

**JD Sports Fashion Denmark  
ApS**

**c/o Harbour House, Sundkrogsgade 21, DK-  
2100 Copenhagen**

**CVR no. 36 91 05 50**

**Annual report for 2016/17**

Adopted at the annual general meeting  
on 22 June 2017



chairman *Rasmus Eske Bruun*

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## Statement by management on the annual report

The executive board has today discussed and approved the annual report of JD Sports Fashion Denmark ApS for the financial year 1 February 2016 - 31 January 2017.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 January 2017 and of the results of the company's operations for the financial year 1 February 2016 - 31 January 2017.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

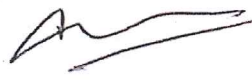
Management recommends that the annual report should be approved at the annual general meeting.

Copenhagen, 22 June 2017

**Executive Board**



Peter Alan Cowgill



Brian Michael Small

## **Independent auditor's report**

To the shareholder of JD Sports Fashion Denmark ApS

### **Opinion**

We have audited the financial statements of JD Sports Fashion Denmark ApS for the financial year 1 February 2016 - 31 January 2017, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 January 2017 and of the results of the company's operations for the financial year 1 February 2016 - 31 January 2017 in accordance with the Danish Financial Statements Act.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as management determines 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, management is 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 in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has 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 and the additional requirements applicable in Denmark 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

## **Independent auditor's report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on management's review**

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.


## **Independent auditor's report**

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 22 June 2017

KPMG  
Statsautoriseret revisionspartnerselskab  
CVR no. 25 57 81 98

  
Klaus Rytz  
State Authorised Public Accountant

## Company details

### The company

JD Sports Fashion Denmark ApS  
c/o Harbour House  
Sundkrogsgade 21  
DK-2100 Copenhagen

CVR no.: 36 91 05 50  
Reporting period: 1 February - 31 January  
Domicile: Copenhagen

### Executive Board

Peter Alan Cowgill  
Brian Michael Small

### Auditors

KPMG  
Statsautoriseret revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen

## **Management's review**

### **Business activities**

The Company's primary activity is sale of sports fashion, footwear and related accessories.

### **Recognition and measurement uncertainties**

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

### **Unusual matters**

The operating result is highly influenced by it being the second year in operation for the Company. Apart from this the Company's financial position at 31 January 2017 and the results of its operations for the financial year ended 31 January 2017 are not affected by any unusual matters.

### **Business review**

The Company's income statement for the year ended 31 January shows a loss of DKK 6.442, and the balance sheet at 31 January 2017 shows negative equity of DKK 8.749.

At 31 January 2017, the Company had lost its entire share capital. JD Sports Fashion Denmark ApS has received a letter of support from the parent company, JD Sports Fashion plc., in which it is stated that JD Sport Fashion plc. will provide the necessary financial support to JD Sports Fashion Denmark ApS for the foreseeable future, being a period of at least 12 months, provided that the Company remains in the Group.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## Income statement 1 February - 31 January

	Note	2016/17 TDKK	2015/16 TDKK
<b>Gross profit</b>		<b>8.064</b>	<b>-794</b>
Staff costs	1	-12.311	-1.371
Depreciation on property, plant and equipment		-1.739	-162
<b>Profit/loss before financial income and expenses</b>		<b>-5.986</b>	<b>-2.327</b>
Financial costs	2	-456	-30
<b>Profit/loss before tax</b>		<b>-6.442</b>	<b>-2.357</b>
Tax on profit/loss for the year		0	0
<b>Net profit/loss for the year</b>		<b>-6.442</b>	<b>-2.357</b>
<b>Distribution of profit</b>			
Retained earnings		-6.442	-2.357
		<b>-6.442</b>	<b>-2.357</b>

## Balance sheet 31 January

	<u>Note</u>	<u>2016/17</u> TDKK	<u>2015/16</u> TDKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		<u>14.339</u>	<u>7.265</u>
<b>Tangible assets</b>	3	<u><b>14.339</b></u>	<u><b>7.265</b></u>
Deposits		<u>3.734</u>	<u>2.412</u>
<b>Fixed asset investments</b>		<u><b>3.734</b></u>	<u><b>2.412</b></u>
<b>Fixed assets total</b>		<u><b>18.073</b></u>	<u><b>9.677</b></u>
Finished goods and goods for resale		<u>8.163</u>	<u>4.422</u>
<b>Stocks</b>		<u><b>8.163</b></u>	<u><b>4.422</b></u>
Other receivables		<u>1.091</u>	<u>438</u>
<b>Receivables</b>		<u><b>1.091</b></u>	<u><b>438</b></u>
<b>Cash at bank and in hand</b>		<u><b>4.719</b></u>	<u><b>7.546</b></u>
<b>Current assets total</b>		<u><b>13.973</b></u>	<u><b>12.406</b></u>
<b>Assets total</b>		<u><b>32.046</b></u>	<u><b>22.083</b></u>

## Balance sheet 31 January

	Note	2016/17 TDKK	2015/16 TDKK
<b>Liabilities and equity</b>			
Share capital		50	50
Retained earnings		-8.799	-2.357
<b>Equity</b>	<b>4</b>	<b>-8.749</b>	<b>-2.307</b>
Trade payables		1.407	2.380
Payables to group companies		31.476	18.954
Other payables		7.912	3.056
<b>Short-term debt</b>		<b>40.795</b>	<b>24.390</b>
<b>Debt total</b>		<b>40.795</b>	<b>24.390</b>
<b>Liabilities and equity total</b>		<b>32.046</b>	<b>22.083</b>
Uncertainty about the continued operation (going concern) 5			
Contingent assets, liabilities and other financial obligations 6			

## Notes

	<u>2016/17</u>	<u>2015/16</u>
	TDKK	TDKK
<b>1 Staff costs</b>		
Wages and salaries	11.399	1.316
Pensions	751	55
Other staff costs	161	0
	<u><b>12.311</b></u>	<u><b>1.371</b></u>
 Average number of employees	 <u>42</u>	 <u>15</u>

	<u>2016/17</u>	<u>2015/16</u>
	TDKK	TDKK
<b>2 Financial costs</b>		
Financial expenses, group entities	453	29
Other financial costs	3	1
	<u><b>456</b></u>	<u><b>30</b></u>

## 3 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 February 2016	7.427
Additions for the year	8.813
Disposals for the year	0
Cost at 31 January 2017	<u>16.240</u>
 Impairment losses and depreciation at 1 February 2016	 162
Depreciation for the year	1.739
Reversal of impairment and depreciation of sold assets	0
Impairment losses and depreciation at 31 January 2017	<u>1.901</u>
 <b>Carrying amount at 31 January 2017</b>	 <u><b>14.339</b></u>

## Notes

### 4 Equity

	Share capital	Retained earnings	Total
Equity at 1 February 2016	50	-2.357	-2.307
Net profit/loss for the year	0	-6.442	-6.442
<b>Equity at 31 January 2017</b>	<b>50</b>	<b>-8.799</b>	<b>-8.749</b>

All shares rank equally.

### 5 Uncertainty about the continued operation (going concern)

At 31 January 2017, the Company had lost its entire share capital. JD Sports Fashion Denmark ApS has received a letter of support from the parent company, JD Sports Fashion plc., in which it is stated that JD Sport Fashion plc. will provide the necessary financial support to JD Sports Fashion Denmark ApS for the foreseeable future, being a period of at least 12 months, provided that the Company remains in the Group.

### 6 Contingent assets, liabilities and other financial obligations

The Company has entered into a lease on premises with a minimum lease obligation totalling TDKK 113,887 (2015: TDKK 21,474).

## **Accounting policies**

The annual report of JD Sports Fashion Denmark ApS for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2016/17 is presented in TDKK

### **Basis of recognition and measurement**

Income is recognised in the Income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the Income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

## **Income statement**

### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

### **Revenue**

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

## **Accounting policies**

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

## **Balance sheet**

### **Tangible assets**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipments	7 years

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

### **Stocks**

Stocks are measured using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

### **Receivables**

Receivables are measured at amortised cost.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

## **Accounting policies**

### **Liabilities**

Liabilities, which include trade liabilities, payables to group entities and other payables, are measured at amortised cost, equal to nominal value.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.