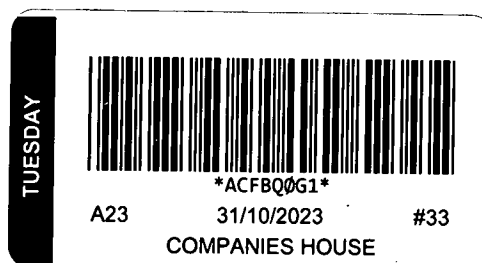


REGISTERED NUMBER: 05171531 (England and Wales)

Directors' Report and  
Audited Financial Statements for the Year Ended 31 January 2023  
for  
NQ Retail Limited  
Previously known as Oi-Polloi Limited



NQ Retail Limited

Contents of the Financial Statements  
for the Year Ended 31 January 2023

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NQ Retail Limited

Company Information  
for the Year Ended 31 January 2023

**DIRECTORS:**

R Schultz  
D J Platt

**SECRETARY:**

T Casey

**REGISTERED OFFICE:**

Edinburgh House  
Hollins Brook Way  
Pilsworth  
Bury  
Lancashire  
BL9 8RR

**REGISTERED NUMBER:**

05171531 (England and Wales)

**AUDITORS:**

Hart Shaw LLP  
Europa Link  
Sheffield Business Park  
Sheffield  
S9 1XU

## NQ Retail Limited

### Directors' Report for the Year Ended 31 January 2023

The directors present their report with the financial statements of the Company for the year ended 31 January 2023.

#### **CHANGE OF NAME**

The Company passed a special resolution on 12 May 2023 changing its name from Oi-Polloi Limited to NQ Retail Limited.

#### **DIVIDENDS**

The Directors have not paid a dividend during the current period (2022: £nil).

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors who have held office during the period from 1 February 2022 to the date of this report are as follows:

P A Cowgill - resigned 25 May 2022

R Schultz - appointed 11 October 2022

D J Platt - appointed 16 October 2023

N H Lawson, S P Sanderson and N J Greenhalgh ceased to be directors after 31 January 2023 but prior to the date of this report.

#### **GOING CONCERN**

The Company ceased trading during the period ended 31 January 2024. It is expected that the remaining assets of the Company will be transferred over to the parent company, JD Sports Fashion Plc, during the year ended 31 January 2024. Following this process, it is expected this Company will become dormant. As such, the Directors have not prepared the financial statements on a going concern basis.

#### **ENGAGEMENT WITH EMPLOYEES**

The Company is committed to promoting equal opportunities in employment regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. Recruitment, promotion and the availability of training and development at all areas within the Company are based on the suitability and merit of any applicant for the job and full and fair consideration is always given to disabled persons in such circumstances.

Should an employee become disabled during their employment by the Company, every effort is made to continue the employment, development and training of the employee in question within their existing capacity wherever practicable, or failing that, in an alternative suitable capacity.

The Company has continued throughout the year to provide employees with relevant information and to seek their views on matters of common concern. Priority is given to ensuring that employees are aware of all significant matters affecting the Company's performance and of any significant organisational changes.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The Director who held office at the date of approval of this Director's report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and the 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.

NQ Retail Limited

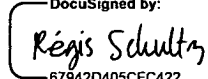
Directors' Report  
for the Year Ended 31 January 2023

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

DocuSigned by:



67942D405CFC422...

R Schultz - Director

30-Oct-23

Date: .....

NQ Retail Limited

Statement of Directors' Responsibilities  
for the Year Ended 31 January 2023

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), including Financial Reporting Standard 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 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 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Independent Auditors to the Members of**  
**NQ Retail Limited**

**Qualified opinion**

We have audited the financial statements of NQ Retail Limited (the 'Company') for the year ended 31 January 2023 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report, the financial statements. In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for qualified opinion**

We were appointed as auditors during the prior period when the company became a subsidiary of JD Sports Fashion plc and needed an audit for the first time. The opening balance sheet was not audited, and we were unable to carry out procedures to audit the opening balance sheet and therefore we are unable to determine whether any adjustments to the Income Statement might have been necessary for the period ended 31 January 2022. Our audit opinion on the financial statements for the period ended 31 January 2022 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note.

Our opinion is not modified in respect of this matter.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Directors' Report and the Statement of Directors' Responsibilities but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

As described in the basis for qualified opinion section of our report, we are unable to satisfy ourselves concerning the opening balances for the period ended 31 January 2022. Therefore, we have concluded that where the other information refers to the Income Statement for the previous year, it may be materially misstated for the same reason.

Report of the Independent Auditors to the Members of  
NQ Retail Limited

**Qualified opinions on other matters prescribed by the Companies Act 2006**

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

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

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

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Arising solely from the limitation on the scope of our work relating to the 31 January 2022 opening balances, referred to above:

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

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 director's 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 requirements to prepare a strategic report.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



**Report of the Independent Auditors to the Members of**  
**NQ Retail Limited**

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

At the planning stage we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management, as required by auditing standards. The potential effect of any laws and regulation on the financial statements can vary considerably. There are laws and regulations that directly affect the financial statements (e.g. the Companies Act) as well as many other operational laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Owing to the size, nature and complexity of the organisation and the applicable laws and regulations to which it must adhere, the risk of material misstatement was deemed to be low, therefore the procedures performed by the audit team were limited to:

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

We have assessed the overall susceptibility of financial statements to material misstatement due to fraud. Management override is the most likely way in which fraud might present itself and as such, is inherently high risk on any audit. Management override, which may cause there to be a material misstatement within the financial statements, may present itself in a number of ways, for example:

- override of internal controls (e.g. segregation of duties);
- entering into transactions outside the normal course of business, especially with related parties;
- fraudulent revenue recognition, including fictitious sales and sales being recorded in the wrong period; or
- presenting bias in accounting judgements and estimates, particularly ones that are key to the business.

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

- enquiries of management as to whether they had any knowledge of any actual or suspected fraud;
- review of material journal entries made throughout the period as well as those made to prepare the financial statements;
- reviewing the underlying rationale behind transactions in order to assess whether they were outside the normal course of business;
- increased substantive testing across all material income streams; and
- assessing whether management's judgements and estimates indicated potential bias.

Report of the Independent Auditors to the Members of  
NQ Retail Limited

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors 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.

Hart Shaw LLP

Adam Shield (Senior Statutory Auditor)  
for and on behalf of Hart Shaw LLP  
Europa Link  
Sheffield Business Park  
Sheffield  
S9 1XU

Date: 30 October 2023

NQ Retail LimitedIncome Statement  
for the Year Ended 31 January 2023

		<b>Year Ended</b> <b>31/1/23</b> <b>£'000</b>	<b>Period</b> <b>26/1/21</b> <b>to</b> <b>31/1/22</b> <b>£'000</b>
	<b>Notes</b>		
<b>TURNOVER</b>	3	4,981	3,211
Cost of sales		<u>(3,543)</u>	<u>(1,883)</u>
<b>GROSS PROFIT</b>		1,438	1,328
Distribution costs		(2,362)	(1,329)
Administrative expenses		<u>(375)</u>	<u>(320)</u>
		(1,299)	(321)
Other operating income	4	<u>233</u>	<u>165</u>
<b>OPERATING LOSS</b>		(1,066)	(156)
Interest payable and similar expenses	7	<u>(117)</u>	<u>(43)</u>
<b>LOSS BEFORE TAXATION</b>	8	(1,183)	(199)
Tax on loss	9	<u>241</u>	<u>16</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		(942)	(183)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b> <b>FOR THE YEAR</b>		<u><u>(942)</u></u>	<u><u>(183)</u></u>

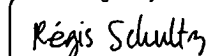
The notes form part of these financial statements

NQ Retail Limited (Registered number: 05171531)Balance Sheet  
31 January 2023

	Notes	2023 £'000	2022 £'000
<b>FIXED ASSETS</b>			
Intangible assets	10	-	14
Tangible assets	11	<u>56</u>	<u>44</u>
		<u>56</u>	<u>58</u>
<b>CURRENT ASSETS</b>			
Stocks	12	1,646	520
Debtors	13	411	442
Cash at bank		<u>878</u>	<u>278</u>
		2,935	1,240
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(4,889)</u>	<u>(2,217)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,954)</u>	<u>(977)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(1,898)	(919)
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	<u>-</u>	<u>(37)</u>
<b>NET LIABILITIES</b>		<u>(1,898)</u>	<u>(956)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1	1
Share premium		50	50
Retained earnings		<u>(1,949)</u>	<u>(1,007)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(1,898)</u>	<u>(956)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30-Oct-23 and were signed on its behalf by:

DocuSigned by:



.....67942D405CFC422.....

R Schultz - Director

The notes form part of these financial statements

NQ Retail LimitedStatement of Changes in Equity  
for the Year Ended 31 January 2023

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Share premium £'000</b>	<b>Total equity £'000</b>
<b>Balance at 26 January 2021</b>	1	(824)	50	(773)
<b>Changes in equity</b>				
Total comprehensive income	-	(183)	-	(183)
<b>Balance at 31 January 2022</b>	1	(1,007)	50	(956)
<b>Changes in equity</b>				
Total comprehensive income	-	(942)	-	(942)
<b>Balance at 31 January 2023</b>	1	(1,949)	50	(1,898)

The notes form part of these financial statements

**NQ Retail Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31 January 2023**

**1. STATUTORY INFORMATION**

NQ Retail Limited (formerly Oi-Polloi Limited) is a private company limited by shares incorporated in England and Wales. The registered office is Hollinsbrook Way, Pilsworth, Bury, Lancashire, England, BL9 8RR.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102').

The Company's parent undertaking, JD Sports Fashion Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of JD Sports Fashion Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address in note 19.

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

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

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

The financial statements are presented in sterling which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated. The financial statements are prepared on the historical cost convention applying the principal accounting policies as stated below.

The financial statements are drawn up for the year ended 31 January 2023 ('the financial year'). The comparative figures are for the year ended 31 January 2022.

**Going concern**

The Company ceased trading during the period ended 31 January 2024. It is expected that the remaining assets of the Company will be transferred over to the parent company, JD Sports Fashion Plc, during the year ended 31 January 2024. Following this process, it is expected this Company will become dormant. As such, the Directors have not prepared the financial statements on a going concern basis. This has no material impact on the amounts disclosed in Income Statement or the Balance Sheet and therefore no adjustments have been made to the financial statements as a result of the application of non-going concern basis of accounting.

**NQ Retail Limited****Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2023****2. ACCOUNTING POLICIES - continued****Turnover**

Turnover is measured at the value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of any discounts and sales related taxes. Turnover is recognised when goods are sold and title has passed, less provision for returns. Accumulated experience is used to estimate and provide for such returns at the time of the sale. Retail sales are usually in cash, by debit card or by credit card.

**Intangible assets**

Software development costs (including website development costs) are capitalised as intangible assets if the technical and commercial feasibility of the project has been demonstrated, the future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. Costs that do not meet these criteria are expensed as incurred. Software development costs are stated at historic cost, less accumulated amortisation.

Software development costs are all amortised over a period of three years on a reducing balance basis and the amortisation charge is included within administrative expenses in the Income Statement.

**Tangible fixed assets**

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33% straight-line / 20%-25% reducing balance
Computer equipment	33% straight-line / 20%-25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle. Provisions are made for obsolescence, mark downs and shrinkage.

**Financial instruments**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Financial assets****Trade and other debtors**

Trade and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

**NQ Retail Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2023**

**2. ACCOUNTING POLICIES - continued**

**Financial liabilities and equity**

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

**Equity instruments**

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

**Trade and other creditors**

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

**Derecognition of financial assets and liabilities**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

**Taxation**

Taxation for the year comprises current and deferred tax.

**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.

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

**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 statement of total comprehensive income. 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.



**NQ Retail Limited****Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2023****2. ACCOUNTING POLICIES - continued****Pension costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate. The assets of the plan are held separately from the Company in independently administered funds.

**Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

**Other income**

Other income represents amounts earned from marketing recharges and postage of goods.

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

**Provisions to write stocks down to net realisable value**

The Directors make provisions for obsolescence, mark downs and shrinkage based on historical experiences and management estimates of future events. Actual outcomes could vary significantly from these estimates.

**3. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	Year Ended	Period
	31/1/23	26/1/21 to 31/1/22
	£'000	£'000
United Kingdom	4,911	3,211
Europe	16	-
Rest of World	54	-
	<u>4,981</u>	<u>3,211</u>

NQ Retail LimitedNotes to the Financial Statements - continued  
for the Year Ended 31 January 2023**4. OTHER OPERATING INCOME**

	Year Ended 31/1/23 £'000	Period 26/1/21 to 31/1/22 £'000
Rents received	1	1
Coronavirus Job Retention Scheme	-	15
Coronavirus retail support grant	-	4
Carriage income	150	89
Marketing recharges	82	56
	<u>233</u>	<u>165</u>

**5. EMPLOYEES AND DIRECTORS**

	Year Ended 31/1/23 £'000	Period 26/1/21 to 31/1/22 £'000
Wages and salaries	973	669
Social security costs	94	62
Other pension costs	18	10
	<u>1,085</u>	<u>741</u>

The average number of employees during the year was as follows:

	Year Ended 31/1/23	Period 26/1/21 to 31/1/22
Selling and distribution	36	22
Administrative	2	2
Directors	4	2
	<u>42</u>	<u>26</u>

**6. DIRECTORS' REMUNERATION**

	Year ended 31/1/23 £'000	Period 26/1/21 to 31/1/22 £'000
Remuneration for qualifying services	<u>160</u>	<u>160</u>

The number of directors accruing pension benefits in the period was 0 (2022: 0).

Messrs Cowgill, Schultz and Greenhalgh were employed by JD Sports Fashion Plc and therefore any remuneration is borne by those group companies. No remuneration is given in respect of acting as a director of this entity as it is incidental to their overall responsibilities to the group.

**NQ Retail Limited****Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2023****7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>Year Ended</b> <b>31/1/23</b> <b>£'000</b>	<b>Period</b> <b>26/1/21</b> <b>to</b> <b>31/1/22</b> <b>£'000</b>
Bank overdraft interest payable	-	6
Group loan interest	117	37
	<u>117</u>	<u>43</u>

**8. LOSS BEFORE TAXATION**

The loss before tax is stated after charging:

	<b>Year Ended</b> <b>31/1/23</b> <b>£'000</b>	<b>Period</b> <b>26/1/21</b> <b>to</b> <b>31/1/22</b> <b>£'000</b>
Auditor's remuneration		
Audit of these financial statements	11	10
Depreciation and amortisation of fixed assets		
Depreciation of tangible fixed assets	36	10
Amortisation of intangible fixed assets	-	7
Rentals payable under non-cancellable operating leases	113	74
Government grants - COVID support (see note 4)	-	19
	<u>-</u>	<u>19</u>

**9. TAXATION****Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	<b>Year Ended</b> <b>31/1/23</b> <b>£'000</b>	<b>Period</b> <b>26/1/21</b> <b>to</b> <b>31/1/22</b> <b>£'000</b>
Current tax:		
UK corporation tax	(232)	(35)
Adjustments to prior periods	<u>(9)</u>	<u>-</u>
Total current tax	(241)	(35)
Deferred tax	<u>-</u>	<u>19</u>
Tax on loss	<u>(241)</u>	<u>(16)</u>

**NQ Retail Limited****Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2023****9. TAXATION - continued****Reconciliation of total tax credit included in profit and loss**

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

	Year Ended 31/1/23 £'000	Period 26/1/21 to 31/1/22 £'000
Loss before tax	<u>(1,183)</u>	<u>(199)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(225)	(38)
Effects of:		
Expenses not deductible for tax purposes	-	2
Income not taxable for tax purposes	1	-
Adjustments to tax charge in respect of previous periods	(9)	19
Movement on unprovided deferred tax assets	-	(1)
Change in deferred tax rates	-	2
Other allowances	(3)	-
Recognition of previously unrecognised tax losses	<u>(5)</u>	<u>-</u>
Total tax credit	<u>(241)</u>	<u>(16)</u>

**10. INTANGIBLE FIXED ASSETS**

	Brand name £'000
<b>COST</b>	
At 1 February 2022	69
Reclassification/transfer	<u>(69)</u>
At 31 January 2023	<u>-</u>
<b>AMORTISATION</b>	
At 1 February 2022	55
Reclassification/transfer	<u>(55)</u>
At 31 January 2023	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 January 2023	<u>-</u>
At 31 January 2022	<u>14</u>

NQ Retail LimitedNotes to the Financial Statements - continued  
for the Year Ended 31 January 2023**11. TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Totals £'000</b>
<b>COST</b>			
At 1 February 2022	268	-	268
Additions	19	15	34
Reclassification/transfer	-	69	69
At 31 January 2023	<u>287</u>	<u>84</u>	<u>371</u>
<b>DEPRECIATION</b>			
At 1 February 2022	224	-	224
Charge for year	21	15	36
Reclassification/transfer	-	55	55
At 31 January 2023	<u>245</u>	<u>70</u>	<u>315</u>
<b>NET BOOK VALUE</b>			
At 31 January 2023	<u>42</u>	<u>14</u>	<u>56</u>
At 31 January 2022	<u>44</u>	<u>-</u>	<u>44</u>

**12. STOCKS**

	<b>2023 £'000</b>	<b>2022 £'000</b>
Stocks	<u>1,646</u>	<u>520</u>

Included in cost of stocks is a provision of £145,000 (2022: £30,000).

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023 £'000</b>	<b>2022 £'000</b>
Trade debtors	21	199
Other debtors	1	-
Tax	-	5
Deferred tax asset	4	-
Prepayments and accrued income	<u>385</u>	<u>238</u>
	<u>411</u>	<u>442</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023 £'000</b>	<b>2022 £'000</b>
Bank loans and overdrafts (see note 16)	-	10
Trade creditors	562	487
Amounts owed to group undertakings	3,858	1,599
Social security and other taxes	234	74
Other creditors	4	5
Accruals and deferred income	<u>231</u>	<u>42</u>
	<u>4,889</u>	<u>2,217</u>

NQ Retail LimitedNotes to the Financial Statements - continued  
for the Year Ended 31 January 2023**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

Included within 'Amounts owed to group companies' is a loan of £3,177,000 carrying interest of 3% + base rate. The whole balance is repayable on demand and is secured by a fixed and floating charge over all assets of the company.

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans (see note 16)	<u>-</u>	<u>37</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year or on demand:		
Bank loans	<u>-</u>	<u>10</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>10</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>27</u>

The bank loan, which was full repaid during the year (2022: £46,450) was in respect of an unsecured bounce-back loan carrying an interest rate of 2.5% and was repayable over 5 years.

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	5	26
Between one and five years	<u>-</u>	<u>9</u>
	<u>5</u>	<u>35</u>

**18. CALLED UP SHARE CAPITAL****Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	<b>2023</b>	<b>2022</b>
			<b>£</b>	<b>£</b>
2,260	Ordinary 'A' shares	£0.10	226	1,126
9,000	Ordinary 'B' shares	£0.10	<u>900</u>	<u>-</u>
			<u>1,126</u>	<u>1,126</u>

NQ Retail LimitedNotes to the Financial Statements - continued  
for the Year Ended 31 January 2023**19. PARENT COMPANY**

The Company is a subsidiary undertaking of JD Sports Fashion Plc, which is the smallest group in which the Company is a member and for which Group Financial Statements are drawn up. JD Sports Fashion Plc is registered in England. Copies of the consolidated financial statements of JD Sports Fashion Plc are available to the public and can be obtained from the Company Secretary, Edinburgh House, Hollinsbrook Way, Pilsworth, Bury, BL9 8RR or at [www.jdplc.com](http://www.jdplc.com)

**20. CONTINGENT LIABILITIES**

It is inevitable that commercial claims and disputes may arise from time to time during the course of the Company's business. If the risk of a financial outflow arising from one of these disputes is more than remote but not probable or cannot be measured reliably then the Company will disclose this matter as a contingent liability. If the risk of a financial outflow is considered probable and can be measured reliably then the Company would make a provision for this matter.

Further, the activities of the Company are overseen by a number of regulators and, whilst the Company strives to ensure full compliance with all its regulatory obligations, periodic reviews are inevitable which may result in a financial penalty. If the risk of a financial penalty arising from one of these reviews is more than remote but not probable or cannot be measured reliably then the Company will disclose this matter as a contingent liability. If the risk of a financial penalty is considered probable and can be measured reliably then the Company would make a provision for this matter.

**21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 January 2023 and 31 January 2022:

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
<b>Directors' loan accounts</b>		
Balance outstanding at start of period	-	61
Amounts repaid	-	(61)
Balance outstanding at end of period	<u>-</u>	<u>-</u>

Balances with Directors have no set repayment terms and are non-interest bearing.

NQ Retail Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 January 2023

**22. RELATED PARTY DISCLOSURES**

Included within 'Amounts owed to group companies' is a loan of £3,177,000 (2022: £1,610,000) due to JD Sports Fashion Plc, carrying interest of 3% + base rate and is repayable on demand. Interest charged in the year is £117,000 (2022: £37,000). The loan is secured by a fixed and floating charge over all assets of the company.

During the period, the company made sales of £2,000 (2022: £10,000) and purchases of £1,000 (2022: £11,000) with JD Sports Fashion Plc. The debtor balance as at 31 January 2023 is £2,000 (2022: £11,000). The balance is unsecured, interest free and repayable under normal trading terms.

During the period, the company made sales of £nil (2022: £16,000) with Size? Limited, a company owned 100% by JD Sports Fashion Plc. The balance outstanding at the year-end was £nil (2022: £nil). The balance is unsecured, interest free and repayable under normal trading terms.

During the period, the company made purchases of £32,000 (2022: £18,000) with Hip Store Limited, a company owned 100% by JD Sports Fashion Plc. The balance outstanding at the year-end was £nil (2022: £nil). The balance is unsecured, interest free and repayable under normal trading terms.

During the period, the company made purchases of £142,000 (2022: £180,000) with Berghaus Limited, a subsidiary company of Pentland Group Holdings Limited. The balance outstanding at the year-end was £nil (2022: £nil). The balance is unsecured, interest free and repayable under normal trading terms.

**23. POST BALANCE SHEET EVENTS**

The Company ceased trading during the period ended 31 January 2024. It is expected that the remaining assets of the Company will be transferred over to the parent company, JD Sports Fashion Plc, during the year ended 31 January 2024. Following this process, it is expected this Company will become dormant.

**24. ULTIMATE CONTROLLING PARTY**

The ultimate parent undertaking is Pentland Group Holdings Limited (a company registered in Jersey). R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group Holdings Limited.

Consolidated financial statements will be prepared by Pentland Group Holdings Limited, which is the parent undertaking of the largest group of undertakings to consolidate these financial statements for the year ended 31 December 2022. The consolidated financial statements of Pentland Group Holdings Limited can be obtained from the company's registered office at 26 New Street, St Helier, Jersey, JE2 3RA.