding | Date of acquisition |
|--|--|---------|---------------------|
| Pure Fishing Netherlands B.V. | Tinstraat 3-5, Breda, 4823 AA, Netherlands | 100% | 2 October 2018 |
| Pure Fishing Korea Co. Limited | Suite 906, 38 Digital-Ro 29Gil, Guro-Gu, Seoul, 08381, South Korea | *100% | 2 October 2018 |
| Pure Fishing Malaysia Sdn. Bhd. | Unit 30-01, Level 30, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia | *100% | 2 October 2018 |
| Pure Fishing Guangzhou T Trading Co. Limited | Room E, 10 / F, Sanxin building, 33 Whampoa Avenue West Road, Tianhe District, Guangzhou, China | *100% | 2 October 2018 |

Pure Fishing (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

12 INVESTMENTS (continued)

| Name of subsidiary | Registered address | Holding | Date of acquisition |
|--------------------------------------|--|---------|---------------------|
| Pure Fishing Japan Co. Limited | 2-15-12 Kiba, Koto-ku, Tokyo, 135-0042, Japan | *100% | 2 October 2018 |
| Pure Fishing Spirit B.V. | Tinstraat 3-5, Breda, 4823 AA, Netherlands | *100% | 2 October 2018 |
| Outdoor Technologies (Canada) ULC | Suite 900, 1959 Upper Water Street, Halifax, NS, B3J 2X2, Canada | *100% | 2 October 2018 |
| Pure Fishing Poland Sp. Z.O.O. | 61-737 Poznan UL.27 Grudnia 3, Poznan, Poland | *100% | 2 October 2018 |
| Outdoor Technologies Group Sweden AB | C/O ABU AB, 37681, Svängsta, Sweden | *100% | 2 October 2018 |
| Abu Garcia AB | C/O ABU AB, 37681, Svängsta, Sweden | *100% | 2 October 2018 |
| Pure Fishing Finland OY | Turvekuja 6, 00700 Helsinki, Finland | *100% | 2 October 2018 |
| Abu Garcia Pty Limited | Unit 1, 16 Pioneer Avenue, Tuggerah NSW, 2259, Australia | *100% | 2 October 2018 |
| Pure Fishing (NZ) Limited | Level 22, 205 Queen Street, Auckland, 1010, New Zealand | *100% | 2 October 2018 |
| Abu AB | 37681, Svängsta, Sweden | *100% | 2 October 2018 |
| Pure Fishing Norway AS | Kjeller vest 3, 2007 Kjeller, Norway | *100% | 2 October 2018 |
| OTG-Cani Denmark A/S | Tinvej 1, 8940 Randers SV, Denmark | *100% | 2 October 2018 |
| Pure Fishing Deutschland GmbH | Hanauer Landstrasse 553, 2nd Floor, D-60386 Frankfurt, Germany | *100% | 2 October 2018 |
| Pure Fishing Europe S.A.S. | 435, rue des sources, 38920 Crolles, France | *100% | 2 October 2018 |
| Hardy & Greys Limited | Willowburn Trading Estate, Alnwick, Northumberland, NE66 2PF, UK | 100% | 1 July 2013 |
| Hardy Advanced Composites Limited | Willowburn Trading Estate, Alnwick, Northumberland, NE66 2PF, UK | **100% | 1 July 2013 |

*Investments held indirectly (subsidiaries of Pure Fishing Netherlands B.V.)

** Investments held indirectly (subsidiaries of Hardy & Greys Limited)

13. INVENTORIES

| | 2019 £'000 | 2018 £'000 |
|------------------|---------------|---------------|
| Raw materials | 621 | 745 |
| Work in progress | 158 | 134 |
| Finished goods | 5,183 | 5,786 |
| | 5,962 | 6,665 |

The replacement cost of the above inventory is not materially different from the values stated.

The amount of inventory recognised as an expense in the year is £12,130,000 (2018: £12,473,000).

Pure Fishing (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

14. DEBTORS

| | 2019 £'000 | 2018 £'000 |
|---|---------------|---------------|
| <i>Amounts falling due after one year:</i> | | |
| Loan notes issued to subsidiary undertaking | - | 1,078 |
| | - | 1,078 |
| <i>Amounts falling due within one year:</i> | | |
| Trade debtors | 4,307 | 4,496 |
| Loan notes issued to subsidiary undertaking | 1,428 | - |
| Amounts owed by group undertakings | 5,052 | 18,432 |
| Group relief receivable | - | 779 |
| Prepayments and accrued income | 564 | 597 |
| | 11,351 | 24,304 |
| | 11,351 | 25,382 |

The above loan notes are unsecured, bearing interest of 6.5% p.a. with no fixed repayment date. Amounts owed by group undertakings are trading balances, which are unsecured and interest free and repayable on demand.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 £'000 | 2018 £'000 |
|---|---------------|---------------|
| Trade creditors | 780 | 1,087 |
| Loan notes issued by group undertakings | 92,074 | 2,428 |
| Amounts owed to group undertakings | 20,872 | 39,091 |
| Taxation and social security | 367 | 147 |
| Accruals and deferred income | 1,152 | 1,020 |
| | 115,245 | 43,773 |

Amounts owed to group undertakings are trading balances, which are unsecured and interest free and repayable on demand.

£2,390,000 of the above loan notes are unsecured, bearing interest of 3 month LIBOR + 2.50% and are repayable on demand. £84,695,000 of the above loan notes are unsecured, bearing interest of 2.38% with a maturity date of 2nd October 2025. The remaining £4,989,000 of the above loan notes are unsecured, bearing interest of LIBOR + 2.5% with a maturity date of 19th December 2024.

The terms of the loan notes with fixed maturity dates state that non-payment of interest constitutes an 'Event of Default', effectively resulting in the loan notes becoming re-payable on demand. Adequate interest payments were not made during the year, hence these loan notes are classed as creditors falling due within one year. Post year end the company received notice from each debt holder that they had waived their right to declare an "Event of Default" from 1 January 2020 until 31 January 2021.

Pure Fishing (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2019 £'000 | 2018 £'000 |
|---|---------------|---------------|
| Loan notes issued by group undertakings | - | 83,063 |
| | - | 83,063 |

The 2018 figure constitutes loan notes which have been classified as creditors falling due within one year in these 2019 financial statements. This is due to the occurrence of an 'Event of Default' which effectively results in these loan notes becoming re-payable on demand (see note 15).

17. POST EMPLOYMENT BENEFIT

The Company contributes to a number of defined contribution schemes and at 31 December 2019 employer contributions of £19,000 (2018: £18,000) were outstanding.

Until 31 December 2008, the Company operated a defined benefit pension scheme for certain employees, providing benefits based on final pensionable pay. The Company closed its defined benefit pension scheme on 31 December 2008 and defined benefits ceased to accrue in the scheme from that date. The assets of the scheme are held separately from those of the Company, being invested in managed funds.

The most recent formal actuarial valuation of the defined benefit pension scheme was as at 31 December 2010. This valuation, completed in March 2014, showed that, on a buyout basis, there was a net deficit of £2,192,000 as at 31 December 2010. The Company has agreed with the Trustees of the scheme to fund this deficit by paying contributions of £629,000 per annum until 31 October 2016. This contribution rate makes allowance for the worsening of the deficit since the valuation date of 31 December 2010 due to changes in economic conditions.

The defined benefit pension scheme was wound up and its bank account was closed during 2019. All assets and liabilities were transferred to the members with Pure Fishing (UK) Limited receiving £470,000 (net of 35% tax) on 17 October 2019.

Prior to this, the company had not recognised a plan surplus due to uncertainties about whether this amount would be receivable. Upon receiving evidence that the £470,000 pay-out was due to Pure Fishing (UK) Ltd, the net plan asset was remeasured from £nil to £470,000. The remeasurement gain is recorded in the Statement of Other Comprehensive Income (see page 8).

| | Total £'000 |
|---|----------------|
| Net plan surplus recognised at 1 January 2019 | - |
| Remeasurement gains | 470 |
| Net amount paid out upon winding up | (470) |
| Net plan surplus recognised 31 December 2019 | - |

The fair value of the scheme assets at 1 January 2019 was £847,000, meaning that there had been a £124,000 net movement between 1 January 2019 and scheme being wound up. In principle, this £124,000 could be comprised of: net interest credit on the plan surplus, any final settlement gain or loss, administrative costs and actuarial movements in the plan asset and plan liability. No formal actuarial report was provided upon winding up and therefore there was no information available to ascertain how the £124,000 should be split between those components. Management have concluded that all elements except for the administrative costs are likely to be minimal and have reached the judgement that the £124,000 should be recorded as administrative expenses.

Pure Fishing (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

17. POST EMPLOYMENT BENEFIT (Continued)

| | Total £'000 |
|---|----------------|
| Fair value of scheme assets at 1 January 2019 | 847 |
| Administrative expenses | (124) |
| Gross amount paid out upon winding up (includes refund tax at 35%) | (723) |
| Fair value of scheme assets at 31 December 2019 | - |

(a) Amounts recognised in the profit and loss account are as follows:

| | 2019 £'000 | 2018 £'000 |
|-------------------------|---------------|---------------|
| Administration expenses | 124 | 81 |
| Total | 124 | 81 |

Analysis of amounts recognised in the profit and loss account is as follows:

| | 2019 £'000 | 2018 £'000 |
|-----------------------|---------------|---------------|
| Other finance charges | 124 | 81 |

As no formal actuarial report was provided, the information in sections (b) to (g) is provided for the comparative year only as the same level of detail was not available to management for 2019.

(b) Actual return on scheme assets is as follows:

| | 2018 £'000 |
|--------------------------------|---------------|
| Actual return on scheme assets | (420) |

(c) Amounts recognised in the balance sheet are as follows:

| | 2018 £'000 |
|---|---------------|
| Fair value of scheme assets | 7,256 |
| Present value of funded obligations | (6,409) |
| Surplus in the scheme | 847 |
| Restriction to amount that can be recognised under 28.22 of FRS 102 | (847) |
| Net asset | - |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

17. POST EMPLOYMENT BENEFIT (Continued)

(d) Changes in the fair value of scheme assets and liabilities are as follows:

| | Assets £'000 | Liabilities £'000 | Total £'000 |
|---|-----------------|----------------------|----------------|
| Fair value of scheme assets at 1 January 2018 | 7,961 | (6,988) | 973 |
| Benefits paid | (285) | 285 | - |
| Interest income/(expense) | 170 | (170) | - |
| Administration expenses | - | (81) | (81) |
| Re-measurement gains/(losses) | | | |
| - Actuarial gains | - | 545 | 545 |
| - Return on plan assets excluding interest | (590) | - | (590) |
| Fair value of scheme assets at 31 December 2018 | 7,256 | (6,409) | 847 |

(e) The major categories of scheme assets as a percentage of total scheme assets are as follows:

| | 2018 % |
|------------------|-----------|
| Cash | 11.7 |
| Annuity Contract | 88.3 |

(f) The principal actuarial assumptions used at the balance sheet date were as follows:

| | 2018 % |
|---|---|
| Discount rate | 2.9 |
| Retail Price Inflation (RPI) | 3.4 |
| Consumer Price Inflation (CPI) | 2.5 |
| Rate of increase of pensions in payment (in respect of post 5 April 1997 service): RPI subject to a maximum of 5% pa and a minimum of 3% pa | 3.7 |
| Post retirement mortality | S2PA base tables, with CMI_2017 projections with a long-term improvement rate of 1.25% pa |

(g) The cumulative actuarial loss recognised in the Statement of Comprehensive income was £4,876,000 at end 2018. An actuarial gain of £81,000 was recognised during 2018.

(h) Contributions to defined contribution schemes

The cost of contributions to defined contribution schemes amounted to £230,000 (2018: £164,000).

Pure Fishing (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

18. CALLED UP SHARE CAPITAL

| | 2019 | | Authorised | |
|------------------------------|--------------|--|-------------------|--|
| | £'000 | | 2018 | |
| | | | £'000 | |
| Ordinary shares of £1 each | Unlimited | | Unlimited | |
| Non-voting shares of £1 each | Unlimited | | Unlimited | |

| | 2019 | 2019 | Allotted and fully paid | |
|------------------------------|-------------|--------------|--------------------------------|--------------|
| | No | £'000 | 2018 | 2018 |
| | | | No | £'000 |
| Ordinary shares of £1 each | 750,000 | 750 | 750,000 | 750 |
| Non-voting shares of £1 each | 3,961,629 | 3,962 | 3,961,629 | 3,962 |
| | 4,711,629 | 4,712 | 4,711,629 | 4,712 |

The company's Articles of Association were updated by written resolution circulated on 2 October 2018. Subsequently, there is no restriction on the number of shares that may be issued by the company.

The company issued 3,961,629 non-voting shares of £1 each to Pure Fishing Spirit UK Limited on 2 October 2018 as part of the process of the divestiture of the Pure Fishing Group from Newell Brands Inc. to Sycamore Partners.

Pure Fishing Spirit UK Limited also has 100% ownership of Shakespeare International Limited which holds the 750,000 ordinary shares of £1 each in Pure Fishing (UK) Limited.

19. FINANCIAL COMMITMENTS

At 31 December the company had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

| | Land and buildings | | Other | |
|----------------------------|---------------------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Within one year | 425 | 425 | 58 | 48 |
| Between two and five years | 964 | 386 | 38 | 28 |
| | 1,389 | 811 | 96 | 76 |

At 31 December 2019 the Company had two leases for land and buildings (2018: two).

20. CAPITAL COMMITMENTS

At 31 December 2019 there were no contracted capital commitments (2018: £nil).

21. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption under paragraph 33.1A from the provisions of section 33 of FRS 102 'Related party disclosures' on the grounds that it is a wholly owned subsidiary and its results are included in the consolidated financial statements of SP PF Cayman Holdings I LP which are available on request from Pure Fishing Inc.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertakings are Shakespeare International Limited (750,000 ordinary shares) and Pure Fishing Spirit UK Limited (3,961,629 non-voting shares). Shakespeare International Limited is a 100% owned subsidiary of Pure Fishing Spirit UK Limited.

On 21 December 2018, Newell Brands Inc., the company's previous ultimate parent undertaking and controlling party, completed its divestiture of the Pure Fishing Group to Sycamore Partners, a private equity firm incorporated in the United States of America.

The directors regard Pure Fishing Inc. as the ultimate parent company since 21 December 2018 as post-divestiture, this company ultimately governs the financial and operating policies of all Pure Fishing Group entities.

Pure Fishing Inc. regards SP PF Cayman Aggregator LP as its ultimate controlling party and consolidated financial statements for the Pure Fishing Group are prepared by SP PF Cayman Holdings I LP. These are available on request from Pure Fishing Inc., 7 Science Court, Columbia, SC, 29203, United States of America. This is the only set of consolidated financial statements prepared by the Pure Fishing Group and therefore represents both the largest and smallest group of undertakings for which group financial statements are drawn up and of which Pure Fishing (UK) Limited is a member.

23. POST BALANCE SHEET EVENTS

In early 2020, the existence of new coronavirus, now known as COVID- 19, was confirmed and since this time COVID-19 has spread across the United Kingdom and a significant number of other countries. COVID-19 has caused disruption to businesses and economic activity. The impact of COVID-19 has been assessed as a non-adjusting post balance sheet event. There has been no material impact from COVID-19 on the continuing business as per the note in the Strategic Report, and no issues have been noted in respect of continued funding or the company's ability to continue as a going concern.