

REGISTERED NUMBER: 03097977

**DUNLOP INTERNATIONAL GROUP LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017**

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# **DUNLOP INTERNATIONAL GROUP LIMITED**

## **CONTENTS OF THE FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017**

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|   | <b>Page</b>  |
|---|--------------|
| <b>Company Information</b>                | <b>1</b>     |
| <b>Strategic Report</b>                   | <b>2</b>     |
| <b>Report of the Directors</b>            | <b>3</b>     |
| <b>Report of the Independent Auditors</b> | <b>4</b>     |
| <b>Income Statement</b>                   | <b>6</b>     |
| <b>Other Comprehensive Income</b>         | <b>7</b>     |
| <b>Balance Sheet</b>                      | <b>8</b>     |
| <b>Statement of Changes in Equity</b>     | <b>9</b>     |
| <b>Notes to the Financial Statements</b>  | <b>10-17</b> |
| <b>Detailed Profit and Loss Account</b>   | <b>18</b>    |

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# DUNLOP INTERNATIONAL GROUP LIMITED

## COMPANY INFORMATION

FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

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**Directors:**

T Inabetsu  
Y Watanabe  
M Asahino  
H Nishiguchi

**Secretary:**

T Shimizu

**Registered office:**

Thorncroft Manor Thorncroft Drive  
Dorking Road  
Leatherhead  
KT22 8JB

**Registered number:**

03097977

**Auditors:**

KPMG LLP  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

# DUNLOP INTERNATIONAL GROUP LIMITED

## STRATEGIC REPORT

**FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017**

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The directors present their strategic report for the period 1 May 2017 to 31 December 2017.

The reporting end date has changed from 30 April to 31 December.

### **Review of business**

The directors consider that the company has traded consistently during the period.

### **Key performance indicators**

The directors consider turnover to be the key performance indicator for the company. Turnover is generated from royalties charged on license agreements with third parties for use of the companies registered trademark.

Turnover decreased from £7,835,000 (12 month period) to £4,406,000 (8 month period). This is a decrease of 15.65% when comparing a 12 month period.

### **Principal risks and uncertainties**

The directors monitor the key risks facing the company together with the controls over managing those risks

### **Liquidity risk**

The company have access to a working capital loan from their parent undertaking.

### **Foreign currencies**

Some of the intercompany balances with other group companies are expressed in foreign currency. The company is exposed to fluctuations in exchange rates. Subject only to ensuring there is sufficient liquidity to meet day to day expenditure, this exposure is not mitigated from the companies perspective as the balances aren't being called for repayment.

### **Future developments**

The company is committed to the further exploitation of group owned trademarks, seeking new licensing agreements to generate income.

On behalf of the board:

  
Y Watanabe - Director

Date: 30 November 2018

# DUNLOP INTERNATIONAL GROUP LIMITED

## REPORT OF THE DIRECTORS

**FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017**

The directors present their report with the financial statements of the company for the 8 month period 1 May 2017 to 31 December 2017. The comparatives are a 12 month period 1 May 2016 to 30 April 2017.

### Principal activity

The principal activity of the company continued to be that of a holding and licensing company.

### Dividends

No dividend was paid during the period ended 31 December 2017 (30 April 2017: £60,030,000).

### Directors

The directors during the period under review were:

|              |                       |
|--------------|-----------------------|
| T Inabetsu   |                       |
| Y Watanabe   |                       |
| M Asahino    | - appointed 7.9.2017  |
| H Nishiguchi | - appointed 20.3.2018 |

The directors holding office at 31 December 2017 did not hold any beneficial interest in the issued share capital of the company at 1 May 2017 (or date of appointment if later) or 31 December 2017.

### Political and charitable donations

There have been no political or charitable donations during the period (30.04.2017: £Nil)

### Statement of directors' responsibilities

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 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 the 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 also 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.

### Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

The auditors, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

  
Y Watanabe – Director

Date: 30 November 2018

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUNLOP INTERNATIONAL GROUP LIMITED**

## **Opinion**

We have audited the financial statements of Dunlop International Group Limited ("the company") for the year ended 31 December 2017 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity 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 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, 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**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **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.

## **Matters on which we are required to report by exception**

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 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.

We have nothing to report in these respects.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUNLOP INTERNATIONAL GROUP LIMITED (*continued*)**

## **Directors' responsibilities**

As explained more fully in their statement set out on page 3, 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.

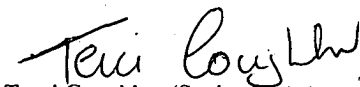
## **Auditor's responsibilities**

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](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Terri Coughlan (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

30 November 2018

# DUNLOP INTERNATIONAL GROUP LIMITED

## INCOME STATEMENT

FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

|  | Notes | Period<br>1.5.17<br>to<br>31.12.17<br>£'000 | Year ended<br>30.4.17<br>£'000 |
|--|-------|---|--------------------------------|
| Turnover                                 | 4     | 4,407                                       | 7,835                          |
| Administrative expenses                  |       | <u>(4,209)</u>                              | <u>4,929</u>                   |
|  |       | 198   | 12,764                         |
| Other operating income                   | 5     | <u>-</u>                                    | <u>10,656</u>                  |
| Operating profit                         | 7     | 198   | 23,420                         |
| Income from shares in group undertakings |       | -   | 60,000                         |
| Interest receivable and similar income   | 8     | -   | 6                              |
| Interest payable and similar expenses    | 9     | <u>(119)</u>                                | <u>(30)</u>                    |
| Profit before taxation                   |       | 79  | 83,396                         |
| Tax on profit                            | 10    | <u>(840)</u>                                | <u>(4,192)</u>                 |
| (Loss)/profit for the financial period   |       | <u><u>(761)</u></u>                         | <u><u>79,204</u></u>           |

The notes form part of these financial statements



# DUNLOP INTERNATIONAL GROUP LIMITED

## OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

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|   | Notes | Period<br>1.5.17<br>to<br>31.12.17<br>£'000 | Year ended<br>30.4.17<br>£'000 |
|---|-------|---|--------------------------------|
| (Loss)/profit for the period              |       | (761)                                       | 79,204                         |
| Other comprehensive income                |       | <u>-</u>                                    | <u>-</u>                       |
| Total comprehensive income for the period |       | <u>(761)</u>                                | <u>79,204</u>                  |

The notes form part of these financial statements


**DUNLOP INTERNATIONAL GROUP LIMITED**

(REGISTERED NUMBER: 03097977)

**BALANCE SHEET****31 DECEMBER 2017**

|  |       | 31 December<br>2017 |               | 30 April<br>2017 |               |
|--|-------|---------------------|---------------|------------------|---------------|
|  | Notes | £'000               | £'000         | £'000            | £'000         |
| <b>Fixed assets</b>                          |       |                     |               |                  |               |
| Intangible assets                            | 12    |                     | 489           |                  | 528           |
| <b>Current assets</b>                        |       |                     |               |                  |               |
| Debtors                                      | 14    | 90,239              |               | 192,733          |               |
| Cash at bank                                 |       | <u>565</u>          |               | <u>72</u>        |               |
|  |       | 90,804              |               | 192,805          |               |
| <b>Creditors</b>                             |       |                     |               |                  |               |
| Amounts falling due within one year          | 15    | <u>66,509</u>       |               | <u>167,788</u>   |               |
| <b>Net current assets</b>                    |       |                     | <u>24,295</u> |                  | <u>25,017</u> |
| <b>Total assets less current liabilities</b> |       |                     | <u>24,784</u> |                  | <u>25,545</u> |
| <b>Capital and reserves</b>                  |       |                     |               |                  |               |
| Called up share capital                      | 16    |                     | 105           |                  | 105           |
| Share premium                                | 17    |                     | 890           |                  | 890           |
| Retained earnings                            | 17    |                     | <u>23,789</u> |                  | <u>24,550</u> |
| <b>Shareholders' funds</b>                   |       |                     | <u>24,784</u> |                  | <u>25,545</u> |

The financial statements were approved by the Board of Directors on 30 November 2018 and were signed on its behalf by:

  
Y Watanabe - Director

The notes form part of these financial statements

# DUNLOP INTERNATIONAL GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

|  | Called up<br>share<br>capital<br>£'000 | Retained<br>earnings<br>£'000 | Share<br>premium<br>£'000 | Total<br>equity<br>£'000 |
|--|--|-------------------------------|---------------------------|--------------------------|
| <b>Balance at 25 April 2016</b>                                  | 105                                    | 5,376                         | 890                       | 6,371                    |
| <b>Changes in equity</b>   |  |                               |                           |                          |
| Total comprehensive income                                       | -                                      | 79,204                        | -                         | 79,204                   |
| Dividends  | -                                      | (60,030)                      | -                         | (60,030)                 |
| Total transactions with owners,<br>recognised directly in equity | -                                      | (60,030)                      | -                         | (60,030)                 |
| <b>Balance at 30 April 2017</b>                                  | 105                                    | 24,550                        | 890                       | 25,545                   |
| <b>Changes in equity</b>   |  |                               |                           |                          |
| Total comprehensive income                                       | -                                      | (761)                         | -                         | (761)                    |
| Total transactions with owners,<br>recognised directly in equity | -                                      | -                             | -                         | -                        |
| <b>Balance at 31 December 2017</b>                               | 105                                    | 23,789                        | 890                       | 24,784                   |

The notes form part of these financial statements

# DUNLOP INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

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### 1. Statutory information

Dunlop International Group Limited (formerly Dunlop Slazenger Group Limited) is a company limited by shares incorporated in England and Wales. The address of its registered office is disclosed on the company information page.

### 2. Accounting policies

#### Basis of preparing the financial statements

Dunlop International Group Limited (formerly Dunlop Slazenger Group Limited) is a company limited by shares incorporated in England and Wales. The address of its registered office is disclosed on the company information page.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and 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.

The financial statements are for a period of 35 weeks ended 31 December 2017 (2017: 53 weeks ended 30 April 2017).

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- o the requirements of Section 7 Statement of Cash Flows;
- o the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- o the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- o the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Where required, equivalent disclosures are given in the group accounts of Sumitomo Rubber Industries Limited. The group accounts are available to the public and can be obtained as set out in note 18.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied consistently:

#### Turnover

Revenue is in respect of royalties payable and is recognised in accordance with the licencing agreements.

#### Trademarks

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Trademarks have been amortised over a useful life of ten years.

# DUNLOP INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

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### 2. Accounting policies - continued

#### Financial instruments

##### Other debtors/ creditors

Other debtors are recognised initially at transaction price less attributable transaction costs. 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, less any impairment losses in the case of debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

#### Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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

#### Foreign currencies

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### Going concern

The financial statements are prepared on a going concern basis. The company has balances due both from and to other group companies. It is in a net positive position in this respect and also has other positive net current assets. Therefore, the directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

## DUNLOP INTERNATIONAL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

#### 2: Accounting policies - continued

##### Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Sumitomo Rubber Industries Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

##### Interest receivable and interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

##### 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.

##### Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

##### Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

# DUNLOP INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

### 3. Critical accounting 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### Assumptions relating to tax

Management estimation is required to determine the amount of deferred tax assets or liabilities that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

### 4. Turnover

All turnover arose within the United Kingdom and relates to royalty income.

### 5. Other operating income

|                        | Period<br>1.5.17<br>to<br>31.12.17<br>£'000 | Year ended<br>30.4.17<br>£'000 |
|------------------------|---|--------------------------------|
| Other operating income | <u>-</u>                                    | <u>10,656</u>                  |

Provisions previously held against intercompany debts have been released in the year as amounts were settled.

### 6. Employees and directors

The company has no employees other than the directors, who did not receive any remuneration (2017: £Nil). The directors of the company are also employees of and are remunerated by Dunlop International Group Limited. The directors are directors of a number of group companies and it is not possible to separately identify the remuneration applicable to Dunlop International Group Limited.

|                         | Period<br>1.5.17<br>to<br>31.12.17<br>£ | Year ended<br>30.4.17<br>£ |
|-------------------------|---|----------------------------|
| Directors' remuneration | <u>-</u>                                | <u>-</u>                   |

### 7. Operating profit

The operating profit is stated after charging/(crediting):

|                                    | Period<br>1.5.17<br>to<br>31.12.17<br>£'000 | Year ended<br>30.4.17<br>£'000 |
|------------------------------------|---|--------------------------------|
| Profit on disposal of fixed assets | -   | (12)                           |
| Goodwill amortisation              | 39  | 59                             |
| Foreign exchange differences       | 3,297                                       | (4,643)                        |
| Auditors' remuneration             | -   | 9                              |

# DUNLOP INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

### 8. Interest receivable and similar income

|                           | Period<br>1.5.17<br>to<br>31.12.17<br>£'000 | Year ended<br>30.4.17<br>£'000 |
|---------------------------|---|--------------------------------|
| Other interest receivable | <u>6</u>                                    | <u>6</u>                       |

### 9. Interest payable and similar expenses

|                             | Period<br>1.5.17<br>to<br>31.12.17<br>£'000 | Year ended<br>30.4.17<br>£'000 |
|-----------------------------|---|--------------------------------|
| Other loan interest payable | <u>119</u>                                  | <u>30</u>                      |

### 10. Taxation

#### Analysis of the tax charge

The tax charge on the profit for the period was as follows:

|                    | Period<br>1.5.17<br>to<br>31.12.17<br>£'000 | Year ended<br>30.4.17<br>£'000 |
|--------------------|---|--------------------------------|
| Current tax:       |   |                                |
| UK corporation tax | <u>840</u>                                  | <u>4,192</u>                   |
| Tax on profit      | <u>840</u>                                  | <u>4,192</u>                   |

#### Reconciliation of total tax included in the income statement

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

|  | Period<br>1.5.17<br>to<br>31.12.17<br>£'000 | Period<br>25.4.16<br>to<br>30.4.17<br>£'000 |
|--|---|---|
| Profit/(loss) on ordinary activities before tax  | <u>79</u>                                   | <u>83,396</u>                               |
| Profit/(loss) on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 19% (April 2017 – 20%) | 15  | 16,679                                      |
| Effects of:  |   |   |
| Amortisation   | 7   | -   |
| Group relief   | <u>818</u>                                  | <u>(12,487)</u>                             |
| Tax on profit/(loss)   | <u>840</u>                                  | <u>4,192</u>                                |

#### Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

### 11. Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.



# DUNLOP INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

### 12. Intangible fixed assets

|                         | Trademarks<br>£'000 |
|-------------------------|---------------------|
| <b>Cost</b>             |                     |
| At 1 May 2017           |                     |
| and 31 December 2017    | <u>587</u>          |
| <b>Amortisation</b>     |                     |
| At 1 May 2017           | 59                  |
| Amortisation for period | <u>39</u>           |
| At 31 December 2017     | <u>98</u>           |
| <b>Net book value</b>   |                     |
| At 31 December 2017     | <u>489</u>          |
| At 30 April 2017        | <u>528</u>          |

### 13. Fixed asset investments

The net book value of investments as of 31 December 2017 was nil (30 April 2017: nil).

The company's investments at the Balance Sheet date in the share capital of companies include the following:

#### Dunlop Brands Limited

Registered office: Thorncroft Drive, Dorking Road, Leatherhead, England, KT22 8JB

Nature of business:

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

#### Dunlop International Limited

Registered office: Thorncroft Drive, Dorking Road, Leatherhead, England, KT22 8JB

Nature of business:

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

#### Dunlop Licensing Limited

Registered office: Thorncroft Drive, Dorking Road, Leatherhead, England, KT22 8JB

Nature of business:

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

#### Dunlop Australia Limited

Registered office: Thorncroft Drive, Dorking Road, Leatherhead, England, KT22 8JB

Nature of business:

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

#### Dunlop Footwear Limited

Registered office: 495 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong

Nature of business:

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

# DUNLOP INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

### 13. Fixed asset investments - continued

#### Dunlop International Holdings Limited

Registered office: Thorncroft Drive, Dorking Road, Leatherhead, England, KT22 8JB

Nature of business:

| Class of shares: | % holding |
|------------------|-----------|
| Ordinary         | 100.00    |

#### Dunlop International Europe Limited

Registered office: Thorncroft Drive, Dorking Road, Leatherhead, England, KT22 8JB

Nature of business:

| Class of shares: | % holding |
|------------------|-----------|
| Ordinary         | 100.00    |

#### DSGL Sponsorship Limited

Registered office: Thorncroft Drive, Dorking Road, Leatherhead, England, KT22 8JB

Nature of business:

| Class of shares: | % holding |
|------------------|-----------|
| Ordinary         | 100.00    |

### 14. Debtors: amounts falling due within one year

|                                    | 31 December<br>2017<br>£'000 | 30 April<br>2017<br>£'000 |
|------------------------------------|------------------------------|---------------------------|
| Amounts owed by group undertakings | 90,239                       | 192,732                   |
| Other debtors                      | -                            | 1                         |
|                                    | <u>90,239</u>                | <u>192,733</u>            |

The intercompany balances are non-interest bearing and repayable on demand.

### 15. Creditors: amounts falling due within one year

|                                    | 31 December<br>2017<br>£'000 | 30 April<br>2017<br>£'000 |
|------------------------------------|------------------------------|---------------------------|
| Amounts owed to group undertakings | 64,562                       | 163,468                   |
| Tax                                | 1,698                        | 4,192                     |
| Social security and other taxes    | -                            | 9                         |
| Other creditors                    | 235                          | 109                       |
| Accruals and deferred income       | 14                           | 10                        |
|                                    | <u>66,509</u>                | <u>167,788</u>            |

The intercompany balances are non-interest bearing and repayable on demand.

### 16. Called up share capital

| Allotted, issued and fully paid: |                   |                | 31 December<br>2017<br>£'000 | 30 April<br>2017<br>£'000 |
|----------------------------------|-------------------|----------------|------------------------------|---------------------------|
| Number:                          | Class:            | Nominal value: |                              |                           |
| 98,632                           | Ordinary shares   | £0.10          | 10                           | 10                        |
| 946,188                          | Ordinary A shares | £0.10          | 95                           | 95                        |
|                                  |                   |                | <u>105</u>                   | <u>105</u>                |

## DUNLOP INTERNATIONAL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

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17. Reserves

|                        | Retained<br>earnings<br>£'000 | Share<br>premium<br>£'000 | Totals<br>£'000 |
|------------------------|-------------------------------|---------------------------|-----------------|
| At 1 May 2017          | 24,550                        | 890                       | 25,440          |
| Deficit for the period | <u>(761)</u>                  | <u>—</u>                  | <u>(761)</u>    |
| At 31 December 2017    | <u>23,789</u>                 | <u>890</u>                | <u>24,679</u>   |

18. Related party disclosures

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publically available, the company has taken advantage of FRS 102 Section 33.1A exemption from disclosing transactions with group undertakings.

The directors consider there to be no key management personnel, other than the directors, who have authority and responsibility for planning, directing and controlling the activities of the company.

19. Ultimate parent undertaking and controlling party

The company considers Dunlop International Group Holdings Limited, incorporated in the United Kingdom, to be its immediate parent company, and Sumitomo Rubber Industries Limited to be its ultimate parent company.

The largest and smallest group in which the company is consolidated is Sumitomo Rubber Industries Limited. A copy of the accounts of Sumitomo Rubber Industries Limited can be obtained from 3-6-9 Wakinohama-cho, Chuo-Ku, Kobe, Hyogo 651-0072 Japan.

# DUNLOP INTERNATIONAL GROUP LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 MAY 2017 TO 31 DECEMBER 2017

|  | Period<br>1.5.17 to 31.12.17 |                  | Year ended<br>30.4.17 |                      |
|--|------------------------------|------------------|-----------------------|----------------------|
|  | £'000                        | £'000            | £'000                 | £'000                |
| <b>Sales</b>                                 |                              | 4,407            |                       | 7,835                |
| <b>Other income</b>                          |                              |                  |                       |                      |
| Other operating income                       | -                            |                  | 10,656                |                      |
| Shares in group undertakings                 | -                            |                  | 60,000                |                      |
| Other interest receivable                    | -                            |                  | 6                     |                      |
|  |                              |                  |                       | <u>70,662</u>        |
|  |                              | 4,407            |                       | 78,497               |
| <b>Expenditure</b>                           |                              |                  |                       |                      |
| Insurance                                    | 49                           |                  | -                     |                      |
| Advertising                                  | -                            |                  | 2                     |                      |
| Other fees                                   | -                            |                  | (368)                 |                      |
| Royalties payable                            | 825                          |                  | -                     |                      |
| Legal fees                                   | -                            |                  | 32                    |                      |
| Foreign exchange losses                      | 3,297                        |                  | (4,643)               |                      |
| Amortisation of intangible fixed assets      | 39                           |                  | 59                    |                      |
| Profit/loss on sale of tangible fixed assets | -                            |                  | (12)                  |                      |
|  |                              | <u>4,210</u>     |                       | <u>(4,930)</u>       |
|  |                              | 197              |                       | 83,427               |
| <b>Finance costs</b>                         |                              |                  |                       |                      |
| Bank charges                                 | (1)                          |                  | 1                     |                      |
| Other loan interest payable                  | <u>119</u>                   |                  | <u>30</u>             |                      |
|  |                              | <u>118</u>       |                       | <u>31</u>            |
| <b>Net profit</b>                            |                              | <u><u>79</u></u> |                       | <u><u>83,396</u></u> |

This page does not form part of the statutory financial statements