

## **JD Sports Fashion Denmark ApS**

c/o Harbour House

Sundkrogsgade 21, DK-2100 Copenhagen

CVR no. 36 91 05 50

### **Annual report for 2022/23**

Adopted at the annual general meeting  
on 13 July 2023

*NJ Greenhalgh*

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Neil James Greenhalgh  
chairman

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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 2022 - 31 January 2023.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 January 2023 and of the results of the company's operations for the financial year 1 February 2022 - 31 January 2023.

In my 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 by the company in general meeting.

Copenhagen, 13 July 2023

### **Executive Board**

*NJ Greenhalgh*

Neil James Greenhalgh

## 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 2022 – 31 January 2023 comprising income statement, balance sheet, statement of changes in equity, notes and accounting policies. The financial statements are 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 2023 and of the results of the Company's operations for the financial year 1 February 2022 – 31 January 2023 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

#### **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 the 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.

## Independent auditor's report

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.

## Independent auditor's report

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.

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, 13 July 2023

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Klaus Rysz

State Authorised Public Accountant

MNE no. mne33205

## Company details

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

CVR-no. 36 91 05 50

Financial year: 1 February 2022 - 31 January 2023

Domicile: Copenhagen

### **Executive Board**

Neil James Greenhalgh

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen

### **Bankers**

Handelsbanken

## **Consolidated financial statements**

The company is reflected in the group report of the parent company:

JD Sports Fashion plc  
Edinburgh House Hollinsbrook Way Pilsworth  
Bury Lancashire BL9 8RR  
United Kingdom

## Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
Gross profit/loss	27.870	29.548	33.975	27.373	23.833
Profit/loss before net financials	-4.573	2.954	5.874	-1.688	-909
Net financials	-544	-364	-454	-579	-507
Profit/loss for the year	-4.920	1.995	4.413	-2.267	-1.416
Balance sheet total	43.600	42.170	68.948	41.999	39.430
Investment in property, plant and equipment	181	677	301	18	4.299
Equity	-7.532	-2.612	-4.607	-9.020	-6.753
Number of employees	81	70	69	70	63
<b>Financial ratios</b>					
Return on assets	-10,7%	5,3%	10,6%	-4,1%	-2,0%
Solvency ratio	-17,3%	-6,2%	-6,7%	-21,5%	-17,1%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.



## Management's review

### **Business review**

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

### **Financial review**

The company's income statement for the year ended 31 January 2023 shows a loss of TDKK -4.920 (2021/22: TDKK 1.995), and the balance sheet at 31 January 2023 shows negative equity of TDKK 7.532 (2021/22: TDKK 2.612).

At 31 January 2023, the company had lost its entire share capital. The equity is expected to be fully or partially restored in the near future. The company's management is aware of section 119 of the Danish Companies Act regarding capital losses.

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 at least until the time of signing the accounts for 2023/24.

### **Significant events occurring after the end of the financial year**

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

Income statement 1 February - 31 January

	<u>Note</u>	<u>2022/23</u> TDKK	<u>2021/22</u> TDKK
<b>Gross profit</b>		<b>27.870</b>	<b>29.548</b>
Staff costs	1	-25.571	-23.475
Depreciation on property, plant and equipment		-2.070	-2.098
Other operating expenses		<u>-4.802</u>	<u>-1.021</u>
<b>Profit/loss before net financials</b>		<b>-4.573</b>	<b>2.954</b>
Financial costs	2	<u>-544</u>	<u>-364</u>
<b>Profit/loss before tax</b>		<b>-5.117</b>	<b>2.590</b>
Tax on profit/loss for the year	3	<u>197</u>	<u>-595</u>
<b>Profit/loss for the year</b>		<b><u>-4.920</u></b>	<b><u>1.995</u></b>
Distribution of profit	4		

Balance sheet 31 January

	<u>Note</u>	<u>2022/23</u> TDKK	<u>2021/22</u> TDKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		3.342	5.231
<b>Tangible assets</b>	5	<b>3.342</b>	<b>5.231</b>
Deposits	6	5.802	5.592
<b>Fixed asset investments</b>		<b>5.802</b>	<b>5.592</b>
<b>Total non-current assets</b>		<b>9.144</b>	<b>10.823</b>
Finished goods and goods for resale		12.943	9.819
<b>Stocks</b>		<b>12.943</b>	<b>9.819</b>
Other receivables		741	238
Deferred tax asset	8	793	0
Corporation tax		145	0
Prepayments	7	2.543	3.388
<b>Receivables</b>		<b>4.222</b>	<b>3.626</b>
<b>Cash at bank and in hand</b>		<b>17.291</b>	<b>17.902</b>
<b>Total current assets</b>		<b>34.456</b>	<b>31.347</b>
<b>Total assets</b>		<b>43.600</b>	<b>42.170</b>

Balance sheet 31 January

	<u>Note</u>	<u>2022/23</u> TDKK	<u>2021/22</u> TDKK
<b>Equity and liabilities</b>			
Share capital		50	50
Retained earnings		<u>-7.582</u>	<u>-2.662</u>
<b>Equity</b>		<u><b>-7.532</b></u>	<u><b>-2.612</b></u>
Provision for deferred tax	8	<u>0</u>	<u>5</u>
<b>Total provisions</b>		<u><b>0</b></u>	<u><b>5</b></u>
Other payables		<u>411</u>	<u>2.172</u>
<b>Total non-current liabilities</b>	9	<u><b>411</b></u>	<u><b>2.172</b></u>
Short-term part of long-term debt	9	604	587
Trade payables		4.574	4.194
Payables to group entities		29.711	24.434
Corporation tax		0	167
Other payables		<u>15.832</u>	<u>13.223</u>
<b>Total current liabilities</b>		<u><b>50.721</b></u>	<u><b>42.605</b></u>
<b>Total liabilities</b>		<u><b>51.132</b></u>	<u><b>44.777</b></u>
<b>Total equity and liabilities</b>		<u><b>43.600</b></u>	<u><b>42.170</b></u>
Uncertainty about the continued operation (going concern)	10		
Contingent assets, liabilities and other financial obligations	11		
Related parties and ownership structure	12		

## Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 February 2022	50	-2.662	-2.612
Net profit/loss for the year	0	-4.920	-4.920
<b>Equity at 31 January 2023</b>	<b>50</b>	<b>-7.582</b>	<b>-7.532</b>

## Notes

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
<b>1 Staff costs</b>		
Wages and salaries	23.979	22.058
Pensions	1.314	1.178
Other social security costs	278	239
	<u><b>25.571</b></u>	<u><b>23.475</b></u>
 Average number of employees	 <u>81</u>	 <u>70</u>

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
<b>2 Financial costs</b>		
Financial expenses, group entities	544	364
	<u><b>544</b></u>	<u><b>364</b></u>

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	0	677
Deferred tax for the year	-267	-82
Adjustment of tax concerning previous years	602	0
Adjustment of deferred tax concerning previous years	-532	0
	<u><b>-197</b></u>	<u><b>595</b></u>

## Notes

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
<b>4 Distribution of profit</b>		
Retained earnings	<u>-4.920</u>	<u>1.995</u>
	<u><b>-4.920</b></u>	<u><b>1.995</b></u>
<b>5 Tangible assets</b>		
		<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 February 2022		19.162
Additions for the year		<u>181</u>
Cost at 31 January 2023		<u>19.343</u>
Impairment losses and depreciation at 1 February 2022		13.931
Depreciation for the year		<u>2.070</u>
Impairment losses and depreciation at 31 January 2023		<u>16.001</u>
<b>Carrying amount at 31 January 2023</b>		<u><b>3.342</b></u>

## Notes

### 6 Fixed asset investments

	Deposits
Cost at 1 February 2022	5.592
Additions for the year	210
Cost at 31 January 2023	5.802
<b>Carrying amount at 31 January 2023</b>	<b>5.802</b>

### 7 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

	2022/23 TDKK	2021/22 TDKK
<b>8 Provision for deferred tax</b>		
Deferred tax assets at 1 February 2022	-5	-87
Deferred tax recognised in income statement	267	82
Deferred tax adjustment prior year	531	0
<b>Deferred tax assets at 31 January 2023</b>	<b>793</b>	<b>-5</b>

### 9 Long term debt

	Debt at 1 February 2022	Debt at 31 January 2023	Instalment next year	Debt outstanding after 5 years
Other payables	2.759	1.015	604	0
	<b>2.759</b>	<b>1.015</b>	<b>604</b>	<b>0</b>



## Notes

### **10 Uncertainty about the continued operation (going concern)**

Continued operations are conditional on future earnings. It is the management's view that the annual accounts have been prepared on the assumption of continued operation.

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 at least until the time of signing the accounts for 2023/24

### **11 Contingent assets, liabilities and other financial obligations**

The company has entered into a lease on premises with a minimum lease obligation totalling TDKK 30.957 (2021/22: TDKK 43.257).

## Notes

### 12 Related parties and ownership structure

#### Controlling interest

JD Sports Fashion plc  
Edinburgh House Hollinsbrook Way Pilsworth  
Bury Lancashire BL9 8RR  
United Kingdom

#### Transactions

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
Purchase of goods from group companies	97.320	95.379
Purchase of services from group companies	47.214	54.554
Cost to management fee/royalties	1.979	5.151
Financial expenses group companies	544	364
Payables to group companies	29.711	24.434

Besides the above listed transaction, no other transactions were carried out with shareholders or other group companies in the year.

## Accounting policies

The annual report of JD Sports Fashion Denmark ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C, as well as provisions applying to reporting class C entities.

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

The annual report for 2022/23 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 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 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 installments 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 is 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.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

## Accounting policies

### **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.

### **Cost of goods sold**

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

### **Other operating expenses**

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

### **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.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of other fixtures and fittings, tools and equipment

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate 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, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

### **Tax on profit/loss for the year**

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Accounting policies

### 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.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

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

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

#### Impairment of fixed assets

The carrying amount of other fixtures and fittings, tools and equipment is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

#### Stocks

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

## Accounting policies

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Receivables for which there is no objective evidence of individual impairment are tested for impairment on a portfolio basis. The portfolios are primarily based on debtors' domicile and credit ratings in accordance with the Company's credit risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

## Accounting policies

### Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent 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 instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

### Cash flow statement

In pursuance of section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the company, as the cash flows are included in the consolidated cash flow statement of the parent company.

### Financial Highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$