

Company Registration No. 4983573 (England and Wales)

SMITH AND BROOKS HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2008



SMITH AND BROOKS HOLDINGS LIMITED

COMPANY INFORMATION

Directors

M J W Ashley
R F Mellors
M M Segalov
K Byers (Appointed 10 November 2008)
S M Nevitt (Appointed 10 November 2008)

Secretary

R L Tylee-Birdsall

Company number

4983573

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

Business address

M & G House, 1a Lower Park
Park Royal
London
W3 6DX

SMITH AND BROOKS HOLDINGS LIMITED

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SMITH AND BROOKS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2008

The directors present their report and financial statements for the year ended 30 April 2008.

Principal activities and review of the business

The principal activity of the company continued to be that of an investment holding company.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 May 2007:

M J W Ashley

R F Mellors

H Flax

(Resigned 11 September 2007)

M M Segalov

K Byers

(Appointed 10 November 2008)

S M Nevitt

(Appointed 10 November 2008)

Auditors

In accordance with s485(4) of the Companies Act 2006, a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

SMITH AND BROOKS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which 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 those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which 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 1985. 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.

Statement of disclosure to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



R F Mellors

Director

24/02/09

SMITH AND BROOKS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SMITH AND BROOKS HOLDINGS LIMITED

We have audited the financial statements of Smith and Brooks Holdings Limited on pages 5 to 11 for the year ended 30 April 2008 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SMITH AND BROOKS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SMITH AND BROOKS HOLDINGS LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 30 April 2008.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
Registered Auditor

London

Date: *24/02/09*

SMITH AND BROOKS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2008

	Notes	2008 £	2007 £
Administrative expenses		(6,658)	-
Operating loss		(6,658)	-
Investment income	2	-	400,000
(Loss)/profit on ordinary activities before taxation		(6,658)	400,000
Tax on (loss)/profit on ordinary activities	3	-	-
(Loss)/profit for the year	9	(6,658)	400,000

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 the loss for the financial year.

SMITH AND BROOKS HOLDINGS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Investments	5		2,890,197		2,890,197
Current assets					
Debtors	6	617,393		624,051	
Creditors: amounts falling due within one year	7	(3,317,625)		(3,317,625)	
Net current liabilities			(2,700,232)		(2,693,574)
Total assets less current liabilities			189,965		196,623
Capital and reserves					
Called up share capital	8		1,000		1,000
Profit and loss account	9		188,965		195,623
Shareholders' funds	10		189,965		196,623

Approved by the Board and authorised for issue on

24/02/09



R F Mellors
Director

SMITH AND BROOKS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2008

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention. The policies are unchanged from previous years.

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 have agreed not to withdraw finance for the foreseeable future.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 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 had not been discounted.

1.5 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 228 of the Companies Act 1985 as it is a subsidiary undertaking of Sports Direct International plc, a company incorporated in England, and is included in the consolidated accounts of that company.

2 Investment income

	2008 £	2007 £
Income from shares in group undertakings	-	400,000

During the year the company received a dividend of £nil (2007 - £400,000) from its subsidiary.

SMITH AND BROOKS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

3	Taxation	2008 £	2007 £
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(6,658)	400,000
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 30.00%)	(1,864)	120,000
	Effects of:		
	Group relief	53,707	55,546
	Transfer pricing adjustment for notional interest	(51,843)	(55,546)
	Non taxable income	-	(120,000)
		1,864	(120,000)
	Current tax charge	-	-

The company has estimated losses of £ 35,134 (2007 - £ 35,134) available for carry forward against future trading profits.

4	Dividends	2008 £	2007 £
	Ordinary final paid	-	200,000

During the year the company declared a dividend of £nil per share totalling £nil (2007 - £200,000).

SMITH AND BROOKS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

5 Fixed asset investments

	Shares in group undertakings and participating interests £
Net book value	
At 1 May 2007 & at 30 April 2008	2,890,197

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

	Country of registration or incorporation	Proportion (%) of ordinary shares held by	
		Company	Subsidiaries
Subsidiary undertakings			
Smith and Brooks Group Limited*	England and Wales	100.00	0.00
Smith & Brooks Limited	England and Wales	0.00	100.00
Baseridge Limited	Hong Kong	0.00	100.00
Eastchance Limited	Hong Kong	0.00	100.00

The principal activity of the subsidiary undertaking marked * is that of a holding company. The principal activity of all the other subsidiaries shown above is the wholesale of clothing.

6 Debtors	2008 £	2007 £
Amounts owed by subsidiary undertakings	617,193	623,851
Other debtors	200	200
	<u>617,393</u>	<u>624,051</u>

SMITH AND BROOKS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

7	Creditors: amounts falling due within one year	2008 £	2007 £
	Amounts owed to parent and fellow subsidiary undertakings	3,167,625	3,167,625
	Amounts owed to subsidiary undertakings	150,000	150,000
		<u>3,317,625</u>	<u>3,317,625</u>

8	Share capital	2008 £	2007 £
	Authorised		
	510 Ordinary A shares of £1 each	510	510
	200 Ordinary B shares of £1 each	200	200
	290 Ordinary C shares of £1 each	290	290
		<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid

510 Ordinary A shares of £1 each	510	510
200 Ordinary B shares of £1 each	200	200
290 Ordinary C shares of £1 each	290	290
	<u>1,000</u>	<u>1,000</u>

All shares rank pari passu except for the right to receive dividends separately.

9	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 May 2007	195,623
	Loss for the year	(6,658)
	Balance at 30 April 2008	<u>188,965</u>

SMITH AND BROOKS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

10 Reconciliation of movements in shareholders' funds	2008 £	2007 £
(Loss)/Profit for the financial year	(6,658)	400,000
Dividends	-	(200,000)
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(6,658)	200,000
Opening shareholders' funds	196,623	(3,377)
	<hr/>	<hr/>
Closing shareholders' funds	189,965	196,623
	<hr/>	<hr/>

11 Employees

Number of employees

There were no employees during the year apart from the directors.

None of the directors received any emoluments in respect of their services to the company in either year.

12 Control

The ultimate controlling party is M J W Ashley, by virtue of his majority holding of the issued share capital of Sports Direct International plc, the ultimate parent company.

Sports Direct International plc is the largest and smallest company to consolidate these financial statements. 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.

13 Related party transactions

The company has taken advantage of the exemptions contained within Financial Reporting Standard No 8 not to disclose transactions with companies within the group on the grounds that it is a parent undertaking whose financial statements are presented with the consolidated financial statements of its group.