

Company Registration No. 06027131 (England and Wales)

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 APRIL 2019

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SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	AA Adegoke A P O Dick (Appointed 14 March 2019)
Secretary	T J Piper
Company number	06027131
Registered office	Unit A Brook Park East Road Shirebrook Mansfield NG20 8RY
Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

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SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 APRIL 2019

The directors present their financial statements for the period ended 28 April 2019.

Principal activities

The principal activity of the company is Sports retail, the company commenced trading on 31 December 2018. In the prior period the company was dormant.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

A A Adegoke

A P O Dick

R I L Stockton

(Appointed 14 March 2019)

(Resigned 14 March 2019)

Results and dividends

The results for the period are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Going concern

At the period end the company had a deficit of €14,545,798.88 (2018: €Nil). The deficit is funded by loans from other group companies which will not be called for repayment unless cash flow permits for a minimum of 12 months. The directors have reviewed future forecasts, and with parent company support, consider that it is appropriate for the accounts to be prepared on a going concern basis.

Qualifying third party indemnity provisions

Sports Direct International plc has granted the directors of the company with Qualifying Third Party Indemnity provisions within the meaning given to the term by Sections 234 and 235 of the Companies Act 2006. This is in respect of liabilities to which they may become liable in their capacity as director of the company and of any company within the group. Such indemnities were in force throughout the financial year and will remain in force.

Post reporting date events

COVID19 - Since February 2020, the consequences of the COVID19 pandemic led to a shutdown of retail stores across the UK and Europe, and therefore its operating results have been negatively impacted. Stores across Europe have since re-opened. There is a risk of a second wave of the pandemic which may cause an additional period of store closures.

The Fraser Group and its European subsidiaries were affected by the COVID19 crisis. However, the Group wherever possible has made use of government support in the territories it operates, such as:

- Government salary programs
- Property rates relief
- Tax payment deferrals

Along with careful cash management, working with its suppliers and reducing non business critical work, these measures have helped to ensure the group has sufficient funds to continue during the period of store closures. Sports Direct International Holdings Ltd may be impacted by any of the European retailers negatively affected whom it sells stock and due to Transfer Pricing arrangements. With the measures taken above and rationalisation in the European retail entities over the past 2 years, the impact will be minimal.

Auditor

Grant Thornton UK LLP were appointed as auditor to the company. Grant Thornton UK LLP did not seek reappointment as the Company's auditors and ceased to hold office from 11 September 2019, being the date of the Group's AGM.

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report, Strategic 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 FRS 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; 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 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 auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



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AA Adegoke
Director

Date: 19/08/2020

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Sports Direct International Holdings Limited (the 'company') for the period ended 28 April 2019 which comprise the profit and loss account, the balance sheet, the 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 April 2019 and of its loss for the period 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 opinion

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 *Auditor's 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 opinion.

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business/ business model. Including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might effect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial period 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

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.

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; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement as set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is 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.

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

Auditor's 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 an auditor's report 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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.

Grant Thornton UK LLP

Marc Summers, FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP

20/08/2020
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Chartered Accountants
Statutory Auditor

30 Finsbury Square
London
EC2A 1AG

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 28 APRIL 2019

	Notes	Period ended 28 April 2019 €000's	Period ended 28 April 2018 €000's
Turnover	3	39,800	-
Cost of sales		(45,697)	-
Gross (loss)/profit		(5,897)	-
Distribution costs		(53)	-
Administrative expenses		(139)	-
Other operating expenses		(8,457)	-
Loss before taxation		(14,546)	-
Tax on loss	6	-	-
Loss for the financial period		(14,546)	-

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 9 - 13 form part of these financial statements.

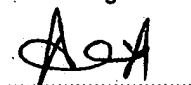
SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

BALANCE SHEET

AS AT 28 APRIL 2019

	Notes	2019 €000's	2018 €000's
Current assets			
Inventory	7	75,248	-
Debtors	8	40,836	-
Cash at bank and in hand		14,000	-
		<u>130,084</u>	<u>-</u>
Creditors: amounts falling due within one year	9	(144,630)	-
		<u>(14,546)</u>	<u>-</u>
Net current liabilities			
			<u>-</u>
Capital and reserves			
Profit and loss reserves	10	(14,546)	-
		<u>(14,546)</u>	<u>-</u>

The financial statements were approved by the board of directors and authorised for issue on 19/08/2020 and are signed on its behalf by:



AA Adegoke
Director

Company Registration No. 06027131

The notes on pages 9 - 13 form part of these financial statements.

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 APRIL 2019

	Profit and loss reserves €000's
Balance at 1 May 2017	-
Period ended 28 April 2018: Profit and total comprehensive income for the period	-
Balance at 28 April 2018	-
Period ended 28 April 2019: Loss and total comprehensive income for the period	(14,546)
Balance at 28 April 2019	<u>(14,546)</u>

The notes on pages 9 - 13 form part of these financial statements.

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 APRIL 2019

1 Accounting policies

Company Information

Sports Direct International Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit A, Brook Park East Road, Shirebrook, Mansfield, NG20 8RY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €000's.

The financial statements are for a period of 52 weeks ended 28 April 2019.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by FRS 102 the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, share based payments, the aggregate remuneration of key management personnel and related party transactions with other wholly-owned members of the group.

Where required, equivalent disclosures are given in the group accounts of Sports Direct International plc. The group accounts of Sports Direct International plc are available to the public and can be obtained as set out in note 11.

1.2 Going concern

14,545,799

At the period end the company had a deficit of €46,476,534 (2018: €Nil). The deficit is funded by loans from other group companies which will not be called for repayment unless cash flow permits for a minimum of 12 months. The directors have reviewed future forecasts, and with parent company support, consider that it is appropriate for the accounts to be prepared on a going concern basis.

1.3 Turnover

Revenue represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

In the case of goods sold through retail stores, revenue is recognised when goods are sold to the customer, 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.

1.4 Inventory

Inventory is valued at lower of cost and net realisable value. Cost includes the purchase price of the manufactured products, materials, direct labour, transport costs and a proportion of applicable overheads. Cost is calculated using weighted average cost. Net realisable value is based on the estimated selling price less all estimated costs to sell. Provision is made for obsolete, slow-moving or defective items where appropriate.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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. Bank overdrafts are shown within borrowings in current liabilities.

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

1 Accounting policies

(Continued)

1.6 Financial instruments

Basic financial assets

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable and loans to or from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by temporary differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. Deferred tax assets are recognised to the extent that future taxable profits will be available against which temporary differences can be utilised. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the statement of financial position date.

1.8 Foreign exchange

Transactions in currencies other than Euro's are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the statement of total comprehensive income for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Provision for obsolete, slow moving or defective stock

Management review the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

3 Turnover and other revenue

	2019 €000's	2018 €000's
Turnover analysed by geographical market		
EU	39,800	-

4 Operating loss

	2019 €000's	2018 €000's
Operating loss for the period is stated after charging/(crediting):		
Exchange gains	(232)	-
Cost of inventory recognised as an expense	45,697	-

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

5 Staff Costs

	2019 €000's	2018 €000's
Wages and salaries	159	-

The company has no employees and staff costs are recharged by a fellow group company.

Directors are employed and remunerated through other group companies

6 Taxation

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2019 €000's	2018 €000's
Loss before taxation	(14,546)	-
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(2,764)	-
Group relief	2,764	-
Taxation charge for the period	-	-

Reductions in the UK tax rate to 19% from 1 April 2017 and 17% from 1 April 2020 have been announced and substantively enacted.

7 Inventory

	2019 €000's	2018 €000's
Finished goods and goods for resale	75,248	-

8 Debtors

	2019 €000's	2018 €000's
Amounts falling due within one year:		
Amounts owed by group undertakings	39,109	-
Other debtors	1,437	-
Prepayments and accrued income	290	-
	40,836	-

SPORTS DIRECT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

9 Creditors: amounts falling due within one year

	2019 €000's	2018 €000's
Trade creditors	9,551	-
Amounts owed to group undertakings	109,191	-
Accruals and deferred income	25,888	-
	<u>144,630</u>	<u>-</u>

10 Profit and loss reserves

	2019 €000's	2018 €000's
At the beginning of the period	-	-
Loss for the period	(14,546)	-
	<u>(14,546)</u>	<u>-</u>
At the end of the period	<u>(14,546)</u>	<u>-</u>

11 Ultimate controlling party

The ultimate controlling party is M J W Ashley, by virtue of his 100% ownership of MASH Holdings Limited, the ultimate parent company. MASH Holdings Limited indirectly holds the majority of shares in Sports Direct International plc, (the immediate parent company).

Sports Direct International plc is the smallest company and MASH Holdings is the largest company to consolidate these accounts. Both Sports Direct International plc and MASH Holdings Limited are companies registered in England and Wales. A copy of the group accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.