

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

JD Sports Fashion Denmark ApS

**Annual report for the period 29
May 2015 - 31 January 2016**

The annual report was presented and adopted at the
Company's annual general meeting

on 30 June 2016


chairman **Kilt Ebelø Laurenz**

CVR no. 36 91 05 50

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Statement by the Executive Management

The Executive Management has today discussed and approved the annual report of JD Sports Fashion Denmark ApS for the financial year 29 May 2015 – 31 January 2016.

The annual report has been 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 assets, liabilities and financial position at 31 January 2016 and of the results of the Company's operations for the financial year 29 May 2015 – 31 January 2016.


Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report should be approved at the annual general meeting.

Copenhagen, 29 June 2016



Peter Alan Cowgill



Brian Michael Small



Independent auditor's report

To the shareholder of JD Sports Fashion Denmark ApS

Independent auditor's report on the financial statements

We have audited the financial statements of JD Sports Fashion Denmark ApS for the financial year 29 May 2015 – 31 January 2016. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 January 2016 and of the results of the Company's activities for the financial year 29 May 2015 – 31 January 2016 in accordance with the Danish Financial Statements Act.

Emphasis of matter regarding the financial statements

Without modifying our opinion, we draw attention to the Management's review and note 1 to the financial statements, which state that the Company has received a letter of support from the Parent Company in order to ensure that JD Sports Fashion Denmark ApS has sufficient liquidity and financial support until the presentation of the annual report for 2016/17. On this basis, the financial statements are prepared under the going concern assumption.



Independent auditor's report

Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 29 June 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Klaus Rytz
State Authorised
Public Accountant

Management's review

Company details

JD Sports Fashion Denmark ApS
Harbour House
Sundkrogsvej 21
2100 Copenhagen
Denmark

CVR no.:	36 91 05 50
Established:	29 May 2015
Registered office:	Copenhagen
Financial year:	29 May 2015 – 31 January 2016

Executive Management

Peter Alan Cowgill
Brian Michael Small

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Ownership control

The Company is 100 % owned by:

JD Sports Fashion plc.
Hollinsbrook Way
Pillsworth, Bury
Lancashire
BL9 8RR
United Kingdom

Annual general meeting

The annual general meeting will be held on 29 June 2016.

Management's review

Operating review

Primary activities

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

Development in activity and financial position

The Company's income statement for the period ended 31 January 2016 shows a net loss of DKK 2,357 thousand and the balance sheet at 31 January 2016 shows a negative equity of DKK 2,307 thousand. The operating result is highly influenced by it being the first year in operation for the Company.

The Company have received a letter of support from the parent company, JD Sports Fashion Plc., in which it 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.

Loss of equity

At 31 January 2016, the value of total equity is lower than the share capital. Management expects to re-establish the share capital by future earnings.

The owner of the Company, JD Sports Fashion plc., has provided a letter of support, in which JD Sports Fashion plc. states that it will ensure the Company's ability to meet its obligations until the presentation of the annual report for 2016/17.

Subsequent events

No events have occurred after the balance sheet date to this date, which would influence the evaluation of the annual report.

Financial statements 29 May 2015 – 31 January 2016

Accounting policies

The annual report of JD Sports Fashion Denmark ApS for the period 29 May – 31 January 2015/16 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from sale of goods is recognised in the income statement provided that delivery and transfer of risk to the buyer has been made.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial statements 29 May 2015 – 31 January 2016

Accounting policies

Other operating costs

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings	7 years
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Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 29 May 2015 – 31 January 2016

Accounting policies

Inventories

Inventories are measured at cost in accordance with the weighted average principle. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Other receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value if the obligation is expected to be settled in the distant future.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Financial statements 29 May 2015 – 31 January 2016

Income statement

DKK'000	Note	2015/16
Gross profit		1,757
Other operating costs		-2,551
Staff costs	2	-1,371
Depreciation on property, plant and equipment		-162
Ordinary operating loss		-2,327
Financial expenses	3	-30
Loss before tax		-2,357
Tax on loss for the year		0
Loss for the year		-2,357
 Proposed loss appropriation		
Retained earnings		-2,357
		-2,357

Financial statements 29 May 2015 – 31 January 2016

Balance sheet

DKK'000	Note	<u>2015/16</u>
ASSETS		
Non-current assets		
Property, plant and equipment		
Fixtures and fittings	4	<u>7,265</u>
		<u>7,265</u>
Investments		
Deposits		<u>2,412</u>
		<u>2,412</u>
Total non-current assets		<u>9,677</u>
Current assets		
Inventory		4,422
Other receivables		438
Receivables		<u>4,860</u>
Cash at bank and in hand		<u>7,546</u>
Total current assets		<u>12,406</u>
TOTAL ASSETS		<u>22,083</u>

Financial statements 29 May 2015 – 31 January 2016

Balance sheet

DKK'000	Note	2015/16
EQUITY AND LIABILITIES		
Equity		
Share capital		50
Retained earnings		-2,357
Total equity	5	-2,307
Current liabilities other than provisions		
Trade payables		2,380
Debt to group companies		18,954
Other payables		3,056
Total liabilities other than provisions		24,390
TOTAL EQUITY AND LIABILITIES		22,083
Going concern	1	
Contractual obligations, contingencies, etc.	6	

Financial statements 29 May 2015 – 31 January 2016

Notes

1 Going concern

At 31 January 2016, the Company had lost its entire share capital. JD Sports Fashion plc. has issued a letter of support from the parent company, JD Sports Fashion Plc., in which it 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.

	<u>2015/16</u>
2 Staff costs	
Wages and salaries	1.316
Pension contributions	55
Total staff costs	<u>1.371</u>

In accordance with section 98B(3) of the Danish Financial Statements Act, remuneration of Management is not disclosed.

3 Financial expenses	
Financial expenses to related parties	29
Other financial expenses	1
Total financial expenses	<u>30</u>

4 Property, plant and equipment	
	<u>Plant and machinery</u>
Cost at 29 May 2015	0
Additions	7,427
Disposals	0
Cost at 31 January 2016	<u>7,427</u>
Depreciation and impairment losses at 29 May 2015	0
Depreciation	-162
Depreciations and impairment losses at 31 January 2016	<u>-162</u>
Carrying amount at 31 January 2016	<u>7,265</u>

Financial statements 29 May 2015 – 31 January 2016

Notes

5 Equity

DKK'000	Share capital	Retained earnings	Total
Balance at 29 May 2015	50	0	50
Profit for the year	0	-2,357	-2,357
Balance at 31 January 2016	50	-2,357	-2,307

All shares rank equally. There has been no change to the share capital since the establishment.

6 Contractual obligations, contingencies, etc.

Lease obligations

The Company has entered into a lease on premises with a minimum lease obligation totalling DKK 21,474 thousand.