

Catchbest Limited

Directors' report and financial statements

Registered number 02611299

7 month period ended

30 January 2021

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Directors' report

The Directors present their Directors' report and audited financial statements for the 7 month period ended 30 January 2021.

Principal activities

The principal activity of the Company is that of a retailer of women's fashion clothing.

Business review

The business review and the audited financial statements that follow cover the 7 month period ended 30 January 2021. The comparative period is the year ended 30 June 2020.

During the financial year ended 30 January 2021 the Company felt the impact of the COVID-19 pandemic. The store has been closed for a substantial period of time during this financial year, as a result of the Government enforced lockdowns. These lockdowns led to the Company furloughing retail staff during the various lockdowns. Despite the store closures and the reduced footfall the Directors are encouraged by the resilience of the Company. Retail reopened in April 2021 and the directors continue to believe that the business is well placed to deliver future growth but remain cautious given the ongoing uncertainties posed by the pandemic.

In assessing the performance of the Company, the Directors make use of the following Key Performance Indicators:

	7 month period ended 30 January 2021 £	Year ended 30 June 2020 £
Turnover	4,865,336	7,656,170
Gross profit %	20.3%	10.4%
Profit / (Loss) before tax	319,348	(430,671)
Profit / (Loss) before tax %	6.6%	(5.6)%

Proposed dividend

During the year the Directors paid dividends of £10,000 (2020: £156,750).

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 fashion retail sector in which it operates. These risks and uncertainties include the following:

- Ability to access, and the dependence on, key brands;
- The location and influence of competitors; and
- Seasonality

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

Directors

The Directors who held office during the period were as follows:

J Mills
G Mannix
N Greenhalgh (appointed 02/07/2021)
P Cowgill (appointed 02/07/2021)

Political and charitable contributions

The Company made no political contributions or charitable donations during the period (2020: £nil).

Directors' report *(continued)*

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information to auditor

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.

Auditor

The Board of Directors appointed Hart Shaw LLP as auditor of the Company for the financial period ended 30 January 2021. The auditor will be deemed to be reappointed and Hart Shaw LLP will therefore continue in office, in accordance with Section 487 of the Companies Act 2006.

By order of the Board



G Mannix
Director

Hollinsbrook Way
Pilsworth
Bury
Lancashire
BL9 8RR

25th October 2021

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing 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 102.

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; 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 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.

Independent Auditor's report to the members of Catchbest Limited

Qualified Opinion

We have audited the financial statements of Catchbest Limited (the 'company') for the period ended 30 January 2021 which comprise the statement of profit and loss and other comprehensive income, the balance sheet 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 except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 January 2021 and of its profit for the year 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 qualified opinion

We were appointed as auditors during the current year when the company became a subsidiary and needed an audit for the first time. The opening balance sheet has not been audited and we were unable to carry out procedures to audit the opening balance sheet and therefore we are unable to determine whether any adjustments might have been necessary to the profit and loss account in the current year. Furthermore, we were unable to ascertain whether accounting estimates and policies have been consistently applied. In addition, were any adjustment to the statement of profit and loss and other comprehensive income required, the directors' report would also need to be amended.

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). 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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Independent Auditor's report to the members of Catchbest Limited (continued)

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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the opening balance sheet. Therefore, we have concluded that where the other information refers to the profit and loss account, it may be materially misstated for the same reason.

Qualified opinion on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of our audit:

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

Matters on which we are required to report by exception

Except for the matters described in the basis for qualified opinion section of our report, 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 directors' report.

Arising solely from the limitation on the scope of our work as described in the basis for qualified opinion section of our report, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made

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.

Independent Auditor's report to the members of Catchbest Limited (continued)

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>. The description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud and the audit response

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have assessed the overall susceptibility of the financial statements to material misstatement due to irregularities as low.

At the planning stage 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 and other management, as required by auditing standards. The potential effect of any laws and regulation on the financial statements can vary considerably. There are laws and regulations that directly affect the financial statements (e.g. the Companies Act) as well as many other operational laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Owing to the size, nature and complexity of the organisation and the applicable laws and regulations to which it must adhere, the risk of material misstatement was deemed to be low, therefore the procedures performed by the audit team were limited to:

- Communicating identified laws and regulations at planning throughout the audit team to remain alert to any indications of non-compliance throughout the audit.
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

We have assessed the overall susceptibility of the financial statements to material misstatement due to fraud as low because the nature of the business does not particularly lend itself to fraud.

Management override is inherently high risk on any audit. Management override, which may cause there to be a material misstatement within the financial statements, may present itself in a number of ways, for example:

- Override of internal controls (e.g. segregation of duties)
- Entering into transactions outside the normal course of business, especially with related parties
- Fraudulent revenue recognition, including fictitious sales and sales being recorded in the wrong period
- Presenting bias in accounting judgements and estimates, particularly the ones disclosed in "Critical accounting estimates and judgements" section of the accounting policies; note 1 to the financial statements.

Independent Auditor's report to the members of Catchbest Limited (continued)

In order to reduce the risk of material misstatement to an acceptable level, numerous audit procedures were performed including:

- Enquiries of management as to whether they had any knowledge of any actual or suspected fraud
- Review of all material journal entries made throughout the period as well as those made to prepare the financial statements
- Reviewing the underlying rationale behind transactions in order to assess whether they were outside the normal course of business
- Increased substantive testing across all material income streams
- Assessing whether management's judgements and estimates indicated potential bias, particularly those disclosed in "Critical accounting estimates and judgements" section of the accounting policies; note 1 to the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected material misstatements in the financial statements, even though we have performed our audit in accordance with auditing standards. Furthermore, as with all audits, there is a higher risk of irregularities (especially those relating to fraud) being undetected, as these may involve the override of internal controls, collusion, intentional omissions and misrepresentations etc. We are not responsible for preventing non-compliance or fraud and therefore cannot be expected to detect all instances of such. Our audit was not designed to identify misstatements or other irregularities that would not be considered to be material to the financial statements. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of this 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.



**Adam Shield (Senior Statutory Auditor)
for and on behalf of Hart Shaw LLP**

Chartered Accountants

Statutory Auditor

Europa Link

Sheffield Business Park

Sheffield

S9 1XU

26 October 2021

Statement of Profit and Loss Account and Other Comprehensive Income

For the 7 month period ended 30 January 2021

	Note	7 month period ended 30 January 2021 £	Year ended 30 June 2020 £
Turnover		4,865,336	7,656,170
Cost of sales		(3,876,975)	(6,859,858)
Gross profit		988,361	796,312
Administrative expenses		(732,179)	(1,308,477)
Other operating income		63,166	83,750
Interest payable		-	(2,256)
Profit/(loss) on ordinary activities before tax	2	319,348	(430,671)
Tax on ordinary activities	5	(63,451)	66,900
Profit/(loss) for the period		255,897	(363,771)
Other comprehensive income			
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive profit/(loss) for the period		255,897	(363,771)

The notes on pages 10 to 17 form part of the financial statements

Statement of Changes in Equity

For the 7 month period ended 30 January 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
Balance at 30 June 2019	500	500	3,014,500	3,015,500
Total comprehensive loss for the period	-	-	(363,771)	(363,771)
Dividends paid	-	-	(156,750)	(156,750)
Balance at 30 June 2020	500	500	2,493,979	2,494,979
Total comprehensive profit for the period	-	-	255,897	255,897
Dividends paid	-	-	(10,000)	(10,000)
Balance at 30 January 2021	500	500	2,739,876	2,740,876

Balance Sheet
As at 30 January 2021

	<i>Note</i>	As at 30 January 2021 £	As at 30 January 2021 £	As at 30 June 2020 £	As at 30 June 2020 £
Fixed assets					
Tangible fixed assets	6		692,039		741,486
Current assets					
Stocks	7	3,133,521		3,230,528	
Debtors	8	612,259		416,133	
Cash at bank and in hand		888,077		28,758	
		<u>4,633,857</u>		<u>3,675,419</u>	
Creditors: amounts falling due within one year	9	<u>(2,026,175)</u>		<u>(1,921,926)</u>	
Net current assets			2,607,682		1,753,493
Total assets less current liabilities			3,299,721		2,494,979
Creditors: amounts falling due more than one year	10		<u>(558,845)</u>		<u>-</u>
Net assets			<u>2,740,876</u>		<u>2,494,979</u>
Capital and reserves					
Called up equity share capital	11		500		500
Capital redemption reserve			500		500
Profit and loss account			2,739,876		2,493,979
Shareholders' funds			<u>2,740,876</u>		<u>2,494,979</u>

The notes on pages 10 to 17 form part of the financial statements

These financial statements were approved by the Board of Directors on 25th October 2021 and were signed on its behalf by:



G Mannix
Director

Registered number 02611299

Notes

(Forming part of the financial statements)

1 Accounting policies

Catchbest Limited (the "Company") is a private company, limited by shares and incorporated and domiciled in the UK. The registered office of the Company is Hollinsbrook Way, Pilsworth, Bury, Lancashire.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 Reduced Disclosure Framework ("FRS 102").

The Company's 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 13.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- A Cash Flow Statement and related notes;
- Disclosures in respect of financial instruments;
- Disclosures in respect of the compensation of Key Management Personnel.

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

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1 except where otherwise indicated. The financial statements are prepared on the historical cost convention applying the principal accounting policies as stated below.

These financial statements are drawn up for the 7 months to 30 January 2021. The comparative figures are for the year ended 30 June 2020.

Going concern

The Company has sufficient financial resources. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully, despite the uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Tangible fixed assets

(i) Owned assets

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

(ii) 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. The estimated useful lives are as follows:

- Leasehold improvements Life of the lease
- Fixtures and fittings 5 years on a straight line basis

Notes *(continued)*

1 **Accounting policies** *(continued)*

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, marks downs and shrinkage.

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.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost less impairment losses. A provision for the impairment of trade and other debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade and other debtors are impaired. The movement in the provision is recognised in the profit and loss account.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Foreign currency translation

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.

Impairment

The carrying amounts of the Company's assets other than stock and deferred tax assets are reviewed annually to determine whether there is any indication of impairment. An impairment review is performed on individual cash-generating units ('CGUs'). A CGU for the purposes of tangible fixed asset impairment reviews is an individual store or a collection of stores where the cash flows are not independent. In respect of goodwill, the cash-generating units used to monitor goodwill and test for impairment are the store portfolios. Impairment losses are recognised in the profit and loss account. Impairment losses in respect of goodwill are not reversed.

Pensions

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.

Turnover

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

Turnover is recognised when goods are sold and 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.

Notes (continued)

1 Accounting policies (continued)

Income tax

Tax on the profit or loss for the period comprises current and deferred tax.

(i) Current tax

Current tax is the expected tax payable on the taxable income or loss 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.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences in respect of the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Government Grants

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

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 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.

2 Profit/(loss) on ordinary activities before tax

Profit/(loss) before tax is stated after charging:

	7 month period ended 30 January 2021 £	Year ended 30 June 2020 £
Auditor's remuneration		
Audit of these financial statements	10,000	-
Depreciation and amortisation of fixed assets:		
Depreciation of tangible fixed assets	49,446	85,727
Rentals payable under non-cancellable operating leases for:		
Land and buildings	120,000	215,000
Government grants – Covid support	(19,416)	(8,750)
Other income	(43,750)	(75,000)

Notes (continued)

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	7 month period ended 30 January 2021	Year ended 30 June 2020
Sales and distribution	21	21
Directors	2	2
	<hr/>	<hr/>
	23	23
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	7 month period ended 30 January 2021 £	Year ended 30 June 2020 £
Wages and salaries	280,066	365,543
Social security costs	21,056	23,562
Pension costs	10,801	17,731
	<hr/>	<hr/>
	311,923	406,836
	<hr/>	<hr/>

4 Directors' remuneration

	7 month period ended 30 January 2021 £000	Year ended 30 June 2020 £000
Remuneration for qualifying services	62,480	10,819
Pension costs	7,700	4,058
	<hr/>	<hr/>
	70,180	14,877
	<hr/>	<hr/>

The number of directors accruing pension benefits in the period was 2 (2020: 1).

Messrs Cowgill and Greenhalgh received no remuneration from the Company, these fees being borne by the Parent Company (see note 13).

Recognised in the profit and loss account

14

Notes (continued)

6 Tangible fixed assets

	Leasehold Improvements £	Fixtures & Fittings £	Total £
Cost			
At 30 June 2020	805,082	35,780	840,862
Additions	-	-	-
Disposals	-	-	-
At 30 January 2021	805,082	35,780	840,862
Depreciation and impairment			
At 30 June 2020	80,508	18,869	99,377
Charge for the period	46,963	2,483	49,446
Disposals	-	-	-
Reclassifications	-	-	-
At 30 January 2021	127,471	21,352	148,823
Net book value			
At 30 June 2020	724,574	16,911	741,485
At 30 January 2021	677,611	14,428	692,039

7 Stocks

	As at 30 January 2021 £	As at 30 June 2020 £
Finished goods and goods for resale	3,133,521	3,230,528

The cost of stocks recognised as expenses and included in cost of sales for the 7 month period ended 30 January 2021 was £3,943,875 (2020: £6,859,858).

The Company has £2,400,000 (2020: £2,005,301) of stock provisions at the end of the period.

8 Trade and other debtors

	As at 30 January 2021 £	As at 30 June 2020 £
Prepayments and accrued income	525,859	297,275
Deferred tax asset	66,900	66,900
Other debtors	19,500	51,958
	612,259	416,133

Notes (continued)

9 Creditors: amount falling due within one year

	As at 30 January 2021 £	As at 30 June 2020 £
Trade creditors	341,045	(69,214)
Other creditors and accrued expenses	769,959	1,181,534
Corporation tax payable	63,832	105,183
Taxation and social security	851,339	682,763
	<u>2,026,175</u>	<u>1,900,266</u>

10 Creditors: amounts falling due after one year

	As at 30 January 2021 £	As at 30 June 2020 £
Other creditors	558,845	-
	<u>558,845</u>	<u>-</u>

11 Capital

Called up share capital

	Number of ordinary shares 5000	Ordinary share capital £ 0.1
At 30 June 2020 and at 30 January 2021	<u>5000</u>	<u>0.1</u>

The total number of issued ordinary shares was 5000 ordinary share with a par value of £0.10 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.

12 Operating leases commitments

At 30 January 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Land and buildings 2021 £	Land and buildings 2020 £
Due in one year	205,000	215,000
Between two and five years	820,000	645,000
More than five years	649,167	1,075,000
	<u>1,674,167</u>	<u>1,935,000</u>

Notes *(continued)*

13 Parent company

The Company is a subsidiary undertaking of JD Sports Fashion Plc, which is the smallest group in which the Company is a member. 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, Hollinsbrook Way, Pilsworth, Bury, BL9 8RR or at www.jdplc.com.

14 Ultimate parent Company

The ultimate parent undertaking is Pentland Group 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 Limited (a company registered in Jersey).

Consolidated financial statements will be prepared by Pentland Group Limited (a company registered in England and Wales), which is the parent undertaking of the largest group of undertakings to consolidate these financial statements for the year ended 31 December 2020. The consolidated financial statements of Pentland Group Limited can be obtained from the company's registered office at 8 Manchester Square, London, W1U 3PH, England.

The Consolidated Financial Statements of JD Sports Fashion Plc are available to the public and may be obtained from The Company Secretary, JD Sports Fashion Plc, Hollinsbrook Way, Pilsworth, Bury, BL9 8RR or online at www.jdplc.com

15 Related party transactions

There were no transactions with non-wholly owned related parties during the period. Transactions with wholly owned related parties were undertaken in the ordinary course of business. Outstanding balances are unsecured and will be settled in cash.

There is a director's loan account with a balance due from G Mannix of £711 at the period end (2020: £215 due to G Mannix). No interest is charged on this loan, it is not secured and it will be settled in cash.

A dividend of £5,000 was paid to G Mannix during the period ended 30 January 2021 (2020: £78,375).

A dividend of £5,000 was paid to J Mills during the period ended 30 January 2021 (2020: £78,375).

16 Subsequent Events

COVID-19 pandemic

As discussed in the Strategic Report, the coronavirus pandemic continues to impact the UK & global economy. The UK government announced a third national lockdown on 6 January and non-essential retail was closed for the third time in 12 months. The lockdown was eased on 12 April when the stores opened once again. It is expected that both turnover and profitability are likely to be adversely affected; an estimate of its effects cannot be made. However, the directors were prepared for this and took swift action to mitigate the impact by reducing costs where possible. The directors are encouraged by the results in the first half of the new financial year to date.