

Registered number 11704833

SP Pure Fishing UK Buyer Limited

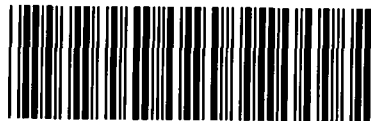
Report and Financial Statements

Period from Incorporation

30 November 2018 to

31 December 2019

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SP Pure Fishing UK Buyer Limited

Report and Financial Statements
for the period 30 November 2018 to 31 December 2019

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Directors and advisers

K H Clefjord (appointed 24th October 2019)
S G Garrett (appointed 24th October 2019)
P Morrow (appointed 30th November 2018)
S F White (appointed 21st December 2018)

Registered Office

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

Company number

11704833

Independent auditors

PricewaterhouseCoopers LLP, Central Square South, Orchard Street, Newcastle Upon Tyne, NE1 3AZ.

Solicitors

Ward Hadaway, Sandgate House, 102 Quayside, Newcastle upon Tyne, NE1 3DX

SP Pure Fishing UK Buyer Limited

Strategic Report
for the period 30 November 2018 to 31 December 2019 (continued)

The Directors present their strategic report for the 13 month period to 31 December 2019.

Review of the business

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

	2019
	£'000
Administrative income	1,678
Interest payable	(6,320)
Loss before taxation	(44,244)
Total Shareholders' funds	95,603

On 21st December 2018, the previous ultimate parent company Newell Brands Inc., completed its divestiture of the Pure Fishing group to Sycamore Partners, a private equity firm incorporated in the United States of America.

The company has not traded during the period and is not expected to trade in future years. The profit before tax figure is solely comprised of interest expense, one off transaction costs, impairment of investments and foreign exchange gains/losses arising from balances with other group companies.

Current and future investment opportunities are continually being reviewed and assessed and the company fully expects this to be its main focus in the future.

Principal risks and uncertainties

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

- Any further unpredicted general economic downturn.
- Severe and unseasonable weather in any prime selling seasons for fishing as sales are always weather dependent.
- The unpredictability of cost increases from China which has started to creep into the equation.
- Excessive short-term fluctuations in foreign exchange rates affecting the price of products sourced from overseas in foreign currency.
- The continued availability of credit facilities to the Company, as part of the wider Pure Fishing group, at competitive prices.

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

Post balance sheet events

The business and its investments were impacted by COVID-19 from March 2020 and management acted accordingly to reduce the cost base in the short term and to manage cash flow. Through careful management the business recovered from June 2020 to previous operating levels and they do not see significant future impact to the overall business.

SP Pure Fishing UK Buyer Limited

Strategic Report
for the period 30 November 2018 to 31 December 2019 (continued)

Post balance sheet events (continued)

During the year a dividend was received from Pure Fishing Spirit UK Ltd, that subsequently was discovered to be unlawful due to impairment of assets affecting distributable reserves. The remedy for this has been disclosed in the post balance sheet notes section of the financial statements.

Financial risk management objectives and policies

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

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

Foreign exchange risk

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

Credit risk

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

Liquidity risk

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

Price Risk

The company group does not directly manufacture or purchase product and therefore does not have a direct exposure to commodity price changes. However, its investments do have exposure to fluctuating purchase prices and where this occurs the group will set selling prices accordingly to mitigate this effect.

Section 172 statement

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

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

- Companies in the same group
- Funders

During the period ended 31 December 2019 the directors, having regard to the financial performance and position of the company, and the ability to meet the expectations of its key stakeholders, decided not to pay a dividend in 2019 and retain cash for investment. The expectation is that dividends will be payable in future years.

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

SP Pure Fishing UK Buyer Limited

Strategic Report
for the period 30 November 2018 to 31 December 2019 (continued)

Section 172 statement (continued)

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


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

The company through its investment in subsidiaries also engaged with internal and external customers to ensure a positive customer experience and to ensure the new product development was in line with market trends. We continue to forge close working relationships with our suppliers to bring our products to the market in an efficient manner to meet the needs of our end users. New product design systems are now in place to increase the speed and volume of new products to market in future years, to provide growth for the business.

The company takes payment practices to suppliers seriously and seeks to ensure prompt payment of invoices in line with agreed terms with swift resolution to disputes. This is seen as key to facilitating good relationships with suppliers and is evidenced on our ability to bring new products to the market in reducing timescales.

Whilst not trading, the business is mindful of the impact of its investments on the environment and supports sustainable fishing practices in the markets in which it operates and participates actively in many local organisations. We are active members of European Fishing Tackle Trade Association who work to promote and protect sportfishing activities and the environment.

Signed on behalf of The Board of Directors



Stephen Garrett
11 March 2021

SP Pure Fishing UK Buyer Limited

Directors' Report
for the period 30 November 2018 to 31 December 2019

The directors present their report and the audited financial statements of the company for the 13 month period to 31 December 2019.

Results and dividends

The loss for the period attributable to the shareholders amounts to £44,246,000 and is dealt with as shown in the profit and loss account. No dividends were paid during the period. The Directors do not recommend the payment of a final dividend for 2019.

Principal activities

The company is a UK investment holding company for Pure Fishing Spirit UK Limited (100% holding acquired 21 December 2018).

Pure Fishing Spirit UK Limited is also a UK investment holding company within the Pure Fishing Group.

Review of the business

The company has not traded during the period and is not expected to trade in future years. The profit before tax figure is solely comprised of interest income and expense, one off transaction costs, impairment of investments and foreign exchange gains/losses arising from balances with other group companies.

An assessment on the impact of COVID-19 was made, further commentary is provided in the strategic report.

The future developments of the business are covered in the strategic report.

Management reviewed the value of the assets in use using Discounted Cash Flow techniques as described in the accounting policies note. This review has resulted in an impairment of £40,441,000 described in the investment note.

Post balance sheet events

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

Regulatory environment

The Company monitors developments within the regulatory environment to stay abreast of any changes and acts in a timely and efficient manner to comply with and to avoid infringing law or regulation and incurring fines as a result. There are no changes expected in the coming year, which would influence the Company's ability to continue its activities.

Directors

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

K H Clefjord (appointed 24th October 2019)

S G Garrett (appointed 24th October 2019)

P Morrow (appointed 30th November 2018)

S F White (appointed 21st December 2018)

S Kaluzny (appointed 30th November 2018, resigned 21st December 2018)

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

Qualifying third party and pension scheme indemnity provisions

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

SP Pure Fishing UK Buyer Limited

Directors' Report
for the period 30 November 2018 to 31 December 2019

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditors


In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditors

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



S G Garrett

Director

11 March 2021

SP Pure Fishing UK Buyer Limited
Registered number: 11704833

SP Pure Fishing UK Buyer Limited

Independent auditors' report to the members of SP Pure Fishing UK Buyer Limited

Independent auditors' report to the members of SP Pure Fishing UK Buyer Limited

Report on the audit of the financial statements

Opinion

In our opinion, SP Pure Fishing UK Buyer Limited's financial statements:

give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the 13 month period (the "period") then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and

have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2019; the Profit and loss account and the Statement of Changes in Equity for the 13 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

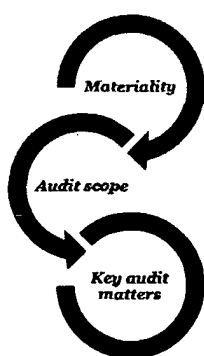
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit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

Independence

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

Our audit approach

Overview



Overall materiality: £1,847,480, based on 1% of total assets.

The scope was the standalone audit of SP Pure Fishing Buyer UK Limited.

Carrying value of investment in subsidiaries
Impact of Covid-19

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

SP Pure Fishing UK Buyer Limited

Independent auditors' report to the members of SP Pure Fishing UK Buyer Limited

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p>Carrying value of investment in subsidiaries</p> <p>There is an inherent uncertainty and judgement in forecasting future cash flows, and therefore there is a risk that investments in subsidiaries may not be recoverable where the net investment is not supported by the subsidiary net assets.</p> <p>The Company holds Investments in subsidiaries with a carrying value of £184,748,000, after an impairment charge recorded during the year of £40,441,000. See note 8 for further details.</p>	<p>We obtained the discounted cash flow model prepared by management which is used to support the current carrying value of the investment in subsidiary balance. We have agreed the mathematical accuracy of the model and key inputs into the calculation to supporting financial information.</p> <p>In assessing the reliability of management's forecasting ability, we have reviewed the historical forecasting accuracy by performing a look back on FY20 forecasts versus actual outturn.</p> <p>We utilised internal valuation experts to assess the appropriateness of the discount rate and long term growth rate assumptions, and where the discount rate used in the model was concluded as outside of the appropriate range, this was subsequently updated by management.</p> <p>We challenged management in relation to other key assumptions including long term growth rates, expected future sales growth, gross margin, and foreign exchange assumptions. This led to revisions made to managements initial model which resulted in a change to the value in use generated. This was subsequently updated by management in the financial statements and the change in the value in use was reflected in the impairment charge.</p> <p>We have performed sensitivities over key assumptions used, including discount rate, long term growth rates, expected future sales growth, gross margin, and foreign exchange assumptions.</p> <p>We assessed the completeness and accuracy of disclosures within the financial statements.</p> <p>Based on the audit evidence obtained, we are satisfied the assumptions made by management in determining the investment in subsidiary impairment charge and the related disclosures in the financial statements are appropriate.</p>
<p>Impact of Covid-19</p> <p>Management have considered the potential impact of the non-adjusting post balance sheet events that have been caused by the global pandemic of Covid-19 on the current and future operations of the Company. In doing so, management has had particular focus on the company's ability to continue as a going concern.</p> <p>Based on this assessment, management have prepared the financial statements on a going concern basis, see note 1 for further details.</p>	<p>In assessing managements consideration of the potential impact of Covid-19, we have undertaken the following procedures:</p> <ul style="list-style-type: none">• We have obtained from management their latest assessments that support their conclusions with respect to the statement of going concern;• We discussed with management the future outlook and evaluated the cash flows of the Company, in the context of the Company's

SP Pure Fishing UK Buyer Limited

Independent auditors' report to the members of SP Pure Fishing UK Buyer Limited

Key audit matter	How our audit addressed the key audit matter
	<p>primary activity being an investment holding company;</p> <ul style="list-style-type: none">• We have reviewed the letter of support obtained from a parent company, and assessed the ability of the ultimate parent company to provide support to the company;• We considered the appropriateness of disclosures made by management in respect of the potential impact of Covid-19, a non-adjusting post balance sheet event. <p>Based on our procedures performed, we have not identified any matters to report with respect of managements consideration of the impact of Covid-19 on the current and future operations of the Company, including the company's ability to continue as a going concern.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The Company operates as a holding company and its financial information was tested fully in the context of materiality.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£1,847,480
How we determined it	1% of total assets.
Rationale for benchmark applied	The entity is a non-trading holding company, and we believe that total assets is therefore deemed the most appropriate benchmark.

We agreed with the directors that we would report to them misstatements identified during our audit above £92,374, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

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

SP Pure Fishing UK Buyer Limited

Independent auditors' report to the members of SP Pure Fishing UK Buyer Limited

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

SP Pure Fishing UK Buyer Limited

Independent auditors' report to the members of SP Pure Fishing UK Buyer Limited

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



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

SP Pure Fishing UK Buyer Limited

Profit and loss account
for the period 30 November 2018 to 31 December 2019

	Note	Period Ended 31 December 2019 £'000
Administrative income	2	1,678
Operating Profit		1,678
Interest payable	5	(6,320)
Investment income	6	839
Amounts written off investments in subsidiaries	8	(40,441)
Loss before taxation		(44,244)
Tax on Loss	7	(2)
Loss for the period		(44,246)

There is no other comprehensive income for the financial period. Accordingly, no statement of total comprehensive income is given.

SP Pure Fishing UK Buyer Limited

Balance Sheet
at 31 December 2019

	Note	Period Ended 31 December 2019 £'000
FIXED ASSETS		
Investments	8	184,748
		184,748
CREDITORS: amounts falling due within one year	9	(89,145)
NET CURRENT LIABILITIES		(89,145)
NET ASSETS		95,603
CAPITAL AND RESERVES		
Called up share capital	10	-
Merger reserve	11	(18,801)
Share premium		158,650
Profit and loss account		(44,246)
TOTAL SHAREHOLDERS' FUNDS		95,603

The financial statements on pages 11 to 22 were approved by the directors:



S G Garrett
Director

11 March 2021

SP Pure Fishing UK Buyer Limited
Registered number: 11704833

SP Pure Fishing UK Buyer Limited

Statement of Changes in Equity
for the period 30 November 2018 to 31 December 2019

	Called up share capital £'000	Merger Reserve £'000	Share Premium £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 30 November 2019	-	-	-	-	-
Issued share capital	-		158,650	-	158,650
Loss for the period	-		-	(44,246)	(44,246)
Merger reserve	-	(18,801)	-	-	(18,801)
At 31 December 2019	-	(18,801)	158,650	(44,246)	95,603

SP Pure Fishing UK Buyer Limited

Notes forming part of the financial statements
for the period 30 November 2018 to 31 December 2019

1 Accounting policies

General Information

The Company is an investment holding company within the Pure Fishing Group. The company is a private company, limited by shares and incorporated and registered in England, United Kingdom. The address of its registered office is Willowburn Trading Estate, Alnwick, Northumberland, NE66 2PF. The primary activity of the company is that of a non-trading holding company.

Statement of compliance

The individual financial statements of SP Pure Fishing UK Buyer Limited have been prepared in FRS 102 and the Companies Act 2006. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in the current period, unless otherwise stated.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the 'Critical accounting judgements and key sources of estimation uncertainty' section.

Going concern

The financial statements have been prepared under the going concern concept because the directors have confirmed that continuing finance will be made available from a parent company, SP PF Cayman Holdings I LP, in order for the Company to meet its liabilities as they fall due and to continue operations without realisation of its assets, for a period of at least 12 months from the date of signing the financial statements. The directors expect the company to remain a non-trading entity for the foreseeable future.

Exemptions for qualifying entities under FRS 102

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

The company has taken advantage of the following exemptions:

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

SP Pure Fishing UK Buyer Limited

Notes forming part of the financial statements
for the period 30 November 2018 to 31 December 2019

1 Accounting policies (Continued)

Exemptions for qualifying entities under FRS 102 (Continued)

- (iv) from disclosing the reconciliation of the number of shares outstanding at the beginning and end of the period.

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

Fixed Asset Investments

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

Deferred Taxation

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

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

Foreign Currency

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

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

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

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

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

SP Pure Fishing UK Buyer Limited

Notes forming part of the financial statements
for the period 30 November 2018 to 31 December 2019 (Continued)

1 Accounting policies (Continued)

Financial Instruments (Continued)

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

Share Capital

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

Merger Reserve

A merger reserve is recognised in the financial statements, reflecting the difference between the initial value of the investment in the subsidiary and the remaining net assets of the subsidiary which were transferred to the Company as at the point the subsidiary was voluntarily liquidated.

Critical accounting judgements and key sources of estimation uncertainty

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

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fixed Asset Investments

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

The model is sensitive to changes in the assumptions as highlighted below:

A change in WACC +/- 0.5% would result in movement of £(12.2)m or £14m respectively in the asset value.

A change in growth assumptions of +/- 10% would result in movement of £11.0m or £(10.8)m respectively in asset value.

A change in FX rate assumptions of +/- 5% would result in movement of £12.9m or £(14.5)m respectively in asset value.

If the company and its subsidiaries meet the 5 year targeted growth and margin improvements, using the 9% WACC, then there would be a £(22.8)m impairment to value of investments.

SP Pure Fishing UK Buyer Limited

Notes forming part of the financial statements
for the period 30 November 2018 to 31 December 2019 (Continued)

2 Operating profit

Operating profit is stated after (crediting) / charging:

	Period Ended 31 December 2019 £'000
Foreign exchange gains	(2,478)
Transaction costs	800
	(1,678)

Auditors' remuneration is borne by another UK group company

3 Staff costs

The company has no staff.

4 Directors' remuneration

No directors' emoluments or benefits in kind are provided by the company. Directors emoluments are borne by another group Company.

5 Interest payable

	Period Ended 31 December 2019 £'000
Group interest payable	6,320
	6,320

6 Investment income

	Period Ended 31 December 2019 £'000
Dividends received from UK subsidiary	839
	839

SP Pure Fishing UK Buyer Limited

Notes forming part of the financial statements
for the period 30 November 2018 to 31 December 2019 (Continued)

7 Tax on loss

(a) Analysis of tax in the period

The tax for the period is as follows:

	Period Ended 31 December 2019 £'000
<i>Current tax:</i>	
Current tax for the period	2
	<u>2</u>

(b) Factors affecting the tax for the period

The tax assessed on the loss for the period is higher than the standard rate of corporation tax. The differences are explained below:

	Period Ended 31 December 2019 £'000
Loss before tax	(44,244)
Loss before tax multiplied by the standard rate of Corporation tax in the UK of 19% (2018: 19%)	(8,406)
Effect of:	
Disallowed expenses and non-taxable income	7,835
Effects of group relief / other reliefs	(87)
Income not taxable	(159)
Deferred tax not recognised	819
Tax for the period	<u>2</u>

(c) Deferred taxation

No deferred tax has been provided.

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

	Potential Period Ended 31 December 2019 £'000	Actual Period Ended 31 December 2019 £'000
Timing differences – non trading	(733)	-
	<u>(733)</u>	<u>-</u>

SP Pure Fishing UK Buyer Limited

Notes forming part of the financial statements
for the period 30 November 2018 to 31 December 2019 (Continued)

8 Investments

<i>Cost and Net Book Value:</i>	£'000
At 30 November 2018	-
Acquisitions	225,189
Impairment charge	(40,441)
At 31 December 2019	184,748

Name of subsidiary	Registered address	Holding	Date of acquisition
Pure Fishing Spirit UK Limited	Willowburn Trading Estate, Alnwick, Northumberland, NE66 2PF, United Kingdom	100%	21 December 2018
Shakespeare International Limited	Willowburn Trading Estate, Alnwick, Northumberland, NE66 2PF, United Kingdom	100%*	21 December 2018
Shakespeare Australia Pty. Limited	Unit 1, 16 Pioneer Avenue, Tuggerah NSW, 2259, Australia	100%*	21 December 2018
Pure Fishing (UK) Limited	Willowburn Trading Estate, Alnwick, Northumberland, NE66 2PF, United Kingdom	100%*	21 December 2018
Pure Fishing Netherlands B.V.	Tinstraat 3-5, Breda, 4823 AA, Netherlands	100%*	21 December 2018
Pure Fishing Korea Co. Limited	Suite 906, 38 Digital-Ro 29Gil, Guro-Gu, Seoul, 08381, South Korea	100%*	21 December 2018
Pure Fishing Malaysia Sdn. Bhd.	Unit 30-01, Level 30, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia	100%*	21 December 2018
Pure Fishing Guangzhou Trading Co. Limited	Room E, 10 / F, Sanxin building, 33 Whampoa Avenue West Road, Tianhe District, Guangzhou, China	100%*	21 December 2018
Pure Fishing Japan Co. Limited	2-15-12 Kiba, Koto-ku, Tokyo, 135-0042, Japan	100%*	21 December 2018
Pure Fishing Spirit B.V.	Tinstraat 3-5, Breda, 4823 AA, Netherlands	100%*	21 December 2018

SP Pure Fishing UK Buyer Limited

Notes forming part of the financial statements
for the period 30 November 2018 to 31 December 2019 (Continued)

8 Investments (continued)

Outdoor Technologies (Canada) ULC	Suite 900, 1959 Upper Water Street, Halifax, NS, B3J 2X2, Canada	100%*	21 December 2018
Pure Fishing Poland Sp. Z.O.O.	61-737 Poznan UL.27 Grudnia 3, Poznan, Poland	100%*	21 December 2018
Outdoor Technologies Group Sweden AB	C/O ABU AB, 37681, Svängsta, Sweden	100%*	21 December 2018
Abu Garcia AB	C/O ABU AB, 37681, Svängsta, Sweden	100%*	21 December 2018
Pure Fishing Finland OY	Turvekuja 6, 00700 Helsinki, Finland	100%*	21 December 2018
Abu Garcia Pty Limited	Unit 1, 16 Pioneer Avenue, Tuggerah NSW, 2259, Australia	100%*	21 December 2018
Pure Fishing (NZ) Limited	Level 22, 205 Queen Street, Auckland, 1010, New Zealand	100%*	21 December 2018
Abu AB	37681, Svängsta, Sweden	100%*	21 December 2018
Pure Fishing Norway AS	Kjeller vest 3, 2007 Kjeller, Norway	100%*	21 December 2018
OTG-Cani Denmark A/S	Tinvej 1, 8940 Randers SV, Denmark	100%*	21 December 2018
Pure Fishing Deutschland GmbH	Hanauer Landstrasse 553, 2nd Floor, D-60386 Frankfurt, Germany	100%*	21 December 2018
Pure Fishing Europe S.A.S.	435, rue des sources, 38920 Crolles, France	100%*	21 December 2018
Hardy & Greys Limited	Willowburn Trading Estate, Alnwick, Northumberland, NE66 2PF, UK	100%*	21 December 2018
Hardy Advanced Composites Limited	Willowburn Trading Estate, Alnwick, Northumberland, NE66 2PF, UK	100%*	21 December 2018

*Investments indirectly held (subsidiaries of Pure Fishing Spirit UK Limited which was acquired on 21 December 2018).

SP Pure Fishing UK Buyer Limited indirectly acquired 100% of the ordinary issued share capital of Pure Fishing Spirit UK Limited on 21 December 2018 via an investment in Pure Fishing Spirit Holdings Limited (a company registered in the Cayman Islands). This company was voluntarily liquidated in February 2019 and from that point onwards, Pure Fishing Spirit UK Limited was directly owned. Pure Fishing Spirit UK Limited is an investment holding company within the Pure Fishing Group. The registered address of Pure Fishing Spirit UK Limited is Willowburn Trading Estate, Alnwick, Northumberland, NE66 2PF.

SP Pure Fishing UK Buyer Limited

Notes forming part of the financial statements
for the period 30 November 2018 to 31 December 2019 (Continued)

9 Creditors: Amounts falling due within one year

	Period Ended 31 December 2019 £'000
Loan notes issued by group undertakings	89,143
Corporation tax	2
	89,145

£69,979,000 of the loan notes are unsecured, bearing interest of 8.86%, with a maturity date of 21 December 2028 and denominated in US dollars.

£19,164,000 of the loan notes are unsecured, bearing interest of 1.87%, with a maturity date of 29 December 2024. The terms of this loan note states that non-payment of interest constitutes an 'Event of Default', effectively resulting in the loan note becoming re-payable on demand. Adequate interest payments were not made during the period, hence this loan note is classed as debtors falling due within one year. Post year end the company issued a waiver to their right to declare an "Event of Default" from 1 January 2020 until 31 January 2021.

10 Called up share capital

	Period Ended 31 December 2019 No.	Period Ended 31 December 2019 £'000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	-

The Company was incorporated on 30 November 2018 with 1 ordinary £1.00 share issued. On 21 December 2018, 99 ordinary £1.00 shares were issued. All 100 shares are owned by SP Pure Fishing UK Limited.

11 Merger reserve

The assets and liabilities of 100% owned subsidiary, Pure Fishing Spirit Holdings Limited were transferred to SP Pure Fishing UK Buyer Limited upon voluntary liquidation (see note 8 for further details). A difference arising between the net assets of the subsidiary versus the value of the investment in the subsidiary has resulted in a merger reserve.

12 Contingent liabilities

There were no contingent liabilities at 31 December 2019.

13 Financial commitments

Capital commitments

At 31 December 2019 there were no capital commitments in the company which had been contracted for but not provided in the financial statements.

SP Pure Fishing UK Buyer Limited

Notes forming part of the financial statements
for the period 30 November 2018 to 31 December 2019 (Continued)

13 Financial commitments (continued)

Operating lease commitments

At 31 December 2019 the Company had no minimum lease payments under non-cancellable operating leases.

14 Related party transactions

The company has taken advantage of the exemption as provided by paragraph 33.1A of FRS 102, from disclosing transactions with group companies as it is a wholly owned subsidiary and its results are included in the consolidated financial statements of another group Company which are available on request from Pure Fishing Inc. There were no other related party transactions.

15 Ultimate parent undertaking and controlling party

The immediate parent undertaking is SP Pure Fishing UK Limited (100% holding).

The Company was incorporated on 30 November 2018 as part of the Pure Fishing Group's divestiture from Newell Brands Inc. to Sycamore Partners, a private equity firm incorporated in the United States of America.

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

Pure Fishing Inc. regards SP PF Cayman Aggregator LP as its ultimate controlling party and consolidated financial statements for the Pure Fishing Group are prepared by SP PF Cayman Holdings I LP. These are available on request from Pure Fishing Inc., 7 Science Court, Columbia, SC, 29203, United States of America.

16 Post Balance Sheet Events

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

During the year a dividend was received from Pure Fishing Spirit UK Ltd for £839,000, that subsequently was discovered to be unlawful due to an impairment of investment assets that were not reflected at the time of distribution, therefore affecting distributable reserves. The directors sought legal advice on this matter and the remedy for this will be for the company to give written approval for repayment of the amount in the next accounting period and reinstating the loan which it was intended to settle.