

Pink Soda Limited

Directors' report and financial statements

Registered number 05418053

53 week period ended

2 February 2013



Contents

Directors' report	1
Statement of Directors' responsibilities in respect of the Directors' report and the financial statements	3
Independent Auditor's report to the Members of Pink Soda Limited	4
Statement of Profit and loss account and Other Comprehensive Income	5
Statement of Changes in Equity	5
Balance sheet	6
Notes	7

Directors' report

The Directors present their Directors' report and audited financial statements for the 53 week period ended 2 February 2013

Principal activities

The principal activity of the Company is to act as a holding company for Bank Fashion Limited, a retailer of lifestyle fashion wear

Business review

The Company has not traded during the current period and prior period. The Directors expect that the Company will remain as a non-trading holding company for the foreseeable future.

In the 53 week period ended 2 February 2013, the intercompany debt of £10,681,000 previously owed by the Company to JD Sports Fashion Plc was assigned to Bank Fashion Limited. Other than this assignment there has been no movement in the overall levels of net assets.

As a result of the above transaction, which the Directors consider to be a significant accounting transaction, the Company is no longer deemed to be a dormant company in terms of section 1169 of the Companies Act 2006.

Proposed dividend

The Directors do not recommend the payment of a dividend (2012: £nil).

Principal risks and uncertainties

The principal risks and uncertainties of Pink Soda Limited are tied to Bank Fashion Limited in which it holds an indirect investment through Varsity Kit Limited. Bank Fashion Limited is the trading company and so the risks set out below are specific to this company.

Any business undertaking will involve some risk with many risk factors common to any business regardless of what sector it operates in. However, the Directors consider that certain risks and uncertainties are more specific to the Company and the fashion retail sector in which it operates. These risks and uncertainties include the following:

- Ability to access, and the dependence on, key brands,
- The location and influence of competitors,
- Performance of new Group warehouse facility which became operational mid 2012,
- Impact of new property developments on the existing store portfolio, and
- Seasonality

The Directors continue to endeavour to manage these risks and uncertainties to the extent possible within the business.

Directors' report *(continued)*

Directors

The Directors who held office during the period were as follows

P Alecock
B Small
B Bown
P Cowgill

Political and charitable contributions

The Company made no political contributions or charitable donations during the period (2012 *£nil*)

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

KPMG Audit Plc is in the process of instigating an orderly wind down of its business and will be resigning as auditor of the Company during the financial year ending 1 February 2014. The Board of Directors will propose to appoint KPMG LLP as auditor of the Company for the financial year ending 1 February 2014

By order of the Board



B M Small
Director

Hollinsbrook Way
Pilsworth
Bury
Lancashire
BL9 8RR

28 OCTOBER 2013

Statement of Directors' responsibilities in respect of the Directors' 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 judgments 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, 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 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.



Independent Auditor's report to the Members of Pink Soda Limited

We have audited the financial statements of Pink Soda Limited for the 53 week period ended 2 February 2013 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2 February 2013 and of its result for the 53 week period ended 2 February 2013,
- have been properly prepared in accordance with UK 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 period for which the financial statements are prepared is consistent with the financial statements.

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.

Stuart Burdass (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

29/10/13

Statement of Profit and loss account and Other Comprehensive Income

For the 53 week period ended 2 February 2013

During the current and preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during those periods the Company made neither a profit nor a loss.

Statement of Changes in Equity

For the 53 week period ended 2 February 2013

	Share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 29 January 2011	64	6,335	156	6,555
Total comprehensive income for the period	-	-	-	-
Balance at 28 January 2012	64	6,335	156	6,555
Total comprehensive income for the period	-	-	-	-
Balance at 2 February 2013	64	6,335	156	6,555

Balance sheet
As at 2 February 2013

	<i>Note</i>	As at 2 February 2013 £000	As at 2 February 2013 £000	As at 28 January 2012 £000	As at 28 January 2012 £000
Fixed assets					
Investments	4		4,521		4,521
Current assets					
Debtors	5	21,234		21,234	
		<u>21,234</u>		<u>21,234</u>	
Creditors: amounts falling due within one year	6	<u>(19,200)</u>		<u>(19,200)</u>	
Net current assets			<u>2,034</u>		<u>2,034</u>
Net assets			<u>6,555</u>		<u>6,555</u>
Capital and reserves					
Called up equity share capital	7		64		64
Share premium			6,335		6,335
Profit and loss account			156		156
Shareholders' funds			<u>6,555</u>		<u>6,555</u>

These financial statements were approved by the Board of Directors on ~~28 October~~ 2013 and were signed on its behalf by



B M Small
Director

Registered number 05418053

Notes

(Forming part of the financial statements)

1 Accounting policies

Pink Soda 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

In these financial statements, the company has adopted early FRS 101 and for the first time

In the transition to FRS 101 from Adopted IFRS, the Company has made no measurement and recognition adjustments

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 10

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,
- 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 disclosures

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 30 January 2011 for the purposes of the transition to FRS 101

The financial statements are prepared on the historical cost basis

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

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 1 to 2. In addition, note 7 to the financial statements includes the Company's objectives, policies and processes for managing its capital

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group

Notes (continued)

1 Accounting policies (continued)

Investments in subsidiary undertakings

All investments in subsidiary undertakings are stated at cost less provisions for impairment losses

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 established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade and other debtors are impaired. 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.

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 year, 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 recognised in respect of 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.

Impairment

The carrying amounts of the Company's assets other than inventories 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.

Notes (continued)

1 Accounting policies (continued)

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 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.

(i) Impairment of investments

Investment carrying values 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. Recoverable amount is the higher of fair value, as supported by a management valuation, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2 Auditor's Remuneration

Auditor remuneration in respect of the Company (of £2,000) is borne by Bank Fashion Limited, a wholly owned subsidiary of the Company (see note 8).

3 Directors' remuneration

The only persons employed by the Company in the current and prior period were the Directors (see page 2). No remuneration is paid in respect of services to Pink Soda Limited, these fees being borne by Bank Fashion Limited, a wholly owned subsidiary of the Company (see note 8) and JD Sports Fashion Plc (see note 10).

4 Investments

	Shares in subsidiary undertakings £000
Cost and net book value	
At 28 January 2012 and at 2 February 2013	4,521

The investment balance relates to Varsity Kit Limited, a wholly owned subsidiary incorporated and domiciled in the UK. A full list of subsidiary undertakings is provided in note 8.

5 Debtors

	As at 2 February 2013 £000	As at 28 January 2012 £000
Amounts owed by Group undertakings	21,234	21,234
	<u>21,234</u>	<u>21,234</u>

Notes (continued)

6 Creditors: amounts falling due within one year

	As at 2 February 2013 £000	As at 28 January 2012 £000
Taxation and social security	70	70
Amounts owed to Group undertakings	19,130	19,130
	<u>19,200</u>	<u>19,200</u>

7 Capital

Called up share capital

	Number of ordinary shares	Ordinary share capital £000
At 28 January 2012 and 2 February 2013	6,399,415	64

The total number of issued ordinary shares was 6,399,415 with a par value of £0.01 per share. All issued shares are fully paid up.

The capital structure of the Company comprises issued ordinary share capital, share premium and retained earnings. The policy adopted by the Directors is to seek to improve the capital base of the Company so as to maintain creditor confidence and to sustain future development of the business. There were no changes to the Company's approach to capital management during the period.

On a show of hands at a general meeting, every holder of ordinary shares present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder. Subject to the relevant statutory provisions and the Company's Articles of Association, holders of ordinary shares are entitled to a dividend where declared or paid out of profits available for such purposes. Subject to the relevant statutory provisions and the Company's Articles of Association, on a return of capital on a winding-up, holders of ordinary shares are entitled to participate in such a return equally in proportion to their shareholding.

8 Subsidiary undertakings

	Place of registration	Nature of business and operations	Ownership interest and voting rights
Varsity Kit Limited	UK	Intermediate holding company	100%
Bank Fashion Limited (*)	UK	Retailer of fashion clothing and footwear	100%
Allsports (Retail) Limited (*)	UK	Non-trading company	100%

* indirect holding of the Company

9 Related parties

There are no transactions and balances with related parties, other than those transactions with the immediate parent company, JD Sports Fashion Plc and its wholly owned subsidiaries during the current and prior period. Outstanding balances are unsecured and will be settled in cash.

Notes (continued)

10 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

11 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. Copies of the consolidated financial statements of Pentland Group Plc can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ

