

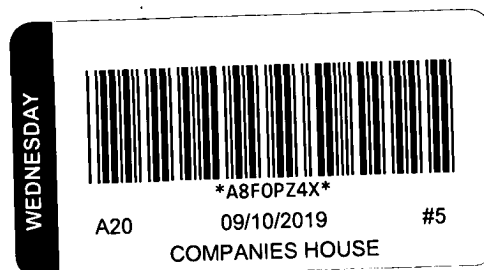
ActivInstinct Limited

Annual report and financial statements

Registered number 04478999

52 week period ended

2 February 2019



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Directors' report

The Directors present their annual report and the audited financial statements for the 52 week period ended 2 February 2019.

Proposed dividend

The Directors do not recommend the payment of a dividend (2018: £nil).

Directors

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

BM Small (resigned 31 October 2018)
PA Cowgill
NJ Greenhalgh

Political and charitable contributions

The Company made no political contributions or charitable donations during the period (2018: £nil).

Going concern

As the Directors do not intend to acquire a replacement trade for the Company they have not prepared the financial statements on a going concern basis. Going forward, the Company will be a dormant company in terms of Section 1169 of the Companies Act 2006.

Brexit

At the time of publication the UK is due to leave the EU by 31 October 2019 and the UK's future trading relationship with the EU remains uncertain. The key direct and indirect risks associated with Brexit along with the potential mitigating activities remain high on the Board's agenda and will continue to be reviewed as the situation becomes clearer.

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

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

By order of the Board



NJ Greenhalgh
Director

Hollinsbrook Way
Pilsworth
Bury
Lancashire
BL9 8RR

30/09/ 2019

Statement of Directors' responsibilities in respect of the Annual 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 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the Directors do not believe that it is appropriate to prepare the financial statements on a going concern basis

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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

Independent Auditor's report to the Members of ActivInstinct Limited

Opinion

We have audited the financial statements of ActivInstinct Limited for the 52 week period ended 2 February 2019 which comprise the Director's report, the statement of profit and loss account and other comprehensive income, the statement of changes in equity, the balance sheet and the related notes, including the accounting policies in note 1. These financial statements have not been prepared on the going concern basis for the reason set out in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 February 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Directors' report

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

Our responsibility is to read 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 Directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Independent Auditor's report to the Members of ActivInstinct Limited (continued)

Matters on which we are required to report by exception (continued)

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, 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.

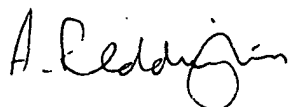
Auditor's responsibilities

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.

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.



Andrew Reddington (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St. Peter's Square
Manchester
M2 3AE

6th October 2019

Statement of Profit and Loss Account and Other Comprehensive Income
For the 52 week period ended 2 February 2019

	Note	52 week period ended 2 February 2019 £000	53 week period ended 3 February 2018 £000
Gross profit		-	-
Selling and distribution income		250	351
Administrative expenses		-	(69)
Operating profit		250	282
Interest receivable	2	61	-
Profit on ordinary activities before tax	2	311	282
Tax on ordinary activities	5	(59)	(55)
Profit for the period		252	227

The notes on pages 7 to 14 form part of the financial statements.

Statement of Changes in Equity
For the 52 week period ended 2 February 2019

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 28 January 2017	73	532	907	1,512
Total comprehensive profit for the period	-	-	227	227
Balance at 3 February 2018	73	532	1,134	1,739
Total comprehensive profit for the period	-	-	252	252
Balance at 2 February 2019	73	532	1,386	1,991

Balance Sheet
As at 2 February 2019

	Note	As at 2 February 2019 £000	As at 2 February 2019 £000	As at 3 February 2018 £000	As at 3 February 2018 £000
Fixed assets					
Tangible fixed assets	6				
Current assets					
Debtors	7	2,394		2,204	
		<u>2,394</u>		<u>2,204</u>	
Creditors: amounts falling due within one year	8	(403)		(465)	
Net current assets			1,991		1,739
Total assets less current liabilities			<u>1,991</u>		<u>1,739</u>
Net assets			<u>1,991</u>		<u>1,739</u>
Capital and reserves					
Called up equity share capital	9		73		73
Share premium			532		532
Profit and loss account			1,386		1,134
Shareholders' funds			<u>1,991</u>		<u>1,739</u>

The notes on pages 7 to 14 form part of the financial statements.

These financial statements were approved by the Board of Directors on 30/09/2019 and were signed on its behalf by:



NJ Greenhalgh
Director

Registered number 4478999

Notes

(Forming part of the financial statements)

1 Accounting policies

ActivInstinct Limited (the "Company") is a company incorporated and domiciled in the UK.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

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

The Company's immediate parent undertaking, JD Sports Fashion Plc includes the Company in its consolidated financial statements. The consolidated financial statements of JD Sports Fashion Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address in note 11.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

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

- The disclosures required by IFRS 7 *Financial Instrument Disclosures*

The financial statements are prepared on the historical cost basis.

The financial statements are presented in pounds sterling, rounded to the nearest thousand.

Going concern

Following a weaker than anticipated performance in previous years as a result of increased competition in the marketplace and adverse currency movements, the decision was made to transfer the ActivInstinct website and trade into the parent company, JD Sports Fashion Plc and exit the short term store lease during the financial year ending 28 January 2017. The transfer of the website and trade was completed by May 2016.

As the Directors do not intend to acquire a replacement trade for the Company they have not prepared the financial statements on a going concern basis.

Going forward, the Company will be a dormant company in terms of Section 1169 of the Companies Act 2006.

Changes to accounting standards

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

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'

IFRS 9 replaces IAS 39 'Recognition and Measurement' and is applicable to financial assets and financial liabilities. The main changes the new standard introduces are:

- New requirements for the classification and measurement of financial assets and financial liabilities;
- A new model for recognising impairments of financial assets;

Notes (continued)

1 Accounting policies (continued)

- Changes to hedge accounting by aligning hedge accounting more closely to an entity's risk management objectives; and
- The introduction of a forward looking approach to impairment of financial assets which results in earlier recognition of credit losses.

The Company have applied the modified retrospective approach for transition, including no requirement to restate comparative amounts. Comparative amounts were not restated and the effect on initial application was immaterial to the Company financial statements.

IFRS 15 replaces IAS 18 'Revenue', IAS 11 'Construction contracts' and related interpretations. Under IFRS 15, revenue should only be recognised when a customer obtains control of goods or services and has the ability to direct the use and obtain the benefits from the goods or services. It applies to all contracts with customers, except those in the scope of other standards. The Company has applied the modified retrospective approach for transition set out in the standard. Comparative amounts were not restated and the effect on initial application was immaterial to the Company financial statements.

Tangible fixed assets

(i) Owned assets

Items of tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of tangible fixed assets have different useful economic lives, they are accounted for as separate items of tangible fixed assets.

(ii) Leased assets

Assets funded through finance leases and similar hire purchase contracts are capitalised as tangible fixed assets where the Company assumes substantially all of the risks and rewards of ownership. Upon initial recognition, the leased asset is measured at the lower of its fair value and the present value of the minimum lease payments. Future instalments under such leases, net of financing costs, are included within interest bearing loans and borrowings. Rental payments are apportioned between the finance element, which is included in finance costs, and the capital element, which reduces the outstanding obligation for future instalments so as to give a constant charge on the outstanding obligation.

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight-line basis over the life of the lease. Lease incentives are credited to the profit and loss account on a straight-line basis over the life of the lease.

(iii) Depreciation

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

- | | |
|--|-----------------------|
| • Improvements to short leasehold property | 20%-50% straight line |
| • Computer equipment | 33% straight line |
| • Fixtures, fittings and equipment | 20% straight line |
| • Motor vehicles | 25% straight line |

(iv) Impairment of tangible fixed assets

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

Notes (continued)

1 Accounting policies (continued)

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 fair value. Subsequent to initial recognition they are measured at amortised cost less impairment losses. A provision for the impairment of trade and other debtors is made using the expected credit loss method in accordance with IFRS 9. The movement in the provision is recognised in the profit and loss account.

Trade and other creditors

Trade and other creditors are non-interest bearing and recognised initially at fair value. 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 stocks and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

As the accounts have been prepared on a non-going concern basis, an impairment charge has been recognised in these financial statements in respect of the tangible fixed assets.

Turnover

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

Turnover is recognised on the date goods are dispatched.

Interest payable and similar charges

Interest payable and similar charges comprise interest payable on interest bearing loans and borrowings. Financial expenses are recognised in the profit and loss account on an effective interest basis.

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 for the period, 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 provided using the balance sheet liability method, providing for 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.

Notes (continued)

2 Profit on ordinary activities before tax

Profit on ordinary activities before tax is stated after charging/(crediting):

	52 week period ended 2 February 2019 £000	53 week period ended 3 February 2018 £000
Auditor's remuneration:		
Audit of these financial statements	5	12
Other interest receivable	(61)	-
	<u> </u>	<u> </u>

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	
	52 week period ended 2 February 2019	53 week period ended 3 February 2018
Sales and distribution	-	-
Administration	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>
Full time equivalents	-	-
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	52 week period ended 2 February 2019 £000	53 week period ended 3 February 2018 £000
Wages and salaries	-	266
	<u> </u>	<u> </u>

4 Directors' remuneration

The Directors did not receive any emoluments from the Company during the year (2018: £nil) as they are employed by, and were remunerated through, other JD Sports Fashion Plc companies. The Directors did not provide any material qualifying services to the Company.

Notes (continued)

5 Income tax

Recognised in the profit and loss account

	52 week period ended 2 February 2019 £000	53 week period ended 3 February 2018 £000
<i>Current tax</i>		
UK Corporation tax – current year	59	(3)
Adjustments to prior periods	-	58
Total current tax charge	59	55
<i>Deferred tax</i>		
Origination and reversal of temporary differences	-	51
Adjustments to prior periods	-	(51)
Total deferred tax credit	-	-
Total tax in profit and loss account	59	55

	52 week period ended 2 February 2019 £000	53 week period ended 3 February 2018 £000
Profit for the period	252	227
Total tax charge for the period	59	55
Profit before taxation	311	282
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19.0% (2018: 19.2%)	59	54
Effect of:		
Change in the tax rate	-	(6)
Prior year adjustment	-	7
Income tax charge	59	55

Notes (continued)

6 Tangible fixed assets

	Improvements to property £000	Computer equipment £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost					
At 3 February 2018 and at 2 February 2019	151	861	223	2	1,237
Depreciation and impairment					
At 3 February 2018 and at 2 February 2019	151	861	223	2	1,237
Net book value					
At 3 February 2018 and at 2 February 2019	-	-	-	-	-

At 2 February 2019, the net carrying amount of tangible fixed assets held under finance leases or similar hire purchase contracts was £nil (2018: £nil). Depreciation on these assets in the period was £nil (2018: £nil).

7 Debtors

	As at 2 February 2019 £000	As at 3 February 2018 £000
Amounts owed by Group undertakings	2,394	1,492
Taxation and social security	-	712
	<u>2,394</u>	<u>2,204</u>

8 Creditors: amount falling due within one year

	As at 2 February 2019 £000	As at 3 February 2018 £000
Other creditors and accrued expenses	-	250
Amounts owed to Group undertakings	403	215
	<u>403</u>	<u>465</u>

9 Capital

Issued ordinary share capital

	As at 2 February 2019 £000	As at 3 February 2018 £000
Allotted, called up and fully paid 1,455,590 Ordinary shares of 5p each	73	73

The total number of issued ordinary shares as at 2 February 2019 was 1,455,590 (2018: 1,455,590) with a par value of £0.05 per share (2018: £0.05). All shares are fully paid up.

10 Capital commitments

The Company had no capital commitments as at 2 February 2019 (2018: £nil).

Notes *(continued)*

11 Parent Company

ActivInstinct Limited is a subsidiary of JD Sports Fashion Plc which is the smallest group in which the Company is a member and for which group financial statements are drawn up. JD Sports Fashion Plc is registered in England and the registered office is Hollinsbrook Way, Pilsworth, Bury, BL9 8RR. 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.

12 Ultimate parent company

The ultimate parent company is Pentland Group Plc, which is the largest group in which the Company is a member and for which group financial statements are drawn up. Pentland Group Plc is registered in England and the registered office is 8 Manchester Square, London, W1U 3PH. Copies of the consolidated financial statements of Pentland Group Plc can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.