

Precor Fitness Limited

Filleted Financial Statements
for the Period from 1 January 2021 to 30 June 2021

Precor Fitness Limited

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Precor Fitness Limited

Company Information

Directors Micheal Andrew Stanton
Christopher Alexander Macfarlane
Dustin Lee Grosz

Company secretary Christopher Alexander Macfarlane

Registered office Quatro House Lyon Way
Frimley
Camberley
GU16 7ER

Auditors Bright Partnership LLP
26 Edward Court
Broadheath
Altrincham
WA14 5GL

Precor Fitness Limited

Independent Auditor's Report to the Members of Precor Fitness Limited

Disclaimer of opinion

We were engaged to audit the financial statements of Precor Fitness Limited (the 'company') for the period from 1 January 2021 to 30 June 2021, which comprise the Statement of Financial Position, and Notes to the Financial Statements, including a summary of 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 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

During the period the company acquired certain assets and adopted certain liabilities of Amer Sports Limited. We have not been able to ascertain in full details of the assets and liabilities acquired nor the substance of some of the transactions entered into the accounting records.

We were not appointed as auditors of the company until after 30 June 2021 and thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 June 2021, which are stated in the statements of financial position at £7,838,149.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of the inclusion of transactions relating to Amer Sports Limited, and the year end stock valuation, that would impact on the Profit and Loss Account and Statement of Retained Earnings, and Balance Sheet, and notes to the financial statements.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinion on other matter prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the view given by the financial statements, in our opinion, based on the work undertaken in the course of the audit:

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

Precor Fitness Limited

Independent Auditor's Report to the Members of Precor Fitness Limited

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the directors' report.

Arising from the limitation of our work referred to above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- adequate accounting records, as required by Section 386 Companies Act 2006, have not been kept.

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:

- 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;
- 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 [set out on page], 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 Responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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 the provisions available for small entities and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Precor Fitness Limited

Independent Auditor's Report to the Members of Precor Fitness Limited

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.

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Micheal Senior (Senior Statutory Auditor)

For and on behalf of Bright Partnership LLP, Statutory Auditor

26 Edward Court

Broadheath

Altrincham

WA14 5GL

5 June 2023

Precor Fitness Limited

(Registration number: 12409708)

Statement of Financial Position as at 30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>4</u>	5,203	-
Tangible assets	<u>5</u>	22,084	-
		<u>27,287</u>	<u>-</u>
Current assets			
Stocks	<u>6</u>	7,386,376	-
Debtors	<u>7</u>	4,287,955	-
Cash at bank and in hand		6,315,114	2,938
		<u>17,989,445</u>	<u>2,938</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(4,337,076)</u>	<u>(13,412)</u>
Net current assets/(liabilities)		<u>13,652,369</u>	<u>(10,474)</u>
Total assets less current liabilities		<u>13,679,656</u>	<u>(10,474)</u>
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(15,078,641)</u>	<u>-</u>
Provisions for liabilities		<u>(1,873,205)</u>	<u>-</u>
Net liabilities		<u><u>(3,272,190)</u></u>	<u><u>(10,474)</u></u>
Capital and reserves			
Called up share capital		100	100
Retained earnings		<u>(3,272,290)</u>	<u>(10,574)</u>
Shareholders' deficit		<u><u>(3,272,190)</u></u>	<u><u>(10,474)</u></u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 5 June 2023 and signed on its behalf by:

.....

Christopher Alexander Macfarlane
Company secretary and director

Precor Fitness Limited

Notes to the Financial Statements for the Period from 1 January 2021 to 30 June 2021

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Quatro House Lyon Way
Frimley
Camberley
GU16 7ER

The company has changed its financial period end to 30 June 2021 from 31 December 2020 and these financial statements therefore reflect the results of the 6 month period to 30 June 2021.

These financial statements were authorised for issue by the Board on 5 June 2023.

2 Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in sterling, which is the functional currency of the entity.

Precor Fitness Limited

Notes to the Financial Statements for the Period from 1 January 2021 to 30 June 2021

Going concern

The Directors have considered the operating cash requirements required to continue in operational existence for the foreseeable future, being twelve months from the date of approval of these financial statements. Therefore the accounts have been prepared on a going concern basis.

Audit report

The Independent Auditor's Report was unqualified. . The name of the Senior Statutory Auditor who signed the audit report on 5 June 2023 was Micheal Senior, who signed for and on behalf of Bright Partnership LLP.

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Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Finance income and costs policy

Interest income is recognised in profit or loss using the effective interest method.

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Foreign currency transactions and balances

The Company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Precor Fitness Limited

Notes to the Financial Statements for the Period from 1 January 2021 to 30 June 2021

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures & Fittings	25% on reducing balance

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for amortisation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life.

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Precor Fitness Limited

Notes to the Financial Statements for the Period from 1 January 2021 to 30 June 2021

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Precor Fitness Limited

Notes to the Financial Statements for the Period from 1 January 2021 to 30 June 2021

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Precor Fitness Limited

Notes to the Financial Statements for the Period from 1 January 2021 to 30 June 2021

Financial instruments

Classification

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Recognition and measurement

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

3 Staff numbers

The average number of persons employed by the company (including directors) during the period, was 45 (2020 - 0).

Precor Fitness Limited

Notes to the Financial Statements for the Period from 1 January 2021 to 30 June 2021

4 Intangible assets

	Goodwill £	Computer software £	Total £
Cost or valuation			
Additions	1,735,171	7,444	1,742,615
At 30 June 2021	1,735,171	7,444	1,742,615
Amortisation			
Charge for the period	1,735,171	2,241	1,737,412
At 30 June 2021	1,735,171	2,241	1,737,412
Carrying amount			
At 30 June 2021	-	5,203	5,203

Precor Fitness Limited

Notes to the Financial Statements for the Period from 1 January 2021 to 30 June 2021

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
Additions	5,088	23,825	28,913
At 30 June 2021	5,088	23,825	28,913
Depreciation			
Charge for the period	1,454	5,375	6,829
At 30 June 2021	1,454	5,375	6,829
Carrying amount			
At 30 June 2021	3,634	18,450	22,084

6 Stocks

	2021 £	2020 £
Raw materials and consumables	1,929,327	-
Finished goods and goods for resale	5,457,049	-
	7,386,376	-

7 Debtors

	Note	2021 £	2020 £
Trade debtors		1,634,317	-
Amounts owed by group undertakings		2,568,186	-
Prepayments		85,452	-
		4,287,955	-

Precor Fitness Limited

Notes to the Financial Statements for the Period from 1 January 2021 to 30 June 2021

8 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Payment received on account		966,005	-
Trade creditors		404,918	-
Amounts owed to group undertakings		1,551,330	3,412
Taxation and social security		209,781	-
Lease Liabilities		20,350	-
Accruals and deferred income		1,184,692	10,000
		<u>4,337,076</u>	<u>13,412</u>

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Lease liabilities		7,334	-
Amounts owed to group undertakings		15,071,307	-
		<u>15,078,641</u>	<u>-</u>

9 Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Amer Sports Holding 3 Oy, incorporated in Finland.

The Company's immediate parent undertaking is Precor Finland Oy, located in Finland. The ultimate parent undertaking and controlling party is Peleton Interactive Inc., a company incorporated in the United States of America.

Amer Sports Holding 3 Oy was the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 30 June 2021. The consolidated financial statements of Amer Sports Holdings 3 Oy are publicly available from the Secretary, Amer Sports Corporation, Konepajankuja 6, FI-00510, Helsinki, Finland.

11 Comparative figures

The comparative figures for 2020 relate to the 12 month period ended 31 December 2020.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.