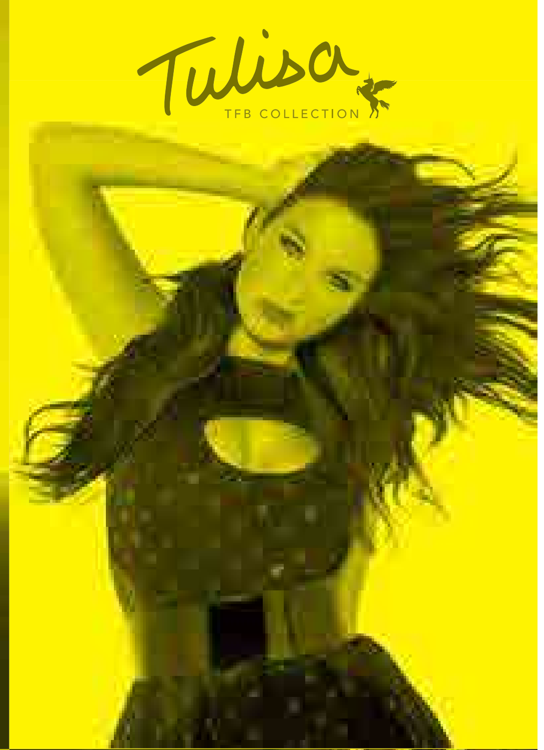
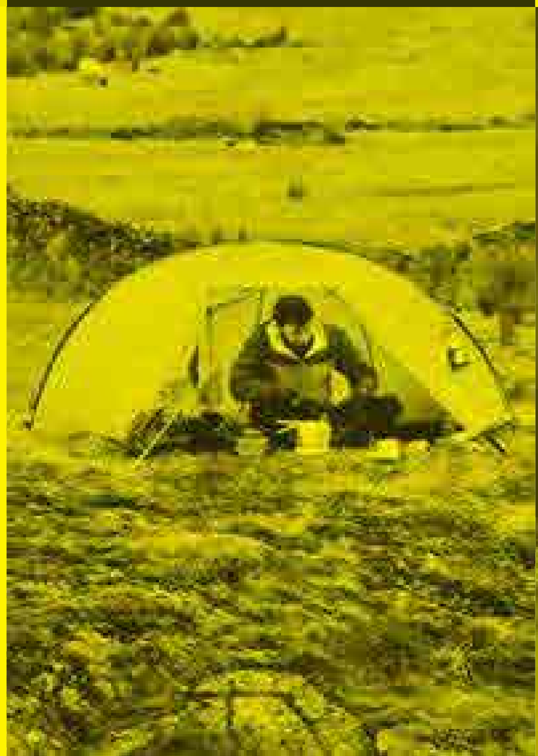
ANNUAL REPORT & ACCOUNTS 2013

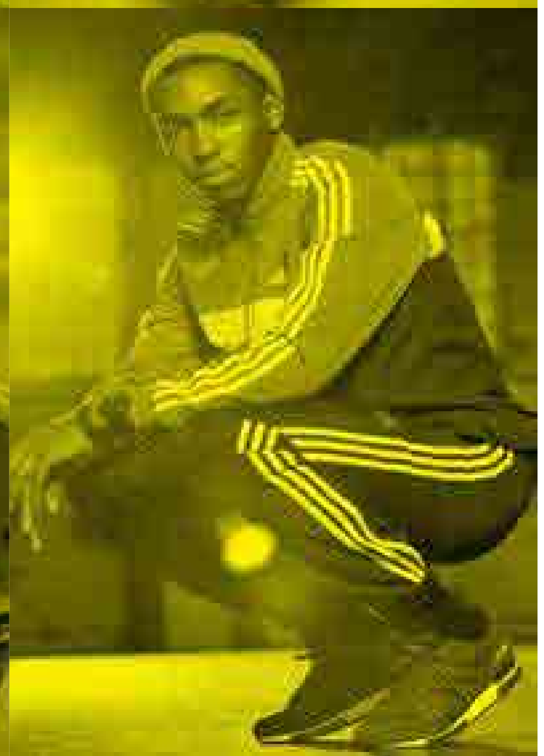
jd sports fashion plc







jdsportsfashion plc

CONTENTS

Trading Websites

www.jdsports.co.uk
www.size.co.uk
www.scottsonline.co.uk
www.bankfashion.co.uk
www.chausport.com
www.getthelabel.com
www.champion.ie
www.kooga-rugby.com
www.kukrisports.com
www.nicholasdeakins.com
www.thedufferofstgeorge.com
www.peterwerth.co.uk
www.blacks.co.uk
www.millets.co.uk
www.squirrelsports.co.uk
www.cloggs.co.uk
www.sprinter.es
www.tessuti.co.uk
www.footpatrol.co.uk

Non trading websites

www.uksourcelab.com

CONTACT

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SUMMARY OF KEY PERFORMANCE INDICATORS

	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000	% Change
Financial KPIs			
Revenue	**1,258,892**	1,059,523	+18.8
Gross profit %	**48.7%**	49.2%	
Operating profit (before exceptional items)	**61,323**	76,461	-19.8
Profit before tax and exceptional items	**60,465**	75,957	-20.4
Exceptional items (i)	**(5,348)**	(9,685)	
Operating profit	**55,975**	66,776	-16.2
Profit before tax	**55,117**	67,442	-18.3
Basic earnings per ordinary share	**79.71p**	96.27p	-17.2
Adjusted basic earnings per ordinary share	**88.51p**	105.89p	-16.4
Total dividend payable per ordinary share	**26.30p**	25.30p	+4.0
Net cash at end of year (ii)	**45,636**	60,295	
Non Financial KPI			
Trading space at year end (sq ft '000) (iii)	**2,894**	3,058	

(i) Excludes share of exceptional items of joint venture in the 52 week period to 28 January 2012
(ii) Net cash consists of cash and cash equivalents together with interest-bearing loans and borrowings
(iii) 123 loss making Blacks stores closed in year

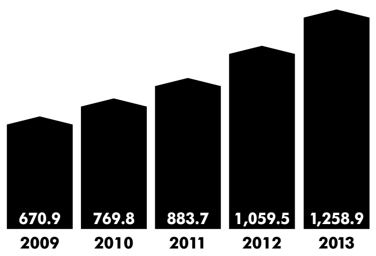
GROUP HIGHLIGHTS

- Ongoing robust performance in core Sports fascias which continue to provide investment platform for future profitability in JD in Europe. In the UK and Ireland, these fascias contributed an additional £4.7m of operating profits in the year (before exceptional items) and we are building an appropriate store base in Europe for future success there
- The good performance in the Sports fascias has continued in the current financial year with like for like sales growth in the UK and Ireland stores (excl Champion) of 1.9% in the 9 weeks to 6 April 2013
- £14.9 million of operating losses (before exceptional items) incurred in Outdoor fascias but performance improving now that new management team has been installed with stocks being better managed, store investment commenced and ongoing cost reduction programme to deliver benefits in the current financial year
- Like for like sales for the 53 week period in the UK and Ireland combined core retail fascias increased by 1.2%:

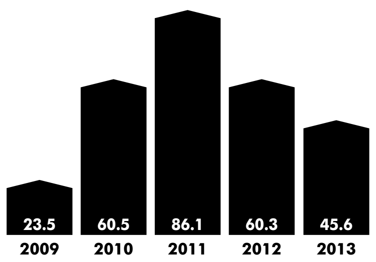
Sport UK & Ireland (excl Champion)	Fashion (excl Premium)	Combined Core UK & Ireland
+2.5%	-4.1%	+1.2%

- Final dividend payable increased by 3.8% to 22.00p (2012: 21.20p) bringing the total dividends payable for the year to 26.30p (2012: 25.30p) per ordinary share, an increase of 4.0%

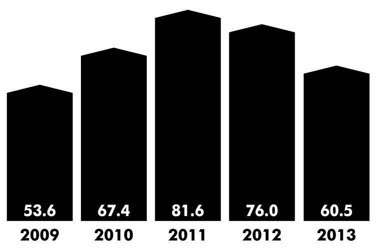
REVENUE (£M)



NET CASH (£M)



PROFIT BEFORE TAX & EXCEPTIONAL ITEMS (£M)



WHO WE ARE

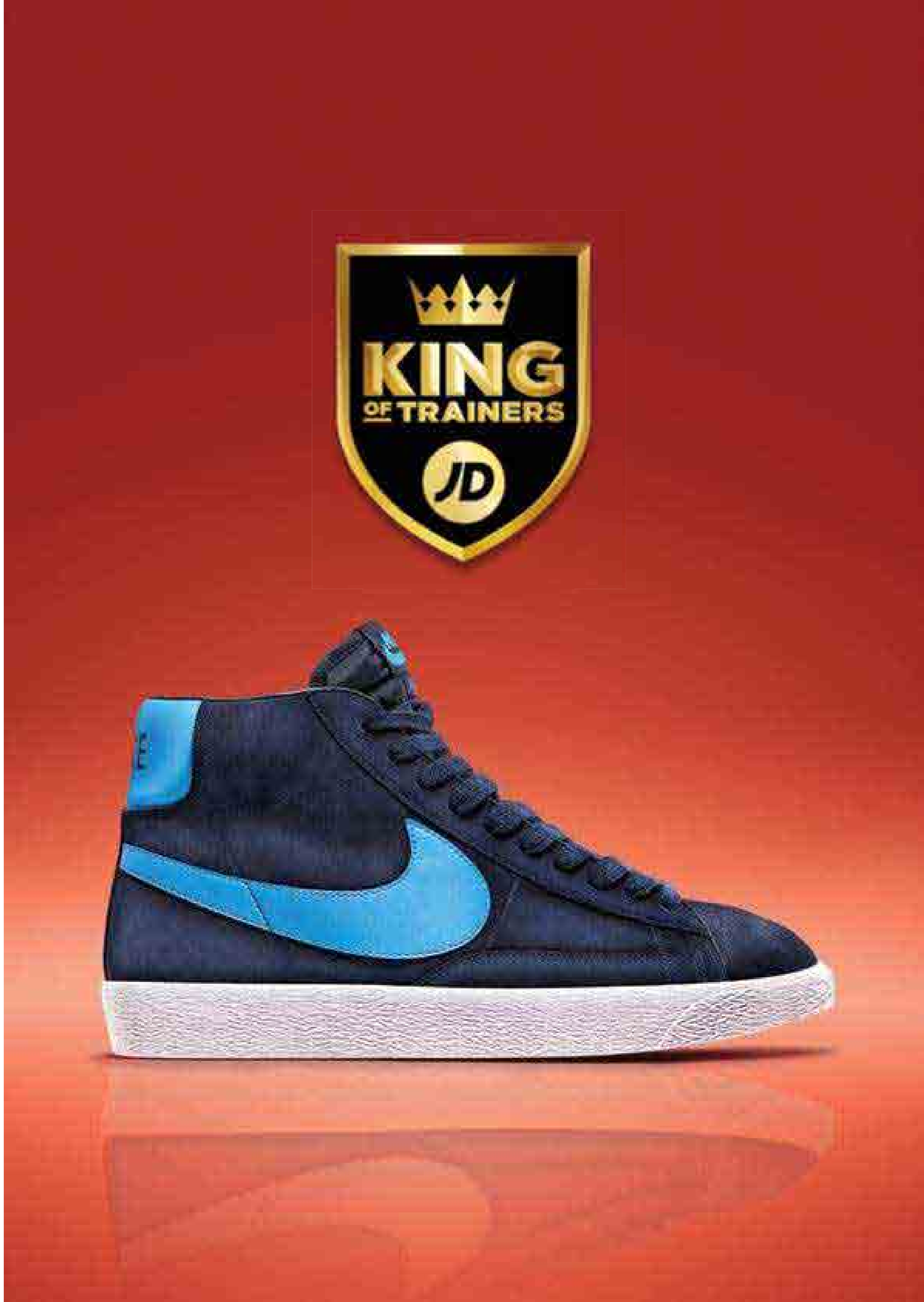
Established in 1981 with a single store in Bury, in the North West of England, JD Sports Fashion Plc is a leading retailer and distributor of sport and athletic inspired fashion apparel, footwear and fashion and outdoor clothing and equipment in the UK and Europe.

The Group has over 800 stores across a number of retail fascias in the UK, Republic of Ireland, France and Spain and is proud of the fact that it always provides its customers with the latest products from the very best brands.

The Group also operates on-line businesses for these retail fascias, providing the Group with a truly multichannel, international platform.

UNDISPUTED

JD is acknowledged as the leading specialist multiple retailer of fashionable branded and own brand sports and casual wear in the UK and Republic of Ireland combining globally recognised brands such as Nike and adidas with strong own brand labels such as Mckenzie, Carbrini and The Duffer of St George. JD now has entered the European market with 10 stores in France and during 2012 has opened five stores in Spain.



SIZE MATTERS

size?

Size? was originally established to trial edgier brands and footwear styles before introducing them to the mass market through the JD fascia. Size? is positioned as an 'independent' retailer with each store having its own feel and loyal catchment. Size? has also opened its first European store in Paris during 2012.

AUTHORITY

scotts

Scotts delivers brand authority to an older, more affluent male consumer offering brands such as Fred Perry, adidas Originals and Original Penguin, amongst others.

ATTITUDE

BANK

Bank is aimed at the young male and female, branded fashion-conscious consumer selling fast fashion brands such as Superdry, Paul's Boutique, Lipsy and Jack & Jones as well as own brands such as Ribbon, Blonde & Blonde, and Rivington. Bank opened its first store in the Republic of Ireland during 2012.

LIFE OUTDOORS

Blacks millets

Blacks was acquired from administration in January 2012 and is a long established retailer of specialist outdoor footwear, apparel and equipment with two distinct fascias in Blacks and Millets. The Blacks stores primarily stock more technical products from the premium brands such as The North Face and Berghaus with Millets catering for a more casual outdoor customer. Millets is also the major fascia for our two strong own brands, Peter Storm and Eurohike.

Chausport was acquired in May 2009 and sells a strong range of international brands such as Nike, adidas and Le Coq Sportif together with brands more specific to the French market such as Redskins.

Sprinter was acquired in June 2011 and is one of the leading sports retailers in Spain selling footwear, apparel, accessories and equipment for a wide range of sports as well as lifestyle casual wear and childrenswear. This offer includes both international sports brands and successful own brands.

Champion was acquired in April 2011 and is one of the leading retailers of sports apparel and footwear in the Republic of Ireland with 17 stores in premium locations in town centres and shopping centres.

Getthelabel.com is an on-line and catalogue business which offers customers significant savings on branded fashion and footwear.

Premium branded fashion is a new opportunity for the Group and our vision is to become the first choice retailer for branded premium fashion in the UK. Our stores offer customers a strong mix of brands including Hugo Boss, Ralph Lauren Polo, Diesel and Stone Island.

Cloggs was acquired out of administration in February 2013 and is an on-line niche retailer of premium branded footwear.

The Group also has a number of businesses which design and distribute team wear and fashion product.

Kooga design, source and wholesale rugby apparel and equipment, with teamwear, replica and leisurewear ranges. Kooga is also sole kit supplier to a number of professional rugby clubs across both codes.

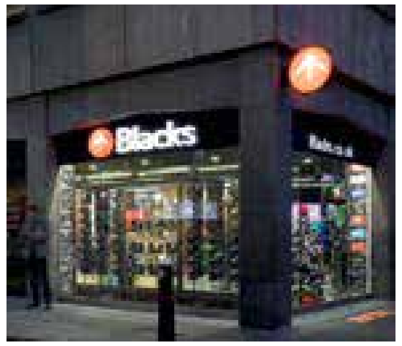
Nicholas Deakins designs and manufactures predominantly men's footwear and clothing. Since its inception in 1991, the brand has been moulded into several collections with labels including Nicholas Deakins Green Label clothing and footwear, Deakins and Deakins kids. Nicholas Deakins supplies both Group and external businesses.

Source Lab Limited, which was established in 2005, design, source and distribute football related apparel under license from some of the biggest clubs in Europe including Manchester United, Chelsea, Arsenal and Barcelona.

Kukri, acquired in February 2011, sources and provides bespoke sports teamwear to schools, universities and sports clubs. Teams design and order their personalised kit on-line, with over 75 different sports catered for.
In addition, Kukri also is sole kit supplier to a number of professional sports teams.

Focus are involved in the design, sourcing and distribution of footwear and apparel both for own brand and licensed brands, such as Peter Werth, Fly 53, Ecko, Ellesse, and Voi Footwear, for both group and external customers.

GROUP FASCIAS



EXECUTIVE CHAIRMAN'S STATEMENT

INTRODUCTION

The year to January 2013 was one of substantial change for the Group and it is worth reflecting on the key changes:

- We entered the Outdoor market in January 2012 with the purchase of the Blacks and Millets store portfolios from the administrators of Blacks Leisure Group Plc. Although initial results have been more disappointing than originally anticipated we now have a firm foothold in a different and growing lifestyle market in the UK. With our capacity for creating efficient and appealing environments already evidenced through the stores which we have refurbished, along with our capable support systems, we remain optimistic that these Outdoor fascias will prove to be a successful core retail operation
- We consolidated our warehousing into the new central distribution facility in Rochdale, eliminating the capacity constraints we previously had and reducing double handling of stock. The new warehouse has subsequently absorbed both the Christmas period and the transfer in the current year of the Outdoor business from its facility in Northampton although there are still improvements in efficiency to be achieved
- We have continued our expansion of the Sports Fascias in France and Spain and are expecting to continue to add stores in existing and new territories in 2013. Our product offer in Southern Europe can be improved but we now have a greater understanding of the key ingredients for success in Europe. We expect to move into other territories in Europe this year
- We have strengthened the Group's executive team in the last six months with the appointment of Dave Williams as Group Commercial Director and Pat Lee as Group Supply Chain and Change Director. We have also invested significantly in our Multichannel team
- We have committed to changing our legacy IT systems to Oracle. We have already successfully implemented Oracle Financials with the main retail system following through 2014 and 2015

Although we have a number of short term challenges we believe we are developing our infrastructure appropriately to support the future anticipated growth of our businesses in all channels. This investment in infrastructure also ensures that we protect the core Sports fascias in the UK which continue to produce excellent results and provide the Group with a very solid foundation for ongoing profitability and future cash generation.

STRATEGIC DEVELOPMENTS

Retail remains the core focus for the Group and the strategic developments and acquisitions which we have made in the period reflect this focus.

We have continued the international development of our JD fascia through further expansion in France and the opening of our first stores in Spain. By 2 February 2013 we had 11 JD and Size? stores in France with one further store opening to date in the new financial period. We now feel that we are beginning to generate some momentum in France. We will maintain this momentum with further openings through 2013.

During the year we opened five JD stores in Spain including the conversion of a pre-existing Sprinter store. One further store has opened to date in the new financial year. Spain has proved a more difficult market than France for JD to date and improvements need to be made to both our product offer and price architecture there.

We made our initial entry into the Premium Fashion sector in 2011 through the acquisition of eight Cecil Gee stores. We have subsequently complemented this in the current year by making two further small acquisitions (Tessuti Group and Originals) in this sector. These acquisitions have given us additional critical mass together with management knowledge, both of which were needed to create a business in this sector which is capable of delivering future profitability, supported by the Group's resource. The combined business is now run by the management of Tessuti.

In recent years, the Group has steadily increased its stable of owned and licensed sporting and fashion inspired brands. This strategy has continued and in the year to January 2013 we acquired rights to the Henleys, Fly 53 and Gio Goi brands at a cost of £2.6 million, £0.4 million and £2.4 million respectively.

In Distribution, we have been pleased with the performance to date of the Source Lab business in which we acquired an 85% holding in May 2012 at a cost of £2.6 million. Source Lab's management have proven experience of developing ranges of sport related product and we believe we can use this experience to enhance the return from the Group's stable of brands and other Sports inspired businesses.

After the year end, we also acquired the intellectual property and other assets associated with the Cloggs online footwear business from its administrators for a cash consideration of £0.6m. Cloggs is an online niche retailer of premium branded footwear and so whilst its product offering is very complementary it also gives us opportunities to extend our customer base and the width of our offer.

We have also made significant investments in the year in two projects which will not only support our current retail businesses in future years but which will also have the capacity to deal with growth both organically and by acquisition whether that be in the UK or overseas. The first of these projects is our new centralised warehouse in Kingsway, Rochdale which became fully operational in Summer 2012 with substantially all stock for the UK and Ireland retail fascias now channelled through this facility. The second major project concerns the development of replacement of our legacy bespoke commercial systems with Oracle Retail.

This project is in its early stages and we currently plan to bring the first of the Group's businesses on to this system in 2014. Thereafter, the retail businesses will be transferred in stages with all current retail businesses anticipated to be working on the new system by Autumn 2015.

DISPOSAL OF CANTERBURY

During the year we completed the disposal of the Canterbury business to Pentland Group Plc for a total consideration of £22.7 million which represented a full repayment of the net cash investment made by the Group into Canterbury since our acquisition of the initial interest in August 2009.

SPORTS FASCIAS

The Sports Fascias are JD, Size?, Chausport, Sprinter and Champion Sports.

The Sports Fascias' total revenue (after elimination of inter-group sales) increased by 10.2% during the period to £854.0 million (2012: £774.6 million) with like for like sales growth of 2.5% (2012: +0.3%) in the core UK and Ireland sports fascia stores (excl Champion). This represents a significant improvement on the +1.2% that we announced in the results for the first half of the year and is a very robust performance in the current economic climate. It is clear that our largely unique product offering combined with a well-executed retail environment is attractive to the consumer. Our challenge is to ensure that these basic principles are repeated in all of our retail fascias.

Gross margin achieved in the Sports Fascias decreased only marginally to 50.6% (2012: 50.8%) which includes a full year of the lower margin Sprinter and Champion businesses for the first time.

Operating profit (before exceptional items) of the Sports Fascias increased by £3.5 million to £77.8 million (2012: £74.3 million). Most pleasing was the increase of £4.7m in the operating profit (before exceptional items) of the core JD businesses in the UK and Ireland (including Size?) to £72.9 million (2012: £68.2 million).

The contribution from Chausport decreased to £0.6 million (2012: £1.5 million). Although there was growth in like for like sales of 0.7% (2012: 2.2%), this growth did not generate sufficient margin to cover an increased investment in resource both in stores and centrally.

The loss in the JD France business (including the Size? store in Paris which was opened in the year) increased marginally to £0.5 million (2012: loss of £0.2 million) as this business scales up. The performance of our recently opened stores makes us increasingly confident about the prospects for JD in France though and we would hope to at least reach a break even position in the current financial year although we are fully aware that we need to improve our overall apparel offer, particularly in the South of the country.

The Sprinter business, which we acquired in June 2011, had a good year with profits maintained at £4.7 million (2012: £4.7 million for the 7 months post acquisition). This is an excellent performance overall given the seasonally loss making five month non like for like period at the start of the year and the increase in the rate of VAT from 18% to 21% which came into effect on 1 September 2012. We remain pleased with this acquisition and believe that the management team that we have in Spain are well equipped to steer the business through the very difficult economic period that the country is currently facing.

We opened our first JD stores in Spain in the year with our limited openings to date already providing us with considerable additional market knowledge which we are using to refine our offer. However, we do not yet have any critical mass and given the ongoing economic difficulties and increased fiscal take then we will remain cautious in the short term in our approach to opening new stores in Spain.

Champion made a minimal contribution to operating profit in the year (2012: £0.1 million). However, given that this includes the absorption of £0.8m of losses in the non like for like period at the start of the year then the business performed well. Whilst there are some short term operational changes which we can make which will benefit the financial performance in the shorter term we do not expect a more substantial improvement until the wider economy in the Republic of Ireland picks up more strongly.

FASHION FASCIAS

The established Fashion Fascias of Bank and Scotts are now complemented by a Premium Fashion business comprising Cecil Gee, Originals and Tessuti.

The Fashion Fascias' total revenue (after elimination of inter-group sales) increased by 5.8% during the period to £160.4 million (2012: £151.6 million). Like for like sales in the two core fascias declined by 4.1% (2012: +2.2%) being Bank -4.9% (2012: +3.9%) and Scotts -0.5% (2012: -2.9%).

Gross margin achieved in the Fashion Fascias declined from 48.5% to 47.4%. This decline was caused by clearance activity in the Cecil Gee business which was required to clear excess Spring / Summer product. These stores, along with the Originals stores which were acquired in the year, are now managed by the Tessuti management team.

The Bank fascia sells largely branded fashion to both males and females, predominantly for the teenage to mid-twenties sector. In the year the store portfolio grew from 80 stores to 85 stores, still based predominantly in the North and the Midlands. Whilst the business made an operating loss (before exceptional items) in the year of £0.5 million (2012: profit of £3.1 million) we are encouraged by a number of factors with footfall maintained, a good performance in Menswear and a slight enhancement of margins. With the right product, we believe that Bank is capable of making a contribution to Group operating profits again.

Our turnaround plan for Bank involves increased focus on the female offer which is reflected in our recent recruitment of an experienced Head of Women's although we will not see the benefits of her product decision making until later in the current financial year. We will also look to utilise our stable of owned and licensed brands and improve our footwear offering. There will also be some rationalisation of the central overhead base.

The Scotts fascia stores continue to offer branded fashion authority to more affluent young males, largely in the North and Midlands. Three stores were closed in the period with no new openings resulting in 32 stores at the year end (2012: 35 stores). Operating profit (before exceptional items) reduced by £0.7 million to £0.1 million (2012: £0.8 million) principally from a reduction in gross margin. The fascia continues to serve a useful purpose to the Group as an introducer of brands and provides revenue for a legacy store portfolio.

Our combined Premium Fashion offering made an operating loss of £1.5 million (2012: loss of £0.6 million) principally from losses in the Cecil Gee stores which we understood to be loss making when we made our initial entry into the Premium Fashion market in June 2011. However, following our acquisition of the Tessuti business in the year we believe that we have a management team that has sector specific experience and is capable of delivering a successful Premium Fashion proposition with a consistency of retail standards and a geographically appropriate brand offering. Dealing with the legacy issues in the business, particularly property, will mean that we are unlikely to deliver any meaningful profit from this activity in the short term.

OUTDOOR

Outdoor had an exceptionally difficult year resulting in it delivering an operating loss (before exceptional items) of £14.9 million (2012: loss of £2.2 million for the short period post acquisition).

On our acquisition of the business from administration in January 2012 we inherited a very limited and unbalanced stock position, with a particularly severe lack of stocks in many core high performing lines combined with an excessively large and overrented store portfolio and a disproportionate central cost base. Our first priorities in turning around the business were to deal with these issues. Agreeing and receiving a resumption of supply from key suppliers was a difficult and time consuming process. Consequently, it was three months before we started to receive any substantial deliveries of new stocks. During this period, the business made very substantial losses.

At acquisition we backed the incumbent management team, who only came together in Autumn 2011, and gave them the opportunity to turn the business round. However, it became clear through the year that they did not have sufficient experience or knowledge of the Outdoor market to take the business forward. This was reflected in the proposition which they bought into for the key Autumn and Winter seasons which required significant margin sacrifice to clear through. We now have a new management team which includes both external recruits and long serving members of the Group's team. We will not see its full impact until later in the year but we believe that we now have the right team and strategy to take the business forward.

The initial strategy on retail fascia and property locations was that we should retain only the Blacks fascia long term with a portfolio of approximately 130 stores. However, during the year we have increasingly realised that there is a place for Millets as it has considerable support and goodwill amongst its customers and it is a good outlet for our own brands (Peter Storm and Eurohike).

This two fascia strategy, with differentiated management, will enable us to segment the product more appropriately and so we now believe that we will retain approximately 140 stores in the longer term of which approximately 80 will be fascia'ed as Blacks and 60 will be fascia'ed as Millets. The Blacks stores will primarily stock more technical products from the premium brands at higher price points with Millets catering for a more casual outdoor customer.

During the year we closed 122 stores and opened one store to give a store portfolio of 174 stores (2012: 295 stores). A further five stores have closed since the year end. The negotiations with the landlords on either new leases or temporary licences have also been protracted as we have needed to negotiate rents which were sustainable in the longer term. This assessment has been made difficult because of the need for a major proposition overhaul. However, this task is now well progressed. We have also refurbished seven stores to date. This has provided us with valuable additional knowledge which we will apply in future refurbishments. We are encouraged by the performance of these stores in the period since they reopened.

Keeping the smaller scale Blacks and Millets business in their pre-existing office and warehouse facility at Northampton was not economically viable. We have now closed the warehouse and moved the distribution function in to the Group's new facility at Kingsway. An exceptional charge of £0.9 million has been recognised in the year for this restructuring of the distribution operations. We have also integrated several back office functions into existing Group teams. The migration of the remaining activity from Northampton to Bury is proposed to take place through Summer 2013 and so we would anticipate a further charge for restructuring in the new financial year.

We believe that the various issues which Blacks has faced in the year were a legacy of the administration process and the result of previous mismanagement and we would anticipate a significant reduction in the operating loss in the current financial year. We will, of course, now be looking for the support of suppliers in return for our efforts in elevating the desirability of their brands in premium retail locations. With this support, we believe that the decisive action we have taken to date and the strategy which we have adopted will give us the foundation of a business which is capable of delivering sustained operating profits in the medium term.

DISTRIBUTION

Our Distribution businesses contributed a small operating profit of £0.4 million (2012: £1.1 million). This includes a profit of £1.9 million from Canterbury in the seven months prior to its disposal (2012: £0.4 million profit for the full year) with the second half of the year traditionally loss making. A number of our remaining Distribution businesses have had a difficult year reflecting the downstream effect of ongoing challenging circumstances in the Retail sector generally. We continue to review the benefit of holding each of these investments which must be capable of either delivering a significant profit in its own right or give us some other tangible strategic benefit.

The Getthelabel.com online and catalogue business within Topgrade has now been trading for over three years. Overall we are pleased with the development of this business with sales increasing in the year by 43% and losses more than halved to £0.7 million (2012: £1.5 million). We anticipate further growth this year with a further reduction in the losses. Operating profits within the wholesale operation of Topgrade decreased slightly by £0.2 million to £0.6 million (2012: £0.8 million). The performance of this element of the business is naturally volatile as it is very dependent on the timing and general availability of clearance package from the major brands.

Focus has had a difficult year with an operating loss of £1.0 million (2012: profit £1.4 million) which is primarily from losses which have arisen after the acquisition of the trade and assets of the Fly 53 brand including 14 concessions in House of Fraser stores. As with other businesses which we have acquired in similar distressed circumstances the business was in a fractured state on acquisition with a poor mix of stocks and an inappropriate cost structure. We believe we have now resolved the majority of these acquisition issues and would anticipate at least a substantial reduction in these operating losses in the new financial year.

Although revenues in Kukri have grown by £4.4 million to £20.5 million (2012: £16.1 million) the business made an operating loss of £0.1 million (2012: profit £0.5 million). In the period after acquisition, Kukri has needed to make substantial investment in new IT systems and other infrastructure to have the potential to grow and ultimately deliver a meaningful return on our investment. We believe that Kukri's current underperformance is short term and that the brand is strong and can be leveraged in the future.

Elsewhere in the distribution division, Deakins has maintained its profitability and we are very pleased with the initial performance of Source Lab. However, the disappointing performance in Kooga has continued with losses increased to £1.0 million (2012: £0.8 million).

FINANCIALS SUMMARY

Revenue

Total revenue increased by 18.8% (almost £200 million) in the year to £1,258.9 million (2012: £1,059.5 million) of which £121.0 million of sales were generated from the full year of the Blacks business (2012: £5.9 million for the three week period). A further £54.8 million of revenue was generated either in businesses acquired in the year or the annualisation of the other businesses acquired in the year to January 2012. £20.6 million of revenue was lost from the disposal of Canterbury.

Gross margin

Total Gross Margin fell from 49.2% to 48.7% reflecting the impact of the margin sacrifice in the second half of the year in the Outdoor business. The achieved margin in the Fashion Fascias also fell by 1.1% to 47.4% (2012: 48.5%) with ongoing clearance activity in the Premium Fashion businesses. We are, however, greatly encouraged by the fact the margins in the Sports fascias were largely maintained at prior year levels.

Operating profit

Operating profit (before exceptional items) decreased by £15.2 million to £61.3 million (2012: £76.5 million) principally due to the full year loss in the Blacks business of £14.9 million (2012: loss of £2.2 million for the three week period). We expect these losses to be substantially reduced in the new financial year.

After exceptional items of £5.3 million (2012: £9.7 million), Group operating profit decreased from £66.8 million to £56.0 million.

The exceptional items comprised:

	2013 £m	2012 £m
Loss on disposal of fixed assets	0.2	1.2
Impairment of fixed assets in loss making stores	0.9	1.5
Onerous store lease provision	1.3	(0.2)
Total property related exceptional costs	2.4	2.5
Reorganisation of warehouse operations (1)	0.2	3.0
Canterbury restructuring (2)	0.2	1.6
Blacks restructuring (3)	0.9	3.5
Total reorganisation and restructuring costs	1.3	8.1
Impairment of intangible assets (4)	2.3	2.7
Profit on disposal of Canterbury (5)	(0.7)	-
Gain following acquisition of Focus Brands (6)	-	(3.6)
Total other exceptional charges/(credits)	1.6	(0.9)
Total exceptional charge	**5.3**	**9.7**

(1) Reorganisation of the warehouse operations consisting of provisions for onerous property leases and redundancy costs

(2) Redundancies and other one off costs incurred in the closure of Canterbury European Fashionwear Limited and Canterbury North America LLC

(3) Restructuring of the Blacks business following acquisition for relocation of warehouse operations

(4) Current year charge relates to a partial impairment of the goodwill arising on the acquisition of Bank Fashion. The charge in the prior year relates to the impairment of intangible assets on Kooga goodwill and brand name (£1.9 million) and Cecil Gee fascia name (£0.8 million)

(5) Profit on the disposal of the Canterbury group of businesses to Pentland Group plc in September 2012 (see note 12)

(6) The gain on the disposal of the Focus joint venture arose in the prior year from the remeasurement to fair value of the Group's previously held investment in Focus Brands Limited

WORKING CAPITAL AND FINANCING

A combination of funding for the Blacks business, ongoing acquisition activity (including the acquisition of the Gio Goi brand in the final week before the period end) and capital expenditure incurred means that year end net cash decreased by £14.7 million to £45.6 million (2012: £60.3 million). The revolving credit facility has been used through most of the year and, consequently, the net financing charge increased by £0.5 million to £0.9 million (2012: £0.4 million).

The Group has a £75 million committed syndicated bank facility secured until 12 October 2015. This facility consists of a £60 million revolving credit facility with a current margin of 1.40% over LIBOR together with a £15 million working capital facility. It is likely that we will increase these facilities in the current year to enable us to continue to make acquisitions when opportunities occur.

Gross capital expenditure (excluding disposal costs) decreased slightly by £2.2 million to £43.5 million (2012: £45.7 million). The majority of the expenditure on the Kingsway facility was incurred in the prior year although a further £1.4 million was spent in the year (2012: £19.4 million). However, this reduction was offset by increased investment in our overseas businesses with total investment in the year of £9.5 million in France (2012: £4.7 million) and £6.8 million in Spain (2012: £2.1 million). Elsewhere, we also spent £3.4 million on the Blacks property portfolio and we have acquired a new combined warehouse and head office building for Kukri at a cost of £0.7 million.

Increased confidence in the potential for JD internationally combined with ongoing investment in refurbishing the Blacks portfolio and investment in the new core Oracle ERP system means that capital expenditure will remain high this year.

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

STORE PORTFOLIO

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

SPORTS FASCIAS

(No. Stores)	JD UK & Ireland	JD France (a)	JD Spain	Size? UK & Ireland (b)	Chausport	Champion	Sprinter	Total
Start of period	332	5	-	23	74	20	49	**503**
New stores	17	6	4	2	5	-	5	**39**
Transfers	4	-	1	-	-	(3)	(1)	**1**
Closures	(21)	-	-	(2)	(4)	-	-	**(27)**
End of period	**332**	**11**	**5**	**23**	**75**	**17**	**53**	**516**

(000 Sq Ft)	JD UK & Ireland	JD France (a)	JD Spain	Size? UK & Ireland (b)	Chausport	Champion	Sprinter	Total
Start of period	1,150	9	-	33	82	92	603	**1,969**
New stores	58	17	12	1	6	-	42	**136**
Transfers	19	-	2	-	-	(17)	(2)	**2**
Closures	(47)	-	-	(5)	(4)	-	-	**(56)**
End of period	**1,180**	**26**	**14**	**29**	**84**	**75**	**643**	**2,051**

(a) Includes the Size? store in Les Halles, Paris
(b) Includes the Foot Patrol store in Berwick Street, London

FASHION FASCIAS

(No. Stores)	Bank	Scotts	Originals	Cecil Gee	Tessuti	Total
Start of period	80	35	-	6	-	**121**
New stores	7	-	-	-	2	**9**
Acquisitions	-	-	7	-	4	**11**
Transfers	(1)	-	-	-	-	**(1)**
Closures	(1)	(3)	(2)	(2)	-	**(8)**
End of period	**85**	**32**	**5**	**4**	**6**	**132**

(000 Sq Ft)	Bank	Scotts	Originals	Cecil Gee	Tessuti	Total
Start of period	238	72	-	16	-	**326**
New stores	18	-	-	-	6	**24**
Acquisitions	-	-	13	-	11	**24**
Transfers	(2)	-	-	-	-	**(2)**
Closures	(2)	(6)	(3)	(2)	-	**(13)**
End of period	**252**	**66**	**10**	**14**	**17**	**359**

OUTDOOR FASCIAS

	No. Stores	000 Sq Ft
Start of period	295	763
New stores	1	2
Closures	(122)	(281)
End of period	**174**	**484**

DIVIDENDS AND EARNINGS PER SHARE

The Board proposes paying a final dividend of 22.00p (2012: 21.20p) bringing the total dividend payable for the year to 26.30p (2012: 25.30p) per ordinary share. The proposed final dividend will be paid on 5 August 2013 to all shareholders on the register at 10 May 2013. The total dividends payable for the year have therefore increased by a further 4% with a cumulative growth over the last five years of 209%.

The adjusted earnings per ordinary share before exceptional items were 88.51p (2012: 105.89p).

The basic earnings per ordinary share were 79.71p (2012: 96.27p).

EMPLOYEES

The Board are extremely grateful for the contribution that all our employees make through skills, energy and dedication. In difficult trading conditions and with radical turnaround plans in place in certain of our businesses then we realise that we are very reliant on this contribution. Equally, the Board recognises that the ongoing success of the core JD business comes from the execution excellence delivered by the whole team.

CURRENT TRADING AND OUTLOOK

We are pleased overall with the start that we have made to the new year. A very considerable amount of reorganisation in both Outdoor Retail and our warehousing and distribution operations is now behind us and this should benefit trading in the balance of the year. The like for like sales performance for the nine weeks to 6 April 2013 continues to be encouraging in the Sports Fascias. This performance has been as follows:

Sport UK & Ireland (excl Champion)	Fashion (excl Premium)	Combined Core UK & Ireland
+1.9%	-6.2%	+0.5%

The Group is exceptionally well positioned with its retail proposition, financial resources and extensive management experience to take advantage of opportunities both in the UK and internationally. Whilst the Board recognises that recent acquisition activity has impacted on short term returns, it remains confident that the Group is well positioned to deliver earnings growth and increased shareholder returns over the longer term.

A further update will be made in our Interim Management Statement on 19 June 2013.

Peter Cowgill
Executive Chairman
17 April 2013

FINANCIAL AND RISK REVIEW

INTRODUCTION

Operating profit before exceptional items decreased by £15.2 million from £76.5 million to £61.3 million in the year primarily from a loss in the first full year of the Blacks business of £14.9 million following our acquisition of the trade and assets of its fascias from its administrators in January 2012. We expect that this level of loss will be reduced in the current financial year.

Importantly, the core JD business across UK and Republic of Ireland increased its operating profit before exceptional items by £4.7 million following a strong trading performance in the year which has continued to date in the current financial year.

TAXATION

The effective rate of tax on profit has decreased by 1.6% to 25.2% primarily due to a decrease in the standard rate of UK corporation tax.

Excluding both exceptional items and prior year adjustments from the tax charge, the effective core tax rate has decreased from 27.7% to 26.1%. 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 tax relief and overseas subsidiaries being subject to higher rates of corporation tax than the UK rates.

EARNINGS PER SHARE

Basic earnings per share have decreased by 17.2% from 96.27p to 79.71p. 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 decreased by 16.4% from 105.89p to 88.51p.

DIVIDENDS

A final cash dividend of 22.00p per share is proposed, which if approved, would represent an increase of 3.8% on the final dividend from the prior year. Added to the interim dividend of 4.30p per share, this takes the full year dividend to 26.30p, which is an increase of 4.0% on the prior year. The full year dividend has therefore grown by 46% in 3 years.

NET CASH AND TREASURY FACILITIES

The year end net cash position has decreased by £14.7 million to £45.6 million. Capital expenditure (including payments made for key money in France) decreased slightly in the year by £2.2 million to £43.5 million. The capital expenditure in the year includes £9.5 million in France (2012: £4.7 million) and £6.8 million in Spain (2012: £2.1 million). A further £3.4 million was spent on the Blacks store portfolio in the year.

In spite of the heavy level of capital expenditure and cost of acquisitions, the Group generates significant amounts of cash in its operations giving the Board the confidence to deliver a further enhancement in dividends to shareholders.

The working capital cycle means that the Group uses the £60 million revolving credit facility and £15 million working capital facility during the year although we continue to look for opportunities to reduce the seasonal demand on these facilities.

The existing facilities have been used to fund both the capital expenditure and investment activity in the year with no other Group facilities put in place. The Board believes that the current overall structure of revolving credit facility and overdraft is the most flexible and efficient way of dealing with the short term seasonal peaks in the working capital cycle.
However, it is likely that we will increase these facilities in the current year to enable us to continue to make acquisitions when opportunities occur.

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 the inherent short term nature of both the revolving credit facility and working capital facility. This position is reviewed regularly, along with the level of facility required.

Trade creditors continue to be paid to terms to maximise settlement discounts with the period end creditor days being 40 (2012: 39).

FOREIGN EXCHANGE EXPOSURES

The Group's principal foreign exchange exposure continues to be on the sourcing of own brand merchandise from either the Far East or Indian Sub-Continent 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.

The Group's forecast requirement for US Dollars in the period to January 2014 is now $121 million. Cover is in place for 2013 for $108 million meaning that the Group is currently exposed on exchange rate movements for $13 million of the current year's estimated requirement.

The Group is also exposed to the movement in the rate of the Euro from the sale of its UK sourced stocks to its subsidiaries in Europe. However, the Group has a natural hedge on this exposure as the Euros received for that stock are then reinvested back in those European subsidiaries to fund the development of both new stores and refurbishments.

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:

RETAIL SPECIFIC

BRANDS

Risk and impact: The retail fascias offer a proposition that has a mixture of third party and own brand product. These fascias are heavily dependent on the products and the brands themselves being desirable to the customer if the revenue streams are to grow. Therefore, the Group needs all of its third party and own brands, including brands licensed exclusively to it, to maintain their design and marketing prominence to sustain that desirability.

Further, the Group is also subject to the distribution policies operated by some third party brands.

Example of mitigation: Ultimately, the Group seeks to ensure it is not overly reliant on a small number of brands by offering a stable of brands which is constantly evolving. This includes actively seeking additional brands which it can either own or license exclusively.

RETAIL PROPERTY FACTORS

Risk and impact: 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 leading to reduced footfall and potentially lower sales volumes.

Example of mitigation: Wherever possible, the Group will seek either to take out new leases for a period not exceeding 10 years and to negotiate earlier lease breaks, thereby limiting this potential exposure and affording the Group increased flexibility to respond to such changes.

When the Group determines that the 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.

The Group is mindful of current economic factors and the adverse impact on the potential for disposal from the high volume of vacant units already available as a consequence of a number of retailers going out of business in recent years.

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 monitors the financial condition of the assignees closely for evidence that the possibility of a store returning is more than remote and makes a provision for the return of stores if this risk looks probable. The Board reviews the list of assigned leases regularly and is comfortable that appropriate provisions have been made where there is a probable risk of the store returning to the Group under privity of contract and, other than as disclosed in note 25, they are not aware of any other stores where there is a possible risk of these stores returning.

WAREHOUSE OPERATIONS

Risk and impact: The Group's new warehouse in Rochdale became operational during 2012. The increased centralisation of stock and the automation within the picking process will bring significant operational and cost benefits but there is an increased risk to store replenishment from both equipment and system failure, together with the inherent risk of having all the stock in one location.

Example of mitigation: The Group has worked with its insurers on a robust Business Continuity Plan which came into effect once the new warehouse became operational in mid 2012. In addition, there is a full support contract with our automation equipment providers which includes a 24/7 presence from a qualified engineer thereby enabling immediate attention to any equipment issues.

SEASONALITY

Risk and impact: 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.

Example of mitigation: The business monitors stock levels through sales forecasting to manage the peaks in demand and to predict trading profiles.

IT

Risk and impact: 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 has historically been ideally suited to the operations of the business but it has always been heavily reliant on a very limited number of key development staff who have now left the business. This risk has been mitigated by improving documentation of the system and recruiting external developers to support the system. However, the Board are mindful that it is difficult to recruit people with the relevant technical knowledge of the language that the legacy system is written in.

Example of mitigation: The Board has started a programme to replace the legacy enterprise system. However, whilst a move to a third party system will reduce the risks in the current system there is significant execution risk during the migration work which could take a number of years to complete. Further, the introduction of a third party system will bring additional costs both in terms of the initial development and ongoing support.

Any long term interruption in the availability of the core enterprise system would have a significant impact on the retail businesses. The Group manages this risk by the principal IT servers being housed in a third party location which has a mirror back up available should the primary servers or links fail.

LOSS OF BUSINESS CAUSED BY TERRORISM, RIOTS OR NATURAL DISASTER

Risk and impact: Acts of terrorism, riots and natural disasters can all adversely impact sales and inventories.

Example of mitigation: The Group has insurance policies in place to cover the risk of stock loss, property expenditure and loss of trade in the event of a riot, terrorism or natural disaster. The standard cover for loss on trade is one year but some stores have extended periods of cover where a rebuild would take in excess of one year. This insurance also extends to situations where the Group's trading location may not be directly affected but where we are prevented from trading by a refusal of access.

ALL BUSINESSES

ECONOMIC FACTORS

Risk and impact: As with other retailers and distributors into retail businesses, 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 there are significant cutbacks within national and local government and so many consumers have had to cut back on non-essential spending.

Example of mitigation: The Group seeks to manage this risk by offering a highly desirable and competitively priced product range, which is differentiated from that of the Group's competitors.

INDIRECT TAXATION

Risk and impact: The Board are mindful of the fact that Governments across Europe are seeking to raise their tax yields to deal with their nation's long term deficit. One way that a number of governments have done this is by increasing the rate of Value Added Tax. In regard to the Group's current locations, there have been rises in the last 18 months in the Republic of Ireland and Spain. The Board is conscious of potential future rises in Value Added Tax.

When Value Added Tax is raised part way through season then the Group's businesses cannot pass the rise on as the price of the product is already known by the consumers in the relevant retail market. It is not always possible to pass on rises in new season product as to do so could make the product unattractive to the consumer. The Group's retail businesses are mindful of the potential for 'ticket shock' where customers are introduced to price points that they have not been used to seeing in a store.

Example of mitigation: Wherever possible the Group's businesses look to work with their respective suppliers on ensuring that the cost of the product is maintained at a level that makes it possible to achieve an appropriate margin. We are also investing additional time and effort in ensuring that markdown activity is reduced through strong and focused merchandising.

In the Group's Distribution businesses the Board are mindful of the fact that they are acting as supplier and so face the reverse pressure from their Retail customers.

RELIANCE ON NON-UK MANUFACTURERS

Risk and impact: The majority of both third party branded product and the Group's own branded product is sourced outside of the UK. The Group is therefore exposed to the risks associated with international trade and transport as well as different legal systems and operating standards. Whilst the Group can manage the risk in the supply chain on its own and licensed products, it has little control over the supply chain within the third party brands. As such, the Group is exposed to events which may not be under its control.

Example of mitigation: The Group works with its 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.

COSTS

Risk and impact: During the year the Group faced increased costs in fuel and other energy with the cost of fuel in particular increasing further in the current year.

Example of mitigation: A number of measures have been introduced in recent years to reduce the impact of fuel and other energy cost rises:

- Appropriate software used to manage the distribution of product to stores so that vehicles are fuller and fewer vehicle journeys made
- The Group's new distribution facilities have been designed to accommodate double deck trailers
- Annual fixed price contracts agreed on electricity

INTELLECTUAL PROPERTY

Risk and impact: The Group's trademarks and other intellectual property rights are critical in maintaining the value of the Group's own brands. Ensuring that the Group's businesses can use these brands exclusively is critical in providing a point of differentiation to our customers and without this exclusivity we believe that footfall into the stores, visits to our websites and ultimately conversion of these visits into revenues would all be reduced.

Example of mitigation: The Group therefore works with third party organisations to ensure that the Group's intellectual property is registered in all relevant territories. The Group also actively works to prevent counterfeit product being passed off as legitimate.

PERSONNEL

Risk and impact: 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.

Example of mitigation: To help achieve this continued service, the Group has competitive reward packages for all of its staff.

More specifically for the retail businesses, the Group also has a long established and substantial training function which seeks to develop training for all levels of retail employees 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.

TREASURY

Risk and impact: Whilst the Group does not have any borrowings from its core syndicated facility as at the year end date, it does utilise the facility through the working capital cycle with interest on any borrowings at variable rates linked to LIBOR. Further details of the Group's interest rate risk are provided in note 23 on page 109.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures but primarily with respect to the US dollar on the purchase of stocks of own brand merchandise where an unhedged strengthening of the US Dollar relative to Sterling would increase the cost of this merchandise and potentially ultimately lead to reduce margins.

Example of mitigation: The foreign exchange risk is managed through the use of appropriate foreign currency contracts. Further information is also provided in note 23 on page 109.

ACQUISITIONS IN NEW GEOGRAPHICAL MARKETS

Risk and impact: The Group has expanded its international presence significantly recently into a tough international economic climate.

Example of mitigation: Wherever possible, this expansion is undertaken by way of acquisition of a local business where there is a strong local management team who are familiar with the market and country that they operate in. We look to incentivise this management team through an appropriate reward structure which compensates them at an appropriate level for the achievement of demanding yet realistic performance targets.

Brian Small
Group Finance Director
17 April 2013

PROPERTY AND STORES REVIEW

UK

Our retail property strategy across all our various fascias, including the recently acquired Outdoor stores, is to have modern, efficient and attractively presented stores located in prime locations with strong footfall. We maintain our belief that the vibrant presentation of our stores increases the attractiveness and desirability of our product and provides our stores with a real point of difference. Consequently, we have continued to invest heavily in the store portfolio both in terms of new stores and major refurbishments of existing space. This has included initial investment in the Blacks property portfolio with pleasing results to date. After years of underinvestment, the Outdoor portfolio will require considerable investment over a sustained period of time to bring the stores up to standard.

27 new stores opened in the period (being 18 Sports Fascia stores, eight Fashion Fascia stores and one Outdoor Fascia store) with 16 stores refurbished (being nine Sports Fascia stores and seven Outdoor Fascia stores). These refurbishments included two locations where we upsized by taking either all or part of a neighbouring unit.

We have 10 vacant stores in the UK which are not sublet in any way and we continue to look at options for sublets or utilising this space within our existing fascias, even if only in the short term, although we are mindful of the potential cannibalisation impact this may have on other nearby stores.

The 18 new Sports Fascia stores included nine stores in new locations with the remainder being relocations in towns or malls to either larger space or a position of greater footfall. During the year, we also converted one existing Bank store to JD as we believed this would maximize the performance of this particular store. 22 Sports Fascia stores were closed in the period. These closures included a number of secondary towns where there is simply insufficient footfall to make a store economically viable. At the end of the period The Sports Fascias had a total of 344 stores which included 22 Size? stores.

The eight new Fashion Fascia stores included six new Bank stores. These new stores included three towns where we have opened up a temporary ‘Pop Up’ store initially whilst we assess the potential for the location.

We believe this flexible approach will benefit the development of Bank, particularly in areas where it is currently poorly represented, as it enables us to open a store quickly and economically, on initially a short term lease taking advantage of the ‘soft’ property market that exists in many locations. If the store develops sufficiently then we will consider taking a longer lease and making further investment in the store. We also opened two new Tessuti stores in the year following our acquisition of this business during the year. No new Scotts stores were opened in the year with three stores closed. At the end of the period we had 131 Fashion Fascia stores in the UK being 84 Bank stores, 32 Scotts stores and 15 Premium Fashion stores (combined Originals, Cecil Gee and Tessuti). Tessuti will be our long term premium fashion fascia.

After protracted discussions with landlords on the Blacks property portfolio, we now believe that we are developing a property portfolio which will be sustainable in the longer term with stores in the right locations at the right rents. We have started to invest in this portfolio with one new store and seven other stores refurbished in the period. We have trialled several different concepts in these initial refurbishments and will apply the learnings to future investment. We believe that we will refurbish approximately 15 further stores in the current year. At the end of the period, after making 122 closures in the year we had 174 Outdoor Fascia stores. We would anticipate closing up to around 30 more stores in the current year.

We have approximately 50 stores with lease expiries in the current financial year and any decision to extend an individual lease will need to take into account the prospects for retail occupancy in the town concerned, consumer footfall and the terms on offer.

REPUBLIC OF IRELAND

One new JD store in Limerick was opened in the period with three existing Champion stores converted to the JD fascia. We also opened our first Bank store in the Republic of Ireland in the period at Liffey Valley in Dublin. We are encouraged by the early performance of this store.

At the end of the period, we had 29 stores in the Republic of Ireland being 17 Champion stores, 10 JD stores, one Size? store and one Bank store. We believe this is a satisfactory footprint which we can exploit in the future, particularly when economic conditions improve.

FRANCE

We believe that the JD fascia is starting to develop some momentum in France. During the year we opened a further five stores including four in malls around Paris where our performance has been particularly encouraging to date. Elsewhere, we also opened a JD store in Rouen and we opened our first Size? store in France near the busy Les Halles shopping mall and Metro interchange in the centre of Paris.

We will continue our development of the JD business in France in the current year and at this stage we are planning for a further five new stores as a minimum in the year. We are working with property agents in the country to identify additional sites whether they be individual units or a package of units from retailers looking to exit their stores.

It is still our belief that the JD fascia is best suited to the major metropolitan areas and Chausport is more suited to the smaller regional towns and centres. We have opened five Chausport stores in the period of which four were in new locations and we have also refurbished a further six stores. Investment in new stores and refurbishments for Chausport will continue at a similar level in the current year. Four smaller Chausport stores were closed in the period.

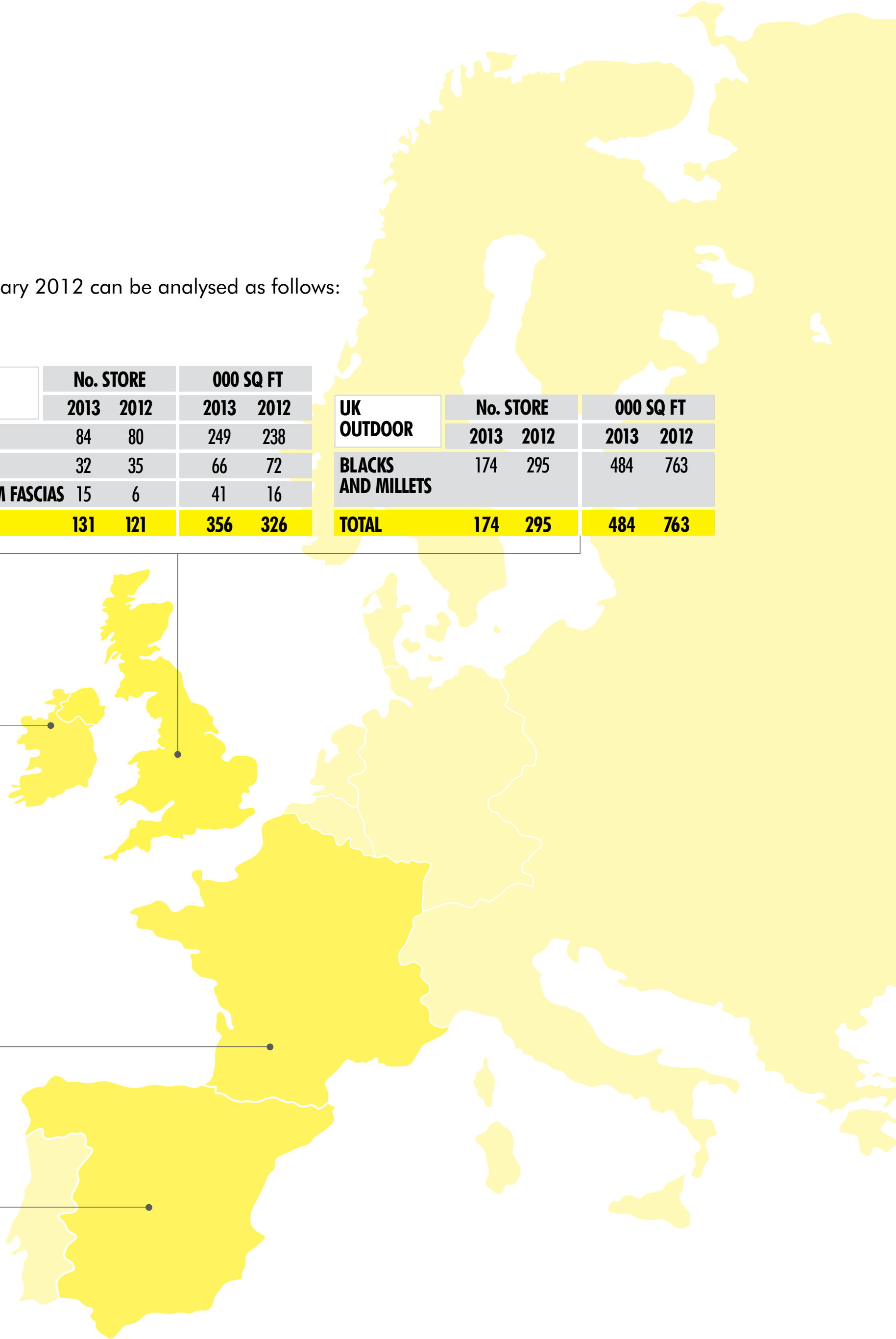
SPAIN

We opened our first JD stores in Spain in the period with four new stores and the conversion of one pre-existing Sprinter store. Two of these initial stores are in malls around Madrid with two stores also in Granada. One further store has opened to date in the current financial year and at this stage we would anticipate opening approximately three further stores in the current year.

Sprinter’s core store base is located primarily in out of town retail parks in the provinces of Andalucia and Levante with a minimal presence elsewhere in Spain. In the period, we opened a further five new stores of which three were in areas where Sprinter is not currently well represented. The performance of these stores has reinforced our view on the potential of Sprinter in the whole of Spain and consequently we will look to maintain this momentum in store openings and at this stage we would anticipate opening approximately 10 new stores in the current financial year.

STORE PORTFOLIO

The store portfolio at 2 February 2013 and 28 January 2012 can be analysed as follows:



UK SPORT	No. STORE 2013	No. STORE 2012	000 SQ FT 2013	000 SQ FT 2012
JD	319	320	1134	1115
SIZE?	22	22	28	32
FIRST SPORT	3	5	8	15
TOTAL	344	347	1,170	1,162

UK FASHION	No. STORE 2013	No. STORE 2012	000 SQ FT 2013	000 SQ FT 2012
BANK	84	80	249	238
SCOTTS	32	35	66	72
PREMIUM FASCIAS	15	6	41	16
TOTAL	131	121	356	326

UK OUTDOOR	No. STORE 2013	No. STORE 2012	000 SQ FT 2013	000 SQ FT 2012
BLACKS AND MILLETS	174	295	484	763
TOTAL	174	295	484	763

ROI SPORT	No. STORE 2013	No. STORE 2012	000 SQ FT 2013	000 SQ FT 2012
JD	10	7	38	20
SIZE?	1	1	1	1
CHAMPION	17	20	75	92
TOTAL	28	28	114	113

ROI FASHION	No. STORE 2013	No. STORE 2012	000 SQ FT 2013	000 SQ FT 2012
BANK	1	–	3	–
TOTAL	1	–	3	–

FRANCE SPORT	No. STORE 2013	No. STORE 2012	000 SQ FT 2013	000 SQ FT 2012
JD	10	5	24	9
SIZE?	1	–	2	–
CHAUSPORT	75	74	84	82
TOTAL	86	79	110	91

SPAIN SPORT	No. STORE 2013	No. STORE 2012	000 SQ FT 2013	000 SQ FT 2012
JD	5	–	14	–
SPRINTER	53	49	643	603
TOTAL	58	49	657	603

GROUP TOTAL

YEAR	TOTAL STORE COUNT		GROUP TOTAL	TOTAL 000 SQ FT		SQ FT TOTAL
2013	SPORT	516	822	SPORT	2,051	2,894
	FASHION	132		FASHION	359	
	OUTDOOR	174		OUTDOOR	484	
2012	SPORT	503	919	SPORT	1,969	3,058
	FASHION	121		FASHION	326	
	OUTDOOR	295		OUTDOOR	763	

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.

RETAIL BUSINESSES

EMPLOYMENT

The Group is a large equal opportunities employer and a large training organisation with the Group's retail businesses providing direct employment and career development to thousands of people, both in the UK and internationally. The Group employs large numbers of school leavers and university graduates and participates regularly in work experience schemes with schools and colleges. Retail personnel across all levels within the Group's core UK, Republic of Ireland and JD France and Spain fascias are encouraged to take ownership of their own careers and to actively seek development and progression.

Training

The Group recognises that Training and Development for all levels of personnel is vital to maximise performance levels and also provides a mechanism for increasing morale and retention. This ensures that knowledge of the Group's differentiated product offering is not lost, thereby enhancing customer service.

Training for the UK and Republic of Ireland stores is provided by the Group's long established training function which is now based at a purpose built facility in the recently opened Kingsway warehouse. This training function also designs bespoke programmes for the managers and assistant managers of the JD stores in mainland Europe to ensure that they operate their stores to standards consistent with those in the UK and Republic of Ireland.

Training received by all retail personnel is quality controlled and measured via the use of electronic assessments. These electronic assessments cover all progression levels within the business. With 25 types of electronic assessments available to complete across all retail fascias throughout the year ending January 2013 over 100,000 electronic assessments have been completed and passed by the retail team members and Management within the Group.

Training and Development is provided across a number of areas:

	No. of courses in a year	Length of course	Number of attendees on each course
New Management Induction	19	5 days	20
Training Academy	3	12 weeks	22
Junior Management Development	60	4 hours	10
Various Management Development	22	1 day	10

Elsewhere, the training function will design and implement bespoke training plans where appropriate. This includes the training plan which was devised in Spring 2013 for 175 members of the Blacks store management team to ensure a smooth transition onto the Group till and store systems.

Chausport and Sprinter operate their own training programmes which are more suited to those particular fascias.

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.

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'. This department also produces a booklet four times a year for distribution within the Group's Head Office and Warehouse called People 1st.

We have recently introduced a regular Q & A forum in which representatives of the Group have the opportunity to speak directly with the Executive Chairman and ask him questions on behalf of their respective departments. The content of these sessions is distributed widely.

HEALTH AND SAFETY

We are committed to ensuring a safe environment for all of our employees and customers and actively encourage a positive Health and Safety culture throughout the organisation. The Group recognises its responsibility for Health and Safety and there is accountability throughout the various management levels within the business. Our commitment to Health and Safety is best evidenced as follows:

- The Health and Safety team has been strengthened in the year to ensure that the procedures already developed in the existing fascias are established within the recently acquired companies
- We have continued to develop a comprehensive induction and training programme which is regarded as an essential part of our commitment to Health and Safety. Targeted safety awareness campaigns are run regularly throughout the year and a monthly newsletter ensures that the safety message is communicated effectively throughout the Group
- Our Health and Safety Committee meets three times a year allowing every employee the opportunity to raise any safety concerns through their nominated representative
- The Health and Safety team has input into all our new and refitted stores from the initial design through to opening. The team conducts its own audit programme to ensure the highest safety standards during the construction phase of all our shop-fit projects
- The Health and Safety team regularly review the management processes we have in place, with the aim of maintaining our high standards, whilst adapting to business and legislative changes
- Targets are set to enable measurement of performance. During the year we have seen positive improvements in these areas demonstrating the further development of a positive safety culture within the organisation including:

  a) Reportable employee accident numbers have reduced by 20%

  b) Local authority and fire service enforcement action decreased by 80%

  c) Local authority and fire service inspection numbers both decreased by 24%

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

The Group Finance Director has overall responsibility at a Board level for all environmental matters in the Group. The Board are committed to expanding on its reporting of Key Performance Indicators in this area.

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. This policy applies to the acquired businesses where we work closely with the local management after acquisition to identify gaps and implement group policies.

The Group maintains a Carbon Management Programme ('CMP') which is sponsored by the Group Finance Director and is reviewed regularly. The objectives of this programme are to:

- Understand the drivers and timing of usage by continued investment in energy 'smart' meters. This has been achieved in over 360 of the Group's sites in the UK and Republic of Ireland with further rollout planned. Combined with the stores where accurate and timely usage data is already received from mandatory half hourly meters, this means that in excess of 93% of the UK and Republic of Ireland electricity consumption and 72% of gas consumption is automatically measured every 30 minutes
- Reduce usage in non-trading periods 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. This training is expanding across our acquired businesses through its inclusion in the Group's standard training programme
- 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 UK Environment Agency is aggregated with that of Pentland Group Plc who are the Group's ultimate parent company (see note 35). The Group continues to work closely with Pentland Group Plc on ensuring an efficient process with regards to the emissions trading scheme which was introduced in April 2010, as part of the CRC.

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 2012 data has been updated to reflect store movements and the transition of our distribution operations in the current year:

	2013	2012	% Change
Energy Usage - Electricity (MWh)	48,185	51,835	-7%
Energy Usage - Natural Gas (MWh)	1,820	1,822	-0%
Total Energy Use (MWh)	50,005	53,657	-7%
Carbon Footprint (Tonnes CO2)	26,211	28,182	-7%

The Group has pledged to reduce its combined energy usage in its like for like businesses from these levels by 3% year on year on a 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 continued to invest in replacing inefficient air conditioning systems in its businesses. A further 9 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 current year both in the UK & Europe. In addition, after trialling the use of LED lamps for retail lighting in the UK last year, the Group has now adopted these lamps as standard in our retail businesses across Europe. These lamps reduce the electricity required for retail lighting by 30% compared to the bulbs that they will be replacing.

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 the year to 1 February 2014:

- Expand the CMP to widen the awareness campaign, through better training, improved communication and reporting across like for like and acquired businesses
- Retrofit LED lamps in existing retail outlets
- Further investment in building management systems to allow remote monitoring and control of building services

The Group is also aware of the need to purchase energy competitively from sustainable sources wherever possible. The Group has expanded its supply contract with Airtricity in Northern Ireland and Republic of Ireland so that the supply of electricity from renewable sources also now includes the Bank and Champion Sports fascia stores. The Company has also agreed to continue its contract with British Gas in the UK (except Northern Ireland) to supply electricity from renewable sources. This means that JD Sports Fashion Plc and the majority of its businesses based in UK and Republic of Ireland now get 100% (2012: 100%) of their electricity from sustainable sources. We will migrate acquired businesses to these contracts as soon as we are able.

Recycling

Recycling is split into a number of elements:

- Wherever possible, cardboard (the major packaging constituent) is backhauled from stores to the Group's distribution centres. The cardboard is then baled and passed to recycling businesses for reprocessing. The relocation of the Group's core UK warehouse facilities meant that there was a need to clear the former sites and so there was a one off increase in the recycling of cardboard in the year to 651 tonnes (2012: 465 tonnes). We would not expect the recycling to be maintained at this level in the current financial year
- We have ensured that the new Kingsway facility has the facilities to separate out a number of recyclable items in their working processes including wood and metal. During the year, we also changed the operational processes such that soft plastics are now extracted with this waste now baled and recycled
- Larger volumes of 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 2,078 trees (2012: 566 trees). This large increase is again a one off impact from the relocation of the warehouse facilities as we took the opportunity to review and reduce the amount of material that had been archived previously

- Our primary warehouse facility at Kingsway and the Group Head Office operate a Dry Mixed Recycling ('DMR') scheme which allows us to recycle smaller quantities of cardboard, office paper, plastics and metal containers easily through the provision of DMR bins throughout these facilities
- Photocopier and printer toners (laser and ink) are collected and recycled for charity by Environmental Business Products Limited
- Food waste is separated where possible and reused in the production of compost

We have established a new Key Performance Indicator in this area and can report that in the period to 2 February 2013 we recycled 87% of our DMR waste with the remainder being used as an energy-from-waste (EfW) material. We will continue to expand our use of the DMR scheme, where possible, to all our stores and businesses in the UK & Ireland to divert as much waste as possible away from landfill.

We are pleased to report that we have achieved our aim of making the Kingsway Distribution Facility a 'zero waste to landfill' facility.

Plastic bags

Approximately 32% of the bags issued by the Group like for like businesses 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

The use of this material has also been adopted in an additional 60% of the Group's plastic bags handed out to customers. The Group uses paper-based bags rather than plastic bags in its stores in the Republic of Ireland and we are also fully compliant with the carrier bag charge scheme in Wales and, more recently, Northern Ireland which was introduced on 1 April 2013.

RETAIL AND DISTRIBUTION BUSINESSES

ETHICAL SOURCING

The Group seeks to provide its customers with high quality and value merchandise from suppliers who can demonstrate compliance with internationally accepted core labour and ethical standards throughout their supply chain. These standards are based upon the provisions of the Ethical Trading Initiative ('ETI') Base Code and specifically cover areas such as wages, working hours, Health and Safety and the right to freedom of association.

The Group requires all of its suppliers, both existing and new, to formally commit to implementing the provisions of the ETI Base Code throughout their supply chains. Prior to any orders being placed, all new suppliers are required to complete the Group's risk assessment form to indicate their degree of compliance to the ETI Base Code. All existing suppliers are also required to conduct this assessment on an annual basis. These forms are reviewed by the Group's Compliance team and any areas of concern with regard to potential non-compliance are investigated when visiting the factories concerned.

These reports are shared by the Group in a central base and those travelling are encouraged to take all documentation from the base with them when visiting the factories so that follow up can be done on a continual basis.

The Group has engaged Sercura to complete an audit and compliance programme of the Group's current suppliers to the ETI Base Code standard. Sercura is a global quality and compliance solutions provider which performs factory audits. In the year to 1 February 2014, 50% of the current supplier base will be visited and audited with the results reported to the Group Sourcing and Supply Chain Manager.

Due to the diverse nature and scope of the supply chain, it is not always possible to visit all of the factories directly. Where instances of non-compliance are identified from the risk assessment forms and the supplier cannot be visited, they are required to confirm what corrective actions are being undertaken to resolve the issue. These actions will be verified directly by the Group's Compliance team as soon as practically possible on a future visit.

All suppliers are contractually obliged to comply with the Group's Conditions of Supply which includes a specific policy on 'Employment Standards for Suppliers'.

COMMUNITY ENGAGEMENT

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

JD Sports Fashion Plc is pleased to report a three year commitment to The Christie Hospital to help raise £500,000 for the teenage cancer unit. The fundraising events to date include Team JD running the BUPA Great Manchester Run in May 2012 and recently the JD Sports Diamond Ball was held which raised £147,000. The total raised so far for The Christie is £217,000.

The funds raised through the partnership will enable The Christie to build and develop the UK's premier young oncology unit, helping to fund vital research into new treatments, provide equipment, counseling, activities for the young patients, support for their families who find themselves in financial hardship and provide overnight accommodation to parents.

Other examples of community engagement include:

- JD Sports Fashion Plc sponsored the Once Upon A Smile celebrity football team for £10,000 which play throughout the year at tournaments to raise money for the charity. Once Upon A Smile was founded in 2011 and are a UK based charity offering a source of support to families who have suffered the loss of a child or parent (and have young children) from a long term or terminal illness
- JD Sports Fashion Plc made a donation of £7,550 to the charity 'Kids Company'. The Charity provides practical, emotional and educational support to vulnerable inner-city children and their services reach 17,000 children across London
- JD Sports Fashion Plc is sponsoring 60 children at the Udavum Karangal orphanage in Coimbatore, India. In the year to January 2013 donations of £5,000 were made to the orphanage as well as donations of T-Shirts, water bottles, footballs and caps
- Sponsorship of a local cricket team for £4,800
- Donations by JD Sports Fashion Plc to The Marina Dalglish Appeal of £3,800 to improve cancer treatment facilities in Liverpool

POLICY ON ACQUIRED BUSINESSES

The Group has acquired a number of retail and distribution businesses in recent years, and acknowledges that the high standards which the core retail businesses have historically operated to need to be replicated in the wider global Group.

After making an acquisition, staff from the core retail businesses with the relevant knowledge and experience, work with the management teams at these acquired businesses. The initial focus is to help the local management analyse their position against these standards with action plans developed as necessary.

Our experience to date is that the businesses which we have acquired generally operate to standards similar to those of existing Group companies and so little action has been necessary to bring them up to the required level.

Standards of the existing Group companies, along with any future acquisitions, will continue to be monitored, with action taken to maintain Group standards as required.

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THE BOARD

PETER COWGILL

Executive Chairman and Chairman of the Nomination Committee - aged 60

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 Officer - aged 51

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 56

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 71

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.

ANDREW LESLIE

Non-Executive Director, member of the Audit, Remuneration and Nomination Committees - aged 66

Andrew was appointed to the Board in May 2010. He has over 40 years of experience in the retail, footwear and apparel sectors. He was an Executive Board Director of Pentland Brands Plc, from which he retired in 2008. During his career, Andrew also held a number of senior positions with British Shoe Corporation, The Burton Group Plc and Timpson Shoes Limited.

MARTIN DAVIES

Non-Executive Director - aged 53

Martin was appointed to the Board in October 2012. He was previously Group Chief Executive of Holidaybreak Plc from 2010 until its sale to Cox and Kings Limited in 2011. He joined the Board of Holidaybreak Plc in 2007 when it acquired PGL where he had been Chief Executive. He left Holidaybreak Plc in 2012. Previously, he has had roles at Allied Breweries, Kingfisher and Woolworths.

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of JD Sports Fashion Plc (the 'Company') and its subsidiaries (together referred to as the 'Group') for the 53 week period ended 2 February 2013.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Group is the retail and distribution of branded sportswear, fashionwear and outdoor clothing and equipment.

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 in the following sections of this Annual Report:

- Summary of Key Performance Indicators (page 4)
- Executive Chairman's Statement (pages 19 to 26)
- Financial and Risk Review (pages 28 to 31)
- Property and Stores Review (page 32 to 34)
- Corporate and Social Responsibility (pages 35 to 39)

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 48 to 51) and the Directors' Remuneration Report (pages 54 to 59) are incorporated by reference into, and are deemed to form part of, this report.

BUSINESS STRATEGY AND OBJECTIVES

The Group is a leading retailer of branded sportswear, fashionwear and outdoor clothing and equipment in the UK and Europe. We will sustain this position through ongoing investment in the retail portfolio and the acquisition of brands which we can develop and exploit to ensure our overall product offering remains both unique and appealing to our fashion conscious customers.

The Group also intends to continue to enhance its international retail presence through organic growth and acquisitions, where suitable opportunities arise replicating the same standards as in the UK whilst ensuring that the product offer remains locally relevant.

Our ultimate objective is to deliver longer term earnings growth and sustained shareholder returns.

In working towards our objectives, we aim to act in a responsible manner in all our dealings with our key stakeholders including our employees, customers and suppliers.

SHARE CAPITAL

As at 2 February 2013 the Company's authorised share capital was £3,107,500 divided into 62,150,000 ordinary shares of 5p each. As at 2 February 2013 the Company's issued share capital was £2,433,083 comprising 48,661,658 ordinary shares of 5p each. There have been no changes in the year.

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 2012 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 2 February 2013 and their connected persons in the Company's ordinary shares are shown below:

	Ordinary shares of 5p each	
	2 February 2013	28 January 2012
P Cowgill	410,263	410,263
B Bown	5,676	5,676
B Small	23,950	23,950
C Archer	22,621	22,621
	462,510	462,510

There has been no change in the interests of the Directors or their connected persons between 2 February 2013 and the date of this report.

SUBSTANTIAL INTERESTS IN SHARE CAPITAL

As at 2 February 2013 the Company has been advised of the following significant holdings of voting rights in its ordinary share capital pursuant to the Disclosure and Transparency Rules of the Financial Services Authority ('DTRs'):

	Number of ordinary shares/voting rights held	% of ordinary share capital
Pentland Group Plc	27,963,722	57.47
Sports World International Ltd	5,775,255	11.87
Aberforth Partners*	4,711,740	9.68

*Aberforth Partners LLP have a further non-voting holding of 1,906,104 ordinary shares.

The Company has not been notified of any change in interests pursuant to the DTRs between 2 February 2013 and the date of this report.

DIRECTORS

The names and roles of the current Directors together with brief biographical details are given on page 42. The Directors are responsible for the management of the business of the Company and, subject to law and the Company's Articles of Association ('Articles'), the Directors may exercise all of the powers of the Company and may delegate their power and discretion to committees.

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

The Articles give the Directors power to appoint and replace directors. 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.

The Articles require that, 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.

However in accordance with the UK Corporate Governance Code the Board has determined that all Directors will stand for re-election at the 2013 AGM.

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.

CHANGE OF CONTROL - SIGNIFICANT AGREEMENTS

In the event of a change of control of the Company, the Company and the lenders of the £75 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.

CONTRACTUAL ARRANGEMENTS ESSENTIAL TO THE BUSINESS OF THE GROUP

The Board considers that continuing supply from Nike and adidas, being the main suppliers of third party branded sporting products, to the Group's core sports fashion retail operation is essential to the business of the Group.

EMPLOYEES

The Group communicates with its employees through team briefs and 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 on pages 54 to 59.

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 2 February 2013 the Group did not make any political donations (2012: £nil) and made charitable donations of £46,000 (2012: £61,000). An analysis of the major donations made in the year is shown in the Corporate and Social Responsibility report on page 39.

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 40 (2012: 39).

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

AUDITOR

Our auditor, KPMG Audit Plc, has instigated an orderly wind down of business. The Board has decided to put KPMG LLP forward to be appointed as auditor and resolution concerning their appointment will be put to the forthcoming AGM 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 1pm on 27 June 2013 at Edinburgh House, 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.

By order of the Board

J M Brisley

Jane Brisley
Company Secretary
17 April 2013


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CORPORATE GOVERNANCE REPORT

UK CORPORATE GOVERNANCE 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 UK Corporate Governance Code published by the Financial Reporting Council in June 2010 ('the Code') and the extent to which the Company has complied with the provisions of the Code.

THE BOARD

The Board consists of six directors: an Executive Chairman, two other Executive Directors and three Non-Executive Directors. The name, position and brief profile of each Director is set out on page 42.

Composition of the Board is kept under review and changes are made when appropriate and in the best interests of the Group. Martin Davies was appointed to the Board as a Non-Executive Director on 1 October 2012. Chris Bird stood down as a Non-Executive Director with effect from 30 September 2012. 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 independence of the Non-Executive Directors is considered by the Board on an annual basis. All three Non-Executive Directors are considered to be independent by the Board. Colin Archer has served on the Board for more than nine years, having been appointed on 6 November 2001. The Board considers Mr Archer to be independent for the purposes of the Code as, in the Board's view, he continues to be independent in character and judgement notwithstanding his length of service. Andrew Leslie was appointed to the Board in May 2010 and is considered to be independent by the Board for the purposes of the Code. Andrew Leslie was formerly an executive director of Pentland, the Company's largest shareholder. Andrew Leslie does not represent the interests of Pentland on the Board and retired from Pentland in 2008. The Board believes that all three Non-Executive Directors have provided ample guidance to the Board and perform an effective role in challenging the Executive Directors when appropriate.

From time to time the Executive Chairman meets with the Non-Executive Directors without the other Directors present to discuss Board performance and other matters considered appropriate.

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 42 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.

Under the Company's Articles of Association, all Directors are required to retire and offer themselves for re-election every three years. However, in accordance with the Code, all Directors will retire and offer themselves for re-election at the 2013 AGM, with the exception of Martin Davies who, having been appointed during the period, will offer himself for election.

Board operation

The Board is responsible for the direction, management and performance of the Company. The Board held nine scheduled meetings during the year under review and ad hoc meetings were held between scheduled meetings where required. Directors' attendance at scheduled Board and Committee meetings is set out in the table below. The Board is responsible for providing effective leadership and promoting the 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 committees as set out below.

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. The Board has a formal procedure for Directors to obtain independent professional advice.

All Board members have full access to the Company Secretary who is a fully admitted solicitor and attends all Board and Committee meetings. The Company Secretary is responsible for advising 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 receive a tailored induction when they join the Board. Relevant training can be arranged as and when deemed appropriate.

The Board has established a formal process for the annual evaluation of the performance of the Board, its Committees and individual Directors. This has been conducted through the completion by each Director of a questionnaire prepared by the Company Secretary which encourages the Directors to give his opinions on Board and Committee procedures, operation and effectiveness as well as any other matter they wish to raise. The feedback from the evaluation process has been presented to the Board by the Executive Chairman. A separate questionnaire was completed by the Directors (other than the Executive Chairman) in relation to the performance of the Executive Chairman with the Senior Independent Director discussing the resulting feedback with the other Non-Executive Directors, taking into account the views of the other Executive Directors (excluding the Executive Chairman). Following due consideration the Board determined that an internal performance evaluation exercise was appropriate but will consider on an annual basis the value and appropriateness of an externally facilitated exercise.

The division of responsibilities between the Executive Chairman and Chief Executive Officer is in writing and has been agreed by the Board. The Chairman is responsible for overall Board leadership, corporate strategy and communication with major shareholders. The Chief Executive Officer's responsibilities are focused on the development of the Group's core retail operations.

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	Nomination Committee
Number of meetings in year	9	2	3	1
P Cowgill	9	2*	3*	1
B Bown	9	-	-	-
B Small	9	2*	3*	-
C Archer	9	2	3	1
C Bird [1]	5	1	2	1
A Leslie [2]	7	1	1	-
M Davies [3]	3	-	-	-

* P Cowgill and B Small attended the Remuneration Committee meetings and the Audit Committee meetings at the invitation of the members of those committees.

(1) C Bird served on the Board for part of the year, having stood down on 30 September 2012

(2) A Leslie was appointed to the Remuneration, Audit and Nomination Committees on 1 October 2012

(3) M Davies served on the Board for part of the year, having been appointed on 1 October 2012

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 are available for inspection on request and are available on the Company's corporate website www.jdplc.com.

Audit Committee

The Audit Committee currently comprises two independent Non-Executive Directors, Colin Archer (Chairman) and Andrew Leslie who was appointed to the Committee on 1 October 2012. Chris Bird was a member of the Committee until 30 September 2012. 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 performance and cost effectiveness of the external auditor.

The Audit Committee met three times in the year with the external auditor attending each meeting. Details of attendance at Audit Committee meetings are set out above.

In the year the Audit Committee's activities included:

- Reviewing the Group's draft financial statements and interim results statement prior to Board approval and reviewing the external auditor's detailed reports thereon including internal controls
- 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 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, audit fee and terms of engagement of the auditor
- Reviewing the independence of the Group's external auditor

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. These arrangements were reviewed during the year and deemed by the Committee to be appropriate.

A breakdown of the audit and non-audit related fees is set out in note 3 to the Consolidated Financial Statements on page 79. Non-audit work was comprised mainly of tax and project work in relation to the Company's acquisitions and was undertaken by the external auditor due to their knowledge and understanding of the Group's business and in the interests of efficiency. The Company has instructed other firms to provide non-audit services from time to time in prior years and the Audit Committee will keep the level of non-audit work performed by the auditor under review. The Audit Committee is satisfied that the level and scope of non-audit services performed by the external auditor does not impact their independence.

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 two independent Non-Executive Directors, Colin Archer (Chairman) and Andrew Leslie who was appointed to the Committee on 1 October 2012. Chris Bird was a member of the Committee until 30 September 2012.

The Committee's principal duties are to determine overall Group remuneration policy, remuneration packages for Executive Directors and senior management, the terms of Executive Director service contracts, the terms of any performance-related schemes operated by the Group and awards thereunder.

The Committee met twice during the year. Details of attendance at Remuneration Committee meetings are set out in the table on page 49.

Further details about Directors' remuneration are set out in the Directors' Remuneration Report on pages 54 to 59.

Nomination Committee

The Nomination Committee currently comprises the Executive Chairman and two independent Non-Executive Directors, Colin Archer and Andrew Leslie who was appointed to the Committee on 1 October 2012. Chris Bird was a member of the Committee until 30 September 2012.

The Committee's principal duties are to consider the size, structure and composition of the Board, ensure appropriate succession plans are in place for the Board and senior management and, where necessary, consider new appointments to the Board and senior management. From time to time the full Board performs some of the duties of the Nomination Committee.

The Nomination Committee met once during the year in order to consider Martin Davies' proposed appointment as a Non-Executive Director of the Company. After considering a number of potential candidates the Board identified Mr Davies as a new non-executive director and did not engage an external search consultancy or openly advertise in connection with his appointment.

The Company has recently strengthened its senior executive team through the appointment of Dave Williams as Group Commercial Director and Patricia Lee as Group Supply Chain and Change Director. Dave Williams, who joined the Company in November 2012, has held a number of senior finance roles including Finance Director at Focus Wickes and Chief Financial Officer at JJB. Patricia Lee, who joined the Company in April 2013, was previously Warehouse and Distribution Director at Next and Group Operations Director at New Look.

The Board's overriding aim is to make appointments based on merit and against objective criteria.

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 comprehensive reports from the external auditor in relation to the financial statements and the Group's system of internal controls.

The Group has a formal whistle blowing policy in place enabling employees to raise concerns in relation to the Group's activities on a confidential basis.

The Board has reviewed the effectiveness of the Group's system of internal controls and believes this to be effective. 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 ongoing.

During the year under review the Company had an internal auditor who reported to the Audit Committee on a regular basis. The internal auditor is moving on to a role outside the Group during the current financial year and the Board will consider on an annual basis whether a replacement should be sought given the increasing centralisation of the Group and the continued effective role played by the Group's experienced Loss Control team in limiting shrinkage, theft and fraud. The Loss Control Director reports to the Board on a quarterly basis.

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 Executive Directors maintain an active dialogue with the Company's major shareholders to enhance understanding of their respective objectives. The Executive Chairman provides 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.

The Senior Independent Non-Executive Director is available to shareholders if they have concerns which have not been resolved through dialogue with the Executive Directors, or for which such contact is inappropriate. Major shareholders may meet with the Non-Executive Directors upon request.

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.

COMPLIANCE WITH THE CODE

The Directors consider that during the year under review and to the date of this report, the Company complied with the Code except in relation to the following:

- Code provision C.3.1 and D.2.1: During the year under review the Company did not comply with Code provisions C.3.1 and D.2.1, which require there to be three independent non-executive directors on the Audit Committee and Remuneration Committee respectively. Each such Committee was comprised of two independent non-executive directors. The Board will keep Committee composition under review
- Code provision B.6.2: The Board did not conduct an externally facilitated evaluation exercise. The Board will consider on an annual basis whether an externally facilitated exercise is appropriate and would provide value for money

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

J M Brisley

Jane Brisley
Company Secretary
17 April 2013


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STARTER

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 Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ('the Regulations'). It has been prepared in accordance with the Companies Act 2006. The content of the Report under the section headed 'Audited Information' has been audited by the Group's auditor, KPMG Audit Plc.

The Board have reviewed the Group's compliance with the UK Corporate Governance Code (June 2010) ('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 except for Code provision D.2.1 relating to composition of the Remuneration Committee. Please refer to the section 'Compliance with the Code' on page 51 of this Annual Report.

The Report will be subject to an advisory shareholder vote at the Annual General Meeting ('AGM') on 27 June 2013.

UNAUDITED INFORMATION

REMUNERATION COMMITTEE

The Remuneration Committee (the 'Committee') comprises two independent Non-Executive Directors, being Colin Archer and Andrew Leslie. Andrew Leslie was appointed to the Committee on 1 October 2012. Chris Bird was a member of the Committee until 30 September 2012. Colin Archer is 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. Peter Cowgill, the Executive Chairman, Barry Bown, the Chief Executive Officer, and Brian Small, the Group Finance Director, have assisted the Committee when requested with regards to matters concerning key executives below Board level.

The Committee can obtain independent advice at the Company's expense where they consider it appropriate and in order to perform their duties.

The Committee is formally constituted with written Terms of Reference, which are available on the Company's corporate website www.jdplc.com. The Committee is willing to engage with any of the major shareholders or other representative groups where appropriate concerning remuneration matters.

The Committee is mindful of the Company's social, ethical and environmental responsibilities and is satisfied that the current remuneration arrangements and policies do not encourage irresponsible behaviour.

The Committee has met twice during the year under review with each member attending all the meetings. Details of attendance at the Committee meetings are set out on page 49.

REMUNERATION POLICY

The Group operates in a highly competitive retail and distribution environment and the Committee seeks to ensure that the level and form of remuneration is appropriate to attract, retain and motivate Directors and senior managers of the right calibre to ensure the success of the Company into the future.

Whilst it is inevitable that policies and practice in respect of remuneration will evolve over time, it is the Committee's belief that the key principles described below, which applied in the year to 2 February 2013, remain appropriate and will continue for the financial year to 1 February 2014:

- The total remuneration which can be earned should be set at a level which ensures the retention and motivation of key executives of the necessary calibre required to execute the business strategy and enhance shareholder value
- Remuneration should be aligned with the key corporate metrics that drive earnings growth and increased shareholder value with significant emphasis on performance related pay measured over the longer term
- Incentive arrangements for key individuals should provide an appropriate balance between fixed and performance related elements and be capable of providing exceptional levels of total payment if outstanding performance is achieved

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. The following factors are taken into account when determining base salary levels:

- Remuneration levels at comparable UK retail companies
- The need for salaries to be competitive
- The performance of the individual Executive Director and their contribution to the business
- Experience and responsibilities
- Pay and employment conditions throughout the Group

The policy of the Committee is that the salaries of the Executive Directors should be reviewed annually, although it reserves the right to review salaries on a discretionary basis if it becomes apparent that the Group is at risk of losing a key Board member or other senior executive, or if it believes an adjustment is required to reflect market rates or performance. The Committee did not exercise this discretion during the year to 2 February 2013.

The Committee recognised that in the current difficult and volatile trading environment it is important that pay restraint is exercised generally and that the Executive Directors should lead on this issue. Accordingly, the Committee have determined that the salaries for the Executive Directors should remain at their current level this year. These salaries are set out below:

Executive Director	Previous Salary £000	New Salary £000	Percentage Increase	Position Against Comparator Group
P Cowgill	718	718	0%	Upper Quartile
B Bown	318	318	0%	Lower Quartile
B Small	240	240	0%	Lower Quartile

The Comparator Group for these purposes is the FTSE 350 companies.

Annual bonus

The Group offers Executive Directors the opportunity to earn performance related bonuses through the achievement of targets which the Committee sets at the beginning and then reviews at the 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 Group.

Whilst the normal maximum bonus potential is 100% of salary, the Committee has the discretion to pay bonuses above that level for exceptional performance. This discretion was not utilised in the year to 2 February 2013. Following a review of the targets and performance of the Group in the year to 2 February 2013 the Committee determined that a bonus be paid equivalent to 50% of the value paid out in the year to 28 January 2012. This equated to an average of 36% of current base salary.

Special retention scheme

At the 2011 AGM, the Board proposed a special retention scheme (the 'Scheme') for the Executive Chairman designed to ensure that he is retained until at least 31 March 2014 and focused on driving shareholder value. The Scheme was approved by shareholders at the 2011 AGM.

The Scheme provides for Mr Cowgill to receive a cash award at a certain date in the future. The final value of the Scheme is subject to the Group achieving certain profits before tax and exceptional items ('Adjusted Profits').

The Scheme is divided into three 'tranches' relating to three accounting periods of the Group being the years ending 28 January 2012, 2 February 2013 and 1 February 2014 ('Award Tranches'). Each Award Tranche has a maximum value, which will be paid out if the Adjusted Profits target for the relevant accounting period is met. If the Adjusted Profits target is not met for any particular accounting period, the value of the relevant Award Tranche will be reduced pro-rata according to the actual profits before tax and exceptional items of the Group. If the Adjusted Profits are less than an agreed figure (the 'Minimum Adjusted Profits'), the Award Tranche will lapse and no cash payment will be made to Mr Cowgill.

As an alternative, the Committee may choose to determine the amount due under any Award Tranche by reference to the performance of the Company against such comparator group or other performance condition(s) or criteria as the Committee, in its discretion, considers appropriate.

Although the amount of cash to be awarded will be calculated at three different times, the cash payments will not be made to Mr Cowgill until after the Committee has met to confirm the final amount due to him under the Scheme, which will be after the announcement of the Company's results for the accounting period ending 1 February 2014.

If Mr Cowgill leaves his employment with the Company before the start of any accounting period, he will not be entitled to any part of the award for that accounting period or any subsequent accounting period. If Mr Cowgill leaves his employment with the Company after the start of any accounting period in circumstances where he is a 'good leaver', he will be entitled to a pro-rata amount of the Award Tranche for the accounting period in which he leaves and full payment in respect of any accounting period which has finished. The Committee may, at its discretion, decide to allow the Award Tranche to vest in full in respect of the accounting period in which Mr Cowgill leaves his employment with the Company. In either case, the cash payment will only be made to Mr Cowgill on the usual date, unless the Committee decides otherwise. 'Good leaver' grounds include ill-health or retirement and are further defined in the Scheme agreement.

On a takeover or change of control (or similar sale of the Company), Mr Cowgill will be entitled to a pro-rata amount of the Award Tranche for the accounting period in which the change of control event occurs and full payment of the Award Tranche in respect of any accounting period which has finished. Again, the Committee may, at its discretion, decide to allow the Award Tranche to vest in full in respect of the accounting period current at the time of such takeover or change of control (or similar sale of the Company).
The payment will be made on the usual date unless the Committee decides otherwise.

None of the benefits which may be received under the Scheme will be pensionable.

The Adjusted Profits target of £74m to achieve the maximum award of £900,000 for the 52 weeks to 28 January 2012 was met and so the first Award Tranche of £900,000 vested a year ago.

The Adjusted Profits target to achieve the maximum award of £900,000 for the 53 weeks to 2 February 2013 was set at £74m, with the Minimum Adjusted Profit to achieve 40% of such maximum award being set at £70m. However as these targets were set prior to the acquisition of Blacks which is targeted to deliver additional profits in the medium term, the Committee retained a discretion to adjust the award for the impact of this acquisition, as reported in the 2012 Annual Report. It was evident by mid-year that the Group's results for the 53 week period to 2 February 2013 would be significantly adversely affected by the acquisition in the short term.

It remains the view of the Board that the Blacks acquisition will be a good investment for the Group and offers diversification for the future. The Committee is satisfied that, excluding the impact of the Blacks acquisition, the target of at least £74 million in the year to 2 February 2013 would have been satisfied. In the light of this the Committee exercised its discretion and awarded the second Award Tranche of £900,000 in full.

The Adjusted Profits target to achieve the maximum award of £1,700,000 for the 52 weeks to 1 February 2014 has been set at £75m, with the Minimum Adjusted Profit to achieve 40% of such maximum award being set at £68m.
Again, the Committee has reserved the right to adjust these targets to take into account the short term impact of any corporate activity which may take place in the year.

Cash based long term incentive plan

In 2010, the Committee proposed the introduction of a cash based Long Term Incentive Plan ('2010 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 Company and reward them appropriately for doing so
- Ensure a more appropriate balance in the Executive Directors' compensation between fixed and performance related elements

The 2010 LTIP was subsequently approved by shareholders at the 2010 Annual General Meeting and consists of one award that will pay out in cash after three years, 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 although all payments would be non-pensionable. The Company does not have any share schemes.

The following table outlines the structure of the 2010 LTIP:

Performance To	2 February 2013 £000
Amount Payable:	
P Cowgill	500
B Bown	437
B Small	313
Other Key Executives	2,750
	4,000

The 2010 LTIP was payable in full in 2013 as the following performance conditions relating to the performance of the overall Group were both satisfied:

- Average headline earnings of £74 million over the three year performance period from 31 January 2010 to 2 February 2013
- Absolute headline earnings of at least £74 million in the year to 2 February 2013

Lower awards to a minimum of 40% were to be paid on a sliding scale if the performance on either of these criteria is in the range of £70 million to £74 million. If the performance under either of these criteria is below £70 million then no awards were to be payable.

The Committee exercised its discretion to take account of the impact of the Blacks acquisition in January 2012.
The Committee is satisfied that, excluding the impact of the Blacks acquisition, the target of at least £74 million in the year to 2 February 2013 would have been satisfied. Accordingly, the LTIP award for the Executive Directors, and certain senior executives, has vested in full and will be paid out in April 2013. In doing this, it was recognised that Blacks is a longer term investment for the business. In making this decision the Committee noted that the LTIP scheme and previous ones had been highly successful in retaining the Group and Sports fascia senior management team and the negative impact it would have on their morale if not paid.

An amount of £759,000 has been recognised in the Consolidated Income Statement for the period ended 2 February 2013 (2012: £1,333,000). This is less than one-third of the potential amount chargeable for the year reflecting the fact that certain people who previously qualified for the LTIP were either no longer in employment with the Group and others did not meet business unit specific supplementary performance criteria.

The structure of a new LTIP for the Executive Directors is under consideration and will be put forward to shareholders for approval in a General Meeting in due course.

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 Executive Chairman does not receive any pension contribution or car allowance.

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

SERVICE CONTRACTS

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

	Date Of Contract	Notice Period (Months)	Unexpired Term
P Cowgill	16 March 2004	12	Rolling 12 months
B Bown	20 February 2009	12	Rolling 12 months
B Small	10 March 2004	12	Rolling 12 months

Each service contract includes provision for compensation commitments in the event of early termination. For each of the Executive Directors, these commitments do not exceed one year's salary and benefits. The Committee consider these levels of compensation for loss of office appropriate in light of basic salary levels 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.

The service agreements and letters of appointment are available for inspection by shareholders at the forthcoming Annual General Meeting and during normal business hours at the Company's registered office address.

In accordance with the recommendations of the UK Corporate Governance Code, all Directors will retire and offer themselves for re-election at the 2013 AGM, except for Martin Davies who, being appointed during the year under review, will offer himself for election.

NON-EXECUTIVE DIRECTORSHIPS

The Board recognises that Executive Directors may be invited to become Non-Executive Directors of other businesses and that the knowledge and experience which they gain in those appointments could be of benefit to the Company.
Prior approval of the Board is required before acceptance of any new appointments.

During the year to 2 February 2013, only Peter Cowgill held Non-Executive positions through his role as Non-Executive Chairman of United Carpets Group Plc and MBL Group Plc. He has retained earnings of £72,500 (2012: £72,000) in respect of these offices.

NON-EXECUTIVE DIRECTORS

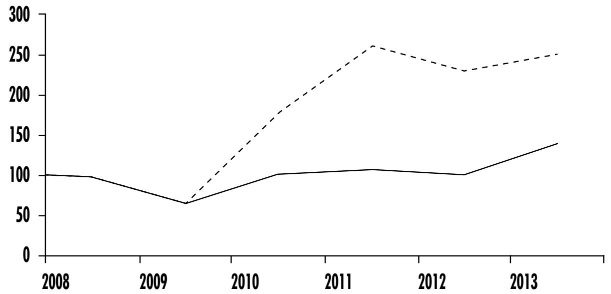
The Non-Executive Directors have entered into letters of appointment with the Company which are terminable by the Non-Executive Director or the Company on not less than three months' notice.

Non-Executive Director 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 59.

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 consider 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 2008 by taking the percentage change of the market price over the relevant period, re-investing any dividends at the ex-dividend rate.



JD Sports Fashion Plc - - - - -
FTSE All Share General Retailers Index ——

AUDITED INFORMATION

INDIVIDUAL DIRECTORS' EMOLUMENTS

Directors' salaries and benefits charged in the period to 2 February 2013 are set out below together with comparatives for the period to 28 January 2012.

	Salary and Fees £000	Benefits excl Pensions £000	Annual Performance Related Bonus £000	2013 Total £000	2012 Total £000	2013 Pension Costs £000	2012 Pension Costs £000
P Cowgill	714	1	263	978	1,226	-	-
B Bown	316	-	116	432	543	25	25
B Small	234	18	77	329	376	28	24
C Archer	41	-	-	41	39	-	-
C Bird	20	-	-	20	30	-	-
A Leslie	31	-	-	31	30	-	-
M Davies (1)	10	-	-	10	-	-	-
	1,366	**19**	**456**	**1,841**	**2,244**	**53**	**49**

(1) Mr Davies joined the Board on 1 October 2012.

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

CASH BASED LONG TERM INCENTIVE PLAN

The following amounts have been provided in the period ended 2 February 2013 in respect of the Long Term Incentive Plan. The amounts recognised comprise one third of the 2010 LTIP based on Group performance in the final year of the three year vesting period.

	2013 £000	2012 £000
P Cowgill	167	167
B Bown	146	146
B Small	104	104
	417	**417**

This report has been prepared on behalf of the Board.

Colin Archer
Chairman of the Remuneration Committee
17 April 2013

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 42 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
17 April 2013

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 53 weeks ended 2 February 2013, 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 67 to 130. 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 AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 60, 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, and express and opinion on, 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/private.cfm.

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 2 February 2013 and of the Group's and the Parent Company's profit for the 53 week period 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
- Information given in the Corporate Governance Report with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures 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 or
- 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 or
- Certain disclosures of Directors' remuneration specified by law are not made or
- We have not received all the information and explanations we require for our audit or
- A Corporate Governance Statement has not been prepared by the Group

Under the Listing Rules we are required to review:

- The Directors' statement, set out on page 45, in relation to going concern
- The part of the Corporate Governance Report relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review
- Certain elements of the report to shareholders by the Board on Directors' remuneration

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

17 April 2013

CONSOLIDATED INCOME STATEMENT

For the 53 weeks ended 2 February 2013

	Note	53 weeks to 2 February 2013 £000	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000	52 weeks to 28 January 2012 £000
REVENUE			**1,258,892**		1,059,523
Cost of sales			**(645,404)**		(538,676)
GROSS PROFIT			**613,488**		520,847
Selling and distribution expenses - normal		**(494,619)**		(403,923)	
Selling and distribution expenses - exceptional	4	**(3,724)**		(10,532)	
Selling and distribution expenses			**(498,343)**		(414,455)
Administrative expenses - normal		**(59,973)**		(43,193)	
Administrative expenses - exceptional	4	**(1,624)**		847	
Administrative expenses			**(61,597)**		(42,346)
Other operating income			**2,427**		2,730
OPERATING PROFIT			**55,975**		66,776
Before exceptional items			**61,323**		76,461
Exceptional items	4		**(5,348)**		(9,685)
OPERATING PROFIT			**55,975**		66,776
Share of results of joint venture before exceptional items (net of income tax)	17		**-**		(102)
Share of exceptional items (net of income tax)	17		**-**		1,170
Share of results of joint venture	17		**-**		1,068
Financial income	7		**645**		646
Financial expenses	8		**(1,503)**		(1,048)
PROFIT BEFORE TAX	3		**55,117**		67,442
Income tax expense	9		**(13,875)**		(18,093)
PROFIT FOR THE PERIOD			**41,242**		49,349
Attributable to equity holders of the parent			**38,786**		46,847
Attributable to non-controlling interest			**2,456**		2,502
Basic earnings per ordinary share	10		**79.71p**		96.27p
Diluted earnings per ordinary share	10		**79.71p**		96.27p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 53 weeks ended 2 February 2013

	GROUP		COMPANY	
	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
PROFIT FOR THE PERIOD	**41,242**	49,349	**47,874**	52,190
Other comprehensive income:				
Exchange differences on translation of foreign operations	**(2,921)**	(2,096)	**-**	-
Recycling of foreign currency translation reserve on disposal of foreign operations	**(910)**	-	**-**	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**(3,831)**	(2,096)	**-**	-
TOTAL COMPREHENSIVE INCOME AND EXPENSE FOR THE PERIOD (NET OF INCOME TAX)	**37,411**	47,253	**47,874**	52,190
Attributable to equity holders of the parent	**34,767**	44,751	**47,874**	52,190
Attributable to non-controlling interest	**2,644**	2,502	**-**	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 2 February 2013

	Note	GROUP As at 2 February 2013 £000	GROUP As at 28 January 2012 (restated - see note 1) £000	COMPANY As at 2 February 2013 £000	COMPANY As at 28 January 2012 £000
ASSETS					
Intangible assets	13	**96,024**	97,290	**31,908**	28,186
Property, plant and equipment	14	**129,101**	118,909	**71,924**	71,103
Investment property	15	**-**	-	**3,614**	2,970
Other assets	16	**20,568**	16,975	**4,399**	3,558
Investments	18	**-**	-	**45,375**	42,475
Deferred tax assets	26	**-**	-	**519**	307
TOTAL NON-CURRENT ASSETS		**245,693**	233,174	**157,739**	148,599
Inventories	19	**146,569**	133,243	**56,125**	52,579
Trade and other receivables	20	**56,761**	54,147	**156,105**	123,953
Cash and cash equivalents	21	**53,484**	67,024	**20,046**	28,762
TOTAL CURRENT ASSETS		**256,814**	254,414	**232,276**	205,294
TOTAL ASSETS		**502,507**	487,588	**390,015**	353,893
LIABILITIES					
Interest-bearing loans and borrowings	22	**(7,157)**	(5,547)	**-**	-
Trade and other payables	24	**(194,061)**	(196,256)	**(97,913)**	(95,077)
Provisions	25	**(2,714)**	(3,375)	**(2,040)**	(2,404)
Income tax liabilities		**(8,817)**	(8,861)	**(5,783)**	(2,877)
TOTAL CURRENT LIABILITIES		**(212,749)**	(214,039)	**(105,736)**	(100,358)
Interest-bearing loans and borrowings	22	**(691)**	(1,182)	**-**	-
Other payables	24	**(30,085)**	(36,149)	**(26,608)**	(28,440)
Provisions	25	**(3,373)**	(6,407)	**(1,695)**	(4,008)
Deferred tax liabilities	26	**(3,852)**	(723)	**-**	-
TOTAL NON-CURRENT LIABILITIES		**(38,001)**	(44,461)	**(28,303)**	(32,448)
TOTAL LIABILITIES		**(250,750)**	(258,500)	**(134,039)**	(132,806)
TOTAL ASSETS LESS TOTAL LIABILITIES		**251,757**	229,088	**255,976**	221,087
CAPITAL AND RESERVES					
Issued ordinary share capital	27	**2,433**	2,433	**2,433**	2,433
Share premium		**11,659**	11,659	**11,659**	11,659
Retained earnings		**230,572**	207,503	**242,461**	206,995
Other reserves		**(6,841)**	(6,339)	**(577)**	-
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**237,823**	215,256	**255,976**	221,087
Non-controlling interest		**13,934**	13,832	**-**	-
TOTAL EQUITY		**251,757**	229,088	**255,976**	221,087

These financial statements were approved by the Board of Directors on 17 April 2013 and were signed on its behalf by:

B Small
Director
Registered number: 1888425

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 53 weeks ended 2 February 2013

GROUP	Ordinary share capital £000	Share premium £000	Retained earnings £000	Other equity £000	Foreign currency translation reserve £000	**Total equity attributable to equity holders of the parent £000**	Non-controlling interest (restated - see note 1) £000	**Total equity £000**
Balance at 29 January 2011	2,433	11,659	171,916	(1,769)	(149)	**184,090**	1,085	**185,175**
Profit for the period	-	-	46,847	-	-	**46,847**	2,502	**49,349**
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	-	(2,096)	**(2,096)**	-	**(2,096)**
Total other comprehensive income	-	-	-	-	(2,096)	**(2,096)**	-	**(2,096)**
Total comprehensive income for the period	-	-	46,847	-	(2,096)	**44,751**	2,502	**47,253**
Dividends to equity holders	-	-	(11,338)	-	-	**(11,338)**	(140)	**(11,478)**
Put options held by non-controlling interests	-	-	-	(2,325)	-	**(2,325)**	-	**(2,325)**
Non-controlling interest arising on acquisition	-	-	-	-	-	**-**	10,462	**10,462**
Disposal of non-controlling interest	-	-	78	-	-	**78**	(77)	**1**
Balance at 28 January 2012	2,433	11,659	207,503	(4,094)	(2,245)	**215,256**	13,832	**229,088**
Profit for the period	-	-	38,786	-	-	**38,786**	2,456	**41,242**
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	-	(3,109)	**(3,109)**	188	**(2,921)**
Recycling of foreign currency translation reserve on disposal of foreign operations	-	-	-	-	(910)	**(910)**	-	**(910)**
Total other comprehensive income	-	-	-	-	(4,019)	**(4,019)**	188	**(3,831)**
Total comprehensive income for the period	-	-	38,786	-	(4,019)	**34,767**	2,644	**37,411**
Dividends to equity holders	-	-	(12,408)	-	-	**(12,408)**	(338)	**(12,746)**
Put options held by non-controlling interests	-	-	-	(1,744)	-	**(1,744)**	-	**(1,744)**
Revaluation of Canterbury put option prior to disposal	-	-	-	2,570	-	**2,570**	-	**2,570**
On disposal of Canterbury	-	-	(2,691)	2,691	-	**-**	(2,570)	**(2,570)**
Non-controlling interest arising on acquisition	-	-	(618)	-	-	**(618)**	366	**(252)**
BALANCE AT 2 FEBRUARY 2013	**2,433**	**11,659**	**230,572**	**(577)**	**(6,264)**	**237,823**	**13,934**	**251,757**

Put options at 2 February 2013 are held by the 40% non-controlling interest in Tessuti Group Limited and 15% non-controlling interest in Source Lab Limited (see note 24). As at 28 January 2012 the put options were held by the 49% non-controlling interest in Canterbury of New Zealand and 25% non-controlling interest in Canterbury International (Australia) Pty Limited (see note 12).

COMPANY	Ordinary share capital £000	Share premium £000	Retained earnings £000	Other equity £000	**Total equity £000**
Balance at 29 January 2011	2,433	11,659	166,143	-	**180,235**
Profit for the period	-	-	52,190	-	**52,190**
Total comprehensive income for the period	-	-	52,190	-	**52,190**
Dividends to equity holders	-	-	(11,338)	-	**(11,338)**
Balance at 28 January 2012	2,433	11,659	206,995	-	**221,087**
Profit for the period	-	-	47,874	-	**47,874**
Total comprehensive income for the period	-	-	47,874	-	**47,874**
Dividends to equity holders	-	-	(12,408)	-	**(12,408)**
Put options held by non-controlling interest in a subsidiary			-	(577)	**(577)**
BALANCE AT 2 FEBRUARY 2013	**2,433**	**11,659**	**242,461**	**(577)**	**255,976**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 53 weeks ended 2 February 2013

	Note	GROUP 53 weeks to 2 February 2013 £000	GROUP 52 weeks to 28 January 2012 £000	COMPANY 53 weeks to 2 February 2013 £000	COMPANY 52 weeks to 28 January 2012 £000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the period		**41,242**	49,349	**47,874**	52,190
Share of results of joint venture	17	**-**	(1,068)	**-**	-
Income tax expense	9	**13,875**	18,093	**21,901**	18,259
Financial expenses	8	**1,503**	1,048	**1,019**	637
Financial income	7	**(645)**	(646)	**(683)**	(719)
Depreciation and amortisation of non-current assets	3	**30,328**	24,353	**17,125**	14,488
Exchange differences on translation		**(10)**	(764)	**158**	-
Profit on disposal of Canterbury	4	**(691)**	-	**600**	-
Loss on disposal of non-current assets	4	**212**	1,148	**255**	631
Other exceptional items	4	**4,495**	8,751	**-**	(4,522)
Increase in inventories		**(23,551)**	(14,397)	**(3,546)**	(5,107)
Increase in trade and other receivables		**(12,393)**	(2,780)	**(54,851)**	(42,418)
(Decrease)/increase in trade and other payables		**(5,902)**	11,952	**(10,957)**	10,995
Interest paid		**(1,503)**	(1,048)	**(1,019)**	(637)
Income taxes paid		**(12,232)**	(25,084)	**(11,100)**	(23,454)
NET CASH FROM OPERATING ACTIVITIES		**34,728**	68,907	**6,776**	20,343
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		**645**	646	**683**	719
Proceeds from sale of non-current assets		**977**	171	**55**	5
Disposal costs of non-current assets		**(143)**	(312)	**(51)**	(249)
Acquisition of intangible assets	13	**(5,540)**	(1,711)	**(5,540)**	(1,500)
Acquisition of property, plant and equipment	14	**(38,178)**	(43,846)	**(15,823)**	(32,748)
Acquisition of investment property	15	**-**	-	**(677)**	-
Acquisition of non-current other assets		**(5,350)**	(1,903)	**(1,372)**	(482)
Acquisition of investments	18	**-**	-	**(2,860)**	(33,411)
Cash consideration of acquisitions		**(5,875)**	(26,106)	**-**	(1,000)
Cash acquired with acquisitions		**1,208**	4,019	**-**	-
Overdrafts acquired with acquisitions		**(175)**	(3,326)	**-**	-
Receipt of Canterbury intercompany debt	12	**22,699**	-	**22,699**	-
Cash in Canterbury on disposal	12	**(5,888)**	-	**-**	-
Dividend received from joint venture		**-**	7,217	**-**	7,217
NET CASH USED IN INVESTING ACTIVITIES		**(35,620)**	(65,151)	**(2,886)**	(61,449)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of interest-bearing loans and borrowings		**(245)**	(16,755)	**-**	-
Repayment of finance lease liabilities		**(593)**	(1,459)	**-**	-
Acquisition of non-controlling interest	12	**(40)**	-	**(40)**	-
Sale of subsidiary shares to non-controlling interest	12	**-**	2	**-**	2
Equity dividends paid	28	**(12,408)**	(11,338)	**(12,408)**	(11,338)
Dividends paid to non-controlling interest in subsidiaries		**(338)**	(140)	**-**	-
NET CASH USED IN FINANCING ACTIVITIES		**(13,624)**	(29,690)	**(12,448)**	(11,336)
NET DECREASE IN CASH AND CASH EQUIVALENTS	31	**(14,516)**	(25,934)	**(8,558)**	(52,442)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	31	**61,611**	87,545	**28,762**	81,204
Foreign exchange gains on cash and cash equivalents	31	**(867)**	-	**(158)**	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	31	**46,228**	61,611	**20,046**	28,762

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 53 week period ended 2 February 2013 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 17 April 2013.

Basis of preparation

European Union law ('EU 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 2 February 2013.

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 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 and also put options held by the non-controlling interests.

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 Executive Chairman's Statement and Financial and Risk Review on pages 19 and 28 respectively. In addition, details of financial instruments and exposures to interest rate, foreign currency, credit and liquidity risks are outlined in note 23.

As at 2 February 2013, the Group had net cash balances of £45,636,000 (2012: £60,295,000) with available committed borrowing facilities of £75,000,000 of which £nil (2012: £nil) has been drawn down (see note 22). With £75,000,000 available, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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.

Adoption of new and revised standards

From the 29 January 2012, the Group has applied the amendment to IAS 12 Deferred Tax: Recovery of Underlying Assets. The Amendment introduces an exception to the current measurement principles of deferred tax assets and liabilities where investment properties are measured using the fair value model in accordance with IAS 40 Investment Property. This has had no significant impact on the consolidated results or financial position of the Group.

A number of new standards, amendments to standards and interpretations have been issued during the 53 week period ended 2 February 2013 but are not yet effective, and therefore have not yet been adopted by the Group.

Amendment to IFRS 1 'Presentation of Items of Other Comprehensive Income (OCI)' is effective for accounting periods beginning July 2012. The amendment requires an entity to separate items included in OCI between those that may be reclassified to profit and loss in the future from those that would never be reclassified to profit and loss. This standard is not expected to have a significant impact on the consolidated results or financial position of the Group.

Annual improvement to IFRSs - 2009-2011 Cycle is applicable from January 2013. If endorsed, the Group will apply as appropriate where the key improvements relevant to the Group relate to IFRS 1 Presentation of financial statements and IAS 34 Interim financial reporting.

IFRS 13 'Fair Value Measurement' is applicable from January 2013. The standard consolidates the existing fair value measurement guidance in different IFRSs with a single definition of fair value, a framework for measuring fair value and disclosures about fair value measurements. This standard is not expected to have a significant impact on the consolidated results or financial position of the Group.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised standards (continued)

New standards on consolidation (and related standards), which are effective for accounting periods beginning January 2014. The following standards replace the existing accounting for subsidiaries and joint ventures, and make limited amendments in relation to associates:

- IFRS 10 'Consolidated Financial Statements'
- IFRS 11 'Joint Arrangements'
- IFRS 12 'Disclosure of Interests in Other Entities'
- Amendments to IFRS 10, IFRS 11 and IFRS 12 (if endorsed)
- IAS 27 'Separate Financial Statements (2011 revised)'
- IAS 28 'Investments in Associates and Joint Ventures (2011 revised)'

With the exception of future acquisition of subsidiaries and joint ventures it is not anticipated that these standards will have a significant Impact on the financial statements, as no change to the current consolidation conclusions is expected to be required. IFRS 10 indicates that control is the determining factor in deciding whether an entity should be consolidated in the Groups financial statements.

Amendments to IFRS 7 'Offsetting Financial Assets and Financial Liabilities' is applicable from January 2013. This amendment introduces new disclosure required for financial assets and liabilities which have been offset in the statement of financial position and/or are subject to master netting arrangements or similar agreements, but is not anticipated to have a significant impact on the financial statements.

Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities' is applicable from January 2014. This amendment clarifies the application of the offsetting rules, however this is not anticipated to have a significant impact on the financial statements.

IFRS 9 'Financial Instruments' is applicable from 2015. 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.

IFRS 17 'Leases' may be introduced with a proposed guide date of 2015. If endorsed, this standard will significantly affect the presentation of the Group financial statements with all leases apart from short term leases being recognised as either finance leases or 'other than finance' leases with a corresponding liability being the present value of the lease payments.

The Group continues to monitor the potential impact of other new standards and interpretations which may be endorsed by the European Union and require adoption by the Group in future reporting periods.

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.

Prior period restatement

The comparative Consolidated Statement of Financial Position and Consolidated Statement of Changes In Equity as at 28 January 2012 has been restated to reflect the completion in the period to 2 February 2013 of the initial accounting in respect of the acquisitions of JD Sprinter Holdings 2010 SL acquired in the period to 28 July 2012 and to reflect the completion of the initial accounting in respect of Blacks Outdoor Retail Limited acquired in the period to 28 January 2012.

Adjustments made to the provisional calculation of the fair value of assets and liabilities acquired, as reported at 28 January 2012, in the period to 2 February 2013 have resulted in the following changes:

For the acquisition of JD Sprinter Holdings 2010 SL the measurement adjustments made to the fair values of the net assets reduced total assets by £449,000, reduced total liabilities by £289,000 and the resulting change on total equity was £160,000. This adjustment has also decreased non-controlling interest by £160,000.

For the acquisition of Blacks Outdoor Retail Limited the measurement adjustments made to the fair values of the net assets increased total assets by £204,000, increased total liabilities by £204,000 and the resulting change on total equity was £nil.

The impact of these adjustments on the net assets is shown in note 11.

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. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the equity attributable to holders of the parent. Non-controlling interests consist of the amount of those interests at the date that control commences and the attributable share of changes in equity subsequent to that date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Contingent rental payments, where payment is conditional on the Group's operating performance derived from the lease item (e.g. turnover levels), are expensed in the period incurred.

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

Rental income from operating leases where the Group is the lessor is recognised on a straight-line basis over the term of the relevant 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:

Freehold land	not depreciated
Long leasehold and freehold 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.

Business combinations

All business combinations are accounted for by applying the acquisition method.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Consolidated Income Statement.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the Consolidated Income Statement.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

I. Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries.

For acquisitions on or after 31 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed

When the excess is negative, negative goodwill is recognised immediately in the Consolidated Income Statement.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit/loss on disposal.

In respect of business acquisitions that occurred from 1 February 2004 to 30 January 2010, 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 was negative (negative goodwill), it was recognised immediately in the Consolidated Income Statement as an exceptional item. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

In respect of acquisitions prior to 1 February 2004, 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.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units ('CGUs') and is tested annually for impairment and whenever there is an indication that the goodwill may be impaired. 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 as part of a business combination are stated at fair value as at the acquisition date less accumulated amortisation and impairment losses. Brand names separately acquired are stated at cost 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 their useful life on a straight line basis.

Separately identifiable fascia names acquired are stated at fair value as at the acquisition date 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 an impairment review on an annual basis or more frequently if there is an indicator that the fascia name is impaired.

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.

Changes in ownership interest without a loss of control

In accordance with IAS 27 'Consolidated and Separate Financial Statements' (2008), upon a change in ownership interest in a subsidiary without a loss of control, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent. Acquisitions or disposals of non-controlling interests are therefore accounted for as transactions with owners in their capacity as owners and no goodwill is recognised as a result of such transactions. Associated transaction costs are accounted for within equity.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets

I. Key money

Monies paid in certain countries to give access to retail locations are capitalised within non-current assets. Key money is stated at historic cost less impairment losses. These assets are not depreciated as past experience has shown that the key money is fully recoverable on disposal of a retail location and there is deemed to have an indefinite useful economic life 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 within non-current other assets and amortised over the life of the lease.

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 loans and 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.

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. Foreign currency differences are recognised in Other Comprehensive Income and are presented in the foreign currency translation reserve.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Put options held by non-controlling interests

The Group recognises put options over non-controlling interests in its subsidiary undertakings as a liability in the Consolidated Statement of Financial Position at the present value of the estimated exercise price of the put option. Upon initial recognition, and for subsequent changes on remeasurement of the liability, a corresponding entry is made to other equity.

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 and trading websites, 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.

In the case of goods sold through the distribution businesses, revenue is recognised when goods are sold and the title has passed less a provision for credit notes. Distribution sales are either settled by cash received in advance of the goods being dispatched or made on agreed credit terms.

Exceptional items

Items that are, in aggregate, material in size and/ or 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 assets
- Impairment of goodwill, brand names and fascia names
- Impairment of available for sale investments
- Impairment of investment property
- Profit/(loss) on disposal of subsidiary undertakings
- Negative goodwill
- Business restructuring and business closure related costs
- Dividends received from joint venture
- (Gains)/losses arising on changes in ownership interest where control has been obtained

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'). A CGU for the purposes of property, plant and equipment impairment reviews is an individual store or a collection of stores where the cash flows are not independent. In respect of goodwill, the cash-generating units used to monitor goodwill and test for impairment are the store portfolios and distribution companies. In respect of fascia names, the cash-generating units used to monitor the fascia name and test for impairment are the relevant store portfolios. In respect of brand licenses, the cash-generating units used to monitor the brand licenses and test for impairment are the relevant operating cash flows relating to these licenses. In respect of brand names, an estimation of future sales with a suitable royalty rate applied is used to test for impairment. 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

Goodwill arising on acquisition is allocated to the cash-generating units that are expected to benefit from the synergies of the business combination from which goodwill arose. In the case of retail acquisitions, goodwill is allocated to groups of cash-generating units, being portfolios of stores, whereas for acquisition of distribution businesses, goodwill is allocated to the individual distribution company acquired. The cash-generating units used to monitor goodwill and test it for impairment are therefore the store portfolios and distribution companies.

The recoverable amount is the higher of the value in use and the fair value less the costs to sell. The recoverable amounts of these cash-generating units are 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. See note 13 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 assets

Property, plant and equipment and non-current other assets 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. Impairment losses recognised in prior periods are assessed at each reporting period date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would be held (net of depreciation) if no impairment had been realised.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (continued)

III. Impairment of other intangible assets with definite lives

The Group is required to test whether other intangible assets with a definite useful economic life have suffered any impairment. The recoverable amount of brand names is based on an estimation of future sales and the choice of a suitable royalty and discount rate in order to calculate the present value, when this method is deemed the most appropriate. Alternatively the carrying value of the brand names has been allocated to a cash-generating unit, along with the relevant goodwill and fascia names, and tested in the value-in-use calculation performed for that cash generating unit. The recoverable amount of brand licences is 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 until the license expiry date and the choice of a suitable discount rate in order to calculate the present value. Note 13 provides further disclosure on impairment of other intangible assets with definite lives, including review of the key assumptions used.

IV. 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 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. Note 13 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.

V. 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.

VI. 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.

VII. 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.

VIII. Value of put options held by non-controlling interest

The Group recognises put options over non-controlling interests in its subsidiary undertakings as a liability in the Consolidated Statement of Financial Position at the present value of the estimated exercise price of the put option. The present value of the non-controlling interests' put options are estimated based on expected earnings in Board-approved forecasts and the choice of a suitable discount rate. Upon initial recognition, and for subsequent changes on remeasurement of the liability, a corresponding entry is made to other equity.

IX. Estimation of useful economic lives of brand names

The Group amortises brand names over their useful economic life. In determining the useful economic life of each brand name, the Board considers the market position of the brands acquired, the nature of the market that the brands operate in, typical product life cycles of brands and the useful economic lives of similar assets that are used in comparable ways.

X. Determination of fair value of assets and liabilities on acquisition

For each acquisition, the Group reviews the appropriateness of the book values of the assets and liabilities acquired, taking into account the application of Group accounting policies, to determine if fair value adjustments are required. The key judgements involved are the identification and valuation of intangible assets which require the estimation of future cash flows based on the Board's strategic plans for the intangible asset, the useful economic life of the intangible asset and the selection of a suitable discount rate.

2. SEGMENTAL ANALYSIS

IFRS 8 'Operating Segments' requires the Group's 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.

Information reported to the Chief Operating Decision Maker is focused on the nature of the businesses within the Group. A new reportable segment was created in the prior year on acquisition of the Blacks business which signalled an entry into the outdoor retail segment for the Group. 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, Spodis SA, Champion Sports Ireland, JD Sprinter Holdings 2010 SL and Duffer of St George Limited
- Fashion retail – includes the results of the fashion retail trading companies Bank Fashion Limited, R.D. Scott Limited, Premium Fashion Limited and Tessuti Group Limited (including subsidiary companies)
- Outdoor retail – includes the results of the outdoor retail trading company Blacks Outdoor Retail Limited
- Distribution businesses – includes the results of the distribution companies Topgrade Sportswear Limited, Nicholas Deakins Limited, Kooga Rugby Limited, Nanny State Limited, Focus Brands Limited, Kukri Sports Limited (including global subsidiary companies) and Source Lab Limited. Canterbury Limited (including global subsidiary companies) was also included until the point of disposal (see note 12)

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 customers is not appropriate. Disclosure of revenue from major product groups is not provided at this time due to the cost involved to develop a reliable product split on a same category basis across all companies in the Group.

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 was presented as unallocated in the following tables, as this entity had trading relationships with companies in all of the Group's segments. In the prior year, the exceptional credits pertaining to the dividend received from joint venture (£2,691,000) and gain on disposal of joint venture (£871,000) (see note 17) are 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 deferred tax liability of £3,852,000 (2012: restated liability of £723,000) and an income tax liability of £8,817,000 (2012: £8,861,000) are 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 reportable operating segments for the 53 weeks to 2 February 2013 is shown below:

Income statement	Sport retail £000	Fashion retail £000	Outdoor retail £000	Distribution £000	**Total £000**
Gross revenue	854,282	160,442	121,006	130,342	**1,266,072**
Intersegment revenue	(287)	-		(6,893)	**(7,180)**
Revenue	853,995	160,442	121,006	123,449	**1,258,892**
Operating profit/(loss) before exceptional items	77,791	(2,004)	(14,906)	442	**61,323**
Exceptional items	(1,662)	(3,314)	(608)	236	**(5,348)**
Operating profit/(loss)	76,129	(5,318)	(15,514)	678	**55,975**
Financial income					**645**
Financial expenses					**(1,503)**
Profit before tax					**55,117**
Income tax expense					**(13,875)**
Profit for the period					**41,242**

Total assets and liabilities	Sport retail £000	Fashion retail £000	Outdoor retail £000	Distribution £000	Unallocated £000	Eliminations £000	**Total £000**
Total assets	432,190	70,725	50,112	48,947	-	(99,467)	**502,507**
Total liabilities	(161,092)	(67,769)	(64,157)	(44,530)	(12,669)	99,467	**(250,750)**
Total segment net assets/(liabilities)	**271,098**	**2,956**	**(14,045)**	**4,417**	**(12,669)**	**-**	**251,757**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SEGMENTAL ANALYSIS (CONTINUED)

Business segments (continued)

Other segment information	Sport retail £000	Fashion retail £000	Outdoor retail £000	Distribution £000	**Total £000**
Capital expenditure:					
Brand names purchased	5,540	-	-	-	**5,540**
Property, plant and equipment	30,692	3,015	3,440	1,031	**38,178**
Non-current other assets	5,350	-	-	-	**5,350**
Depreciation, amortisation and impairments:					
Depreciation and amortisation of non-current assets	23,850	4,018	1,183	1,277	**30,328**
Impairment of intangible assets	-	2,315	-	-	**2,315**
Impairment of non-current assets	803	62	-	40	**905**

The comparative segmental results for the 52 weeks to 28 January 2012 are as follows:

Income statement	Sport retail £000	Fashion retail £000	Outdoor retail £000	Distribution £000	Unallocated £000	**Total £000**
Gross revenue	774,991	151,642	5,876	135,117	-	**1,067,626**
Intersegment revenue	(380)	-		(7,723)	-	**(8,103)**
Revenue	774,611	151,642	5,876	127,394	-	**1,059,523**
Operating profit/(loss) before exceptional items	74,301	3,303	(2,199)	1,056	-	**76,461**
Exceptional items	(4,654)	(1,538)	(3,500)	(3,555)	3,562	**(9,685)**
Operating profit/(loss)	69,647	1,765	(5,699)	(2,499)	3,562	**66,776**
Share of results of joint venture						**1,068**
Financial income						**646**
Financial expenses						**(1,048)**
Profit before tax						**67,442**
Income tax expense						**(18,093)**
Profit for the period						**49,349**

2. SEGMENTAL ANALYSIS (CONTINUED)

Business segments (continued)

Total assets and liabilities (restated - see note 1)	Sport retail £000	Fashion retail £000	Outdoor retail £000	Distribution £000	Unallocated £000	Eliminations £000	**Total £000**
Total assets	407,807	60,587	38,713	68,485	-	(88,004)	**487,588**
Total liabilities	(169,320)	(53,852)	(42,526)	(71,222)	(9,584)	88,004	**(258,500)**
Total segment net assets/(liabilities)	**238,487**	**6,735**	**(3,813)**	**(2,737)**	**(9,584)**	**-**	**229,088**

Other segment information	Sport retail £000	Fashion retail £000	Outdoor retail £000	Distribution £000	**Total £000**
Capital expenditure:					
Brand names purchased	1,500	-	-	211	**1,711**
Property, plant and equipment	37,656	4,090	-	2,100	**43,846**
Non-current other assets	1,903	-	-	-	**1,903**
Depreciation, amortisation and impairments:					
Depreciation and amortisation of non-current assets	18,990	3,618	-	1,745	**24,353**
Impairment of intangible assets	-	838	-	1,877	**2,715**
Impairment of non-current assets	202	1,282	-	102	**1,586**

Geographical information

The Group's operations are located in the UK, Republic of Ireland, France, Spain, Australia, New Zealand, Canada, Dubai, Singapore 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

	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
UK	**1,029,801**	863,771
Europe	**197,596**	157,668
Rest of world	**31,495**	38,084
	1,258,892	1,059,523

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 the deferred tax assets of £nil (2012: £nil) by the geographical area in which the assets are located:

Non-current assets

	2013 £000	2012 (restated - see note 1) £000
UK	**190,590**	173,973
Europe	**54,961**	58,641
Rest of world	**142**	560
	245,693	233,174

3. PROFIT BEFORE TAX

	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
Profit before tax is stated after charging:		
Auditor's remuneration:		
Audit of these financial statements	**123**	120
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	**453**	393
Audit-related assurance services	**42**	45
Taxation compliance services	**23**	20
Other tax advisory services	**67**	140
All other services	**60**	55
Depreciation and amortisation of non-current assets:		
Depreciation of property, plant and equipment	**26,993**	21,427
Depreciation of investment property - owned	**-**	3
Amortisation of intangible assets	**2,798**	2,451
Amortisation of non-current other assets - owned	**537**	472
Impairments of non-current assets:		
Property, plant and equipment	**714**	1,597
Intangible assets (see note 13)	**2,315**	2,715
Other non-current assets	**191**	(11)
Rentals payable under non-cancellable operating leases for:		
Land and buildings	**117,404**	92,586
Other - plant and equipment	**2,760**	2,243
Profit before tax is stated after crediting:		
Rents receivable and other income from property	**945**	578
Sundry income	**1,482**	1,952
Foreign exchange gain recognised	**2,633**	1,438

In addition, fees of £46,000 (2012: £35,000) were incurred and paid by Pentland Group Plc (see note 35) in relation to the non-coterminous audit of the Group for the purpose of inclusion in their consolidated financial statements.

Non-current other assets comprise key money, store deposits and legal fees associated with the acquisition of leasehold interests (see note 16).

4. EXCEPTIONAL ITEMS

	Note	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
Loss on disposal of non-current assets (1)		**212**	1,148
Impairment of non-current assets (2)		**905**	1,586
Onerous lease provision (3)	25	**1,332**	(214)
Reorganisation of the warehouse operations (4)		**133**	3,000
Canterbury restructuring (5)		**219**	1,512
Blacks restructuring (6)		**923**	3,500
Selling and distribution expenses - exceptional		**3,724**	10,532
Profit on disposal of Canterbury (7)		**(691)**	-
Gain on acquisition (8)	17	**-**	(871)
Dividend received from joint venture (9)	17	**-**	(2,691)
Impairment of goodwill, brand names and fascia names (10)		**2,315**	2,715
Administrative expenses - exceptional		**1,624**	(847)
		5,348	9,685

(1) Relates to the excess of net book value of property, plant and equipment and non-current other assets disposed over proceeds received

(2) Relates to property, plant and equipment and non-current other assets in cash-generating units which are loss making, where it is considered that this position cannot be recovered

(3) Relates to the net movement in the provision for onerous property leases on trading and non-trading stores (see note 25)

(4) Relates to the reorganisation of the warehouse operations consisting of the provision of onerous property leases, redundancy costs and dilapidations at the vacated premises

(5) Relates to the restructuring and closure of the Canterbury North America LLC and Canterbury European Fashionwear operations following the decision to wind down the separate businesses

(6) Relates to the restructuring of the Blacks business following acquisition for relocation of warehouse operations

(7) Profit on the disposal of Canterbury Limited and its subsidiaries (see note 12)

(8) Relates to the remeasurement in fair value of the Group's previously held investment in Focus Brands Limited

(9) The dividend of £7,217,000 was received from Focus Brands Limited on 15 February 2011 prior to the Group's acquisition of a further 31% of the issued share capital of Focus Brands Limited. The dividend received was eliminated against the carrying value of the Group's equity accounted investment with the excess of £2,691,000 recognised in the Consolidated Income Statement as an exceptional credit

(10) Relates to the impairment in the period to 2 February 2013 of the goodwill arising on the acquisition of Pink Soda Limited (formerly Bank Stores Holdings Limited) and the impairment in the period to 28 January 2012 of the goodwill and brand name arising on the acquisition of Kooga Rugby Limited and the fascia name arising on the acquisition of Premium Fashion Limited (see note 13)

These selling and distribution expenses and administrative expenses are exceptional items as they are, in aggregate, material in size and/or unusual or infrequent in nature.

5. REMUNERATION OF DIRECTORS

	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
Directors' emoluments:		
As Non-Executive Directors	**102**	99
As Executive Directors	**3,056**	3,462
Pension contributions	**53**	49
	3,211	3,610

The remuneration of the Executive Directors includes provision for future retention payments totalling £900,000 (2012: £900,000) and provision for future LTIP payments of £417,000 (2012: £417,000). Further information on Directors' emoluments is shown in the Directors' Remuneration Report on page 59.

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	2013	2012
Sales and distribution	**15,885**	16,791
Administration	**778**	591
	16,663	17,382
Full time equivalents	**10,430**	9,021

The aggregate payroll costs of these persons were as follows:

GROUP	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
Wages and salaries	**188,826**	155,369
Social security costs	**18,607**	14,018
Other pension costs (see note 30)	**1,269**	1,416
	208,702	170,803

In the opinion of the Board, the key management as defined under revised IAS 24 'Related Party Disclosures' are the six Executive and Non-Executive Directors (2012: six). Full disclosure of the Directors' remuneration is given in the Directors' Remuneration Report on page 59.

6. STAFF NUMBERS AND COSTS (CONTINUED)

COMPANY

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

COMPANY	2013	2012
Sales and distribution	**8,438**	8,412
Administration	**293**	258
	8,731	8,670
Full time equivalents	**5,229**	5,114

The aggregate payroll costs of these persons were as follows:

COMPANY	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
Wages and salaries	**91,927**	91,548
Social security costs	**6,038**	6,289
Other pension costs	**517**	485
	98,482	98,322

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. FINANCIAL INCOME

	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
Bank interest	**620**	572
Other interest	**25**	74
	645	646

8. FINANCIAL EXPENSES

	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
On bank loans and overdrafts	**1,367**	905
Interest on obligations under finance leases	**19**	129
Other interest	**117**	14
	1,503	1,048

9. INCOME TAX EXPENSE

	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
Current tax		
UK corporation tax at 24.3% (2012: 26.3%)	**13,311**	19,204
Adjustment relating to prior periods	**163**	609
Total current tax charge	**13,474**	19,813
Deferred tax		
Deferred tax (origination and reversal of temporary differences)	**1,410**	(1,825)
Adjustment relating to prior periods	**(1,009)**	105
Total deferred tax charge/(credit) (see note 26)	**401**	(1,720)
Income tax expense	**13,875**	18,093

9. INCOME TAX EXPENSE (CONTINUED)

Reconciliation of income tax expense

	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
Profit before tax multiplied by the standard rate of corporation tax in the UK of 24.3% (2012: 26.3%)	**13,393**	17,737
Effects of:		
Expenses not deductible	**172**	288
Depreciation and impairment of non-qualifying non-current assets (including brand names arising on consolidation)	**784**	1,175
Non taxable income	**(323)**	-
Loss on disposal of non-qualifying non-current assets	**(45)**	154
Effect of tax rates in foreign jurisdictions	**233**	182
Profit from joint venture - after tax result included	**-**	(281)
Non-qualifying impairment of goodwill on consolidation	**605**	549
Recognition of previously unrecognised tax losses	**(146)**	(3,283)
Reduction in tax rate	**83**	(5)
Change in unrecognised temporary differences	**(35)**	863
(Over)/under provided in prior periods	**(846)**	714
Income tax expense	**13,875**	18,093

10. EARNINGS PER ORDINARY SHARE

Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share at 2 February 2013 is based on the profit for the period attributable to equity holders of the parent of £38,786,000 (2012: £46,847,000) and a weighted average number of ordinary shares outstanding during the 53 weeks ended 2 February 2013 of 48,661,658 (2012: 48,661,658).

	53 weeks to 2 February 2013	52 weeks to 28 January 2012
Issued ordinary shares at beginning and end of period	**48,661,658**	48,661,658

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	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
Profit for the period attributable to equity holders of the parent		**38,786**	46,847
Exceptional items excluding loss on disposal of non-current assets	4	**5,136**	8,537
Tax relating to exceptional items		**(850)**	(2,689)
Share of exceptional items of joint venture (net of income tax)	17	**-**	(1,170)
Profit for the period attributable to equity holders of the parent excluding exceptional items		**43,072**	51,525
Adjusted basic and diluted earnings per ordinary share		**88.51p**	105.89p

11. ACQUISITIONS

Current period acquisitions

Originals

On 14 March 2012, the Group acquired, via its subsidiary R.D. Scott Limited, the trade and assets of seven stores trading as Originals and the head office along with the Originals name and inventory from the Administrators of Retailchic Limited for a total cash consideration of £100,000. Subsequent to the period end, the trade and assets of the Originals stores have been transferred to Tessuti Limited, another subsidiary of the Group.

Included in the 53 week period to 2 February 2013 is revenue of £1,793,000 and a loss before tax of £302,000 in respect of Originals.

Acquisition of Source Lab Limited

On 9 May 2012, the Group acquired 85% of the issued share capital of Source Lab Limited for a cash consideration of £2,550,000. Source Lab Limited, which was established in 2005, design, source and distribute football related apparel under license from some of the biggest clubs in Europe including Manchester United, Chelsea, Arsenal and Barcelona.

The provisional goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Provisional fair value at 2 February 2013 £000
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	9	-	**9**
Inventories	23	229	**252**
Trade and other receivables	1,370	(68)	**1,302**
Cash and cash equivalents	162	-	**162**
Interest-bearing loans and borrowings	(170)	-	**(170)**
Trade and other payables	(839)	(222)	**(1,061)**
Deferred tax liabilities	-	(1)	**(1)**
Net identifiable assets	555	(62)	**493**
Non-controlling interest (15%)	(83)	9	**(74)**
Goodwill on acquisition			**2,131**
Consideration paid - satisfied in cash			**2,550**

The fair value of trade and other receivables is £1,302,000 and includes trade receivables with a fair value of £1,274,000. The gross contractual amount for trade receivables is £1,274,000, of which £nil is expected to be uncollectable.

The Board believes that the excess of consideration paid over net identifiable assets is best considered as goodwill on acquisition representing employee expertise and anticipated future operating synergies.

The goodwill calculation is provisional at 2 February 2013 to allow further measurement adjustments to be made if necessary, during the remaining measurement period to reflect any new information obtained about facts and circumstances that existed at the acquisition date that would have affected the measurement of the amounts recognised as of that date. The goodwill arises on consolidation and is therefore not tax deductible.

Included in the 53 week period to 2 February 2013 is revenue of £5,161,000 and a profit before tax of £480,000 in respect of Source Lab Limited. Included within revenue is £229,000 of revenue to other Group companies which has therefore been eliminated on consolidation.

11. ACQUISITIONS (CONTINUED)

Acquisition of Tessuti Group Limited

On 18 May 2012, the Group, via its new 60% owned subsidiary Tessuti Group Limited, acquired the trading businesses that make up the Tessuti group for a total consideration of £4,819,000. On acquisition, Tessuti group operated four premium fashion retail stores in the North West of England, along with two trading websites.

The provisional goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	**Provisional fair value at 2 February 2013 £000**
Acquiree's net assets at the acquisition date:			
Intangible assets	-	852	**852**
Property, plant and equipment	1,898	-	**1,898**
Inventories	660	-	**660**
Trade and other receivables	303	-	**303**
Cash and cash equivalents	1,044	-	**1,044**
Interest-bearing loans and borrowings	(508)	-	**(508)**
Trade and other payables	(736)	-	**(736)**
Deferred tax liabilities	(100)	(213)	**(313)**
Net identifiable assets	2,561	639	**3,200**
Non-controlling interest	783	(256)	**527**
Goodwill on acquisition			**1,092**
Consideration paid - satisfied in cash			**3,225**
Deferred consideration - non-controlling interest loan notes			**1,570**
Consideration paid - satisfied in shares			**24**
Total consideration			**4,819**

The Group's non-controlling interest arising on acquisition of £527,000 includes indirect ownership within the Tessuti Group of companies.

The fair value of trade and other receivables is £303,000 and includes trade receivables with a fair value of £26,000. The gross contractual amount for trade receivables is £26,000, of which £nil is expected to be uncollectable.

The intangible asset acquired represents the fair value of the 'Tessuti' fascia name. It is the intention of the Group to trade under the Tessuti fascia for the foreseeable future. The Board believes that the excess of consideration paid over net identifiable assets is best considered as goodwill on acquisition, representing employee expertise and anticipated future operating synergies.

The goodwill calculation is provisional at 2 February 2013 to allow further measurement adjustments to be made if necessary, during the remaining measurement period to reflect any new information obtained about facts and circumstances that existed at the acquisition date that would have affected the measurement of the amounts recognised as of that date. The goodwill arises on consolidation and is therefore not tax deductible.

Included in the 53 week period to 2 February 2013 is revenue of £4,821,000 and a profit before tax of £163,000 in respect of Tessuti Group Limited.

Full year impact of acquisitions

Had the acquisitions of Originals, Source Lab Limited and Tessuti Group Limited been effected at 29 January 2012, the revenue and profit before tax of the Group for the 53 week period to 2 February 2013 would have been £1,262,598,000 and £55,093,000 respectively.

Acquisition costs

Acquisition-related costs amounting to £155,000 (Originals: £13,000; Source Lab Limited: £66,000; and Tessuti Group Limited: £76,000) have been excluded from the consideration transferred and have been recognised as an expense in the year, within administrative expenses in the Consolidated Income Statement.

11. ACQUISITIONS (CONTINUED)

Prior period acquisitions

Acquisition of Kukri Sports Limited

On 7 February 2011, the Group acquired 80% of the issued share capital of Kukri Sports Limited for a cash consideration of £1. Kukri Sports Limited has a number of subsidiaries around the world, which source and provide bespoke sports teamwear to schools, universities and sports clubs. In addition, Kukri Sports Limited is sole kit supplier to a number of professional sports teams and international associations.

No measurement adjustments have been made to the fair values in the 53 week period to 2 February 2013.

Acquisition of additional shares in Focus Brands Limited

On 16 February 2011, the Group acquired a further 31% of the issued share capital of Focus Brands Limited for a cash consideration of £1,000,000, with potential further deferred consideration of £250,000 depending on performance. The Group's original share of 49% was acquired on 3 December 2007. Focus Brands Limited was originally incorporated in order to acquire Focus Group Holdings Limited and its subsidiary companies and was an entity jointly controlled by the Group and the former shareholders of Focus Group Holdings Limited. The additional shares purchased take the Group's holding in Focus Brands Limited to 80%, thereby giving the Group control. Focus Brands Limited is now a subsidiary of the Group rather than a jointly-controlled entity. The increase in Group ownership has resulted in a gain of £871,000 being recognised as an exceptional credit in the Consolidated Income Statement upon remeasurement of the Group's previously held equity interest to fair value.

No measurement adjustments have been made to the fair values in the 53 week period to 2 February 2013.

Acquisition of Champion Sports (Holdings)

On 4 April 2011, the Group (via its subsidiaries The John David Group Limited and JD Sports Limited) acquired 100% of the issued share capital of Champion Sports (Holdings) for a cash consideration of £6 (€7) and have also advanced £15,066,000 (€17,100,000) to allow it to settle all of its indebtedness save for a potential maximum £2,203,000 (€2,500,000) of leasing finance.

Champion was founded in 1992 and is one of the leading retailers of sports apparel and footwear in the Republic of Ireland. On acquisition, Champion had 22 stores in premium locations in the Republic of Ireland and one store in Northern Ireland. In the period since acquisition two stores in the Republic of Ireland and the store in Northern Ireland have been closed with a further 3 stores in the Republic of Ireland transferred to John David Sports Fashion (Ireland) Limited.

No measurement adjustments have been made to the fair values in the 53 week period to 2 February 2013.

Acquisition of JD Sprinter Holdings 2010 SL

On 17 June 2011, the Group, via its new 50.1% owned subsidiary JD Sprinter Holdings 2010 SL ('JD Sprinter'), acquired 100% of the trading businesses that make up the Sprinter group of companies in Spain. The remaining 49.9% of the shares in JD Sprinter are owned equally between the Segarra family, who founded Sprinter, and the Bernad family, who have been investors in Sprinter for 15 years. JD have made an investment of £17,536,000 (€20,000,000) into JD Sprinter by way of subscription for its new shares and the Segarra and Bernad families have put the Sprinter companies into JD Sprinter as consideration for their new shares.

Sprinter was founded in 1981 and is one of the leading sports retailers in Spain selling footwear, apparel, accessories and equipment for a wide range of sports as well as some lifestyle casual wear including childrenswear. This offer includes both international sports brands and successful own brands. Sprinter is based in Elche in South East Spain and on acquisition had 47 stores primarily based in Andalucia and Levante.

During the 12 month period since acquisition, certain measurement adjustments have been made to the fair values of the net assets of JD Sprinter Holdings 2010 SL as at the acquisition date in accordance with IFRS 3 'Business Combinations'.

11. ACQUISITIONS (CONTINUED)

Acquisition of JD Sprinter Holdings 2010 SL (continued)

The goodwill calculation is summarised below:

	Provisional fair value at 28 January 2012 £000	Measurement adjustments £000	**Fair value at 2 February 2013 £000**
Acquiree's net assets at the acquisition date:			
Intangible assets	5,058	-	**5,058**
Property, plant and equipment	9,053	(609)	**8,444**
Non-current other assets	1,035	-	**1,035**
Inventories	15,426	-	**15,426**
Trade and other receivables	383	-	**383**
Cash and cash equivalents	1,832	-	**1,832**
Interest-bearing loans and borrowings	(3,326)	-	**(3,326)**
Trade and other payables	(19,957)	-	**(19,957)**
Provisions	(355)	-	**(355)**
Deferred tax asset/ (liabilities)	(1,329)	289	**(1,040)**
Net identifiable assets	7,820	(320)	**7,500**
Non-controlling interest (49.9%)	(3,902)	160	**(3,742)**
Goodwill on acquisition	6,590	160	**6,750**
Consideration paid - satisfied in cash	3,508	-	**3,508**
Consideration paid - share of cash invested in JD Sprinter	7,000	-	**7,000**
Total consideration	10,508	-	**10,508**

The total non-controlling interest arising on the acquisition of JD Sprinter comprises:			
Non-controlling interest in net identifiable assets of Sprinter trading companies	3,902	(160)	**3,742**
Non-controlling interest in net identifiable assets of JD Sprinter company	7,000	-	**7,000**
Total non-controlling interest	10,902	(160)	**10,742**

11. ACQUISITIONS (CONTINUED)

Blacks Outdoor Retail Limited

On 9 January 2012, the Group acquired, via its subsidiary Blacks Outdoor Retail Limited, the trade and assets of Blacks Leisure Group Plc and certain of its subsidiaries from its Administrators for a total cash consideration of £20,000,000.

Blacks is a long established retailer of specialist outdoor footwear, apparel and equipment and has two fascias (Blacks and Millets) and was trading from 296 stores at the point of its administration. Since acquisition, 123 loss making stores have been closed. In addition to selling third party brands such as North Face and Berghaus, Blacks has two strong own brands in Eurohike and Peter Storm.

During the 12 month period since acquisition, certain measurement adjustments have been made to the fair values of the net assets of Blacks Outdoor Retail Limited as at the acquisition date in accordance with IFRS 3 'Business Combinations'.

The goodwill calculation is summarised below:

	Provisional fair value at 28 January 2012 £000	Measurement adjustments £000	**Fair value at 2 February 2013 £000**
Acquiree's net assets at acquisition date:			
Intangible Assets	11,500	-	**11,500**
Non-current other assets	1,650	-	**1,650**
Property, plant and equipment	3,000	-	**3,000**
Inventories	6,692	2,888	**9,580**
Cash and cash equivalents	60	-	**60**
Trade and other receivables	5,349	-	**5,349**
Trade and other payables	(13,022)	(204)	**(13,226)**
Deferred tax liabilities	(413)	-	**(413)**
Net identifiable assets	14,816	2,684	**17,500**
Goodwill on acquisition	5,184	(2,684)	**2,500**
Consideration paid - satisfied in cash	20,000	-	**20,000**

12. DISPOSALS

Current year disposals

Disposal of 100% of the issued ordinary share capital of Canterbury Limited (and it's subsidiary undertakings)

On 13 September 2012 the Group disposed of its 100% shareholding in Canterbury Limited to Pentland Group Plc for a total cash payment of £22,698,521 and acquired the ONETrueSaxon Brand. The total cash payment received comprised £1 for the entire share capital of Canterbury Limited and £22,698,520 which repaid the total intercompany receivable balance owing to the Company from the Canterbury Group at the date of disposal.

The assets and liabilities related to Canterbury Limited (and its subsidiary undertakings) form a disposal group. However, Canterbury has not been treated as a discontinued operation at 2 February 2013, as its teamwear and leisurewear offering did not represent a major line of business.

Financial information related to the disposal is set out below:

	£000
Consideration received	22,699
Less: carrying value of net assets disposed of	(19,748)
Plus: share of translation reserve recycled	910
Less: non-controlling interest disposed of	(2,570)
Less: transaction costs	(600)
Profit on disposal	**691**
Net cash flow on disposal:	
Consideration received	22,699
Less: cash and cash equivalents disposed of	(5,888)
Net cash inflow from disposal	**16,811**

Put and call options

The Group (via its subsidiary Canterbury Limited) was party to a put and call option agreement between Canterbury Limited and the vendors of Canterbury of New Zealand, whereby Canterbury Limited may acquire or be required to acquire the non-controlling interest of 49% of the issued share capital of Canterbury of New Zealand Limited.

In addition, the Group (via its subsidiary Canterbury Limited) was party to a put and call option between Canterbury Limited and the non-controlling interest in Canterbury International (Australia) Pty Limited, whereby Canterbury Limited may acquire or be required to acquire 25% of the issued ordinary share capital of Canterbury International (Australia) Pty Limited.

At the date of disposal of Canterbury Limited, a gross liability of £5,261,000 recognised for the put options on Canterbury of New Zealand and Canterbury International (Australia) Pty Limited measured in accordance with IAS 32 has been replaced with the fair value under IAS 39 of that derivative liability. This liability is included in the net assets disposed of.

Subsequent to the disposal an amount of £2,691,000 which represents the cumulative amounts previously recognised on the re-measurement under IAS 32 of the put options was transferred from other equity to retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. DISPOSALS (CONTINUED)

Prior year disposals

Disposal of 15% of issued ordinary share capital of Premium Fashion Limited

On 18 June 2011, the Group acquired, via its subsidiary Premium Fashion Limited, the trade and assets of 8 stores trading as Cecil Gee along with the Cecil Gee name and inventory from Moss Bros Group Plc for a cash consideration of £1,598,000.

On 2 December 2011 15% of the issued share capital was disposed of to Benba Investments Limited, Chape Investments Limited and Ginda Investments Limited by issuing 1,500 new shares (500 to each new shareholder) in exchange for a cash consideration of £1,500.

On 25 July 2012 the Group reacquired the 15% share capital for cash consideration of £40,000. As the Group already had control of Premium Fashion Limited, the increase in Group ownership has been accounted for as an equity transaction.

13. INTANGIBLE ASSETS

GROUP	Goodwill £000	Brand licences £000	Brand names £000	Fascia name £000	Total £000
Cost or valuation					
At 29 January 2011	42,341	11,779	11,227	5,481	70,828
Acquisitions	24,047	-	5,431	16,396	45,874
Exchange differences	(1,006)	-	-	(727)	(1,733)
At 28 January 2012	65,382	11,779	16,658	21,150	114,969
Acquisitions	3,328	-	5,540	852	9,720
Divestment of subsidiaries	-	-	(6,884)	-	(6,884)
Exchange differences	(813)	-	-	(192)	(1,005)
At 2 February 2013	67,897	11,779	15,314	21,810	116,800
Amortisation and impairment					
At 29 January 2011	9,869	1,208	1,436	-	12,513
Charge for the period	-	1,111	1,340	-	2,451
Impairments	1,537	-	340	838	2,715
At 28 January 2012	11,406	2,319	3,116	838	17,679
Charge for the period	-	1,112	1,686	-	2,798
Impairments	2,315	-	-	-	2,315
Divestment of subsidiaries	-	-	(2,016)	-	(2,016)
At 2 February 2013	13,721	3,431	2,786	838	20,776
Net book value					
At 2 February 2013	**54,176**	**8,348**	**12,528**	**20,972**	**96,024**
At 28 January 2012	53,976	9,460	13,542	20,312	97,290
At 29 January 2011	32,472	10,571	9,791	5,481	58,315

13. INTANGIBLE ASSETS (CONTINUED)

Impairment

The impairment in the period relates to a partial impairment of the goodwill on the acquisition of the entire issued share capital of Pink Soda Limited (formerly Bank Stores Holdings Limited) in 2007. The goodwill recognised on the acquisition was £14,154,000 however following a difficult trading period in the Bank stores, where revenues on certain key brands declined; £2,315,000 of the goodwill has been impaired being the amount unsupported in the impairment review performed on the Bank cash-generating unit. The Board believes that the remaining goodwill of £11,839,000 is justified after having performed relevant sensitivity analysis.

The impairment in the prior period relates to the goodwill and brand name totalling £1,877,000 on the acquisition of the entire issued share capital of Kooga Rugby Limited in 2009 and the Cecil Gee fascia name of £838,000 arising on the acquisition of the trade and assets of Cecil Gee from Moss Bros in June 2011.

Divestment of subsidiaries

The divestment in the period of £4,868,000 relates to the carrying value of the Canterbury brand name recognised on acquisition of Canterbury Limited in 2009. The Group disposed its 100% shareholding in Canterbury Limited on 13 September 2012 (see note 12).

Intangibles assets with definite lives

Brand licences

Brand licences are being amortised on a straight line basis over the licence period. Amortisation of these intangibles is included within cost of sales in the Consolidated Income Statement. Brand licenses are tested annually for impairment by comparing the recoverable amount to their carrying value.

The recoverable amount of brand licences is 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 relevant cash-generating unit and the choice of a suitable discount rate in order to calculate the present value.

The Group's brand licenses and the key assumptions used in the value-in-use calculations, is as follows:

Basic information						Impairment model assumptions used				
GROUP	Segment	Terms	Cost £000	**Net Book Value 2013 £000**	Net Book Value 2012 £000	Short term growth rate (1) %	Long term growth rate (2) %	Margin rate	Pre-tax discount rate (3) 2013 %	Pre-tax discount rate (3) 2012 %
Fila	Sport	10 year license from January 2011 for exclusive use of the brand in the UK and Republic of Ireland	7,500	**5,938**	6,688	2.0%	2.0%	Gross margins over the remaining license period are assumed to be broadly consistent with approved budget levels for the period ending January 14	13.9%	12.2%
Sergio Tacchini	Sport	Sub-licence to use the brand in the UK until 2019	4,279	**2,410**	2,772	3.5%	2.0%	Gross margins over the remaining license period are assumed to be broadly consistent with approved budget levels for the period ending January 14	13.9%	12.2%
			11,779	**8,348**	9,460					

(1) The short term growth rate is the approved compound annual growth rate in sales for the first two year period following the January 2014 financial year currently underway

(2) The long term growth rate is the rate used thereafter until the end of the license period

(3) The discount rate applied is pre-tax and reflects current market assessments of the time value of money and risks specific to the assets, for which future cash flow estimates have not been adjusted. These discount rates are considered to be equivalent to the rate a market participant would use

13. INTANGIBLE ASSETS (CONTINUED)

Brand names

Brand names are all amortised over a period of 10 years and the amortisation charge is included within administrative expenses in the Consolidated Income Statement. Brand names are tested annually for impairment by comparing the recoverable amount to their carrying value.

The recoverable amount of brand names is determined based on a 'royalty relief' method of valuation, when this method is deemed the most appropriate, 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. Alternatively the carrying value of the brand names has been allocated to a cash-generating unit, along with the relevant goodwill and fascia names, and tested in the value-in-use calculation performed for that cash generating unit (see below).

The Group's brand names and the key assumptions used in 'royalty relief' method of valuation, is as follows:

Basic information						Impairment model assumptions used			
GROUP	Segment	Date of acquisition	Cost £000	**Net Book Value 2013 £000**	Net Book Value 2012 £000	Short term growth rate (1) %	Long term growth rate (2) %	Pre-tax discount rate (3) 2013 %	Pre-tax discount rate (3) 2012 %
Royalty relief model used to test the following brands:									
Peter Werth	Sport	26 May 2011	400	**333**	373	2.0%	2.0%	13.9%	12.2%
Sonneti	Sport	26 April 2010	1,520	**1,140**	1,292	2.0%	2.0%	13.9%	12.2%
Duffer of St George	Sport	24 November 2009	2,042	**1,332**	1,558	5.0%	2.0%	13.9%	12.2%
Henleys	Sport	4 May 2012	2,632	**2,435**	-	9.0%	2.0%	14.5%	-
One True Saxon	Sport	13 September 2012	50	**48**	-	2.0%	2.0%	14.5%	-
Fly 53	Sport	2 February 2013	458	**415**	-	2.0%	2.0%	14.5%	-
Gio Goi	Sport	31 January 2013	2,400	**2,400**	-	2.0%	2.0%	14.5%	-
Brands included within the indefinite life intangible asset models (as below):									
Fenchurch	Sport	17 March 2011	1,100	**889**	999				
Peter Storm	Outdoor	9 January 2012	2,250	**2,021**	2,250				
Eurohike	Outdoor	9 January 2012	750	**674**	750				
Kukri	Distribution	7 February 2011	720	**576**	648				
Nanny State	Distribution	4 August 2010	350	**265**	298				
Brands with nil net book value at period end:									
Chilli Pepper	Sport	18 June 2010	190	**-**	162				
Kooga	Distribution	3 July 2009	452	**-**	-				
Canterbury	Distribution	4 August 2009	-	**-**	5,212				
			15,314	**12,528**	13,542				

(1) The short term growth rate is the approved annual growth rate in sales for the first two year period following the January 2014 financial year currently underway

(2) The long term growth rate is the rate used thereafter until the end of the useful life remaining

(3) The discount rate applied is pre-tax and reflects current market assessments of the time value of money and risks specific to the assets, for which future cash flow estimates have not been adjusted. These discount rates are considered to be equivalent to the rate a market participant would use

13. INTANGIBLE ASSETS (CONTINUED)

Intangibles assets with indefinite lives

Fascia name

Fascia names are not being amortised as management consider these assets to have indefinite useful economic life. Factors considered by the Board in determining that the useful life of the fascia names are indefinite for all fascia names, with the exception of 'Cecil Gee' include:

- The strength of the respective fascia names in the relevant sector and geographic region where the fascia is located
- The history of the fascia names and that of similar assets in the UK (in relation to Blacks, Millets, Bank and Tessuti), Republic of Ireland (Champion) and Spain (Sprinter) retail sectors
- The commitment of the Group to continue to operate these stores separately for the foreseeable future, including the ongoing investment in new stores and refurbishments

The 'Cecil Gee' fascia name was fully impaired in the prior period.

Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries. Goodwill is stated at cost less any accumulated impairment losses.

Goodwill and fascia names are 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 and fascia names.

The recoverable amount of a CGU is determined based on value-in-use calculations. The carrying amount of goodwill and fascia name by CGU, along with the key assumptions used in the value-in-use calculation is set out on page 95 (opposite).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. INTANGIBLE ASSETS (CONTINUED)

Goodwill (continued)

		Basic financial information						Impairment model assumptions used				
	Segment	**Goodwill 2013 £000**	**Fascia name 2013 £000**	**Total intangible 2013 £000**	Goodwill 2012 £000	Fascia name 2012 £000	Total intangible 2012 £000	Short term growth rate (1) %	Long term growth rate (2) %	Margin rate	Pre-tax discount rate (3) 2013 %	Pre-tax discount rate (3) 2012 %
Allsports store portfolio	Sport	**924**	**-**	**924**	924	-	924	1.0%	1.0%	Gross margins are assumed to be broadly consistent with recent historic and approved budget levels	10.5%	12.2%
First Sport store portfolio	Sport	**14,976**	**-**	**14,976**	14,976	-	14,976	1.0%	1.0%	Gross margins are assumed to be broadly consistent with recent historic and approved budget levels	10.5%	12.2%
Champion store portfolio	Sport	**11,202**	**2,000**	**13,202**	11,765	2,000	13,765	2.0%	2.0%	Gross margins are assumed to improve by 3.3% in the first five year period from the recent margin rate achieved to reflect implementation of enhanced group terms and to reflect continuing focused strategy regarding stock and merchandising	14.4%	16.1%
Sprinter store portfolio	Sport	**6,173**	**4,139**	**10,312**	6,423	4,331	10,754	2.0%	2.0%	Gross margins are assumed to improve steadily over the first five year period to 1.2% above the current margin rate to reflect continuing focused strategy regarding stock and merchandising	20.7%	16.4%
Bank store portfolio (4)	Fashion	**11,839**	**5,481**	**17,320**	14,154	5,481	19,635	1.0%	0.2%	Gross margins are assumed to improve by 1.3% in the first five year period from the recent margin rate achieved to reflect increase proportion of own brand sales budget	13.3%	12.2%
Tessuti store portfolio	Fashion	**1,092**	**852**	**1,944**	-	-	-	2.0%	1.0%	Gross margins are assumed to be broadly consistent with recent historic and approved budget levels	14.5%	-
Originals store portfolio	Fashion	**105**	**-**	**105**	-	-	-	2.0%	1.0%	Gross margins are assumed to be broadly consistent with recent historic and approved budget levels	14.5%	-
Blacks/Millets store portfolio (5)	Outdoor	**2,500**	**8,500**	**11,000**	2,500	8,500	11,000	2.0%	2.0%	Gross margins are assumed to improve by 5.0% in the first five year period from the recent margin achieved to reflect focused strategy regarding stock and merchandising	14.3%	12.2%
Nicholas Deakins Limited	Distribution	**864**	**-**	**864**	864	-	864	1.0%	1.0%	Gross margins are assumed to be broadly consistent with recent historic and approved budget levels	13.3%	12.2%
Kukri Sports Limited (6)	Distribution	**1,653**	**-**	**1,653**	1,653	-	1,653	1.0%	1.0%	Gross margins are assumed to be broadly consistent with recent historic and approved budget levels	16.0%	12.2%
Source Lab Limited	Distribution	**2,131**	**-**	**2,131**	-	-	-	2.0%	1.0%	Gross margins are assumed to be broadly consistent with recent historic and approved budget levels	14.5%	-
Focus Brands Limited	Distribution	**700**	**-**	**700**	700	-	700	1.0%	1.0%	Gross margins are assumed to be broadly consistent with recent historic and approved budget levels	13.3%	12.2%
Topgrade Sportswear Limited	Distribution	**17**	**-**	**17**	17	-	17			Not material for Group		
		54,176	**20,972**	**75,148**	53,976	20,312	74,288					

13. INTANGIBLE ASSETS (CONTINUED)

Goodwill (continued)

(1) The short term growth rate is the compound annual growth rate for the four year period following the January 2014 financial year currently underway

(2) The long term growth rate is the rate used thereafter, which is an estimate of the growth based on past experience within the Group taking account of economic growth forecast for the relevant industries

(3) The discount rate applied is pre-tax and reflects the current market assessments of the time value of money and any specific risk premiums relevant to the individual CGU's. These discount rates are considered to be equivalent to the rates a market participant would use

(4) The impairment model prepared for Bank, in addition to covering the goodwill and fascia names, has also been used to support the net book value of the Nanny State and Fenchurch brand names, which are predominantly sold through the Bank store portfolio

(5) The impairment model prepared for Blacks and Millets, in addition to covering the goodwill and fascia names, has also been used to support the net book value of the Peter Storm and Eurohike brand names, which are exclusively sold through the Blacks and Millets store portfolio

(6) The impairment model prepared for Kukri, in addition to supporting the goodwill, has also been used to support the net book value of the Kukri brand name

The cash flow projections used in the value-in-use calculations are all 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.

Sensitivity analysis

A sensitivity analysis has been performed on the base case assumptions of sales growth and discounts rates used for assessing the goodwill.

With regards to the assessment of value-in-use of all cash-generating units, with the exceptions of those listed below, the Board believe that there are no reasonably possible changes in any of the key assumptions, which would cause the carrying value of the unit to exceed its recoverable amount.

For the Bank, Blacks and Champion goodwill and fascia name cash-generating units, changes in key assumptions could cause the carrying value of the unit to exceed its recoverable amount.

The Board has considered the possibility of each of these businesses achieving less revenue and gross profit than forecast. Whilst the reduction in revenue would be partially offset by a reduction in revenue related costs, the Board would also take actions to mitigate the loss of gross profit by reducing other costs.

Bank

Should the business have 0.0% sales growth beyond year five rather than the 0.2% assumed and be unable to reduce selling and distribution and administrative costs, the reduction in value-in-use would lead to a further impairment of £685,000. All other assumptions remain unchanged.

Should the business not achieve the assumed gross margin rate % growth in the first five year period of 1.3% by 0.5% and be unable to reduce selling and distribution and administrative costs, the reduction in value-in-use would lead to a further impairment of £6,976,000. All other assumptions remain unchanged.

Blacks

Should the business not achieve the assumed gross margin rate % growth in the first five year period of 5.0% by 0.5% and be unable to reduce selling and distribution and administrative costs, the reduction in value-in-use would lead to an impairment of £1,968,000. All other assumptions remain unchanged.

Champion

Should the business not achieve the assumed gross margin rate % growth in the first five year period of 3.3% by 3.0% and have 0.0% sales growth beyond year five whilst being unable to reduce selling and distribution and administrative costs, the reduction in value-in-use would lead to an impairment of £1,075,000. All other assumptions remain unchanged.

13. INTANGIBLE ASSETS (CONTINUED)

COMPANY	Goodwill £000	Brand licences £000	Brand names £000	**Total £000**
Cost or valuation				
At 29 January 2011	19,945	11,779	1,710	33,434
Acquisitions	-	-	1,500	1,500
At 28 January 2012	19,945	11,779	3,210	34,934
Acquisitions	-	-	5,540	5,540
At 2 February 2013	19,945	11,779	8,750	40,474
Amortisation and impairment				
At 29 January 2011	4,045	1,208	85	5,338
Charge for the period	-	1,111	299	1,410
At 28 January 2012	4,045	2,319	384	6,748
Charge for the period	-	1,112	706	1,818
At 2 February 2013	4,045	3,431	1,090	8,566
Net book value				
At 2 February 2013	**15,900**	**8,348**	**7,660**	**31,908**
At 28 January 2012	15,900	9,460	2,826	28,186
At 29 January 2011	15,900	10,571	1,625	28,096

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land, long leasehold & freehold properties £000	Improvements to short leasehold properties £000	Computer equipment £000	Fixtures and fittings £000	Motor vehicles £000	Assets in the course of construction £000	**Total £000**
Cost							
At 29 January 2011	942	17,204	13,767	136,177	187	-	168,277
Additions	-	1,959	4,761	18,180	184	18,762	43,846
Disposals	-	(720)	(3,094)	(9,031)	(243)	-	(13,088)
Transfer from Investment property	2,997	-	-	-	-	-	2,997
On acquisition of subsidiaries	-	-	1,409	16,860	415	-	18,684
Exchange differences	-	124	25	(490)	4	-	(337)
At 28 January 2012	3,939	18,567	16,868	161,696	547	18,762	220,379
Additions	677	1,039	9,899	26,444	119	-	38,178
Disposals	-	(979)	(329)	(10,033)	(191)	-	(11,532)
Transfers	-	90	-	18,672	-	(18,762)	-
On acquisition of subsidiaries	973	268	81	575	8	-	1,905
Divestment of subsidiaries	-	(572)	(431)	(402)	(52)	-	(1,457)
Exchange differences	-	(43)	(128)	(2,218)	(4)	-	(2,393)
At 2 February 2013	5,589	18,370	25,960	194,734	427	-	245,080
Depreciation and impairment							
At 29 January 2011	-	9,363	10,396	70,403	(5)	-	90,157
Charge for period	27	1,398	2,421	17,418	163	-	21,427
Disposals	-	(584)	(3,040)	(8,243)	(115)	-	(11,982)
Impairments	-	21	106	1,470	-	-	1,597
Exchange differences	-	62	80	123	6	-	271
At 28 January 2012	27	10,260	9,963	81,171	49	-	101,470
Charge for period	33	1,403	3,125	22,294	138	-	26,993
Disposals	-	(883)	(235)	(9,710)	(127)	-	(10,955)
Impairments	-	11	-	703	-	-	714
Divestment of subsidiaries	-	(311)	(232)	(279)	(41)	-	(863)
Exchange differences	-	(18)	(72)	(1,289)	(1)	-	(1,380)
At 2 February 2013	60	10,462	12,549	92,890	18	-	115,979
Net book value At 2 February 2013	**5,529**	**7,908**	**13,411**	**101,844**	**409**	**-**	**129,101**
At 28 January 2012	3,912	8,307	6,905	80,525	498	18,762	118,909
At 29 January 2011	942	7,841	3,371	65,774	192	-	78,120

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The carrying amount of the group's property, plant and equipment includes an amount of £1,479,000 (2012: £2,165,000) in respect of assets held under finance leases, comprising fixtures and fittings of £1,427,000 (2012: £2,080,000) and motor vehicles of £52,000 (2012: £85,000). The depreciation charge on those assets for the current period was £672,000 (2012: £567,000), comprising fixtures and fittings of £643,000 (2012: £nil) and motor vehicles of £29,000 (2012: £35,000).

Assets in the course of construction of £18,762,000 relating to the new warehouse development of Kingsway, Rochdale has transferred to fixtures and fittings in the period.

Impairment charges of £714,000 (2012: £1,597,000) 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 to their recoverable amount which is calculated as the greater of the fair value less costs to sell and value-in-use.

COMPANY	Land £000	Improvements to short leasehold properties £000	Computer equipment £000	Fixtures and fittings £000	Motor vehicles £000	Assets in the course of construction £000	**Total £000**
Cost							
At 29 January 2011	-	12,989	12,163	103,426	234	-	128,812
Additions	942	1,116	3,501	8,427	-	18,762	32,748
Disposals	-	(525)	(2,253)	(6,307)	(21)	-	(9,106)
At 28 January 2012	942	13,580	13,411	105,546	213	18,762	152,454
Additions	-	546	7,726	7,526	25	-	15,823
Disposals	-	(806)	(185)	(6,822)	(33)	-	(7,846)
Transfers	-	-	-	18,762	-	(18,762)	-
At 2 February 2013	942	13,320	20,952	125,012	205	-	160,431
Depreciation and impairment							
At 29 January 2011	-	7,893	9,680	59,623	77	-	77,273
Charge for period	-	950	1,556	10,050	42	-	12,598
Disposals	-	(435)	(2,226)	(5,907)	(13)	-	(8,581)
Impairments	-	7	2	51	1	-	61
At 28 January 2012	-	8,415	9,012	63,817	107	-	81,351
Charge for period	-	969	1,948	11,808	31	-	14,756
Disposals	-	(715)	(165)	(6,696)	(24)	-	(7,600)
Impairments	-	-	-	-	-	-	-
At 2 February 2013	-	8,669	10,795	68,929	114	-	88,507
Net book value At 2 February 2013	**942**	**4,651**	**10,157**	**56,083**	**91**	**-**	**71,924**
At 28 January 2012	942	5,165	4,399	41,729	106	18,762	71,103
At 29 January 2011	-	5,096	2,483	43,803	157	-	51,539

15. INVESTMENT PROPERTY

GROUP	£000
Cost	
At 29 January 2011	4,160
Transfer to Property, Plant and Equipment	(4,160)
At 28 January 2012	-
Additions	-
At 2 February 2013	-
Depreciation and impairment	
At 29 January 2011	1,160
Charge for period	3
Transfer to Property, Plant and Equipment	(1,163)
At 28 January 2012	-
Charge for period	-
At 2 February 2013	-
Net book value At 2 February 2013	**-**
At 28 January 2012	-
At 29 January 2011	3,000

The Investment Property brought forward relates to a property leased to Focus Brands Limited. The addition in the period relates to a freehold property acquired by JD Sports Fashion Plc, which is leased to Kukri Sports Limited.

Both of these properties are owner-occupied from the perspective of the Group as both Focus Brands Limited and Kukri Sports Limited are subsidiaries of the Group. These properties however remain Investment Properties from the Company perspective as at 2 February 2013.

Based on an external valuation, the fair value of the investment properties as at 2 February 2013 was £3,427,000 (2012: £2,800,000).

Management do not consider either of the investment properties to be impaired as the future rental income supports the carrying value.

COMPANY	£000
Cost	
At 29 January 2011 and 28 January 2012	4,160
Additions	677
At 2 February 2013	4,837
Depreciation and impairment	
At 29 January 2011	1,160
Charge for period	30
At 28 January 2012	1,190
Charge for period	33
At 2 February 2013	1,223
Net book value	
At 2 February 2013	**3,614**
At 28 January 2012	2,970
At 29 January 2011	3,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. NON-CURRENT OTHER ASSETS

	GROUP				COMPANY
	Key Money £000	Deposits £000	Legal Fees £000	**Total £000**	Legal Fees £000
Cost					
At 29 January 2011	9,197	779	7,362	17,338	6,679
Additions	1,118	329	456	1,903	482
Disposals	(38)	(62)	(425)	(525)	(330)
On acquisition of subsidiaries	-	1,035	1,650	2,685	-
Exchange differences	(34)	(51)	11	(74)	-
At 28 January 2012	10,243	2,030	9,054	21,327	6,831
Additions	3,273	667	1,410	5,350	1,372
Disposals	(252)	(213)	(146)	(611)	(123)
Exchange differences	(539)	(90)	(12)	(641)	-
At 2 February 2013	12,725	2,394	10,306	25,425	8,080
Depreciation and impairment					
At 29 January 2011	778	-	3,513	4,291	3,089
Charge for period	-	-	472	472	450
Disposals	-	-	(367)	(367)	(268)
Impairments	(15)	-	4	(11)	2
Exchange differences	(37)	-	4	(33)	-
At 28 January 2012	726	-	3,626	4,352	3,273
Charge for period	-	-	537	537	518
Disposals	-	-	(123)	(123)	(110)
Impairments	191	-	-	191	-
Exchange differences	(95)	-	(5)	(100)	-
At 2 February 2013	822	-	4,035	4,857	3,681
Net book value At 2 February 2013	**11,903**	**2,394**	**6,271**	**20,568**	**4,399**
At 28 January 2012	9,517	2,030	5,428	16,975	3,558
At 29 January 2011	8,419	779	3,849	13,047	3,590

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.

17. 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 was 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 was jointly controlled with the former shareholders of Focus Group Holdings Limited.

On 16 February 2011, the Group acquired a further 31% of the issued share capital of Focus Brands Limited for a cash consideration of £1,000,000, with potential further deferred consideration of £250,000 depending on performance. As a result there was no further deferred consideration payable on the original transaction. The additional shares purchased since the reporting date took the Group's holding in Focus Brands Limited to 80%, thereby giving the Group control. Focus Brands Limited has since been a subsidiary of the Group rather than a jointly-controlled entity.

The results and assets and liabilities of the Focus Group were incorporated in the consolidated financial statements using the equity method of accounting as a joint venture in the prior period up to 16 February 2011.

The Group's share of the revenue generated by the joint venture in the period was £nil (2012: £841,000).

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

	53 weeks to 2 February 2013			52 weeks to 28 January 2012		
	Before Exceptionals £000	**Exceptionals £000**	**After Exceptionals £000**	Before Exceptionals £000	Exceptionals £000	After Exceptionals £000
Share of result before tax	**-**	**-**	**-**	(143)	1,166	1,023
Tax	**-**	**-**	**-**	41	4	45
Share of result after tax	**-**	**-**	**-**	(102)	1,170	1,068

The exceptional items in the 52 week period to 28 January 2012 related to a further reversal of the impairment of the investment held by Focus Brands Limited in Focus Group Holdings Limited, following an additional repayment of original purchase consideration by the vendors of Focus Group Holdings Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. INVESTMENTS

COMPANY	**£000**
Cost	
At 29 January 2011	14,534
Additions	33,411
At 28 January 2012	47,945
Additions	2,900
At 2 February 2013	50,845
Impairment	
At 29 January 2011 and 28 January 2012	5,470
Impairments	-
At 2 February 2013	5,470
Net book value	
At 2 February 2013	**45,375**
At 28 January 2012	42,475
At 29 January 2011	9,064

The additions to investments in the current year comprise the following. Unless otherwise stated the investment is 100% owned.

COMPANY	**2013 £000**
JD Spain Sport Fashion 2010 SL (c65% owned)	250
Premium Fashion Limited	40
Source Lab Limited (85% owned)	2,550
Tessuti Group Limited (60% owned)	60
Total additions	2,900

A list of principal subsidiaries is shown in note 36.

19. INVENTORIES

	GROUP		COMPANY	
	2013 £000	2012 (restated - see note 1) £000	2013 £000	2012 £000
Finished goods and goods for resale	146,569	133,243	56,125	52,579

The cost of inventories recognised as expenses and included in cost of sales for the 53 weeks ended 2 February 2013 was £645,404,000 (2012: £538,676,000).

20. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2013 £000	2012 £000	2013 £000	2012 £000
Current assets				
Trade receivables	12,386	17,730	2,097	1,368
Other receivables	6,413	3,804	2,645	507
Prepayments and accrued income	37,962	32,613	22,150	15,250
Amounts owed by other Group companies	-	-	129,213	106,828
	56,761	54,147	156,105	123,953

The ageing of trade receivables is detailed below:

	2013			2012		
GROUP	Gross £000	Provision £000	Net £000	Gross £000	Provision £000	Net £000
Not past due	7,620	(262)	7,358	10,062	(40)	10,022
Past due 0-30 days	1,508	-	1,508	2,267	(16)	2,251
Past due 30-60 days	904	(2)	902	1,397	(91)	1,306
Past 60 days	2,991	(373)	2,618	5,024	(873)	4,151
	13,023	(637)	12,386	18,750	(1,020)	17,730

	2013			2012		
COMPANY	Gross £000	Provision £000	Net £000	Gross £000	Provision £000	Net £000
Not past due	907	-	907	264	-	264
Past due 0 - 30 days	356	-	356	198	-	198
Past due 30-60 days	430	-	430	239	-	239
Past 60 days	504	(100)	404	767	(100)	667
	2,197	(100)	2,097	1,468	(100)	1,368

20. TRADE AND RECEIVABLES (CONTINUED)

Analysis of gross trade receivables is shown below:

	GROUP		COMPANY	
	2013 £000	2012 £000	2013 £000	2012 £000
Not past due or impaired	7,256	9,979	896	212
Past due but not impaired	4,208	7,316	580	632
Impaired	1,559	1,455	721	624
	13,023	18,750	2,197	1,468

The aging of the impaired trade receivables is detailed below:

	GROUP		COMPANY	
	2013 £000	2012 £000	2013 £000	2012 £000
Not past due	364	83	11	52
Past due 0 - 30 days	-	237	-	121
Past due 30-60 days	345	146	342	147
Past 60 days	850	989	368	304
	1,559	1,455	721	624

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 wide 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 debt or insolvency or other credit risk.

Movement on this provision is shown below:

	GROUP £000	COMPANY £000
At 29 January 2011	862	222
Created	760	100
Released	(77)	-
Utilised	(525)	(222)
At 28 January 2012	1,020	100
Created	435	-
Released	(29)	-
Utilised	(139)	-
Divestments	(639)	-
Exchange differences	(11)	-
At 2 February 2013	**637**	**100**

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

21. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Bank balances and cash floats	**53,484**	67,024	**20,046**	28,762

22. INTEREST-BEARING LOANS AND BORROWINGS

	GROUP		COMPANY	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Current liabilities				
Finance lease liabilities	**49**	610	**-**	-
Bank loans and overdrafts	**7,036**	4,937	**-**	-
Other loans	**72**	-	**-**	-
	7,157	5,547	**-**	-
Non-current liabilities				
Finance lease liabilities	**7**	50	**-**	-
Bank loans and overdrafts	**288**	765	**-**	-
Other loans	**396**	367	**-**	-
	691	1,182	**-**	-

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 23.

Bank facilities

As at 2 February 2013, the Group has a syndicated committed £75,000,000 bank facility which expires on 11 October 2015. Under this facility, a maximum of 10 drawdowns can be outstanding at any time with drawdowns made for a period of one, two, three or six months with interest payable at a rate of LIBOR plus a margin of 1.40% (2012: 1.25%). The arrangement fee is 0.6%. The commitment fee on the undrawn element of the facility is 45% of the applicable margin rate. This facility encompasses cross guarantees between the Company, Bank Fashion Limited, RD Scott Limited, Topgrade Sportswear Limited, Nicholas Deakins Limited and Focus International Limited.

At 2 February 2013, there were no amounts drawn down on this facility (2012: no amounts were drawn down on this facility).

Bank loans and overdrafts

The following Group companies have overdraft facilities which are repayable on demand:

- Spodis SA €5,000,000 (2012: €5,000,000)
- Sprinter Megacentros Del Deporte SLU €4,500,000 (2012: €4,500,000)
- Champion Sports Ireland €3,000,000 (2012: €3,000,000)
- Kukri Sports Limited and Kukri GB Limited £170,000 (2012: £170,000)
- Source Lab Limited £350,000

As at 2 February 2013, these facilities were drawn down by £7,256,000 (2012: £1,648,000). Further information on guarantees provided by the Company is disclosed in note 33.

Included within bank loans and overdrafts are term loans of £68,000 (2012: £289,000) within Spodis 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.

22. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

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

	GROUP		COMPANY	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Within one year	**7,036**	4,937	**-**	-
Between one and five years	**288**	765	**-**	-
	7,324	5,702	**-**	-

Other loans

The acquisition of Tessuti Group Limited included a freehold property with a mortgage balance remaining of £508,000 at the time of acquisition. The loan is repayable over 10 years and attracts interest at 2.99% over base. At 2 February 2013, 82 months is remaining.

The Group had a loan payable to Herald Island Limited at 28 January 2012, the non-controlling interest in Canterbury of New Zealand Limited. The loan attracted interest at 3.0% above the Group's cost of funds and was repayable on exercise of the put and call option. This liability has been discharged on the disposal of the Canterbury Group (see note 12).

The maturity of other loans is as follows:

	GROUP		COMPANY	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Within one year	**72**	-	**-**	-
Between one and five years	**396**	367	**-**	-
	468	367	**-**	-

Finance lease liabilities

As at 2 February 2013, the Group's liabilities under finance leases are analysed as follows:

	Minimum lease payments		Present value of minimum lease payments	
GROUP	**2013 £000**	2012 £000	**2013 £000**	2012 £000
Amounts payable under finance leases:				
Within one year	**51**	646	**49**	610
Later than one year and not later than five years	**8**	55	**7**	50
After five years	**-**	-	**-**	-
	59	701	**56**	660

Assets held under finance leases consists of store fit outs (included within fixtures and fittings) and motor vehicles. The fair value of the Group's lease obligations approximate to their present value. The Group's obligations under finance leases are secured by the lessors' rights over the leased assets.

23. 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' and 'Cash and cash equivalents' 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 and EURIBOR. The currency profile of cash and cash equivalents is shown below:

	GROUP		COMPANY	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Bank balances and cash floats	**53,484**	67,024	**20,046**	28,762
Sterling	**18,552**	31,846	**4,608**	21,706
Euros	**31,481**	29,117	**12,525**	4,701
US Dollars	**2,316**	3,591	**2,211**	2,265
Australian Dollars	**162**	1,075	**49**	90
New Zealand Dollars	**87**	1,262	**-**	-
Other	**886**	133	**653**	-
	53,484	67,024	**20,046**	28,762

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	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Interest-bearing loans and borrowings	**7,848**	6,729	**-**	-
Sterling	**469**	150	**-**	-
Euros	**7,344**	6,159	**-**	-
US Dollars	**25**	-	**-**	-
New Zealand Dollars	**-**	404	**-**	-
Canadian Dollars	**10**	16	**-**	-
	7,848	6,729	**-**	-

23. FINANCIAL INSTRUMENTS (CONTINUED)

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 2 February 2013.

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. 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 the inherent short term nature of both the revolving credit facility and working capital facility. This position is reviewed regularly, along with the level of facility required.

The Group has potential bank floating rate financial liabilities on the £75,000,000 committed bank facility, together with overdraft facilities in subsidiary companies (see note 22). At 2 February 2013 £nil was drawdown from the committed bank facility (2012: £nil). When drawdowns are made, the Group is exposed to cash flow interest risk with interest paid at a rate of LIBOR plus a margin of 1.40% (2012: 1.25%).

As at 2 February 2013 the Group has liabilities of £56,000 (2012: £660,000), in respect of finance lease or similar hire purchase contracts.

A change of 1.0% in the average interest rates during the year, applied to the Group's floating interest rate loans and borrowings as at the reporting date, would change profit before tax by £60,000 (2012: £37,000) and would change equity by £60,000 (2012: £37,000). The calculation is based on any floating interest rate loans and borrowings drawn down at the period end date, being the Spodis SA and Sprinter Megacentros Del Deporte SLU overdrafts. Calculations are performed on the same basis as the prior year and assume that all other variables remain unchanged.

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 2 February 2013, options have been entered into to protect approximately 89% of the US Dollar requirement for the period to January 2014. The balance of the US Dollar requirement for the period will be satisfied at spot rates. Hedge accounting is not applied.

As at 2 February 2013, the fair value of these instruments was an asset of £441,000 (2012: asset of £30,000) which has been included within current assets (2012: current assets).
A gain of £411,000 (2012: gain of £1,018,000) has been recognised in the Consolidated Income Statement for the change in fair value of these instruments.

23. FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency risk (continued)

A 10.0% 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	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Euros	**1,770**	515	**3,363**	4,675
US Dollars	**61**	(13)	**(2)**	(240)
Australian Dollars	**11**	13	**(10)**	(177)
New Zealand Dollars	**6**	4	**4**	271
Other	**15**	(61)	**(75)**	(100)
	1,863	458	**3,280**	4,429

A 10.0% 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	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Euros	**2,163**	630	**5,464**	5,714
US Dollars	**74**	(4)	**(2)**	(293)
Australian Dollars	**13**	16	**(7)**	(216)
New Zealand Dollars	**7**	1	**8**	332
Other	**19**	(74)	**(88)**	(122)
	2,276	569	**5,375**	5,415

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 20).
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 £56,761,000 (2012: £54,147,000) and cash and cash equivalents of £53,484,000 (2012: £67,024,000).

The Company has provided guarantees on working capital and other banking facilities entered into by Spodis SA, Sprinter Megacentros Del Deporte SLU and Champion Sports Ireland of €5,000,000, €8,750,000 and up to maximum of €3,000,000 respectively. As at 2 February 2013, these facilities were drawn down by £7,256,000 (2012: £1,648,000).
The Company has also provided a guarantee on the finance lease facility in relation to the acquisition of Champion Sports Ireland up to a maximum of €2,500,000. In addition, the syndicated committed £75,000,000 bank facility, which was in place as at 2 February 2013, encompassed cross guarantees between the Company, R.D. Scott Limited, Bank Fashion Limited, Topgrade Sportswear Limited, Nicholas Deakins Limited and Focus International Limited to the extent to which any of these companies were overdrawn. As at 2 February 2013, these facilities were drawn down by £nil (2012: £nil).

23. FINANCIAL INSTRUMENTS (CONTINUED)

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 22.

As at 2 February 2013, there are committed facilities with a maturity profile as follows:

	2013 £000	2012 £000
Expiring in more than two years but no more than three years	**75,000**	-
Expiring in more than three years but no more than four years	**-**	75,000
	75,000	75,000

The commitment fee on these facilities is 0.45% (2012: 0.45%).

Fair values

The fair values together with the carrying amounts shown in the Consolidated Statement of Financial Position as at 2 February 2013 are as follows:

		GROUP		COMPANY	
	Note	Carrying amount 2013 £000	Fair value 2013 £000	Carrying amount 2013 £000	Fair value 2013 £000
Trade and other receivables	20	56,761	56,761	156,105	156,105
Cash and cash equivalents	21	53,484	53,484	20,046	20,046
Interest-bearing loans and borrowings - current	22	(7,157)	(7,157)	-	-
Interest-bearing loans and borrowings - non-current	22	(691)	(429)	-	-
Trade and other payables - current	24	(194,061)	(194,061)	(97,913)	(97,913)
Trade and other payables - non-current	24	(30,085)	(18,680)	(26,608)	(16,521)
		(121,749)	(110,082)	51,630	61,717
Unrecognised gains/(losses)			11,667		10,087

23. FINANCIAL INSTRUMENTS (CONTINUED)

Fair values (continued)

The comparatives at 28 January 2012 are as follows:

		GROUP		COMPANY	
	Note	Carrying amount 2012 £000	Fair value 2012 £000	Carrying amount 2012 £000	Fair value 2012 £000
Trade and other receivables	20	54,147	54,147	123,953	123,953
Cash and cash equivalents	21	67,024	67,024	28,762	28,762
Interest-bearing loans and borrowings - current	22	(5,547)	(5,547)	-	-
Interest-bearing loans and borrowings - non-current	22	(1,182)	(768)	-	-
Trade and other payables - current	24	(196,256)	(196,256)	(95,077)	(95,077)
Trade and other payables - non-current	24	(36,149)	(23,494)	(28,440)	(18,484)
		(117,963)	(104,894)	29,198	39,154
Unrecognised gains/(losses)			13,069		9,956

In the opinion of the Board, the fair value of the Group's current financial assets and liabilities as at 2 February 2013 and 28 January 2012 are not considered to be materially different to that of the book value. On this basis, the carrying amounts have not been adjusted for the fair values. In respect of the Group's non- current financial assets and liabilities as at 2 February 2013 and 28 January 2012, the fair value has been determined with reference to the time value of money.

Estimation of fair values

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

Fair value hierarchy

As at 2 February 2013, the Group held the following financial instruments carried at fair value on the Statement of Financial Position:

- Foreign exchange forward contracts - non-hedged
- Put options held by non-controlling interests

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

At 2 February 2013	Carrying amount £000	Level 1 £000	Level 2 £000	Level 3 £000
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**441**	-	441	-
Other financial liabilities				
Put options held by non-controlling interests	**(577)**	-	-	(577)

At 28 January 2012	Carrying amount £000	Level 1 £000	Level 2 £000	Level 3 £000
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**30**	-	30	-
Other financial liabilities				
Put options held by non-controlling interests	**(4,094)**	-	-	(4,094)

24. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2013 £000	2012 (restated - see note 1) £000	**2013 £000**	2012 £000
Current liabilities				
Trade payables	**97,084**	93,305	**47,447**	48,109
Other payables and accrued expenses	**70,101**	80,012	**45,692**	36,899
Other tax and social security costs	**26,876**	22,939	**4,774**	10,069
	194,061	196,256	**97,913**	95,077
Non-current liabilities				
Other payables and accrued expenses	**30,085**	36,149	**20,026**	21,858
Amounts payable to other Group companies	**-**	-	**6,582**	6,582
	30,085	36,149	**26,608**	28,440

Put options held by non-controlling interests

The Group has a number of options to buy the remaining shares in partly-owned subsidiaries from the non-controlling interest. The present value of these options has been estimated as at 2 February 2013 and is included within non-current other payables and accrued expenses.

	Canterbury Group £000	Source Lab Limited £000	Tessuti Group Limited £000	Total £000
Put options held by non-controlling interests				
At 28 January 2012	4,094	-	-	**4,094**
Increase in the present value of the existing option liability	1,167	-	-	**1,167**
Revaluation to fair value of the existing option liability	(2,570)	-	-	**(2,570)**
Fair value recognised on acquisition	-	216	361	**577**
On disposal	(2,691)	-	-	**(2,691)**
At 2 February 2013	**-**	**216**	**361**	**577**

24. TRADE AND OTHER PAYABLES (CONTINUED)

Source Lab Limited

On 9 May 2012, the Group acquired 85% of the issued ordinary share capital of Source Lab Limited. The transaction included the agreement of a put and call option between JD Sports Fashion Plc and the vendor of Source Lab Limited, whereby JD Sports Fashion Plc may acquire or be required to acquire (in stages) the remaining 15% of the issued share capital of Source Lab Limited.

This option is exercisable by either party after the third anniversary of the completion of the initial transaction, during the 30 day period commencing on the date on which the statutory accounts of Source Lab Limited for the relevant financial year have been approved by the board of directors. On exercise of the call option, all of the remaining 15% of the issued share capital of Source Lab Limited has to be acquired by JD Sports Fashion Plc. The put option is exercisable once in each 12 month period and at any one time, the number of shares that JD Sports Fashion Plc will be required to acquire is 5% of the issued share capital of Source Lab Limited. The option price is calculated based on a multiple of the audited profit before distributions, interest, amortisation and exceptional items but after taxation for the relevant financial year prior to the exercise date. The option price shall not exceed £12,450,000.

On acquisition, the present value of the non-controlling interest's put option has been calculated based on expected earnings in Board-approved forecasts and a discount rate of 14.5% which is pre-tax and reflects the current market assessments of the time value of money and the specific risks applicable to the liability. A liability of £216,000 was recognised, with a corresponding debit to other equity. There is no significant change to the present value of the liability between acquisition date and the period end date and therefore the liability of £216,000 remains at 2 February 2013.

Tessuti Group Limited (formerly Aghoco 1096 Limited)

On 18 May 2012, the Group, via its new 60% owned subsidiary Tessuti Group Limited, acquired the trading businesses that make up the Tessuti Group. The transaction included the agreement of a put and call option between JD Sports Fashion Plc and the non-controlling interest in Tessuti Group Limited, whereby JD Sports Fashion Plc may acquire or be required to acquire (in stages) the remaining 40% of the issued share capital of Tessuti Group Limited.

This option is exercisable by either party after the fifth anniversary of the completion of the initial transaction, during the 30 day period commencing on the date on which the statutory accounts of Tessuti Group Limited for the relevant financial year have been approved by the board of directors (exercise period). On exercise of the call option, all of the remaining 40% of the issued share capital of Tessuti Group Limited have to be acquired by JD Sports Fashion Plc. The put option is exercisable once in each exercise period, with the number of shares that JD Sports Fashion Plc required to acquire being set by the vendor at either 40% of the issued share capital of Tessuti Group Limited or at 5% increments up to this level. The option price is calculated based on a multiple of the audited consolidated profit before distributions, interest, amortisation and exceptional items but after taxation for Tessuti Group Limited (which includes its subsidiary undertakings) for the relevant financial year prior to the exercise date. The option price shall not exceed £12,000,000.

On acquisition, the present value of the non-controlling interest's put option has been calculated based on expected earnings in Board-approved forecasts and a discount rate of 14.5% which is pre-tax and reflects the current market assessments of the time value of money and the specific risks applicable to the liability. A liability of £361,000 was recognised, with a corresponding debit to other equity. There is no significant change to the present value of the liability between acquisition date and the period end date and therefore the liability of £361,000 remains at 2 February 2013.

Canterbury of New Zealand/Canterbury International (Australia) Pty Limited

The Group (via its subsidiary Canterbury Limited) was party to a put and call option agreement between Canterbury Limited and the vendors of Canterbury of New Zealand, whereby Canterbury Limited may acquire or be required to acquire the non-controlling interest of 49% of the issued share capital of Canterbury of New Zealand Limited.

In addition, the Group (via its subsidiary Canterbury Limited) was party to a put and call option between Canterbury Limited and the non-controlling interest in Canterbury International (Australia) Pty Limited, whereby Canterbury Limited may acquire or be required to acquire 25% of the issued ordinary share capital of Canterbury International (Australia) Pty Limited.

At the date of disposal of Canterbury Limited, a gross liability of £5,261,000 recognised for the put options on Canterbury of New Zealand and Canterbury International (Australia) Pty Limited measured in accordance with IAS 32 has been replaced with the fair value under IAS 39 of that derivative liability. This liability is included in the net assets disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. 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 pre-tax discount rate used is 13.3% (2012: 12.2%) which reflects the current market assessments of the time value of money and the specific risks applicable to the liability.

GROUP	Onerous property leases £000
Balance at 28 January 2012	9,782
Provisions created during the period	2,481
Provisions released during the period	(1,149)
Provisions utilised during the period	(4,985)
Exchange differences	(42)
Balance at 2 February 2013	**6,087**

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

GROUP	2013 £000	2012 £000
Current	**2,714**	3,375
Non-current	**3,373**	6,407
	6,087	9,782

COMPANY	Onerous property leases £000
Balance at 28 January 2012	6,412
Provisions created during the period	689
Provisions released during the period	-
Provisions utilised during the period	(3,366)
Balance at 2 February 2013	**3,735**

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

COMPANY	2013 £000	2012 £000
Current	**2,040**	2,404
Non-current	**1,695**	4,008
	3,735	6,412

26. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

GROUP	Assets 2013 £000	Assets 2012 £000	Liabilities 2013 £000	Liabilities 2012 (restated - see note 1) £000	Net 2013 £000	Net 2012 (restated - see note 1) £000
Property, plant and equipment	-	-	1,095	547	1,095	547
Chargeable gains held over/rolled over	-	-	273	297	273	297
General accruals	-	-	3,398	4,856	3,398	4,856
Tax losses	(914)	(4,977)	-	-	(914)	(4,977)
Tax (assets)/liabilities	(914)	(4,977)	4,766	5,700	3,852	723

Deferred tax assets on losses of £4,500,000 (2012: £4,629,000) within Kooga Rugby Limited; £5,210,000 (2012: £5,204,000) within Champion Sports Ireland and £2,621,000 (2012: £3,300,000) within Kukri Sports Limited (and its subsidiaries) have not been recognised as there is uncertainty over the utilisation of these losses.

Movement in deferred tax during the period

GROUP	Property, plant and equipment £000	Chargeable gains held over/ rolled over £000	General accruals £000	Tax losses £000	Total £000
Balance at 29 January 2011	(626)	320	890	(709)	(125)
Recognised in income	235	(23)	1,594	(3,526)	(1,720)
Recognised on acquisition	938	-	2,372	(742)	2,568
Balance at 28 January 2012 (restated - see note 1)	547	297	4,856	(4,977)	723
Recognised in income	(28)	(24)	(2,376)	2,829	401
Recognised on acquisition	390	-	213	-	603
Recognised on disposal	186	-	705	1,234	2,125
Balance at 2 February 2013	**1,095**	**273**	**3,398**	**(914)**	**3,852**

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

COMPANY	Assets 2013 £000	Assets 2012 £000	Liabilities 2013 £000	Liabilities 2012 £000	Net 2013 £000	Net 2012 £000
Property, plant and equipment	-	-	388	355	388	355
Chargeable gains held over/rolled over	-	-	273	297	273	297
General accruals	(1,180)	(959)	-	-	(1,180)	(959)
Tax (assets)/liabilities	(1,180)	(959)	661	652	(519)	(307)

26. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Movement in deferred tax during the period

COMPANY	Property, plant and equipment £000	Chargeable gains held over/ rolled over £000	General accruals £000	Total £000
Balance at 29 January 2011	(331)	320	(1,071)	(1,082)
Recognised in income	686	(23)	112	775
Balance at 28 January 2012	355	297	(959)	(307)
Recognised in income	33	(24)	(221)	(212)
Balance at 2 February 2013	**388**	**273**	**(1,180)**	**(519)**

At 2 February 2013, the Group has no recognised deferred income tax liability (2012: £nil) in respect of taxes that would be payable on the unremitted earnings of certain subsidiaries. As at 2 February 2013, the unrecognised gross temporary differences in respect of reserves of overseas subsidiaries is £12,983,000 (2012: £13,950,000). 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.

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 2 February 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

27. CAPITAL

Issued ordinary share capital

GROUP AND COMPANY	Number of ordinary shares thousands	Ordinary share capital £000
At 28 January 2012 and 2 February 2013	**48,662**	**2,433**

The total number of authorised ordinary shares was 62,150,000 (2012: 62,150,000) with a par value of 5p per share (2012: 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.

It is the Board's policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The processes for managing the Group's capital levels are that the Board regularly monitors the net cash/debt in the business, the working capital requirements and forecasts cash flows. Based on this analysis, the Board determines the appropriate return to equity holders while ensuring sufficient capital is retained in the business to meet its strategic objectives.

The Board consider the capital of the Group as the net cash/debt at the year end (see note 31) and the Board review the gearing position of the Group which as at 2 February 2013 was less than zero (2012: less than zero). 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 43.

28. DIVIDENDS

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

	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
22.00p per ordinary share (2012: 21.20p)	**10,706**	10,316

Dividends on issued ordinary share capital

	53 weeks to 2 February 2013 £000	52 weeks to 28 January 2012 £000
Final dividend of 21.20p (2012: 19.20p) per qualifying ordinary share paid in respect of prior period, but not recognised as a liability in that period	**10,316**	9,343
Interim dividend of 4.30p (2012: 4.10p) per qualifying ordinary share paid in respect of current period	**2,092**	1,995
	12,408	11,338

29. COMMITMENTS

Group

(i) Capital commitments

As at 2 February 2013, the Company had entered into contracts to purchase property, plant and equipment as follows:

GROUP	2013 £000	2012 £000
Contracted	**7,966**	5,672

Included in the commitments at 28 January 2012 was £700,000 for the purchase of property, plant and equipment for the new warehouse which became fully operational in Summer 2012.

(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 2013 £000	Plant and equipment 2013 £000	Land and buildings 2012 £000	Plant and equipment 2012 £000
Within one year	**96,120**	**1,109**	95,406	1,297
Later than one year and not later than five years	**288,973**	**1,257**	293,790	1,134
After five years	**248,055**	**104**	281,191	-
	633,148	**2,470**	670,387	2,431

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 2 February 2013 are as follows:

GROUP	2013 £000	2012 £000
Within one year	**594**	352
Later than one year and not later than five years	**1,749**	533
After five years	**1,618**	320
	3,961	1,205

29. COMMITMENTS (CONTINUED)

Company

(i) Capital commitments

As at 2 February 2013, the Company had entered into contracts to purchase property, plant and equipment as follows:

COMPANY	2013 £000	2012 £000
Contracted	**2,378**	2,534

Included in the commitments at 28 January 2012 was £700,000 for the purchase of property, plant and equipment for the new warehouse which became fully operational in Summer 2012.

(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 2013 £000	Plant and equipment 2013 £000	Land and buildings 2012 £000	Plant and equipment 2012 £000
Within one year	**59,122**	**695**	59,265	990
Later than one year and not later than five years	**181,558**	**774**	186,423	875
After five years	**164,288**	**104**	180,895	-
	404,968	**1,573**	426,583	1,865

(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 2 February 2013 are as follows:

COMPANY	2013 £000	2012 £000
Within one year	**482**	534
Later than one year and not later than five years	**1,322**	1,429
After five years	**1,343**	1,661
	3,147	3,624

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. PENSION SCHEMES

The Group only operates defined contribution pension schemes. The pension charge for the period represents contributions payable by the Group of £1,216,000 (2012: £1,367,000) in respect of employees, and £53,000 (2012: £49,000) in respect of Directors. The amount owed to the schemes at the period end was £239,000 (2012: £181,000).

31. ANALYSIS OF NET CASH

GROUP	At 28 January 2012 £000	On acquisition of subsidiaries £000	On disposal of subsidiaries £000	Cash flow £000	Non-cash movements £000	At 2 February 2013 £000
Cash at bank and in hand	67,024	1,208	(5,888)	(7,827)	(1,033)	**53,484**
Overdrafts	(5,413)	(175)	-	(1,834)	166	**(7,256)**
Cash and cash equivalents	**61,611**	**1,033**	**(5,888)**	**(9,661)**	**(867)**	**46,228**
Interest-bearing loans and borrowings:						
Bank loans	(289)	-	-	205	16	**(68)**
Finance lease liabilities	(660)	-	-	593	11	**(56)**
Other loans	(367)	(508)	367	40	-	**(468)**
	60,295	**525**	**(5,521)**	**(8,823)**	**(840)**	**45,636**

COMPANY	At 28 January 2012 £000	Cash flow £000	Non-cash movements £000	At 2 February 2013 £000
Cash at bank and in hand	28,762	(8,558)	(158)	**20,046**
Cash and cash equivalents	**28,762**	**(8,558)**	**(158)**	**20,046**

32. 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 2013 £000**	**Expenditure with related parties 2013 £000**	Income from related parties 2012 £000	Expenditure with related parties 2012 £000
Pentland Group Plc				
Sale of inventory	**478**	**-**	7	-
Purchase of inventory	**-**	**(25,610)**	-	(13,672)
Royalty costs	**-**	**(190)**	-	(282)
Proceeds from disposal of Canterbury Limited	**22,699**	**-**	-	-
Other income	**-**	**-**	203	-

GROUP	**Income from related parties 2013 £000**	**Expenditure with related parties 2013 £000**	Income from related parties 30 January to 15 February 2011 £000	Expenditure with related parties 30 January to 15 February 2011 £000
Focus Brands Limited				
Purchase of inventory	**-**	**-**	-	(1,489)
Interest income	**-**	**-**	17	-
Royalty income	**-**	**-**	49	-

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 2013 £000**	**Amounts owed to related parties 2013 £000**	Amounts owed by related parties 2012 £000	Amounts owed to related parties 2012 £000
Pentland Group Plc				
Trade receivables/(payables)	**321**	**(1,790)**	58	(1,773)

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 2013 £000**	**Expenditure with related parties 2013 £000**	Income from related parties 2012 £000	Expenditure with related parties 2012 £000
Pentland Group Plc				
Purchase of inventory	**-**	**(14,126)**	-	(8,792)
Receipt of Canterbury intercompany debt	**22,699**	**-**	-	-
Other income	**369**	**-**	216	-

32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

COMPANY	**Income from related parties 2013 £000**	**Expenditure with related parties 2013 £000**	Income from related parties 30 January to 15 February 2011 £000	Expenditure with related parties 30 January to 15 February 2011 £000
Focus Brands Limited				
Purchase of inventory	**-**	**-**	-	(395)
Rental income	**-**	**-**	17	-

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 2013 £000**	**Amounts owed to related parties 2013 £000**	Amounts owed by related parties 2012 £000	Amounts owed to related parties 2012 £000
Pentland Group Plc				
Trade receivables/(payables)	**380**	**(1,175)**	58	(1,429)

Pentland Group Plc owns 57.5% (2012: 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 Group also sold inventory to Pentland Group Plc. In the current period, the Company disposed its 100% shareholding in Canterbury Limited to Pentland Group Plc for £22,699,000 (see note 12). The other income represents marketing contributions received, whilst the Group also paid royalty costs to Pentland Group Plc for the use of a brand.

Focus Brands Limited was an entity jointly controlled by JD Sports Fashion Plc and the former shareholders of Focus Group Holdings Limited. JD Sports Fashion Plc owned 49% of the issued share capital of Focus Brands Limited up until 16 February 2011 when it acquired a further 31% (see note 17). Focus Brands Limited became a subsidiary of the Group from this date rather than a jointly- controlled entity. 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 Peter Werth, Fly 53 and Sonneti brand names, as well as the Sergio Tacchini licence (see note 13).

32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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 2013 £000	Expenditure with related parties 2013 £000	Income from related parties 2012 £000	Expenditure with related parties 2012 £000
Canterbury of New Zealand Limited (UK)				
Purchase of inventory	-	(95)	-	(252)
Canterbury European Fashionwear Limited				
Purchase of inventory	-	(7)	-	-
JD Sports Fashion (France) SAS				
Interest income	134	-	148	-
Spodis SA				
Interest income	146	-	-	-
Duffer of St George Limited				
Interest income	36	-	44	-
John David Sports Fashion (Ireland) Limited				
Sale of inventory	9,388	-	7,259	-
Other income	1,173	-	728	-
Kooga Rugby Limited				
Purchase of inventory	-	(2)	-	(71)
Nanny State Limited				
Interest income	23	-	22	-
Nicholas Deakins Limited				
Sale/(purchase) of inventory	287	(1,058)	379	(858)
R.D. Scott Limited				
Rental income	152		266	
Concession fee	-	(155)	-	(162)
Topgrade Sportswear Limited				
Sale/(purchase) of inventory	8	-	-	(5)
Interest income	126	-	110	-
Focus International Limited				
Purchase of inventory	-	(2,589)	-	(3,562)
Rental income	199	-	183	-
Royalty income	486	-	242	-
Kukri Sports Limited				
Purchase of inventory	-	(11)	-	(37)
Interest income	63	-	44	-
Champion Sports Ireland				
Purchase of inventory	-	(626)	-	-
JD Spain Sport Fashion 2010 SL				
Purchase of inventory	-	(5)	-	-
Source Lab Limited				
Purchase of inventory	-	(208)	-	-
Tessuti Group Limited				
Interest income	26	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. 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 2013 £000	Amounts owed to related parties 2013 £000	Amounts owed by related parties 2012 £000	Amounts owed to related parties 2012 £000
Athleisure Limited				
Long term loan	6,638	-	6,638	-
Pink Soda Limited				
Long term loan	-	-	10,681	-
Bank Fashion Limited				
Debenture loan (interest bearing)	5,000	-	-	-
Long term loan	10,681	-	-	-
Working capital loan	2,694	-	-	-
Trade receivables/(payables)	-	(43)	57	(2)
Income tax group relief	-	(806)	-	-
Canterbury Limited				
Secured loan	-	-	6,500	-
Working capital loan	-	-	3,322	-
Income tax Group relief	-	-		(85)
Canterbury of New Zealand Limited (UK)				
Working capital loan	-	-	13,506	-
Trade payables	-	-	-	(9)
Canterbury European Fashionwear Limited				
Income tax Group relief	-	-	-	(202)
Allsports.co.uk Limited				
Long term loan	-	(6,582)	-	(6,582)
JD Sports Fashion (France) SAS				
Long term loan	4,212	-	4,251	-
Spodis SA				
Long term loan	11,552	-	4,167	-
Other intercompany balances	4,710	-	3,009	-
Duffer of St George Limited				
Secured loan	690	-	899	-
Income tax Group relief	-	(4)	-	-
John David Sports Fashion (Ireland) Limited				
Trade receivables	802	-	457	-
Other intercompany balances	4,259	-	3,660	-
Kooga Rugby Limited				
Long term loan (net of provision)	1,499	-	1,499	-
Working capital loan	3,580	-	3,101	-
Trade payables	-	(25)	-	(10)
Income tax Group relief	-	(181)	-	(271)

32. 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 2013 £000**	**Amounts owed to related parties 2013 £000**	Amounts owed by related parties 2012 £000	Amounts owed to related parties 2012 £000
Nanny State Limited				
Secured loan	**-**	**-**	494	-
Working capital loan	**117**	**-**	631	-
Income tax Group relief	**-**	**(7)**	-	(31)
Nicholas Deakins Limited				
Trade receivables/(payables)	**72**	**(42)**	95	(30)
Other intercompany balances	**38**	**-**	71	-
R.D. Scott Limited				
Debenture loan (interest bearing)	**5,000**	**-**	-	-
Long term loan	**-**	**-**	5,047	-
Working capital loan	**547**	**-**	-	-
Trade receivables/(payables)	**-**	**(108)**	64	(60)
Income tax Group relief	**-**	**(471)**	-	-
Topgrade Sportswear Limited				
Working capital loan	**8,314**	**-**	8,188	-
Trade receivables/(payables)	**726**	**-**	92	(3)
Other intercompany balances	**16**	**-**	-	-
Income tax Group relief	**-**	**(140)**	-	(112)
Premium Fashion Limited				
Debenture loan (interest bearing)	**5,000**	**-**	-	-
Long term loan	**-**	**-**	1,598	-
Working capital loan	**-**	**(724)**	574	-
Income tax Group relief	**-**	**(609)**	-	(369)
Champion Sports Ireland				
Working capital loan	**600**	**-**	-	-
Other intercompany balances	**77**	**-**	-	-
Trade receivables	**385**	**(745)**	106	-
Marathon Sports Limited				
Income tax Group relief	**-**	**(43)**	-	-
JD Sprinter Holdings 2010 SL				
Trade receivables	**23**	**-**	10	-
JD Spain Sport Fashion 2010 SL				
Trade receivables	**473**	**-**	-	-
Focus Brands Limited				
Working capital loan	**3,302**	**-**	3,302	-

32. 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 2013 £000**	**Amounts owed to related parties 2013 £000**	Amounts owed by related parties 2012 £000	Amounts owed to related parties 2012 £000
Focus International Limited				
Other intercompany balances	**95**	-	29	-
Trade receivables/(payables)	**360**	**(68)**	142	(1)
Kukri Sports Limited				
Long term loan	**-**	**-**	180	-
Long term loan (interest bearing)	**2,687**	**-**	2,444	-
Trade receivables/(payables)	**60**	**-**	-	-
Working capital loan	**122**	**-**	490	-
Other intercompany balances	**206**	**-**	-	-
Kukri GB Limited				
Working capital loan	**2,477**	**-**	-	-
Trade receivables	**310**	**-**	184	-
Income tax Group relief	**-**	**(242)**	-	-
Kukri (Asia) Limited				
Income tax Group relief	**-**	**(81)**	-	-
Kukri Sports Ireland Limited				
Other intercompany balances	**103**	**-**	-	-
Frank Harrison Limited				
Income tax Group relief	**-**	**(26)**	-	-
Blacks Outdoor Retail Limited				
Working capital loan	**27,587**	**-**	3,820	-
Long term loan	**20,000**	**-**	20,000	-
Trade receivables	**-**	**-**	57	-
Income tax Group relief	**-**	**(5,283)**	-	(1,474)
Source Lab Limited				
Trade receivables/(payables)	**125**	**(8)**	-	-
Tessuti Limited				
Other intercompany balances	**511**	**-**	-	-
Blue Retail Limited				
Other intercompany balances	**2**	**-**	-	-
Tessuti Group Limited				
Long term loan	**2,355**	**-**	-	-
Long term loan (interest bearing)	**836**	**-**	-	-
Other intercompany balances	**24**	**-**	-	-

32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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 firstly of the loans to Spodis SA and 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. These loans are repayable on demand.

In addition an element of the long term loans to Tessuti Group Limited and Kukri Sports Limited attract interest at the UK base rate plus a margin of 4.5% and 2.0% respectively. These loans are repayable on demand.

Debenture loans represent formal loans agreements put in place between the Company and its subsidiaries Bank Fashion Limited, RD Scott Limited and Premium Fashion Limited. These loans attract interest at the UK base rate plus a margin of 2.0% and are repayable on demand.

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 and Kukri Sports Limited which are not wholly owned subsidiaries. The loan to Topgrade Sportswear Limited attracts interest at the UK base rate plus a margin of 1.0%. The loan to Kukri Sports Limited attracts interest at the UK base rate plus a margin of 2.0%. These loans are repayable on demand.

The secured loans from the Company to Duffer of St George Limited and Nanny State Limited are secured upon the intellectual property in these companies. The loan to Duffer of St George Limited and Nanny State Limited accrue interest at the UK base rate plus a margin of 4.0%. These loans are repayable on demand.

The secured loans and working capital loans from the Company to Canterbury Limited and Canterbury of New Zealand Limited (UK) were fully repaid as part of the consideration received on disposal of the Canterbury business (see note 12).

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 (2012: £nil) and there are no balances outstanding (2012: £nil) with the other subsidiary undertakings of the Company, as listed in note 36.

Other than the remuneration of Directors as shown in note 5 and in the Directors' Remuneration Report on page 59 there have been no other transactions with Directors in the year (2012: nil)

33. CONTINGENT LIABILITIES

The Company has provided the following guarantees:

- Guarantee on the working capital facilities in Spodis SA of €5,000,000 (2012: €5,000,000)
- Guarantee of €1,100,000 on bonds and guarantees in Spodis SA
- Guarantee on the working capital and other banking facilities in relation to the Sprinter Megacentros Del Deporte SLU of €8,750,000
- Guarantee on the finance lease facility in relation to the acquisition of Champion Sports Ireland, up to a maximum of €2,500,000 (2012: €2,500,000). At 2 February 2013, the related liability remaining is €27,000
- Guarantee on the working capital facilities in Champion Sports Ireland up to a maximum of €3,000,000 (2012: €3,000,000)
- Guarantee to Pentland Group Plc on the outstanding legal settlement and associated legal costs that Canterbury International (Australia) Pty Limited had with the Australian Rugby Union at the point of disposal of Canterbury in excess of AUD$175,000

In the period ending 28 January 2012, the Company had provided the following guarantees, which expired on disposal of the Canterbury Group:

- Guarantee capped at £788,000 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
- Guarantee on the working capital facilities in Canterbury International (Australia) Pty Limited of AUD$3,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. SUBSEQUENT EVENTS

Acquisition of Cloggs Online Limited

On 13 February 2013, the Group acquired, via its new 88% owned subsidiary Cloggs Online Limited, the trade and assets of Cloggs (UK) Limited from its Administrators for a total cash consideration of £600,000.

The provisional goodwill calculation is summarised below:

	Book value £000	Measurements adjustment £000	**Provisional fair value at 2 February 2013 £000**
Acquiree's net assets at acquisition date:			
Intangible Assets	105	495	**600**
Property, plant and equipment	60	20	**80**
Inventories	347	253	**600**
Trade and other receivables	88	(48)	**40**
Trade and other payables	-	(720)	**(720)**
Net identifiable assets	600	-	**600**
Non-controlling interest (12%)	(72)	-	**(72)**
Goodwill on acquisition			**72**
Consideration paid - satisfied in cash			**600**

35. 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 £47,874,000 (2012: £52,190,000). 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)

36. PRINCIPAL SUBSIDIARY UNDERTAKINGS

The following companies were the principal subsidiary undertakings of JD Sports Fashion Plc at 2 February 2013.

Name of subsidiary	Place of registration	Nature of business and operation	Ownership interest	Voting rights interest
John David Sports Fashion (Ireland) Limited	Ireland	Retailer of sports inspired footwear and apparel	100%	100%
Athleisure Limited	UK	Intermediate holding company	100%	100%
R.D. Scott Limited	UK	Retailer of fashion clothing and footwear	100%	100%
Pink Soda Limited	UK	Intermediate holding company	100%	100%
Varsity Kit Limited*	UK	Intermediate holding company	100%	100%
Bank Fashion Limited*	UK	Retailer of fashion clothing and footwear	100%	100%
Topgrade Sportswear Holdings Limited	UK	Intermediate holding company	80%	80%
Topgrade Sportswear Limited*	UK	Distributor and multichannel retailer of sports and fashion clothing and footwear	80%	80%
Nicholas Deakins Limited	UK	Distributor of fashion footwear	100%	100%
JD Sports Fashion (France) SAS	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%
Duffer of St George Limited	UK	Licensor of a fashion brand	100%	100%
Premium Fashion Limited	UK	Retailer of fashion clothing and footwear	100%	100%
Nanny State Limited	UK	Distributor of fashion footwear and apparel	100%	100%
Focus Brands Limited	UK	Intermediate holding company	80%	80%
Focus International Limited*	UK	Distributor of sports clothing and footwear	80%	80%
Kukri Sports Limited	UK	Intermediate holding company	80%	80%
Kukri GB Limited*	UK	Distributor and retailer of sports clothing and accessories	80%	80%
Kukri (Asia) Limited*	Hong Kong	Distributor of sports clothing and accessories	80%	80%
Kukri NZ Limited*	New Zealand	Distributor of sports clothing and accessories	60%	60%
Kukri Sports Ireland Limited*	Ireland	Distributor of sports clothing and accessories	80%	80%
Kukri Australia Pty Limited*	Australia	Distributor of sports clothing and accessories	66%	66%
Kukri Sports Canada Inc*	Canada	Distributor of sports clothing and accessories	60%	60%
Frank Harrison Limited*	UK	Distributor and retailer of school clothing	72%	72%
Kukri Sports Middle East JLT*	Middle East	Distributor of sports clothing and accessories	80%	80%
Kukri Pte Limited*	Singapore	Distributor of sports clothing and accessories	80%	80%
Champion Sports Group Limited*	Ireland	Intermediate holding company	100%	100%
PCPONE*	Ireland	Intermediate holding company	100%	100%
JD Champion Ireland Limited*	Ireland	Retailer of sports and leisure goods	100%	100%
Champion Sports Ireland*	Ireland	Retailer of sports and leisure goods	100%	100%
Marathon Sports Limited*	UK	Retailer of sports and leisure goods	100%	100%
Champion Sports (Holdings)*	Ireland	Intermediate holding company	100%	100%
JD Sprinter Holdings 2010 SL	Spain	Intermediate holding company	50.1%	50.1%
JD Spain Sport Fashion 2010 SL*	Spain	Retailer of sports and leisure goods	65.1%	65.1%
Sprinter Megacentros Del Deporte SLU*	Spain	Retailer of sports and leisure goods	50.1%	50.1%
Blacks Outdoor Retail Limited	UK	Retailer of outdoor footwear, apparel and equipment	100%	100%
Source Lab Limited	UK	Design and distributor of sportswear	85%	85%
Tessuti Group Limited	UK	Intermediate holding company	60%	60%
Tessuti Limited*	UK	Retailer of fashion clothing and footwear	60%	60%
Prima Designer Limited*	UK	Retailer of fashion clothing and footwear	60%	60%

*Indirect holding of the Company

A full list of subsidiary undertakings of JD Sports Fashion Plc can be obtained from Companies House.

FIVE YEAR RECORD

CONSOLIDATED INCOME STATEMENT

	52 weeks to 31 January 2009 £000	52 weeks to 30 January 2010 £000	52 weeks to 29 January 2011 £000	52 weeks to 28 January 2012 £000	**53 weeks to 2 February 2013 £000**
Revenue	670,855	769,785	883,669	1,059,523	**1,258,892**
Cost of sales	(340,309)	(390,248)	(446,657)	(538,676)	**(645,404)**
Gross profit	330,546	379,537	437,012	520,847	**613,488**
Selling and distribution expenses - normal	(256,315)	(288,462)	(326,296)	(403,923)	**(494,619)**
Selling and distribution expenses - exceptional	(8,201)	(6,458)	(3,277)	(10,532)	**(3,724)**
Selling and distribution expenses	(264,516)	(294,920)	(329,573)	(414,455)	**(498,343)**
Administrative expenses - normal	(20,867)	(26,051)	(32,966)	(43,193)	**(59,973)**
Administrative expenses - exceptional	(8,122)	1,472	(1,007)	847	**(1,624)**
Administrative expenses	(28,989)	(24,579)	(33,973)	(42,346)	**(61,597)**
Other operating income	1,109	2,270	2,177	2,730	**2,427**
Operating profit	38,150	62,308	75,643	66,776	**55,975**
Before exceptional items	54,473	67,294	79,927	76,461	**61,323**
Exceptional items	(16,323)	(4,986)	(4,284)	(9,685)	**(5,348)**
Operating profit before financing and share of result of joint venture	38,150	62,308	75,643	66,776	**55,975**
Share of results of joint venture before exceptional items (net of income tax)	(166)	539	1,475	(102)	**-**
Share of exceptional items (net of income tax)	914	(1,012)	1,348	1,170	**-**
Share of results of joint venture	748	(473)	2,823	1,068	**-**
Financial income	529	385	618	646	**645**
Financial expenses	(1,210)	(827)	(455)	(1,048)	**(1,503)**
Profit before tax	38,217	61,393	78,629	67,442	**55,117**
Income tax expense	(13,707)	(18,647)	(22,762)	(18,093)	**(13,875)**
Profit for the period	24,510	42,746	55,867	49,349	**41,242**
Attributable to equity holders of the parent	24,379	42,900	55,884	46,847	**38,786**
Attributable to non-controlling interest	131	(154)	(17)	2,502	**2,456**
Basic earnings per ordinary share	50.49p	88.16p	114.84p	96.27p	**79.71p**
Adjusted basic earnings per ordinary share (i)	72.33p	93.64p	116.86p	105.89p	**88.51p**
Dividends per ordinary share (ii)	12.00p	18.00p	23.00p	25.30p	**26.30p**

(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 IFRS dividends are only accrued when approved.

FINANCIAL CALENDAR

Final Results Announced	17 April 2013
Final Dividend Record Date	10 May 2013
Financial Statements Published	May 2013
Annual General Meeting	27 June 2013
Final Dividend Payable	5 August 2013
Interim Results Announced	September 2013
Period End (52 Weeks)	01 February 2014
Final Results Announced	April 2014

SHAREHOLDER INFORMATION

Registered office JD Sports Fashion Plc Hollinsbrook Way Pilsworth Bury Lancashire BL9 8RR	**Financial advisers and stockbrokers** Investec 2 Gresham Street London EC2V 7QP	**Principal bankers** Barclays Bank Plc 43 High Street Sutton Surrey SM1 1DR	**Solicitors** DLA Piper UK LLP Princes Exchange Princes Square Leeds LS1 4BY Addleshaw Goddard LLP 100 Barbirolli Square Manchester M2 3AB
Company number Registered in England and Wales, Number 1888425	**Financial public relations** MHP Communications 60 Great Portland Street London W1W 7RT	**Registrars** Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA	**Auditor** KPMG Audit Plc St James' Square Manchester M2 6DS

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