REGISTERED NUMBER: 07795258 (England and Wales)

Strategic Report, Directors' Report and

Audited Financial Statements for the 52 week period ended 29 January 2022

for

Blacks Outdoor Retail Limited

Contents of the Financial Statements
for the 52 week period ended 29 January 2022

Blacks Outdoor Retail Limited

Company Information
for the 52 week period ended 29 January 2022

DIRECTORS:	L P Bagnall P A Cowgill (resigned 28 September 2022) N J Greenhalgh R Schultz (appointed 28 September 2022)
SECRETARIES:	N Cassidy (appointed 28 September 2022) S Mawdsley (resigned 22 September 2022) Oakwood Corporate Secretary Limited
REGISTERED OFFICE:	Hollinsbrook Way Pilsworth Bury Lancashire BL9 8RR
REGISTERED NUMBER:	07795258 (England and Wales)
AUDITORS:	KPMG LLP 1 St Peter's Square Manchester M2 3AE

The Directors present their strategic report for the 52 week period ended 29 January 2022.

REVIEW OF BUSINESS

The Company operates retail stores and trading websites across three retail banners: Blacks, Millets and Ultimate Outdoors. The Company's mission is to inspire and equip everyone for life outdoors. Whether you're an Outdoor specialist in rock climbing, or a casual Outdoor enthusiast who likes to walk their dog, go on family treks and camping trips, the Company and the wider JD Outdoor retail banners (Go Outdoors, Naylors, Wheelbase, Leisure Lakes and Tiso) aim to supply your every need to facilitate a life spent being active in nature, all year round.

During the year the Company made an operating profit of £7.0m (2021: operating loss of £0.6m), and a profit before tax of £6.3m (2021: loss before tax of £1.4m). The Company had a much improved year with an elevated demand for holidays in the UK and a general recognition of the physical and mental health benefits of spending time outdoors combining to drive a strong demand for the Company's product range. The positive progress in the business is reflected in the fact that even though the majority of stores were closed through the first quarter, revenue increased to £151.2m in the year (2021: £123.9m). The Directors are pleased with the resilience of the Company during the year.

Whilst we are encouraged by our performance in the year, we recognise that international holidays are once again more widely available as the UK emerges out of the COVID-19 pandemic. However, we are confident that people will look to maintain a more active lifestyle and that the welcoming and engaging atmosphere in all of our stores will continue to inspire people to spend time outdoors.

The business is also now benefitting from the previous work to enhance the operational integration of the JD Outdoor businesses through common merchandising systems and shared commercial resources with gross margins increasing by 2.5% to 47.9% (2021: 45.4%). We continually strive for further improvements in margins but the breadth of supply from the key Outdoor brands into the market and the wide availability of vertically sourced product from both specialist and non-specialist retailers means that Outdoor will inevitably remain a competitive sector.

Our approach continues to be to keep leases flexible with break clauses wherever possible so we can react quickly if market conditions change. Our policy of flexibility means that the store portfolio, particularly with regards to Blacks, continues to evolve:

- Blacks - The portfolio has 55 stores with two store closures during the year.
- Millets - The portfolio of 93 stores remains with no changes in the year.
- Ultimate Outdoors - The portfolio has 3 stores with the closure of two stores during the year.

The Directors monitor a number of key performance indicators in order to ensure that the Company continues to achieve its primary objectives of increased profitability and sustained growth within the industry. In assessing the performance of the Company, the Directors make use of the following Key Performance Indicators:

	52 week period ended 29 January 2022 £'000	52 week period ended 30 January 2021 £'000
Turnover	**151,164**	123,914
Gross profit %	**47.9%**	45.4%
Operating profit / (loss)	**7,027**	(601)
Profit / (loss) before tax	**6,344**	(1,423)
Number of stores at end of year	**151**	155
Retail space (000 sq ft) at end of year	**426**	512

PRINCIPAL RISKS AND UNCERTAINTIES
Any business undertaking will involve some risk with many risk factors common to any business regardless of what sector it operates in. However, the Directors consider that certain risks and uncertainties are more specific to the Company and the outdoor leisure retail sector in which it operates. These risks and uncertainties include the following:

- Market risk - the location and influence of competitors both in physical retail and online digital retail;
- Supply chain risk - undue reliance placed on a small number of suppliers;
- Sourcing risk - product sourcing from a supplier that acts in an unethical manner;
- Ability to access, and the dependence on, key brands;
- The location and influence of competitors;
- Impact of new property developments on the existing store portfolio;
- General economic factors, such as the impact of the COVID-19 pandemic on demand for outdoor activities, and;
- Seasonal weather variations.

Mitigating actions to these risks include:
Market risk - closely monitoring competitors and wider market conditions, taking appropriate actions where necessary.
- Supply chain risk - ensuring an appropriate product mix is available across the sales channels from a variety of suppliers.
- Sourcing risk - ensuring close relationships with suppliers to understand their business, thorough review of new suppliers and factory audits.

The Directors continue to endeavour to manage these risks and uncertainties to the extent possible within the business.

Financing and financial risk management
The Company's policy is to maintain a balance of funds, generated through operations and group borrowings, sufficient to meet the anticipated short and long term financial requirements. The key risks and uncertainties in this area include:

- Foreign currency risk - a significant proportion of the Company's purchases of stock are denominated on currencies other than Sterling and the Company is therefore exposed to fluctuations in the value of foreign currencies. This risk is mitigated by the Company utilising the facilities of the wider JD Sports Fashion Plc Group in order to manage this risk.

SECTION 172(1) STATEMENT
This statement sets out how the Directors have approached and met their responsibilities under section 172 Companies Act 2006 and, in particular, how the Directors have satisfied themselves that they have acted in a way which is most likely to promote the success of the Company for the benefit of its members as a whole and having regard for stakeholders interests.

As such, the Directors have considered (amongst other things) the likely consequences of any decision in the long term. The Directors give significant consideration via the assessment of various board papers to the likely long term impact to the Company of any decisions made. It is the Directors' ultimate objective to deliver long term sustainable earnings growth.

Furthermore, the Directors have considered:
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's business relationships with suppliers, customers and others;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

SECTION 172(1) STATEMENT (continued)
The Company is a subsidiary of JD Sports Fashion Plc and is therefore part of the JD Group. The consideration of the above points is detailed in the Strategic Report of the Annual Report and Accounts of JD Sports Fashion Plc. The Annual Report is available to the public at www.jdplc.com.

ON BEHALF OF THE BOARD:

NJ Greenhalgh
....
N J Greenhalgh - Director

Date: 31 October 2022

Blacks Outdoor Retail Limited

Directors' Report
for the 52 week period ended 29 January 2022

The Directors present their report with the financial statements of the Company for the 52 week period ended 29 January 2022.

PRINCIPAL ACTIVITY
The principal activity of the Company in the period under review was that of retailing specialist outdoor footwear, apparel and equipment.

DIVIDENDS
The Directors do not recommend the payment of a dividend (2021: £nil).

DIRECTORS
The Directors shown below have held office during the whole of the period from 31 January 2021 to the date of this report.

L P Bagnall
N J Greenhalgh

Other changes in Directors holding office are as follows:

P A Cowgill resigned as a Director of the Company on 28 September 2022.

R Schultz was appointed as a Director of the Company on 28 September 2022.

GOING CONCERN
The Directors have performed a going concern assessment for the period to January 2024, including preparation of profit forecasts and consideration of the cash position of the Company, which indicates that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds, through funding from its immediate parent Company, JD Sports Fashion Plc, to meet its liabilities as they fall due for that period. The Company's immediate parent has considerable financial resources, with access throughout the forecast period to a £700 million syndicated committed borrowing facility as at 1 August 2022 (of which £nil million was drawn down).

POLITICAL DONATIONS AND EXPENDITURE
The Company made no political contributions or charitable donations during the period (2021: £nil).

ENGAGEMENT WITH EMPLOYEES
The Company is committed to promoting equal opportunities in employment regardless of employees' or potential employees' sex, marital status, sexual orientation, creed, colour, race, ethnic origin or disability. Recruitment, promotion and the availability of training are based on the suitability of any applicant and full and fair consideration is always given to disabled persons in such circumstances.

Should an employee become disabled during his or her employment by the Company, every effort is made to continue employment and training within their existing capacity wherever practicable, or failing that, in some alternative suitable capacity.

The Company has continued throughout the year to provide employees with relevant information and to seek their views on matters of common concern. Priority is given to ensuring that employees are aware of all significant matters affecting the Company's performance and of any significant organisational changes.

Blacks Outdoor Retail Limited

Directors' Report
for the 52 week period ended 29 January 2022

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors, KPMG LLP, will be deemed to be reappointed and will therefore continue in office.

ON BEHALF OF THE BOARD:

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N J Greenhalgh - Director

Date: 31 October 2022

Statement of Directors' Responsibilities for the 52 week period ended 29 January 2022

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material Departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Blacks Outdoor Retail Limited

Opinion
We have audited the financial statements of Blacks Outdoor Retail Limited ("the Company") for the 52 week period ended 29 January 2022 which comprise the statement of profit and loss account and other comprehensive income, the statement of changes in equity, the balance sheet and related notes, including the accounting policies in note 2.

In our opinion the financial statements:
- give a true and fair view of the state of the Company's affairs as at 29 January 2022 and its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:
- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect
To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and Directors, including the profit target for management remuneration.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account the risk of fraudulent revenue recognition, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls.

We also performed procedures including:
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those revenue journals posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and employment law recognising the financial nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent auditor's report to the members of
Blacks Outdoor Retail Limited

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report
The Directors are responsible for the strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:
- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors Report.

Under the Companies Act 2006 we are required to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches now visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects

Responsibilities of Directors
As explained more fully in their statement set out on page 7, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of
Blacks Outdoor Retail Limited

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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 a Report of the Auditors 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.

Hannah Johnston

Hannah Johnston (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Date: 31 October 2022

Blacks Outdoor Retail Limited

Statement of Profit and Loss and Other Comprehensive Income
for the 52 week period ended 29 January 2022

	Notes	52 week period ended 29 January 2022 £'000	52 week period ended 30 January 2021 £'000
TURNOVER	3	151,164	123,914
Cost of sales		(78,816)	(67,608)
GROSS PROFIT		72,348	56,306
Distribution costs		(64,174)	(58,024)
Administrative expenses		(3,227)	(4,044)
		4,947	(5,762)
Other operating income	4	2,080	5,161
OPERATING PROFIT/(LOSS)		7,027	(601)
Interest payable and similar expenses	7	(683)	(822)
PROFIT/(LOSS) BEFORE TAXATION	8	6,344	(1,423)
Tax on (profit)/loss	9	(969)	251
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		5,375	(1,172)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		5,375	(1,172)

The notes on pages 15 to 35 form part of these financial statements

Balance Sheet
29 January 2022

	Notes	£'000	2022 £'000	£'000	2021 restated* £'000
FIXED ASSETS					
Owned					
Intangible assets	10		2,508		3,295
Tangible assets	11		2,568		3,585
Right-of-use					
Tangible assets	11, 18		18,179		23,727
Investments	12		538		538
			23,793		31,145
CURRENT ASSETS					
Stocks	13	75,559		59,057	
Debtors	14	27,143		13,090	
Cash at bank and in hand		3,270		44	
		105,972		72,191	
CREDITORS					
Amounts falling due within one year	15	(140,267)		(114,685)	
NET CURRENT LIABILITIES			(34,295)		(42,494)
TOTAL ASSETS LESS CURRENT LIABILITIES			(10,502)		(11,349)
CREDITORS					
Amounts falling due after more than one year	16		(12,602)		(19,972)
PROVISIONS FOR LIABILITIES	19		(2,842)		-
NET LIABILITIES			(25,946)		(31,321)
CAPITAL AND RESERVES					
Called up share capital	20		-		-
Retained earnings			(25,946)		(31,321)
SHAREHOLDERS' DEFICIT			(25,946)		(31,321)

*See note 15.

The financial statements were approved by the Board of Directors and authorised for issue on 31 October 2022 and were signed on its behalf by:

N J Greenhalgh

N J Greenhalgh - Director

The notes on pages 15 to 35 form part of these financial statements

Statement of Changes in Equity
for the 52 week period ended 29 January 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 2 February 2020	-	(30,149)	(30,149)
Changes in equity			
Total comprehensive loss	-	(1,172)	(1,172)
Balance at 30 January 2021	-	(31,321)	(31,321)
Changes in equity			
Total comprehensive income	-	5,375	5,375
Balance at 29 January 2022	-	(25,946)	(25,946)

The notes on pages 15 to 35 form part of these financial statements

1. **STATUTORY INFORMATION**

Blacks Outdoor Retail Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparation
These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements are prepared on the historical cost basis and are presented in pounds sterling, rounded to the nearest thousand.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's immediate parent undertaking, JD Sports Fashion Plc includes the Company in its consolidated financial statements. The consolidated financial statements of JD Sports Fashion Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address in note 22.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:
- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of JD Sports Fashion Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets; and
- The disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

continued...

2. **ACCOUNTING POLICIES - continued**

Going concern
The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have performed a going concern assessment for the period to January 2024, including preparation of profit forecasts and consideration of the cash position of the Company, which indicates that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 and the UK economic environment on the operations and its financial resources, the Company will have sufficient funds, through funding from its immediate parent Company, JD Sports Fashion Plc, to meet its liabilities as they fall due for that period. The Company's immediate parent has considerable financial resources, with access throughout the forecast period to a £700 million syndicated committed borrowing facility as at 1 August 2022 (of which £nil was drawn down).

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover
Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

In the case of goods sold through the retail stores and trading websites, turnover is recognised when goods are sold and the title has passed, less provision for returns. Accumulated experience is used to estimate and provide for such returns at the time of the sale. Retail sales are usually in cash, by debit card or by credit card. For online sales, title is deemed to have passed when the goods are delivered and the title and control over a product has passed to the customer.

Goodwill
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company.

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units (CGU's). It is not amortised but is tested annually for impairment.

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2. **ACCOUNTING POLICIES - continued**

Changes in accounting standards

The following amendments to accounting standards and interpretations, issued by the International Accounting Standards Board ('IASB'), have been adopted for the first time by the Company in the period with no significant impact on the reported results or financial position:

- Amendments to IFRS 3 'Business Combinations'.
- Amendments to IAS 16 'Property, Plant and Equipment'.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.
- Amendments to IAS 38 'Intangible Assets' - Configuration of Customisation Costs in a Cloud Computing Arrangement.
- Interest Rate Benchmark Reform - Phase 2 - amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Annual Improvements - Cycle 2018-2020.

continued...

2. **ACCOUNTING POLICIES - continued**

Intangible assets

(i) Brand names

Brand names acquired as part of a business combination are stated at fair value as at the acquisition date less accumulated amortisation and impairment losses. Brand names separately acquired are stated at cost less accumulated amortisation and impairment losses. The useful economic life of each purchased brand name is considered to be finite. Amortisation of brand names is charged to the profit and loss account over their useful life on a straight-line basis.

(ii) Fascia names

Separately identifiable fascia names acquired are stated at fair value as at the acquisition date less accumulated amortisation and impairment losses. The initial fair value is determined by using a 'royalty relief' method of valuation. This is based on an estimation of future sales and the choice of a suitable royalty and discount rate in order to calculate the present value, when this method is deemed the most appropriate. This method involves calculating a net present value for each fascia name by discounting the projected future royalties expected using an indefinite useful economic life for each fascia. The future royalties are estimated by applying a suitable royalty rate to the sales forecast.

Store and online fascia names are considered to have a finite useful economic life. The useful economic life of an online fascia name is lower than that of a store fascia name due to increased competition in the marketplace as a result of reduced barriers to entry. The estimated useful economic lives are as follows:

- Online fascia names: 3 to 5 years
- Store fascia names: 10 to 20 years

The factors that are considered when determining the useful life of each fascia name are:

- The strength of the respective fascia names in the relevant sector and geographic region where the fascia is located.
- The history of the fascia names and that of similar assets in the relevant retail sectors.
- The commitment of the Group to continue to operate these stores separately for the foreseeable future, including the ongoing investment in new stores and refurbishments.

At each reporting date, the Company reviews the carrying amounts of its fascia names to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of these assets is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the cash-generating unit and the choice of a suitable discount rate in order to calculate the present value. Impairment losses are recognised in the Income Statement.

continued...

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

(i) Owned assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of tangible fixed assets have different useful economic lives, they are accounted for as separate items of tangible fixed assets.

(ii) Leased assets

Assets funded through finance leases and similar hire purchase contracts and those previously classified as operating leases are now recognised in the balance sheet under IFRS 16 Leases as a right-of-use asset.

(iii) Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Improvements to short leasehold properties	life of lease on a straight-line basis
- Computer equipment	3-4 years on a straight-line basis
- Fixtures and fittings	5-7 years or length of lease if shorter, on a straight-line basis
- Motor vehicles	25% per annum on a reducing balance basis
- Right-of-use assets	life of lease on a straight line basis

Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle. Provisions are made for obsolescence, mark downs and shrinkage based on historical experiences, the quality of the current season buy, market trends and management estimates of future events. The provision requires estimates for shrinkage, the expected future selling price of items and identification of aged and obsolete items.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

continued...

2. ACCOUNTING POLICIES - continued

Foreign currencies
Transactions in foreign currencies are translated into sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Leases
The Company adopted IFRS 16 Leases from 3 February 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS 16 using the modified retrospective approach, under which any cumulative effect of initial application was recognised in retained earnings at 3 February 2019.

The Company leases assets which consist of properties, vehicles and equipment. The most significant leases in size for the Company are its retail stores.

The Company assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 3 February 2019.

I. As a lessee
The Company recognises a right-of-use asset and lease liability at the lease commencement date. Lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. A right-of-use asset's useful economic life is determined on the same basis as for land and buildings recognised in property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

continued...

2. **ACCOUNTING POLICIES - continued**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the rate implicit in the lease. If the rate implicit in the lease is not readily available, then payments are discounted using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Where revised lease terms involve a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease then these changes are accounted for as a lease modification. Any revised consideration and / or revised lease length are taken into account in a remeasurement calculation
that includes a revised discount rate at the effective date of the modification of terms. The revised discount rate is determined as the lessee's incremental borrowing rate at the effective date of the modification.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has also applied judgement to determine the lease term for some lease contracts in which it is a lessee that either have no specified end date, or where the Company continues to occupy the property despite the contractual lease end date having passed. In determining the lease term, the Company takes into consideration its commercial strategy on a store by store basis and the future intentions of the Company regarding the duration of continuing occupation of the property.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns. The Group presents lease liabilities separately within the statement of financial position.

continued...

2. **ACCOUNTING POLICIES - continued**

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment). The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Employee benefit costs

The Company operates defined contribution pension schemes, the assets of which are held separately from those of the Company in independently administered funds. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account as incurred.

Grant income

Furlough income from the Government Coronavirus Job Retention Scheme (CJRS) is recognised when it can be reliably measured, which the Company considers to be on receipt. In accordance with FRS 101 paragraph 24.5D, the Company recognises grant income on a systematic basis over the periods in which the Company recognises the related costs for which the grant is intended to compensate, using the accrual model. The Company presents grant income separately within other income, ensuring grant income is not offset against related expenditure.

After the financial period end, the parent Company (JD Sports Fashion Plc) repaid £24.4 million of furlough income that the Group received from the UK Government in the year ended 29 January 2022. This repayment will be borne solely by JD Sports Fashion Plc. The repayment included furlough income that Blacks Outdoor Retail Limited received in the 52 week period ended 29 January 2022 and is disclosed in note 4 of these financial statements.

continued...

2. **ACCOUNTING POLICIES - continued**

Critical accounting judgements and key sources of estimation uncertainty
The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

(i) Provisions to write stocks down to net realisable value
The Company makes provisions for obsolescence, mark downs and shrinkage based on historical experiences and management estimates of future events. Actual outcomes could vary significantly from these estimates.

(ii) Impairment of tangible fixed assets
Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of an asset or a cash-generating unit is not recoverable. The recoverable amount is the greater of the fair value less costs to sell and value-in-use. Impairment losses recognised in prior periods are assessed at each reporting period date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would be held (net of depreciation) if no impairment had been realised.

continued...

3. TURNOVER

Turnover is attributable to the one principal activity of the Company, and in just a single geographical market, being the United Kingdom. As such, further segregation of the turnover amount is not required.

4. OTHER OPERATING INCOME

	52 week period ended 29 January 2022 £'000	52 week period ended 30 January 2021 £'000
Rents received	4	125
Government grant income	2,050	5,036
Other sundry income	26	-
	2,080	5,161

Government grant income - Grant income represents furlough income from the Government Coronavirus Job Retention Scheme (CJRS). The CJRS ended during the period. The Company's accounting policy relating to grant income is stated in note 2 of the financial statements.

5. EMPLOYEES AND DIRECTORS

	52 week period ended 29 January 2022 £'000	52 week period ended 30 January 2021 £'000
Wages and salaries	16,922	18,351
Social security costs	875	961
Other pension costs	355	318
	18,152	19,630

The average number of employees during the period was as follows:

	52 week period ended 29 January 2022	52 week period ended 30 January 2021
Sales and distribution	1,316	1,366
Administration	2	2
	1,318	1,368

The average number of full-time equivalent staff employed was 823 (2021: 866)

continued...

6. DIRECTORS' REMUNERATION

	52 week period ended 29 January 2022 £'000	52 week Period ended 30 January 2021 £'000
Directors' emoluments	131	453
Pension contributions	5	16
	136	469

The Directors' remuneration above also relates to the remuneration of the highest paid Director.

Messrs Cowgill and Greenhalgh received no remuneration from the Company; these fees being borne by the immediate parent company, JD Sports Fashion Plc.

The total remuneration above for the period ended 29 January 2022 represents a split of the overall total remuneration of L Bagnall between the performance of his duties as a Director of Blacks Outdoor Retail Limited (25% split) and Go Outdoors Retail Limited (75% split). Go Outdoors Retail Limited is a fellow 100%-owned subsidiary of JD Sports Fashion Plc. L Bagnall is remunerated by Blacks Outdoor Retail Limited, with an associated cost recharge made between the Company and Go Outdoors Retail Limited.

The total remuneration above for the period ended 30 January 2021 represents the overall total remuneration of L Bagnall for the period, with no apportionment of the cost to Go Outdoors Retail Limited.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	52 week period ended 29 January 2022 £'000	52 week period ended 30 January 2021 £'000
Bank interest	137	26
Interest of lease liabilities	546	796
	683	822

continued...

8. PROFIT/(LOSS) BEFORE TAXATION

The profit before taxation is stated after charging:

	52 week Period ended 29 January 2022 £'000	52 week Period ended 30 January 2021 £'000
Auditor's remuneration - audit of these financial statements	91	49
Depreciation of tangible fixed assets	1,061	2,155
Depreciation of right-of-use assets	5,204	9,133
Impairment of right-of-use assets	170	734
Amortisation of intangible assets	787	799
Interest on lease liabilities	546	795
Variable lease payments not included in the measurement of lease liabilities	141	281
Expenses relating to short term leases and low value leases	431	70

9. TAXATION

Analysis of tax expense/(income)

	52 week Period ended 29 January 2022 £'000	52 week period ended 30 January 2021 £'000
Current tax:		
Tax	1,165	(51)
Prior period adjustments	93	(148)
Total current tax	1,258	(199)
Deferred tax:		
Deferred tax	(133)	(97)
Prior period adjustments	(156)	45
Total deferred tax	(289)	(52)
Total tax expense/(income) in statement of profit and loss and other comprehensive income	969	(251)

continued...

9. **TAXATION - continued**

Factors affecting the tax expense
The tax assessed for the period is lower (2021 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	52 week period ended 29 January 2022 £'000	52 week period ended 30 January 2021 £'000
Profit/(loss) before income tax	6,344	(1,423)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,205	(270)
Effects of:		
Depreciation and impairment of non-qualifying non-current assets	7	49
Non-qualifying profit on sale of non-current assets	13	2
Change in deferred tax rate	(219)	(62)
Adjustments in respect of prior periods	(63)	(103)
Other permanent differences	-	133
Expenses not deductible	44	-
Effect of tax rates in foreign jurisdictions	(18)	-
Tax expense/(income)	969	(251)

In the Finance Bill 2021, the UK Government announced that the rate of corporation tax is set to increase from 19% to 25%, effective 1 April 2023. This rate was substantively enacted on 24 May 2021 and therefore the deferred tax balances as at 29 January 2022 have been calculated at 25%.

On 23 September 2022 the Chancellor of the Exchequer announced that the corporation tax rate will remain at 19% from 1 April 2023, reversing a previously enacted measure to increase the rate to 25%. This reversal in the tax rate from 1 April 2023 has not been enacted or substantively enacted and accordingly has no impact on the tax balances at 29 January 2022. The potential impact of this change on the deferred tax balances at 29 January 2022 is expected to be immaterial

10. **INTANGIBLE FIXED ASSETS**

	Goodwill £'000	Fascia name £'000	Brand names £'000	Totals £'000
COST				
At 31 January 2021 and 29 January 2022	2,500	8,861	3,000	14,361
AMORTISATION				
At 31 January 2021	2,500	5,861	2,705	11,066
Amortisation for period	-	500	287	787
At 29 January 2022	2,500	6,361	2,992	11,853
NET BOOK VALUE				
At 29 January 2022	-	2,500	8	2,508
At 30 January 2021	-	3,000	295	3,295

continued...

10. INTANGIBLE FIXED ASSETS - continued

The fair value of the 'Blacks' and 'Millets' fascia names acquired as part of the acquisition on 9 January 2012 of the trade and assets of Blacks Group Plc was £8,500,000. The fair value of the 'Ultimate Outdoors' fascia name acquired as part of the acquisition on 3 February 2014 was £361,000.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations. The key assumptions used in the value-in use calculations are as follows:

- 3.0% short term store growth rate (2021: 3.0%). The short-term growth rate is the compound annual sales growth rate for the 4 year period following the budgeted period ending January 2023.
- 1.0% long term growth rate (2021: 1.0%). The long-term growth rate is the rate used thereafter, which is an estimate of the sales growth based on past experience taking account of economic growth forecast for the relevant industries.
- Store gross margins are assumed to improve by 0.5% (2021: 0.5%) in the short term to reflect an increased proportion of own brand sales and better purchasing.
- 11.4% pre-tax discount rate (2021: 11.1%). The discount rate applied is pre-tax and reflects the current market assessments of the time value of money and any specific risk premiums. The discount rate is considered to be equivalent to the rates a market participant would use.

The cash flow projections used in the value-in-use calculations are all based on actual operating results, together with financial forecasts and strategy plans approved by the Board covering a five-year period. These forecasts and plans are based on both past performance and expectations for future market development.

Sensitivity analysis has been performed on the assumptions of margin growth as changes could cause the carrying value of the unit to exceed its recoverable amount. The following sensitivities were performed and did not result in impairment:

- The business not improving the margins and the margin being fixed at 48%, assuming the business would be unable to reduce selling and distribution and administrative costs. All other assumptions remain unchanged.
- The business not achieving the assumed annual sales growth in the first five-year period of 3.0%, Assuming the business would be unable to reduce selling and distribution and administrative costs. All other assumptions remain unchanged.
- Increasing the pre-tax discount rate by 1%. All other assumptions remain unchanged.
- Reducing the long-term growth rate by 1%. All other assumptions remain unchanged.

continued...

11. TANGIBLE FIXED ASSETS

	Improvements to Short leasehold properties £'000	Right-of-use assets £'000	Fixtures and fittings £'000
COST			
At 31 January 2021	2,367	44,139	18,922
Additions	-	1,080	5
Disposals	(147)	(1,079)	(1,076)
Remeasurement	-	(534)	-
At 29 January 2022	2,220	43,606	17,851
DEPRECIATION			
At 31 January 2021	1,945	20,412	16,059
Charge for period	112	5,204	766
Eliminated on disposal	(134)	(359)	(1,037)
Impairments	18	170	102
At 29 January 2022	1,941	25,427	15,890
NET BOOK VALUE			
At 29 January 2022	279	18,179	1,961
At 30 January 2021	422	23,727	2,863

	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST			
At 31 January 2021	3	2,890	68,321
Additions	-	218	1,303
Disposals	-	(46)	(2,348)
Remeasurement	-	-	(534)
At 29 January 2022	3	3,062	66,742
DEPRECIATION			
At 31 January 2021	3	2,590	41,009
Charge for period	-	183	6,265
Eliminated on disposal	-	(44)	(1,574)
Impairments	-	5	295
At 29 January 2022	3	2,734	45,995
NET BOOK VALUE			
At 29 January 2022	-	328	20,747
At 30 January 2021	-	300	27,312

continued...

11. TANGIBLE FIXED ASSETS - continued

Long leasehold assets relate to leasehold properties held under leases and accounted for as right-of-use assets under IFRS 16 Leases - see note 18.

12. INVESTMENTS

	Shares in Group undertakings £'000
COST	
At 31 January 2021 and 29 January 2022	538
NET BOOK VALUE	
At 29 January 2022	538
At 30 January 2021	538

The subsidiary undertakings are as follows:

	Place of registration	Nature of business and operations	Ownership interest and voting rights
Ultimate Outdoors Limited	Hollins Brook Way, Pilsworth, Bury, Lancashire, BL9 8RR, UK	Dormant	100%

13. STOCKS

	2022 £'000	2021 £'000
Stocks	75,559	59,057

The cost of stocks recognised as expenses and included in cost of sales for the 52 week period to 29 January 2022 was £78,816,000 (2021: £67,608,000).

The Company has £3,397,000 (2021: £2,307,000) of stock provisions at the end of the period. Cost of inventories includes a net charge of £1,090,000 (2021: release of £1,241,000) in relation to provisions recognised against inventories.

continued...

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade debtors	99	202
Amounts owed by group undertakings	12,069	6,925
Other debtors	299	3,062
Deferred tax asset (see note 17)	912	623
Prepayments and accrued income	13,764	2,278
	27,143	13,090

Amounts due from group undertakings are unsecured, interest free, repayable on demand, and expected to be repaid within the next 12 months.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 restated*
	£'000	£'000
Leases (see note 18)	7,432	6,709
Bank overdrafts	-	9,010
Trade creditors	14,751	12,090
Amounts owed to group undertakings	104,863	73,855
Tax	217	-
Social security and other taxes	777	253
Accruals and deferred income	12,227	12,768
	140,267	114,685

Amounts due to group undertakings are unsecured, interest free and repayable on demand. Each counterparty does not intend to seek repayment of amounts owed within the next 12 months.

*Amounts owed to group undertakings in the prior period ending 30 January 2021 have been reclassified to reflect the absence of the unconditional right to defer settlement of the liability for at least twelve months after the reporting period, as required under FRS101. This is consistent with the current presentation and has no effect on the reported results of the Company's operations. A presentational adjustment was made between creditors falling due after more than one year and creditors falling due within one year, with amounts reported in the 2021 financial statements being (£64,539,000) and (£9,316,000) respectively.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£'000	£'000
Leases (see note 18)	12,602	19,972

continued...

17. DEFERRED TAX ASSET

	Assets 2022 £'000	Assets 2021 £'000	Liabilities 2022 £'000	Liabilities 2021 £'000	Net 2022 £'000	Net 2021 £'000
Tangible fixed assets	**912**	623	**-**	-	**912**	623

The deferred tax asset as at 30 January 2021 and at 29 January 2022 is included within debtors. The deferred tax asset is related to accelerated capital allowances in both the current and prior year. The movement in the deferred tax balance is shown below.

	Deferred tax asset £'000
Balance at 31 January 2021	623
Credit to Statement of Profit and Loss and Other Comprehensive Income during period	289
Balance at 29 January 2022	912

18. LEASING

Right-of-use assets

	2022 £'000	2021 £'000
Improvements, to short leasehold properties, fixtures and fittings, Computer equipment and motor vehicles	2,568	3,585
Right-of-use assets (note 11)	18,179	23,72
NET BOOK VALUE	20,747	27,312

Tangible fixed assets - Property

	2022 £'000	2021 £'000
COST		
At 31 January 2021	44,139	45,990
Additions	1,080	1,316
Disposals	(1,079)	(1,435)
Remeasurement	(534)	(1,732)
	43,606	44,139
DEPRECIATION AND IMPAIRMENT		
At 31 January 2021	20,412	10,896
Charge for year	5,204	9,133
Eliminated on disposal	(359)	(351)
Impairments	170	734
	25,427	20,412
NET BOOK VALUE	18,179	23,727

continued...

18. LEASING - continued

The Company leases various retail outlets under non-cancellable lease agreements, as well as a small number of vehicles and IT equipment. The leases have various terms, escalation clauses and renewal rights. Information about leases for which the Company is a lessee is presented below. Leases of IT equipment and some vehicles are low-value items, therefore the Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

The Company presents right-of-use assets that do not meet the definition of investment property in 'tangible fixed assets', the same line item as it presents underlying assets of the same nature that it owns. The carrying amount of the right-of-use asset is as above.

Lease liabilities
The carrying amount of the lease liability as at 29 January 2022 is shown below, along with the undiscounted total future minimum rentals payable under non-cancellable lease agreements.
The future minimum rentals payable on land and buildings represent the base rents that are due on each property over the non-cancellable lease term, being usually the earliest date at which the lease can be exited. Certain properties have rents which are partly dependent on turnover levels in the individual store concerned.

As at 29 January 2022, the weighted average discount rate applied to the lease portfolio of the Company is 2.3% (2021: 2.8%). Future minimum rentals payable on land and buildings represent the base rents that are due on each property over the non-cancellable lease term, being usually the earliest date at which the lease can be exited.

	2022 £'000	2021 £'000
Maturity analysis - contractual undiscounted cash flows:		
Within one year	7,776	8,157
Later than one year and not later than five years	14,216	17,032
After five years	4,549	5,947
Total undiscounted lease liabilities	**26,541**	**31,136**

Sublease receipts
The Company subleases various retail outlets under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewal rights. The total future minimum operating sublease receipts expected to be received at 29 January 2022 are as follows:

	Land and buildings 2022 £'000	Land and buildings 2021 £'000
Within one year	49	46
Later than one year and not later than five years	85	130
After five years	-	-
Total	**134**	**176**

Lease liabilities

	2022 £'000	2021 £'000
Current lease liabilities	7,432	6,709
After five years	12,602	19,972
Total lease liabilities	**20,034**	**26,681**

continued...

18. LEASING – continued

Amounts recognised within profit and loss are shown below

	2022 £'000	2021 £'000
Interest on lease liabilities	546	795
Variable lease payments not included in the measurement of lease liabilities	141	281
Expenses relating to short-term leases and low value leases	431	70
Depreciation of right-of-use assets	5,204	9,133

19. PROVISIONS FOR LIABILITIES

	2022 £'000	2021 £'000
Other provisions		
Dilapidations provision	2,842	-

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
1	Ordinary shares	£1	1	1

The total number of issued ordinary shares was 1 with a par value of £1.00 per share. All shares are fully paid.

The capital structure of the Company comprises issued share capital and retained earnings. The policy adopted by the Directors is to seek to improve the capital base of the Company so as to maintain creditor confidence and to sustain future development of the business.

On a show of hands at a general meeting, every holder of ordinary shares present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder. Subject to the relevant statutory provisions and the Company's Articles of Association, holders of ordinary shares are entitled to a dividend where declared or paid out of profits available for such purposes. Subject to the relevant statutory provisions and the Company's Articles of Association, on a return of capital on a winding-up, holders of ordinary shares are entitled to participate in such a return equally in proportion to their shareholding.

21. PENSION COMMITMENTS

The Company only operates defined contribution pension schemes. The pension charge for the period represents contributions payable by the Company of £355,000 (2021: £318,000) in respect of employees, and £5,000 (2021: £16,000) in respect of Directors. The amount owed to the scheme at the period end was £180,000 (2021: £63,000).

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22. PARENT COMPANY

The Company is a wholly owned and directly held subsidiary undertaking of JD Sports Fashion Plc, which is the smallest group in which the Company is a member and for which Group Financial Statements are drawn up. JD Sports Fashion Plc is registered in England. Copies of the consolidated financial statements of JD Sports Fashion Plc are available to the public and can be obtained from the Company Secretary, Edinburgh House, Hollins Brook Way, Pilsworth, Bury, Lancashire, BL9 8RR or online at www.jdplc.com.

23. RELATED PARTY DISCLOSURES

The Company has taken advantage of the disclosure exemption under FRS 101 not to disclose transactions with fellow wholly owned subsidiaries. Transactions and balances with related parties (excluding those transactions with immediate parent company, JD Sports Fashion Plc and its wholly owned subsidiaries) during the period are shown below. Transactions were undertaken in the ordinary course of business. Outstanding balances are unsecured and will be settled in cash

Pentland Group Limited

During the financial current financial year, Pentland Group Limited owned 51.9% (2021: 55%) of the issued ordinary share capital of JD Sports Fashion Plc. The Company made purchases of inventory from Pentland Group Limited in the period.

	Value of transactions	**Creditor at period end**	**Value of transactions**	**Creditor at period end**
	2022	**2022**	**2021**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Purchase of inventory	(24,338)	-	(18,066)	-
Amounts owed to Pentland Group Limited	-	(1,167)	-	(522)

24. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is Pentland Group Holdings Limited (a company registered in Jersey). R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group Holdings Limited.

Consolidated financial statements will be prepared by Pentland Group Holdings Limited, which is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements for the year ended 31 December 2021. The consolidated financial statements of Pentland Group Holdings Limited can be obtained from the company's registered office at 26 New Street, St Helier, Jersey, JE2 3RA.

25. CONTINGENT LIABILITIES

It is inevitable that commercial claims and disputes may arise from time to time during the course of the Company's business. If the risk of a financial outflow arising from one of these disputes is more than remote but not probable or cannot be measured reliably then the Company will disclose this matter as a contingent liability. If the risk of a financial outflow is considered probable and can be measured reliably then the Company would make a provision for this matter.

Further, the activities of the Company are overseen by a number of regulators and, whilst the Company strives to ensure full compliance with all its regulatory obligations, periodic reviews are inevitable which may result in a financial penalty. If the risk of a financial penalty arising from one of these reviews is more than remote but not probable or cannot be measured reliably then the Company will disclose this matter as a contingent liability. If the risk of a financial penalty is considered probable and can be measured reliably then the Company would make a provision for this matter.