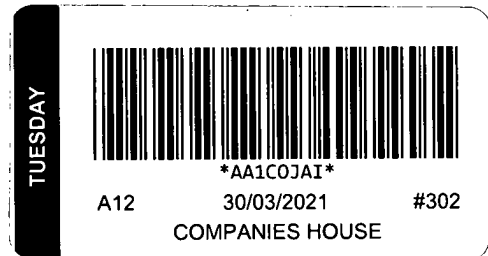


Company Registration No. 02918177 (England and Wales)

ASHWORTH EUROPE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



ASHWORTH EUROPE LIMITED

COMPANY INFORMATION

Directors	V Moretti P Nunes
Secretary	P Copeland
Company number	02918177
Registered office	Unit 1 The Washington Centre Halesowen Road Dudley West Midlands DY2 9RE
Auditor	Azets Audit Services 6th Floor, Bank House 8 Cherry Street Birmingham B2 5AL

ASHWORTH EUROPE LIMITED

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ASHWORTH EUROPE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their group financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company and group continued to be that of the manufacture and distribution of conveyor equipment, belts and components.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

V Moretti
P Nunes

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Events after the reporting date

Whilst a Brexit trade deal was agreed on 30 December 2020, the extent of any short term impacts remained unclear at the balance sheet date. In the weeks following, whilst short-term delays to the supply chain were experienced by businesses importing to and exporting from the UK, as well a slight increase on lead time for orders, this has not had a significant impact on the group.

There are no other post balance sheet events to report.

Auditor

Azets Audit Services were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

ASHWORTH EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern and future developments

At the year end Ashworth Europe Limited group achieved a profit before tax for the year of £153,240 (PY £124,116), has net current assets of £1,416,504 (PY £1,070,200) and cash balances of £709,388 (PY £140,727). Owing to the sector they operate within, trade has remained strong throughout the year, despite the pandemic and future growth and investment is budgeted for the 2021 financial year.

After reviewing Ashworth Europe Limited's latest management information, forecasts and making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future, meeting its liabilities as they fall due. As such, the directors continue to adopt the going concern basis in preparing the financial statements.

On 11 March 2020, the World Health Organisation declared the outbreak of Covid-19 as a global pandemic which has resulted in unprecedented economic consequences. Whilst the impact on the company was initially uncertain, growing demand within the food supply and production sector led to increases in both revenue and profit before tax for FY20 when compared to the prior year. As a result, the cash position remains strong and continued investment is being made to increase the volume of orders that can be serviced over the next three years. The directors have therefore concluded that the impact of COVID-19 does not create a material uncertainty in relation to going concern.

In addition, cash forecasts remain strong over the 12 months following the date of approval of the financial statements and there is more than sufficient headroom to repay the loan balance due to Ashworth Europe B.V. The directors have obtained confirmation from Ashworth Europe B.V stating that whilst the loan is repayable on demand, no cash will be extracted from Ashworth Europe Limited to the extent that it would be detrimental to the business from a going concern perspective.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board on 25-March-2021 and signed on its behalf



P Nunes
Director

ASHWORTH EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

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

ASHWORTH EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASHWORTH EUROPE LIMITED

Opinion

We have audited the financial statements of Ashworth Europe Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland Section 1A (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

ASHWORTH EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ASHWORTH EUROPE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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

ASHWORTH EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ASHWORTH EUROPE LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Laura Hinsley FCCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

Statutory Auditor

25 March 2021

6th Floor, Bank House
8 Cherry Street
Birmingham
B2 5AL

ASHWORTH EUROPE LIMITED

GROUP STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover		4,145,320	3,576,462
Cost of sales		(3,416,356)	(2,980,066)
Gross profit		728,964	596,396
Distribution costs		(374,716)	(408,322)
Administrative expenses		(223,974)	(145,939)
Other operating income		26,055	84,983
Operating profit		156,329	127,118
Interest payable and similar expenses		(3,089)	(3,002)
Profit before taxation		153,240	124,116
Tax on profit		134,900	-
Profit for the financial year		288,140	124,116
Retained earnings brought forward		(3,694,905)	(3,819,021)
Retained earnings carried forward		(3,406,765)	(3,694,905)

All amounts relate to continuing operations

The notes on pages 10 - 19 form an integral part of these financial statements

ASHWORTH EUROPE LIMITED

GROUP BALANCE SHEET

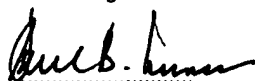
AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	4		23,802		59,895
Current assets					
Stocks		933,468		1,077,768	
Debtors	6	793,549		853,022	
Cash at bank and in hand		709,338		140,727	
		<u>2,436,355</u>		<u>2,071,517</u>	
Creditors: amounts falling due within one year	7	<u>(1,019,851)</u>		<u>(1,001,317)</u>	
Net current assets			<u>1,416,504</u>		<u>1,070,200</u>
Total assets less current liabilities			<u>1,440,306</u>		<u>1,130,095</u>
Provisions for liabilities			<u>(47,071)</u>		<u>(25,000)</u>
Net assets			<u><u>1,393,235</u></u>		<u><u>1,105,095</u></u>
Capital and reserves					
Called up share capital	9	4,800,000		4,800,000	
Profit and loss reserves		<u>(3,406,765)</u>		<u>(3,694,905)</u>	
Total equity			<u><u>1,393,235</u></u>		<u><u>1,105,095</u></u>

The notes on pages 10 - 19 form an integral part of these financial statements

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 25-March-2021 and are signed on its behalf by:



P Nunes
Director

ASHWORTH EUROPE LIMITED

COMPANY BALANCE SHEET

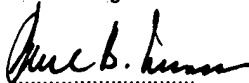
AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	4		23,802		59,895
Investments	5		211,280		211,280
			<u>235,082</u>		<u>271,175</u>
Current assets					
Stocks		933,468		1,077,768	
Debtors	6	790,431		849,904	
Cash at bank and in hand		709,338		140,727	
		<u>2,433,237</u>		<u>2,068,399</u>	
Creditors: amounts falling due within one year	7	(1,228,013)		(1,209,479)	
Net current assets			<u>1,205,224</u>		<u>858,920</u>
Total assets less current liabilities			<u>1,440,306</u>		<u>1,130,095</u>
Provisions for liabilities			(47,071)		(25,000)
Net assets			<u>1,393,235</u>		<u>1,105,095</u>
Capital and reserves					
Called up share capital	9	4,800,000		4,800,000	
Profit and loss reserves		(3,406,765)		(3,694,905)	
Total equity			<u>1,393,235</u>		<u>1,105,095</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £288,140 (2019: £124,116).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 25 - March - 2021 and are signed on its behalf by:



P Nunes
Director

Company Registration No. 02918177

ASHWORTH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Ashworth Europe Limited is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 1, The Washington Centre, Halesowen Road, Dudley, West Midlands, DY2 9RE.

The group consists of Ashworth Europe Limited and all of its dormant subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The consolidated financial statements incorporate those of Ashworth Europe Limited and all of its dormant subsidiaries.

All financial statements are made up to 31 December 2020.

All intra-group transactions and balances between group companies are eliminated on consolidation.

ASHWORTH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Going concern

At the year end Ashworth Europe Limited group achieved a profit before tax for the year of £153,240 (PY £124,116), has net current assets of £1,416,504 (PY £1,070,200) and cash balances of £709,388 (PY £140,727). Owing to the sector they operate within, trade has remained strong throughout the year, despite the pandemic and future growth and investment is budgeted for the 2021 financial year.

After reviewing Ashworth Europe Limited's latest management information, forecasts and making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future, meeting its liabilities as they fall due. As such, the directors continue to adopt the going concern basis in preparing the financial statements.

On 11 March 2020, the World Health Organisation declared the outbreak of Covid-19 as a global pandemic which has resulted in unprecedented economic consequences. Whilst the impact on the company was initially uncertain, growing demand within the food supply and production sector led to increases in both revenue and profit before tax for FY20 when compared to the prior year. As a result, the cash position remains strong and continued investment is being made to increase the volume of orders that can be serviced over the next three years. The directors have therefore concluded that the impact of COVID-19 does not create a material uncertainty in relation to going concern.

In addition, cash forecasts remain strong over the 12 months following the date of approval of the financial statements and there is more than sufficient headroom to repay the loan balance due to Ashworth Europe B.V. The directors have obtained confirmation from Ashworth Europe B.V stating that whilst the loan is repayable on demand, no cash will be extracted from Ashworth Europe Limited to the extent that it would be detrimental to the business from a going concern perspective.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT.

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

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	10% to 33% straight line
---------------------	--------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

ASHWORTH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.10 Financial instruments

The group only has financial instruments that qualify as basic financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price and subsequently measured at amortised cost less impairment.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, and loans from fellow group companies are initially recognised at transaction price and subsequently measured at amortised cost.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

ASHWORTH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

In the case of product warranty provisions, factors that influence the value of the provision include the company's contractual terms of sales and expectations of future claims. Dilapidation provisions are made at the estimate of costs required to reinstate the associated property to the required standard in accordance with the terms of the lease, by reference to the state of the property at the year end date.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

ASHWORTH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.15 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities at the balance sheet date and the amounts reported for revenue and expenses during the year.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The nature of estimation means that actual outcomes could differ from those estimates.

Deferred Tax asset

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the profit and loss account. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Judgement is made by management over the extent that historic tax losses are considered recoverable. This is done through assessing the period, over which, future taxable profits can be reliably estimated and the extent that the brought forward tax losses can be relieved against them.

The key judgements is in respect of reliably estimating future taxable profits in order to recognise a deferred tax asset. Directors consider that they can reliably estimate three years' worth of future taxable profits based on expected profit margins, the current economic climate and future plans for the company. Beyond three years, the directors do not consider profits to be able to be reliably estimated.

3 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Total	14	15	14	15

ASHWORTH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Tangible fixed assets

Group	Plant and machinery £
Cost	
At 1 January 2020 and 31 December 2020	382,208
Depreciation and impairment	
At 1 January 2020	322,313
Depreciation charged in the year	36,093
At 31 December 2020	358,406
Net book value	
At 31 December 2020	23,802
At 31 December 2019	59,895
Company	Plant and machinery £
Cost	
At 1 January 2020 and 31 December 2020	382,208
Depreciation and impairment	
At 1 January 2020	322,313
Depreciation charged in the year	36,093
At 31 December 2020	358,406
Net book value	
At 31 December 2020	23,802
At 31 December 2019	59,895

5 Investments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments	-	-	211,280	211,280

ASHWORTH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5	Investments	(Continued)
Movements in Investments Company		Shares in group undertakings £
Cost or valuation		
At 1 January 2020 and 31 December 2020		211,280
Carrying amount		
At 31 December 2020		211,280
At 31 December 2019		211,280

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Ashworth/Beco Limited	1	Dormant	Ordinary	100.00
Issuercrown Limited	1	Dormant	Ordinary	100.00
Jonge Poerink Limited	1	Dormant	Ordinary	100.00
WS Belts Limited	1	Dormant	Ordinary	100.00

Registered office addresses:

- Unit 1 The Washington Centre, Halesowen Road, Dudley, West Midlands, DY2 9RE

ASHWORTH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	490,895	350,765	490,895	350,765
Amounts owed by group	101,613	185,448	101,613	185,448
Other debtors	66,141	316,809	63,023	313,691
	<u>658,649</u>	<u>853,022</u>	<u>655,531</u>	<u>849,904</u>
Deferred tax asset	39,900	-	39,900	-
	<u>698,549</u>	<u>853,022</u>	<u>695,431</u>	<u>849,904</u>
Amounts falling due after more than one year:				
Deferred tax asset	95,000	-	95,000	-
	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>-</u>
Total debtors	<u>793,549</u>	<u>853,022</u>	<u>790,431</u>	<u>849,904</u>

Amounts owed by group are interest free and unsecured.

7 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	106,487	114,621	106,487	114,621
Amounts owed to group undertakings	848,951	833,699	1,057,113	1,041,861
Taxation and social security	11,393	-	11,393	-
Other creditors	53,020	52,997	53,020	52,997
	<u>1,019,851</u>	<u>1,001,317</u>	<u>1,228,013</u>	<u>1,209,479</u>

Amounts owed to group are unsecured and repayable on demand.

ASHWORTH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Deferred taxation

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

Group	2020 £	2019 £
Tax losses	134,900	-
	<u>134,900</u>	<u>-</u>
Company	2020 £	2019 £
Tax losses	134,900	-
	<u>134,900</u>	<u>-</u>
Movements in the year:	Group 2020 £	Company 2020 £
Asset at 1 January 2020	-	-
Credit to profit or loss	(134,900)	(134,900)
Asset at 31 December 2020	<u>(134,900)</u>	<u>(134,900)</u>

£39,900 of the deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

Deferred tax is not recognised in respect of tax losses of £2,765,839 as it is not probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Factors that may affect future tax charges

The statutory UK corporation tax rate is currently 19%, effective from 1 April 2017 and extended from 1 April 2020 onwards.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantially enacted, at 31 December 2020. For the year ended 31 December 2020, the substantively enacted rate of 19% has been utilised to calculate the closing deferred taxation balances.

ASHWORTH EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
1,100,000 Ordinary shares of £1 each	1,100,000	1,100,000
3,700,000 Redeemable ordinary shares of £1 each	3,700,000	3,700,000
	<u>4,800,000</u>	<u>4,800,000</u>

10 Operating lease commitments

Lessee

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

Group		Company	
2020	2019	2020	2019
£	£	£	£
57,301	166,410	57,301	166,410
<u>57,301</u>	<u>166,410</u>	<u>57,301</u>	<u>166,410</u>

11 Events after the reporting date

Whilst a Brexit trade deal was agreed on 30 December 2020, the extent of any short term impacts remained unclear at the balance sheet date. In the weeks following, whilst short-term delays to the supply chain were experienced by businesses importing to and exporting from the UK, as well as a slight increase on lead time for orders, this has not had a significant impact on the group.

There are no other post balance sheet events to report.

12 Related party transactions

The company has chosen not to disclose transactions entered into between wholly owned group companies in line with FRS102 paragraph 33.1A.

13 Controlling party

The company's immediate parent company is Ashworth Bros. Inc., a company registered in the USA.

The financial statements of the company are consolidated into the group accounts of its ultimate parent company, Ashworth International Inc., a company registered in the USA and whose registered office is Corporation Trust Centre, 1209 Orange St, Wilmington, New Castle, DE 19801.