BEST OF THE BEST

Annual Report
and Accounts 2010

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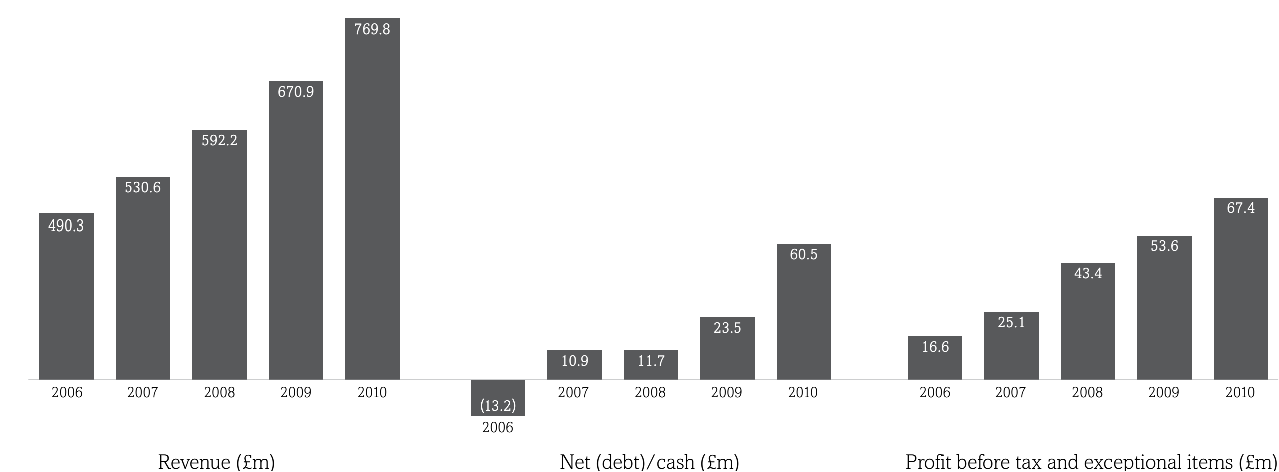
Summary of Key Performance Indicators

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000	% Change
Revenue	769,785	670,855	+15
Gross profit %	49.3%	49.3%	
Operating profit (before exceptional items)	67,294	54,473	+24
Profit before tax and exceptional items	67,391	53,626	+26
Exceptional items	(4,986)	(16,323)	
Operating profit	62,308	38,150	+63
Profit before tax	61,393	38,217	+61
Basic earnings per ordinary share	88.16p	50.49p	+75
Adjusted basic earnings per ordinary share	93.64p	72.33p	+29
Total dividend payable per ordinary share	18.00p	12.00p	+50
Net cash at end of year	60,465	23,455	

Business Highlights

- Total revenue increased by £98.9 million to £769.8 million (2009: £670.9 million) including £48.1 million from the acquired businesses
- Like for like revenue increased by 2.5% (Sports Fascias 2.3%; Fashion Fascias 3.6%)
- Gross margin maintained at 49.3% with improvement in like for like margin from 49.3% to 49.8% diluted by a lower margin in the acquired businesses
- Group profit before tax and exceptional items up 26% to £67.4 million (2009: £53.6 million)
- Profit before tax up 61% to £61.4 million (2009: £38.2 million)
- Net cash position at the period end increased to £60.5 million (2009: £23.5 million)
- Expenditure on acquisitions and associated asset purchases increased significantly to £15.8 million (2009: £1.4 million)
- Key strategic acquisitions made in the year included Chausport in France for £7.9 million and the Canterbury of New Zealand companies in the UK, New Zealand (51% interest), Australia, USA, and Hong Kong for £7.0 million
- Final dividend payable increased by 65% to 14.7p (2009: 8.9p) bringing the total dividends payable for the year up to 18.0p (2009: 12.0p), an increase of 50%



Chairman's Statement

Introduction
The year ended 30 January 2010 has been the sixth successive year of good progress in revenue and profitability for the Group. During the period, we have improved our profit before tax and exceptional items by 26% to £67.4 million (2009: £53.6 million). This follows increases of 24%, 73% and 51% in the previous three years and such sustained performance, in the face of less than favourable economic conditions and exchange rates, reflects the strength and uniqueness of our brand and fascia offers as well as the strength of our management teams.

Group profit before tax has increased by 61% in the year to £61.4 million (2009: £38.2 million) and Group profit after tax has increased by 74% to £42.7 million (2009: £24.5 million).

Group operating profit (before exceptional items and joint venture results) for the year was up 24% to £67.3 million (2009: £54.5 million) and comprises a Sports Fascias' profit of £64.1 million (2009: £54.2 million), a Fashion Fascias' profit of £3.3 million (2009: £0.2 million) and a Distribution companies loss of £0.1 million (2009: profit of £0.1 million).

The year end net cash position has risen to £60.5 million (2009: £23.5 million) and the Group retains £70 million of committed rolling credit and working capital facilities. The Board wishes to retain the funding capability to further develop the Group operationally and by acquisition and this will be taken into account when new facilities are negotiated in the next year. Confidence arising from the cash position and the sustained period of results improvement and balance sheet strengthening has enabled the Board to propose an increase in the level of the dividend with a final proposed dividend increase of 65% to 14.7p (2009: 8.9p) bringing the total dividends payable for the year to 18.0p (2009: 12.0p), an increase of 50% following on from the 41% increase last year.

Acquisitions
The Group is very well funded currently and has a Sports Fashion retail offer which provides the consumer with a unique mix of sports and fashion brands in both apparel and footwear including licensed and our own brands such as Mckenzie and Carbrini. The strength of this offering gives our retail model the potential to be replicated in other countries.

On 19 May 2009 we acquired the French retailer Chausport for £7.9 million including fees. In addition, we inherited net debt of £1.7 million. Chausport is based near Lille and is primarily a retailer of sports shoes. With only 75 small stores nearly all located outside the largest conurbations, we see opportunities for growth in France. We expect to introduce progressive access to JD brands, exclusive product and supplier terms over the next two years. The acquisition contributed £27.7 million of revenue and £0.7 million of operating profit in the period from acquisition to 30 January 2010.

On 4 August 2009 we acquired the key trading assets and trade of Canterbury Europe Limited along with the global rights to the world famous heritage rugby brands of 'Canterbury' and 'Canterbury of New Zealand'. The brand, goodwill and fixed assets, along with a Hong Kong based distribution company, were acquired for £6.7 million including fees. The required elements of the remaining inventory were also purchased for £4.3 million. The Canterbury brand was established in New Zealand over 100 years ago and has become the world's foremost rugby brand, distributing both technical and lifestyle footwear, apparel and accessories and with scope for product and distribution extension.

On 24 November 2009, the Group took further steps to control the global distribution of the Canterbury brands by purchasing the key assets of the USA distribution company for Canterbury (Sail City Apparel Limited in liquidation) for £0.4 million. On 23 December 2009, we also acquired 100% of the Australian distribution company (Canterbury International (Australia) Pty Limited) and 51% of the New Zealand distribution company (Canterbury of New Zealand Limited) for £0.3 million including fees. A £0.8 million debt to a minority shareholder was assumed with these transactions. The results to date of all these operations are summarised in this statement within the Distribution segment commentary.

Two other acquisitions were completed in the period. Kooga Rugby Limited, based in Rochdale, was acquired for a nominal sum on 3 July 2009. Duffer of St George Limited, a fashion brand company, whose brand 'The Duffer of St George' is now used as an own brand in the JD stores, was acquired for £0.9 million on 24 November 2009.

Sports Fascias
The Sports Fascias' total revenue increased by 10% during the period to £615.5 million (2009: £559.2 million), including post-acquisition revenue from newly acquired Chausport of £27.7 million. Like for like sales in the retail Sports Fascias for the year were up 2.3% (2009: 3.3%).

The Sports Fascias' results reported last year included those of Topgrade but given the development of the Group over the last year we have split the operations into three segments with the additional one being Distribution. This now includes Topgrade which previously diluted the margin in the Sports Fascias. Under this new segmental presentation, the gross margin in the Sports Fascias rose from 50.5% to 50.6%. We are particularly pleased with this gross margin performance given uncertainties over the impact of sterling weakness at the start of the year and attribute this to further improvement in the management of terminal stocks, continued strength in our own brands, and the benefits to us from competitor failures and weaknesses.

As a result of improved margin and continuing enhancement of the store portfolio and its efficiencies, the operating profit (before exceptional items) of the Sports Fascias rose to £64.1 million (2009: £54.2 million) in the year, including a contribution of £0.7 million from Chausport.

The programme of store development has continued with 12 new JD and 2 Size? store openings and 17 major store refurbishments (15 JD, 1 Chausport and 1 Size?). This substantial refurbishment programme started in 2007 and will continue. The store refurbishments often result in full store closures for a number of weeks but we expect this to be justified by their subsequent performance. 17 Sports Fascias stores were closed in the period including 3 smaller Chausport stores and 2 JD stores which were transferred to Bank.

Fashion Fascias
The Fashion Fascias are Bank and Scotts. The results of Deakins were previously included with those of the Fashion Fascias but are now included in those of the Distribution segment.

The Bank Fascia stores sell largely branded fashion to both males and females, predominantly for the teenage to mid twenties category. Bank is expected to be the core of future Fashion Fascias' growth. In the year the store portfolio grew from 54 stores to 65 stores, still based predominantly in the North and the Midlands. Total revenue in the year was £82.8 million (2009: £66.5 million), up 4.7% organically (2009: +9.5%). Operating profit (before exceptional items) was £3.0 million (2009: £1.2 million). The Board remains confident that there is a significant opportunity to grow operating margin in this Fascia through better stock management, own brand development and disciplined store rollout. Gross margin achieved in the year was 48.4% (2009: 46.1%).

The Scotts Fascia stores sell branded fashion to younger males and there were 38 stores at the year end, again, largely in the North and the Midlands. Total revenue in the year was £31.8 million (2009: £32.0 million) and the operating profit (before exceptional items) was £0.3 million (2009 loss: £1.0 million), helped by an achieved gross margin of 47.4% (2009: 45.2%) and efficiencies achieved through prior year store rationalisation. Like for like sales rose by 1.2% (2009: +5.1%). The start to the new year has been relatively disappointing and consequently we have very recently strengthened the management team.

Distribution
Topgrade (which is 51% owned) is now one of the two major parts of the Distribution segment. It was bought with the intention of adding a new business selling sports and fashion brands at discounted prices through catalogues and online, complementing its existing end of line wholesaling operation. This has been launched as Get The Label (www.getthelabel.com) in the current year and has made a very encouraging start which has continued in the new year. It is not expected to be profitable this year or next and total revenues for Topgrade of £19.7 million (2009: £12.6 million) and an operating loss of £0.4 million (2009 profit: £0.1 million) were in line with our expectations.

The second major part of the Distribution segment is the newly acquired UK and overseas Canterbury operations which contributed revenue of £15.4 million and an operating profit of £0.1 million in the short periods they have been part of the Group. Canterbury's prospects have already been outlined earlier in this statement under Acquisitions.

The other parts of the Distribution segment are Kooga Rugby (which is also referred to under Acquisitions) and Deakins, the predominantly fashion footwear brand, which continues to break even on a low turnover with both group companies and external customers.

Joint Venture
Our 49% owned joint venture, Focus Brands Limited, is involved in the design, sourcing and distribution of footwear and apparel both for own brand and under license brands for both group and external customers. Our share of operating results for the year was an operating profit before exceptional items of £0.5 million (2009 loss: £0.2 million).

Group Performance

Revenue
Total revenue increased by 14.7% in the year to £769.8 million (2009: £670.9 million) principally as a result of three factors: the Group's positive like for like sales performance of 2.5%, net store openings and £48.1 million of sales from newly acquired operations.

Gross margin
The improved gross margin performance in the UK and Ireland retail fascias has been commented on earlier in this statement. It is only the lower margins realised in Chausport and the Distribution segment, combined with the increased sales in this segment, which have resulted in overall group gross margin being held at 49.3%.

Operating profits
Operating profit (before exceptional items) increased by £12.8 million to £67.3 million (2009: £54.5 million), a 24% increase on last year which follows a 24% rise in the previous year. Group operating margin (before exceptional items) has therefore increased by a further 0.6% to 8.7% (2009: 8.1%).

Following a decrease in the exceptional items to £5.0 million (2009: £16.3 million), Group operating profit rose significantly from £38.2 million to £62.3 million.

The exceptional items (excluding share of exceptional items in joint venture) comprise:

	£m
Impairment of goodwill in Scotts store portfolio	2.6
Loss on disposal of fixed assets	2.2
Onerous lease provision	3.9
Impairment of fixed assets in underperforming stores	0.4
Profit on disposal of investment in JJB Sports Plc	(4.1)
Total exceptional charge	5.0

The share of exceptional items of joint venture (Focus Brands) consists primarily of the reversal of an unrealised gain on exchange contracts booked in the year to 31 January 2009 under IAS 39 'Financial Instruments: Recognition and Measurement'.

Working Capital and Financing
Net financing costs have decreased from £0.7 million to £0.4 million, principally as a result of lower utilisation of debt facilities combined with lower cost of debt.

Year end net cash of £60.5 million represented a £37.0 million improvement on the position at January 2009 (£23.5 million). This net cash balance has been achieved after expenditure on acquisitions and associated asset purchases in the year (excluding the investment in JJB Sports Plc) totalling £15.8 million (2009: £1.4 million). Net proceeds from the disposal of the investment in JJB Sports Plc after allowing for a full participation in the placing and rights issue were £6.1 million.

Net capital expenditure including disposal costs and premia received decreased in the year to £23.0 million (2009: £30.1 million) with capital expenditure excluding disposal costs decreasing by £5.9 million to £22.9 million (2009: £28.8 million). This decrease does not mean that the Group is reducing its investment programme and is more a function of the timing of projects. Accordingly, the Board would expect the capital expenditure in the year to January 2011 to exceed the amount spent in the year to January 2010 with significant investment in both the Bank and Chausport fascias. The decrease in capital expenditure was focused on the Sports Fascias where the spend reduced by £8.7 million to £14.9 million with expenditure increasing in the Fashion Fascias by £2.4 million to £7.4 million reflecting the investment in the Bank Fashion chain. The capital expenditure in the year included £10.2 million on new stores and £10.8 million on refurbishments (including the transfer of 3 stores between fascias).

Working capital remains well controlled and suppliers continue to be paid to agreed terms and settlement discounts are taken whenever due.

Chairman's Statement (continued)

Store Portfolio
We have made a further significant investment in the store portfolio during the year with expenditure on both new stores and refurbishments of existing space. We have also continued to rationalise our store portfolio wherever possible but, with the current economic climate impacting heavily on retail property occupancy levels, it has become much more difficult to dispose of underperforming and/or duplicate stores.

There has been no net increase in the number of JD & Size? stores with 14 new stores offset by 12 closures and the transfer of 2 stores to Bank. However, there has been a net addition of 11 stores to the Bank Fascia with 14 store openings (including the 2 transferred from JD and 1 transferred from Scotts) offset by the closure of 3 stores.

We have refurbished a total of 22 stores (including transfers of space between fascias) in the year. This means that over the last three years we have opened a total of 67 stores and refurbished a further 94 stores.

During the year we also acquired Chausport SA. On acquisition, Chausport had 78 small stores, in premium locations, in town centres and shopping centres across France. Three loss making stores were subsequently disposed in the period after acquisition.

During the year, store numbers (excluding trading websites) moved as follows:

Sports Fascias	JD & Size?		Chausport		Total	
		'000		'000		'000
	Units	sq ft	Units	sq ft	Units	sq ft
Start of year	345	1,105	-	-	345	1,105
Acquisitions	-	-	78	80	78	80
New stores	14	47	-	-	14	47
Transfers	(2)	(9)	-	-	(2)	(9)
Closures	(12)	(26)	(3)	(2)	(15)	(28)
Remeasures	-	(17)	-	-	-	(17)
Close of year	345	1,100	75	78	420	1,178

Fashion Fascias	Bank		Scotts		Total	
		'000		'000		'000
	Units	sq ft	Units	sq ft	Units	sq ft
Start of year	54	119	38	86	92	205
New stores	11	35	2	2	13	37
Transfers	3	11	(1)	(2)	2	9
Closures	(3)	(6)	(1)	(1)	(4)	(7)
Remeasures	-	17	-	-	-	17
Close of year	65	176	38	85	103	261

Dividends and Earnings per Share
The Board proposes paying a final dividend of 14.70p (2009: 8.90p) bringing the total dividend payable for the year to 18.00p (2009: 12.00p) per ordinary share. The proposed final dividend will be paid on 2 August 2010 to all shareholders on the register at 7 May 2010. The final dividend has been increased by 65% with total dividends payable for the year increased by 50%. This follows a 41% increase in the full year dividend in the prior year.

The adjusted earnings per ordinary share before exceptional items were 93.64p (2009: 72.33p).

The basic earnings per ordinary share were 88.16p (2009: 50.49p).

Employees
The Group's excellent results would not have been possible without the support of a dedicated workforce for which the Board is very grateful. We are committed to continue increasing training and other support to enhance both their career prospects and our own customer service.

Current Trading and Outlook
Trading in the 10 weeks to 10 April 2010 has been encouraging with UK and Ireland retail like for like sales up 2.0% (Sports Fascias 3.0%; Fashion Fascias -3.5%) on an underlying basis taking into account the change in the timing of Easter and school holidays. Although like for like sales are lower, the performance of the Fashion Fascias has benefitted from a 2% improvement in gross margin in the same period. Chausport has started the year well. It is too early in the year to report on progress in the Distribution business. We recognise the increasing challenges of strong comparatives and the current economic and fiscal threats to consumers' expenditure. A further update will be made in our Interim Management Statement in June.

The Board remains focused on continuing to deliver operational and financial progress for the Group over the long term. Opportunities for profit growth overseas, the rollout of our principal Fashion Fascia, development of our differentiated and own brand proposition, and growth in our Distribution business all help to reduce threats to Group profitability and give us the opportunity to maintain the positive momentum in our business.

Peter Cowgill
Executive Chairman
14 April 2010

"We have improved our profit before tax and exceptional items in the year by 26% to £67.4 million."

Financial and Risk Review

Introduction
Profit before tax increased by £23.2 million to £61.4 million in the year. This improvement was achieved through:

- Continued sales growth, both organic and from net new space opened, in both the Sports and Fashion Retail Fascias
- Better overall store contribution levels
- A reduction of £11.3 million in the charge for exceptional items principally from an accounting profit on the disposal of the investment in JJB Sports Plc of £4.1 million, which was a significant reversal of the impairment charge of £6.1 million recognised on this investment at 31 January 2009

Taxation
The effective rate of tax on profit has decreased by 5.5% to 30.4%. In the year to 31 January 2009 the impairment charge of £6.1 million on the investment in JJB Sports Plc, was not a realised loss and so did not qualify for tax relief, adding 4.6% to the effective rate. However, the exceptional accounting profit of £4.1 million in the current year from partially reversing this impairment on disposal is not taxable, thereby reducing the effective rate in the current year by 1.8%.

Excluding exceptional items, the effective tax rate has increased slightly from 29.6% to 30.6% primarily due to the movement of the tax charge in respect of prior periods. Excluding both exceptional items and prior year adjustments, the effective core tax rate has decreased from 31.0% to 30.2%. This core effective tax rate continues to be above the standard rate due to the depreciation of non-current assets which do not qualify for any form of capital allowances.

Earnings per Share
The basic earnings per share has increased by 75% from 50.49p to 88.16p. However, the Directors consider the adjusted earnings per share to be a more appropriate measure of the Group's earnings performance since it excludes the post tax effect of exceptional items (other than the loss on disposal of non-current assets). The adjusted earnings per share increased by 29% from 72.33p to 93.64p.

Dividends
A final cash dividend of 14.70p per share is proposed, which if approved, would represent an increase of 65% on the final dividend from the prior year. Added to the interim dividend of 3.30p per share, this takes the full year dividend to 18.00p, which is an increase of 50% on the prior year. The full year dividend has therefore grown by over 110% in 2 years. The dividend is covered 4.9 times by basic earnings per share and 5.2 times by the adjusted earnings per share.

Net Cash
The year end net cash position has increased by £37.0 million to £60.5 million after a total of £15.8 million was spent in the year on acquisitions and purchasing the Canterbury brand name. The continued improvement in the net cash position should enable the Group to take advantage of strategic and store portfolio opportunities where appropriate. It is also enabling us to proceed with confidence with a project to centralise all our warehousing for retail in Greater Manchester and to increase dividends substantially this year.

The net cash position has continued to benefit from improved controls over stocks in the retail fascias. Trade creditors continue to be paid to terms to maximise settlement discounts with the period end creditor days being 36 (2009: 32).

Treasury Facilities
A five year £70 million bank syndicated facility was agreed in October 2006 which includes a £60 million revolving credit facility. This facility is committed until 18 October 2011 and details of its currently very favourable terms are included in note 21 to the accounts. This facility contains no fixed repayment element. Although the Group has sought to remove the quarterly peaks in the drawndown facilities through the payment of store rents on a monthly basis wherever possible without additional cost, the cash flows are still cyclical in nature, particularly around the trading peak at Christmas. Accordingly, the Directors believe that a revolving facility with drawdowns continues to be best suited to the specific fluctuating borrowing requirements of the business. This facility has been used to fund the investments and capital expenditure in the year, with no other Group facilities put in place.

Interest rate hedging has not been put in place on the current facility. The Directors continue to be mindful of the potential volatility in base rates, but at present do not consider a long term interest rate hedge to be necessary given that the facility is not used during substantial periods of the year. This position is reviewed regularly, along with the level of facility required.

The Directors are mindful that the current facility expires in October 2011 and have already started to engage with a number of banks to discuss a replacement facility. Given the increased cost of having access to a facility, but not utilising it, the Board will consider reducing the facility in the future, but will only do so if a flexible facility can be agreed where additional funds can be accessed for major investments.

The Group's principal foreign exchange exposure continues to be on the sourcing of own brand merchandise from the Far East which usually has to be paid for in US Dollars. A buying rate is set at the start of the buying season (typically six to nine months before product is delivered to stores). At this point, the Group aims to protect the anticipated US Dollar requirement at rates at, or above, the buying rate through appropriate foreign exchange instruments.

Following acquisition of the Canterbury and Kooga businesses, the Group's forecast requirement for US Dollars in the period to January 2011 is $73 million. Cover is now in place for 2010 for $56 million meaning that the Group is currently exposed on exchange rate movements for $17 million of the current year's estimated requirement. This exposure is concentrated in the second half of the year and there is no hedging in place yet for calendar year 2011.

Risk Factors
Any business undertaking will involve some risk with many risk factors common to any business no matter what segment it operates in. The Directors acknowledge however that certain risks and uncertainties are more specific to the Group and the markets in which its businesses operate. The principal risk factors are assessed below:

Damage to reputation of brands
The Group is heavily dependent on the brands it sells being desirable to the customer. As such, the Group is exposed to potential events or circumstances, which could give rise to liability claims and/or reputational damage. These events may or may not be under the Group's control. The Group also needs its brands to maintain their design and marketing prominence.

The Group works with suppliers to ensure that the products being sourced satisfy increasingly stringent laws and regulations governing issues of health and safety, packaging and labelling and other social and environmental factors.

The Group also seeks to ensure it is not overly reliant on a small number of brands by offering a stable of brands which is constantly evolving.

Property factors
The retail landscape has seen significant changes in recent years with a number of new developments opened and a high volume of retail units becoming vacant. The Group can be exposed where it has committed itself to a long lease in a location which, as a result of a more recent retail development, is no longer as attractive to the customer so suffers from reduced footfall. Wherever possible, the Group will seek either to take out new leases for a period not exceeding 10 years or to negotiate lease breaks, thereby limiting this potential exposure and affording the Group increased flexibility to respond to such changes.

When the Group realises store performance is unsatisfactory it approaches the landlords to agree a surrender of the lease. Where this is not possible, the Group would seek to assign the lease or sublet it to another retailer. In many cases, this necessitates the payment of an incentive to the other retailer. However assigning the lease or finding a sub-tenant is not without risk because if the other retailer fails then the liability to pay the rent usually reverts to the head lessee.

The Group is mindful of current economic factors and the higher volume of vacant units available as a consequence of a number of retailers going out of business. This has an impact on the Group's ability to dispose of its own surplus premises and increases the risk that previously assigned or sublet leases will revert to the Group.

Seasonality
The Group's core retail business is highly seasonal. Historically, the Group's most important trading period in terms of sales, profitability and cash flow has been the Christmas season. Lower than expected performance in this period may have an adverse impact on results for the full year, which may cause excess inventories that are difficult to liquidate.

IT
The Group relies on its IT systems and networks and those of the banks and the credit card companies to service its retail customers all year round. The principal legacy enterprise system is heavily reliant on a very limited number of key development staff. This risk is being mitigated by improving documentation of the system and increasing the development team. At some time in the future the risk could be further mitigated by moving to third party enterprise systems but not without additional risk and additional cost.

Economic factors
As with other retailers, the demand for the Group's products is influenced by a number of economic factors, notably interest rates, the availability of consumer credit, employment levels and ultimately, disposable incomes. This is particularly relevant at the current time, where many consumers have had to cut back on non-essential spending. The Group seeks to manage this risk by offering a highly desirable and competitively priced product range, which is differentiated to that of the Group's competitors.

Personnel
The success of the Group is partly dependent upon the continued service of its key management personnel and upon its ability to attract, motivate and retain suitably qualified employees. To help achieve this continued service, the Group has competitive reward packages for all head office and retail staff.

The Group also has a long established and substantial training function which seeks to develop training for all levels of retail staff and thereby increase morale and improve staff retention. This then ensures that knowledge of the Group's differentiated product offering is not lost, thereby enhancing customer service.

Brian Small
Group Finance Director
14 April 2010

Property and Stores Review

UK and Ireland

A further significant investment has been made in the store portfolio during the year, both in new stores and major refurbishments of existing space. 27 new stores opened in the period (14 Sports Fascias stores and 13 Fashion Fascias stores) and 22 major refurbishments were carried out (3 of which involved transfers of space between fascias). This means that over the last three years we have opened a total of 67 stores and refurbished a further 94 stores. As a consequence, approximately 36% of the UK and Ireland store portfolio as at 30 January 2010 has a store fit which is less than three years old. We believe that the modern and fashionable environment which we provide in our stores is appealing to our customers and has a positive impact on financial performance.

The 14 new Sports Fascias stores included 9 stores in new locations (including 2 Size? stores) with the remaining 5 being replacement of existing space. Included within the replacement stores is a major new store at Meadowhall which has been fitted out with a new store design. The initial performance of this store has been promising. We therefore intend to use this new fit out in future new stores and refurbishments in other major shopping malls and city centres. We have opened 3 new Sports Fascias stores in the UK and Ireland to date in the current period and anticipate that we will open approximately 15 stores over the full year of which 4 will be replacements of existing space. We anticipate that we will close approximately 10 Sports Fascias stores during the period including the 4 which will be closed for replacements.

The 13 new Fashion Fascias stores included 11 new Bank stores. There will be a further significant investment in this fascia in the current period and we anticipate that we will open a similar number of stores again. One new Bank store has already been opened to date in the current period. We believe that Bank gives the Group the opportunity to develop our presence in the young aspirational fashion sector and consequently provide a platform for growth. Ultimately, we believe that the store model and product offer from Bank can support a portfolio across the UK and Ireland in excess of 100 stores. In addition, 2 new Scotts stores opened in the period. We do not currently plan to open a significant number of new Scotts stores in the future.

The 22 major refurbishments included:

- Extensive refurbishments of the JD stores in Kingston, Milton Keynes, Merry Hill and Birmingham Fort
- Conversion of 3 existing stores (2 ex JD and 1 ex Scotts) to the Bank Fascia
- Refurbishments of 2 existing JD stores (Bolton and Milton Keynes) where space has been carved out for a separate Fashion Fascia store thereby increasing densities from existing space

The performance from stores which have been refurbished continues to be pleasing with sales growth in refurbished stores exceeding the average store growth across all stores by more than 10%. This performance justifies continued significant investment in refurbishments and so it is likely that we will refurbish a similar number of stores in the current year.

We have also continued to rationalise our store portfolio but, with the current economic climate impacting heavily on retail property occupancy levels, it has become much more difficult to dispose of stores. We have, however, closed a further 19 underperforming and/or duplicate stores during the year (15 Sports Fascias stores and 4 Fashion Fascias stores). One Scotts store has closed to date in the current period.

France

During the year we acquired Chausport SA who are primarily a retailer of sports footwear in France. This strategic acquisition gives the Group the opportunity for future growth by entering a new and sizeable European market outside of its established base in the UK and Ireland. On acquisition, Chausport had 78 small stores in a mixture of town centres and out of town shopping centres. Three loss making stores have been subsequently disposed of in the period after acquisition. Chausport has historically not been well represented in the major conurbations, as the business has often been unable to pay the high level of key money which is necessary to secure access to these locations. The future strategy for France will involve trialling the JD fascia in a number of major cities and shopping malls whilst maintaining the Chausport fascia in the smaller regional towns and shopping centres where it is well established.

In the current year we intend to open approximately 10 new stores in France and refurbish/relocate a similar number. It is expected that at least 2 stores will have the JD fascia and store design. The remaining stores will be fascia'd as Chausport using a fit which the management team have developed internally over the last two years. This internal fit was used prior to the acquisition in two relocations where Chausport had moved into larger space within existing centres. The performance of these stores has been promising, so the management team are confident that it is right to roll this fit out in future Chausport stores. However the biggest progress in the performance of the French operations will come from improving the product offer and gross margins.

As with the UK and Ireland portfolio, stores will be closed where necessary. It is intended that at least 5 stores will be closed during the period although some of these will relate to relocations of Chausport stores into larger and better space.

Store Portfolio

The store portfolio for the Group at 30 January 2010 and 31 January 2009 can be analysed as follows:

Sports Fascias	No. Stores		'000 sq ft	
	2010	2009	2010	2009
JD	315	314	1,048	1,048
Chausport	75	-	78	-
Size	17	15	23	21
First Sport	8	10	22	28
Nike	2	2	3	3
Other Fascias	3	4	4	5
Total	420	345	1,178	1,105

Fashion Fascias	No. Stores		'000 sq ft	
	2010	2009	2010	2009
Bank	65	54	176	119
Scotts	38	38	85	86
Total	103	92	261	205
Group Total	523	437	1,439	1,310

Corporate and Social Responsibility

The Group recognises that it has a responsibility to ensure its business is carried out in a way that ensures high standards of environmental and human behaviour. With the help and co-operation of all employees, the Group endeavours to comply with all relevant laws in order to meet that duty and responsibility wherever it operates. The major contributions of the Group in this respect are detailed below.

UK and Ireland Retail Businesses

Employment

The Group is a large equal opportunities employer and a large training organisation providing direct employment and career development to thousands of people across the UK and Republic of Ireland. The Group employs large numbers of school leavers and university graduates and participates regularly in work experience schemes with schools and colleges across both countries.

Training

The Group recognises that training for all levels of staff is vital as it provides a mechanism for increasing morale and improving staff retention. This ensures that knowledge of the Group's differentiated product offering is not lost, thereby enhancing customer service.

Retail staff at all levels in all of the Group's retail fascias are encouraged to seek development and progression ultimately up to management level with training provided by the Group's long established and substantial training function. Training is given in three main areas:

	No. of courses in year	Length of course	No. of people on each course
New management induction	18	1 week	15
Training academy for new managers	3	12 weeks	17
Regional workshops for junior management	60	1 day	8

Equal opportunities

The Group is committed to promoting policies which are designed to ensure that employees and those who seek to work for the Group are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin.

The Group gives full and fair consideration to applications for employment by people who are disabled, to continue whenever possible the development of staff who become disabled and to provide equal opportunities for the career development of disabled employees. It is also Group policy to provide opportunities for the large number of people seeking flexible or part time hours.

Communication

The number and geographic dispersion of the Group's operating locations make it difficult, but essential, to communicate effectively with employees. A written communication 'People 1st' goes out to staff on a quarterly basis. This publication is primarily designed to communicate, share and celebrate success within the retail environment.

Outside of this formal quarterly process, communication with retail staff is primarily achieved through the management in the regional and area operational structures. In addition, formal communications informing all employees of the financial performance of the Group are issued on a regular basis by the Group's Human Resources Department in the form of 'Team Briefs'.

Health and Safety

The Group acknowledges that it has a responsibility to provide a safe and healthy environment for all its employees, customers, contractors and other visitors. The Group therefore has a dedicated Health and Safety team headed by an experienced manager who has worked in Health and Safety roles for a period in excess of 10 years. The Health and Safety team co-ordinates all training in this area, carries out risk assessments and ensures that safe working practices and equipment are used throughout the Group.

Each retail unit has its own individually prepared health and safety file which is made available to those who need information to assist in maintenance, alterations, construction or demolition work. These individual files document the satisfactory testing of electrical circuits, emergency lighting, fire alarms and gas compliance. Where appropriate, these files also contain the details of any surveys for Asbestos Containing Materials ('ACMs') and whether any baselines have been established for the management of potential ACMs.

The Group has also retained the services of a third party facilities management company. They provide a helpdesk for stores to ring if they have any property issues which need attention. This ensures that issues are resolved promptly and efficiently, thereby maintaining the safe environment within the stores.

Environmental

The Group recognises the importance of protecting our environment for future generations and is committed to carrying out its activities with due consideration for the environmental impact of its operations particularly with regards to:

- Ensuring efficient use of energy and other materials
- Minimising waste by recycling wherever possible
- Ensuring compliance with relevant legislation and codes of best practice

Energy

It is the Group's aim to give customers an enjoyable retail experience with goods presented in an environment that is both well lit and has a pleasant ambient temperature. However, the Group accepts that all the businesses within it must be responsible in their energy usage and associated carbon emissions.

Corporate and Social Responsibility (continued)

Energy (continued)
To that end, the Group maintains a Carbon Management Programme ('CMP') which aims to:

- Ensure there is an accurate baseline for consumption by working with electricity suppliers to ensure that bills reflect actual usage
- Improve understanding of the drivers and timing of usage by investing in 'smart' electricity meters. This has been achieved in approximately 300 of the Group's stores. Combined with the stores where accurate and timely usage data is already received, this means that in excess of 90% of the UK and Republic of Ireland electricity consumption is automatically measured every 30 minutes. In addition to 100% accurate billing for these stores, analysis of the data has also shown that usage in non-trading periods is higher than would have been expected. The usage in these periods is being reduced through additional training and investment in small scale building management systems where appropriate
- Enhance staff awareness through training at store level, thereby ensuring that retail staff understand that they have a key role in the CMP
- Pursue a multi-disciplined approach to the CMP to ensure all business activities are aware of their impact on energy consumption

Under the current rules of the statutory Carbon Reduction Commitment Energy Efficiency scheme ('CRC'), the Group's submission to the Environment Agency will be aggregated with that of Pentland Group Plc who are the Group's ultimate holding company (see note 33). The Group is therefore working with Pentland Group Plc on ensuring an efficient and effective transfer into the new emissions trading scheme which was introduced in April 2010, as part of the CRC. From an internal Group perspective, however, the Group Finance Director will carry the responsibility for the entry and subsequent reporting on targets in the first phase of the CRC, to 2013.

The Group is committed to using and subsequently reporting on appropriate KPIs with regards to energy usage. Accordingly, the Group can report the following in respect of locations in the UK and Republic of Ireland that have been present for the full year for both years. As this is a like for like comparison, the 2009 data has been updated to reflect store openings and disposals in the current year:

	2010	2009	% Change
Energy Usage – Electricity (MWh)	46,653	48,559	-4
Energy Usage – Natural Gas (MWh)	3,629	4,496	-19
Total Energy Usage (MWh)	50,282	53,055	-5
Carbon Footprint (Tonnes CO_2)	25,742	26,930	-4

The Group has pledged to reduce its energy usage from these levels by 3% year on year on a like for like basis until the end of the scheme. This target and the associated operating standards that drive this target apply to all the Group's businesses.

The Group has again invested heavily in the period to 30 January 2010 in replacing inefficient air conditioning systems. A further 44 stores now have systems with market leading technologies which consume less energy whilst providing an appropriate temperature for staff and visitors. This replacement programme is ongoing and it is anticipated that a similar number of works will be carried out in the period to 29 January 2011.

The Group is committed to investing in the necessary resources to help achieve its targets on reducing carbon emissions, with the following works planned for 2010:

- Expanding the CMP to widen the awareness campaign, through better training, improved communication and reporting
- Continue the air conditioning replacement programme
- Increase analysis and reporting of data provided by smart meters
- Run lighting trials to reduce the electricity required in stores
- Gain the Carbon Trust Standard Award for JD Sports stores

The Group is also aware of the need to purchase energy competitively from sustainable sources wherever possible. As a result, the Group has continued with the Airtricity electricity supply contract in Northern Ireland and Republic of Ireland, who source 100% of their electricity from renewable sources. The Company has also agreed a contract with British Gas in the UK (except Northern Ireland) to supply electricity from Good Quality Combined Heat and Power ('GQCHP') sources. This means the UK and Ireland businesses now get 71% of all their electricity from sustainable sources.

Recycling
Wherever possible, cardboard (the major packaging constituent) is taken back to the Group's distribution centres. The cardboard is then baled and passed to recycling businesses for reprocessing. During the year, the Group increased its recycling of cardboard to 245.5 tonnes (2009: 193.1 tonnes).

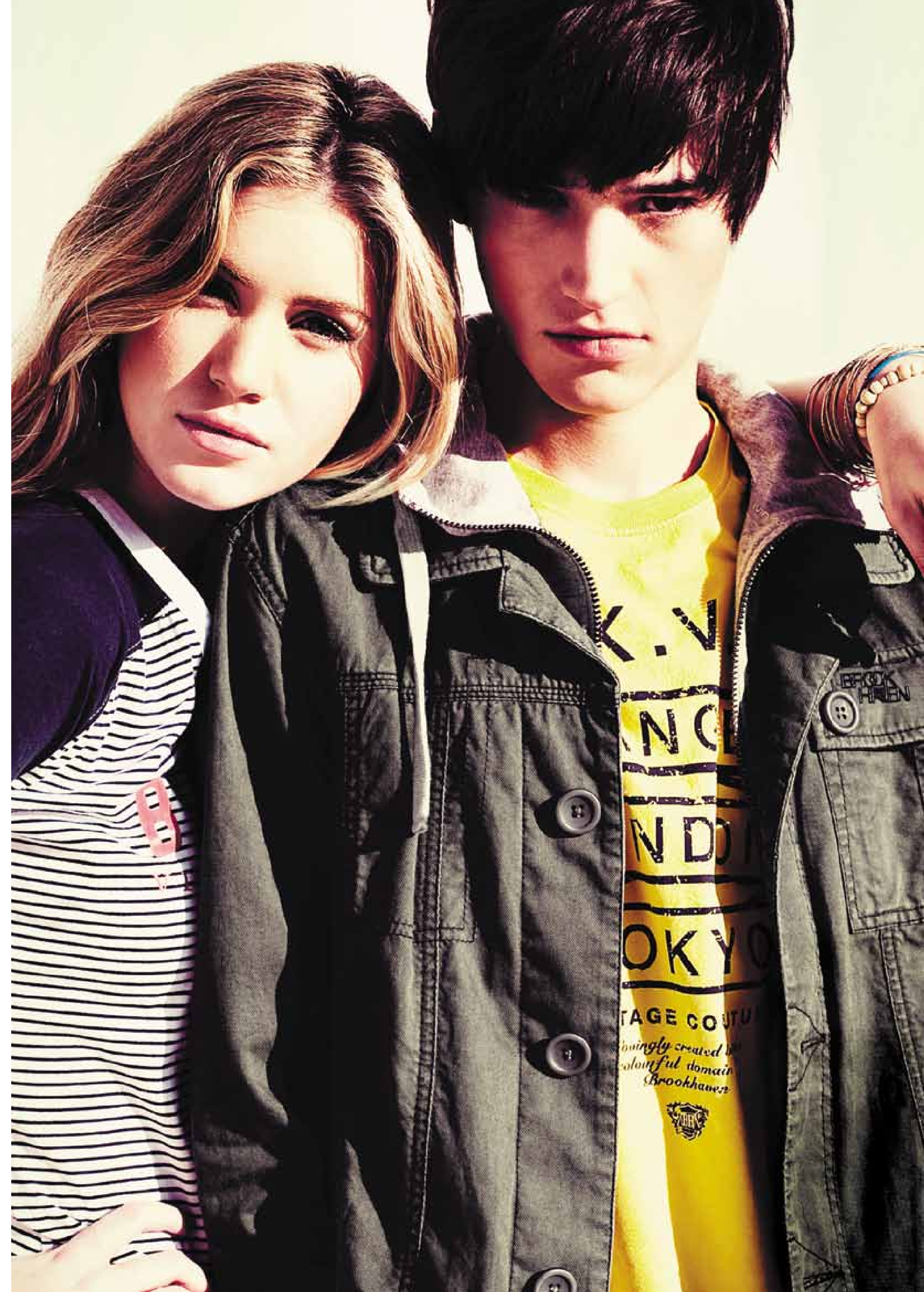
The Group also continues to recycle paper and other office consumables wherever possible. This recycling is split into four main elements:

- General paper waste is collected by a recycling business
- Confidential paper waste is shredded on collection by a recycling business. This business provides a 'Certificate Of Environmental Accomplishment' which states that the shredded paper, which was collected in the year, was the equivalent of 1,540 trees (2009: 1,120)
- Wood and metal waste is separated at our main distribution centres to further reduce our waste to landfill liabilities
- Photocopier and printer toners (laser and ink) are collected and recycled for charity by Environmental Business Products Limited

Plastic bags
Approximately 40% of the bags issued by the Group are high quality drawstring duffle bags, which are generally reused by customers many times. However, the Group is aware of the environmental impact of plastic bags and has sought to minimise any impact through the following measures:

- The bags are made from 33% recycled material
- The bags contain an oxo-biodegradable additive, which means that they degrade totally over a relatively short life span

In addition, the Group uses paper-based bags rather than plastic bags in its stores in the Republic of Ireland.



Corporate and Social Responsibility (continued)

Ethical Labour Considerations

The Group seeks to provide its customers with high quality and value merchandise from manufacturers who can demonstrate compliance with internationally accepted good practice in terms of employment and environmental policies.

The Group cares about labour standards in its global supply chain and expects its suppliers to have similar ethical concerns. Prior to any orders being placed, all new suppliers must complete the Group's risk assessment form to ensure that their activities are in line with the Ethical Trade Initiative Base Code. This code covers areas such as health and safety, fire procedures and maternity pay provisions. The Group's buying and own brand staff audit the accuracy of the responses when visiting the factories concerned.

On occasions, it is not possible to visit the factories directly and the Group has to rely on the good faith of suppliers who, through the supplier contract, are required to agree to the Group's code of conduct which includes a specific policy on 'Employment Standards for Suppliers'.

General Social Responsibility

The Group seeks to be involved in the community where it can make an appropriate contribution from its resources and skills base. Examples of this include:

- Donations of footwear to In Kind Direct, a charity which distributes new goods to voluntary organisations working in the UK and overseas
- Donations to 'Riders For Health' in Africa who are working to make sure all health workers in Africa have access to reliable transportation so they can reach the most isolated people with regular and predictable health care
- Donations to The Marina Dalglish Appeal to improve cancer treatment facilities in Liverpool
- Donations to The Elifar Foundation Challenge, which aims to help improve the quality of life of profoundly disabled children and young adults through the funding of specialist equipment
- Donations to The Seashell Trust, a charity which operates a school, college and an adult residential home for people with severe and complex learning disabilities
- Sponsorship and donation of kit to local junior sports clubs

Acquired Businesses

The Group has made a number of acquisitions in recent years both in the UK and around the world. The Group acknowledges the need to implement the high standards which the core UK and Ireland businesses already work to on a Group-wide basis.

Our experience to date is that the recently acquired businesses do operate to similar standards.

The Board

Peter Cowgill

Executive Chairman and Chairman of the Nomination Committee aged 57

Peter was appointed Executive Chairman in March 2004. He was previously Finance Director of the Group until his resignation in June 2001. Since then he has been a partner in Cowgill Holloway Chartered Accountants. He is a Non-Executive Director of a number of private companies and Non-Executive Chairman of United Carpets Plc and MBL Group Plc.

Barry Bown

Chief Executive aged 48

Barry joined the Board in 2000 and has been with JD Sports Fashion Plc since 1984. He held the positions of Head of Retail, Head of Buying and Merchandising and Chief Operating Officer prior to his appointment as Chief Executive in 2000.

Brian Small

Group Finance Director aged 53

Brian was appointed Finance Director in January 2004. Immediately prior to his appointment he was Operations Finance Director at Intercare Group Plc and has also been Finance Director of a number of other companies. He qualified as an accountant with Price Waterhouse in 1981.

Colin Archer

Non-Executive Director, Chairman of the Audit and Remuneration Committees and member of the Nomination Committee aged 68

Colin was appointed a Non-Executive Director in November 2001. He has over 40 years experience in the banking and financial arenas, having previously been an Assistant Corporate Director with Barclays Bank Plc. He is also a member of the Chartered Institute of Bankers.

Chris Bird

Non-Executive Director, member of Audit, Remuneration and Nomination Committees aged 47

Chris was appointed to the Board in May 2003. He is a marketing specialist with his own public relations and marketing agency. He is also Chief Executive of Sports Tours International Limited. Chris has over 20 years media experience in newspapers, commercial radio and sport.

Directors' Report

The Directors present their annual report and the audited financial statements of JD Sports Fashion Plc (the 'Company') and its subsidiaries (together referrred to as the 'Group') for the 52 week period ended 30 January 2010.

Principal Activities and Business Review

The principal activity of the Group is the retail and distribution of sport and athletic inspired fashion, footwear, apparel and accessories.

In accordance with the Companies Act 2006, a review of the business providing a comprehensive analysis of the main trends and factors likely to affect the development, performance and position of the business, including environmental, employee and social and community issues, together with the Group's Key Performance Indicators and a description of the principal risks and uncertainties facing the business is detailed as follows:

- Summary of Key Performance Indicators (page 3)
- Chairman's Statement (pages 4 to 7)
- Financial and Risk Review (pages 10 to 11)
- Property and Stores Review (page 13)
- Corporate and Social Responsibility (pages 14 to 18)

All the information set out in those sections is incorporated by reference into, and is deemed to form part of, this report.

The Corporate Governance Report (pages 25 to 28) and the Directors' Remuneration Report (pages 30 to 34) are incorporated by reference into, and are deemed to form part of, this report.

As at the date of this report, no important events affecting the business of the Group have occurred since 30 January 2010.

Results

Revenue for the 52 week period ended 30 January 2010 was £769.8 million and profit before tax was £61.4 million compared with £670.9 million and £38.2 million respectively in the previous financial year. The Consolidated Income Statement is set out on page 41.

Proposed Dividend

The Directors recommend a final dividend of 14.70p per ordinary share (2009: 8.90p), which together with the interim dividend of 3.30p per ordinary share (2009: 3.10p) makes the total dividend payable for the year 18.00p (2009: 12.00p).

Share Capital

As at 30 January 2010 the Company's authorised share capital was £3,107,500 divided into 62,150,000 ordinary shares of 5p each.
As at 30 January 2010 the Company's issued share capital was £2,433,083 comprising 48,661,658 ordinary shares of 5p each.

Shareholder and Voting Rights

All members who hold ordinary shares are entitled to attend and vote at the Company's Annual General Meeting. On a show of hands at a general meeting, every member present in person or by proxy shall have one vote and, on a poll, every member present in person or by proxy shall have one vote for every ordinary share they hold. Subject to relevant statutory provisions and the Company's Articles of Association, holders of ordinary shares are entitled to a dividend where declared or paid out of profits available for such purposes.

Restrictions on Transfer of Shares

The restrictions on the transfer of shares in the Company are as follows:

- The Board may, in absolute discretion, refuse to register any transfer of shares which are not fully paid up (but not so as to prevent dealings in listed shares from taking place), or which is in favour of more than four persons jointly or which is in relation to more than one class of share
- Certain restrictions may, from time to time, be imposed by laws and regulations (for example, insider trading laws)
- Restrictions apply pursuant to the Listing Rules of the Financial Services Authority whereby Directors and certain of the Group's employees require prior approval to deal in the Company's shares

The Company is not aware of any arrangement between its shareholders that may result in restrictions on the transfer of shares and/or voting rights.

Authority to Purchase Own Shares

A resolution was passed at the 2009 Annual General Meeting giving Directors authority to buy back ordinary shares up to a maximum of 10% of the total issued ordinary share capital of the Company. As at the date of this report no shares have been purchased under this authority.

Directors' Interests

The interests of the Directors who held office at 30 January 2010 and their connected persons in the Company's ordinary shares are shown below:

	Ordinary shares of 5p each	
	30 January 2010	31 January 2009
P Cowgill	410,236	410,236
B Bown	5,676	5,676
B Small	21,750	17,750
C Archer	19,121	19,121
	456,783	452,783

There has been no change in the interests of the Directors or their connected persons between 30 January 2010 and the date of this report.

Substantial Interests in Share Capital

As at 13 April 2010 the Company has been advised of the following significant holdings in its ordinary share capital pursuant to the Disclosure and Transparency Rules:

	Number of ordinary shares	%
Pentland Group Plc	27,963,722	57.47
Sports World International Ltd	5,775,255	11.87
Aberforth Funds	4,711,740	9.68

Directors

The names and roles of the current Directors together with brief biographical details are given on page 21. The Directors are responsible for the management of the business of the Company and, subject to law and the Company's Articles of Association, the Directors may exercise all of the powers of the Company and may delegate their power and discretion to committees.

The Company may by ordinary resolution appoint a person who is willing to act as a director, either to fill a vacancy or as an addition to the existing Board. Any director so appointed shall hold office only until the dissolution of the first AGM of the Company following appointment unless they are re-elected during such meeting.

At each AGM of the Company, any director who was elected or last re-elected at or before the AGM held in the third calendar year before the then current calendar year must retire by rotation and such further Directors must retire by rotation so that in total not less than one third of the Directors retire by rotation each year. A retiring director is eligible for re-election.

Peter Cowgill and Barry Bown retire by rotation at the forthcoming Annual General Meeting and both are eligible for re-election.

The number of directors at any one point in time shall not be less than two.

Amendment of the Company's Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.

Changes to the Articles of Association are being proposed at this year's AGM to reflect principally the changes imposed by the Companies (Shareholders' Rights) Regulations 2009 and the Companies Act 2006. Explanatory notes in relation to these changes are included in the Notice of Annual General Meeting that accompanies this report.

Change of Control – Significant Agreements

In the event of a change of control of the Company, the Company and the lenders of the £70 million bank syndicated facility shall enter into an agreement to determine how to continue the facility. If no agreement is reached within 20 business days of the date of change in control, the lenders may, by giving not less than 10 business days notice to the Company, cancel the facility and declare all outstanding loans, together with accrued interest and all other amounts accrued immediately due and payable.

Employees

The Group communicates with its employees through the Company magazine 'People 1st', via the Company's intranet and notice boards. Views of employees are sought on matters of common concern. Priority is given to ensuring that employees are aware of all significant matters affecting the Group's performance and of significant organisational changes.

The Group's employee remuneration strategy is set out in the Remuneration Report.

The Group is committed to promote equal opportunities in employment regardless of employees' or potential employees' sex, marital status, creed, colour, race, ethnic origin or disability. Recruitment, promotion and the availability of training are based on the suitability of any applicant for the job and full and fair consideration is always given to disabled persons in such circumstances.

Should an employee become disabled during his or her employment by the Group, every effort is made to continue employment and training within their existing capacity wherever practicable, or failing that, in some alternative suitable capacity.

Donations

During the financial year ended 30 January 2010 the Group did not make any political donations (2009: £nil) and made charitable donations of £54,000 (2009: £29,500). Of the charitable donations, £37,000 was for donation of footwear to In Kind Direct, a charity which distributes new goods to voluntary organisations working in the UK and overseas.

Creditors Payment Policy

For all trade creditors, it is the Group policy to:

- Agree terms of payment at the start of business with the supplier
- Ensure that suppliers are aware of the terms of payment
- Pay in accordance with its contractual and other legal obligations

The average number of days taken to pay trade creditors by the Group at the period end was 36 (2009: 32).

The Group does not follow any code or statement on payment practice.

Auditor

In accordance with Section 489 of Companies Act 2006 a resolution is to be proposed at the Annual General Meeting for the re-appointment of KPMG Audit Plc as auditor of the Company.

Disclosure of Information to the Auditor

Each person who is a Director at the date of approval of this report confirms that:

- So far as he is aware, there is no relevant audit information of which the Company's auditor is unaware
- Each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

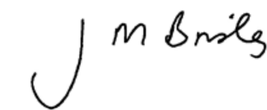
Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company, and the Group as a whole, has adequate resources to continue in operational existence for the foreseeable future. For this reason, the financial statements have been prepared on a going concern basis.

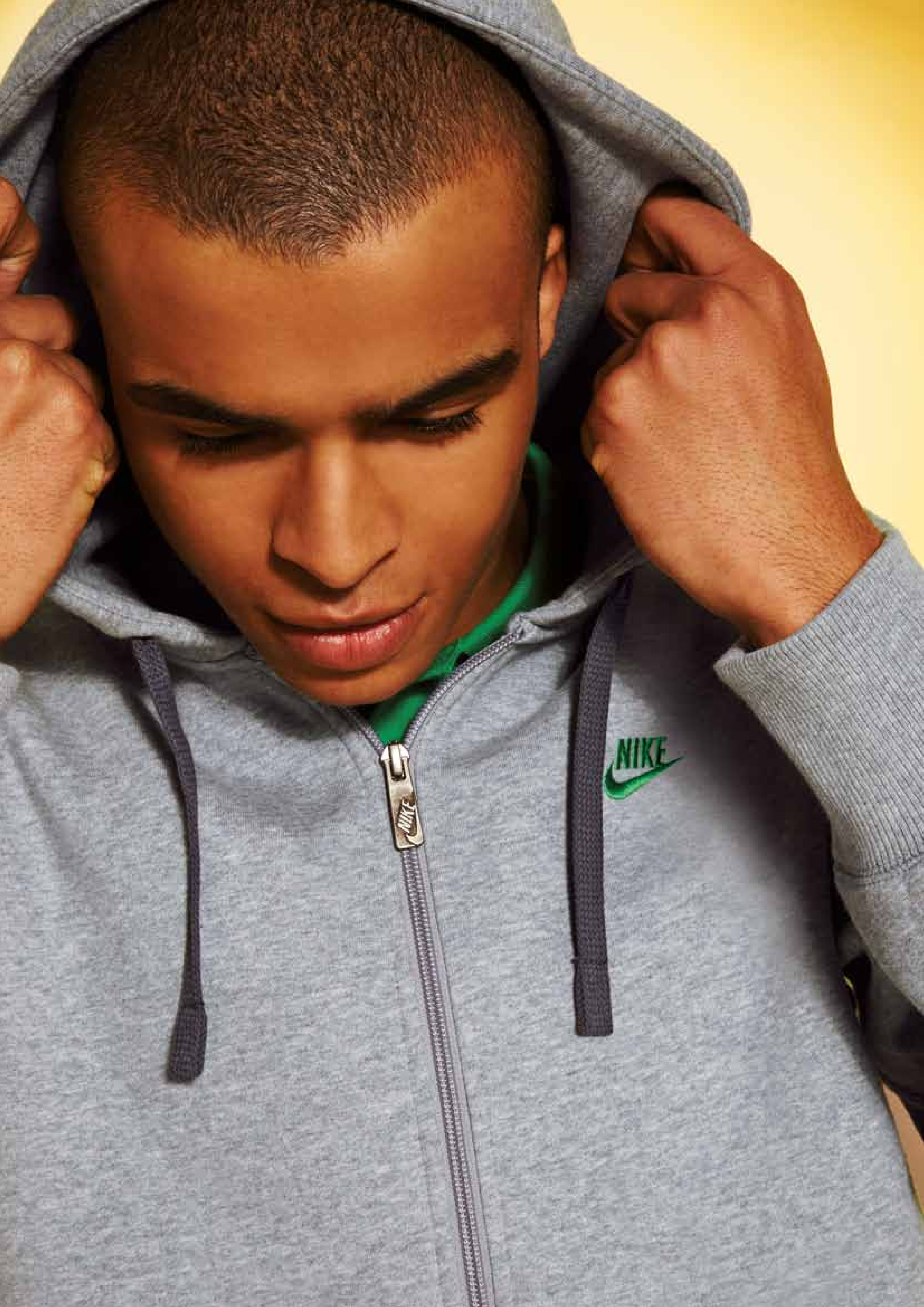
Annual General Meeting (AGM)

Notice of the Company's AGM to be held at 1.00pm on 9 June 2010 at Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR incorporating explanatory notes of the resolutions to be proposed at the meeting is enclosed, together with a form of proxy. A copy of the Notice of AGM is available on the Company's website www.jdplc.com.

By order of the Board of Directors



Jane Brisley
Company Secretary
14 April 2010



Corporate Governance Report

Combined Code

The Board is committed to high standards of corporate governance. This report sets out how the Company has applied the main principles set out in the Combined Code on Corporate Governance published by the Financial Reporting Council in June 2008 ('the Code') and the extent to which the Company has complied with the provisions of the Code.

The Board

The Board consists of five directors: an Executive Chairman, two other Executive Directors and two Non-Executive Directors. The name, position and brief profile of each Director is set out on page 21.

Both Non-Executive Directors are considered to be independent by the Board. The Board believes that the two independent Non-Executive Directors have provided ample guidance to the Board and perform an effective role in challenging the Executive Directors when appropriate.

Composition of the Board is kept under review and changes are made when appropriate and in the best interests of the Group. There have been no changes to the membership of the Board since the last Annual Report was published. The Board considers that its composition during the year had the necessary balance of Executive and Non-Executive Directors providing the desired blend of skills, experience and judgement appropriate for the needs of the Group's business and overall effectiveness of the Board. None of the Directors have served for more than three years without having been re-elected by shareholders. Colin Archer is the senior independent Non-Executive Director.

The Board considers that all the Directors are able to devote sufficient time to their duties as Directors of the Company. The brief biographical detail on page 21 includes details of the Chairman's other directorships of listed companies. The Board is satisfied that these appointments do not conflict with the Chairman's ability to carry out his role effectively for the Group.

Board operation

The Board is responsible for the direction, management and performance of the Company. The Board met eight times during the year under review. Directors' attendance at Board and Committee meetings is set out in the table below. The Board is responsible for providing effective leadership and promoting success of the Group.

The Board has a formal schedule of matters reserved specifically to it for decisions which include major strategic matters, approval of financial statements, acquisitions and disposals and significant capital projects. The Board delegates certain powers to a number of committees.

Board papers are circulated to Directors prior to Board meetings which include up-to-date financial information, reports from the Executive Directors and papers on major issues for consideration by the Board. Since the year end the Board has adopted updated Terms of Reference for its three committees. In addition, the Board has formalised its procedure for Directors to obtain independent professional advice.

All Board members have full access to the Company Secretary, appointed since the year end, who is a fully admitted solicitor and attends all Board and Committee meetings. The Company Secretary is tasked with providing advice to the Board on Corporate Governance matters. The appointment and removal of the Company Secretary is a matter for the Board as a whole to determine.

All newly appointed Directors will receive a tailored induction when they join the Board or a Committee. Relevant training can be arranged as and when deemed appropriate.

The Board is small and performance evaluation has been conducted on an informal basis during the year through dialogue between the Directors. The Board intends to put a formal evaluation process in place during the current financial year.

The Company, through its majority shareholder Pentland Group Plc, maintains appropriate Directors and Officers liability insurance.

Attendance at Board and Committee meetings

	Board Meetings	Remuneration Committee	Audit Committee
Number of meetings in year	8	1	3
P Cowgill	8	1	3
B Bown	8	-	-
B Small	8	1	3
C Archer	8	1	3
C Bird	8	1	3

The Nomination Committee did not meet during the year.

Peter Cowgill and Brian Small attended all committee meetings at the invitation of the members of those committees.

Conflicts of interest

The Company's Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or possibly could conflict, with the interests of the Company. The Board considers that the procedures it has in place for reporting and considering conflicts of interest are effective.

Board Committees

There are three principal Board Committees to which the Board has delegated certain of its responsibilities. The terms of reference for all three Committees have been updated since the year end. They are available for inspection on request and will shortly be available on the Company's corporate website www.jdplc.com.

Audit Committee

The Audit Committee currently comprises the two independent Non-Executive Directors, Colin Archer (Chairman) and Chris Bird. The Committee's principal duties are to review draft annual and interim financial statements prior to being submitted to the Board, reviewing the effectiveness of the Group's system of internal control and risk management and to review the work of the external auditor.

The Audit Committee met three times in the year with the external auditor attending each meeting.

Corporate Governance Report (continued)

Audit Committee (continued)
In the year the Audit Committee discharged its responsibilities by:

- Reviewing the Group's draft financial statements and interim results statement prior to Board approval and reviewing the external auditor's detailed reports thereon
- Reviewing the Group's Christmas trading update announcement prior to release
- Reviewing the appropriateness of the Group's accounting policies
- Reviewing regularly the potential impact on the Group's financial statements of certain matters such as impairments of fixed asset values and proposed International Accounting Standards
- Reviewing and approving the audit fee and reviewing non-audit fees payable to the Group's external auditor. In reviewing the non-audit fees, the Committee also considers the independence of the external auditor and whether its engagement to supply non-audit services is appropriate. During the year the Group has appointed other accountancy firms to provide non-audit services
- Reviewing the external auditor's plan for the audit of the Group's financial statements, key risks of misstatement in the financial statements, confirmations of auditor independence and the proposed audit fee, and approving the terms of engagement for the audit

The Audit Committee is also responsible for ensuring that appropriate arrangements are in place for employees to be able to raise matters of possible impropriety in confidence.

The Audit Committee keeps under review the relationship between the Group and external auditor and, having considered the external auditor's performance during their period in office, recommends their reappointment.

Remuneration Committee
The Remuneration Committee currently comprises the two independent Non-Executive Directors, Colin Archer (Chairman) and Chris Bird. The Committee's principal duties are to determine overall Group remuneration policy and specifically Executive Directors and senior executives.

The Committee met once during the year.

Further details about Directors' remuneration are set out in the Directors' Remuneration Report on pages 30 to 34.

Nomination Committee
The Nomination Committee currently comprises the Chairman and the two independent Non-Executive Directors. The Nomination Committee has not been required to meet in the period under review.

Internal Control

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process has been in place for the year under review and accords with the Turnbull guidance.

The Board, in conjunction with the Audit Committee, has full responsibility for the Group's system of internal controls and monitoring their effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement. The Board has established a well-defined organisation structure with clear operating procedures, lines of responsibility, delegated authority to executive management and a comprehensive financial reporting process.

Key features of the Group's system of internal control and risk management are:

- Identification and monitoring of the business risks facing the Group, with major risks identified and reported to the Audit Committee and the Board
- Detailed appraisal and authorisation procedures for capital investment
- Prompt preparation of comprehensive monthly management accounts providing relevant, reliable and up-to-date information. These allow for comparison with budget and previous year's results. Significant variances from approved budgets are investigated as appropriate
- Preparation of comprehensive annual profit and cash flow budgets allowing management to monitor business activities and major risks and the progress towards financial objectives in the short and medium term
- Monitoring of store procedures and the reporting and investigation of suspected fraudulent activities
- Reconciliation and checking of all cash and stock balances and investigation of any material differences

In addition, the Audit Committee receives reports from the external auditor in relation to the financial statements and the Group's system of internal controls.

The Board has reviewed the effectiveness of internal controls. In establishing the system of internal control the Directors have regard to the materiality of relevant risks, the likelihood of a loss being incurred and costs of control. It follows, therefore, that the system of internal control can only provide a reasonable, and not absolute, assurance against the risk of material misstatement or loss.

The integration of the recently acquired businesses into the Group's system of internal controls is underway.

The scope of internal audit work performed is determined by the Board in conjunction with the Loss Control Director who reports directly to the Board periodically. The primary focus has continued to be on security and minimisation of unauthorised losses in the business using a team of appropriately experienced employees.

The Company does not have a separate internal audit function as the Board considers this unnecessary due to the robust control environment and culture in the business. This is reviewed annually.

The responsibility for internal control procedures within joint ventures rests with the senior management of those operations. The Company monitors its investment in such ventures and exerts influence through Board representation.

Shareholder Relations

The Chairman gives feedback to the Board on issues raised by major shareholders. This is supplemented by twice yearly formal feedback to the Board on meetings between management, analysts and investors which seeks to convey the financial market's perception of the Group.

Corporate Governance Report (continued)

Shareholder Relations (continued)
External brokers' reports on the Group are circulated to the Board for consideration. In addition, the Non-Executive Directors attend results presentations and analyst and institutional investor meetings whenever possible.

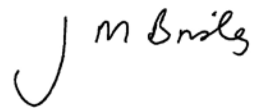
The AGM is attended by all Directors, and shareholders are invited to ask questions during the meeting and to meet with Directors after the formal proceedings have ended. At the AGM the level of proxies lodged on each resolution is announced to the meeting after the show of hands for that resolution.

The Directors maintain an active dialogue with the Company's larger shareholders to enhance understanding of their respective objectives. In addition, the Company responds to individual ad hoc requests for discussions from significant shareholders. The senior independent Non-Executive Director is available to shareholders if they have concerns which the usual channels of Executive Chairman, Chief Executive or Group Finance Director have failed to resolve, or for which such contact is inappropriate.

Compliance with the Combined Code
The Directors consider that during the year under review and to the date of this report, the Company complied with the Combined Code except as follows:

A.2.1 - During the year under review the Board did not have a formal statement on the division of responsibilities of the Executive Chairman and Chief Executive although it believes these have been understood for the last six successful years. In the period from the year end to the date of publication of this Annual Report, the Board has adopted such a written statement.

This report was approved by the Board and signed on its behalf by:



Jane Brisley
Company Secretary
14 April 2010

Directors' Remuneration Report

This report sets out the remuneration policy operated by the Group in respect of the Executive Directors, together with disclosures on Directors' remuneration required by The Directors' Remuneration Report Regulations 2002 ('the Regulations'). The auditor is required to report on the 'auditable' part of this Report and to state whether, in their opinion, that part of the Report has been properly prepared in accordance with the Companies Act 2006. The Report is therefore divided into separate sections for audited and unaudited information.

The Board have reviewed the Group's compliance with the Combined Code ('the Code') on remuneration related matters. It is the opinion of the Board that the Group complied with all remuneration related aspects of the Code during the year.

The Report will be put to shareholders for approval at the Annual General Meeting on 9 June 2010.

Unaudited Information

Remuneration Committee

The Remuneration Committee (the 'Committee') comprises both independent Non-Executive Directors, being Chris Bird and myself (Colin Archer) as Chairman of the Committee.

The Committee assists the Board in determining the Group's policy on Executive Directors' remuneration and determines the specific remuneration packages for senior executives, including the Executive Directors, on behalf of the Board. When the Committee is considering matters concerning key executives below Board level, advice is sought from the Executive Directors. The Committee also takes independent advice on executive compensation and incentives from PricewaterhouseCoopers' Remuneration Consultancy Practice if significant changes to remuneration policy and arrangements are being made during the period. PricewaterhouseCoopers provided no other services to the Company in the period.

The Committee is formally constituted with written terms of reference, which are available to shareholders by writing to the Company Secretary.

The Committee has met once during the year under review with each member attending the meeting.

Policy

The remuneration policy of the Committee is aimed at attracting, motivating and retaining executives of the necessary calibre required to execute the Group's business strategy and enhance shareholder value. The Committee believes the remuneration of Executive Directors should provide an appropriate balance between fixed and performance related elements. Further details of the remuneration policy are set out below.

The Remuneration Committee keeps the remuneration policy under review to ensure it accords with good practice and aligns the interests of the Directors with those of shareholders. The Committee believes this policy remains appropriate for the forthcoming year.

Components of Remuneration

The main components of the current remuneration package are:

Base salary

The policy of the Committee is to set base salaries for the Executive Directors around the median or lower quartile when compared to UK quoted retailers with similar corporate attributes to those of the Group.

Factors taken into account by the Committee when determining base salary levels are:

- Objective research based on a review of the remuneration in comparable retail companies carried out by PricewaterhouseCoopers
- The need for salaries to be competitive
- The performance of the individual Executive Director and their contribution to the performance of the business
- Experience and responsibilities of each Executive Director
- Pay and conditions throughout the Group

In line with the remuneration policy, the salaries of the Executive Directors are reviewed annually. For the Executive Chairman, the salary reflects his personal contribution to the turnaround of the Group since his appointment in March 2004 and ongoing strategic development of the Group. For the Chief Executive and Finance Director the salary takes into account their performance, the market and continued development in their respective roles.

With effect from 1 April 2010, the salaries for the Executive Directors have been increased as follows:

Executive Director	Previous salary £000	New salary £000	Percentage increase	Position against comparator group
P Cowgill	410	423	3%	Median
B Bown	293	302	3%	Lower Quartile
B Small	186	192	3%	Lower Quartile

Annual bonus

The level of payout for annual bonus is based on the achievement of challenging EPS targets. The Committee reviews these targets at the beginning and end of each financial year to ensure that they remain fair and challenging and are appropriate to the current market conditions and position of the Company.

Whilst the normal maximum bonus potential is 100% of salary, the Remuneration Committee retains the discretion to pay bonuses above that level for exceptional performance. This discretion was not utilised in the period to 30 January 2010 although the performance was again considerably above market expectations at the start of the year.

Special Retention Payment

In the year to 2 February 2008, the Company faced a real retention risk in relation to the Executive Chairman. It was the strong belief of the Committee that it was crucial to the continued growth of the Company that the services of the Executive Chairman were secured in the short to medium term. As a result, the Committee introduced a Special Retention Payment ('SRP') for the Executive Chairman to ensure that he was retained to focus on driving shareholder value for the foreseeable future. The structure of the SRP was disclosed in the 2008 report which was subsequently approved at the Annual General Meeting held on 26 June 2008. There have been no changes to the structure of the SRP since.

Paid	Retention element £000	Performance element £000	Total £000	Performance element based on performance to
March 2008	3,000	-	3,000	-
March 2009	500	500	1,000	31 January 2009
March 2010	500	500	1,000	30 January 2010
Total	4,000	1,000	5,000	

The amounts shown are non-pensionable.

The retention element of £4,000,000 was recognised in full in the Consolidated Income Statement for the period ended 2 February 2008.

The performance related element was payable on the achievement of pre-determined profit targets in line with market expectations. The final amount of £500,000 has been recognised in the Consolidated Income Statement for the period ended 30 January 2010 on the basis of the Group achieving performance targets for this period.

The final payment from the SRP has now been made and the Committee is considering a suitable subsequent package to retain the services of the Executive Chairman and his fellow Executive Directors in the longer term during the current year.

Cash based Long Term Incentive Plan

In 2008, the Committee proposed the introduction of a cash based Long Term Incentive Plan ('LTIP') in order to:

- Provide the Committee with the necessary mechanism with which to retain the Executive Directors who are critical to driving shareholder value
- Provide the Executive Directors with the opportunity to earn competitive rewards which was previously severely restricted by the absence of any long-term incentive plan
- Align the Executive Directors' interests more closely with those of the shareholders
- Focus the Executive Directors on sustaining and improving the long-term financial performance of the Group and reward them appropriately for doing so
- Ensure a more appropriate balance in the Executives Directors' compensation between fixed and performance elements

The proposed LTIP was subsequently approved by shareholders at the Annual General Meeting held on 26 June 2008 and consisted of two separate awards that would pay out in cash after two and three years respectively, subject to continued employment and meeting performance targets which would drive the creation of shareholder value. The Committee gave considerable thought as to whether the awards should pay out in cash or shares and decided that given the current shareholder structure and the lack of a large free float, the delivery mechanism should be in cash.

The following table outlines the structure of the LTIP:

	1st Award	2nd Award
Performance to	30 January 2010	29 January 2011
Payable	March 2010	March 2011
	£000	£000
Amount payable:		
P Cowgill	400	450
B Bown	350	394
B Small	250	281
Other key executives	1,500	1,625
	2,500	2,750

The 1st award was paid out in March 2010 as the Group had achieved the required average headline earnings* of £40 million over the three year period ending 30 January 2010.

The 2nd award will be paid out in March 2011 subject to the Group achieving average headline earnings of £44 million (40% of payout) and £48 million (100% of payout) over the three year period ending 29 January 2011.

* Headline earnings are defined as profit before tax and exceptional items (including the share of exceptional items of the joint venture).

An amount of £1,750,000 has been recognised in the Consolidated Income Statement for the period ended 30 January 2010 (2009: £1,750,000) being the final one-third of the 1st award payable (2009: one-third) and one-third of the 2nd award payable (2009: one-third). These amounts are consistent with the vesting profile of a three year performance period.

Any payments made under the scheme will be non-pensionable.

The Board will be proposing the approval of a further cash based LTIP during the year with awards to be paid out, subject to achievement of appropriate targets, in March 2013.

Other benefits

The Company makes contributions into individual personal pension schemes for Barry Bown and Brian Small at a defined percentage of salary, excluding bonus and other forms of remuneration.

Other benefits vary from Director to Director and include entitlement to a fully expensed car, private health care for the Executive Director and immediate family and life assurance to provide cover equal to four times the Executive Director's salary. Car benefits have been calculated in accordance with HM Revenue and Customs scale charges.

The Committee actively reviews the levels of benefit received to ensure that they remain competitive in the UK quoted environment.

Directors' Remuneration Report (continued)

Service Contracts

Details of the contracts currently in place for Executive Directors are as follows:

	Date of contract	Notice period (months)	Unexpired term
B Bown	20 February 2009	12	Rolling 12 months
B Small	10 March 2004	12	Rolling 12 months
P Cowgill	16 March 2004	12	Rolling 12 months

Each service contract includes provision for compensation commitments in the event of early termination. For each of the Executives, these commitments do not exceed one year's salary and benefits.

Each service contract expires upon the Director reaching the age of 65 (subject to re-election by shareholders).

The Committee consider these levels of compensation for loss of office appropriate in light of the levels of basic salary provided and prevailing market conditions.

In the event of gross misconduct, the Company may terminate the service contract of an Executive Director immediately and with no liability to make further payments other than in respect of amounts accrued at the date of termination.

Directors retiring by rotation at the next Annual General Meeting are shown in the Directors' Report on page 23.

During the year, Peter Cowgill also served as Non-Executive Chairman of United Carpets Group Plc and MBL Group Plc and has retained earnings of £72,500 in respect of these offices.

Non-Executive Directors

The Non-Executive Directors have entered into letters of appointment with the Company for a fixed period of 12 months which are renewable by the Board and the Non-Executive Director, and are terminable by the Non-Executive Director or Company on not less than three months' notice.

Their remuneration is determined by the Board taking into account the scope and nature of their duties and market rates. The Non-Executive Directors do not participate in the Company's incentive arrangements and no pension contributions are made in respect of them. Details of their fees are set out in the audited information on page 34.

Total Shareholder Return

The following graph shows the Total Shareholder Return ('TSR') of the Group in comparison to the FTSE All Share General Retailers Index over the past five years. The Committee considers the FTSE All Share General Retailers Index a relevant index for total shareholder return comparison disclosure required under the Regulations, as the index represents the broad range of UK quoted retailers.

TSR is calculated for each financial year end relative to the base date of 31 January 2005 by taking the percentage change of the market price over the relevant period, re-investing any dividends at the ex-dividend rate.

Directors' Remuneration Report (continued)

Audited Information

Individual Directors' Emoluments

Directors' salaries and benefits charged in the period to 30 January 2010 are set out below together with comparatives for the period to 31 January 2009.

	Salary and fees £000	Benefits excluding pensions £000	Annual performance related bonus £000	Special retention payment £000	2010 Total £000	2009 Total £000	2010 Pensions costs £000	2009 Pensions costs £000
P Cowgill	410	1	410	500	1,321	1,295	-	-
B Bown (i)	293	1	293	-	587	869	22	22
B Small	186	21	186	-	393	381	22	21
C Archer	38	-	-	-	38	36	-	-
C Bird	28	-	-	-	28	27	-	-
	955	23	889	500	2,367	2,608	44	43

(i) Remuneration for Barry Bown in 2009 included a one off bonus of £300,000 to remove the previously preferential terms of his compensation in the event of the early termination of his contract. This one-off payment was not pensionable.

The pension contributions represent amounts payable to defined contribution pension schemes.

Cash Based Long Term Incentive Plan

In addition, the following amounts have been provided in the period ended 30 January 2010 in respect of the LTIP. The amounts recognised comprise the final one-third of the amount proposed for the 1st award, based on Group performance in the final year of the three year vesting period and one-third of the 2nd award based on Group performance in the second year of the three year vesting period. The first award was paid in March 2010, as the Group had achieved the required average headline earnings of £40 million over the three year period ending 30 January 2010. The second award will be payable in March 2011 subject to the Group meeting the performance conditions as detailed on page 31.

	2010 £000	2009 £000
P Cowgill	283	283
B Bown	248	248
B Small	177	177
	708	708

This report has been prepared on behalf of the Board.

Colin Archer
Chairman of the Remuneration Committee
14 April 2010

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

Responsibilities of Directors

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the Parent Company financial statements on the same basis. 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 Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether they have been prepared in accordance with IFRSs as adopted by the EU
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's websites. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement

Each of the Directors whose names and positions are set out on page 21 confirms that, to the best of their knowledge:

- The Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- The Directors' Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face

By order of the Board

Brian Small
Group Finance Director
14 April 2010

Independent Auditor's Report to the Members of JD Sports Fashion Plc

We have audited the financial statements of JD Sports Fashion Plc for the year ended 30 January 2010, which comprise the Consolidated Income Statement, Consolidated and Parent Company Statement of Comprehensive Income, Consolidated and Parent Company Statement of Financial Position, Consolidated and Parent Company Statement of Cash Flows, Consolidated and Parent Company Statement of Changes in Equity and the related notes set out on pages 45 to 82. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 36, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKP.

Opinion on financial statements

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 January 2010 and of the Group's and the Parent Company's profit for the year then ended
- The Group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU
- The Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- The part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006
- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us
- The Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns
- Certain disclosures of Directors' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit

Under the Listing Rules we are required to review:

- The Directors' statement, set out on page 23, in relation to going concern
- The part of the Corporate Governance Report relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review

Stuart Burdass (Senior Statutory Auditor)
For and on behalf of:
KPMG Audit Plc
Chartered Accountants
St James' Square
Manchester
M2 6DS
14 April 2010

BANK

Consolidated Income Statement

For the 52 weeks ended 30 January 2010

	Note	52 weeks to 30 January 2010 £000	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000	52 weeks to 31 January 2009 £000
Revenue			**769,785**		670,855
Cost of sales			**(390,248)**		(340,309)
Gross profit			**379,537**		330,546
Selling and distribution expenses - normal		**(288,462)**		(256,315)	
Selling and distribution expenses - exceptional	4	**(6,458)**		(8,201)	
Selling and distribution expenses			**(294,920)**		(264,516)
Administrative expenses - normal		**(26,051)**		(20,867)	
Administrative expenses - exceptional	4	**1,472**		(8,122)	
Administrative expenses			**(24,579)**		(28,989)
Other operating income			**2,270**		1,109
Operating profit			**62,308**		38,150
Before exceptional items			**67,294**		54,473
Exceptional items	4		**(4,986)**		(16,323)
Operating profit			**62,308**		38,150
Share of results of joint venture before exceptional items (net of income tax)	15		**539**		(166)
Share of exceptional items (net of income tax)	15		**(1,012)**		914
Share of results of joint venture	15		**(473)**		748
Financial income	7		**385**		529
Financial expenses	8		**(827)**		(1,210)
Profit before tax	3		**61,393**		38,217
Income tax expense	9		**(18,647)**		(13,707)
Profit for the period			**42,746**		24,510
Attributable to equity holders of the parent			**42,900**		24,379
Attributable to minority interest			**(154)**		131
Basic earnings per ordinary share	10		**88.16p**		50.49p
Diluted earnings per ordinary share	10		**88.16p**		50.49p

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 30 January 2010

	GROUP		COMPANY	
	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Profit for the period	**42,746**	24,510	**41,314**	25,801
Other comprehensive income:				
Exchange differences on translation of foreign operations	**(248)**	4	**-**	-
Total other comprehensive income for the period	**(248)**	4	**-**	-
Total comprehensive income and expense for the period (net of income tax)	**42,498**	24,514	**41,314**	25,801
Attributable to equity holders of the parent	**42,652**	24,383	**41,314**	25,801
Attributable to minority interest	**(154)**	131	**-**	-

Consolidated Statement of Financial Position

As at 30 January 2010

	Note	GROUP As at 30 January 2010 £000	GROUP As at 31 January 2009 £000	COMPANY As at 30 January 2010 £000	COMPANY As at 31 January 2009 £000
Assets					
Intangible assets	11	**50,121**	42,890	**19,395**	19,757
Property, plant and equipment	12	**67,434**	62,668	**47,445**	48,073
Investment property	13	**4,053**	4,102	**4,053**	4,102
Other receivables	14	**13,232**	5,459	**3,787**	5,227
Equity accounted investment in joint venture	15	**635**	1,108	**-**	-
Investments	16	**-**	-	**7,864**	6,668
Deferred tax assets	25	**-**	-	**610**	571
Total non-current assets		**135,475**	116,227	**83,154**	84,398
Available for sale investments	17	**-**	2,053	**-**	2,053
Inventories	18	**74,569**	58,287	**44,125**	43,011
Trade and other receivables	19	**31,657**	20,453	**77,380**	53,967
Cash and cash equivalents	20	**64,524**	23,538	**56,954**	23,530
Total current assets		**170,750**	104,331	**178,459**	122,561
Total assets		**306,225**	220,558	**261,613**	206,959
Liabilities					
Interest bearing loans and borrowings	21	**(2,712)**	(83)	**-**	(83)
Trade and other payables	23	**(115,742)**	(80,073)	**(78,294)**	(64,584)
Provisions	24	**(2,920)**	(2,859)	**(1,942)**	(2,492)
Income tax liabilities		**(10,789)**	(8,395)	**(9,917)**	(8,419)
Total current liabilities		**(132,163)**	(91,410)	**(90,153)**	(75,578)
Interest bearing loans and borrowings	21	**(1,347)**	-	**-**	-
Other payables	23	**(24,050)**	(19,690)	**(23,464)**	(20,567)
Provisions	24	**(7,395)**	(5,310)	**(5,804)**	(3,999)
Deferred tax liabilities	25	**(748)**	(379)	**-**	-
Total non-current liabilities		**(33,540)**	(25,379)	**(29,268)**	(24,566)
Total liabilities		**(165,703)**	(116,789)	**(119,421)**	(100,144)
Total assets less total liabilities		**140,522**	103,769	**142,192**	106,815
Capital and reserves					
Issued ordinary share capital		**2,433**	2,433	**2,433**	2,433
Share premium		**11,659**	11,659	**11,659**	11,659
Retained earnings		**125,341**	88,378	**128,100**	92,723
Other reserves		**(244)**	4	**-**	-
Total equity attributable to equity holders of the parent		**139,189**	102,474	**142,192**	106,815
Minority interest		**1,333**	1,295	**-**	-
Total equity		**140,522**	103,769	**142,192**	106,815

These financial statements were approved by the Board of Directors on 14 April 2010 and were signed on its behalf by:

B Bown
B Small
Directors

Registered number: 1888425

Consolidated Statement of Changes in Equity

For the 52 weeks ended 30 January 2010

GROUP	Ordinary share capital £000	Share premium £000	Retained earnings £000	Foreign currency translation reserve £000	Total equity attributable to equity holders of the parent £000	Minority interest £000	Total equity £000
Balance at 2 February 2008	2,413	10,823	68,391	-	**81,627**	1,164	**82,791**
Profit for the period	-	-	24,379	-	**24,379**	131	**24,510**
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	4	**4**	-	**4**
Total other comprehensive income	-	-	-	4	**4**	-	**4**
Total comprehensive income for the period	-	-	24,379	4	**24,383**	131	**24,514**
Dividends to equity holders	-	-	(4,392)	-	**(4,392)**	-	**(4,392)**
Shares issued in the period	20	836	-	-	**856**	-	**856**
Balance at 31 January 2009	2,433	11,659	88,378	4	**102,474**	1,295	**103,769**
Profit for the period	-	-	42,900	-	**42,900**	(154)	**42,746**
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	(248)	**(248)**	-	**(248)**
Total other comprehensive income	-	-	-	(248)	**(248)**	-	**(248)**
Total comprehensive income for the period	-	-	42,900	(248)	**42,652**	(154)	**42,498**
Dividends to equity holders	-	-	(5,937)	-	**(5,937)**	-	**(5,937)**
Acquisition of minority interest	-	-	-	-	**-**	192	**192**
Balance at 30 January 2010	**2,433**	**11,659**	**125,341**	**(244)**	**139,189**	**1,333**	**140,522**

COMPANY	Ordinary share capital £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 2 February 2008	2,413	10,823	71,314	**84,550**
Profit for the period	-	-	25,801	**25,801**
Total comprehensive income for the period	-	-	25,801	**25,801**
Dividends to equity holders	-	-	(4,392)	**(4,392)**
Shares issued in the period	20	836	-	**856**
Balance at 31 January 2009	2,433	11,659	92,723	**106,815**
Profit for the period	-	-	41,314	**41,314**
Total comprehensive income for the period	-	-	41,314	**41,314**
Dividends to equity holders	-	-	(5,937)	**(5,937)**
Balance at 30 January 2010	**2,433**	**11,659**	**128,100**	**142,192**

Consolidated Statement of Cash Flows

For the 52 weeks ended 30 January 2010

		GROUP		COMPANY	
	Note	**52 weeks to 30 January 2010 £000**	52 weeks to 31 January 2009 £000	**52 weeks to 30 January 2010 £000**	52 weeks to 31 January 2009 £000
Cash flows from operating activities					
Profit for the period		**42,746**	24,510	**41,314**	25,801
Share of results of joint venture	15	**473**	(748)	**-**	-
Income tax expense	9	**18,647**	13,707	**17,740**	13,961
Financial expenses	8	**827**	1,210	**675**	1,064
Financial income	7	**(385)**	(529)	**(549)**	(526)
Depreciation and amortisation of non-current assets		**17,863**	14,332	**13,274**	11,228
Exchange differences on translation		**(49)**	(399)	**-**	-
Impairment of intangible assets	4	**2,617**	2,045	**-**	2,045
Impairment of non-current assets	4	**408**	2,225	**105**	328
Impairment of investment	16	**-**	-	**3,470**	-
Impairment of available for sale investments	4	**-**	6,077	**-**	6,077
Profit on disposal of available for sale investments	4	**(4,089)**	-	**(4,089)**	-
Loss on disposal of non-current assets	4	**2,148**	2,976	**1,525**	2,180
(Increase)/decrease in inventories		**(6,062)**	(57)	**(1,114)**	2,161
Increase in trade and other receivables		**(8,179)**	(3,832)	**(23,597)**	(6,308)
Increase in trade and other payables		**25,326**	9,513	**17,743**	7,627
Interest paid		**(827)**	(1,210)	**(675)**	(1,064)
Income taxes paid		**(15,848)**	(15,572)	**(16,089)**	(14,908)
Net cash from operating activities		**75,616**	54,248	**49,733**	49,666
Cash flows from investing activities					
Overdrafts acquired with acquisitions	30	**(1,129)**	-	**-**	-
Interest received		**385**	529	**549**	526
Proceeds from sale of non-current assets		**532**	23	**2**	5
Disposal costs of non-current assets		**(644)**	(1,271)	**(359)**	(847)
Acquisition of intangible assets	11	**(6,672)**	-	**-**	-
Acquisition of property, plant and equipment	12	**(21,472)**	(28,019)	**(13,122)**	(21,337)
Acquisition of non-current other receivables		**(1,429)**	(810)	**(665)**	(707)
Cash consideration of acquisitions	11	**(9,100)**	(1,370)	**(4,666)**	(1,370)
Cash acquired with acquisitions	11	**2,273**	60	**-**	-
Acquisition of available for sale investment	17	**(9,990)**	(8,130)	**(9,990)**	(8,130)
Proceeds from disposal of available for sale investment	17	**16,132**	-	**16,132**	-
Third party loan repayments		**80**	-	**80**	-
Loan repayments received from joint venture	14	**1,750**	-	**1,750**	-
Net cash used in investing activities		**(29,284)**	(38,988)	**(10,289)**	(31,860)
Cash flows from financing activities					
Repayment of interest bearing loans and borrowings		**(1,836)**	(99)	**(83)**	(83)
Payment of finance lease and similar hire purchase contracts		**-**	(56)	**-**	-
Shares issued in the period		**-**	856	**-**	856
Dividends paid	27	**(5,937)**	(4,392)	**(5,937)**	(4,392)
Net cash used in financing activities		**(7,773)**	(3,691)	**(6,020)**	(3,619)
Net increase in cash and cash equivalents	30	**38,559**	11,569	**33,424**	14,187
Cash and cash equivalents at the beginning of the period	30	**23,538**	11,969	**23,530**	9,343
Cash and cash equivalents at the end of the period	30	**62,097**	23,538	**56,954**	23,530

Notes to the Consolidated Financial Statements

1. Significant accounting policies

JD Sports Fashion Plc, (the 'Company') is a company incorporated and domiciled in the United Kingdom. The financial statements for the 52 week period ended 30 January 2010 represent those of the Company and its subsidiaries (together referred to as the 'Group'). The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

The financial statements were authorised for issue by the Board of Directors on 14 April 2010.

Basis of preparation
European Union ('EU LAW') law (IAS Regulation EC 1606/2002) requires that the financial statements of the Group are prepared and approved in accordance with International Financial Reporting Standards as adopted by the EU ('adopted IFRSs'). The financial statements have been prepared on the basis of the requirements of adopted IFRSs that are endorsed by the EU and effective at 30 January 2010.

The Company has chosen to present its own results under adopted IFRSs and by publishing the Company financial statements here, with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes.

The following adopted accounting standards and interpretations, issued by the International Accounting Standards Board (IASB), have been adopted for the first time by the Group in the 52 weeks ended 30 January 2010 with no significant impact on its consolidated results or financial position:

- Determination of operating segments - as of 1 January 2009 the Group has adopted IFRS 8, 'Operating Segments'. The new accounting policy in respect of segment operating disclosures has led to a change in the number and/or definition of segments previously presented on the basis that the information disclosed is consistent to that provided to the Chief Operating Decision Maker (see note 2 for further details)
- Presentation of financial statements - the Group has applied revised IAS 1 'Presentation of Financial Statements', which became effective as of 1 January 2009. Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects there is no impact on the Group's net cash flows, financial position, total comprehensive income or earnings per share
- Amendments to IAS 31 'Interests in Joint Ventures' and IFRS 7 'Financial Instruments: Disclosures' have been applied by the Group to enhance disclosure. This has had no impact on the Group's net cash flows, financial position, total comprehensive income or earnings per share

The following revisions to IFRS will be applicable in future periods, subject to endorsement where applicable:

- Revised IFRS 3 'Business Combinations', amendments to IAS 38 'Intangible Assets' and amendments to IAS 27 'Consolidated and Separate Financial Statements' are applicable for 2010. These standards will affect the future accounting for acquisitions and transactions with non-controlling interests. There will be no retrospective impact
- IFRS 9 'Financial Instruments' is applicable from 2013. If endorsed, this standard will simplify the classification of financial assets for measurement purposes, but is not anticipated to have a significant impact on the financial statements

The Group does not consider that any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the financial statements.

The financial statements are presented in pounds sterling, rounded to the nearest thousand.

The financial statements have been prepared under the historical cost convention, as modified for financial assets and liabilities (including derivative instruments) at fair value through the Consolidated Income Statement.

The preparation of financial statements in conformity with adopted IFRSs 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The accounting policies set out below have unless otherwise stated been applied consistently to all periods present in these financial statements and have been applied consistently by all Group entities.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and Financial and Risk Review on pages 4 and 10 respectively. In addition, details of financial instruments and exposures to interest rate, foreign currency, credit and liquidity risks are outlined in note 22.

As at 30 January 2010, the Group had net cash balances of £60,465,000 and undrawn committed borrowing facilities of £70,000,000. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1. Significant accounting policies (continued)

Basis of consolidation

I. Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Minority interests in the net assets of consolidated subsidiaries are identified separately from the equity attributable to holders of the parent. Minority interests consist of the amount of those interests at the date that control commences and the minority's share of changes in equity subsequent to that date.

II. Joint ventures

Joint ventures are entities over which the Group has joint control based on a contractual arrangement. The results and assets and liabilities of joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Investments in joint ventures are carried in the Consolidated Statement of Financial Position at cost and adjusted for post-acquisition changes in the Group's share of the net assets. Losses of the joint venture in excess of the Group's interest in it are not recognised.

III. Transactions eliminated on consolidation

Intragroup balances, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Property, plant and equipment

I. Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful economic lives, they are accounted for as separate items.

II. Leased assets

Assets funded through finance leases and similar hire purchase contracts are capitalised as property, plant and equipment where the Group assumes substantially all of the risks and rewards of ownership. Upon initial recognition, the leased asset is measured at the lower of its fair value and the present value of the minimum lease payments. Future instalments under such leases, net of financing costs, are included within interest-bearing loans and borrowings. Rental payments are apportioned between the finance element, which is included in finance costs, and the capital element which reduces the outstanding obligation for future instalments so as to give a constant charge on the outstanding obligation.

All other leases are accounted for as operating leases and the rental costs are charged to the Consolidated Income Statement on a straight line basis over the life of the lease.

Legal fees and other costs associated with the acquisition of a leasehold interest are capitalised as other receivables within non-current assets. These costs are amortised over the life of the lease.

Lease incentives are credited to the Consolidated Income Statement on a straight line basis over the life of the lease.

III. Depreciation

Depreciation is charged to the Consolidated Income Statement over the estimated useful life of each part of an item of property, plant and equipment. The estimated useful economic lives are as follows:

- Long leasehold properties — 2% per annum on a straight line basis
- Improvements to short leasehold properties — life of lease on a straight line basis
- Computer equipment — 3 - 4 years on a straight line basis
- Fixtures and fittings — 5 - 7 years, or length of lease if shorter, on a straight line basis
- Motor vehicles — 25% per annum on a reducing balance basis

Investment property

Investment property, which is property held to earn rentals, is stated at cost less accumulated depreciation and impairment losses. Investment property is depreciated over a period of 50 years on a straight-line basis, with the exception of freehold land, which is not depreciated. The Group has elected not to revalue investment property annually but to disclose the fair value in the Consolidated Financial Statements.

The fair value is based on an external valuation prepared by persons having the appropriate professional qualification and experience.

Intangible assets

I. Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries. In respect of business acquisitions that have occurred since 1 February 2004, goodwill represents the difference between the cost of the acquisition and the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in the Consolidated Income Statement as an exceptional item.

In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP. The classification and accounting treatment of business combinations that occurred prior to 1 February 2004 has not been reconsidered in preparing the Group's opening adopted IFRS balance sheet at 1 February 2004.

1. Significant accounting policies (continued)

I. Goodwill (continued)

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units ('CGUs') and is tested annually for impairment. The CGUs used are the store portfolios and distribution companies acquired. The recoverable amount is compared to the carrying amount of the CGU including goodwill. The recoverable amount of a CGU is determined based on value-in-use calculations.

II. Other intangible assets

Other intangible assets represent brand licences, brand names and purchased fascia names.

Brand licences are stated at cost less accumulated amortisation and impairment losses. Amortisation of brand licences is charged to the Consolidated Income Statement over the term to the licence expiry on a straight line basis.

Brand names acquired, are initially stated at fair value less accumulated amortisation and impairment losses. The useful economic life of each purchased brand name is considered to be finite. Amortisation of brand names is charged to the Consolidated Income Statement over 10 years on a straight line basis.

Separately identifiable fascia names acquired, are initially stated at fair value less accumulated impairment losses. The useful economic life of each purchased fascia name is considered separately. Where the Directors believe that there is no foreseeable limit to the period over which the asset is expected to generate a net cash flow, the specific fascia name is not amortised but is subject to annual impairment reviews.

Investments in subsidiary undertakings and joint ventures

In the Company's accounts all investments in subsidiary undertakings and joint ventures are stated at cost less provisions for impairment losses.

Available for sale investments

Available for sale investments comprise investments in listed equity shares that are traded in an active market. Available for sale financial assets are measured at fair value with fair value gains or losses recognised directly in equity through the Consolidated Statement of Comprehensive Income and recycled into the Consolidated Income Statement on sale or impairment of the asset. A significant or prolonged decline in market value is deemed to be objective evidence of impairment. At this point, the cumulative gain or loss previously recognised in equity is recognised in profit or loss for the period. Transaction costs that are directly attributable to the acquisition of available for sale investments are added to the fair value on initial recognition.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle. Provisions are made for obsolescence, mark downs and shrinkage.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Trade receivables

Trade receivables are recognised at amortised cost less impairment losses. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired. The movement in the provision is recognised in the Consolidated Income Statement.

Non-current other receivables

I. Key money

Monies paid in certain countries to give access to retail locations are capitalised within non-current assets. These assets are not depreciated but will be impaired if evidence exists that the market value is less than the historic cost. Gains/losses on key money from the subsequent disposal of these retail locations are recognised in the Consolidated Income Statement.

II. Deposits

Money paid in certain countries as deposits to store landlords as protection against non-payment of rent, is capitalised within non-current assets. A provision for the impairment of these deposits is established when there is objective evidence that the landlord will not repay the deposit in full.

III. Legal fees

Legal fees and other costs associated with the acquisition of a leasehold interest are capitalised as other receivables within non-current assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows, as these are used as an integral part of the Group's cash management.

Net cash/interest-bearing borrowings

Net cash consists of cash and cash equivalents together with other borrowings from bank loans and overdrafts, other loans, loan notes, finance leases and similar hire purchase contracts.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Following the initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Consolidated Income Statement over the period of the borrowings on an effective interest basis.

1. Significant accounting policies (continued)

Trade and other payables
Trade and other payables are non-interest-bearing and are stated at their cost.

Foreign currency translation
Transactions denominated in foreign currencies are translated into sterling at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange at the reporting date. Exchange differences in monetary items are recognised in the Consolidated Income Statement.

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.

On consolidation, the assets and liabilities of the Group's overseas operations are translated into sterling at the rate of exchange at the reporting date. Income and expenses are translated at the average exchange rate for the accounting period.

Derivative financial instruments
The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value and remeasured at each period end. The gain or loss on remeasurement to fair value is recognised immediately in the Consolidated Income Statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Interest rate swaps are recognised at fair value in the Consolidated Statement of Financial Position with movements in fair value recognised in the Consolidated Income Statement for the period. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the respective risk profiles of the swap counterparties.

Hedging of monetary assets and liabilities
Where a derivative financial instrument is used to hedge the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the Consolidated Income Statement.

Provisions
A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the obligation can be estimated reliably.

Within the onerous lease provision, management have provided against the minimum contractual lease cost less potential sublease income for vacant stores. For loss making trading stores, provision is made to the extent that the lease is deemed to be onerous.

Within the onerous contracts provision, management make provisions where the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting the obligations under that contract.

Revenue
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

In the case of goods sold through the retail stores, revenue is recognised when goods are sold and the title has passed, less provision for returns. Accumulated experience is used to estimate and provide for such returns at the time of the sale. Retail sales are usually in cash, by debit card or by credit card.

Exceptional items
Items that are, in aggregate, material in size and unusual or infrequent in nature, are included within operating profit and disclosed separately as exceptional items in the Consolidated Income Statement.

The separate reporting of exceptional items, which are presented as exceptional within the relevant category in the Consolidated Income Statement, helps provide an indication of the Group's underlying business performance. The principal items which will be included as exceptional items are:

- Loss/(profit) on the disposal of non-current assets
- Provision for rentals on onerous property leases
- Impairment of property, plant and equipment
- Impairment of non-current other receivables
- Impairment of intangible assets
- Impairment of available for sale investments
- Loss/(profit) on disposal of available for sale investments

Financial income
Financial income comprises interest receivable on funds invested. Financial income is recognised in the Consolidated Income Statement on an effective interest method.

Financial expenses
Financial expenses comprise interest payable on interest-bearing loans and borrowings. Financial expenses are recognised in the Consolidated Income Statement on an effective interest method.

1. Significant accounting policies (continued)

Income tax expense
Tax on the profit or loss for the year comprises current and deferred tax.

I. Current income tax
Current income tax expense is calculated using the tax rates which have been enacted or substantively enacted by the reporting date, adjusted for any tax paid in respect of prior years.

II. Deferred tax
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. The following temporary differences are not provided for:

- Goodwill not deductible for tax purposes
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profit
- Differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future

The amount of deferred tax provided is based on the expected realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by 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. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Impairment
The carrying amounts of the Group's assets other than inventories and deferred tax assets are reviewed annually to determine whether there is any indication of impairment. An impairment review is performed on individual cash generating units ('CGUs'), being principally individual stores, a collection of stores where the cash flows are not independent or an individual distribution business. If any such impairment exists then the asset's recoverable amount is estimated. Impairment losses are recognised in the Consolidated Income Statement. Impairment losses in respect of goodwill are not reversed.

Pensions
The Group operates defined contribution pension schemes, the assets of which are held separately from those of the Group in independently administered funds. Obligations for contributions to the defined contribution schemes are recognised as an expense in the Consolidated Income Statement when incurred.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with adopted IFRSs 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:

I. Impairment of goodwill
The Group is required to test whether goodwill has suffered any impairment. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the cash generating unit and the choice of a suitable discount rate in order to calculate the present value. The cash generating units used are the store portfolios and distribution companies acquired. See note 11 for further disclosure on impairment of goodwill and review of the key assumptions used.

II. Impairment of property, plant and equipment and non-current other receivables
Property, plant and equipment and non-current other receivables are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of an asset or a cash generating unit is not recoverable. The recoverable amount is the greater of the fair value less costs to sell and value-in-use.

III. Impairment of other intangible assets with indefinite lives
The Group is required to test whether other intangible assets with an indefinite useful economic life have suffered any impairment. The recoverable amount of these assets is based on the estimation of future sales and the choice of a suitable royalty and discount rate in order to calculate the present value. Note 11 provides further detail of the judgements made by the Board in determining that the lives of acquired fascia names are indefinite and further disclosure on impairment of other intangible assets with indefinite lives including review of the key assumptions used.

IV. Provisions to write inventories down to net realisable value
The Group makes provisions for obsolescence, mark downs and shrinkage based on historical experiences and management estimates of future events.

V. Onerous property lease provisions
The Group makes a provision for onerous property leases on specific stores based on the anticipated future cash outflows relating to the contractual lease cost less potential sublease income. The estimation of sublease income is based on historical experience and knowledge of the retail property market in the area around each specific property. Significant assumptions and judgements are used in making these estimates and changes in assumptions and future events could cause the value of these provisions to change. This would include sublet premises becoming vacant, the liquidation of an assignee resulting in a property reverting to the Group or closing an uneconomic store and subletting at below contracted rent.

1. Significant accounting policies (continued)

Critical accounting estimates and judgements (continued)

VI. Onerous contract provisions

The Group makes a provision for specific onerous contracts where there is a shortfall between the anticipated revenues and costs pertaining to those contracts. Significant assumptions and judgements are used in making these estimates, and changes in assumptions and future events could cause the value of these provisions to change.

2. Segmental analysis

The Group has adopted IFRS 8 'Operating Segments' for the current period. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker to allocate resources to the segments and to assess their performance. The Chief Operating Decision Maker is considered to be the Executive Chairman of JD Sports Fashion Plc.

In prior years, segment information reported externally was analysed on the basis of the categories of product sold by the Group (Sport or Fashion). However, information reported to the Chief Operating Decision Maker is focused more on the nature of the businesses within the Group which has changed significantly in the current year, due to the acquisition of a number of distribution businesses. The Group's reportable segments under IFRS 8 are therefore as follows:

- Sport retail - includes the results of the sport retail trading companies JD Sports Fashion Plc, John David Sports Fashion (Ireland) Limited, Chausport SA and Duffer of St George Limited
- Fashion retail - includes the results of the fashion retail trading companies Bank Fashion Limited and RD Scott Limited
- Distribution businesses - includes the results of the distribution companies Topgrade Sportswear Limited, Nicholas Deakins Limited, Canterbury Limited (including global subsidiary companies) and Kooga Rugby Limited

The Chief Operating Decision Maker receives and reviews segmental operating profit. Certain central administrative costs including Group Directors' salaries are included within the Group's core 'Sport retail' result. This is consistent with the results as reported to the Chief Operating Decision Maker.

IFRS 8 requires disclosure of information regarding revenue from major products and customers. The majority of the Group's revenue is derived from the retail of a wide range of apparel, footwear and accessories to the general public. As such, the disclosure of revenues from major products and customers is not appropriate.

Intersegment transactions are undertaken in the ordinary course of business on arms length terms.

The Board consider that certain items are cross divisional in nature and cannot be allocated between the segments on a meaningful basis. The share of results of joint venture is presented as unallocated in the following tables, as this entity has trading relationships with companies in all of the three segments. An asset of £635,000 (2009: £1,108,000) for the equity accounted investment in joint venture is included within the unallocated segment. Net funding costs and taxation are treated as unallocated reflecting the nature of the Group's syndicated borrowing facilities and its tax group. A liability of £11,537,000 (2009: £8,774,000) for taxation is included within the unallocated segment.

Each segment is shown net of intercompany transactions and balances within that segment. The eliminations remove intercompany transactions and balances between different segments which primarily relate to the net down of long term loans and short term working capital funding provided by JD Sports Fashion Plc (within Sport retail) to other companies in the Group, and intercompany trading between companies in different segments.

2. Segmental analysis (continued)

Business segments

Information regarding the Group's operating segments for the 52 weeks to 30 January 2010 is reported below:

Income statement	Sport retail £000	Fashion retail £000	Distribution £000	Total £000
Gross revenue	615,507	114,640	42,551	**772,698**
Intersegment revenue	(1,225)	(394)	(1,294)	**(2,913)**
Revenue	614,282	114,246	41,257	**769,785**
Operating profit/(loss) before financing and exceptional items	64,125	3,333	(164)	**67,294**
Exceptional items	(642)	(4,355)	11	**(4,986)**
Operating profit/(loss)	63,483	(1,022)	(153)	**62,308**
Share of results of joint venture				**(473)**
Financial income				**385**
Financial expenses				**(827)**
Profit before tax				**61,393**
Income tax expense				**(18,647)**
Profit for the period				**42,746**

Total assets and liabilities	Sport retail £000	Fashion retail £000	Distribution £000	Unallocated £000	Eliminations £000	Total £000
Total assets	264,394	51,180	40,572	635	(50,556)	306,225
Total liabilities	(112,618)	(51,561)	(40,543)	(11,537)	50,556	(165,703)
Total segment net assets/(liabilities)	**151,776**	**(381)**	**29**	**(10,902)**	**-**	**140,522**

Other segment information	Sport retail £000	Fashion retail £000	Distribution £000	Total £000
Capital expenditure:				
Property, plant and equipment	13,517	7,383	572	21,472
Non-current other receivables	1,424	5	-	1,429
Goodwill on acquisition	-	-	1,443	1,443
Brands on acquisition	2,042	-	453	2,495
Brands purchased	-	-	6,672	6,672
Available for sale investment	9,990	-	-	9,990
Depreciation, amortisation and impairments:				
Depreciation and amortisation of non-current assets	14,067	3,279	517	17,863
Impairment of intangible assets	-	2,617	-	2,617
Impairment of non-current assets	105	303	-	408

2. Segmental analysis (continued)

Business segments (continued)
The comparative segmental results for the 52 weeks to 31 January 2009 are as follows:

Income statement	Sport retail £000	Fashion retail £000	Distribution £000	Total £000
Gross revenue	559,209	98,518	14,819	**672,546**
Intersegment revenue	-	-	(1,691)	**(1,691)**
Revenue	559,209	98,518	13,128	**670,855**
Operating profit before financing and exceptional items	54,159	233	81	**54,473**
Exceptional items	(14,204)	(2,119)	-	**(16,323)**
Operating profit/(loss)	39,955	(1,886)	81	**38,150**
Share of results of joint venture				**748**
Financial income				**529**
Financial expenses				**(1,210)**
Profit before tax				**38,217**
Income tax expense				**(13,707)**
Profit for the period				**24,510**

Total assets and liabilities	Sport retail £000	Fashion retail £000	Distribution £000	Unallocated £000	Eliminations £000	Total £000
Total assets	194,272	48,006	7,482	1,108	(30,310)	220,558
Total liabilities	(86,388)	(47,947)	(3,990)	(8,774)	30,310	(116,789)
Total segment net assets/(liabilities)	**107,884**	**59**	**3,492**	**(7,666)**	**-**	**103,769**

Other segment information	Sport retail £000	Fashion retail £000	Distribution £000	Total £000
Capital expenditure:				
Property, plant and equipment	22,830	5,015	174	28,019
Non-current other receivables	810	-	-	810
Goodwill on acquisition	-	864	-	864
Available for sale investments	8,130	-	-	8,130
Depreciation, amortisation and impairments:				
Depreciation and amortisation of non-current assets	11,576	2,669	87	14,332
Impairment of intangible assets	2,045	-	-	2,045
Impairment of non-current assets	798	1,427	-	2,225
Impairment of available for sale investments	6,077	-	-	6,077

2. Segmental analysis (continued)

Geographical information
The Group's operations are located in the UK, Republic of Ireland, France, Australia, New Zealand, United States of America and Hong Kong.

The following table provides analysis of the Group's revenue by geographical market, irrespective of the origin of the goods/services:

Revenue	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
UK	**722,221**	657,052
Europe	**45,094**	13,803
Rest of world	**2,470**	-
	769,785	670,855

The revenue from any individual country, with the exception of the UK, is not more than 10% of the Group's total revenue.

The following is an analysis of the carrying amount of segmental non-current assets, excluding investments in joint ventures £635,000 (2009: £1,108,000) and other financial assets £922,000 (2009: £2,629,000), by the geographical area in which the assets are located:

Non-current assets	2010 £000	2009 £000
UK	**120,322**	109,725
Europe	**13,311**	2,765
Rest of world	**285**	-
	133,918	112,490

3. Profit before tax

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Profit before tax is stated after charging:		
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**106**	103
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	**105**	61
Other services pursuant to legislation	**30**	21
Tax services	**108**	69
All other services	**11**	5
Depreciation and amortisation of non-current assets:		
Depreciation of property, plant and equipment		
Owned	**16,660**	13,898
Held under finance lease and similar hire purchase contracts	**-**	23
Depreciation of investment property - owned	**49**	49
Amortisation of intangible assets	**762**	362
Amortisation of non-current other receivables - owned	**392**	371
Impairments of non-current assets:		
Property, plant and equipment	**407**	2,225
Intangible assets (see note 4)	**2,617**	2,045
Other non-current assets	**1**	106
Impairments of current assets:		
Available for sale investments (see note 4)	**-**	6,077
Rentals payable under non-cancellable operating leases for:		
Land and buildings	**75,751**	70,807
Other - plant and equipment	**1,459**	1,253
Provision to write down inventories to net realisable value	**827**	1,475
Profit before tax is stated after crediting:		
Rents receivable and other income from property	**892**	811
Sundry income	**1,378**	298
Foreign exchange gain recognised	**572**	698

In addition, fees of £25,000 (2009: £20,000) were incurred and paid by Pentland Group Plc (see note 33) in relation to the non-coterminous audit of the Group for the purpose of inclusion in their consolidated financial statements.

Non-current other receivables comprises key money, store deposits and legal fees associated with the acquisition of leasehold interests (see note 14).

4. Exceptional items

	Note	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Loss on disposal of non-current assets		**2,148**	2,976
Impairment of non-current assets		**408**	2,225
Onerous lease provision		**3,902**	3,000
Selling and distribution expenses - exceptional		**6,458**	8,201
Impairment of intangible assets	11	**2,617**	2,045
Impairment of available for sale investments	17	**-**	6,077
Profit on disposal of available for sale investments	17	**(4,089)**	-
Administrative expenses - exceptional		**(1,472)**	8,122
Total		**4,986**	16,323

5. Remuneration of Directors

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Directors' emoluments:		
As Non-Executive directors	**66**	63
As Executive Directors	**3,011**	3,253
Pension contributions	**44**	43
	3,121	3,359

The remuneration of the Executive Directors includes retention and contract renegotiation payments totalling £500,000 (2009: £800,000) and provision for future LTIP payments of £708,000 (2009: £708,000). Further information on Directors' emoluments is shown in the Directors' Remuneration Report on page 30.

6. Staff numbers and costs

Group

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

GROUP	2010	2009
Sales and distribution	**10,081**	9,498
Administration	**253**	201
	10,334	9,699
Full time equivalents	**6,128**	5,737

The aggregate payroll costs of these persons were as follows:

GROUP	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Wages and salaries	**107,464**	95,351
Social security costs	**8,010**	6,617
Other pension costs (see note 29)	**809**	474
	116,283	102,442

In the opinion of the Board, the key management as defined under IAS 24 'Related Party Disclosures' are the five Executive and Non-Executive Directors (2009: five). Full disclosure of the Directors' remuneration is given in the Directors' Remuneration Report on page 30.

Company

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

COMPANY	2010	2009
Sales and distribution	**7,875**	7,835
Administration	**207**	181
	8,082	8,016
Full time equivalents	**4,706**	4,621

The aggregate payroll costs of these persons were as follows:

COMPANY	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Wages and salaries	**80,718**	78,813
Social security costs	**5,372**	5,426
Other pension costs	**449**	381
	86,539	84,620

7. Financial income

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Bank interest	**240**	323
Other interest	**145**	206
	385	529

8. Financial expenses

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
On bank loans and overdrafts	**511**	1,153
Amortisation of facility costs	**160**	56
Finance charges payable in respect of finance lease and similar hire purchase contracts	**-**	1
Other interest	**156**	-
	827	1,210

The deferred costs of setting up the Group's £70,000,000 revolving bank facility (see note 21) have been fully amortised, as the facility, which expires in October 2011, is currently being renegotiated.

9. Income tax expense

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Current tax		
UK corporation tax at 28.0% (2009: 28.3%)	**18,125**	14,167
Adjustment relating to prior periods	**148**	25
Total current tax charge	**18,273**	14,192
Deferred tax		
Deferred tax (origination and reversal of temporary differences)	**254**	87
Adjustment relating to prior periods	**120**	(572)
Total deferred tax charge/(credit) (see note 25)	**374**	(485)
Income tax expense	**18,647**	13,707

Reconciliation of income tax expense

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Profit before tax multiplied by the standard rate of corporation tax in the UK of 28.0% (2009: 28.3%)	**17,190**	10,828
Effects of:		
Expenses not deductible	**259**	262
Depreciation and impairment of non-qualifying non-current assets (including brand names arising on consolidation)	**936**	945
Loss on disposal of non-qualifying non-current assets	**267**	516
(Reversal)/provision for non-qualifying impairment of available for sale investments	**(1,145)**	1,722
Effect of overseas tax rates	**(48)**	(66)
Loss/(profit) from joint venture - after tax result included	**132**	(212)
Non-qualifying impairment of goodwill on consolidation	**733**	-
Losses not previously recognised within deferred tax	**(95)**	-
Other differences	**150**	259
Adjustments to tax charge in respect of prior periods	**268**	(547)
Income tax expense	**18,647**	13,707

10. Earnings per ordinary share

Basic and diluted earnings per ordinary share
The calculation of basic and diluted earnings per ordinary share at 30 January 2010 is based on the profit for the period attributable to equity holders of the parent of £42,900,000 (2009: £24,379,000) and a weighted average number of ordinary shares outstanding during the 52 weeks ended 30 January 2010 of 48,661,658 (2009: 48,287,502).

	52 weeks to 30 January 2010	52 weeks to 31 January 2009
Issued ordinary shares at beginning of period	**48,661,658**	48,263,434
Issued ordinary shares at end of period	**48,661,658**	48,661,658
Weighted average number of ordinary shares during the period - basic and diluted	**48,661,658**	48,287,502

Adjusted basic and diluted earnings per ordinary share
Adjusted basic and diluted earnings per ordinary share have been based on the profit for the period attributable to equity holders of the parent for each financial period but excluding the post tax effect of certain exceptional items. The Directors consider that this gives a more meaningful measure of the underlying performance of the Group.

	Note	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Profit for the period attributable to equity holders of the parent		**42,900**	24,379
Exceptional items excluding loss on disposal of non-current assets	4	**2,838**	13,347
Tax relating to exceptional items		**(1,184)**	(1,885)
Share of exceptional items of joint venture (net of income tax)	15	**1,012**	(914)
Profit for the period attributable to equity holders of the parent excluding exceptional items		**45,566**	34,927
Adjusted basic and diluted earnings per ordinary share		**93.64p**	72.33p

11. Intangible assets

GROUP	Goodwill £000	Brand licence £000	Brand names £000	Fascia name £000	Total £000
Cost or valuation					
At 2 February 2008	39,940	4,279	-	5,481	49,700
Acquisitions	864	-	-	-	864
At 31 January 2009	40,804	4,279	-	5,481	50,564
Acquisitions	1,443	-	9,167	-	10,610
At 30 January 2010	42,247	4,279	9,167	5,481	61,174
Amortisation and impairment					
At 2 February 2008	5,207	60	-	-	5,267
Charge for the period	-	362	-	-	362
Impairment	2,045	-	-	-	2,045
At 31 January 2009	7,252	422	-	-	7,674
Charge for the period	-	362	400	-	762
Impairment	2,617	-	-	-	2,617
At 30 January 2010	9,869	784	400	-	11,053
Net book value					
At 30 January 2010	**32,378**	**3,495**	**8,767**	**5,481**	**50,121**
At 31 January 2009	33,552	3,857	-	5,481	42,890
At 2 February 2008	34,733	4,219	-	5,481	44,433

11. Intangible assets (continued)

Goodwill impairment
The impairment in the period relates to the residual goodwill on the acquisition of the entire issued share capital of RD Scott Limited in 2004. An initial impairment of £2,000,000 was recognised in January 2007. Although the performance of the business has improved since this point, it has not progressed sufficiently to justify carrying the remaining goodwill and so, accordingly, the Board believes the remaining balance of £2,617,000 should be impaired.

The impairment in the prior period related to the residual goodwill on the acquisition of trade and certain assets of 14 stores in airport locations from Hargreaves (Sports) Limited in 2006, and reflected disappointing trade since acquisition.

Brand licence
The brand licence is a sub-licence to use the Sergio Tacchini brand in the UK until 2019. The original cost of £4,279,000 is being amortised on a straight line basis over the licence period. Amortisation of this intangible is included within cost of sales in the Consolidated Income Statement.

Brand names
Brand names comprise the following:

I. **Canterbury brand name**
On 4 August 2009 the Group acquired the global rights to the rugby brands 'Canterbury' and 'Canterbury of New Zealand' for £6,672,000. This brand name is being amortised over a period of 10 years. At 30 January 2010, the net book value of this brand was £6,339,000. Amortisation of this intangible is included within administrative expenses in the Consolidated Income Statement.

II. **Kooga brand name**
On 3 July 2009, the Group acquired 100% of the issued ordinary share capital of Kooga Rugby Limited. Included in the net assets at acquisition was the global rights to the Kooga brand name (excluding Australia). This has been valued at £453,000 which is being amortised over a period of 10 years. At 30 January 2010, the net book value of this brand was £427,000. Amortisation of this intangible is included within administrative expenses in the Consolidated Income Statement.

III. **Duffer of St George brand name**
On 24 November 2009 , the Group acquired 100% of the issued ordinary share capital of Duffer of St George Limited. Included in the net assets at acquisition was the global rights to the Duffer of St George brand name. This has been valued at £2,042,000 which is being amortised over a period of 10 years. At 30 January 2010, the net book value of this brand was £2,001,000. Amortisation of this intangible is included within administrative expenses in the Consolidated Income Statement.

Fascia name
The fascia name of £5,481,000 represents the fair value of the 'Bank' fascia name acquired as part of the acquisition of Bank Stores Holdings Limited and its subsidiaries during the period ended 2 February 2008. The 'Bank' fascia name is not being amortised as management consider this asset to have an indefinite useful economic life. Factors considered by the Board in determining that the useful life of the Bank fascia name is indefinite include:

- The strength of the Bank fascia name in the branded fashion sector
- The history of the fascia name and that of similar assets in the retail sector
- The commitment of the Group to continue to operate Bank stores separately for the foreseeable future, including the ongoing investment in new stores

COMPANY	Goodwill £000	Brand licence £000	Total £000
Cost or valuation			
At 2 February 2008, 31 January 2009 and 30 January 2010	19,945	4,279	24,224
Amortisation and impairment			
At 2 February 2008	2,000	60	2,060
Charge for the period	-	362	362
Impairment	2,045	-	2,045
At 31 January 2009	4,045	422	4,467
Charge for the period	-	362	362
At 30 January 2010	4,045	784	4,829
Net book value			
At 30 January 2010	**15,900**	**3,495**	**19,395**
At 31 January 2009	15,900	3,857	19,757
At 2 February 2008	17,945	4,219	22,164

11. Intangible assets (continued)

Acquisitions
A number of acquisitions have been made in the period. Provisional fair values are disclosed below, where the acquisitions are within the 12 month hindsight period.

Acquisition of Chausport SA
On 19 May 2009, the Group (via its new subsidiary JD Sports Fashion (France) SAS) acquired 100% of the issued share capital of Chausport SA for a cash consideration of £7,211,000 (€8,000,000) together with associated fees of £696,000. Chausport SA is a French retailer with 78 stores in premium locations in town centres and shopping centres across France.

The provisional goodwill calculation is summarised below:

	Book value £000	Fair value adjustments £000	Provisional fair value at 30 January 2010 £000
Acquiree's net assets at the acquisition date:			
Property, plant & equipment	1,637	(79)	1,558
Non-current other receivables	6,581	2,697	9,278
Inventories	6,282	(512)	5,770
Trade and other receivables	1,350	-	1,350
Cash and cash equivalents	639	-	639
Interest bearing loans and borrowings	(2,318)	-	(2,318)
Trade and other payables	(8,370)	-	(8,370)
Net identifiable assets	5,801	2,106	7,907
Goodwill on acquisition			-
Consideration paid – satisfied in cash			7,907

Non-current other receivables comprise landlord deposits and key money, which gives Chausport SA the right to occupy certain retail locations.

Included in the result for the 52 week period to 30 January 2010 is revenue of £27,678,000 and a profit before tax of £692,000 in respect of Chausport SA.

Acquisition of Kooga Rugby Limited
On 3 July 2009, the Group acquired 100% of the issued share capital of Kooga Rugby Limited for a consideration of £1 together with associated fees of £30,000. Kooga Rugby Limited is involved in the design, sourcing and wholesale of rugby apparel, footwear and accessories and is sole kit supplier to a number of professional rugby union and rugby league clubs.

The provisional goodwill calculation is summarised below:

	Book value £000	Fair value adjustments £000	Provisional fair value at 30 January 2010 £000
Acquiree's net liabilities at the acquisition date:			
Intangible assets	262	191	453
Property, plant & equipment	347	(245)	102
Inventories	1,450	(368)	1,082
Trade and other receivables	1,956	(938)	1,018
Interest bearing loans and borrowings	(4,824)	3,375	(1,449)
Trade and other payables	(1,937)	(98)	(2,035)
Provisions	-	(584)	(584)
Net identifiable (liabilities)/assets	(2,746)	1,333	(1,413)
Goodwill on acquisition			1,443
Consideration paid – satisfied in cash			30

Fair value adjustments include a reduction of £3,375,000 in interest-bearing loans and borrowings following an agreement with the lender.

The Board believe that the excess of consideration paid over net identifiable liabilities is best considered as goodwill on acquisition, representing customer loyalty and employee expertise. The Kooga brand has been identified as a separate intangible asset and has been valued using the 'royalty relief' method of valuation, which takes projected future sales, applies a royalty rate to them and discounts the projected future post tax royalties to arrive at a net present value. This amount is included in intangible assets as a brand name.

11. Intangible assets (continued)

Acquisition of Kooga Rugby Limited (continued)
Included in the result for the 52 week period to 30 January 2010 is revenue of £4,986,000 and a profit before tax of £145,000 in respect of Kooga Rugby Limited.

Canterbury Limited
On 4 August 2009, the Group (via its new subsidiary Canterbury Limited) acquired the global rights to the rugby brands 'Canterbury' and 'Canterbury of New Zealand' from Canterbury Europe Limited (in administration) for a cash consideration of £6,672,000. Inventory with a value of £4,289,000 was also acquired. The book value of the assets acquired is considered to be the fair value and no goodwill arose on the acquisition.

Canterbury Limited holds the brand names 'Canterbury' and 'Canterbury of New Zealand' and receives third party global royalties in relation to these brands. Included in the result for the 52 week period to 30 January 2010 is revenue of £nil and a loss before tax of £21,000 in respect of the company Canterbury Limited

Canterbury of New Zealand Limited
Canterbury Limited is the parent company of Canterbury of New Zealand Limited, a newly incorporated company domiciled in the UK, which trades the Canterbury brand in Europe.

Included in the result for the 52 week period to 30 January 2010 is revenue of £12,960,000 and a profit before tax of £19,000 in respect of Canterbury of New Zealand Limited.

Canterbury International (Far East) Limited
On 4 August 2009, Canterbury Limited acquired 100% of the issued share capital of Canterbury International (Far East) Limited for a cash consideration of £1. The provisional fair value of the assets and liabilities acquired was £1. No goodwill arose on this acquisition.

Included in the result for the 52 week period to 30 January 2010 is revenue of £319,000 and a loss before tax of £67,000 in respect of Canterbury International (Far East) Limited.

Canterbury (North America) LLC
On 24 November 2009, Canterbury Limited (via its new subsidiary Canterbury (North America) LLC) acquired the key trading assets from Sail City Apparel Limited (in liquidation). The total cash consideration paid was £442,000 which included inventory with a value of £392,000 with associated fees of £50,000. The book value of the assets acquired is considered to be the fair value and no goodwill arose on the acquisition.

Included in the result for the 52 week period to 30 January 2010 is revenue of £439,000 and a profit before tax of £40,000 in respect of Canterbury (North America) LLC.

Acquisition of Canterbury International (Australia) Pty Limited
On 23 December 2009, Canterbury Limited acquired 100% of the issued ordinary share capital of Canterbury International (Australia) Pty Limited for a cash consideration of £2 together with associated fees of £100,000. Canterbury International (Australia) Pty Limited operates the Canterbury brand in Australia.

The provisional goodwill calculation is summarised below:

	Book value £000	Fair value adjustments £000	Provisional fair value at 30 January 2010 £000
Acquiree's net assets at the acquisition date:			
Property, plant & equipment	144	-	144
Inventories	1,866	-	1,866
Trade and other receivables	1,175	-	1,175
Cash and cash equivalents	918	-	918
Trade and other payables	(3,037)	(349)	(3,386)
Intercompany loan	(7,105)	6,488	(617)
Net identifiable (liabilities)/assets	(6,039)	6,139	100
Goodwill on acquisition			-
Consideration paid - satisfied in cash			100

Fair value adjustments include a reduction of £6,488,000 in intercompany loans following an agreement with the lender.

Included in the result for the 52 week period to 30 January 2010 is revenue of £1,210,000 and a profit before tax of £84,000 in respect of Canterbury International (Australia) Pty Limited.

11. Intangible assets (continued)

Acquisition of Canterbury of New Zealand Limited
On 23 December 2009, Canterbury Limited acquired 51% of the issued ordinary share capital of Canterbury of New Zealand Limited for a cash consideration of £1 together with associated fees of £200,000. Canterbury of New Zealand Limited operates the Canterbury brand in New Zealand.

The provisional goodwill calculation is summarised below:

	Book value £000	Fair value adjustments £000	Provisional fair value at 30 January 2010 £000
Acquiree's net assets at the acquisition date:			
Property, plant & equipment	123	-	123
Inventories	1,681	(180)	1,501
Trade and other receivables	1,346	(90)	1,256
Cash and cash equivalents	504	-	504
Trade and other payables	(966)	(484)	(1,450)
Income tax liabilities	(8)	-	(8)
Intercompany loan	(794)	23	(771)
Shareholder loan	(763)	-	(763)
Net identifiable assets/(liabilities)	1,123	(731)	392
Non-controlling interest (49%)	(550)	358	(192)
Goodwill on acquisition			-
Consideration paid - satisfied in cash			200

Canterbury Limited and the vendors of Canterbury of New Zealand Limited have agreed a put and call option whereby Canterbury Limited may acquire the remaining 49% of the issued share capital of Canterbury of New Zealand Limited. This option is exercisable by either party on the third anniversary of the completion of this initial transaction and on each anniversary thereafter.

Included in the result for the 52 week period to 30 January 2010 is revenue of £502,000 and a profit before tax of £30,000 in respect of Canterbury of New Zealand Limited.

Acquisition of Duffer of St George Limited
On 24 November 2009, the Group acquired 100% of the issued share capital of Duffer of St George Limited for a cash consideration of £863,000. Duffer of St George Limited owns the global rights to the brand name 'The Duffer of St George'.

The provisional goodwill calculation is summarised below:

	Book value £000	Fair value adjustments £000	Provisional fair value at 30 January 2010 £000
Acquiree's net assets at the acquisition date:			
Intangible assets	1,151	891	2,042
Trade and other receivables	220	-	220
Cash and cash equivalents	212	-	212
Intercompany loan	(1,616)	-	(1,616)
Deferred tax asset	5	-	5
Net identifiable (liabilities)/assets	(28)	891	863
Goodwill on acquisition			-
Consideration paid - satisfied in cash			863

Included in the result for the 52 week period 30 January 2010 is revenue of £nil and a loss before tax of £55,000 in respect of Duffer of St George Limited.

Full year impact of acquisitions
Had the acquisition of Chausport SA, Kooga Rugby Limited, Canterbury International (Far East) Limited, Canterbury International (Australia) Pty Limited, Canterbury of New Zealand Limited and Duffer of St George Limited been effected at 1 February 2009, the revenue and profit before tax of the Group for the year ended 30 January 2010 would have been £793,355,000 and £58,294,000 respectively. The full year effect of the acquisitions reduces the profit before tax due to an onerous contract in Canterbury International (Australia) Pty Limited that has since been terminated.

11. Intangible assets (continued)

Prior period acquisition of Nicholas Deakins Limited
On 11 April 2008, the Group acquired 100% of the issued share capital of Nicholas Deakins Limited for a cash consideration of £1,337,000 together with associated fees of £33,000. Nicholas Deakins Limited is involved in the design, sourcing and wholesale of own-label fashion footwear and apparel.

During the 12 month period following acquisition, no hindsight adjustments have been made to the provisional fair values of the net assets of Nicholas Deakins Limited as at the acquisition date.

	Book and fair value at 30 January 2010 £'000
Acquiree's net assets at the acquisition date:	
Property, plant & equipment	3
Inventories	190
Trade and other receivables	520
Cash and cash equivalents	60
Trade and other payables	(215)
Income tax liabilities	(51)
Deferred tax liabilities	(1)
Net identifiable assets	506
Goodwill on acquisition	864
Consideration paid - satisfied in cash	1,370

Impairment tests for cash generating units containing goodwill
Goodwill is allocated to the Group's cash generating units ('CGUs') and tested annually for impairment. The CGUs used are either the store portfolios or distribution businesses acquired. The recoverable amount is compared to the carrying amount of the CGU including goodwill.

The recoverable amount of a CGU is determined based on value-in-use calculations. The carrying amount of goodwill by CGU is shown below:

	GROUP		COMPANY	
	2010 £000	2009 £000	**2010 £000**	2009 £000
Allsports store portfolio	**924**	924	**924**	924
RD Scott store portfolio	**-**	2,617	**-**	-
First Sport store portfolio	**14,976**	14,976	**14,976**	14,976
Bank store portfolio	**14,154**	14,154	**-**	-
Topgrade Sportswear Limited	**17**	17	**-**	-
Nicholas Deakins Limited	**864**	864	**-**	-
Kooga Rugby Limited	**1,443**	-	**-**	-
	32,378	33,552	**15,900**	15,900

Based on the value-in-use calculation performed in the period, impairment charges of £2,617,000 have been recognised in the Consolidated Income Statement in the period. This relates entirely to goodwill on the RD Scott store portfolio.

The key assumptions used for value-in-use calculations are set out below:

- In relation to the Allsports store portfolio, Bank store portfolio and First Sport store portfolio, the cash flow projections are based on actual operating results, together with financial forecasts and strategy plans approved by the Board covering a five year period. These forecasts and plans are based on both past performance and expectations for future market development. Cash flows beyond this five year period are extrapolated using a growth rate of 2.0% (2009: 2.0%) which is a prudent estimate of the growth based on past experience
- In relation to the RD Scott store portfolio, the cash flow projections were based on actual operating results together with financial forecasts approved by the Board covering a five year period. These forecasts assumed flat business performance (2009: 2.0% sales growth)
- In relation to Nicholas Deakins Limited and Kooga Rugby Limited the cash flow projections are based on actual divisional operating results together with financial forecasts and strategy plans approved by the Board. These forecasts are based on both past performance and expectations for future development. Cash flows beyond this five year period are extrapolated using a growth rate of 2.0% (2009: 2.0%) which is a prudent estimate of growth based on past experience
- The discount rate of 12.7% (2009: 12.7%) is pre-tax and reflects the specific risks and costs of capital of the Group
- The Board believe that any foreseeable possible change in these assumptions would not cause the aggregate carrying amount to exceed the recoverable amount

11. Intangible assets (continued)

Impairment tests for intangible assets with indefinite lives
Intangible assets with indefinite lives are tested annually for impairment by comparing the recoverable amount of fascia names to their carrying value. The recoverable value of individual fascia names is determined based on a 'royalty relief' method of valuation, which takes projected future sales, applies a royalty rate to them and discounts the projected future post tax royalties, to arrive at a net present value. The Group has used a discount rate of 15.0% (2009: 15.0%) to reflect current market assessments of the time value of money and risks specific to the asset, for which the future cash flow estimates have not been adjusted. Projected future sales are based on financial forecasts approved by the Board covering a five-year period. Subsequent sales projections assume annual growth of 5.0% for a further five years and 0% growth thereafter (2009: same).

Impairment tests for intangible assets with definite lives
Intangible assets with definite lives are tested annually for impairment by comparing the recoverable amount of brand names to their carrying value. The recoverable amount of brand names is determined based on a 'royalty relief' method of valuation, which takes projected future sales, applies a royalty rate to them and discounts the projected future post tax royalties to arrive at a net present value. The Group has used a discount rate of 15.0% to reflect current market assessments of the time value of money and risks specific to the asset, for which the future cash flow estimates have not been adjusted. Projected future sales are based on a one year Board approved forecast, and subsequent sales projections assume an annual growth of 2.0% over the remaining life of the brand. For the Brand Licence the Group has used a discount rate of 9.9% (2009: 9.9%) to reflect the risks specific to the assets, for which future cash flow estimates have not been adjusted. Projected future sales are based on a two year Board approved forecast and subsequent sales projections assume an annual growth of 5% over the remaining licence period.

12. Property, plant and equipment

GROUP	Improvements to short leasehold properties £000	Computer equipment £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost					
At 2 February 2008	13,661	9,626	97,624	308	121,219
Additions	2,617	1,706	23,610	86	28,019
Disposals	(1,406)	(185)	(12,132)	(96)	(13,819)
Exchange differences	66	5	391	-	462
On acquisition of subsidiaries	-	1	2	-	3
At 31 January 2009	14,938	11,153	109,495	298	135,884
Additions	2,172	1,445	17,823	32	21,472
Disposals	(1,145)	(1,123)	(8,897)	(200)	(11,365)
Exchange differences	48	(14)	19	-	53
On acquisition of subsidiaries	144	212	1,571	-	1,927
At 30 January 2010	16,157	11,673	120,011	130	147,971
Depreciation and impairment					
At 2 February 2008	8,033	6,736	53,670	67	68,506
Charge for period	1,065	1,629	10,772	84	13,550
Impairments	243	57	1,819	-	2,119
Disposals	(1,096)	(171)	(9,694)	(73)	(11,034)
Exchange differences	9	4	62	-	75
At 31 January 2009	8,254	8,255	56,629	78	73,216
Charge for period	1,212	1,604	13,784	60	16,660
Impairments	37	11	359	-	407
Disposals	(938)	(1,118)	(7,508)	(115)	(9,679)
Exchange differences	14	(10)	(71)	-	(67)
At 30 January 2010	8,579	8,742	63,193	23	80,537
Net book value					
At 30 January 2010	**7,578**	**2,931**	**56,818**	**107**	**67,434**
At 31 January 2009	6,684	2,898	52,866	220	62,668
At 2 February 2008	5,628	2,890	43,954	241	52,713

Impairment charges of £407,000 (2009: £2,119,000) relate to all classes of property, plant and equipment in cash generating units which are loss making and where it is considered that the position cannot be recovered as a result of a continuing deterioration in the performance in the particular store. The cash generating units represent individual stores, or a collection of stores where the cash flows are not independent, with the loss based on the specific revenue streams and costs attributable to those cash generating units. Assets in impaired stores are written down fully except where a reasonable estimate may be made of their recoverable value, calculated as the greater of the fair value less costs to sell and value-in-use.

12. Property, plant and equipment (continued)

COMPANY	Improvements to short leasehold properties £000	Computer equipment £000	Fixture and fittings £000	Motor vehicles £000	Total £000
Cost					
At 2 February 2008	11,810	8,924	81,403	189	102,326
Additions	2,079	1,136	18,122	-	21,337
Disposals	(1,309)	(168)	(10,250)	(23)	(11,750)
At 31 January 2009	12,580	9,892	89,275	166	111,913
Additions	1,199	801	11,115	7	13,122
Disposals	(989)	(85)	(6,520)	(15)	(7,609)
At 30 January 2010	12,790	10,608	93,870	158	117,426
Depreciation and impairment					
At 2 February 2008	7,607	6,253	48,722	66	62,648
Charge for period	817	1,340	8,284	30	10,471
Impairments	33	4	267	-	304
Disposals	(1,058)	(162)	(8,344)	(19)	(9,583)
At 31 January 2009	7,399	7,435	48,929	77	63,840
Charge for period	935	1,083	10,453	22	12,493
Impairments	24	3	76	-	103
Disposals	(809)	(84)	(5,549)	(13)	(6,455)
At 30 January 2010	7,549	8,437	53,909	86	69,981
Net book value					
At 30 January 2010	**5,241**	**2,171**	**39,961**	**72**	**47,445**
At 31 January 2009	5,181	2,457	40,346	89	48,073
At 2 February 2008	4,203	2,671	32,681	123	39,678

13. Investment property

GROUP AND COMPANY	£000
Cost	
At 2 February 2008, 31 January 2009 and 30 January 2010	4,160
Depreciation and impairment	
At 2 February 2008	9
Charge for period	49
At 31 January 2009	58
Charge for period	49
At 30 January 2010	107
Net book value	
At 30 January 2010	**4,053**
At 31 January 2009	4,102
At 2 February 2008	4,151

Based on an external valuation, the fair value of investment property as at 30 January 2010 was £3,400,000 (2009: £3,600,000).

Management do not consider the investment property to be impaired as the rental income over the life of the lease until December 2023 supports the carrying value.

Notes to the Consolidated Financial Statements (continued)

14. Other non-current receivables

	GROUP 2010 £000	GROUP 2009 £000	COMPANY 2010 £000	COMPANY 2009 £000
Loan notes receivable from joint venture	**922**	2,629	**922**	2,629
Key money	**8,553**	-	**-**	-
Deposits	**659**	-	**-**	-
Legal fees	**3,098**	2,830	**2,865**	2,598
	13,232	5,459	**3,787**	5,227

The loan notes receivable from the joint venture earn interest at bank base lending rates plus a margin of 1.5%. £1,750,000 was repaid in the year (2009: £nil). The Board do not consider there to be any significant credit risk in respect of the loan notes receivable from the joint venture as at 30 January 2010, as the balance has been repaid in full after the year end.

Key money represents monies paid in certain countries to give access to retail locations.

Deposits represent money paid in certain countries to store landlords as protection against non-payment of rent.

Legal fees represents legal fees and other costs associated with the acquisition of leasehold interests.

Impairment losses of £1,000 (2009: £106,000) have been recognised on other receivables in specific cash generating units which are loss making. The methodology behind identifying loss making cash generating units is explained in note 12.

15. Interest in joint venture

On 3 December 2007, the Group acquired 49% of the issued share capital of Focus Brands Limited for an initial cash consideration of £49,000 together with associated fees of £456,000. Focus Brands Limited is a jointly controlled entity set up for the purposes of acquiring Focus Group Holdings Limited and its subsidiary companies ('Focus Group'). The Focus Group is involved in the design, sourcing and distribution of branded and own brand footwear, apparel and accessories. Focus Brands Limited is jointly controlled with the former shareholders of Focus Group Holdings Limited.

Deferred consideration may be payable to the vendors in the event that the profit before amortisation and after tax of the Focus Group exceeds certain thresholds in the period to 31 January 2013. The maximum total deferred consideration that could be payable to the vendors is approximately £12,400,000. As at 30 January 2010, the Board do not consider it probable that further consideration will be paid. Accordingly, no further liability has been recognised as at the reporting date.

The results and assets and liabilities of the Focus Group are incorporated in the consolidated financial statements using the equity method of accounting. The interest in the joint venture in the Group's Consolidated Statement of Financial Position is based on the share of the net assets, which are as follows:

	30 January 2010 £000	31 January 2009 £000
Non-current assets	**486**	607
Current assets	**4,641**	5,675
Current liabilities	**(4,492)**	(5,158)
Non-current liabilities	**-**	(16)
Total net assets	**635**	1,108

The Group's share of the revenue generated by the joint venture in the period was £11,774,000 (2009: £13,043,000).

The amount included in the Consolidated Income Statement in relation to the joint venture is as follows:

	52 weeks to 30 January 2010 Before exceptionals £000	52 weeks to 30 January 2010 Exceptionals £000	52 weeks to 30 January 2010 After exceptionals £000	52 weeks to 31 January 2009 Before exceptionals £000	52 weeks to 31 January 2009 Exceptionals £000	52 weeks to 31 January 2009 After exceptionals £000
Share of result before tax	**740**	**(1,406)**	**(666)**	(155)	1,270	1,115
Tax	**(201)**	**394**	**193**	(11)	(356)	(367)
Share of result after tax	**539**	**(1,012)**	**(473)**	(166)	914	748

As at 30 January 2010, the Group had loan notes receivable from Focus Brands Limited, including accrued interest thereon, to the value of £922,000 (2009: £2,629,000).

16. Investments

COMPANY	£000
Cost	
At 2 February 2008	7,298
Additions	1,370
At 31 January 2009	8,668
Additions	4,666
At 30 January 2010	13,334
Impairment	
At 2 February 2008 and 31 January 2009	(2,000)
Impairments	(3,470)
At 30 January 2010	(5,470)
Net book value	
At 30 January 2010	**7,864**
At 31 January 2009	6,668
At 2 February 2008	5,298

The impairment in the period relates to the investment in RD Scott Limited (see note 11).

The additions to investments in the year comprise the following. All are 100% owned:

COMPANY	£000
JD Sports Fashion (France) SAS	3,773
Kooga Rugby Limited	30
Duffer of St George Limited	863
Canterbury Limited	-
Total additions	4,666

A full list of subsidiaries and jointly controlled entities is shown in note 34.

17. Available for sale investments

GROUP AND COMPANY	£000
Cost	
As at 2 February 2008	-
Additions	8,130
As at 31 January 2009	8,130
Additions from rights issue and placing	9,990
Disposals	(18,120)
As at 30 January 2010	**-**
Fair value	
As at 2 February 2008	-
Additions	8,130
Impairments	(6,077)
As at 31 January 2009	2,053
Additions from rights issue and placing	9,990
Proceeds on disposal net of fees paid	(16,132)
Gain on disposal	4,089
As at 30 January 2010	**-**

The available for sale investments represent investments in listed equity securities. The Group held a non-strategic investment of 9.99% in JJB Sports Plc until 9 December 2009 when it disposed of 65,018,098 ordinary shares for 25p a share, giving a realised loss on disposal of £1,988,000. With the impairment recognised in the prior year of £6,077,000 this has resulted in an exceptional gain in the period to 30 January 2010 of £4,089,000.

18. Inventories

	GROUP		COMPANY	
	2010 £000	2009 £000	**2010 £000**	2009 £000
Finished goods and goods for resale	**74,569**	58,287	**44,125**	43,011

The cost of inventories recognised as expenses and included in cost of sales for the 52 weeks ended 30 January 2010 was £393,694,000 (2009: £345,416,000).

19. Trade and other receivables

	GROUP		COMPANY	
	2010 £000	2009 £000	**2010 £000**	2009 £000
Current assets				
Trade receivables	**10,535**	2,503	**312**	701
Other receivables	**2,179**	2,550	**876**	2,527
Prepayments and accrued income	**18,943**	15,400	**12,003**	11,057
Amounts owed by other Group companies	**-**	-	**64,189**	39,682
	31,657	20,453	**77,380**	53,967

The ageing of trade receivables is detailed below:

GROUP	2010			2009		
	Gross £000	**Provision £000**	**Net £000**	Gross £000	Provision £000	Net £000
Not past due	**5,634**	**(25)**	**5,609**	1,405	-	1,405
Past due 30-60 days	**2,571**	**(123)**	**2,448**	409	(36)	373
Past 60 days	**3,246**	**(768)**	**2,478**	877	(152)	725
	11,451	**(916)**	**10,535**	2,691	(188)	2,503

COMPANY	2010			2009		
	Gross £000	**Provision £000**	**Net £000**	Gross £000	Provision £000	Net £000
Not past due	**151**	**-**	**151**	200	-	200
Past due 30-60 days	**146**	**(26)**	**120**	102	-	102
Past 60 days	**123**	**(82)**	**41**	399	-	399
	420	**(108)**	**312**	701	-	701

The Board consider that the carrying amount of trade and other receivables approximate their fair value. Concentrations of credit risk with respect to trade receivables are limited due to the majority of the Group's customer base being large and unrelated. Therefore, no further credit risk provision is required in excess of the normal provision for impairment losses, which has been calculated following individual assessments of credit quality based on historic default rates and knowledge of debtor insolvency or other credit risk.

Movement on this provision is shown below:

	GROUP £000	COMPANY £000
At 2 February 2008	227	6
Released	(25)	-
On acquisition of subsidiaries	4	-
Utilised	(18)	(6)
At 31 January 2009	188	-
Created	241	108
Released	(105)	-
On acquisition of subsidiaries	661	-
Utilised	(69)	-
At 30 January 2010	**916**	**108**

19. Trade and other receivables (continued)

The other classes within trade and other receivables do not contain impaired assets.

Included within prepayments and accrued income for the Group and Company is £nil (2009: £160,000) in relation to deferred costs incurred in setting up the current bank facility (see note 21).

20. Cash and cash equivalents

	GROUP 2010 £000	GROUP 2009 £000	COMPANY 2010 £000	COMPANY 2009 £000
Bank balances and cash floats	**64,524**	23,538	**56,954**	23,530

21. Interest-bearing loans and borrowings

	GROUP 2010 £000	GROUP 2009 £000	COMPANY 2010 £000	COMPANY 2009 £000
Current liabilities				
Bank loans and overdrafts	**2,712**	-	**-**	-
Loan notes	**-**	83	**-**	83
	2,712	83	**-**	83
Non-current liabilities				
Bank loans and overdrafts	**600**	-	**-**	-
Other loans	**747**	-	**-**	-
	1,347	-	**-**	-

The following provides information about the contractual terms of the Group and Company's interest-bearing loans and borrowings. For more information about the Group and Company's exposure to interest rate risk, see note 22.

Bank facilities
The Group has a £70,000,000 revolving facility in the UK which expires on 18 October 2011. Under this facility, a maximum of 10 drawdowns may be outstanding at any time with drawdowns made for a period of one, two, three or six months with interest currently payable at a rate of LIBOR plus a margin of 0.75% (2009: 0.75%). The commitment fee on the undrawn element of the facility is 45% of the applicable margin rate.

At 30 January 2010, there were no amounts drawndown on this facility (2009: £nil).

Bank loans and overdrafts
The following Group companies have overdraft facilities which are repayable on demand:

- Topgrade Sportswear Limited £2,000,000 (2009: £2,000,000)
- Nicholas Deakins Limited £600,000 (2009: £600,000)
- Chausport SA €2,450,000

Further information on guarantees provided by the Company is disclosed in note 22.

Included within bank loans and overdrafts are term loans within Chausport SA which have been taken out to fund the refurbishment of specific stores. The interest rates range from 5.10% to 6.50% and are secured on the fixtures in those particular stores.

The maturity of the bank loans and overdrafts is as follows:

	GROUP 2010 £000	GROUP 2009 £000	COMPANY 2010 £000	COMPANY 2009 £000
Within one year	**2,712**	-	**-**	-
Between one and five years	**600**	-	**-**	-
	3,312	-	**-**	-

21. Interest-bearing loans and borrowings (continued)

Loan notes
The maturity of the loan notes is as follows:

	GROUP 2010 £000	GROUP 2009 £000	COMPANY 2010 £000	COMPANY 2009 £000
Within one year	**-**	83	**-**	83
	-	83	**-**	83

Other loans
The Group has a loan payable to Herald Island Limited, the minority shareholder of Canterbury of New Zealand Limited, which was acquired in the period. The loan attracts interest at 3.0% above the Group's cost of funds and is repayable on exercise of the put and call option (see note 11).

The maturity of the other loans is as follows:

	GROUP 2010 £000	GROUP 2009 £000	COMPANY 2010 £000	COMPANY 2009 £000
Between one and five years	**747**	-	**-**	-
	747	-	**-**	-

22. Financial instruments

Financial assets
The Group's financial assets are all categorised as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group's loans and receivables comprise 'Trade and other receivables', 'Cash and cash equivalents' and 'Loan notes receivable from joint venture' included within 'Non-current other receivables' in the Consolidated Statement of Financial Position.

Cash and cash equivalents comprise short-term cash deposits with major United Kingdom and European clearing banks earning floating rates of interest based upon bank base rates or rates linked to LIBOR. The currency profile of cash and cash equivalents is shown below:

	GROUP 2010 £000	GROUP 2009 £000	COMPANY 2010 £000	COMPANY 2009 £000
Bank balances and cash floats	**64,524**	23,538	**56,954**	23,530
Sterling	**58,887**	21,341	**56,071**	22,312
Euros	**3,933**	1,288	**383**	361
US Dollars	**762**	909	**500**	857
Australian Dollars	**514**	-	**-**	-
New Zealand Dollars	**399**	-	**-**	-
Other	**29**	-	**-**	-
	64,524	23,538	**56,954**	23,530

Included in trade and other receivables are the following foreign currency denominated receivables:

	GROUP 2010 £000	GROUP 2009 £000	COMPANY 2010 £000	COMPANY 2009 £000
Euros	**1,107**	-	**-**	-
US Dollars	**294**	-	**-**	-
Australian Dollars	**1,653**	-	**-**	-
New Zealand Dollars	**1,219**	-	**-**	-
Other	**378**	-	**-**	-

22. Financial instruments (continued)

Financial liabilities
The Group's financial liabilities are all categorised as other financial liabilities. Other financial liabilities are measured at amortised cost. The Group's other financial liabilities comprise 'Interest-bearing loans and borrowings' and 'Trade and other payables'.

The currency profile of interest-bearing loans and borrowings is shown below:

	GROUP		COMPANY	
	2010 £000	2009 £000	2010 £000	2009 £000
Interest bearing loans and borrowings	**4,059**	83	**-**	83
Sterling	**1,567**	83	**-**	83
Euros	**1,745**	-	**-**	-
New Zealand Dollars	**747**	-	**-**	-
	4,059	83	**-**	83

Included in trade and other payables are the following foreign currency denominated payables:

	GROUP		COMPANY	
	2010 £000	2009 £000	2010 £000	2009 £000
Euros	**4,419**	105	**336**	105
US Dollars	**1,153**	87	**87**	87
Australian Dollars	**1,850**	-	**-**	-
New Zealand Dollars	**333**	-	**-**	-
Other	**202**	-	**-**	-

Risk management
The Group's operations expose it to a variety of financial risks that include the effects of changes in exchange rates, interest rates, credit risk and its liquidity position. The Group manages these risks through the use of derivative instruments, which are reviewed on a regular basis. Derivative instruments are not entered into for speculative purposes. There are no concentrations of risk in the period to 30 January 2010.

Interest rate risk
The Group finances its operations by a mixture of retained profits and bank borrowings. The Group's borrowings are at floating rates, partially hedged by floating rate interest on deposits, reflecting the seasonality of its cash flow. Interest rate risk therefore arises from bank borrowings. The Board regularly reviews the interest rate risk of the Group and uses interest rate swaps to minimise exposure to interest rate fluctuations where appropriate. Given that the Group's syndicated facility is not drawn down at certain times of the year, the Board did not consider that an interest rate swap on the floating rate facility was necessary in the period to 30 January 2010. The net fair value of swap liabilities at 30 January 2010 was £nil (2009: £nil).

The Group has potential bank floating rate financial liabilities on the £70,000,000 revolving credit facility, together with overdraft facilities in subsidiary companies (see note 21). There were no drawdowns from the revolving credit facility at 30 January 2010 (2009: £nil) thereby minimising the Group's interest rate risk at the year end. When drawdowns are made, the Group is exposed to cash flow interest risk with interest paid on its bank floating rate liabilities at a rate of LIBOR plus a margin of 0.75% (2009: 0.75%).

As at 30 January 2010 and 31 January 2009, the Group has no liabilities in respect of finance lease or similar hire purchase contracts.

A change of 1% in the average interest rates during the year, applied to the average net cash/debt position of the Group during the period, would change profit before tax by £2,000 (2009: £37,000). This assumes that all other variables remain unchanged. Calculations are performed on the same basis as the prior year. There is no impact on equity with the 1% change in interest rates.

Foreign currency risk
The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than pound sterling. The currencies giving rise to this risk are the Euro and US Dollar with sales made in Euros and purchases made in both Euros and US Dollars (principal exposure).
To protect its foreign currency position, the Group sets a buying rate in each country for the purchase of goods in US Dollars at the start of the buying season (typically six to nine months before the product actually starts to appear in the stores) and then enters into a number of local currency/US Dollar contracts whereby the minimum exchange rate on the purchase of dollars is guaranteed.

As at 30 January 2010, options have been entered into to protect approximately 77% of the US Dollar requirement for the period to January 2011. The balance of the US Dollar requirement for the period will be satisfied at spot rates. Hedge accounting is not applied.

As at 30 January 2010, the fair value of these instruments was an asset of £605,000 (2009: asset of £885,000) which has been included within current assets in both years.

22. Financial instruments (continued)

Foreign currency risk (continued)
A 10% strengthening of sterling relative to the following currencies as at the reporting date would have reduced profit before tax and equity as follows:

	Profit before tax		Equity	
	2010 £000	2009 £000	2010 £000	2009 £000
Euros	**357**	114	**357**	114
US Dollars	**69**	82	**69**	82
Australian Dollars	**47**	-	**47**	-
New Zealand Dollars	**36**	-	**36**	-
Other	**3**	-	**3**	-
	512	196	**512**	196

A 10% weakening of sterling relative to the following currencies as at the reporting date would have increased profit before tax and equity as follows:

	Profit before tax		Equity	
	2010 £000	2009 £000	2010 £000	2009 £000
Euros	**392**	126	**392**	126
US Dollars	**76**	90	**76**	90
Australian Dollars	**52**	-	**52**	-
New Zealand Dollars	**40**	-	**40**	-
Other	**3**	-	**3**	-
	563	216	**563**	216

Calculations are performed on the same basis as the prior year and the method assumes that all other variables remain unchanged.

Credit risk
Credit risk arises from the possibility of customers and counterparties failing to meet their obligations to the Group. Investments of cash surpluses, borrowings and derivative instruments are made through major United Kingdom and European clearing banks, which must meet minimum credit ratings as required by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for impairment where amounts are not thought to be recoverable (see note 19). At the reporting date there were no significant concentrations of credit risk and receivables which are not impaired are believed to be recoverable.

The Group considers its maximum exposure to credit risk to be equivalent to total trade and other receivables of £31,657,000 (2009: £20,453,000) and cash and cash equivalents of £64,524,000 (2009: £23,538,000).

The Company has provided guarantees on banking facilities entered into by Topgrade Sportswear Limited and Nicholas Deakins Limited totalling £2,000,000 and £600,000 respectively. In addition, the £70,000,000 revolving credit facility agreement encompasses cross guarantees between the Company, RD Scott Limited, Bank Fashion Limited, Bank Stores Holdings Limited, Bank Stores Financing Limited, Athleisure Limited and First Sport Limited to the extent to which any of these companies are overdrawn. As at 30 January 2010, the value of these guarantees was £1,567,000 (2009: £1,976,000).

Liquidity risk
The Group manages its cash and borrowing requirement to minimise net interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of the business. The forecast cash and borrowing profile of the Group is monitored on an ongoing basis, to ensure that adequate headroom remains under committed borrowing facilities. The Board review 13 week and annual cash flow forecasts each month.

Information about the maturity of the Group's financial liabilities is disclosed in note 21.

As at 30 January 2010, there are undrawn committed facilities with a maturity profile as follows:

	2010 £000	2009 £000
Expiring in more than one year but no more than two years	**70,000**	-
Expiring in more than two years but no more than three years	**-**	70,000
	70,000	70,000

The commitment fee on these facilities is 0.34% (2009: 0.34%).

22. Financial instruments (continued)

Fair values

The fair values together with the carrying amounts shown in the Consolidated Statement of Financial Position as at 30 January 2010 are as follows:

	Note	GROUP Carrying amount 2010 £000	GROUP Fair value 2010 £000	COMPANY Carrying amount 2010 £000	COMPANY Fair value 2010 £000
Trade and other receivables	19	31,657	31,657	77,380	77,380
Cash and cash equivalents	20	64,524	64,524	56,954	56,954
Interest bearing loans and borrowing - current	21	(2,712)	(2,712)	-	-
Interest bearing loans and borrowing - non-current	21	(1,347)	(1,347)	-	-
Trade and other payables - current	23	(115,742)	(115,742)	(78,294)	(78,294)
Trade and other payables - non-current	23	(24,050)	(24,050)	(23,464)	(23,464)
		(47,670)	(47,670)	32,576	32,576
Unrecognised gains/(losses)			-		-

The comparatives at 31 January 2009 are as follows:

	Note	GROUP Carrying amount 2009 £000	GROUP Fair value 2009 £000	COMPANY Carrying amount 2009 £000	COMPANY Fair value 2009 £000
Available for sale investments	17	2,053	2,053	2,053	2,053
Trade and other receivables	19	20,453	20,453	53,967	53,967
Cash and cash equivalents	20	23,538	23,538	23,530	23,530
Interest bearing loans and borrowing - current	21	(83)	(81)	(83)	(81)
Trade and other payables - current	23	(80,073)	(80,073)	(64,584)	(64,584)
Trade and other payables - non-current	23	(19,690)	(19,690)	(20,567)	(20,567)
		(53,802)	(53,800)	(5,684)	(5,682)
Unrecognised gains			2		2

In the opinion of the Board, the fair value of the Group's financial assets and liabilities as at 30 January 2010 and 31 January 2009 are not considered materially different to that of the book value. On this basis, the carrying amounts have not been adjusted for the fair values.

Estimation of fair values

The major methods and assumptions used in estimating the fair values of financial instruments reflected in the table are as follows:

I. **Loan notes**

The interest-bearing loans and borrowings as at 31 January 2009 represent loan notes. These have been discounted at a rate of 2.25%.

II. **Trade and other receivables/payables**

For trade and other receivables/payables (as adjusted for the fair value of the foreign exchange contracts), the notional amount is deemed to reflect the fair value.

23. Trade and other payables

	GROUP 2010 £000	GROUP 2009 £000	COMPANY 2010 £000	COMPANY 2009 £000
Current liabilities				
Trade payables	**52,268**	34,837	**38,828**	29,824
Other payables and accrued expenses	**49,265**	36,562	**31,086**	28,145
Other tax and social security costs	**14,209**	8,674	**8,380**	6,570
Amounts payable to other Group companies	**-**	-	**-**	45
	115,742	80,073	**78,294**	64,584
Non-current liabilities				
Other payables and accrued expenses	**24,050**	19,690	**16,882**	13,985
Amounts payable to other Group companies	**-**	-	**6,582**	6,582
	24,050	19,690	**23,464**	20,567

24. Provisions

The provisions for onerous property leases represent anticipated minimum contractual lease costs less potential sublease income for vacant properties. For loss making stores, provision is made to the extent that the lease is deemed to be onerous. The provisions are discounted where the effect is material. The discount rate used is the Group's weighted average of capital of 12.7% (2009: 12.7%) (see note 11).

Within the onerous contracts provision, management have recognised that the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract. The provisions have been made to the extent that the contracts are deemed to be onerous.

GROUP	Onerous property leases £000	Onerous contracts £000	Total £000
Balance at 31 January 2009	8,169	-	8,169
Provisions created during the period	6,434	-	6,434
Provisions released during the period	(2,532)	-	(2,532)
Provisions acquired during the period	-	584	584
Provisions utilised during the period	(2,340)	-	(2,340)
Balance at 30 January 2010	**9,731**	**584**	**10,315**

Provisions have been analysed between current and non-current as follows:

GROUP	2010 £000	2009 £000
Current	**2,920**	2,859
Non-current	**7,395**	5,310
	10,315	8,169

COMPANY	Onerous property leases £000
Balance at 31 January 2009	6,491
Provisions created during the period	5,017
Provisions released during the period	(1,912)
Provisions utilised during the period	(1,850)
Balance at 30 January 2010	**7,746**

Provisions have been analysed between current and non-current as follows:

COMPANY	2010 £000	2009 £000
Current	**1,942**	2,492
Non-current	**5,804**	3,999
	7,746	6,491

25. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

GROUP	Assets 2010 £000	Assets 2009 £000	Liabilities 2010 £000	Liabilities 2009 £000	Net 2010 £000	Net 2009 £000
Property, plant and equipment	**-**	-	**330**	77	**330**	77
Chargeable gains held over/rolled over	**-**	-	**332**	332	**332**	332
General accruals	**-**	-	**810**	457	**810**	457
Tax losses	**(724)**	(487)	**-**	-	**(724)**	(487)
Tax (assets)/liabilities	**(724)**	(487)	**1,472**	866	**748**	379

Deferred tax assets on losses of AUS $16,598,000 within Canterbury International (Australia) Pty Limited and losses of £4,463,000 within Kooga Rugby Limited have not been recognised on the grounds that there is no certainty that these losses can be utilised.

Movement in deferred tax during the period

GROUP	Property, plant and equipment £000	Chargeable gains held over/rolled over £000	Lease variations and other items £000	Tax losses £000	Total £000
Balance at 2 February 2008	2,620	332	(1,938)	(150)	864
Recognised in income	(2,543)	-	2,395	(337)	(485)
Balance at 31 January 2009	77	332	457	(487)	379
On acquisition	-	-	-	(5)	(5)
Recognised in income	253	-	353	(232)	374
Balance at 30 January 2010	**330**	**332**	**810**	**(724)**	**748**

Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

COMPANY	Assets 2010 £000	Assets 2009 £000	Liabilities 2010 £000	Liabilities 2009 £000	Net 2010 £000	Net 2009 £000
Property, plant and equipment	**(95)**	-	**-**	176	**(95)**	176
Chargeable gains held over/rolled over	**-**	-	**332**	332	**332**	332
General accruals	**(847)**	(1,079)	**-**	-	**(847)**	(1,079)
Tax (assets)/liabilities	**(942)**	(1,079)	**332**	508	**(610)**	(571)

Movement in deferred tax during the period

COMPANY	Property, plant and equipment £000	Chargeable gains held over/rolled over £000	Lease variations and other items £000	Total £000
Balance at 2 February 2008	1,278	332	(1,300)	310
Recognised in income	(1,102)	-	221	(881)
Balance at 31 January 2009	176	332	(1,079)	(571)
Recognised in income	(271)	-	232	(39)
Balance at 30 January 2010	**(95)**	**332**	**(847)**	**(610)**

At 30 January 2010 the Group has no recognised deferred income tax liability (2009: £nil) in respect of taxes that would be payable on the unremitted earnings of certain subsidiaries. As at 30 January 2010 the unrecognised gross temporary differences in respect of reserves of overseas subsidiaries is £705,000. No deferred income tax liability has been recognised in respect of this temporary timing difference due to the foreign profits exemption, the availability of double tax relief and the ability to control the remittance of earnings.

There are no income tax consequences attached to the payment of dividends by the Group to its shareholders.

26. Capital and reserves

Issued ordinary share capital

GROUP AND COMPANY	Number of ordinary shares thousands	Ordinary share capital £000
At 31 January 2009 and at 30 January 2010	**48,661**	**2,433**

The total number of authorised ordinary shares was 62,150,000 (2009: 62,150,000) with a par value of 5p per share (2009: 5p per share). All issued shares are fully paid.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, share premium and retained earnings. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes to the Group's approach to capital management during the period.

Full disclosure on the rights attached to shares is provided in the Directors' Report on page 22.

27. Dividends

After the reporting date the following dividends were proposed by the Directors. The dividends were not provided for at the reporting date.

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
14.70p per ordinary share (2009: 8.90p)	**7,153**	4,331

Dividends on issued ordinary share capital

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Final dividend of 8.90p (2009: 6.00p) per qualifying ordinary share paid in respect of prior period, but not recognised as a liability in that period	**4,331**	2,896
Interim dividend of 3.30p (2009: 3.10p) per qualifying ordinary share paid in respect of current period	**1,606**	1,496
	5,937	4,392

A scrip alternative was offered in respect of the interim dividend in the period to 31 January 2009 of 3.10p. As a result, a total of 398,224 new shares were issued, in lieu of the cash dividend, with a reference share price of £2.15. The balance of £640,000 was paid out as a cash dividend.

28. Commitments

Group
(i) Capital commitments
As at 30 January 2010, the Group had entered into contracts to purchase property, plant and equipment as follows:

GROUP	2010 £000	2009 £000
Contracted	**2,953**	4,216

These commitments will be settled in the following financial period.

28. Commitments (continued)

(ii) Operating lease commitments
The Group leases various retail outlets, offices, warehouses, plant and equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

Undiscounted total future minimum rentals payable under non-cancellable operating leases are as follows:

GROUP	Land and buildings 2010 £000	Plant and equipment 2010 £000	Land and buildings 2009 £000	Plant and equipment 2009 £000
Within one year	**76,106**	**1,125**	68,531	902
Later than one year and not later than five years	**256,313**	**1,073**	238,251	865
After five years	**238,778**	**-**	230,653	-
	571,197	**2,198**	537,435	1,767

The future minimum rentals payable on land and buildings represent the base rents that are due on each property. Certain properties have rents which are partly dependent on turnover levels in the individual store concerned.

(iii) Sublease receipts
The Group subleases various retail outlets under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The total future minimum operating sublease receipts expected to be received at 30 January 2010 are as follows:

GROUP	2010 £000	2009 £000
Within one year	**623**	639
Later than one year and not later than five years	**1,868**	2,224
After five years	**2,531**	3,322
	5,022	6,185

Company
(i) Capital commitments
As at 30 January 2010, the Company had entered into contracts to purchase property, plant and equipment as follows:

COMPANY	2010 £000	2009 £000
Contracted	**2,217**	3,664

These commitments will be settled in the following financial period.

(ii) Operating lease commitments
The Company leases various retail outlets, offices, warehouses, plant and equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

Undiscounted total future minimum rentals payable under non-cancellable operating leases are as follows:

COMPANY	Land and buildings 2010 £000	Plant and equipment 2010 £000	Land and buildings 2009 £000	Plant and equipment 2009 £000
Within one year	**57,219**	**789**	52,222	693
Later than one year and not later than five years	**193,453**	**729**	178,284	706
After five years	**183,931**	**-**	161,336	-
	434,603	**1,518**	391,842	1,399

Notes to the Consolidated Financial Statements (continued)

28. Commitments (continued)

(iii) Sublease receipts
The Company subleases various retail outlets under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The total future minimum operating sublease receipts expected to be received at 30 January 2010 are as follows:

COMPANY	2010 £000	2009 £000
Within one year	**538**	529
Later than one year and not later than five years	**1,736**	1,890
After five years	**2,531**	2,995
	4,805	5,414

29. Pension schemes

The Group only operates defined contribution pension schemes. The pension charge for the period represents contributions payable by the Group of £765,000 (2009: £431,000) in respect of employees, and £44,000 (2009: £43,000) in respect of Directors. The amount owed to the schemes at the period end was £125,000 (2009: £82,000).

30. Analysis of net cash

GROUP	At 31 January 2009 £000	On acquisition of subsidiaries £000	Cash flow £000	At 30 January 2010 £000
Cash at bank and in hand	23,538	2,273	38,713	**64,524**
Overdrafts	-	(1,129)	(1,298)	**(2,427)**
Cash and cash equivalents	**23,538**	**1,144**	**37,415**	**62,097**
Interest bearing loans and borrowings:				
Bank loans	-	(2,013)	1,128	**(885)**
Loan notes	(83)	-	83	**-**
Other loans	-	(1,388)	641	**(747)**
	23,455	**(2,257)**	**39,267**	**60,465**

COMPANY	At 31 January 2009 £000	Cash flow £000	At 30 January 2010 £000
Cash at bank and in hand	23,530	33,424	**56,954**
Cash and cash equivalents	**23,530**	**33,424**	**56,954**
Interest bearing loans and borrowings:			
Loan notes	(83)	83	**-**
	23,447	**33,507**	**56,954**

31. Related party transactions and balances

Transactions and balances with related parties during the period are shown below. Transactions were undertaken in the ordinary course of business on an arms length basis. Outstanding balances are unsecured (unless otherwise stated) and will be settled in cash.

Transactions with related parties who are not members of the Group
During the period, the Group entered into the following transactions with related parties who are not members of the Group:

GROUP	Income from related parties 2010 £000	Expenditure with related parties 2010 £000	Income from related parties 2009 £000	Expenditure with related parties 2009 £000
Pentland Group Plc				
Purchase of inventory	-	(18,684)	-	(23,794)
Other income	351	-	157	-
Focus Brands Limited				
Interest income	43	-	150	-
Purchase of inventory	-	(4,426)	-	(6,802)
Rental income	319	-	319	-
Royalty income	104	-	170	-

At the end of the period, the following balances were outstanding with related parties who are not members of the Group:

GROUP	Amounts owed by related parties 2010 £000	Amounts owed to related parties 2010 £000	Amounts owed by related parties 2009 £000	Amounts owed to related parties 2009 £000
Pentland Group Plc				
Trade payables	-	(1,310)	-	(1,430)
Focus Brands Limited				
Loan notes receivable (including accrued interest)	922	-	2,629	-
Trade payables	-	(567)	-	(37)

During the period, the Company entered into the following transactions with related parties who are not members of the Group:

COMPANY	Income from related parties 2010 £000	Expenditure with related parties 2010 £000	Income from related parties 2009 £000	Expenditure with related parties 2009 £000
Pentland Group Plc				
Purchase of inventory	-	(17,096)	-	(21,192)
Other income	332	-	157	-
Focus Brands Limited				
Interest income	43	-	150	-
Purchase of inventory	-	(2,429)	-	(5,316)
Rental income	319	-	319	-
Royalty income	104	-	170	-

At the end of the period, the Company had the following balances outstanding with related parties who are not members of the Group:

COMPANY	Amounts owed by related parties 2010 £000	Amounts owed to related parties 2010 £000	Amounts owed by related parties 2009 £000	Amounts owed to related parties 2009 £000
Pentland Group Plc				
Trade payables	-	(1,292)	-	(1,216)
Focus Brands Limited				
Loan notes receivable (including accrued interest)	922	-	2,629	-
Trade payables	-	(27)	-	(37)

31. Related party transactions and balances (continued)

Pentland Group Plc owns 57.5% (2009: 57.5%) of the issued ordinary share capital of JD Sports Fashion Plc. The Group and Company made purchases of inventory from Pentland Group Plc in the period and the other income represents marketing contributions received.

Focus Brands Limited is an entity jointly controlled by JD Sports Fashion Plc and the former shareholders of Focus Group Holdings Limited. JD Sports Fashion Plc owns 49% of the issued share capital. JD Sports Fashion Plc has loan notes receivable from Focus Brands Limited (see note 14). The Company and its subsidiaries made purchases from the Focus Group, the Company rents a property to this entity and the Company receives royalty income in relation to the Sergio Tacchini licence (see note 11).

Transactions with related parties who are members of the Group
During the period, the Company entered into the following transactions with related parties who are members of the Group:

COMPANY	Income from related parties 2010 £000	Expenditure with related parties 2010 £000	Income from related parties 2009 £000	Expenditure with related parties 2009 £000
Bank Stores Holdings Limited				
Sale of inventory	-	-	15	-
Canterbury of New Zealand Limited (UK)				
Purchase of inventory	-	(100)	-	-
JD Sports Fashion (France) SAS				
Interest income	131	-	-	-
Duffer of St George Limited				
Interest income	13	-	-	-
John David Sports Fashion (Ireland) Limited				
Sale of inventory	5,866	-	5,076	-
Other income	1,731	-	1,328	-
Kooga Rugby Limited				
Purchase of inventory	-	(19)	-	-
Nicholas Deakins Limited				
Purchase of inventory	-	(250)	-	(284)
RD Scott Limited				
Purchase of inventory	-	-	-	(178)
Concession fee	-	(162)	-	-
Topgrade Sportswear Limited				
Sale/(purchase) of inventory	1,225	(101)	41	(161)
Interest income	37	-	14	-

31. Related party transactions and balances (continued)

At the end of the period, the Company had the following balances outstanding with related parties who are members of the Group:

COMPANY	Amounts owed by related parties 2010 £000	Amounts owed to related parties 2010 £000	Amounts owed by related parties 2009 £000	Amounts owed to related parties 2009 £000
Athleisure Limited				
Long term loan	**6,638**	**-**	6,638	-
Bank Stores Holdings Limited				
Long term loan	**15,341**	**-**	18,500	-
Bank Fashion Limited				
Working capital loan	**-**	**-**	537	-
Other intercompany balance	**32**	**-**	52	-
Canterbury Limited				
Secured loan	**6,500**	**-**	-	-
Working capital loan	**2,587**	**-**	-	-
Canterbury of New Zealand Limited (UK)				
Working capital loan	**6,456**	**-**	-	-
Trade payables	**-**	**(15)**	-	-
First Sport Limited				
Long term loan	**-**	**(6,582)**	-	(6,582)
JD Sports Fashion (France) SAS				
Long term loan	**4,129**	**-**	-	-
Chausport SA				
Other intercompany balances	**726**	**-**	-	-
Duffer of St George Limited				
Secured loan	**1,514**	**-**	-	-
John David Sports Fashion (Ireland) Limited				
Trade receivables	**285**	**-**	698	-
Other intercompany balances	**4,034**	**-**	2,520	-
Kooga Rugby Limited				
Long term loan (net of provision)	**1,499**	**-**	-	-
Working capital loan	**1,806**	**-**	-	-
Trade payables	**-**	**(1)**	-	-
Nicholas Deakins Limited				
Trade payables	**-**	**-**	-	(69)
Income tax Group relief	**-**	**-**	-	(6)
Other intercompany balances	**122**	**-**	30	-
RD Scott Limited				
Long term loan	**8,694**	**-**	9,352	-
Trade receivables/(payables)	**51**	**(24)**	16	(72)
Income tax Group relief	**-**	**(197)**	-	(447)
Topgrade Sportswear Limited				
Working capital loan	**4,008**	**-**	1,814	-
Trade receivables/(payables)	**4**	**-**	77	(3)

Long term loans represent historic intercompany balances and initial investment in subsidiary undertakings to enable them to purchase other businesses. These loans do not attract interest, with the exception of the loan to JD Sports Fashion (France) SAS, where interest is charged at the official French government interest rate. This interest rate is variable and is reviewed quarterly.

Working capital loans represent short term financing provided by the Company to its subsidiaries. These loans do not attract interest, with the exception of the loan to Topgrade Sportswear Limited which is not a wholly owned subsidiary. This loan attracts interest at the UK base rate plus a margin of 1.0%.

31. Related party transactions and balances (continued)

The secured loans from the Company to Canterbury Limited and Duffer of St George Limited are secured upon the intellectual property in these companies. The loan to Canterbury Limited does not attract interest, whereas the loan to Duffer of St George Limited accrues interest at the UK base rate plus a margin of 4.0%.

Other intercompany balances relates to recharges.

Trade receivables/payables relate to the sale and purchase of stock between the Company and its subsidiaries on arms length terms.

There have been no transactions in the year (2009: £nil) and there are no balances outstanding (2009: £nil) with the other subsidiary undertakings of the Company, as listed in note 34.

32. Contingent liabilities

The Company has provided the following guarantees:

- Guarantee on the letter of credit facility in Focus Brands Limited. The contingent liability varies depending on the value of the letters of credit outstanding at any point in time, but the maximum exposure on this guarantee is £1,000,000 (2009: £nil)
- Guarantees on the working capital facilities in both Topgrade Sportswear Limited and Nicholas Deakins Limited of £2,000,000 (2009: £2,000,000) and £600,000 (2009: £600,000) respectively
- Guarantee capped at £2,500,000 in relation to the acquisition of Canterbury of New Zealand Limited under a kit supply and sponsorship agreement with the Scottish Rugby Union Plc, which was entered into in January 2010

The Company formerly provided a guarantee on an interest-bearing loan in Focus Brands Limited. This guarantee was provided in conjunction with other shareholders on a several basis with each shareholder guaranteeing the loan in line with their relative shareholding. As at 30 January 2010, the Company's contingent liability on this loan was £nil (2009: £497,000).

33. Ultimate parent company

The Company is a subsidiary undertaking of Pentland Group Plc which is also the ultimate parent company. Pentland Group Plc is incorporated in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Pentland Group Plc. The results of Pentland Group Plc may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company has taken advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes. The total recognised income and expense for the parent included in these consolidated financial statements is £41,314,000 (2009: £25,801,000). The Consolidated Financial Statements of JD Sports Fashion Plc are available to the public and may be obtained from The Company Secretary, JD Sports Fashion Plc, Hollinsbrook Way, Pilsworth, Bury, BL9 8RR or online at www.jdplc.com.

Notes to the Consolidated Financial Statements (continued)

34. Principal subsidiary undertakings and jointly controlled entities

The following companies were the principal subsidiary undertakings and jointly controlled entities of JD Sports Fashion Plc at 30 January 2010.

	Place of registration	Nature of business and operation	Ownership interest	Voting rights interest
Name of subsidiary				
John David Sports Fashion (Ireland) Limited	Ireland	Retailer of sports inspired footwear and apparel	100%	100%
JD Sports Limited*	Ireland	Dormant	100%	100%
John David Sports Limited	UK	Dormant	100%	100%
JD Sports Fashion Group Limited	UK	Dormant	100%	100%
JD Sports Limited	UK	Dormant	100%	100%
Athleisure Limited	UK	Intermediate holding company	100%	100%
First Sport Limited*	UK	Dormant	100%	100%
Allsports Retail Limited*	UK	Dormant	100%	100%
Allsports.co.uk Limited*	UK	Dormant	100%	100%
The Sports Shop (Fife) Limited*	UK	Dormant	100%	100%
Jog Shop Limited*	UK	Dormant	100%	100%
RD Scott Limited	UK	Retailer of fashion clothing and footwear	100%	100%
Bank Stores Holdings Limited	UK	Intermediate holding company	100%	100%
Bank Stores Financing Limited*	UK	Intermediate holding company	100%	100%
Bank Fashion Limited*	UK	Retailer of fashion clothing and footwear	100%	100%
Hoss Ventures Limited*	UK	Dormant	100%	100%
Hallco 1521 Limited	UK	Intermediate holding company	51%	51%
Topgrade Sportswear Limited*	UK	Distributor and on-line retailer of sports clothing and footwear	51%	51%
Getthelabel.com Limited*	UK	Dormant	51%	51%
Topgrade Trading Limited*	UK	Dormant	51%	51%
Nicholas Deakins Limited	UK	Distributor of fashion footwear	100%	100%
JD Sports Fashion (France) SAS	France	Intermediate holding company	100%	100%
Chausport SA*	France	Intermediate holding company	100%	100%
Spodis SA*	France	Retailer of sports footwear and accessories	100%	100%
Kooga Rugby Limited	UK	Distributor of rugby clothing and accessories	100%	100%
Canterbury Limited	UK	Intermediate holding company	100%	100%
Canterbury of New Zealand Limited*	UK	Distributor of leisure wear and rugby apparel	100%	100%
Canterbury International (Far East) Limited*	Hong Kong	Distributor of leisure wear and rugby apparel	100%	100%
Canterbury (North America) LLC*	America	Distributor of leisure wear and rugby apparel	100%	100%
Canterbury Cotton Oxford Limited*	UK	Dormant	100%	100%
Canterbury International (Australia) Pty Limited*	Australia	Distributor of leisure wear and rugby apparel	100%	100%
Canterbury of New Zealand Limited*	New Zealand	Distributor of leisure wear and rugby apparel	51%	51%
Duffer of St George Limited	UK	Licensor of a fashion brand	100%	100%
Open Fashion Limited	UK	Dormant	100%	100%
Name of jointly controlled entity				
Focus Brands Limited	UK	Intermediate holding company	49%	50%
Focus Group Holdings Limited*	UK	Dormant	49%	50%
Focus International Limited*	UK	Distributor of sports clothing and footwear	49%	50%
Focus Sports & Leisure International Limited*	UK	Dormant	49%	50%
Focus Italy Srl*	Italy	Dormant	49%	50%
Focus Equipment Limited*	UK	Dormant	49%	50%

*Indirect holding of the Company.

Five Year Record Consolidated Income Statement

	PREPARED UNDER ADOPTED IFRSs				
	52 weeks to 28 January 2006 £000	52 weeks to 27 January 2007 £000	53 weeks to 2 February 2008 £000	52 weeks to 31 January 2009 £000	**52 weeks to 30 January 2010 £000**
Revenue	490,288	530,581	592,240	670,855	**769,785**
Cost of sales	(263,608)	(278,331)	(300,813)	(340,309)	**(390,248)**
Gross profit	226,680	252,250	291,427	330,546	**379,537**
Selling and distribution expenses - normal	(192,730)	(209,270)	(225,994)	(256,315)	**(288,462)**
Selling and distribution expenses - exceptional	(11,206)	(3,799)	(8,404)	(8,201)	**(6,458)**
Selling and distribution expenses	(203,936)	(213,069)	(234,398)	(264,516)	**(294,920)**
Administrative expenses - normal	(15,438)	(17,409)	(22,500)	(20,867)	**(26,051)**
Administrative expenses - exceptional	(1,777)	(4,000)	-	(8,122)	**1,472**
Administrative expenses	(17,215)	(21,409)	(22,500)	(28,989)	**(24,579)**
Other operating income	1,609	1,730	1,086	1,109	**2,270**
Operating profit	7,138	19,502	35,615	38,150	**62,308**
Before exceptional items	20,121	27,301	44,019	54,473	**67,294**
Exceptional items	(12,983)	(7,799)	(8,404)	(16,323)	**(4,986)**
Operating profit before financing and share of result of joint venture	7,138	19,502	35,615	38,150	**62,308**
Share of results of joint venture	-	-	(145)	748	**(473)**
Financial income	230	177	297	529	**385**
Financial expenses	(3,718)	(2,412)	(764)	(1,210)	**(827)**
Profit before tax	3,650	17,267	35,003	38,217	**61,393**
Income tax expense	(1,302)	(6,879)	(11,416)	(13,707)	**(18,647)**
Profit for the Period	2,348	10,388	23,587	24,510	**42,746**
Attributable to equity holders of the parent	2,348	10,388	23,549	24,379	**42,900**
Attributable to minority interest	-	-	38	131	**(154)**
Basic earnings per ordinary share	4.92p	21.52p	48.79p	50.49p	**88.16p**
Adjusted basic earnings per ordinary share (i)	25.32p	36.41p	57.05p	72.33p	**93.64p**
Dividends per ordinary share (ii)	6.90p	7.20p	8.50p	12.00p	**18.00p**

(i) Adjusted basic earnings per ordinary share is based on earnings excluding the post tax effect of certain exceptional items (see note 10).
(ii) Represents dividends declared for the year. Under adopted IFRSs dividends are only accrued when approved.

Financial Calendar

Final Results Announced	14 April 2010
Final Dividend Record Date	7 May 2010
Financial Statements Published	May 2010
Annual General Meeting	9 June 2010
Final Dividend Payable	2 August 2010
Interim Results Announced	September 2010
Period End (52 Weeks)	29 January 2011
Final Results Announced	April 2011

Shareholder Information

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The Board wishes to express its thanks to the marketing department for the in-house production of this Annual Report and Accounts.

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www.canterbury.com
www.nicholasdeakins.com

Other websites
www.kooga-rugby.com