

A Number of Names Limited

Report and financial statements

Registered number 06667750

13 months period ended

31 January 2021

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Company Information

Directors	Peter Cowgill
	Neil Greenhalgh
Registered Office	Edinburgh House
	Hollinsbrook Way
	Bury
	BL9 8RR
Registered Number	06667750 (England & Wales)

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Strategic Report

The principal activity of the Company continued to be that of fashion wholesale and retail.

Business Review

The Director's present their Strategic report and audited financial statements for the 13 months period ended 31 January 2021. The comparative period is the 16 months to 31 December 2019.

The business reported a profit before tax of £224,795 (2019: £634,596). The Company's performance was impacted by Covid-19.

The Company was acquired by JD Sports Fashion Plc on 23 December 2020 and changed its year end to 31 January 2021 to align with its Parent Company.

In assessing the performance of the Company, the Directors make use of the following Key Performance Indicators:

	13 month period ended 31 January 2021 £000	16 month period ended 31 December 2020 £000
Turnover	4,733	6,264
Gross profit %	49%	54%
Operating profit	189	619
Operating profit %	4%	10%

Principal risks and uncertainties

The principal risks and uncertainties are set out below:

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 wholesale and retail sector in which it operates. These risks and uncertainties include the following:

- Ability to maintain the wholesale market for the brands
- Ability to source the products at competitive prices
- The location and influence of competitors;
- General economic factors; and
- Seasonality

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

By order of the Board



N Greenhalgh
Director

Hollinsbrook Way
Pilsworth
Bury
Lancashire
BL9 8RR

22 October 2021

Directors' Report

The Directors present their Report for the 13 months ended 31 January 2021. The comparative period is the 16 months to 31 December 2019.

Results and dividends

The results for the period are set out on page 6. The Directors do not recommend the payment of a dividend (2019: £119,146).

Directors

The Directors who held office during the period and to the date of the approval of the financial statements are as follows:

Peter Cowgill (appointed 23 December 2020)
Neil Greenhalgh (appointed 23 December 2020)
Craig Ford (resigned 23 December 2020)

Political and charitable contributions

The Company made no political contributions. The Company made charitable donations during the period of £18,532 (2019: £4,961).

Going concern

Business plans and cashflows have been prepared to 31 January 2022 and consideration taken of the period extending to at least 12 months from the date of approval of these financial statements. Based on the underlying assumptions of the plans and cashflows, and the pledge of continued financial support from JD Sports Fashion Plc, it is assumed that the Company will have sufficient working capital to meet requirements when they fall due and is expected to generate positive cash flows on its own account for the foreseeable future. On this basis the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

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 they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The Board of Directors appointed Hart Shaw LLP as auditor of the Company for the financial period ended 31 January 2021. The auditor will be deemed to be reappointed and Hart Shaw LLP will therefore continue in office, in accordance with Section 487 of the Companies Act 2006.

Strategic report

In accordance with Section 414C (11) of the Companies Act 2006 regulations 2013 the company has prepared a Strategic Report, which includes information that would have previously been included in the Directors' Report.

By order of the Board



N Greenhalgh
Director

Edinburgh House
Hollinsbrook Way
Bury
BL9 8RR

22 October 2021

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 period. 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 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

Independent auditor's report to the members of A Number of Names Limited

Qualified opinion on financial statements

We have audited the financial statements of A Number of Names Limited (the 'company') for the period 1 January 2020 to 31 January 2021 which comprise the statement of profit and loss account and other comprehensive income, the balance sheet, statement of changes in equity and notes to the financial statements, including 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, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2021 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 qualified opinion

We were appointed as auditors during the 13 month period ended 31 January 2021 when the company became a subsidiary of JD Sports Fashion plc and needed an audit for the first time. The opening balance sheet had not been audited and we were unable to carry out procedures to audit the opening balance sheet and therefore we are unable to determine whether any adjustments to the statement of profit and loss account and other comprehensive income might have been necessary in the current period. We were also unable to ascertain whether accounting policies were consistently applied with the prior year. In addition, were any adjustment to the statement of profit and loss account and other comprehensive income to be required, the strategic' report would also need to be amended.

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 qualified opinion.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we are unable to satisfy ourselves concerning the opening balances. We have concluded that where the other information refers to the opening balances, it may be materially misstated for the same reason.

Independent auditor's report to the members of A Number of Names Limited *(continued)*

Qualified opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

In respect solely of the limitation on our work relating to opening balances described above:

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

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.

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

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

At the planning stage we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management, as required by auditing standards. The potential effect of any laws and regulation on the financial statements can vary considerably. There are laws and regulations that directly affect the financial statements (e.g. the Companies Act) as well as many other operational laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Owing to the size, nature and complexity of the organisation and the applicable laws and regulations to which it must adhere, the risk of material misstatement was deemed to be low, therefore the procedures performed by the audit team were limited to:

Independent auditor's report to the members of A Number of Names Limited (continued)

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

We have assessed the overall susceptibility of the financial statements to material misstatements as low because the nature of the business does not particularly lend itself to fraud.

Management override is inherently high risk on any audit. Management override, which may cause there to be a material misstatement within the financial statements, may present itself in a number of ways, for example:

- Override of internal controls (e.g. segregation of duties)
- Entering into transactions outside the normal course of business, especially with related parties
- Fraudulent revenue recognition, including fictitious sales and sales being recorded in the wrong period
- Presenting bias in accounting judgements and estimates, particularly provisions for impairment of debtors and provisions to write down stock and net realisable value

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

- Enquiries of management as to whether they had any knowledge of any actual or suspected fraud
- Review of all material journal entries made throughout the period as well as those made to prepare the financial statements
- Reviewing the underlying rationale behind transactions in order to assess whether they were outside the normal course of business
- Increased substantive testing across all material income streams
- Assessing whether management's judgements and estimates indicated potential bias, particularly provisions for impairment of debtors and provisions to write down stock and net realisable value.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Hart Shaw LLP

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

Date: *25 October 2021*

Statement of Profit and Loss Account and Other Comprehensive Income
For the 13 Months period ended 31 January 2021

	Note	13 months period ended 31 January 2021 £	Restated 16 months period ended 31 December 2019 £
Turnover	2	4,733,432	6,264,488
Cost of sales		(2,400,773)	(2,877,789)
Gross profit		2,332,659	3,386,699
Selling and distribution costs		(994,637)	(873,886)
Total administrative costs		(1,203,221)	(1,906,552)
Other operating income	4	66,249	12,500
Loss on sale of financial instruments		(12,321)	-
Operating profit	3	188,729	618,761
Interest receivable and similar income	7	42,586	21,396
Interest payable and similar charges	8	(6,520)	(5,561)
Profit before taxation for the period		224,795	634,596
Tax on profit on ordinary activities	9	(16,590)	(20,711)
Profit for the period		208,205	613,885
Total comprehensive profit for the period		208,205	613,885

The notes on pages 10 to 19 form part of the financial statements.

In the prior period Statement of Profit and Loss and Other Comprehensive Income, the split of administrative costs, selling and distribution costs and cost of sales have been restated to align with JD group policies. The effect is the inclusion of £873,886 distribution costs, of which £759,422 has been reanalysed from cost of sales, and £126,194 for administrative expenses. The remaining £11,730 has been removed from sales. The overall impact on the Statement of Profit and Loss and Other Comprehensive Income is nil for the 16 month period ended 31 December 2019.

Balance Sheet
As at 31 January 2021

	<i>Note</i>	As at 31 January 2021 £	As at 31 January 2021 £	As at 31 December 2019 £	As at 3 December 2019 £
Fixed assets					
Tangible fixed assets	10		155,670		189,127
			<u>155,670</u>		<u>189,127</u>
Current assets					
Stocks	11	354,152		555,117	
Investments	12	-		516,713	
Debtors	13	924,910		849,860	
Cash at bank and in hand		1,926,801		1,181,359	
		<u>3,205,863</u>		<u>3,103,049</u>	
Creditors: amounts falling due within one year	14	(563,735)		(638,977)	
		<u></u>		<u></u>	
Net current assets			2,642,128		2,464,072
			<u>2,642,128</u>		<u>2,464,072</u>
Total assets less current liabilities			2,797,798		2,653,199
			<u>2,797,798</u>		<u>2,653,199</u>
Creditors: amounts falling due after more than one year	15		-		(63,606)
			<u></u>		<u></u>
Net Assets			2,797,798		2,589,593
			<u>2,797,798</u>		<u>2,589,593</u>
Capital and reserves					
Called up equity share capital	16		100		100
Profit and loss reserve			2,797,698		2,589,493
			<u>2,797,698</u>		<u>2,589,493</u>
Shareholders' surplus			2,797,798		2,589,593
			<u>2,797,798</u>		<u>2,589,593</u>

The notes on pages 10 to 19 form part of the financial statements

These financial statements were approved by the Board of Directors on 22 October 2021 and were signed on its behalf by:



N Greenhalgh
Director

Registered number 0666750

Statement of Changes in Equity
For the 13 months period ended 31 January 2021

	Called up Share capital £	Profit and reserve £	Total equity £
Balance at 1 September 2018	100	2,094,754	2,094,845
Dividends	-	(119,146)	(119,146)
Total comprehensive profit for the period	-	613,885	613,885
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	100	2,589,493	2,589,593
Total comprehensive profit for the period	-	208,205	208,205
	<hr/>	<hr/>	<hr/>
Balance at 31 January 2021	100	2,797,698	2,797,798
	<hr/>	<hr/>	<hr/>

Notes

(Forming part of the financial statements)

1 Accounting policies

A Number of Names Limited (the "Company") is a private company limited by shares, and is registered, domiciled and incorporated in England. The registered office of the company is Hollinsbrook Way, Pilsworth, Bury, Lancashire. The principal place of business of the Company is Zetland House, Scrutton Street, London. The company's principal activity is the wholesale and retail of fashion clothing.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The financial statements are prepared on the historical cost basis and are presented in pounds sterling. In accordance with allowable FRS102 exemptions the Company has taken advantage of the exemption under section 7 "Statement of Cash Flows" from the requirement to present a cash flow statement and related notes and

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

Reporting period

The company has changed its financial year end from 31 December to 31 January to align with the group reporting date. The comparative period is the 16 months to 31 December 2019. The financial statements are therefore for the 13 months period ended 31 January 2021 and as such, the prior year figures are not entirely comparable.

Going concern

Business plans and cashflows have been prepared to 31 January 2022 and consideration taken of the period extending to at least 12 months from the date of approval of these financial statements. Based on the underlying assumptions of the plans and cashflows, it is assumed that the Company will have sufficient working capital to meet requirements when they fall due and is expected to generate positive cash flows on its own account for the foreseeable future. On this basis the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful economic lives, they are accounted for as separate items.

Depreciation

Depreciation is charged to the statement of total comprehensive income over the estimated useful lives of each part of an item of tangible fixed assets on the following basis:

- | | |
|--------------------------|--|
| • Fixtures and fittings | 20% per annum on a reducing basis |
| • Motor vehicles | 10% per annum on a straight line basis |
| • Computer equipment | 25% per annum on a straight line basis |
| • Leasehold improvements | Straight line basis over the remaining term of the lease |

Stocks

Stocks are stated at the lower of cost and net realisable value. Provisions are made for obsolescence, marks downs and shrinkage.

Financial instruments

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

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

Notes *(continued)*

1 Accounting policies *(continued)*

Trade and other debtors

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

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

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

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

Equity instruments

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

Trade and other creditors

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

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

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

Foreign currency translation

Transactions in foreign currencies are translated into sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of total comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes *(continued)*

1 Accounting policies *(continued)*

Impairment

The carrying amounts of the Company's assets other than stock and deferred tax assets are reviewed annually to determine whether there is any indication of impairment. An impairment loss is recognised wherever 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.

Turnover

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

Income tax

Tax on the profit or loss for the period comprises current and deferred tax.

Current tax

Current tax is the expected tax payable on the taxable income or loss 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.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted. Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity. Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Cash and cash equivalents

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

Critical accounting estimates and judgements

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

Provisions to write stocks down to net realisable value

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

Notes (continued)

2 Turnover

	Period ended 31 January 2021 £	Period ended 31 December 2019 £
Turnover from the sale of goods – wholesale	3,546,066	4,793,859
Turnover from the sale of goods – retail	1,187,366	1,470,629
	<u>4,733,432</u>	<u>6,264,488</u>

3 Operating profit

Operating profit stated after charging/(crediting):

	Period ended 31 January 2021 £	Period ended 31 December 2019 £
Auditor's remuneration		
Audit of these financial statements	10,000	-
Depreciation of tangible fixed assets	39,912	55,925
Loss on sale of tangible assets	-	9,960
Loss on sale of investments	12,321	-

4 Other operating income

Other operating income is split as follows:

	Period ended 31 January 2021	Period ended 31 December 2019
Other Income	12,500	12,500
Grant Job Retention Scheme	53,749	-
	<u>66,249</u>	<u>12,500</u>

Included within other operating income is £53,749 in relation to Covid support grants, specifically the Job Retention Scheme (JRS).

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	Period ended 31 January 2021	Period ended 31 December 2019
Administration and distribution	9	13
Directors	1	1
	<u>10</u>	<u>14</u>

Notes (continued)

The aggregate payroll costs of these persons were as follows:

	Period ended 31 January 2021 £	Period ended 31 December 2019 £
Wages and salaries	556,484	829,986
Social security costs	79,072	102,286
Pension contributions	51,442	55,016
	<u>686,998</u>	<u>987,288</u>

6 Directors' remuneration

	Period ended 31 January 2021 £	Period ended 31 December 2019 £
Remuneration for qualifying services	35,097	14,825
Company pension contributions to defined contribution schemes	40,000	40,000
	<u>75,097</u>	<u>54,825</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

The number of directors accruing pension benefits in the period was 1 (2019: 1)

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

7 Interest receivable and similar income

	Period ended 31 January 2021 £	Period ended 31 December 2019 £
Dividends from investments	40,894	16,748
Bank Interest received	1,079	3,944
Other interest received	613	704
	<u>42,586</u>	<u>21,396</u>

8 Interest payable and similar charges

	Period ended 31 January 2021 £	Period ended 31 December 2019 £
Hire Purchase Interest	6,520	5,561
	<u>6,520</u>	<u>5,561</u>

Notes (continued)

9 Income tax

Recognised in the statement of total comprehensive income	Period ended 31 January 2021 £	Period ended 31 December 2019 £
<i>Current tax</i>		
Current tax charge	8,153	4,914
Adjustment relating to prior periods	-	15,797
Total current tax credit	8,153	20,711
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(1,316)	-
Adjustment relation to prior periods	9,753	-
Total deferred tax (credit) / charge	8,437	-
Tax on profit on ordinary activities	16,590	20,711
	Period ended 31 January 2021 £	Period ended 31 December 2019 £
Profit before taxation	224,795	634,596
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19.0% (2019: 19.0%)	42,711	120,573
Effect of:		
Expenses not deductible	10,020	8,819
Non taxable income	(8,091)	(3,182)
UK research and development tax credits and other allowances	(37,803)	(116,670)
(Over)/Under provisions in prior years	9,753	15,797
Deferred tax not recognised	-	(4,626)
Income tax credit/(charge)	16,590	20,711

This year a deferred tax liability has been recognised of £8,437 (2019: deferred tax asset of £nil).

The UK corporation tax rate is expected to remain at 19% (effective 1 April 2017). The deferred tax position has been calculated based on this rate.

Notes (continued)

10 Tangible fixed assets

	Leasehold Land & Buildings £	Fixtures & Fittings £	Computers £	Motor Vehicles £	Total £
Cost					
At 1 January 2020	6,073	191,064	31,229	108,716	337,082
Additions	-	-	6,445	-	6,445
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2021	6,073	191,064	37,684	108,716	343,537
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment					
At 1 January 2020	6,073	100,712	17,083	25,367	147,955
Charge for the period	-	20,009	8,125	11,778	39,912
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2021	6,073	118,721	25,928	37,145	187,867
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 1 January 2020	-	92,352	13,426	83,349	189,127
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2021	-	72,343	11,756	71,571	155,670
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

11 Stocks

	As at 31 January 2021 £	As at 31 December 2019 £
Finished goods and goods for resale	354,152	555,117

The cost of stocks recognised as expenses and included in cost of sales for the 13 months period ended 31 January 2021 was £1,696,696 (2019: £1,745,475). The Company had £10,974 (2019: £nil) of stock provisions at the end of the period.

12 Investments

	As at 31 January 2021 £	As at 31 December 2019 £
Investments in quoted shares	-	516,713

At the prior period end the company owned a portfolio of shares in quoted companies. During the current period, these were disposed of with the loss recognised in the statement of profit and loss and other comprehensive income.

13 Trade and other debtors

	As at 31 January 2021 £	As at 31 December 2019 £
Trade debtors	727,412	553,323
Amounts due from group companies	49,017	-
Other debtors	69,481	134,810
Prepayments	79,000	161,727
	<u>924,910</u>	<u>849,860</u>

14 Creditors: amount falling due within one year

	As at 31 January 2021 £	As at 31 December 2019 £
Trade creditors	230,834	122,672
Other creditors and accrued expenses	108,277	408,869
Taxation and social security	208,034	102,522
Corporation tax	8,153	4,914
Deferred tax liability	8,437	-
	<u>563,735</u>	<u>638,977</u>

Notes (continued)

15 Creditors: amount falling after more than one year

	As at 31 January 2021 £	As at 31 December 2019 £
Other creditors and accrued expenses	-	63,606
	-	63,606

16 Capital

Called up share capital

	2021		2019	
	Number of shares	Share capital £	Number of shares	Share capital £
Authorised, allotted, called up and fully paid Ordinary shares of £1.00 each	100	100	100	100
Total Equity Share capital	100	100	100	100

17 Operating leases commitments

The Company leases a retail store and office under non-cancellable operating lease agreements. Undiscounted total future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings 2021 £	Plant and Equipment 2021 £	Total 2021 £	Total 2019 £
Due in one year	103,163	4,923	108,086	132,388
Between two and five years	46,575	-	46,575	189,643
More than five years				
	149,738	4,923	154,661	322,031

18 Finance Lease Obligations

	Motor Vehicles 2021 £	Total 2021 £	Total 2019 £
Due in one year	-	-	8,271
Between two and five years	-	-	57,350
More than five years			-
	-	-	65,261

Notes (continued)

19 Off balance sheet commitments

Effective from 1 January 2021, the company signed exclusive 5 year licence and distribution agreements. The agreements were made in US dollars and therefore disclosed as such below. The agreements commit the company to guaranteed minimum royalty and advertising payments to the licensor for the periods as set out below:

	Total 2021 \$	Total 2019 \$
Due in one year	829,583	-
Between two and five years	4,161,667	-
More than five years	-	-
	4,991,250	-

20 Parent company

The Company is a subsidiary 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.

21 Ultimate parent company

The ultimate parent undertaking is Pentland Group Limited (a company registered in Jersey). R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group Limited (a company registered in Jersey). Consolidated financial statements will be prepared by Pentland Group Limited (a company registered in England and Wales), which is the parent undertaking of the largest group of undertakings to consolidate these financial statements for the year ended 31 December 2020. The consolidated financial statements of Pentland Group Limited can be obtained from the company's registered office at 8 Manchester Square, London, W1U 3PH, England.

22 Related party transactions

During the period, the company made sales to related subsidiary undertakings of JD Sports Fashion Plc. The reported figures include transactions from the date the company was acquired by JD onwards, being 23 December 2020. The company has taken advantage of the exemption relating to the exclusion of reporting transactions with wholly owned subsidiaries. The turnover and balances owed by the related undertakings included in debtors at 31 January 2021 were as follows:

Tessuti Limited	Turnover £5,343	Balance at 31 January 2021	£15,081
Mainline Menswear Limited	Turnover £22,714	Balance at 31 January 2021	£27,257

Craig Ford resigned as director on 23 December 2020. During the period, the company made certain payments on his behalf and the amount of £72,202 was repaid by the director by 31 January 2021. During the period, the company charged the director interest of £613 (2019 - £704) on the balance owed. The balance owed by C Ford at 31 January 2021 was £nil (2019 - £43,413).