

Company Registration No. 06029888 (England and Wales)

SPINSORT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2018



SPINSORT LIMITED

COMPANY INFORMATION

Directors	Mr A A Adegoke Miss R I L Stockton
Secretary	Mr C J Olsen
Company number	06029888
Registered office	Unit A Brook Park East Shirebrook NG20 8RY
Auditor	PKF Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

SPINSORT LIMITED

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SPINSORT LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 29 APRIL 2018

The directors present their directors' report and financial statements for the period ended 29 April 2018.

Principal activities

The principal activity was previously that of retailing of sportswear. The company has ceased trading and will be dormant for the foreseeable future.

Directors

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

Mr A A Adegoke
Miss R I L Stockton

Results and dividends

The profit for the period after taxation amounted to £25,505 (2017: loss of £67,984).

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

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 period and will remain in force.

Statement of directors' responsibilities

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). 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

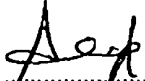
SPINSORT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption, provided by section 415A of the Companies Act 2006.

On behalf of the board



Mr A A Adegoke

Director

Date: 12 DECEMBER 2018

SPINSORT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPINSORT LIMITED

Opinion

We have audited the financial statements of Spinsort Limited (the 'company') for the period ended 29 April 2018 which comprise the profit and loss account, the statement of comprehensive income, 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 29 April 2018 and of its profit 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 Financial Reporting Council'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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1.2 to the financial statements concerning the company's ability to continue as a going concern. The company reported a net profit of £25,505 during the period ended 29 April 2018 and, at that date, the company's liabilities exceeded its total assets by £82,041.

These conditions, along with the fact there is not formal confirmation of support in place for a period of 12 months indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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.

SPINSORT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SPINSORT LIMITED

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 directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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.

SPINSORT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SPINSORT LIMITED

Catherine Kelly (Senior Statutory Auditor)
for and on behalf of PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

PKF Cooper Parry Group Limited
.....
12 DECEMBER 2018

Chartered Accountants & Statutory
Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

SPINSORT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 29 APRIL 2018

		Period ended 29 April 2018 £	Period ended 30 April 2017 £
	Notes		
Turnover	3	-	9,245
Cost of sales		-	(10,283)
Gross profit/(loss)		-	(1,038)
Administrative expenses		25,505	(66,946)
Profit/(loss) before taxation		25,505	(67,984)
Tax on profit/(loss)	6	-	-
Profit/(loss) for the financial period		<u>25,505</u>	<u>(67,984)</u>

There were no other recognised gains or losses for 2018 other than those included in the profit and loss account (2017: £nil).

The notes on pages 8 - 12 form part of these financial statements.

SPINSORT LIMITED

BALANCE SHEET

AS AT 29 APRIL 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	7	277		10,835	
Cash at bank and in hand		-		145,858	
		<u>277</u>		<u>156,693</u>	
Creditors: amounts falling due within one year	8	<u>(82,318)</u>		<u>(264,240)</u>	
Net current liabilities			<u>(82,041)</u>		<u>(107,547)</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss reserves	10		<u>(82,043)</u>		<u>(107,549)</u>
Total equity			<u>(82,041)</u>		<u>(107,547)</u>

These notes on pages 8 - 12 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 12 DECEMBER 2018 and are signed on its behalf by:



Mr AA Adegoke
Director

Company Registration No. 06029888

SPINSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 APRIL 2018

1 Accounting policies

Company information

Spinsort Limited (the 'company') is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is Unit A, Brook Park East, Shirebrook, NG20 8RY.

1.1 Accounting convention

These financial statements have been prepared on a going concern basis under the historical cost convention and 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 sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. The financial statements are for a period of 12 months ended 29 April 2018 (2017: 12 months ended 30 April 2017)

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1.2 Going concern

At the period end the company had net current liabilities and a deficit on shareholders funds of £82,041. As the parent company are continuing to informally support the company, the directors consider that it is appropriate for the accounts to be prepared on a going concern basis.

1.3 Turnover

Turnover represents amounts receivable for goods sold, net of discounts and sales related taxes.

In the case of goods sold through retail stores, turnover 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.

1.4 Financial instruments

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.

1.5 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

SPINSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

1 Accounting policies

(Continued)

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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

1.6 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Where the time value of money is material the provision has been discounted.

Provisions for onerous lease contracts are recognised when the company believes the unavoidable costs of meeting the lease obligations exceed the economic benefits expected to be received under the lease.

1.7 Leases

Rentals paid under operating leases are charged to the income statement on a straight line basis over the lease term.

1.8 Disclosure exemptions

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, 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.

SPINSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Leases

The directors determine whether leases entered into are an operating lease or a finance lease. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the company on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Taxation

Management judgement is required to estimate the availability and allocation of tax losses within the group, based upon the level of taxable profits across the group.

Estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future profits.

Provisions

The basis of the estimation and the provisioning for onerous lease contracts is detailed in the provisions accounting policy and note .

The company recognises dilapidation provisions on the leasehold property it occupies where it is probable that the company will be required to serve the obligation, and a reliable estimate can be made of the amount. The directors assess the level of provision required on a property by property basis based on past experience from the wider Sports Direct group. The provisions are reviewed annually to ensure that they reflect the current best estimate of the provision required.

Estimates and judgements are continually evaluated and are based on historical experience, external advice and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
Sale of goods	-	9,245

All turnover arose within the United Kingdom.

SPINSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

4 Operating profit/(loss)

	2018	2017
	£	£
Operating profit/(loss) for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	3,550	2,000
Operating lease charges	19,315	(26,164)

5 Employees

The company has no employees other than directors, who did not receive any remuneration (2017: £nil). Directors are remunerated by other group companies.

6 Taxation

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

	2018	2017
	£	£
Profit/(loss) before taxation	25,505	(67,984)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	4,846	(13,597)
Group relief	(4,508)	14,762
UK transfer pricing adjustment for notional interest	(338)	(1,165)
Taxation charge for the period	-	-

Estimates are made regarding the availability and allocation of tax losses within the group using the most reliable information available at the date of preparation and approval of the financial statements. During the period ended 30 April 2017, there has been an adjustment to the accounting estimates made in respect of tax charges relating to the period ended 24 April 2016, in relation to assumptions regarding the allocation of group tax losses.

A reduction in the UK corporation tax rate from 21% to 20% took effect from 2015. Further reductions in the UK tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 have been announced and substantively enacted in October 2015. Following the budget in 2016, a further reduction in the main rate of corporation tax to 17% from April 2020 has been announced but has not been substantively enacted.

SPINSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

7 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Other debtors	-	10,835
Prepayments and accrued income	276	-
	<u>276</u>	<u>10,835</u>

8 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	-	26,513
Amounts due to group undertakings	71,150	231,727
Accruals and deferred income	11,168	6,000
	<u>82,318</u>	<u>264,240</u>

9 Share capital

	2018	2017
	£	£
Ordinary share capital Issued and fully paid 2 Ordinary of £1 each	2	2
	<u>2</u>	<u>2</u>

10 Profit and loss reserves

The profit and loss reserve represents accumulated comprehensive income for the current and prior periods.

11 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 SDI Sport London Limited, the immediate parent company which is a wholly owned subsidiary of Sports Direct International plc.

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