

Pink Soda Limited

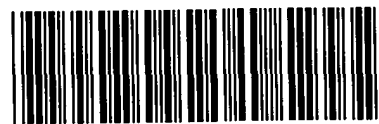
Directors' report and financial
statements

Registered number 05418053

52 week period ended

31 January 2015

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Directors' report

The Directors present their Directors' report and unaudited financial statements for the 52 week period ended 31 January 2015.

Business review

During the financial period ended 31 January 2015 the principal activity of the Company was to act as an ultimate holding company for Bank Fashion Limited, a retailer of branded and own-branded young fashion footwear, apparel and accessories.

The Company has not traded during the current period or prior period. The Directors expect that the Company will remain as a non-trading holding company for the foreseeable future. The Company has been a dormant company in terms of section 1169 of the Companies Act 2006.

On 31 October 2014 Varsity Kit Limited, a 100% subsidiary of Pink Soda Limited, disposed of its 100% shareholding in Bank Fashion Limited to JD Sports Fashion Plc for total consideration of £1. JD Sports Fashion subsequently disposed of Bank Fashion Limited on 25 November 2014 to HUK 57 Limited, a subsidiary of Hilco Capital Limited.

Prior to the disposal, the Directors did not consider the value of the investment in Varsity Kit Limited to be supportable as at 1 February 2014 and an impairment loss of £4,521,000 was recognised in the financial period ended 1 February 2014. Furthermore, amounts owed by Varsity Kit Limited of £21,234,000 were also not considered to be recoverable and have been fully provided against in the financial period ended 1 February 2014.

Principal risks and uncertainties

During the current financial period up until the date of disposal of Bank Fashion Limited, the principal risks and uncertainties of Pink Soda Limited were tied to Bank Fashion Limited in which it held an indirect investment through Varsity Kit Limited. Bank Fashion Limited was the trading company and so the risks set out below were 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 considered that certain risks and uncertainties were more specific to the Company and the fashion retail sector in which it operated. These risks and uncertainties included the following:

- Ability to access, and the dependence on, key brands;
- The location and influence of competitors;
- Impact of new property developments on the existing store portfolio; and
- Seasonality.

Following the disposal of Bank Fashion Limited there are no longer any trading entities directly or indirectly owned by the Company and as a result there are no principal risks or uncertainties.

Proposed dividend

The Directors do not recommend the payment of a dividend (2014: £nil).

Directors

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

BM Small
BC Bown (resigned 30 May 2014)
PA Cowgill
GM Milligan (appointed 25 November 2013, resigned 5 February 2015)

Directors' report *(continued)*

Political and charitable contributions

The Company made no political contributions or charitable donations during the period (2014: *£nil*).

Going concern

The Company is reliant on its immediate parent undertaking, JD Sports Fashion Plc, for its continued financial support. JD Sports Fashion Plc has indicated its ongoing support for the foreseeable future provided that the Company remains in the Group.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue as a dormant company for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

By order of the Board



BM Small
Director

Hollinsbrook Way
Pilsworth
Bury
Lancashire
BL9 8RR

2 October 2015

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 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; 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.

Statement of Profit and loss account and Other Comprehensive Income
For the 52 week period ended 31 January 2015

	Note	52 week period ended 31 January 2015 £000	52 week period ended 1 February 2014 £000
Operating result			
Amounts written off investments	4,6	-	(4,521)
Provision against amounts owed by group undertakings	4	-	(21,234)
		<hr/>	<hr/>
Loss on ordinary activities before tax		-	(25,755)
Tax on ordinary activities	5	-	71
		<hr/>	<hr/>
Total comprehensive loss for the period		-	(25,684)
		<hr/> <hr/>	<hr/> <hr/>

Statement of Changes in Equity
For the 52 week period ended 31 January 2015

	Share capital £000	Share premium £000	Profit and loss account £000	Total Equity £000
Balance at 2 February 2013	64	6,335	156	6,555
Total comprehensive loss for the period	-	-	(25,684)	(25,684)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 February 2014	64	6,335	(25,528)	(19,129)
Total comprehensive loss for the period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 January 2015	64	6,335	(25,528)	(19,129)
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Balance Sheet

As at 31 January 2015


	<i>Note</i>	As at 31 January 2015 £000	As at 31 January 2015 £000	As at 1 February 2014 £000	As at 1 February 2014 £000
Fixed assets					
Investments	6		-		-
Creditors: amounts falling due within one year	7	(19,129)		(19,129)	
Net current liabilities			(19,129)		(19,129)
Net liabilities			(19,129)		(19,129)
Capital and reserves					
Called up equity share capital	8		64		64
Share premium			6,335		6,335
Profit and loss account			(25,528)		(25,528)
Shareholders' deficit			(19,129)		(19,129)

For the financial period ended 31 January 2015 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The Directors:

- confirm that members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the Board of Directors on 2 October 2015 and were signed on its behalf by:



BM 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 FRS 101.

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;
- 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.

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 page 1.

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)*

The Company is reliant on its immediate parent undertaking, JD Sports Fashion Plc, for its continued support. JD Sports Fashion Plc has indicated its ongoing support for the foreseeable future provided that the Company remains in the Group.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue as a dormant company for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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 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.

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 £nil (2014: £2,000) is borne by JD Sports Fashion Plc for the financial period ended 31 January 2015 (see note 11).

3 Directors' remuneration

The only persons employed by the Company in the current and prior period were the Directors. No remuneration is paid in respect of services to Pink Soda Limited, these fees being borne by JD Sports Fashion Plc during the financial period ended 31 January 2015 (see note 11).

4 Loss on ordinary activities before tax

Loss on ordinary activities before tax is stated after charging:

	52 week period ended 31 January 2015 £000	52 week period ended 1 February 2014 £000
Impairment losses	-	(4,521)
Provision against intercompany receivables not considered recoverable	-	(21,234)
	<u>-</u>	<u>(25,755)</u>

Notes (continued)

5 Income tax

Recognised in the profit and loss account

	52 week period ended 31 January 2015 £000	52 week period ended 1 February 2014 £000
<i>Current Tax</i>		
UK corporation tax	-	-
Adjustments relating to prior periods	-	71
Total current tax credit	-	71
<i>Deferred Tax</i>		
Total deferred tax credit	-	-
Total tax credit in profit and loss account	-	71
	52 week period ended 31 January 2015 £000	52 week period ended 1 February 2014 £000
Loss for the period	-	(25,684)
Total tax credit for the period	-	71
Loss before taxation	-	(25,755)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 21.3% (2014: 23.2%)	-	(5,965)
Effect of:		
Non deductible expenses	-	5,965
Adjustments to prior periods	-	71
Total income tax credit	-	71

6 Investments

Investment in subsidiary undertakings	£000
Cost	
As at 1 February 2014 and at 31 January 2015	4,521
Provisions	£000
As at 1 February 2014 and at 31 January 2015	(4,521)
Net book value	£000
As at 1 February 2014 and at 31 January 2015	-

The investment 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 9.

Notes (continued)

7 Creditors: amounts falling due within one year

	As at 31 January 2015 £000	As at 1 February 2014 £000
Amounts owed to Group undertakings	19,129	19,129

8 Capital

Called up share capital

	Number of ordinary shares	Ordinary share capital £000
As at 1 February 2014 and at 31 January 2015	6,399,415	64

The total number of issued ordinary shares was 6,399,415 (2014: 6,399,415) with a par value of £0.01 (2014: £0.01) per share. All issued shares are fully paid up.

9 Subsidiary undertakings

	Place of registration	Nature of business and operations	Ownership interest and voting rights
Varsity Kit Limited	UK	Dormant	100%

On 31 October 2014, Varsity Kit Limited disposed of its 100% shareholding in Bank Fashion Limited and in addition Bank Fashion Limited disposed of its 100% shareholding in Allsports (Retail) Limited.

10 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.

11 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.

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