

Company Registration No. SC525922 (Scotland)

HEXAGOL (SPORTS) UK LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020
PAGES FOR FILING WITH REGISTRAR

HEXAGOL (SPORTS) UK LIMITED

COMPANY INFORMATION

Directors	I Wilson G Teale
Secretary	Ms G M McGill
Company number	SC525922
Registered office	Wilson Business Park 1 Queen Elizabeth Avenue Hillington Glasgow United Kingdom G52 4NQ

HEXAGOL (SPORTS) UK LIMITED

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HEXAGOL (SPORTS) UK LIMITED

BALANCE SHEET

AS AT 29 FEBRUARY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	3		274,312		275,417
Current assets					
Stocks		54,058		54,058	
Debtors	4	39,665		32,564	
Cash at bank and in hand		4,932		32,684	
		<u>98,655</u>		<u>119,306</u>	
Creditors: amounts falling due within one year	5	<u>(488,119)</u>		<u>(439,975)</u>	
Net current liabilities			<u>(389,464)</u>		<u>(320,669)</u>
Total assets less current liabilities			<u>(115,152)</u>		<u>(45,252)</u>
Capital and reserves					
Called up share capital	6		4,266		4,213
Share premium account			124,734		99,787
Profit and loss reserves			<u>(244,152)</u>		<u>(149,252)</u>
Total equity			<u>(115,152)</u>		<u>(45,252)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 29 February 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered 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 26 May 2021 and are signed on its behalf by:

G Teale
Director

Company Registration No. SC525922

HEXAGOL (SPORTS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

Company information

Hexagol (Sports) UK Limited is a private company limited by shares incorporated in Scotland. The registered office is Wilson Business Park, 1 Queen Elizabeth Avenue, Hillington, Glasgow, United Kingdom, G52 4NQ.

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.

HEXAGOL (SPORTS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

(Continued)

1.2 Going concern

The directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In satisfaction of this responsibility the directors have considered the company's ability to meet its liabilities as they fall due.

Subsequent to the year end, the downturn in operations and financial stability of a related party funder has resulted in the potential exposure to the company of the debt being called in imminently. The directors have assurances from Iain Wilson Properties Limited and Iain Wilson that funds will be provided to cover any liability arising. There is a risk, however, that the liability quantum falls out with the range that Iain Wilson Properties Limited and Iain Wilson have committed to fund. At the date of approval of these financial statements it is not possible to confirm whether the debt will be called. The directors acknowledge that these conditions indicate a material uncertainty exists which may cast doubt over the company's ability to continue as a going concern, and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

In addition, despite having net current liabilities, the company has obtained assurances that Iain Wilson will continue to provide such financial support as necessary to assist the business and to facilitate the development and growth of the company to meet the long-term objectives of its investors. The directors have satisfied themselves as to the validity of these assurances and that Iain Wilson has the means and authority to provide such funding if it is required.

The company has also paid special attention to the Covid-19 outbreak and the associated impact on the business. These risks include:

- Decreased economic activity impacting the leisure market through reduced demand and prices;
- The consequential impact of this on the company's revenue and cash flow;
- The impact of the above on the company's ability to satisfy its liabilities as they fall due.

The company's going concern assessment considers its principal risks, including those in respect of Covid-19 and is dependent on a number of factors including access to funding facilities, continued support from related parties and confirmed sales pipeline. The directors acknowledge that the company could be adversely affected by the pandemic depending on how the situation evolves and how this impacts the leisure market moving forward.

After due consideration of the above, taking account of the range of possible outcomes of liabilities; should they arise; and assurances from Iain Wilson Properties Limited and Iain Wilson, the directors believe that there is a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing this report and the statutory financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

HEXAGOL (SPORTS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

(Continued)

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Patents & licences	10 years
Development costs	10 years

1.6 Impairment of fixed assets

At each reporting period end date, the company 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

HEXAGOL (SPORTS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company 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 including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

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

1.11 Taxation

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

HEXAGOL (SPORTS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

(Continued)

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 company'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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has 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.

The company is exempt from corporation tax, it being a company not carrying on a business for the purposes of making a profit.

1.12 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.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 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.

HEXAGOL (SPORTS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

2 Employees

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

	2020	2019
	Number	Number
Total	3	3
	<u> </u>	<u> </u>

3 Intangible fixed assets

	Other
	£
Cost	
At 1 March 2019	283,325
Additions	1,651
	<u> </u>
At 29 February 2020	284,976
	<u> </u>
Amortisation and impairment	
At 1 March 2019	7,908
Amortisation charged for the year	2,756
	<u> </u>
At 29 February 2020	10,664
	<u> </u>
Carrying amount	
At 29 February 2020	274,312
	<u> </u>
At 28 February 2019	275,417
	<u> </u>

4 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	9,756	-
Other debtors	29,909	32,564
	<u> </u>	<u> </u>
	39,665	32,564
	<u> </u>	<u> </u>

HEXAGOL (SPORTS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

5 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	152,527	139,733
Taxation and social security	2,873	4,507
Other creditors	332,719	295,735
	<u>488,119</u>	<u>439,975</u>

6 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 0.01p each	42,663,333	42,130,000	4,266	4,213
	<u>42,663,333</u>	<u>42,130,000</u>	<u>4,266</u>	<u>4,213</u>

During the period, the company allotted 533,333 ordinary shares with an aggregate nominal value of £0.0001. The consideration received was £25,000, generating £24,947 of share premium.

7 Related party transactions

Transactions with related parties

At 28 February 2020, the other creditors balance includes £202,697 (2019: £202,697) due to Wilson Imports Limited and £63,864 (2019: £25,864) due to Ian Wilson Properties Limited, both companies related by family shareholdings. The amounts are interest free and repayable on demand.

At 28 February 2020, the trade creditors balance includes £19,557 (2019: £3,257) due to Ian Wilson Properties Limited and £125,352 (2018: £116,478) due to Wilson Imports Limited, both companies related by family shareholdings. The amounts are repayable in line with the standard credit terms offered by the companies.

During the year, the company incurred £28,681 (2019: £22,676) of rental and service charges from Ian Wilson Properties Limited.

HEXAGOL (SPORTS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

8 Events after the reporting date

The occurrence and continuation of the global outbreak of COVID-19 has resulted in an elevated level of uncertainty within the UK economy.

This has impacted the ability to host events, travel and has limited social interactions.

This will almost certainly have an impact on the company's operations going forward but the exact impact is yet unknown.

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