

Company Registration No 04380754 (England and Wales)

WEST COAST CAPITAL (USC) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 APRIL 2013

THURSDAY



L2DTLXC2

LD3

01/08/2013

#25

COMPANIES HOUSE

WEST COAST CAPITAL (USC) LIMITED

COMPANY INFORMATION

Directors	D M Forsey R F Mellors
Secretary	R L Tylee-Birdsall
Company number	04380754
Registered office	Unit A Brook Park East Shirebrook NG20 8RY
Auditors	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP

WEST COAST CAPITAL (USC) LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 16

WEST COAST CAPITAL (USC) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 APRIL 2013

The directors present their report and financial statements for the period ended 28 April 2013

Principal activities and review of the business

The principal activity of the company continued to be that of the retailing of male and female clothing, accessories and footwear in the UK and via the internet

During the period the company made a profit before taxation of £1,062,000 (2012 loss of £18,479,000) The improvement is due to the implementation of a strategic review with a new stock management system and eCommerce portal put in place The improvement in performance has allowed the company to reverse impairments of fixed assets of £1,319,000

Going concern

The financial statements are prepared on a going concern basis because the company's working capital is financed by Sports Direct International plc Sports Direct International plc has agreed not to withdraw finance for the foreseeable future

Key performance indicators

The directors consider turnover, gross profit margins and EBITDA to be the key performance indicators for the company

The company turnover for the 12 months was £77,165,000 compared to £77,647,000 for the previous 15 month period

Margin in the company decreased from 44.4% to 42.3%

The company's earning before interest, tax, depreciation and amortisation (EBITDA) improved from a loss of £(11,494,000) to a gain of £1,896,000

Results and dividends

The results for the period are set out on page 6

Future developments

With the successful implementation of the strategic review, the directors intend to continue improving the profitability of the company

Directors

The following directors have held office during the period

D M Forsey

R F Mellors

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance

WEST COAST CAPITAL (USC) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2013

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Liquidity risk

The directors manage the liquidity risk faced by the company through a funding arrangement with the parent entity.

Foreign currency risk

The company sources part of its merchandise from suppliers based in the Far East and pays in US Dollars. It mitigates the risk of movements in exchange rates through an agreement with the parent company to benefit from forward exchange rate contracts.

Auditors

In accordance with the company's articles, a resolution proposing that Grant Thornton UK LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of directors' responsibilities

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 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). 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, and
- 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.

WEST COAST CAPITAL (USC) LIMITED

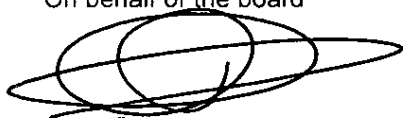
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

On behalf of the board

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

D M Forsey

Director

24 July 2013

WEST COAST CAPITAL (USC) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF WEST COAST CAPITAL (USC) LIMITED

We have audited the financial statements of West Coast Capital (USC) Limited for the period ended 28 April 2013 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 April 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WEST COAST CAPITAL (USC) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF WEST COAST CAPITAL (USC) LIMITED

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

Grant Thornton UK LLP

Marc Summers, FCA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Registered Auditor, Chartered Accountants

London

Date *24 July 2013*

WEST COAST CAPITAL (USC) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 28 APRIL 2013

		12 month period ended 28 April 2013 £	15 month period ended 29 April 2012 £
	Notes		
Turnover	2	77,164,854	77,647,218
Cost of sales		(44,539,765)	(43,177,347)
Gross profit		32,625,089	34,469,871
Administrative expenses		(31,557,627)	(52,883,839)
Other operating income		62,092	115,901
Operating profit/(loss)	3	1,129,554	(18,298,067)
Other interest receivable and similar income	4	208	79,130
Interest payable and similar charges	5	(67,936)	(260,109)
Profit/(loss) on ordinary activities before taxation		1,061,826	(18,479,046)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the period	16	1,061,826	(18,479,046)

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

There are no recognised gains and losses other than those passing through the profit and loss account

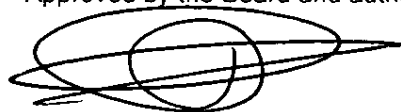
WEST COAST CAPITAL (USC) LIMITED

BALANCE SHEET

AS AT 28 APRIL 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Intangible assets	7	2,791,494		3,039,887	
Tangible assets	8	3,659,822		3,597,049	
		<u>6,451,316</u>		<u>6,636,936</u>	
Current assets					
Stocks	9	23,623,066		15,913,134	
Debtors	10	2,249,101		2,271,928	
Cash at bank and in hand		62,212		55,994	
		<u>25,934,379</u>		<u>18,241,056</u>	
Creditors amounts falling due within one year	11	(32,696,162)		(24,467,895)	
Net current liabilities		<u>(6,761,783)</u>		<u>(6,226,839)</u>	
Total assets less current liabilities		<u>(310,467)</u>		<u>410,097</u>	
Creditors amounts falling due after more than one year	12	(825,924)		(1,652,185)	
Provisions for liabilities	13	(5,678,447)		(6,634,576)	
		<u>(6,814,838)</u>		<u>(7,876,664)</u>	
Capital and reserves					
Called up share capital	15	9,290,152		9,290,152	
Profit and loss account	16	(16,104,990)		(17,166,816)	
Shareholders' deficit	17	<u>(6,814,838)</u>		<u>(7,876,664)</u>	

Approved by the Board and authorised for issue on 24 July 2013



D M Forsey
Director

Company Registration No 04380754

WEST COAST CAPITAL (USC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 APRIL 2013

1 Principal accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements are prepared on a going concern basis because the company's working capital is financed by Sports Direct International plc. Sports Direct International plc has agreed not to withdraw finance for the foreseeable future.

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 not to prepare a cash flow statement on the grounds that the ultimate parent undertaking produces a consolidated cash flow statement.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. In the case of goods sold through retail stores, turnover 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. For goods sold through the website, turnover is recognised when the customer takes possession of the goods. Sales through the website are by debit or credit card.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 15 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	Straight line over the life of the lease
Fixtures, fittings & equipment	20% and 33% straight line
Motor vehicles	25% reducing balance

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

WEST COAST CAPITAL (USC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2013

1 Accounting policies

(continued)

1 9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1 10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1 11 Capital contributions and rent free periods

Landlords' contributions are credited to deferred revenue. Contributions towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Contributions towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Incentives provided by lessors are credited to the profit and loss account over the minimum lease term.

1 12 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 profit and loss account 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 profit and loss account. Provisions for onerous lease contracts are recognised when the company believes the unavoidable costs of meeting the lease obligations exceed the economic benefits expected to be received under the lease.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

WEST COAST CAPITAL (USC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2013

3	Operating profit/(loss)	2013 £	2012 £
	Operating profit/(loss) is stated after charging		
	Amortisation of intangible assets	248,393	310,491
	Impairment of intangible assets	-	1,100,000
	Depreciation of tangible assets	1,836,752	2,261,044
	Loss on disposal of tangible assets	149,132	3,203
	(Reversal of impairment) / impairment of tangible assets	(1,318,639)	3,129,934
	Loss on foreign exchange transactions	16,918	7,645
	Operating lease rentals		
	- Plant and machinery	47,477	63,575
	- Other assets	7,170,569	10,310,174
	Fees payable to the company's auditor for the audit of the company's annual accounts	25,000	30,375
	Onerous lease provisions (released)/charged	(188,025)	4,968,719
	Dilapidations provision	296,080	1,665,857
		<u>248,393</u>	<u>310,491</u>
4	Other interest receivable and similar income	2013 £	2012 £
	Bank interest	208	79,130
		<u>208</u>	<u>79,130</u>
5	Interest payable and similar charges	2013 £	2012 £
	On bank loans and overdrafts	67,936	234,326
	Hire purchase interest	-	1,505
	Other interest	-	24,278
		<u>67,936</u>	<u>260,109</u>

WEST COAST CAPITAL (USC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2013

6	Taxation	2013	2012
	Total current tax	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the period		
	Profit/(loss) on ordinary activities before taxation	1,061,826	(18,479,046)
		<u> </u>	<u> </u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	254,838	(4,804,552)
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	(130,647)	1,457,772
	Capital allowances	(106,176)	57,380
	Tax losses utilised	-	1,076,553
	Group relief	8,767	2,212,847
	Transfer pricing adjustment	(26,782)	-
		<u> </u>	<u> </u>
		(254,838)	4,804,552
		<u> </u>	<u> </u>
	Current tax charge for the period	-	-
		<u> </u>	<u> </u>
7	Intangible fixed assets		
			Goodwill
			£
	Cost		
	At 30 April 2012 & at 28 April 2013		3,867,864
			<u> </u>
	Amortisation		
	At 30 April 2012		827,977
	Charge for the period		248,393
			<u> </u>
	At 28 April 2013		1,076,370
			<u> </u>
	Net book value		
	At 28 April 2013		2,791,494
			<u> </u>
	At 29 April 2012		3,039,887
			<u> </u>

WEST COAST CAPITAL (USC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2013

8 Tangible fixed assets

	Leasehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 30 April 2012	3,105,682	8,405,576	146,840	11,658,098
Additions	26,494	701,298	-	727,792
Disposals	(131,132)	(331,848)	-	(462,980)
At 28 April 2013	3,001,044	8,775,026	146,840	11,922,910
Depreciation				
At 30 April 2012	1,865,454	6,126,368	69,227	8,061,049
Disposals	(89,984)	(226,090)	-	(316,074)
Reversal of impairment	(517,177)	(801,462)	-	(1,318,639)
Charge for the period	359,308	1,413,194	64,250	1,836,752
At 28 April 2013	1,617,601	6,512,010	133,477	8,263,088
Net book value				
At 28 April 2013	1,383,443	2,263,016	13,363	3,659,822
At 29 April 2012	1,240,228	2,279,208	77,613	3,597,049

There are no assets held under finance leases

9 Stocks

	2013 £	2012 £
Finished goods and goods for resale	23,623,066	15,913,134

WEST COAST CAPITAL (USC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2013

10 Debtors	2013 £	2012 £
Trade debtors	103,829	238,974
Amounts owed by parent and fellow subsidiary undertakings	417,317	-
Other debtors	41,590	133,425
Prepayments and accrued income	1,686,365	1,899,529
	<u>2,249,101</u>	<u>2,271,928</u>
11 Creditors amounts falling due within one year	2013 £	2012 £
Bank loans and overdrafts	913,237	2,125,080
Trade creditors	2,756,980	2,590,891
Amounts owed to parent and fellow subsidiary undertakings	26,905,096	14,529,936
Amounts owed to subsidiary undertakings	-	11,419
Taxes and social security costs	9,862	2,756,264
Other creditors	505,045	567,180
Accruals and deferred income	1,605,942	1,887,125
	<u>32,696,162</u>	<u>24,467,895</u>
12 Creditors amounts falling due after more than one year	2013 £	2012 £
Rent free reserve	292,007	606,268
Deferred income	533,917	1,045,917
	<u>825,924</u>	<u>1,652,185</u>

WEST COAST CAPITAL (USC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2013

13 Provisions for liabilities and charges

	Dilapidations provision	Onerous lease provision	Total
	£	£	£
Balance at 30 April 2012	1,665,857	4,968,719	6,634,576
Amounts provided	296,080	948,511	1,244,591
Amounts reversed	-	(1,136,536)	(1,136,536)
Amounts utilised	-	(1,064,184)	(1,064,184)
Balance at 28 April 2013	1,961,937	3,716,510	5,678,447

The dilapidations provision is the best estimate of the present value of expenditure expected to be incurred by the company in order to restore its leasehold premises to the condition required under the lease agreements at the end of the lease, discounted at 5% per annum. The provision is expected to be utilised over the period to the end of each specific lease.

The provision in respect of onerous lease contracts represents the net cost of fulfilling the company's obligations over the terms of these contracts discounted at 5% per annum. The provision is expected to be utilised over the period to the end of each specific lease.

14 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions totalling £1,915 (2012 £6,338) were payable to the fund at the period end and are included in creditors falling due within one year.

	2013 £	2012 £
Contributions payable by the company for the period	18,773	46,009

15 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
7,432,122 A Shares of £1 each	7,432,122	7,432,122
1,858,030 B Shares of £1 each	1,858,030	1,858,030
	9,290,152	9,290,152

WEST COAST CAPITAL (USC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2013

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 30 April 2012	(17,166,816)
Profit for the period	1,061,826
	<u> </u>
Balance at 28 April 2013	<u>(16,104,990)</u>

17 Reconciliation of movements in shareholders' (deficit)/funds

	2013 £	2012 £
Profit/(loss) for the financial period	1,061,826	(18,479,046)
Proceeds from issue of shares	-	408,114
	<u> </u>	<u> </u>
Net addition to/(depletion in) shareholders' funds	1,061,826	(18,070,932)
Opening shareholders' (deficit)/funds	(7,876,664)	10,194,268
	<u> </u>	<u> </u>
Closing shareholders' deficit	<u>(6,814,838)</u>	<u>(7,876,664)</u>

18 Financial commitments

At 28 April 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 28 April 2014

	Land and buildings	
	2013 £	2012 £
Operating leases which expire		
Within one year	118,000	109,000
Between two and five years	2,630,000	2,435,000
In over five years	7,229,000	6,693,000
	<u> </u>	<u> </u>
	<u>9,977,000</u>	<u>9,237,000</u>

19 Directors' remuneration

	2013 £	2012 £
Remuneration for qualifying services	-	75,000
	<u> </u>	<u> </u>

WEST COAST CAPITAL (USC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2013

20 Employees

Number of employees

The average monthly full time equivalent number of employees (including directors) during the period was

	2013 Number	2012 Number
Retail	915	1,068
Distribution, administration and other	109	116
	<u>1,024</u>	<u>1,184</u>

Employment costs

	2013 £	2012 £
Wages and salaries	10,081,177	12,044,731
Social security costs	495,917	757,100
Other pension costs	18,773	46,009
	<u>10,595,867</u>	<u>12,847,840</u>

21 Control

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

Sports Direct International plc is the smallest company and Mash Holdings Limited is the largest company to consolidate these accounts. Sports Direct International plc is a company registered in England and Wales. A copy of the group accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

22 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose transactions with group companies on the grounds that the consolidated financial statements are prepared by the ultimate parent company.