Registration number: 09265417

HPA Commercial Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2020

HPA Commercial Limited

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HPA Commercial Limited

Company Information

Directors	Simon Julian Taylor Teresa Helen Ormerod William Robert Emerson Roderick Ian Vere Nicoll Nicholas Winston Brian Wiles
Registered office	Manor Farm Little Coxwell Faringdon Oxfordshire SN7 7LW
Accountants	RB (PWT) LLP Chartered Accountants 2 Old Bath Road Newbury Berkshire RG14 1QL

HPA Commercial Limited

Directors' Report for the Year Ended 31 December 2020

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

Directors of the company
The directors who held office during the year were as follows:
Simon Julian Taylor
Teresa Helen Ormerod
William Robert Emerson
Roderick Ian Vere Nicoll (appointed 8 January 2020)
Nicholas Winston Brian Wiles

Principal activity
The principal activity of the company is to develop, market and commercially exploit the Hurlingham brand in the UK and worldwide.

On 14 October 2019, the company changed its name from HPA Licensing Limited to HPA Commercial Limited.

Small companies provision statement
This report has 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.

Approved by the Board on .... and signed on its behalf by:

....
Nicholas Winston Brian Wiles
Director

Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts of HPA Commercial Limited for the Year Ended 31 December 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of HPA Commercial Limited for the year ended 31 December 2020 as set out on pages 4 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance/.

This report is made solely to the Board of Directors of HPA Commercial Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of HPA Commercial Limited and state those matters that we have agreed to state to the Board of Directors of HPA Commercial Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than HPA Commercial Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that HPA Commercial Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of HPA Commercial Limited. You consider that HPA Commercial Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of HPA Commercial Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

....

RB (PWT) LLP
Chartered Accountants
2 Old Bath Road
Newbury
Berkshire
RG14 1QL
Date:............................

HPA Commercial Limited

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover		405,239	842,360
Cost of sales		(269,438)	(831,421)
Gross profit		135,801	10,939
Administrative expenses		(29,274)	(95,082)
Operating profit/(loss)		106,527	(84,143)
Other interest receivable and similar income		-	4
		-	4
Profit/(loss) before tax		106,527	(84,139)
Profit/(loss) for the financial year		106,527	(84,139)

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 7 to 10 form an integral part of these financial statements.

HPA Commercial Limited

(Registration number: 09265417)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	3	33,248	38,788
Current assets			
Debtors	4	153,854	92,223
Cash at bank and in hand		409	463
		154,263	92,686
Creditors: Amounts falling due within one year	5	(745,741)	(796,231)
Net current liabilities		(591,478)	(703,545)
Net liabilities		(558,230)	(664,757)
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(558,231)	(664,758)
Shareholders' deficit		(558,230)	(664,757)

For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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.

Approved and authorised by the Board on .... and signed on its behalf by:

....
Nicholas Winston Brian Wiles
Director

HPA Commercial Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	1	(580,619)	(580,618)
Loss for the year	-	(84,139)	(84,139)
At 31 December 2019	1	(664,758)	(664,757)

	Share capital £	Profit and loss account £	Total £
At 1 January 2020	1	(664,758)	(664,757)
Profit for the year	-	106,527	106,527
At 31 December 2020	1	(558,231)	(558,230)

The notes on pages 7 to 10 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.
The address of its registered office is:
Manor Farm
Little Coxwell
Faringdon
Oxfordshire
SN7 7LW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
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 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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.

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable in respect of royalties receivable in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Tax
The tax expense for the period comprises current tax payable and deferred tax.
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.
Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Intangible assets
Separately capitalised trademarks and associated expenditure directly attributable to the acquisition of trademarks are shown at historical cost.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Trademarks	10% straight line

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.

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

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.

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.

Going Concern
HPA Commercial Limited ("HPAC") was incorporated on 15 October 2014 and is a wholly owned subsidiary of the Hurlingham Polo Association ("the HPA"). HPAC's principal activity is to develop, market and commercially exploit the HPA brand in the UK and worldwide.

In common with many new businesses HPAC's initial period of trading has seen expenditure exceed income and as at 31 December 2020 the company has net liabilities of £558,230.
All of HPAC's working capital requirements have been met by its parent company and, at 31 December 2020, £584,825 was due to HPA. The debt is unsecured, interest free and repayable on demand.

In 2017, HPAC was granted trademarks of the Hurlingham Polo brand in a number of jurisdictions around the world and the company is now able to exploit these commercially.

In 2019, HPA transferred its commercial operations to HPAC.

Since 1 January 2019, HPAC has continued to trade in accordance with its agreed business plan and a number of franchise agreements, which will generate income for the company, have now been finalised and signed. Other such agreements are under negotiation and are expected to be agreed within the foreseeable future.

The HPA has been providing the cash required to meet HPAC's working capital and the directors of the company have received assurances that such further funds that may be necessary in order to meet its liabilities as they fall due will be forthcoming from the HPA. In addition, the HPA has indicated that it will not seek repayment of any amounts already advanced unless HPAC would remain solvent following such repayment.

On the understanding that the company will be generating increased amounts of income, and that the HPA will continue to support it for the foreseeable future, being not less than a year from the date on which these financial statements were signed, the directors are of the view that HPAC is a going concern and these financial statements have been prepared on the assumption that this will be the case.

In confirming it's intention to support HPA Commercial, The Hurlingham Polo Association has taken in to account the effects of the Covid-19 pandemic, which is ongoing at the date of signing the financial statements.

3 Intangible assets

	Trademarks, patents and licenses £	Total £
Cost or valuation		
At 1 January 2020	55,408	55,408
At 31 December 2020	55,408	55,408
Amortisation		
At 1 January 2020	16,620	16,620
Amortisation charge	5,540	5,540
At 31 December 2020	22,160	22,160
Carrying amount		
At 31 December 2020	33,248	33,248
At 31 December 2019	38,788	38,788

4 Debtors

	2020 £	2019 £
Trade debtors	89,854	64,223
Prepayments	14,000	28,000
Other debtors	50,000	-
	153,854	92,223

5 Creditors

Creditors: amounts falling due within one year

	2020 £	2019 £
Due within one year		
Trade creditors	6,808	15,300
Amounts owed to parent company (see note 6)	584,825	517,624
Taxation and social security	10,483	10,772
Other creditors	143,625	252,535
	745,741	796,231

6 Related party transactions

Included within creditors at the year end is £584,825 (2019: £517,624) payable to The Hurlingham Polo Association. The increase of £67,201 during the year comprises the net balance of cash received of £51,114 (2019: £336,327) less expenditure incurred of £118,315 (2019: £152,110) and paid for by the Hurlingham Polo Association on behalf of the company.

7. Controlling party

The company is a wholly owned subsidiary of The Hurlingham Polo Association, a company registered in England and Wales.

The Hurlingham Polo Association is under the common control of its members and therefore there is no single individual or party that can, or does, have overall control of The Hurlingham Polo Association.

HPA Commercial Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2020

	2020 £	2019 £
Turnover (analysed below)	405,239	842,360
Cost of sales (analysed below)	(269,438)	(831,421)
Gross profit	135,801	10,939
Gross profit (%)	33.51%	1.3%
Administrative expenses		
Employment costs (analysed below)	(16,588)	(66,117)
General administrative expenses (analysed below)	(7,025)	(22,860)
Finance charges (analysed below)	(121)	(565)
Depreciation costs (analysed below)	(5,540)	(5,540)
	(29,274)	(95,082)
Operating profit/(loss)	106,527	(84,143)
Other interest receivable and similar income (analysed below)	-	4
Profit/(loss) before tax	106,527	(84,139)

This page does not form part of the statutory financial statements.

HPA Commercial Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2020

	2020 £	2019 £
Turnover		
Licensing	136,164	190,000
Sponsorship	245,000	607,500
Development (contribution from parents)	24,075	28,825
Junior HPA Polo (contribution from parents)	-	16,035
	405,239	842,360
Cost of sales		
Licensing marketing	12,332	73,928
International day sponsorship	-	50,000
Commission on sale of guarantee	66,500	78,750
Commercial marketing and sponsorship expenses	-	42,371
Frasers England Squad Expenses	2,105	36,570
Arena tournaments	-	16,821
Pony Club Grant	-	20,500
Development	33,366	64,294
Junior HPA Polo	-	24,659
Overseas tournaments	-	59,690
Frasers Women's Team expenses	-	13,613
International day	1,450	55,887
Commission on sponsorship	24,000	110,000
Sponsorship management	26,040	59,500
Beaufort International	-	11,692
Sponsorship	75,000	-
Trademark expenditure	28,645	113,146
	269,438	831,421
Employment costs		
Wages and salaries	15,205	61,843
Staff pensions (Defined contribution)	1,383	4,274
	16,588	66,117

This page does not form part of the statutory financial statements.

HPA Commercial Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2020

	2020 £	2019 £
General administrative expenses		
Office expenses	1,647	10,722
Computer software and maintenance costs	274	294
Hire of plant and machinery (Operating leases)	142	946
Sundry expenses	-	13
Management charges payable	103	356
Travel and subsistence	119	2,984
Accountancy fees	4,740	6,165
Legal and professional fees	-	1,380
	7,025	22,860
Finance charges		
Bank charges	85	243
Credit card charges	36	322
	121	565
Depreciation costs		
Amortisation of patents	5,540	5,540
Other interest receivable and similar income		
Bank interest receivable	-	4