Registered number: SC241463

PROQUIP GROUP LIMITED
(FORMERLY PROQUIP HOLDINGS LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 27 FEBRUARY 2021

PROQUIP GROUP LIMITED
(FORMERLY PROQUIP HOLDINGS LIMITED)

COMPANY INFORMATION

DIRECTORS	Steve Simpson John Jackson (appointed 19 May 2021) John Herring (resigned 18 August 2021)
COMPANY SECRETARY	June Carruthers
REGISTERED NUMBER	SC241463
REGISTERED OFFICE	Waverley Mill Langholm Dumfriesshire DG13 0EB
INDEPENDENT AUDITOR	KPMG LLP Quayside House 110 Quayside Newcastle Upon Tyne NE1 3DX

PROQUIP GROUP LIMITED
(FORMERLY PROQUIP HOLDINGS LIMITED)

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DIRECTORS' REPORT
FOR THE 52 WEEK PERIOD ENDED 27 FEBRUARY 2021

The directors present their report and the financial statements for the 52-week period ended 27 February 2021.

On 14 June 2021, the company changed its name from Proquip Holdings Limited to Proquip Group Limited.

PRINCIPAL ACTIVITY

The principal activity of the Group is the wholesale of golf apparel including water proof clothing, knitwear, shirts and accessories to the golf professional sector and selected other distribution channels.

RESULTS AND DIVIDENDS

The Group's profit for the period, after taxation, amounted to £121,000 *(2020 - £28,000)*.

The directors do not recommend the payment of a dividend *(2020 - £Nil)*.

DIRECTORS

The directors who served during the period and to the date of this report were:

Steve Simpson
John Jackson (appointed 19 May 2021)
John Herring (resigned 18 August 2021)

FUTURE DEVELOPMENTS

The Group will continue to develop a well-recognised brand through traditional golf channels at home and abroad.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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

John Jackson

John Jackson
Director

Date: 7 April 2022

Waverly Mills
Langholm
Dumfriesshire
DG13 0EB

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 27 FEBRUARY 2021

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

Company law requires the directors to prepare the financial statements for each financial year. Under that law they have elected to prepare the Group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 Section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the parent company and of the profit or loss of the Group for that period. In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Opinion

We have audited the financial statements of Proquip Group Limited ("the Company") for the 52-week period ended 27 February 2021 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Company Balance Sheet, Company Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 27 February 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.2 to the financial statements which indicated that the group and company's ability to continue as a going concern is dependent upon the continued financial support of the related party Green Spark Holdings Limited and the ultimate parent undertaking Proquip Holdings Limited (registered in Dubai).

Financial information and forward-looking forecasts in relation to Green Spark Holdings Limited and Proquip Holdings Limited have been considered by the directors as part of their going concern assessment. However Green Spark Holdings Limited and Proquip Holdings Limited are newly incorporated companies without audited historical financial information and, as such, the ability of those companies to continue to provide the ongoing financial support remains uncertain.

These events and conditions, along with the other matters explained in note 1.2, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's/Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that Group management may be in a position to make inappropriate accounting entries in relation to revenue. We did not identify any additional fraud risks.

We also performed procedures including:

- Substantive testing of revenue throughout the period.
- Substantive testing of revenue around the period end.
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts linked to revenue.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group and Company are subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and employment law, and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Group and 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Clare Partridge (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle Upon Tyne
NE1 3DX

8 April 2022

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE 52 WEEK PERIOD ENDED 27 FEBRUARY 2021

	Note	52 weeks ended 27 February 2021 £000	*52 weeks ended 29 February 2020 £000*
Turnover	3	**3,053**	*3,452*
Cost of sales		**(2,570)**	*(2,832)*
Gross profit		**483**	*620*
Distribution costs		**(77)**	*(132)*
Administrative expenses		**(359)**	*(449)*
Other operating income	9	**76**	*-*
Operating profit	4	**123**	*39*
Interest payable and similar charges	8	**(2)**	*(12)*
Profit before taxation		**121**	*27*
Tax on profit	10	**-**	*-*
Profit for the period		**121**	*27*

There is no other comprehensive income for 2021 or 2020, other than the result shown above.

All of the above is attributable to the shareholders of the parent company.

CONSOLIDATED BALANCE SHEET
AS AT 27 FEBRUARY 2021

	Note		27 February 2021 £000		*29 February 2020 £000*
Fixed assets					
Tangible assets	11		**2**		*3*
Current assets					
Stocks	13	**957**		*1,821*	
Debtors	14	**1,178**		*914*	
Cash at bank and in hand		**464**		*2*	
		2,599		*2,737*	
Creditors: amounts falling due within one year	15	**(1,744)**		*(2,004)*	
Net current assets			**855**		*733*
Total assets less current liabilities			**857**		*736*
Net assets			**857**		*736*
Capital and reserves					
Called up share capital	16		**1,501**		*1,501*
Share premium account			**2,823**		*2,823*
Profit and loss account			**(3,467)**		*(3,588)*
Shareholders' funds - equity			**857**		*736*

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

John Jackson
Director

Date: 7 April 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 27 FEBRUARY 2021

	Share Capital	Share Premium	Retained earnings	Total equity
	£000	£000	£000	£000
At 2 March 2019	**1,501**	**2,823**	**(3,615)**	**709**
Total comprehensive expense				
Profit for the period	-	-	27	27
At 29 February 2020	**1,501**	**2,823**	**(3,588)**	**736**
Total comprehensive expense				
Profit for the period	-	-	121	121
At 27 February 2021	**1,501**	**2,823**	**(3,467)**	**857**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 FEBRUARY 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements of Proquip Group Limited and its subsidiaries (the 'Group') are drawn up for the 52-week period ended 27 February 2021. The comparative figures are for the 52-week period ended 29 February 2020.

The company is incorporated and domiciled in the UK. The parent company financial statements present information about the company as a separate entity and not about its Group.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The Group's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The principal accounting policies adopted by the Group have been applied consistently throughout the period.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

1.2 Going concern

Notwithstanding net current assets of £855,000 as at 27 February 2021 (2020 – £733,000), and a profit for the period of £121,000 (2020 - £27,000) the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

At the balance sheet date, the company was financed through amounts due to group undertakings of £1,329,000. At the year end the amounts due to group undertakings were due to PSL2021 Realisations Limited (formerly Peacocks Stores Limited (in administration)). Subsequent to the year end and prior to authorisation of these financial statements, the loan facilities were transferred to Anglo Global Property Limited and then to Green Spark Holdings Limited, a company under common control (note 19). At the date of approval of these financial statements the amount owed to Green Spark Holdings Limited is £1,071,000 (unaudited). These amounts are interest free, unsecured and repayable on demand.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds to continue to meet its liabilities as they fall due. Severe but plausible downside scenarios include a further 2-month UK-wide lockdown in the Winter of 2022 as a result of the COVID-19 pandemic.

These forecasts assume the continuing availability of the existing funding provided by Green Spark Holdings Limited together with new and ongoing funding from the company's ultimate parent undertaking, Proquip Holdings Limited.

The company is dependent on all the above sources of funding. The company's ultimate parent undertaking, Proquip Holdings Limited (registered in Dubai), has indicated that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company to pay its liabilities as they fall due. Green Spark Holdings Limited have indicated that they will not seek repayment of amounts outstanding for at least the period covered by the forecasts.

1. Accounting policies (continued)

1.2 Going concern (continued)

The directors consider that the availability of these sources of funding should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment and without this financial support the company would be unable to meet its liabilities as they fall due. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Financial information and forward-looking forecasts in relation to Green Spark Holdings Limited and Proquip Holdings Limited have been considered by the directors as part of their going concern assessment. However Green Spark Holdings Limited and Proquip Holdings Limited are newly incorporated companies without audited historical financial information and, as such the ability of those companies to continue to provide the ongoing financial support remains uncertain.

Based on the above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern and, therefore, that the company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Turnover

Turnover represents the fair value of amounts received or receivable for goods and services sold in the period, stated net of discounts, returns and value added tax. Turnover is shown net of returns and vouchers. Turnover is recognised when the significant risks and rewards of goods and services have been passed to the customer and can be measured reliably. The risk and rewards are considered to have been passed to the customer on delivery.

Experience from within the Group is used to estimate and provide for the value of goods returned. The potential refund liability is recognised at the time of sale and recorded within accruals. The cost of sale associated with the potential refund liability is recognised as an increase to stock on hand. In both the current and the prior periods, these are not material.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1. Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is provided on the following basis:

Plant and machinery	25%	per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct costs.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

1.7 Foreign currency translation

The company's functional and presentational currency is pounds sterling.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

The company utilises forward currency contracts with another group company in order to reduce any exposure to the fluctuation in foreign exchange rates.

1.8 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and the Group will comply with the attached conditions. Government grants are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate. The Company received UK government grants and assistance in relation to the Coronavirus Job Retention Scheme. There are no unfulfilled contingencies attaching to the government assistance that has been recognised. Amounts recognised in the profit and loss are presented under the heading 'Other operating income'.

1. Accounting policies (continued)

1.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.10 Borrowing costs

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

1.11 Taxation

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1. Accounting policies (continued)

1.12 Impairments excluding stocks, investment properties and deferred tax assets

Financials assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks, investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Inventories

An inventory provision is booked for cases where the realisable value from sale of the inventory is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with slow moving inventory items.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details can be found in note 10.

3. Turnover

Turnover arises from sales of goods in the UK and overseas. All turnover is recognised at the point in time when the customer obtains control. Turnover by geographical market:

	52 weeks ended 27 February 2021 £000	*52 weeks ended 29 February 2020 £000*
UK	**2,448**	*2,717*
Europe	**515**	*581*
Other	**90**	*154*
	3,053	*3,452*

4. Operating profit

The operating profit is stated after charging:

	52 weeks ended 27 February 2021 £000	*52 weeks ended 29 February 2020 £000*
Depreciation of tangible fixed assets (note 11)	**1**	*1*
Impairment of stock (note 13)	**-**	*38*

5. Auditor's remuneration

The group paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the company:

	52 weeks ended 27 February 2021 £000	*52 weeks ended 29 February 2020 £000*
Fees for audit services	6	*6*

No non-audit fees were payable to the external auditors in either period.

6. Employees

Staff costs were as follows:

	52 weeks ended 27 February 2021 £000	*52 weeks ended 29 February 2020 £000*
Wages and salaries	233	*279*
Social security costs	24	*32*
Cost of defined contribution pension scheme	10	*12*
	267	*323*

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

	52 weeks ended 27 February 2021 No.	*52 weeks ended 29 February 2020 No.*
Office and management	5	*6*
Sales and distribution	6	*7*
	11	*13*

7. Directors' remuneration

No directors' emoluments were incurred in either period. The directors did not provide any material qualifying services to the Company. All directors who served during the year were employed by EM2020 Realisations Limited (in administration) (formerly The Edinburgh Woollen Mill Limited) and Purepay Retail Limited and were remunerated through those companies. There was no key management personnel compensation in either period.

8. Interest payable and similar charges

	52 weeks ended 27 February 2021 £000	*52 weeks ended 29 February 2020 £000*
Bank interest payable	**2**	*12*

9. Other operating income

	52 weeks ended 27 February 2021 £000	*52 weeks ended 29 February 2020 £000*
Government grants	**76**	-

Amounts in other operating income relate to government grant income claimed by the Company as part of the Coronavirus Job Retention Scheme of £75,684 *(2020 - £nil)*.

10. Taxation

No tax charge arises on the profit for the period *(2020: £Nil)*.

Factors affecting the tax charge for the year

The tax assessed for the year is lower than *(2020 - lower than)* the standard rate of corporation tax in the UK of 19% *(2020 – 19%)*. The differences are explained below:

	52 weeks ended 27 February 2021 £000	*52 weeks ended 29 February 2020 £000*
Profit for the year	**121**	*27*
Profit multiplied by standard rate of corporation tax in the UK of 19% *(2020 – 19%)*	**23**	*5*
Effects of:		
Utilisation of tax losses	**(23)**	*(3)*
Transfer pricing adjustments	-	*(2)*
Total tax charge for the year	-	-

Factors that may affect future tax charges

A reduction in the UK Corporation Tax rate from 19% to 17% (effective 1 April 2020) was subsequently enacted on 6 September 2016 and the UK deferred tax at the year-end has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's deferred tax and liabilities from 17 March 2020. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will further increase the Company's deferred tax liabilities from the date it becomes enacted.

11. Tangible fixed assets

	Plant and machinery £000
Cost	
At 29 February 2020	140
Additions	-
At 27 February 2021	**140**
Depreciation	
At 29 February 2020	137
Charge for the period	1
At 27 February 2021	**138**
Net book value	
At 27 February 2021	**2**
At 29 February 2020	*3*

12. Subsidiaries

Details of the investments in operating companies in which the Group and the company (unless indicated) holds 20% or more of the nominal value of any class of share capital are as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Proquip IP Limited	Scotland	Ordinary	100%	Holder of intellectual property
Proquip Limited	Scotland	Ordinary	100%	Wholesaler of golf clothing

The companies listed above are incorporated in Scotland and have their registered office address at Waverley Mill, Langholm, Dumfriesshire, DG13 0EB.

13. Stocks

	27 February 2021 £000	*29 February 2020 £000*
Finished goods and goods for resale	**957**	*1,821*
Finished goods and goods for resale recognised as cost of sales for the period	**2,590**	*2,832*
Write down of stock to net realisable value (note 4)	**-**	*38*

14. Debtors

	27 February 2021 £000	*29 February 2020 £000*
Trade debtors	**938**	*898*
Other debtors, prepayments and accrued income	**240**	*16*
	1,178	*914*

15. Creditors: Amounts falling due within one year

	27 February 2021 £000	*29 February 2020 £000*
Bank overdraft	**-**	*1,384*
Trade creditors	**178**	*523*
Taxation and social security	**204**	*50*
Accruals and deferred income	**33**	*44*
Amounts owed to group undertakings	**1,329**	*3*
	1,744	*2,004*

During the year, the overdraft balance of £1,153,000 was settled via funding from PSL2021 Realisations Limited (in administration). Following the year-end, this balance was subsequently acquired by Anglo Global Property Limited and then by Green Spark Holdings Limited.

16. Share capital

	27 February 2021 £	*29 February 2020 £*
Allotted, called up and fully paid		
600 Ordinary shares of £1 each	**600**	*600*
1,500,000 A shares of £1 each	**1,500,000**	*1,500,000*
1 Preference share of £1 each	**1**	*1*
	1,500,601	*1,500,601*

No dividend can be paid without the consent of the holder of the Preference share. The Preference share and the A shares do not entitle the holder to any dividend payable by the company.

The holder of the Preference shares and the A shares has no right to vote at meetings.

On a return of assets on liquidation or otherwise, the assets of the company remaining after the payment of the liabilities shall be applied first in paying £1 to the holder of the Preference share, and secondly, in preference to any payment to the ordinary shareholders, in paying to the holders of the A shares an amount equal to the nominal value of each such share held in the company.

17. Contingent liabilities

In conjunction with certain other companies in the Group, the company granted guarantees to secure the loans, overdrafts and committed revolving credit facilities of the companies in the group banking arrangements, such arrangements coming to an end during the year, as follows:

	27 February 2021 £	*29 February 2020* £
Total Group Revolving Credit and Ancillary Facilities	-	*60,000,000*
Contingent liability to the company based on group utilisation of facilities at the period end	-	*1,210,000*

18. Pension commitments

The Group Personal Pension Plan provides money purchase benefits for employees of the Group based on the accumulated contributions paid on behalf of each member.

The charge to the Group for the period was £9,921 *(2020 - £12,030)*.

The unpaid contributions outstanding at the period end were £3,524 *(2020 - £2,061)*.

19. Controlling party

At the year end the Company's ultimate parent undertaking was The Edinburgh Woollen Mill Group Limited. By virtue of his shareholding in the ultimate parent company, P. Day was the ultimate controlling party.

Subsequent to the year end the share capital of the Company was acquired by Proquip Holdings Limited which is incorporated in The United Arab Emirates. The registered office address of the ultimate parent company is RAK ICC Ras Al Khaimah International Corporate Centre, Ras Al Khaimah, United Arab Emirates.

From this date, the ultimate controlling party by virtue of his shareholding became A. Watson.

PROQUIP GROUP LIMITED
(FORMERLY PROQUIP HOLDINGS LIMITED)
REGISTERED NUMBER: SC241463

COMPANY BALANCE SHEET
AS AT 27 FEBRUARY 2021

	Note		27 February 2021 £000		*29 February 2020 £000*
Fixed assets					
Investments	3		-		*-*
Current assets					
Debtors	4	3,621		*3,621*	
Net current assets			3,621		*3,621*
Total assets less current liabilities			3,621		*3,621*
Net assets			3,621		*3,621*
Capital and reserves					
Called up share capital	5		1,501		*1,501*
Share premium account			2,823		*2,823*
Profit and loss account			(703)		*(703)*
Shareholders' deficit			3,621		*3,621*

For the period ended 29 February 2020 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

John Jackson

John Jackson
Director

Date: 7 April 2022

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 27 FEBRUARY 2021

	Share Capital	Share Premium	Retained earnings	Total equity
	£000	£000	£000	£000
At 2 March 2019	1,501	2,823	(703)	3,621
Total comprehensive expense				
Profit for the period	-	-	-	-
At 29 February 2020	1,501	2,823	(703)	3,621
Total comprehensive expense				
Profit for the period	-	-	-	-
At 27 February 2021	1,501	2,823	(703)	3,621

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 FEBRUARY 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

Proquip Group Limited (the "Company") is a company incorporated and domiciled in the UK. The parent company financial statements present information about the Company as a separate entity and not about its Group.

These financial statements of the Company are drawn up for the 52-week period ended 27 February 2021. The comparative figures are for the 52-week period ended 29 February 2020.

The Company did not trade during the period or the previous period.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The principal accounting policies adopted by the Company have been applied consistently throughout the period.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

1.2 Investments

Investments in subsidiary undertakings are held at cost less provision for impairment where the directors consider that an impairment in the value has occurred.

1. Accounting policies (continued)

1.3 Impairments excluding stocks, investment properties and deferred tax assets

Financials assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks, investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

No judgements had any significant effect on amounts recognised in the financial statements.

3. Fixed asset investments

	Investments in subsidiary companies
	£000
Cost and Net book value	
At 29 February 2020 and **27 February 2021**	-

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Proquip IP Limited	Scotland	Ordinary	100 %	Holder of intellectual property
Proquip Limited	Scotland	Ordinary	100 %	Wholesaler of golf clothing

The companies listed above are incorporated in Scotland and have their registered office address at Waverley Mill, Langholm, Dumfriesshire, DG13 0EB.

4. Debtors

	27 February 2021 £000	*29 February 2020 £000*
Amounts owed by group undertakings	3,621	*3,621*
	3,621	*3,621*

5. Share Capital

	27 February 2021 £	*29 February 2020 £*
Allotted, called up and fully paid		
600 Ordinary shares of £1 each	**600**	*600*
1,500,000 A shares of £1 each	**1,500,000**	*1,500,000*
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Total Group Revolving Credit and Ancillary Facilities	-	*60,000,000*
Contingent liability to the company based on group utilisation of facilities at period end	-	*1,210,000*

7. Controlling party

At the year end the Company's ultimate parent undertaking was The Edinburgh Woollen Mill Group Limited. By virtue of his shareholding in the ultimate parent company, P. Day was the ultimate controlling party.

Subsequent to the year end the share capital of the Company was acquired by Proquip Holdings Limited which is incorporated in The United Arab Emirates. The registered office address of the ultimate parent company is RAK ICC Ras Al Khaimah International Corporate Centre, Ras Al Khaimah, United Arab Emirates.

From this date, the ultimate controlling party by virtue of his shareholding became A. Watson.