

Company Registration No. 00290939 (England and Wales)

LILLYWHITES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 APRIL 2019



LILLYWHITES LIMITED

COMPANY INFORMATION

Directors	AA Adegoke AP O Dick	(Appointed 14 March 2019)
Secretary	T J Piper	
Company number	00290939	
Registered office	Unit A Brook Park East Shirebrook NG20 8RY	
Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG	

LILLYWHITES LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 19

LILLYWHITES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 28 APRIL 2019

The directors present the strategic report for the period ended 28 April 2019.

Fair review of the business

The company has performed as anticipated in the year. Our retail model, offering considerable value to our customers, proved as resilient as we expected.

Key performance indicators

The directors consider revenue and gross profit margin to be the key performance indicators for the company.

The company's revenue decreased by 13.4% from £23,744k to £20,555k due a continued decrease in footfall of tourism during FY19.

Margin in the company increased from 37.3% to 38.5% in the period due to receiving inventory from suppliers which generate higher margins.

Principal risks and uncertainties

Currency risk

A significant part of the company's merchandise is sourced from companies based in the Far East which are paid in US dollars and is therefore exposed to movements in foreign currencies. The directors have mitigated the risk of movements in exchange rates by securing forward exchange contracts to buy US Dollars, which are held by the parent company.

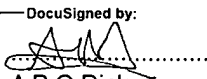
Liquidity risk

The directors seek to manage the liquidity risk faced by the company via a group facility. At the Statement of Financial Position date, the group's working capital facility was £913.5 million (2018: £913.5 million).

Development and performance

The directors aim to maintain the management policies which have been successful in recent years.

On behalf of the board

DocuSigned by:

A6B036B2-4C16-4BA...

Director
28 January 2020
.....

LILLYWHITES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 APRIL 2019

The directors present their report and financial statements for the period ended 28 April 2019.

Principal activities

The principal activity of the company continued to be that of the retail of sports and leisure goods.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

A A Adegoke

R I L Stockton

A P O Dick

(Resigned 14 March 2019)

(Appointed 14 March 2019)

Results and dividends

The results for the period are set out on page 6.

The profit for the period after tax amounted to £2,351k (2018: £1,727k).

Going concern

The company is profitable and has net assets. The directors have satisfied themselves that the company has adequate financial resources to meet all obligations as they fall due for the foreseeable future, and for a period of not less than one year from the date of signing of these financial statements. The directors have therefore prepared the accounts on a going concern basis.

Qualifying third party indemnity provisions

Sports Direct International plc has granted the directors of the company with Qualifying Third Party Indemnity provisions within the meaning given to the term by Sections 234 and 235 of the Companies Act 2006. This is in respect of liabilities to which they may become liable in their capacity as director of the company and of any company within the group. Such indemnities were in force throughout the financial year and will remain in force.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report, Strategic 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard FRS 102 'The Financial Reporting Standard' applicable in the UK and Republic of Ireland. 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 accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

LILLYWHITES LIMITED

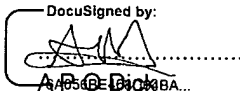
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:

A. B. Dick
Director

Date: 28 January 2020

LILLYWHITES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LILLYWHITES LIMITED

Opinion

We have audited the financial statements of Lillywhites Limited (the 'company') for the period ended 28 April 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 April 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period 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.

LILLYWHITES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LILLYWHITES LIMITED

Matters on which we are required to report under the Companies Act 2006

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 and the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Marc Summers, FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP

31/01/20.....

Chartered Accountants
Statutory Auditor

30 Finsbury Square
London
EC2A 1AG

LILLYWHITES LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
FOR THE PERIOD ENDED 28 APRIL 2019

		Period ended 28 April 2019 £000's	Period ended 29 April 2018 £000's
	Notes		
Turnover	3	20,553	23,744
Cost of sales		(12,648)	(14,890)
Gross profit		7,905	8,854
Administrative expenses		(5,601)	(7,114)
Other operating income		-	1
Profit on ordinary activities before taxation	4	2,304	1,741
Taxation	6	47	(14)
Profit for the financial period		2,351	1,727
Other comprehensive income		-	-
Total comprehensive income for the period		2,351	1,727

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LILLYWHITES LIMITED**BALANCE SHEET****AS AT 28 APRIL 2019**

	Notes	2019 £000's	2018 £000's
Fixed assets			
Tangible assets	8	169	138
Current assets			
Inventory	9	1,787	1,219
Debtors - deferred tax	14	112	66
Debtors - other	10	46,944	45,261
Cash at bank and in hand		32	68
		<u>48,875</u>	<u>46,614</u>
Creditors: amounts falling due within one year	11	(541)	(600)
Net current assets		<u>48,334</u>	<u>46,014</u>
Total assets less current liabilities		<u>48,503</u>	<u>46,152</u>
Creditors: amounts falling due after more than one year	12	(100)	(100)
Provisions for liabilities	13	(14)	(14)
Net assets		<u><u>48,389</u></u>	<u><u>46,038</u></u>
Capital and reserves			
Called up share capital	16	44,739	44,739
Share based payment reserve		1,101	1,101
Profit and loss reserves		2,549	198
Total equity		<u><u>48,389</u></u>	<u><u>46,038</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28 January 2020 and are signed on its behalf by:

DocuSigned by:

 A6R0562E0BCK4BA...
 Director

Company Registration No. 00290939

LILLYWHITES LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 APRIL 2019**

		Share capital	Other reserves	Profit and loss reserves	Total
	Notes	£000's	£000's	£000's	£000's
Balance at 1 May 2017		44,739	1,101	28,471	74,311
Period ended 29 April 2018:					
Profit and total comprehensive income for the period		-	-	1,727	1,727
Dividends	7	-	-	(30,000)	(30,000)
Balance at 29 April 2018		44,739	1,101	198	46,038
Period ended 28 April 2019:					
Profit and total comprehensive income for the period		-	-	2,351	2,351
Balance at 28 April 2019		44,739	1,101	2,549	48,389

The notes on pages 9 - 19 form part of these financial statements.

LILLYWHITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 APRIL 2019

1 Accounting policies

Company information

Lillywhites Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit A, Brook Park East, Shirebrook, NG20 8RY.

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.

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 £000's.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by FRS 102 the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statements, share based payments, the aggregate remuneration of key management personnel and related party transactions with other wholly-owned members of the group. Where required, equivalent disclosures are given in the group accounts of Sports Direct International plc. The group accounts of Sports Direct International plc are available to the public and can be obtained as set out in note 19.

1.2 Going concern

The company is profitable and has net assets. The directors have satisfied themselves that the company has adequate financial resources to meet all obligations as they fall due for the foreseeable future, and for a period of not less than one year from the date of signing of these financial statements. The directors have therefore prepared the accounts on a going concern basis.

1.3 Turnover

Revenue 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 retail stores, revenue is recognised when goods are sold to the customer, 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.

1.4 Tangible assets

Tangible assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation 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:

Long leasehold land and buildings	Straight line over 25 years
Fixtures, fittings and equipment	3 - 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

LILLYWHITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 APRIL 2019

1 Accounting policies

(Continued)

1.5 Inventory

Inventories are valued at lower of cost and net realisable value. Cost includes the purchase price of the manufactured products, materials, direct labour, transport costs and a proportion of applicable overheads. Cost is calculated using the weighted average cost method. Net realisable value is based on the estimated selling price less all estimated selling costs.

The Company receives trade discounts and rebates from suppliers based upon the volume of orders placed in a given time window. Where there is sufficient certainty that a discount or rebate will be received in the future that relates to historic purchases this is reflected in the cost of inventories.

1.6 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.

1.7 Financial instruments

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies and, 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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.

LILLYWHITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit and loss. Debt instruments may be designated as being measured at fair value through profit and loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

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.

1.9 Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The company provides for dilapidations costs following advice from chartered surveyors and management's previous experience of exit costs. The estimated cost of fulfilling the leasehold dilapidations obligations is discounted to present value and analysed between non-capital and capital components. The capital element is recognised as a decommissioning cost and depreciated over the life of the asset. The non-capital element is taken to the Statement of Comprehensive Income in the first year of the lease where the cost it represents is of no lasting benefit to the company or its landlord. 'Wear and Tear' costs are expensed to the Statement of Comprehensive Income.

LILLYWHITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 APRIL 2019

1 Accounting policies (Continued)

1.10 Share based payments

The fair value of the share based payments on the date of the grant is charged to the Statement of Comprehensive Income over the vesting period of the share scheme, based on the number of shares which are expected to become exercisable. A corresponding adjustment is made to equity. At each Statement of Financial Position date the company revises its estimates of the number of shares that are expected to become exercisable and recognises the impact of any revision of original estimates in the Statement of Comprehensive Income.

For cash-settled share-based payment transactions, the Group measures the services received and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the Statement of Comprehensive Income for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Provision for obsolete, slow moving or defective inventory

The directors have applied their knowledge and experience of the retail industry in determining the level and rates of provisioning required in calculating the appropriate inventory carrying values. The provision includes estimates for shrinkage, spoilage and slow-moving items depending on the age and current selling prices of the individual inventory items.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £000's	2018 £000's
Turnover analysed by class of business		
Retail store sales	20,555	23,744
	<u> </u>	<u> </u>
Analysis per statutory database	20,555	23,744
Statutory database analysis does not agree to the trial balance by:	2	-

LILLYWHITES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 28 APRIL 2019**4 Operating profit**

	2019	2018
	£000's	£000's
Operating profit on ordinary activities before taxation for the period is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	4	4
Depreciation of owned tangible assets	75	70
Cost of inventory recognised as an expense	12,648	14,890
Operating lease charges	583	583
	<u> </u>	<u> </u>

5 Employees

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

	2019	2018
	Number	Number
Sales and administration	131	167
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2019	2018
	£000's	£000's
Wages and salaries	2,693	3,208
Social security costs	170	227
Pension costs	36	34
	<u> </u>	<u> </u>
	2,899	3,469
	<u> </u>	<u> </u>

No directors received remuneration through this company (2018: Nil).

LILLYWHITES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 28 APRIL 2019**6 Taxation**

	2019 £000's	2018 £000's
Deferred tax		
Origination and reversal of timing differences	14	14
Changes in tax rates	(2)	-
Adjustment in respect of prior periods	(59)	-
Total deferred tax	<u>(47)</u>	<u>14</u>

The actual (credit)/charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2019 £000's	2018 £000's
Profit before taxation	<u>2,304</u>	<u>1,741</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	438	331
Tax effect of expenses that are not deductible in determining taxable profit	-	24
Change in unrecognised deferred tax assets	(47)	-
Effect of change in corporation tax rate	-	(2)
Group relief	(454)	(628)
Permanent capital allowances in excess of depreciation	(14)	-
Depreciation on assets not qualifying for tax allowances	11	13
UK transfer pricing adjustment for royalties and notional interest	19	276
Taxation (credit)/charge for the period	<u>(47)</u>	<u>14</u>

7 Dividends

	2019 £000's	2018 £000's
Final paid	<u>-</u>	<u>30,000</u>

LILLYWHITES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 28 APRIL 2019****8 Tangible assets**

	Long leasehold land and buildings £000's	Fixtures, fittings and equipment £000's	Total £000's
Cost			
At 30 April 2018	6,353	10,335	16,688
Additions	22	84	106
At 28 April 2019	6,375	10,419	16,794
Depreciation and impairment			
At 30 April 2018	6,215	10,335	16,550
Depreciation charged in the period	58	17	75
At 28 April 2019	6,273	10,352	16,625
Carrying amount			
At 28 April 2019	102	67	169
At 29 April 2018	138	-	138

9 Inventory

	2019 £000's	2018 £000's
Finished goods and goods for resale	1,787	1,219

10 Debtors

	2019 £000's	2018 £000's
Amounts falling due within one year:		
Amounts owed by group undertakings	46,605	44,930
Other debtors	45	53
Prepayments and accrued income	294	278
	46,944	45,261
Amounts falling due after more than one year:		
Deferred tax asset (note 14)	112	66
Total debtors	47,056	45,327

LILLYWHITES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 28 APRIL 2019**11 Creditors: amounts falling due within one year**

	Notes	2019 £000's	2018 £000's
Bank loans and overdrafts		9	-
Trade creditors		4	157
Amounts owed to group undertakings		315	310
Other creditors		173	119
Accruals and deferred income		40	14
		<u>541</u>	<u>600</u>

12 Creditors: amounts falling due after more than one year

	2019 £000's	2018 £000's
Preference shares classed as a financial liability	<u>100</u>	<u>100</u>

The company has issued 200,000 6% cumulative preference shares of 50 pence each.

The shares have no voting rights and are not redeemable. They have priority over ordinary shares in the event of a winding up of the company.

The current and previous owners of the 6% preference shares have waived their rights to dividends and the current holder has indicated that it is not its present intention to seek payment of future dividends.

13 Provisions for liabilities

	2019 £000's	2018 £000's
Property related	<u>14</u>	<u>14</u>
Movements on provisions:		Property related £000's
At 30 April 2018		14
Additional provisions in the year		1
Reversal of provision		(1)
At 28 April 2019		<u>14</u>

LILLYWHITES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 28 APRIL 2019**14 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2019 £000's	Assets 2018 £000's
Balances:		
Deferred tax	112	66

There were no deferred tax movements in the period.

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

15 Retirement benefit schemes

	2019 £000's	2018 £000's
Defined contribution schemes		
Charge to profit or loss	36	34

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totaling £nil (2018: £nil) were payable to the fund at the Statement of Financial Position date.

16 Share capital

	2019 £000's	2018 £000's
Ordinary share capital		
Issued and fully paid		
447,389,950 Ordinary shares of 10p each	44,739	44,739

LILLYWHITES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 28 APRIL 2019****16 Share capital****(Continued)**

2019	2018
£000's	£000's

A share-based payment charge is allocated from the group plan recognised in Sports Direct International plc, based on the directors best estimate of the number of shares that will vest. The charge is calculated based on fair value on the grant date, which is deemed to be the date on which the entity and counterparty reached a shared understanding of the scheme. The bonus share scheme has been accounted for as an equity settled scheme.

For cash-settled share-based payment transactions, the Group measures the services received and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the Statement of Comprehensive Income for the period.

The Bonus Share Scheme

The 2011 Sports Direct International plc Bonus Share Scheme was approved by the board on 10 September 2010. the first tranche of the 2011 scheme vested in September 2015. The remaining shares under the 2011 Employee Bonus Share Scheme vested in September 2017. Under the Scheme certain employees were eligible for awards on a pro-rata basis depending on their length of service with the Group. Awards under the 2011 scheme were granted at either 100%, 75%, 50% or 25% of the employees' base pay. The 2011 share scheme has now successfully achieved all of its targets, and as a result no more shares will be granted under the scheme.

The 2015 Sports Direct International plc Bonus Share Scheme was approved by the board on 2 July 2014. The scheme was due to vest in 2019 and 2021, subject to the achievement of EBITDA targets for the years FY16 to FY19 and service conditions (continued employment) being met. The first-year EBITDA target of the 2015 Bonus Share Scheme has not been met, and under the Share Scheme rules, the entire Share Scheme falls away and does complete. The Board and Group Executives are currently working towards developing a new incentive structure that contains to align the interests of our employees and shareholders, and enables our employees to share in the success of the Group.

17 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £000's	2018 £000's
Within one year	583	583
Between two and five years	2,330	2,330
In over five years	54,054	54,635
	<u>56,967</u>	<u>57,548</u>

LILLYWHITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

18 Related party transactions

As permitted by FRS 102 the company has taken advantage of the disclosure exemption available under that standard in relation to related party transactions with other wholly-owned members of the group.

There were no other related party transactions.

19 Ultimate controlling party

The ultimate controlling party is M J W Ashley, by virtue of his 100% ownership of MASH Holdings Limited, the unlimited parent company. MASH holdings Limited indirectly holds the majority of shares in Frasers Group plc (formerly Sports Direct International plc), who own 100% of the share capital of Sportsdirect.com Retail Limited (the intermediate parent company).

Frasers Group plc (formerly Sports Direct International plc) is the smallest company and MASH Holdings Limited is the largest company to consolidate these accounts. Both Frasers Group plc (formerly Sports Direct International plc) and MASH Holdings Limited are companies registered in England and Wales. A copy of the respective group accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.