JJB Sports plc

Annual report and Financial statements
for the 53 weeks ended 30 January 2005

Contents

JJB

Significant financial information

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004	Increase / (decrease)
Core JJB results (1)			
Turnover	£773.3m	£771.8m	+0.2%
Gross margin	48.0%	48.7%	
Underlying operating profit (3)	£63.3m	£88.0m	-28.0%
Group results (2)			
Turnover	£773.3m	£929.8m	-16.8%
Gross margin	48.0%	45.7%	
Underlying operating profit (3)	£63.3m	£90.5m	-30.0%
Underlying headline earnings per ordinary share (4)	20.12p	26.99p	-25.5%
Operating profit	£50.3m	£71.3m	-29.4%
Recommended final dividend	7.0p	7.0p	
Total dividend for the accounting period	10.0p	10.0p	
Net funds (debt) at the end of the period	£4.4m	(£3.6m)	

Key statistics

Turnover on continuing operations (Core JJB only) (£m) (1)

Underlying operating profit (Core JJB only) (£m) (1) (3)

Underlying headline earnings per ordinary share (p) (4) †

Store selling space at end of period (Core JJB only) ('000 square feet)

(1) Core JJB results include standalone retail stores and the Leisure Division.
(2) Group results include in the comparative figures, core JJB results plus those of TJ Hughes which was sold in November 2003.
(3) These figures are stated before goodwill amortisation of £13.0m (2004: goodwill amortisation £13.1m (£12.8m in the core JJB results) and exceptional operating items of £6.1m).
(4) A definition of underlying headline earnings per ordinary share is given in note 11 in the Notes to the financial statements on page 43.
† Figures restated to take account of the bonus issue of ordinary shares in 2001.

Business strategy

- Increasing investment in the Leisure Division with the development of further health club/superstore sites
- Gradual migration from small high street stores to new high street superstore sites
- Maintain position as UK market leader in active sports retailing
- Strengthening relationships with key suppliers with increasing emphasis being placed upon exclusive products
- Development and expansion of product ranges through our own brands

Chairman's statement

The reduction in our operating profit for the 53 weeks ended 30 January 2005, compared to that achieved in the previous accounting period, partly reflects the strong competitive trading conditions in the clothing sector of the retail trade but also is partly explained by the clearance of excess clothing ranges and fragmented stocks which impacted on our gross margin.

Trading conditions are as difficult as any I have known for some years and it is clear to me that consumers have tightened their belts and that this is fuelling competition between retailers. I believe that trading conditions will continue to deteriorate as consumers feel the full impact of the increased interest rates and higher taxes which reduce disposable incomes; I feel that the low level of confidence amongst consumers is going to take some time to reverse. In my opinion, the factors that would help to restore confidence amongst consumers would be a series of base rate cuts, accompanied by a reversal of the Government's continuing increases in direct and indirect taxation. Over the last nine months we have taken certain measures that I believe will keep us competitive in the present environment. At some cost to margin, we have successfully reduced our clothing stock by over £20m. We have also re-established ourselves as sporting goods and sports clothing retailers – what I class as "back to basics".

The profit from our Leisure division continues to grow and we plan to open 18 combined health club/ superstores in the current accounting period. Adjusted operating profits within this Division have increased to £10.6 million in the accounting period ended 30 January 2005 from £9.1 million in the previous accounting period (see page 4 of this Annual report). I am pleased to report that on 13 April 2005, we hit our milestone of 100,000 health club members. I believe that our emphasis on the expansion of this concept over the coming years will make a significant contribution to the success of the Group. By this time next year we are forecasting that we will have 175,000 members and our long term goal is 1,000,000 members nationwide.

Despite the reduced level of profit during the accounting period just ended, we continue to benefit from a very strong cash flow which supports the platform for the expansion of our Leisure Division and also of our stand alone superstores. Dividend levels have also been maintained as an ongoing commitment to our shareholders.

The current difficult trading conditions present further challenges to our employees and mean that their work ethic is especially important; on behalf of the Board, I would again like to take this opportunity to thank all the Group's employees for their support and commitment in meeting these challenges.

D Whelan
Chairman
26 May 2005

Chief Executive's statement

Review of results

Operating results

The operating results for the 53 weeks ended 30 January 2005 together with those for the 52 weeks ended 25 January 2004 are analysed as follows:

	Turnover		Operating profit	
	2005	2004	**2005**	2004
	£'000	£'000	**£'000**	£'000
Continuing operations - Core JJB				
JJB retail stores	**710,647**	727,377	**103,614**	122,037
Leisure Division	**62,692**	44,395	**10,623**	9,075
	773,339	771,772	**114,237**	131,112
Head office/distribution centre costs			**(50,909)**	(43,134)
			63,328	87,978
Discontinued operations				
T J Hughes	**-**	158,040	**-**	2,523
	773,339	929,812	**63,328**	90,501

All the comparative figures referred to later in this Statement, exclude the results of the T J Hughes business, which was sold in November 2003.

Total turnover for the accounting period, within our core business, increased marginally by 0.2 per cent to £773.3 million from £771.8 million. However, the figures for the accounting period just ended benefit from an extra weeks trading and on a 52 week comparison total turnover fell by 1.1 per cent. This latter figure includes a like-for-like decrease in the turnover of locations which have been trading for over 52 weeks, of 1.2 per cent.

A total increase in turnover of 41 per cent was achieved within the Leisure Division as the expansion of this Division continued and with the success of the value-for-money offering within the health clubs. This was offset by an adverse performance from our clothing products where the relatively poor Summer weather, fragmented ranges and increased competition affected the level of turnover achieved in our retail stores.

The clearance of excess clothing ranges and fragmented stock was made through a discounted promotional policy, the resulting impact of which has contributed to a decrease in gross margin from 48.7 per cent to 48.0 per cent. The fall in gross margin from this policy was partly offset by the increase in health club turnover at a near 95.0 per cent gross margin.

Operating expenses before goodwill amortisation and exceptional operating items increased by 6.9 per cent to £307.9 million from £288.2 million, an increase of £19.7 million. This increase is partly accounted for by £5.8 million relating to the additional weeks trading in the accounting period just ended, and partly by an increase of £11.4 million from the number of operating locations within the Leisure Division compared to the previous accounting period.

The impact of a fall in gross profit of £4.9 million and the increase in operating expenses of £19.7 million resulted in operating profit before goodwill amortisation and exceptional operating items falling by 28.0 per cent from £88.0 million to £63.3 million.

Interest, taxation and earnings per share

Net interest receivable by the Group of £0.3 million compares to £2.6 million net interest payable in the comparative accounting period, and is indicative of the continuing strong operating cash flow.

The total tax charge for the accounting period was £17.2 million compared to £22.4 million in the previous accoutning period resulting in an effective rate of taxation on the profits of the Group before goodwill amortisation, and the loss on disposal of a subsidiary undertaking of 27.0 per cent compared to 27.4 per cent in the previous accounting period.

Underlying headline earnings per share for the Group, stated before goodwill amortisation, exceptional operating items and the loss on disposal of a subsidiary undertaking (see page 33 of the Financial statements), fell by 25.5 per cent to 20.12 pence per ordinary share from 26.99 pence per ordinary share in the previous accounting period. Earnings per ordinary share for the Group fell by 25.5 per cent.

Operational review

JJB Retail Stores

Product performance from all categories, except clothing, remains resilient. The high level of replica kit turnover achieved during the Euro 2004 tournament adversely affected sales of some clothing products; the relatively poor Summer weather and a fragmented clothing offer also contributed to the fall in turnover of those products. We have instituted a number of policy changes which we believe will improve the clothing offer in our Spring/Summer 2005 ranges.

"Net interest receivable of £0.3 million is indicative of the continuing strong operating cash flow."

Chief Executive's statement continued

High street competition, particularly within the clothing sector, continues to be strong and also had a material impact on our results. The gross margin on our clothing products was affected by the discounted promotional policy which sold off a large part of the excess clothing stocks but also had the effect of considerably reducing the level of clothing stocks at 30 January 2005.

We have an authoritative range of footwear, equipment, replica kit and golf products, and the trading performance of these ranges has been satisfactory throughout the accounting period.

Our product strategy continues to be focused upon an offering of branded products from the principal suppliers of Nike and adidas, supplemented by products at lower price points designed and sourced by our own staff and marketed under the exclusive brands of Patrick, Olympus, Lotto and Slazenger. This strategy provides our customers with a variety of choice over a range of premium and value-for-money price points. In addition, our close relationship with the principal suppliers is enabling us to obtain a range of exclusive products, differentiating our offerings from those of other retailers.

We have recently signed an irrevocable 999 year licence with Slazenger Limited at a cost of £10 million for the exclusive right to design, source and sell Slazenger-branded golf clubs, balls, clothing, footwear and accessories in the European Economic Area. This licence replaces a previous royalty agreement between our two companies. This agreement should ensure unrestricted product development, enhanced gross margin and income generation from this brand. We will run an advertising campaign featuring our Slazenger products during the current accounting period with Tony Jacklin, the former British and US golf Open champion and successful Ryder Cup captain.

We have further strengthened our golf-branded offering by entering into a royalty agreement to exclusively design, source and sell "Maxfli" golf clubs, clothing, footwear and accessories in the UK and Eire.

Our Professional Teamwear division have recently signed a three year contract with Leicester City Football Club to supply and distribute team kits, training wear and retail merchandise from May 2005. This will be the first kit that will carry "JJB" as the kit manufacturers brand. This is in addition to two other kit contracts which started during 2004 - those of Everton FC and the Northern Ireland Football Association.

The icon format continues to use small high street stores which we have closed when a new superstore location has been opened nearby. They retail a range of mens fashion brands which are not sold within JJB stores. The growth in this format will continue as we gradually relocate from small high street stores to high street superstores.

The impact of a fall in gross profit of £4.9 million and the increase in operating expenses of £19.7 million resulted in operating profit before goodwill amortisation and exceptional operating items falling by 28.0 per cent from £88.0 million to £63.3 million.

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Operational review

JJB Retail Stores

Product performance from all categories, except clothing, remains resilient. The high level of replica kit turnover achieved during the Euro 2004 tournament adversely affected sales of some clothing products; the relatively poor Summer weather and a fragmented clothing offer also contributed to the fall in turnover of those products. We have instituted a number of policy changes which we believe will improve the clothing offer in our Spring/Summer 2005 ranges.

At 30 January 2005, the 21 health clubs had a combined membership of 88,400, compared to 67,300 members at 30 January 2004 from the 16 health clubs open at that date. Of the 16 clubs which were open at 30 January 2004, membership has increased by 7 per cent from 67,300 at that date to 72,000 as at 30 January 2005.

The unique concept of a superstore being located on a mezzanine floor above a health club site has the key attraction of rent for both income streams only being paid on the footprint. The success of the concept lies also in the attractiveness to members of providing a well-equipped gym, swimming pool, health spa, steam room, aerobic studios and bar area at very competitive value-for-money membership fees; this offering attracts large numbers of members and thereby contributes to the success of the concept. Of the 21 health clubs trading at 30 January 2005, 16 are of this concept.

Operating results continue to be encouraging with turnover of the Leisure Division, including stores, having increased by 41% to £62.7 million from £44.4 million in the comparative period. Adjusted operating profits (before a share of head office and distribution centre costs) increased to £10.6 million from £9.1 million in 2004 (see page 4). A combined unit reaches satisfactory profitability within 12 months of opening; the average operating profit (before a share of head office and distribution centre costs) of the 11 combined units which had been open for over 1 year, was £768,000 and the average capital expenditure of one of these units was £2.5 million.

The availability of sites throughout the UK and the profitability of the combined unit concept gives us confidence in its potential for growth. Openings planned for the current year total 18 of which 3 had been opened up to 10 April 2005. It is our intention to continue the health club/superstore roll-out programme as a key part of future strategy.

Current trading

At the time of the publication of our Preliminary Results for the 53 weeks ended 30 January 2005, on 13 April 2005, we reported that we were experiencing difficult trading conditions. We advised that our total turnover for the 10 weeks ended 10 April 2005 had fallen by 1.3 per cent when compared to the same period last year, but warned that this comparison was flattered by the early occurrence of Easter in 2005 compared to 2004.

We have found that trading conditions have continued to deteriorate since 10 April across all product groups. In addition, trading during May and June last year benefited from successful turnover levels of football replica kit in the build-up to the Euro 2004 competition. We anticipate a turnaround in turnover of football replica kit in 2006 as a result of the FIFA World Cup.

Total turnover, for the 16 weeks ended 22 May 2005, fell by 7.5 per cent as compared with the same period last year, which included a fall in like-for-like turnover of 7.7 per cent. The Group's gross margin during this period showed a slight improvement on the same period last year.

During the accounting period ended 30 January 2005, our clothing category has been the one area of the business which has not performed satisfactorily. The Board believes this has been in part due to excessive range fragmentation and policy changes have been made to address this situation. These changes of policy include a greater emphasis being placed on the ranges of the principal suppliers of Nike and adidas together with the offering

We have continued the policy of carrying out complete refits and in some stores, "refreshers", to some of our older sites. "Refreshers" include new flooring, improved illumination and a re-paint. A total of 15 stores have been refitted during the accounting period just ended, together with 11 stores being "refreshed". The total capital expenditure on these sites was £3.5 million and the net book value of assets which have been scrapped, amounting to £1.6 million, has been charged to operating expenses. Trading results from the newly-refitted and refreshed stores is satisfactory; the average increase in turnover has been 9 per cent.

Our plan is to step up this policy in the current accounting period with 31 sites identified for refits. These sites include 12 out of town superstores which will have mezzanine floors of approximately 8,000 square feet installed in the building.

Internet

For some time we have been considering whether to trade our products on the Internet but had not yet believed that format to be appropriate. However, the success of this market over the last 12 months has encouraged us to seek an agreement with Zendor, the leading distance-shopping fulfilment specialist in the UK, to launch a JJB e-commerce web site. Within a few months, this web site will offer a range of products and fulfilment will largely be direct through Zendor, except for certain large items which will be dispatched direct from the supplier.

Leisure Division

During the 53 weeks ended 30 January 2005, the Leisure Division opened 5 new sites, all of which comprised a health club and a superstore and in addition, one site included an indoor soccer centre. At 30 January 2005, the Leisure Division traded from 21 combined health club/superstores, 4 of which included indoor soccer centres.

"We have signed a 999 year licence to design, source and sell Slazenger branded golf clubs, balls, clothing, footwear and accessories."

being concentrated upon a smaller number of styles of individual categories of clothing than in earlier seasons, but with the stocking of these styles in greater quantities. We believe that these changes will limit the number of items which need to be discounted at the end of a season and result in a higher level of gross margin. Whilst there are inevitable time delays in the order/delivery cycle before the changes can be fully implemented, the Board believes that the new products ordered for Spring/Summer 2005 will result in a more authoritative range. The recent discount promotion policy has resulted in the levels of clothing stocks currently on hand containing significantly less stock over 3 months old than at the comparative date last year.

"The turnover of the Leisure Division has increased by 41 per cent."

We have ambitious plans for the further expansion of the Leisure Division, with 17 combined units being planned for opening during the current accounting period, which will bring the number of combined units in operation at 29 January 2006 to 38. An average of 11 openings per annum are planned for future years. Since the beginning of the current accounting period, 5 combined units have been opened and the total membership of the 26 health clubs at 26 May 2005 was 106,000.

The growth of the Leisure Division will, due to timing issues, produce limited returns in the current accounting period followed by a significant improvement in the following accounting period. In our retail business I believe that the strategic approach which I have outlined above is entirely appropriate and I am confident in the enhanced profitability from our successful combined health club/superstore units.

T.W. Knight
Chief Executive
26 May 2005

Financial review

Balance Sheet

Capital expenditure within the core JJB business for the 53 weeks ended 30 January 2005 was £43.0 million, compared to £30.5 million in the comparative period. The total expenditure of £43.0 million includes £16.9 million on newly opened stores and health clubs, a further £11.2 million on stores and health clubs to open after 30 January 2005, £7.7 million on existing stores and £3.2 million on new computer equipment and EPOS tills. The capital expenditure on existing stores includes £3.5 million incurred on refitted and refreshed stores; the net book value of tangible fixed assets which have been scrapped in these stores amounted to £1.6 million and has been written off in operating expenses.

Stock levels have reduced by 12.0 per cent to £112.7 million at 30 January 2005 compared to £128.1 million at 25 January 2004 as a result of the successful clearance of excess clothing stocks.

Partly as a result of the reduction in the level of stock, the net cash inflow from operating activities improved by £26.3 million to £104.0 million. Net funds at 30 January 2005 amounted to £4.4 million compared to a net debt of £3.6 million at 25 January 2004. Following a Tender Offer, in February 2004, we announced that a total of 7.25 million ordinary shares had been acquired and cancelled by the Company at a price of 280 pence per share, a cost of £20.8 million.

Financial risks and treasury policies

The key financial risks faced by the company are the security of existing funds, the ongoing availability of new funds and fluctuations in interest and exchange rates.

The following treasury policies, approved by the Board of Directors, are adopted in order that these risks are effectively managed.

Liquidity risk management

The Group manages its cash and funding requirements centrally with the objective of maximising interest income and minimising interest expense. Investments of cash surpluses are made with banks which must satisfy credit rating and investment criteria approved by the Board of Directors.

Short term funding requirements are supported by a committed £100 million revolving credit bank facility which expires in June 2005. The amount drawn on the revolving credit facility at 30 January 2005 was £25 million which compares to £85 million at 25 January 2004.

The undrawn facility, being the difference between the amount drawn at any one date and £100 million, has been retained in order to ensure that the Group has sufficient liquid resources to meet the operating needs of the business.

Management are currently in discussion with the Group's bankers to put in place a new revolving credit bank facility to replace the existing facility on its expiry date.

Interest rate risk management

The Group finances its operations through a mixture of retained profits and the revolving credit bank facility. Interest chargeable on the bank facility is based on floating rates linked to LIBOR. No interest rate hedging agreement is in place over the bank facility because the Board continues to believe that, given the current interest rate environment, fluctuations in interest rates do not pose a significant risk to the Group.

Foreign currency risk management

A significant proportion of the Group's trading activities are payable and receivable in sterling and only approximately £25 million per annum is payable in dollars. Until December 2004, dollars were being bought and held in a dollar bank account, equivalent at any one time to the value of approximately 3 month's payables. Since December 2004, the Group has entered into a series of forward dollar contracts to provide dollars at a fixed rate of exchange to meet the Group's requirements for six months in advance.

"Stock levels have reduced by 12 per cent to £112.7 million."

Share buy-backs

We obtained the authority from shareholders to purchase up to 5 per cent of the issued share capital of the Company at the time of the AGM on 9 July 2004; this authority will expire at the time of the 2005 AGM in July 2005. After the Tender Offer in February 2004 where 7.25 million ordinary shares were acquired and cancelled at a cost of £20.8 million, no further share buy-backs have been undertaken by the Company.

The Board believes that the primary call on the Group's surplus cash flows should continue to be the further expansion of the chain of combined health club/superstores and the development and refurbishment of our retail store chain after which we will consider a further buy back of shares, if that is earnings enhancing.

We will seek a renewal of the authority to purchase up to 5 per cent of the issued share capital at the 2005 AGM, which will then be in place for the following 12 months.

Dividend

Despite the reduction in underlying headline earnings per ordinary share, the Board has proposed a final dividend of 7.0 pence net per ordinary share, payable on 18 July 2005 to shareholders recorded on the share register on 10 June 2005. This dividend, together with the interim dividend of 3.0 pence per share already paid, leaves the total dividend for the accounting period just ended at 10.0 pence which is identical to the total dividend per share paid in the comparative period.

Dividend cover based on underlying headline earnings per ordinary share for the accounting period just ended is 2.0 times and the yield, based on the share price of 208 pence at 28 January 2005, is 4.8 per cent.

Share Capital

Details of the share capital and movements during the accounting period ended 30 January 2005 are described in note 22 in the Notes to the financial statements on page 48.

The share price of the ordinary shares at the close of business on 28 January 2005 was 208p, representing an equity market capitalisation of approximately £480 million. This represents a decrease of 19 per cent from the price of 256p at 23 January 2004. Following the announcement of the Preliminary results on 13 April 2005, the closing share price was 214p. On 18 May 2005, the date on which declarable interests have been disclosed in the Director's report, the share price was 190p.

Office of Fair Trading

In August 2003, the Office of Fair Trading (OFT) pronounced JJB guilty of price-fixing of certain replica kit products over a two year period during 2000 and 2001 and levied a penalty of £8.4 million.

We lodged an appeal to the independent Competition Appeal Tribunal (CAT) against the OFT's decision on liability and against the level of the penalty itself. The appeal against liability was heard in March 2004 and the result announced in October 2004. In the CAT's judgment on liability, JJB was successful on one of the grounds of appeal, partly successful on another and unsuccessful on the remaining two grounds.

The appeal against the level of the penalty was heard by the CAT in January 2005 and its decision was announced on 19 May 2005. Whilst we were pleased to note that the CAT had reduced the level of the OFT penalty from £8.4 million to £6.7 million we were disappointed in the amount of the reduction. We do not believe that it fully reflects the findings made in JJB's favour by the CAT in the liability judgment which allowed JJB's appeal in respect of one ground of appeal and partly allowed JJB's appeal in respect of another ground.

Consequently, we intend to make an application to the CAT for permission to appeal to the Court of Appeal against the CAT's judgments in relation both to important aspects of its liability judgment of October 2004 and on the level of the penalty itself.

Until the publication of our Interim results for the 26 weeks ended 25 July 2004, we had not previously made any provision in the accounts in respect of the penalty on the grounds that we believed that we had not breached any part of the Competition Act. However, following the decision of the CAT which was announced in October 2004, we accepted, on the basis of legal advice, that it was then appropriate to make a provision in the accounts of £2 million in respect of a penalty.

The decision of the CAT on JJB's appeal against the level of the penalty, which was announced on 19 May 2005, does not alter our views on the adequacy of the £2 million provision and based upon legal advice, the Board still regard £2 million as being an adequate provision to make in our accounts.

J.D. Greenwood
Finance Director
26 May 2005

"Total dividend for the accounting period has been maintained at 10.0 pence."

Property review and store locations

In order to maximise store profitability, we have continued to pursue a policy of migrating from smaller high street stores to both high street superstores and out-of-town superstores where a more complete range of clothing, footwear and equipment can be displayed. With the 5 year rent reviews on out-of-town sites regularly exceeding the rate of inflation, most of the stores that we will open in the future are intended to be of the combined health club/superstore format where, by negotiation with the landlord, a cap is placed on all future rent reviews.

During the 53 weeks ended 30 January 2005, we opened 15 superstores (5 of which were of the combined health club/superstore format) and opened 8 stores as "icon" stores. During this period, we closed 33, mainly smaller stores.

At 30 January 2005, we operated from 438 stores comprising 189 out-of-town superstores, 102 high street superstores, 123 smaller high street stores, 4 small golf stores and 20 icon stores. The selling space totalled approximately 4,234,000 square feet, an increase of 1.2 per cent compared to the selling space in operation at 25 January 2004. Included in these superstore numbers are 21 units which are combined health club/superstores. These operating units compare to 448 stores in operation at 25 January 2004, comprising 191 out of town superstores, 92 high street superstores, 147 smaller high street stores, 5 small golf stores and 13 icon stores, representing 4,184,000 square feet of selling space.

During the accounting period just ended, we have continued the policy of carrying out complete refits or "refreshers" to some of our older sites. We plan to step up this policy in the current accounting period with 31 sites identified for refits. These sites include 12 out of town superstores which will have mezzanine floors of approximately 8,000 square feet installed in the building.

The number of retail stores opened in the last 4 years plus those stores which have been or will be refitted or refreshed up to January 2006, represents 46 per cent of the total stores in operation at 30 January 2005.

Our plans for store openings in the current accounting period are well advanced, with 33 stores planned for opening including 18 combined health club/superstores and 15 stand alone superstores. Two of the health club/superstore sites will also include an indoor soccer centre. Contracts have already been exchanged on 25 of these sites with the remainder close to final approval.

We have already identified openings for the following accounting period of a further 11 stores, including 6 combined health club/superstores (one of which incorporates an indoor soccer centre) and 5 stand alone stores; contracts for 8 of these sites have already been exchanged.

B.J.K.Dunn
Property Director
26 May 2005

Health Clubs
21 sites

Aberdeen
Bangor
Blackburn
Bristol
Burton-upon-Trent
Derby
Glasgow
Halifax
Hull
Kidderminster
Leeds
Macclesfield
Middlesbrough
Oldham
Southport
St. Helens
Swindon
Trafford
Warrington
Widnes
Wigan

Northern Ireland
24 stores

Antrim
Ballymena
Bangor
Belfast
Coleraine
Craigavon
Lisburn
Londonderry
Newry
Newtownabbey
Newtownards
Portadown

Republic of Ireland
3 stores

Blanchardstown
Dublin Liffey Valley
Tallaght

Scotland
58 stores

Aberdeen
Airdrie
Ayr
Clydebank
Coatbridge
Cumbernauld
Dundee
Dunfermline
Easterhouse
East Kilbride
Edinburgh
Elgin
Falkirk
Glasgow
Glenrothes
Greenock
Hamilton
Inverness
Irvine
Kilmarnock
Kirkcaldy
Livingston
Motherwell
Paisley
Perth
Renfrew
Stirling
Wishaw

Cumbria/North East
23 stores

Barrow-in-Furness
Carlisle
Darlington
Durham
Gateshead
Hartlepool
Kendal
Middlesbrough
Newcastle
North Shields
South Shields
Stockton
Sunderland
Washington

North West
74 stores

Accrington
Altrincham
Ashton-under-Lyne
Baguley
Birkenhead
Blackburn
Blackpool
Bolton
Bootle
Bromborough
Burnley
Bury
Chester
Chorley
Crewe
Ellesmere Port
Lancaster
Leigh
Liverpool
Macclesfield
Manchester
Oldham
Prescot
Preston
Rochdale
Runcorn
Salford
Skelmersdale
Southport
St. Helens
Stockport
Walkden
Wallasey
Warrington
Widnes
Wigan
Workington

Yorkshire
42 stores

Barnsley
Bradford
Dewsbury
Doncaster
Grimsby
Halifax
Harrogate
Huddersfield
Hull
Keighley
Leeds
Pudsey
Rotherham
Scarborough
Scunthorpe
Sheffield
Wakefield
York

West Midlands
37 stores

Banbury
Birmingham
Coventry
Dudley
Hanley
Hereford
Kidderminster
Leamington Spa
Newcastle-under-Lyme
Oldbury
Redditch
Rugby
Shrewsbury
Solihull
Stafford
Stetchford
Stratford-upon-Avon
Sutton Coldfield

Tamworth
Telford
Walsall
West Bromwich
Wolverhampton
Worcester

East Midlands
22 stores

Boston
Burton-upon-Trent
Chesterfield
Corby
Derby
Grantham
Leicester
Lincoln
Loughborough
Mansfield

Northampton
Nottingham
Peterborough

Wales
20 stores

Bangor
Bridgend
Caerphilly
Cardiff
Carmarthen
Cwmbran
Haverfordwest
Llandudno
Llanelli
Llantrisant
Newport
Rhyl
Swansea
Wrexham

East Anglia
9 stores

Bury St. Edmunds
Felixstowe
Great Yarmouth
Ipswich
Kings Lynn
Norwich

South West
29 stores

Barnstaple
Bath
Bristol
Cheltenham
Cowley
Dorchester
Exeter

Gloucester
Oxford
Plymouth
Poole
Salisbury
Swindon
Taunton
Torquay
Truro
Yeovil

South East
97 stores

Aldershot
Ashford
Aylesbury
Basildon
Basingstoke
Beckton

Bedford
Bexley Heath
Borehamwood
Bournemouth
Bracknell
Brent Cross
Brighton
Bromley
Camberley
Cambridge
Canterbury
Charlton
Chatham
Chelmsford
Colchester
Colliers Wood
Crawley
Croydon
Dover
Ealing

Eastbourne
Edgeware
Eltham
Enfield
Epsom
Fareham
Farnborough
Friern Barnet
Gillingham
Gravesend
Guildford
Hammersmith
Harlow
Hastings
Hayes
Hemel Hempstead
Ilford
Kingston
London (Central)
Luton

Maidstone
Milton Keynes
Newbury
New Cross
Orpington
Portsmouth
Reading
Richmond
Romford
Slough
Southampton
Southend
Staines
Stevenage
Surrey Quays
Sutton
Twickenham
Uxbridge
Walthamstow
Waterlooville

Watford
Welwyn Garden City
West Thurrock
Winchester
Woking
Wood Green
Worthing

Directors' biographies

Executive Directors

David Whelan - Chairman

Aged 68, David Whelan was formerly a professional footballer, principally with Blackburn Rovers. On his retirement from professional football, he acquired a single grocery store and built up a chain of six supermarkets called Whelan's Discount Stores which he sold to Wm Morrison Supermarkets plc in 1978. He had earlier formed JJB Sports in 1971 to acquire the business of a single sports store in Wigan, which had been trading since the early 1900s. From 1978 until 31 January 2001, David Whelan was Executive Chairman during which time he was involved in a wide range of Group operations and has been a major influence in the success of the Group. On 1 February 2001, he became Chairman, responsible both for ensuring that the Board functions effectively and also for general strategic issues as opposed to day to day executive matters. In addition, David Whelan holds a controlling interest in Whelco Holdings Limited which operates the sports stadium in Wigan named the "JJB Stadium", Wigan Athletic Football Club, Wigan Warriors Rugby League Club and Orrell Rugby Union Club.

Tom Knight – Chief Executive

Aged 52, Tom Knight joined JJB in October 2002 after a long and successful career at Blacks Leisure Group plc during which he held several positions culminating as Managing Director of their Sports and Fashion Division. Prior to this he spent seven years working for adidas before establishing his own successful chain of retail sports stores. He was appointed Operations Director of JJB in October 2002 and was subsequently appointed Chief Executive in November 2002. He is also a Non-executive Director of Ultimate Leisure plc.

David Greenwood, FCA – Finance Director and Company Secretary

David Greenwood, aged 61, spent five years with PricewaterhouseCoopers before spending a further five years as a financial controller in industry. He joined Whelan's Discount Stores as Financial Controller in 1976 and, after the sale of that company in 1978, he was appointed Finance Director of JJB Sports. David Greenwood has overall responsibility for all accounting, administrative and company secretarial functions.

Barry Dunn, MRICS – Property Director

Aged 48, Barry Dunn joined JJB Sports in 1986 as Estates Manager after ten years in commercial and residential agency. In 1992 he left to take up the position of Estates and Development Controller with Matalan plc, where he gained valuable experience in the development of out-of-town retailing. Returning to JJB Sports in 1995 as Property Director, Barry Dunn has full responsibility for the Group's existing properties and for identifying and negotiating the acquisition of new sites.

Non-executive Directors

Andrew Thomas, FCA

Andrew Thomas is the senior Non-executive Director. He is aged 62 and was appointed as a Non-executive Director in October 1994. He was Executive Chairman of The Greenalls Group plc until his retirement in February 2000 and is a Non-executive Director of The Restaurant Group plc and a number of non-quoted companies. He is also a Partner in Moors Andrew Thomas (Private Clients) Limited, Chartered Accountants.

Roger Lane-Smith

Roger Lane-Smith, aged 59, was appointed as a Non-executive Director in November 1998. He was Senior Partner and Chairman of DLA Piper Rudnick Gray Cary UK LLP from 1998 to 2005 and was appointed a Senior Consultant to the practice in May 2005. He is a Non-executive Director of MS International plc, Timpsons plc and a number of other non-quoted companies. He is also a council member of the CBI.

David Beever

David Beever, aged 64, was appointed as a Non-executive Director in March 2000. He is Chairman of KPMG Corporate Finance and a Non-executive Director of London & Continental Railways Limited, The Paragon Group of Companies plc and Volex Group plc. He was previously a Vice Chairman of SG Warburg & Co Limited.

Board Committees

Audit Committee

Andrew Thomas (Committee Chairman)
Roger Lane-Smith
David Beever

This committee consults with the external auditors on the Group's financial statements, accounting policies, internal controls and any other matters raised by the auditors.

Remuneration Committee

Roger Lane-Smith (Committee Chairman)
Andrew Thomas
David Beever

This committee reviews the remuneration of the Group's Executive Directors.

Nominations Committee

Roger Lane-Smith (Committee Chairman)
Andrew Thomas
David Beever

This committee reviews the appointment of the Group's Directors.

Directors and advisers

Directors

D. Whelan	(Chairman)
T.W. Knight	(Chief Executive)
J.D. Greenwood	(Finance Director)
B.J.K. Dunn	(Property Director)
A.G. Thomas	(Non-executive Director)
R. Lane-Smith	(Non-executive Director)
D.M.M. Beever	(Non-executive Director)

Registered Office

Martland Park,
Challenge Way,
Wigan,
Lancashire,
WN5 0LD

Company number

Registered in England and Wales,
Number 1024895

Company secretary

J.D. Greenwood

Financial advisers and stockbrokers

UBS Limited
1 Finsbury Avenue,
London,
EC2M 2PP

Auditors

Deloitte & Touche LLP,
Chartered Accountants,
201 Deansgate,
Manchester,
M60 2AT

Solicitors

DLA Piper Rudnick Gray Cary UK LLP
101 Barbirolli Square,
Manchester,
M2 3DL

Platt and Fishwick
The Old Bank,
King Street,
Wigan,
Lancashire,
WN1 1DB

Bankers

Barclays Bank PLC
1 Marsden Street,
Manchester,
M2 1HW

Registrars

Capita Registrars
Bourne House,
34 Beckenham Road,
Beckenham,
Kent,
BR3 4TU

Financial public relations

The Maitland Consultancy Limited
Orion House,
5 Upper St. Martins Lane,
London,
WC2H 9EA

Directors' report

For the 53 weeks ended 30 January 2005

The Directors of JJB Sports plc (the Group) present their Annual report on the affairs of the Group, together with Financial statements and the Auditors' report for the 53 weeks ended 30 January 2005.

Principal activities and business review

The principal activity of the Group continues to be the retailing of sportswear and sports equipment. The Group also includes a separate Leisure Division, which operates health clubs and indoor soccer centres. A review of operations for the accounting period is set out in the Chairman's statement, the Chief Executives statement and the Financial review on pages 2 to 13.

Subsidiaries

The subsidiary undertakings principally affecting the profits or net assets of the Group in the accounting period are listed in note 14 in the Notes to the financial statements on page 45.

Results and dividends

The Group profit for the accounting period after taxation is £33,199,000 before provision for dividends, paid and proposed, of £23,080,000. Retained profits for the accounting period of £10,119,000 have been transferred to reserves.

The Directors recommend a final dividend of 7.0 pence net per ordinary share (2004 – 7.0 pence) which when added to the interim dividend of 3.0 pence (2004 – 3.0 pence) gives a total dividend for the accounting period of 10.0 pence net per ordinary share (2004 – 10.0 pence). If approved at the forthcoming Annual General Meeting, the final dividend will be paid on 18 July 2005 to shareholders on the share register at the close of business on 10 June 2005.

Directors

The current members of the Board of Directors are listed on page 18 of this Annual report. All Directors served throughout the accounting period.

The Articles of Association require one third of Directors to retire by rotation at every Annual General Meeting, in addition to the re-confirmation of Directors appointed during the year. David Beever, Barry Dunn and David Greenwood are the Directors due to retire by rotation and resolutions will be proposed at the forthcoming Annual General Meeting for their re-election.

Full details of the cost of the service contracts, remuneration and incentive packages provided for the Directors and their interests in the share capital of the Company are given in the separate Remuneration report in this Annual report on pages 28 to 31.

Remuneration report

The Directors' Remuneration Report Regulations 2002 require that the remuneration report must be tabled for a shareholder vote, at each Annual General Meeting. Accordingly, a resolution will be proposed for the approval by the shareholders of the Remuneration report.

International Financial Reporting

Financial statements for the 52 weeks ending 29 January 2006 and all subsequent periods will be prepared in accordance with International Financial Reporting Standards ("IFRS"). This will require an opening balance sheet as at 25 January 2004 to be prepared under IFRS, together with a full profit and loss account, balance sheet and cash flow statement for the 53 weeks ended 30 January 2005 for comparative purposes. It is intended to restate these figures at the time of the announcement of the IFRS results for the 26 weeks to 31 July 2005.

Work has already begun to identify the areas that will be most affected by the introduction of IFRS. Areas being reviewed include changes to the basis of accounting for leases, share based payments, goodwill and dividends. As there is still some work to be done in order to finalise the scope of IFRS and to review the completeness of the areas to be affected, it is possible that other areas may arise which may impact upon the Group's results in the preparation of its first full set of IFRS Financial statements which will be for the 52 weeks ended 29 January 2006.

Declarable interests

As at the 18 of May 2005 the following notifications had been received from holders of material interests in 3 per cent or more of the Company's issued share capital:

	Number of 5p ordinary shares	Percentage of share capital
Morley Fund Management Limited	13,148,015	5.7
Harris Associates L.P.	9,319,500	4.0
The Capital Group Companies Inc.	7,196,818	3.1
West Coast Capital	3,480,193	1.5

Under section 208(5) of the Companies Act, West Coast Capital is deemed to have an additional interest in a further 13,062,061 ordinary shares, representing 5.7 per cent of the issued share capital, which are capable of being redelivered under a stock loan agreement. West Coast Capital does not have voting rights over these shares.

The total interests of the Directors, as detailed in the Remuneration report on page 31 together with those of their immediate families and family trusts, amounted to 89,644,388 ordinary shares of 5 pence each, representing 38.8 per cent of the Company's share capital as at 18 May 2005.

Share buy-back authority

Authority was given by the shareholders for the Company to purchase up to 5 per cent of its issued share capital at the time of the Annual General Meeting (AGM) on 9 July 2004; this authority will expire at the time of the 2005 AGM in July 2005. After the Tender Offer in February 2004 where 7.25 million ordinary shares were acquired and cancelled at a cost of £20.8 million, no further share buy-backs have been undertaken by the Company.

JJB will seek a renewal of the authority to purchase up to 5 per cent of its issued share capital at the 2005 AGM, which will then be in place for the following 12 months.

Close company status

The Company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

Charitable and political contributions

Charitable donations of £65,000 (2004 - £9,500) were made by the Group during the accounting period. Included in this figure is £50,000 donated to the Tsunami Appeal Fund and £15,000 donated to the Variety Club Childrens Charity.

The Group again participated in the Macmillan Cancer Relief football badge campaign. JJB is pleased to report that, for the 53 weeks ended 30 January 2005, total donations of approximately £82,000 were raised from purchases of football badges by its customers and staff. The total now raised through the Group's stores since the beginning of this campaign in January 1999 is approximately £1.1 million.

The Group also continues to support the Variety Club Childrens Charity appeal with its charity golf day which in 2004 raised a total of £90,000 to enable a further 6 Sunshine coaches to be purchased by the charity.

Additionally, many employees with support from the Group, have taken part in various charitable fund-raising activities during the year.

No contributions were made to political parties.

Supplier payment policy

The Group's policy for the payment of suppliers is to agree terms of payment with suppliers at the time that orders are placed. Payment is then made in accordance with the agreed terms. Trade creditor days of the Group at 30 January 2005 were 23 days, based on the ratio of trade creditors at the end of the accounting period to the amounts paid during the accounting period to trade creditors.

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors to the Company and a resolution for their re-appointment as auditors and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Employment issues

The Group employs approximately 11,500 people throughout the United Kingdom and overseas and is proud of its record as a responsible and valued employer.

JJB Sports plc is an equal opportunities employer, and as such the following key values are respected throughout JJB's operations:

- All employees should be treated fairly and equally and the workplace should be free from discrimination, harassment and intimidation;
- Recruitment, retention and progression of employees is based solely on personal ability and competency for the work in question; and
- Disabled persons should enjoy equal opportunities within the workplace. In the event of an employee becoming disabled during the course of their employment, the Group will make every effort to provide an opportunity for them to remain with the Group.

Employee training

The Group believes in encouraging employees to maximise their potential and so provides training which ensures that they are able to perform their duties to the best of their abilities.

A number of retail employees annually undertake National Vocational Qualifications in customer service through the Group's principal training providers, Performance through People. During the 53 weeks ended 30 January 2005, a significant proportion of employees on this course achieved qualifications of various levels under the scheme. In addition, staff working within the health clubs sign up to a Training Pathway Programme and undertake various NVQ qualifications, relevant to their position. The Group hopes that this scheme, along with other in-house initiatives, will help to further improve customer service levels at its operating units.

Driver training is provided to fork lift truck drivers, in order to improve safety in the Distribution centre.

The Group financially supports those employees wishing to obtain relevant professional qualifications whilst in the employment of the Group. Professional staff are also encouraged to attend training courses and seminars as and when necessary, in order that they keep up to date with developments relevant to their work and areas of expertise. Career progression is available to employees across the Group.

Employee consultation

The Group places considerable value on the involvement of its employees in matters affecting them as employees. JJB has continued the practice of keeping employees informed on such matters and on the various factors affecting the performance of the Group. This is achieved through regular meetings involving Directors, managers and supervisory staff to convey information about the business as well as via notice boards and the intranet.

The GMB Union are accepted by the Company to negotiate collective bargaining on behalf of hourly paid staff within the Distribution centre.

Annual General Meeting

The Annual General Meeting (AGM) of shareholders will be held at 12 noon on Wednesday 6 July 2005 at the JJB Stadium, Loire Drive, Wigan, Lancashire, WN5 0UH. The Notice of the Meeting is included in a separate circular issued to shareholders with this Annual report and Financial statements. Certain Special Business is to be proposed at the AGM, details of which are set out in the Notice of the Meeting.

Included in this Special Business is a resolution to grant authority to enable the Company to purchase in the market, up to 5 per cent of its issued share capital; the Board intend that this authority will only be exercised if it is considered by the Directors to be in the best interests of the shareholders generally and if to do so would be likely to result in an increase in earnings per share.

By order of the Board J.D. Greenwood Company Secretary
Martland Park, Challenge Way
Wigan, Lancashire WN5 0LD
26 May 2005

Corporate governance report

Introduction

JJB is fully committed to high standards of corporate governance and sets out below its report on how it complies with the provisions set out in Section 1 of the July 2003 Financial Reporting Councils Revised *Combined Code on Corporate Governance (2003 FRC Code).*

Compliance

The Company has, during the 53 weeks ended 30 January 2005, complied with Section 1 of the 2003 FRC Code.

The Board of Directors

The Board, which is ultimately responsible for the direction, management and performance of the company, met seven times during the accounting period ended 30 January 2005. Throughout this accounting period, the Board of Directors comprised four Executive and three Non-executive Directors. Short biographies of the Directors are set out on pages 16 to 17 of this Annual report. There is a clear division of responsibilities at the head of the Company between the roles of D. Whelan (Chairman) who is responsible for the operation of the Board and T.W. Knight (Chief Executive) who is responsible for implementing strategy.

The Board determines corporate strategy and reviews both financial and operational performance against plans. Full and timely access to all relevant information is provided to all Board members, via comprehensive information packs, in order that it can discharge its duties effectively. The information packs are produced in advance of such meetings and include up to date management accounts and detailed trading information.

A.G. Thomas is the nominated senior independent Non-executive Director.

All of the Non-executive Directors are considered by the Board to be independent of Management and of the Company's major shareholders. Although one of the Non-executive Directors, R. Lane-Smith was Senior Partner at DLA Piper Rudnick Gray Cary UK LLP (DLA) from 1998 to 2005, a firm of solicitors used by JJB, it is not the belief of the Executive Directors, that the fees paid to DLA are such as to interfere with his independent character, judgment and integrity; during the accounting period ended 30 January 2005, £361,000 was paid to DLA for legal work incurred during the ordinary course of business (2004: £479,000). Included in the fees paid to DLA during the accounting period ended 30 January 2005 was £261,000 (2004: £253,000) of costs in respect of defending the action bought against JJB by the Office of Fair Trading. The amount paid by the Group to DLA during the accounting period ended 30 January 2005, represented only 0.1 per cent of DLA's UK fee income.

All Directors are subject to retirement by rotation and re-election, subject to continued satisfactory performance, by the Company's shareholders in accordance with the Articles of Association, whereby a number of Directors closest to but not exceeding one third of the Directors retire by rotation each year or, if this gives a number less than three, then one further Director should retire. All Directors are subject to re-election by the shareholders at the first Annual General Meeting following their appointment by the Board.

The Board of Directors of JJB note the principle of Non-executive Directors normally not serving on a Board for more than 9 years, as set out in the 2003 FRC Code.

The Board recognises that A.G. Thomas, who has served on the Board since October 1994, brings to the Board a wide range of experience both as a practicing accountant and as the former Executive Chairman of a PLC operating in the same part of the leisure industry in which JJB's Leisure Division operates. The Board of JJB do not believe that the length of time during which A.G. Thomas has served on the Board affects the independence which he brings to his position as a Non-executive Director.

Details of the notice periods in the service contracts of Executive and Non-executive Directors are set out in the Directors' remuneration report on page 29 of this Annual report.

There is an established procedure whereby any Director may, in the furtherance of their duties, have access to independent professional advice and services at the Group's expense. The Finance Director also acts as the Company Secretary and as such is responsible for ensuring that Board procedures are followed and that the Board seeks independent advice whenever necessary. Where considered appropriate, relevant training is made available to any Director and the need for such training is assessed on a regular basis.

In order to assist in the discharge of corporate governance responsibilities, the Board has delegated certain responsibilities to Board Committees, which operate within clearly defined terms of reference. These committees are described below.

Audit Committee

The Audit Committee, which meets twice a year, is chaired by A.G. Thomas, who has recent and relevant financial experience, and also comprises of the other two Non-executive Directors with the Finance Director and the Group's external auditors in attendance. The Audit Committee's responsibilities include making a recommendation on the appointment, retirement and removal of the external auditors. This Committee consults with the external auditors on the Group's financial statements, accounting policies, internal controls and the risk management process as well as any other matters raised by the auditors. The Committee subsequently makes recommendations to the Board when necessary. The Committee also considers the independence and objectivity of the external auditors, the services they provide, and the scope of their audit work and related fees along with a review of their reported findings.

The Group's Risk Control/Internal Audit Manager has direct access to the Chairman and to members of the Audit Committee.

Remuneration Committee

The Remuneration Committee comprises all the independent Non-executive Directors and is chaired by R. Lane-Smith. The Committee reviews the contractual and remuneration arrangements of the Executive Directors and the senior executives, based upon their performance during the accounting period. Full details of the remuneration arrangements for the Directors are set out in the Directors' remuneration report on pages 28 to 31 of this Annual report.

Nominations Committee

The Nominations Committee is also chaired by R. Lane-Smith and comprises the other Non-executive Directors. The Committee is responsible for making recommendations on the appointment of new Directors to the Board and in respect of the Board's balance and structure. The Nominations Committee has not met during the accounting period ended 30 January 2005.

Attendance at Board/Committee Meetings

The following table shows the number of Board and Committee meetings held during the 53 weeks ended 30 January 2005 and the attendance record of the individual Directors.

	Board of Directors	Audit Committee	Remuneration Committee	Nominations Committee
No. of meetings	7	2	5	0
D. Whelan	5	-	-	-
T.W. Knight	7	-	-	-
J.D. Greenwood	7	-	-	-
B.J.K. Dunn	6	-	-	-
A.G. Thomas	7	2	5	0
R. Lane-Smith	7	2	5	0
D.M.M. Beever	7	2	5	0

Associate Board of Directors

Individual Executive Directors are responsible for the control of operational matters. In order to effect day to day control of the Group, a second tier Board was created in 1998 known as the Associate Board which currently comprises the Chairman and Executive Directors, together with 14 Associate Directors who are senior executives of the Group responsible for all key disciplines within the business.

Whilst the Associate Directors have not been appointed to the office of Companies Act Director, their experience and knowledge ensure a strong link between the Group's strategy which is set by the Board and its implementation across the business

Performance evaluation

The performance of the Board, its Non-executive Directors and Board Committees has been monitored during the year. The senior independent Non-executive Director appraises the performance of the Chairman through discussions with all the Directors individually, and together with the Chairman appraises the performance of the Chief Executive. The performance of the other Executive Directors is monitored throughout the year by the Chief Executive and the Chairman.

Internal control and risk management

The Company has established an Internal control framework encompassing both its financial and non-financial controls, the effectiveness of which is regularly reviewed by the Board and senior executives.

The Board is ultimately responsible for maintaining the effectiveness of the Group's risk management processes and the system of internal control, whilst it is the role of management to implement Board policies on risk and control. The Board is assisted in discharging its duties by the Audit Committee, which provides a direct link to both internal and external auditors through regular meetings. Such a system is designed to effectively manage, rather than eliminate, the risks that are significant to the fulfilment of the Group's business objectives of long-term growth of shareholder value via the maximisation of future earnings, and the safeguarding of the Group's assets.

In accordance with the requirements of the 2003 FRC Code, the Group has operated a risk management process throughout the 53 weeks ended 30 January 2005. The process is designed to ensure that all significant risks to the achievement of the Group's objectives are identified on a timely basis, assessed and managed effectively.

Any system of internal control can only provide reasonable and not absolute assurance that all significant business risks will be fully mitigated. However, by ensuring that the system of internal control reflects the risk environment in which the Group operates, the system should provide adequate assurance that the key risks facing the Group are properly managed.

The Board sets the overall strategy and policy of the Group and has put in place a well-defined organisational structure, with clearly understood lines of responsibility and delegation of authority to help ensure that strategies and policies are effectively implemented and adhered to.

Detailed operational procedures are adopted and followed by the Group's principal functional activities and are designed to incorporate key controls. These key controls are subject to periodic internal audit review to ensure that they are being operated effectively and that they are suitable to manage any significant business risks faced by the Group. Reports of internal audit reviews which have been performed, are made available to the Board and the Audit Committee.

The risk management processes and internal controls are continuously reviewed for effectiveness and assessed by the Board, as part of their Executive responsibilities. The Board considers all significant aspects of internal control, including financial, operational and compliance controls, as well as the risk management process adopted by the Group, and believes this will provide the ability to promptly identify and appropriately respond to areas of material concern. The review process is based on the reports made to the Board by the Risk Control/Internal Audit Manager and the Associate Director of Retail Audit, as well as other ad hoc reports from Management. The Board also takes into consideration any matters raised by the Audit Committee. The Audit Committee has reviewed both the effectiveness and level of internal audit resources available within the Group and believes that it is appropriate for the size and nature of the risks facing the Group.

Auditor independence

Deloitte & Touche LLP have reported to the Audit Committee that, in their professional judgement, they are independent and that the objectivity of the audit partner and audit staff is not impaired. The Audit Committee have reviewed this report and agrees with its conclusion and is satisfied that Deloitte & Touche LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence is maintained. The Audit Committee are aware that providing audit and non-audit advice could lead to a potential conflict of interest. In order to ensure the continued independence and objectivity of the external auditors there are established policies regarding the provision of non-audit services.

Relations with shareholders

The Group is committed to maintaining an active dialogue with shareholders in order to build a mutual understanding of its objectives. The Board invites institutional shareholders and analysts to briefings after the announcement of the Company's Interim and Annual results. There is also regular dialogue with individual institutional investors, fund managers and analysts.

The Board encourages communication with private shareholders through publication of the Interim and Annual results as well as the trading updates at the time its Annual General Meeting and after Christmas. The Annual General Meeting is used as an opportunity to gather the views of shareholders and to answer the questions of both private and institutional investors on all issues relevant to the Group.

The Group's website, www.jjb.co.uk, also includes an area dedicated to corporate information, including Annual and Interim reports, press releases, share price histories, Group news and certain Group policy documents.

Health and safety

Operating in a safe manner, with due consideration to the health, safety and welfare of all employees and others who may be affected by the Group's work activities, is vital to the success of the business and is something to which the Group is fully committed.

Overall responsibility for health and safety strategy rests with the Board of Directors. In order to effect day to day control of health and safety, JJB has an Associate Director of Group Health, Safety and Insurance, Lesley Lindley. Lesley is an associate of the Institute of Occupational Safety and Health, the Institute of Risk Management and the Chartered Insurance Institute and reports directly to the Board of Directors on all health and safety issues together with all insurance matters.

All retail store and health club managers have now undergone a basic health and safety training course covering the most common health and safety issues in the workplace. The course is approved by the Chartered Institute of Environmental Health. A rolling programme is in place to ensure that this training is kept up to date. Further training is currently being considered for more senior retail and leisure management and is demonstrative of the Group's ongoing commitment to health and safety.

Distribution centre managers have undertaken 'Managing Safely' courses organised by the Institute of Occupational Safety and Health, in order to ensure the competence of those managers in contributing to the overall safety of the Distribution centre environment.

Directors' responsibilities

United Kingdom company law requires the Directors to prepare Financial statements for each accounting period which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing those Financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial statements.

The Directors confirm that these Financial statements comply with the above requirements.

The Directors are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the Financial statements comply with the Companies Act 1985. They are also responsible for the maintenance of an appropriate system of internal controls and for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Group's website contains up to date information on the Group activities and its published financial results. The Directors are responsible for the maintenance and integrity of this website

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group's accounts.

Corporate social responsibility report

JJB recognises that it has a duty to ensure that its business is conducted in a socially responsible manner resulting in high standards of both social and environmental behaviour. Through its employees, the Group aims to comply with all applicable laws in order to meet, and where possible exceed, best practice conditions in both the national and global markets within which it operates.

Corporate responsibility is monitored on an ongoing basis via the Corporate Social Responsibility (CSR) Committee. The CSR Committee is comprised of a number of senior executives and is tasked with ensuring that the range of controls which JJB has in place to manage CSR risks are operating effectively and that responses to changes in current legislation are implemented in a timely manner.

Commitment

JJB is committed to minimising any negative social impacts and wishes to be recognised as a leading corporate citizen within all areas of its operation. The Company continues to be selected for inclusion in the FTSE4Good Index, launched in July 2001, which is designed to measure the performance of companies that meet globally recognised corporate responsibility standards, and to facilitate investment in those companies. The FTSE4Good Index is used as a basis for the creation of socially responsible investment products.

JJB was also pleased to be included on the Business in the Community index of Corporate Responsibility as well as the Business in the Environment index of Corporate Environmental Engagement and the Kempen SNS Smaller Europe SRI index.

During 2005 JJB intends to place full details of its CSR programme on the London Stock Exchange Corporate Responsibility Exchange.

Inclusion within the indices referred to above will allow JJB to compare and assess how it integrates responsible business practices through its organisation with those of its peers, identifying opportunities for improvement, and also provide further demonstration to current and potential shareholders that JJB is compliant with best practice.

Guiding principles of corporate social responsibility

JJB is fully committed to ensuring its business is conducted in a socially responsible manner and has developed a set of broad corporate responsibility principles which it follows and which will guide its future progress. These principles relate to community relations, environmental issues and ethical labour standards.

Community relations

JJB values the relationships with both its customers and the wider communities within which it operates and will behave as a good fellow citizen in all areas of activity.

JJB's main contribution to the community is delivered via its business activities. The Group's stores and health clubs play a vital role in satisfying the needs of its customers allowing the redistribution of wealth back into the community through the staff we employ and train. The Group is fully committed to ensuring that both the products and services it offers are delivered by way of focus upon the family and always with value for money in mind. As a further demonstration of the commitment to the community, JJB's indoor soccer centres are available to local schools, free of charge.

The Board recognises the need to extend the Group's 'people first' philosophy beyond its business and deliver something tangible back into the community. Its community programme provides support to nominated local and national charities and good causes including Macmillan Cancer Relief and the Variety Club Childrens Charity. The Group also offers support to its employees who participate in chosen projects.

Macmillan Cancer Relief

Macmillan Cancer Relief is dedicated to helping people living with cancer. They are working towards the day when everybody has equal and ready access to the best possible treatment and when care and unnecessary levels of fear are set aside.

In the UK, over a million people are living with cancer and four in ten people will be diagnosed with cancer during their lifetime. These figures are forecast to increase, and so will the demand for Macmillan's services.

JJB are pleased to continue to be associated with Macmillan Cancer Relief, one of our chosen charity partners. Through the network of approximately 440 stores and Head office facilities, JJB has been involved in the sale of football badges to customers and staff, the proceeds of which are passed to Macmillan Cancer Relief. JJB has raised approximately £82,000 during the accounting period ended 30 January 2005. This brings the total raised through JJB since the campaign began in 1999, to approximately £1.1 million.

The money raised has helped fund Macmillan's increasing range of services, including the Macmillan nurses and doctors, new cancer care centres, the publication of a range of cancer information documents, distributed through its information and support centres, together with direct financial help for those who need it most.

Variety Club Childrens Charity

The Variety Club Childrens Charity provides a wide range of support to sick, disabled and disadvantaged children. The money raised by the charity helps to build paediatric units, donate Sunshine Coaches to special schools and to take groups of children on fun packed days out; the Charity aims to make a real difference to childrens' lives.

Sunshine Coaches is a charity that provides children with the opportunity to get out and about in order to enjoy local facilities and discover the world at large through excursions and educational visits. These coaches are specially adapted for children with special needs and are donated to organisations which strive to improve the quality of life for young people, something with which JJB is proud to be associated.

Management and staff from JJB's Golf department, led by the Associate Director of Equipment, Martin Wild, have organised charity golf tournaments for the last five years and the monies from the 2004 event raised enough money to purchase 6 Sunshine Coaches to add to the 13 already purchased from the proceeds of earlier years events.

Corporate social responsibility report continued

Environmental issues

In striving to achieve business objectives, JJB must act responsibly in relation to the impact of its activities on the local community and on the environment at large and JJB has accordingly incorporated an environmental management system within its overall risk management framework. The Group recognises its responsibility to minimise environmental impacts and through the effective management of agreed action plans, expects to achieve this whilst delivering improved business performance. JJB will continue to be involved with selected indices as described on page 24 of this Annual report, further demonstrating the continuing commitment to be at the leading edge of current environmental issues. The overall approach to environmental issues is incorporated within the core business management processes, and is encapsulated within the following core principles:

- The reduction of adverse environmental impacts arising from the Group's activities and operations;
- Ensuring effective and efficient use of materials and energy;
- Maintain a waste management system strategy which minimises waste arising and maximises waste recovery whilst ensuring, wherever possible, responsible disposal methods;
- Ensure compliance with relevant environmental laws, statutory obligations and codes of best practice; and
- Incorporate the principle of sustainable development through a systematic approach to environmental management in order to achieve continual improvement.

Environmental actions

JJB, assisted by a team of environmental and sustainability services consultants, has performed a detailed assessment of its operational environmental impacts. The most significant impacts are managed through an Environmental Management System (EMS) and the Board is confident that the system provides the structure through which it delivers its environmental policies across the Group. The EMS consists of detailed action plans with named senior executive ownership, together with objectives and targets against which relative progress is to be monitored and reported upon. Over the last four years, JJB has achieved the following:

- CO_2 emissions have been calculated using DEFRA guidelines and are monitored to minimise atmospheric impact. Improved distribution methods have lead to a 20 per cent reduction in emissions;
- Energy consumption has risen by 12 per cent against a 22 per cent increase in selling space and a 320 per cent increase in the number of health clubs;
- Improved packaging techniques have resulted in a 4 per cent increase in waste generation compared to an increase in the volume of waste recycled of 25 per cent; and
- Water consumption has increased by 92 per cent although there has been a 320 per cent increase in the number of health clubs, all of which incorporate swimming pools.

Further details of progress made and future targets, can be found within the Environmental Management section of the JJB website.

Ethical labour standards

As a responsible Corporate Citizen, JJB seeks to provide its customers with high quality value for money products, sourced from suppliers and manufacturers who can clearly demonstrate compliance with the Group's own codes of practice as well as internationally accepted standards.

JJB's Code of Business Ethics, the Supplier Code of Practice and the Factory Code of Conduct, which are set out on the website www.jjb.co.uk, have been accepted by JJB's principal suppliers and source manufacturers. The Codes are based upon the internationally accepted principles of the Ethical Trading Initiative Base Code of Labour Standards and the Model Code of Conduct devised by the World Federation of the Sporting Goods Industry.

JJB cares about the labour standards within its global supply chain and expects its suppliers to demonstrate similar concerns. In order to obtain assurance that the factories used by the Group's suppliers and source manufacturers comply with the Factory Code of Conduct and so promote sustained improvement in factory working conditions, a factory inspection methodology has been rolled out with the assistance of a specialist consultancy and is performed by JJB's buyers when they make visits to suppliers and source manufacturers' factories.

Workplace

Within its workplace JJB applies the same level of commitment across its stores, health clubs, Head office, Distribution centre and other facilities, thereby ensuring a safe, challenging and rewarding work environment.

The Board recognises its responsibility for the maintenance of a safe and healthy workplace and work environment for employees and others (customers, contractors, visitors and the general public) who may be affected by its work or undertakings. The Company policy states that all employees have a duty to act responsibly and take reasonable care for the health and safety at work of themselves, their colleagues and customers. Further responsibilities are placed upon senior management and the Property Director is tasked with keeping the Board advised on occupational health and safety matters.

JJB is fully committed to the core principle of Equal Opportunity within the workplace and adheres to high standards of employment practice. The Group has detailed employment policies which are applied in a fair manner so as to reward people fairly and provide appropriate levels of personal development and training within a safe and healthy workplace. The Group's policies are designed to value the human rights of all employees, whether directly employed, sub-contracted or employed within the supply chain.

JJB is dedicated to the highest standards of openness, probity and accountability. In line with that commitment, the Group encourages employees and others with serious concerns about any aspect of the Group's work to come forward and voice those concerns without fear of reprisals. Normally any concern about a workplace situation would be raised with the employee's immediate line manager or Head of Department. However, it is recognised that this may be difficult in the event of an issue being serious or of a sensitive nature, especially where the Group has so many places of work. To facilitate this contact, JJB has introduced a 'Whistle Blowing' policy which encourages employees to report undesirable practices through either a nominated senior member of staff or through its confidential and anonymous telephone line. In the case of concerns by customers, these would normally be raised through the Customer Service Department.

JJB has distributed comprehensive procedures and policies to all retail stores through its Retail Operations Manual, a copy of which is also available on the JJB intranet.

The Manual contains comprehensive guidance together with copies of policy documents which spell out JJB's stance on areas such as JJB's Code of Business Ethics, Health and Safety and Equal Opportunities.

All of JJB's endeavours and initiatives across the corporate responsibility spectrum are focused towards the provision of ethically produced, quality value for money products, through a safe and satisfied workforce in a way that benefits the communities within which the Group operates.

Directors' remuneration report

For the 53 weeks ended 30 January 2005

This Report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 which introduced new statutory requirements for the disclosure of directors' remuneration in respect of periods ending on or after 31 December 2002. The Report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the Principles of Good Governance relating to directors' remuneration. As required by the Regulations, a resolution to approve the Report will be proposed at the Annual General Meeting of the Company.

The auditors are required to report on the audited information within the Report and to state whether in their opinion that part of the Report has been properly prepared in accordance with the Companies Act 1985. The Report has therefore been divided into separate sections for audited and unaudited information

Unaudited information

Constitution of the Committee

The Remuneration Committee is chaired by R. Lane-Smith and also consists of A.G. Thomas and D.M.M. Beever with the Chairman, D. Whelan, attending as appropriate, to give advice. D. Whelan does not participate in the determination of his own remuneration package.

Remuneration of Executive Directors

The remuneration of Executive Directors is determined by the Remuneration Committee.

The remuneration policy aims to ensure that the Executive Directors are fairly rewarded for their individual contributions to the Group's performance and that remuneration packages are competitive with regards to those of comparable public companies and, through a performance related bonus and the award of share options, incentivise the Director concerned to improve the performance of the Group. The elements of remuneration are a basic salary, a performance related bonus, certain taxable benefits, contributions made into Directors' personal pension schemes and share options.

Basic salary

The basic salaries of Executive Directors are set by the Remuneration Committee who take into consideration the levels of salaries of Directors in similar sized public companies within the FTSE 250 Index and which are then tailored to individual experience, responsibility and performance. This policy will be continued during the current accounting period.

Basic salaries were last reviewed in November 2003. The basic salary of D. Whelan was not changed at that date; the basic salaries of B.J.K. Dunn and J.D. Greenwood were backdated to 1 February 2003 and that of T.W. Knight was backdated to 1 September 2003.

On 1 July 2003, D. Whelan notified the Company that with effect from that date he would waive payment of his basic salary until further notice; D. Whelan recommenced to draw his salary on 1 April 2004.

Performance related bonus

The Executive Directors are entitled to a performance related bonus scheme to which members of the Associate Director Board of JJB are also entitled. This bonus takes the form of an annual payment, calculated as a percentage of basic salary, based upon the pre-tax profits of the Group but dependent upon profit targets being achieved. No entitlement was earned in respect of the 53 weeks ended 30 January 2005. The bonus scheme is set over three years which commenced from the accounting period ended 25 January 2004 and a bonus will be payable at the end of the fourth year, representing an amount equal to any bonus paid in the three previous years, provided the Executive Director or Associate Director is still in the Company's employment at the end of the fourth year.

The maximum amount payable in any one of the first three years of this scheme is limited to 40 per cent of the Director's basic salary

Taxable benefits

Executive Directors are eligible for taxable benefits, which include membership of a private medical scheme and the provision of a company car with payment of its operating expenses, including private mileage, or the payment of a monthly lump sum towards the costs incurred on business travel in their own car.

Pensions

The Executive Directors make contributions to their own personal pension schemes and the Company contributes a similar amount into those schemes, limited to a fixed percentage of their basic salary.

1999 Share Option Schemes

Grants of share options to Executive Directors are at the discretion of the Remuneration Committee. Grants are intended to promote a longer term involvement in the well-being of the Company and to give capital growth benefits for the option holders. Options are not routinely granted but made on an individual basis to reflect either increased responsibility and promotion or as part of the remuneration package on being appointed an Executive Director.

The maximum value of options to be granted to any employee under the 1999 Approved Share Option Scheme is restricted to £30,000. In addition, options can be granted under the 1999 Unapproved Share Option Scheme, the maximum number being calculated by a formula which restricts the value of the options granted to any employee to four times their basic salary, less the value of any options granted under the 1999 Approved Share Option Scheme.

The exercise of share options is subject to performance conditions requiring various growths in earnings per ordinary share of the Group, over at least three consecutive financial periods. In respect of the share options granted to D. Whelan and J.D. Greenwood, on which the expiry date is 2009, the performance condition attaching to the options was a growth in Group earnings per ordinary share of more than 10 per cent per annum plus the percentage increase in the Retail Price Index, for the option to be fully exercisable. For all share options issued subsequently, the performance condition has been a growth in Group earnings per ordinary share of more than 4 per cent per annum plus the percentage increase in the Retail Price Index. For the options to be exercisable in relation to half the shares subject to any option, the increase in earnings per ordinary share was to be half the annual rates quoted above, plus the percentage increase in the Retail Price Index.

Details of share options held by Executive Directors are set out in the table on page 31 of this Report.

Contracts of Service

The service contracts of all the Executive Directors have no fixed term and were terminable on three months notice by either party until May 2004 when the Remuneration Committee increased the notice period to 6 months.

In addition, the service contract of T.W. Knight contains a change of control clause which provides for twelve months notice in the event of a change of control of the Group.

The service contracts of D. Whelan and J.D. Greenwood were dated 10 November 1994, B.J.K. Dunn's was dated 7 June 1996 and T.W. Knight's was dated 11 July 2003.

The letter of appointment of A.G. Thomas was dated 13 April 1995, R. Lane-Smith's was dated 13 January 1999 and D.M.M. Beever's was dated 26 May 2000.

Remuneration of Non-executive Directors

The remuneration of the Non-executive Directors is determined by the Chairman after consultation with the other Executive Directors, and after taking into account the performance of the Non-executive Directors in the accounting period and the levels of remuneration paid by comparable public companies. The Directors fees of the Non-executive Directors were last reviewed in November 2003 and the increase in fees backdated to 1 February 2003.

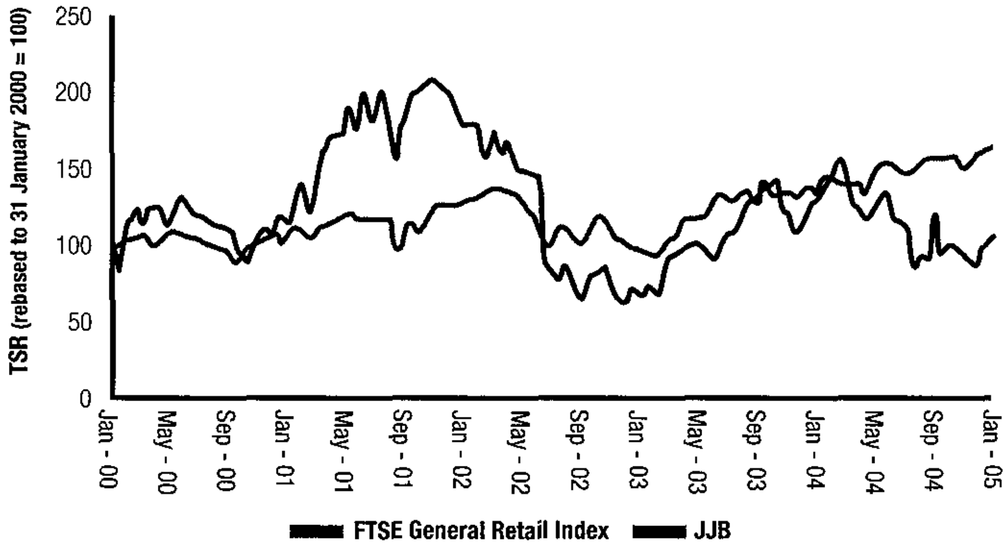
The Non-executive Directors do not receive any pension or other benefits from the Company, nor do they participate in any bonus, incentive or share option schemes.

Non-executive Directors have three-year service contracts with the Company, terminable on three months notice by either party.

Directors' remuneration report continued

Performance graph of Total Shareholder Return

The graph below shows the Group's Total Shareholder Return (TSR) compared to the FTSE General Retail Index over the last five years. TSR is defined as the share price growth plus reinvested dividends. The index chosen for the comparison demonstrates the Group's TSR in comparison to the average for companies operating in the same sector.



Audited information

Directors' detailed emoluments

Details of individual Directors' emoluments for the accounting period were as follows:

	Fees as Directors	Additional remuneration	Basic salary	Performance related bonus	Taxable benefits	Pension contributions	**2005 Total**	2004 Total
	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**	£'000
Executive Directors:								
D. Whelan	-	-	250	-	26	-	**276**	214
T.W. Knight	-	-	300	-	13	22	**335**	346
J.D. Greenwood	-	-	235	-	25	8	**268**	310
B.J.K. Dunn	-	-	195	-	22	8	**225**	268
G.W. Foster	-	-	-	-	-	-	**-**	229
Non-executive Directors								
A.G. Thomas	28	-	-	-	-	-	**28**	46
R. Lane-Smith	28	-	-	-	-	-	**28**	33
D.M.M. Beever	28	-	-	-	-	-	**28**	34
Total	**84**	**-**	**980**	**-**	**86**	**38**	**1,188**	1,480
2004 total	84	29	982	220	112	53		

All Directors served throughout the two accounting periods covered by the table with the exception of G.W. Foster who resigned on 14 November 2003.

D. Whelan waived payment of his basic salary between 1 July 2003 and 31 March 2004; the amount of basic salary shown in the table includes the amount paid to him from 1 April 2004 to 30 January 2005.

Included in the above table is £6,875 (2004 - £32,800) paid to a third party in respect of the services of R. Lane-Smith and £NIL (2004 - £18,000) paid to a third party in respect of the services of A.G. Thomas.

Share options

Directors beneficial interests in share options at the beginning and the end of the accounting period, were as follows:

Number of 5p ordinary shares

	Scheme	Share options at beginning of accounting period	Share options granted during the accounting period	**Share options at end of accounting period**	Exercise price (pence)	Date from which exercisable	Expiry date
D. Whelan	1999 Unapproved	649,200	-	**649,200**	184.84	17.02.02	16.02.09
	1999 Unapproved	-	100,000	**100,000**	253.00	27.05.07	26.05.14
	Total	649,200	100,000	**749,200**			
T.W. Knight	1999 Unapproved	250,000	-	**250,000**	150.20	12.10.05	11.10.12
	1999 Unapproved	-	250,000	**250,000**	253.00	27.05.07	26.05.14
	Total	250,000	250,000	**500,000**			
J.D. Greenwood	1999 Approved	15,800	-	**15,800**	189.84	18.05.02	17.05.09
	1999 Unapproved	330,000	-	**330,000**	184.84	17.02.02	16.02.09
	1999 Unapproved	-	175,000	**175,000**	253.00	27.05.07	26.05.14
	Total	345,800	175,000	**520,800**			
B.J.K. Dunn	1999 Unapproved	-	125,000	**125,000**	253.00	27.05.07	26.05.14
Total		**1,245,000**	**650,000**	**1,895,000**			

No options were exercised during the year.

The exercise of options under both schemes is subject to performance conditions that require various growths in earnings per ordinary share as set out on page 29.

The market price of 5 pence ordinary shares on Friday 28 January 2005 was 208 pence and the range during the accounting period was 177 pence to 327 pence.

Directors' interests

The interests of the Directors in the shares of the Company at the beginning of the accounting period, and the end of the accounting period were as follows:

	30 January 2005		25 January 2004	
	Number of 5p ordinary shares		Number of 5p ordinary shares	
	Beneficial	**Non-beneficial**	Beneficial	Non-beneficial
D. Whelan	**28,426,010**	**29,073,040**	28,533,306	29,073,040
T.W. Knight	**100,000**	-	100,000	-
J.D. Greenwood	**479,278**	-	479,278	-
B.J.K. Dunn	-	-	-	-
A.G. Thomas	**30,000**	-	36,000	-
R. Lane-Smith	**44,100**	-	59,100	-
D.M.M. Beever	**70,200**	-	104,200	-

There have been no changes in Directors interests since 30 January 2005, other than the sale of 10,000 ordinary shares on 15 April 2005 by A.G. Thomas and the simultaneous purchase of 10,000 ordinary shares in the name of a company in which A.G. Thomas has 100 per cent beneficial ownership.

R. Lane-Smith
Chairman of the Remuneration Committee
26 May 2005

Independent auditors' report to the members of JJB Sports plc

For the 53 weeks ended 30 January 2005

We have audited the Financial statements of JJB Sports Plc for the 53 weeks ended 30 January 2005 which comprise the Profit and loss account, the Balance sheets, the Cash flow statement, the Statements of total recognised gains and losses, and the related notes 1 to 31 together with the Reconciliations of movements in shareholders' funds and the Statement of accounting policies. These Financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the part of the Directors' remuneration report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As described in the statement of Directors' responsibilities on page 23 of the Annual report, the Company's Directors are responsible for the preparation of the Financial statements in accordance with applicable United Kingdom law and accounting standards. They are also responsible for the preparation of the other information contained in the Annual report including the Directors' remuneration report. Our responsibility is to audit the Financial statements and the part of the Directors' remuneration report described as having been audited in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the Financial statements give a true and fair view and whether the Financial statements and the part of the Directors' remuneration report described as having been audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the Financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company and other members of the Group is not disclosed.

We review whether the Corporate governance report reflects the Company's compliance with the nine provisions of the 2003 FRC Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the Directors' report and the other information contained in the Annual report for the above accounting period as described in the Contents section including the unaudited part of the Directors' remuneration report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial statements and the part of the Directors' remuneration report described as having been audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial statements and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial statements and the part of the Directors' remuneration report described as having been audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Financial statements and the part of the Directors' remuneration report described as having been audited.

Opinion

In our opinion:

- the Financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 January 2005 and of the profit of the Group for the accounting period then ended; and
- the Financial statements and the part of the Directors' remuneration report described as having been audited have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester
26 May 2005

Consolidated profit and loss account

For the 53 weeks ended 30 January 2005

	Notes	53 weeks ended 30 January 2005 Continuing operations	52 weeks ended 25 January 2004 Continuing operations	52 weeks ended 25 January 2004 Discontinued operations	Total
		£'000	£'000	£'000	£'000
Turnover	1	**773,339**	771,772	158,040	929,812
Cost of sales (including exceptional operating items)		**(402,082)**	(395,624)	(109,041)	(504,665)
Gross profit		**371,257**	376,148	48,999	425,147
Other net operating expenses (including goodwill amortisation and exceptional operating items)	2	**(320,918)**	(307,000)	(46,825)	(353,825)
Operating profit		**50,339**	69,148	2,174	71,322
Operating profit before goodwill amortisation and exceptional operating items		**63,328**	87,978	2,523	90,501
Goodwill amortisation	12	**(12,989)**	(12,753)	(349)	(13,102)
Exceptional operating items	3				
- creation of legal penalty provision		**(2,000)**	-	-	-
- release of legal cost accrual		**2,000**	-	-	-
- other		**-**	(6,077)	-	(6,077)
Loss on disposal of subsidiary undertakings	14(b)	**(309)**	-	(852)	(852)
Interest receivable and similar income	4	**9,036**			7,149
Interest payable and similar charges	5	**(8,692)**			(9,781)
Profit on ordinary activities before taxation	6	**50,374**			67,838
Taxation on profit on ordinary activities	8	**(17,175)**			(22,376)
Profit on ordinary activities after taxation		**33,199**			45,462
Dividends paid and proposed	10	**(23,080)**			(23,297)
Retained profit for the period	23	**10,119**			22,165
Profit on ordinary activities before taxation, goodwill amortisation, exceptional operating items and loss on disposal of subsidiary undertakings		**63,672**			87,869
Underlying headline earnings per ordinary share	11	**20.12p**			26.99p
Earnings per ordinary share	11	**14.36p**			19.27p
Diluted earnings per ordinary share	11	**14.34p**			19.23p

A statement of movements on reserves is given in note 23 in the Notes to the financial statements on page 49.

The accompanying Statement of accounting policies and Notes to the financial statements are an integral part of this Consolidated profit and loss account.

Statements of total recognised gains and losses

For the 53 weeks ended 30 January 2005

	Group		Company	
	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004	**53 weeks ended 30 January 2005**	52 weeks ended 25 January 2004
	£'000	£'000	**£'000**	£'000
Profit on ordinary activities after taxation	**33,199**	45,462	**28,249**	40,894
Exchange rate movement	**(21)**	223	**-**	-
Total recognised gains relating to the period	**33,178**	45,685	**28,249**	40,894

Reconciliations of movements in shareholders' funds

For the 53 weeks ended 30 January 2005

	Group		Company	
	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004	**53 weeks ended 30 January 2005**	52 weeks ended 25 January 2004
	£'000	£'000	**£'000**	£'000
Retained profit for the period	**10,119**	22,165	**5,169**	17,597
Exchange rate movement	**(21)**	223	**-**	-
	10,098	22,388	**5,169**	17,597
Proceeds of share issues	**92**	5,440	**92**	5,440
Consideration paid on purchase of own shares	**(20,778)**	-	**(20,778)**	-
Opening shareholders' funds	**353,003**	325,175	**309,976**	286,939
Closing shareholders' funds	**342,415**	353,003	**294,459**	309,976

The accompanying Statement of accounting policies and Notes to the financial statements are an integral part of the above Statements.

Balance sheets

As at 30 January 2005

	Notes	Group 30 January 2005	Group 25 January 2004	Company 30 January 2005	Company 25 January 2004
		£'000	£'000	**£'000**	£'000
Fixed assets					
Intangible assets – goodwill	12	**173,125**	186,347	**196**	209
Tangible assets	13	**165,175**	155,791	**151,617**	140,037
Investments	14(a)	**-**	-	**289,161**	290,104
		338,300	342,138	**440,974**	430,350
Current assets					
Stocks	15	**112,719**	128,084	**92,429**	102,467
Debtors	16	**12,181**	11,481	**14,106**	16,500
Current asset investments	17	**168,117**	210,478	**168,117**	210,478
Cash at bank and in hand		**29,323**	41,258	**20,025**	17,355
		322,340	391,301	**294,677**	346,800
Current liabilities					
Creditors: Amounts falling due within one year					
Borrowings	18	**(193,067)**	(170,478)	**(297,768)**	(170,478)
Others	18	**(99,269)**	(100,987)	**(121,184)**	(191,489)
		(292,336)	(271,465)	**(418,952)**	(361,967)
Net current assets (liabilities)		**30,004**	119,836	**(124,275)**	(15,167)
Total assets less current liabilities		**368,304**	461,974	**316,699**	415,183
Creditors: Amounts falling due after more than one year					
Borrowings	19	**-**	(84,821)	**-**	(84,821)
Others	19	**(7,577)**	(7,559)	**(7,028)**	(6,973)
		(7,577)	(92,380)	**(7,028)**	(91,794)
Provisions for liabilities and charges	21	**(18,312)**	(16,591)	**(15,212)**	(13,413)
Net assets		**342,415**	353,003	**294,459**	309,976
Capital and reserves					
Called-up share capital	22	**11,538**	11,899	**11,538**	11,899
Share premium account	23	**157,219**	157,129	**157,219**	157,129
Capital redemption reserve	23	**1,069**	706	**1,069**	706
Profit and loss account	23	**172,589**	183,269	**124,633**	140,242
Equity shareholders' funds		**342,415**	353,003	**294,459**	309,976

The accompanying Statement of accounting policies and Notes to the financial statements are an integral part of these Balance sheets.

Signed on behalf of the Board

D. Whelan
Chairman
26 May 2005

Consolidated cash flow statement

For the 53 weeks ended 30 January 2005

	Notes	53 weeks ended 30 January 2005		52 weeks ended 25 January 2004	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	24		**103,968**		77,707
Returns on investments and servicing of finance					
Interest received		**9,036**		7,149	
Interest paid		**(8,563)**		(9,358)	
Net cash inflow (outflow)			**473**		(2,209)
Taxation					
UK corporation tax paid		**(18,366)**		(24,564)	
Foreign tax paid		**(152)**		(296)	
Net cash outflow			**(18,518)**		(24,860)
Capital expenditure					
Purchase of tangible fixed assets		**(42,982)**		(34,670)	
Sale of tangible fixed assets		**8,392**		1,977	
Net cash outflow			**(34,590)**		(32,693)
Acquisition and disposals					
Purchase of subsidiary undertaking		**-**		(5)	
Disposal of subsidiary undertaking		**495**		46,421	
Net cash disposed with subsidiary undertaking		**-**		(228)	
Net cash inflow			**495**		46,188
Equity dividends paid			**(23,077)**		(18,899)
Cash inflow before management of liquid resources and financing			**28,751**		45,234
Management of liquid resources					
Tender offer cash deposit	25		**40,000**		(40,000)
Financing					
Issues of ordinary share capital		**92**		5,440	
Decrease in loans	25	**(60,000)**		(6,667)	
Purchase of own shares		**(20,778)**		-	
Net cash outflow			**(80,686)**		(1,227)
(Decrease) increase in cash in the period	25		**(11,935)**		4,007

The disposal of TJ Hughes Limited in the accounting period ended 25 January 2004 resulted in an adverse cash flow of £12,175,000 affecting the Group's net cash inflow from operating activities. The disposal also resulted in adverse cash flows relating to returns on investments and servicing of finance of £209,000, UK corporation tax paid of £159,000 and purchase of tangible fixed assets of £4,222,000.

The accompanying Statement of accounting policies and Notes to the financial statements are an integral part of this Consolidated cash flow statement.

Statement of accounting policies

For the 53 weeks ended 30 January 2005

The principal Group accounting policies are set out below. The policies have all been applied consistently throughout the current and preceding accounting periods.

Accounting period

Every accounting period ends on the Sunday which falls before, but closest to 31 January, resulting in accounting periods of either 52 or 53 weeks.

Basis of accounting

The Financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The acquisition method of accounting has been adopted under which the results of subsidiary undertakings acquired or disposed of in the accounting period are included in the Consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In the Company's Financial statements, investments in subsidiary undertakings are stated at cost less an amount representing goodwill written off to reserves in 1988. Provisions for temporary fluctuations in value are not made. Only dividends received and receivable are credited to the Company's Profit and loss account.

No Profit and loss account is presented for JJB Sports plc, as permitted by Section 230 of the Companies Act 1985.

Goodwill

Goodwill consists of:

- Goodwill purchased on the acquisition of unincorporated businesses which is stated at cost. Amortisation has been provided to write off the cost of this goodwill over its estimated useful life in equal annual instalments based upon the unexpired period of the property lease which relates to the business acquired; and

- Goodwill arising on the acquisition of subsidiary undertakings (representing the excess of the fair value of the consideration given over the fair value of the separately identifiable net assets acquired, together with associated costs). Goodwill arising on acquisitions during and since the accounting period ended 31 January 1999 is being amortised over twenty years. Goodwill arising on acquisitions in earlier accounting periods was written off against reserves on acquisition and would be charged or credited in the Profit and loss account on the subsequent disposal of the business to which it related.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is provided using the straight-line method at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful economic life, as follows:

Freehold property	40 years
Short leasehold property	Period of lease
Plant, fixtures and fittings	5-20 years

Investments

Fixed asset investments are shown at cost, less provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or damaged items where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred at the Balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the Financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the Financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Deferred tax is measured on a non-discounted basis.

Statement of accounting policies continued

Foreign currencies

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the end of the accounting period are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Profit and loss account.

For the purpose of consolidation, the closing rate method is used, under which translation gains or losses are shown as a movement on reserves. The Profit and loss accounts of the foreign subsidiary undertakings are translated at the average exchange rate for the accounting period.

Operating leases

The Group's principal leased assets are land and buildings acquired under operating leases which are generally subject to periodic rent reviews. Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Any contributions receivable on acquiring short leasehold properties are credited to the Balance sheet and released to the Profit and loss account over the term of the lease. Rent free periods are treated as deferred income and are released to operating profit over the accounting periods up to the date of the first rent review.

The cost of other operating leases in respect of plant, fixtures and fittings is charged to operating profit on a straight line basis over the accounting periods of the lease.

Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

Turnover

Turnover represents sales of goods through retail stores and income generated from the provision of sports and leisure facilities, excluding VAT, in the normal course of business.

Turnover generated from the provision of sports and leisure facilities is recorded in the accounting period during which the facility is made available to members.

Pension costs

For defined benefit schemes operated by T.J. Hughes Ltd, which was disposed of on 14 November 2003, the amount charged to the Profit and loss account in respect of pension costs and other post-retirement benefits, in the accounting periods during which T.J. Hughes Limited was a subsidiary, was the estimated regular cost of providing the benefits accrued in the accounting period, adjusted to reflect variations from that cost. The regular cost was calculated so that it represented a substantially level percentage of current and future payroll. Variations from regular cost were charged or credited to the Profit and loss account as a constant percentage of payroll over the estimated average remaining working life of scheme members. Defined benefit schemes were funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Differences between the amounts charged to the Profit and loss account and amounts funded were shown as either provisions or prepayments in the Balance sheet.

For defined contribution schemes, the amount charged to the Profit and loss account in respect of pension costs and other retirement benefits represents the contributions payable in the accounting period. Differences between contributions payable in the accounting period and contributions actually paid are shown as either accruals or prepayments on the Balance sheet.

Notes to the financial statements

1 Segmental information

Turnover, profit on ordinary activities before taxation and net assets by class of business were as follows:

	Turnover		Profit on ordinary activities before taxation		Net assets	
	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004	**53 weeks ended 30 January 2005**	52 weeks ended 25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Continuing operations						
JJB retail stores	**710,647**	727,377	**42,503**	68,122	**100,366**	123,349
Leisure Division (including associated retail stores)	**62,692**	44,395	**7,836**	7,103	**64,551**	46,870
	773,339	771,772	**50,339**	75,225	**164,917**	170,219
Discontinued operations						
TJ Hughes	**-**	158,040	**-**	2,174	**-**	-
Turnover	**773,339**	929,812				
			50,339	77,399	**164,917**	170,219
Exceptional operating items			**-**	(6,077)		
Loss on disposal on subsidiary undertakings			**(309)**	(852)		
Net interest receivable (payable)			**344**	(2,632)		
Net funds (debt)					**4,373**	(3,563)
Goodwill					**173,125**	186,347
Profit on ordinary activities before taxation			**50,374**	67,838		
Net assets					**342,415**	353,003

Turnover, profit on ordinary activities before taxation and net assets by geographical origin were as follows:

	Turnover		Profit on ordinary activities before taxation		Net assets	
	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004	**53 weeks ended 30 January 2005**	52 weeks ended 25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
UK continuing operations	**764,829**	760,277	**48,876**	74,366	**166,670**	169,573
UK discontinued operations	**-**	158,040	**-**	2,174	**-**	-
Europe (excluding UK)	**8,510**	11,495	**1,463**	859	**(1,753)**	646
Turnover	**773,339**	929,812				
			50,339	77,399	**164,917**	170,219
Exceptional operating items			**-**	(6,077)		
Loss on disposal on subsidiary undertakings			**(309)**	(852)		
Net interest receivable (payable)			**344**	(2,632)		
Net funds (debt)					**4,373**	(3,563)
Goodwill					**173,125**	186,347
Profit on ordinary activities before taxation			**50,374**	67,838		
Net assets					**342,415**	353,003

Turnover by destination is not materially different to that by geographical origin.

2 Other net operating expenses (including goodwill amortisation and exceptional operating items)

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004 Continuing operations	52 weeks ended 25 January 2004 Discontinued operations	52 weeks ended 25 January 2004 Total
	£'000	£'000	£'000	£'000
Selling and distribution costs	**282,355**	262,759	41,848	304,607
Administration expenses				
- goodwill amortisation	**12,989**	12,753	349	13,102
- exceptional operating items (see note 3)	**-**	6,077	-	6,077
- other	**28,962**	29,824	4,628	34,452
	41,951	48,654	4,977	53,631
Other operating income	**(3,388)**	(4,413)	-	(4,413)
Other net operating expenses (including goodwill amortisation and exceptional operating items)	**320,918**	307,000	46,825	353,825
Other net operating expenses before goodwill amortisation and exceptional operating items	**307,929**	288,170	46,476	334,646

3 Exceptional operating items

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	£'000	£'000
Cost of sales:		
Creation of legal penalty provision (see note 21)	**2,000**	-
Release of legal cost accrual	**(2,000)**	-
	-	-
Operating expenses:		
Losses on closure of certain flagship stores and the subsequent disposal of the leases to those stores	**-**	5,272
Legal costs incurred on the abortive management buy-out of the Group	**-**	805
	-	6,077

4 Interest receivable and similar income

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	£'000	£'000
Interest on bank deposits	**1,138**	800
Interest on loan note deposit	**7,898**	6,349
	9,036	7,149

5 Interest payable and similar charges

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	£'000	£'000
Interest on bank loans and overdrafts	1,788	4,142
Interest on loan notes	6,775	5,216
Finance costs	129	423
	8,692	9,781

6 Profit on ordinary activities before taxation

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Staff costs (see note 7)	105,651	122,931
Goodwill amortisation	12,989	13,102
Depreciation of tangible fixed assets	23,834	25,919
Loss on sale of tangible fixed assets	835	3,615
Operating lease rentals		
- land and buildings	84,891	92,252
- plant, fixtures and fittings	1,637	1,967
Auditors' remuneration		
- statutory audit fees	91	75
- non-audit services	81	150

In addition to fees paid to the auditors for audit services, fees for non-audit services paid by the company to Deloitte & Touche LLP amounted to £81,000 (2004 - £150,000), in respect of accountancy, Vat, payroll and taxation work which the auditors were best placed to perform.

7 Staff Costs

a) The aggregate remuneration comprised:

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	£'000	£'000
Wages and salaries	99,045	115,046
Social security costs	6,461	7,245
Pension costs	145	640
	105,651	122,931

7 Staff Costs continued

	Average number of employees		Full time equivalents	
	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004	**53 weeks ended 30 January 2005**	52 weeks ended 25 January 2004
	Number	Number	**Number**	Number
b) The average number of persons employed by the Group during the accounting period was as follows:				
Sales and distribution	**10,921**	13,754	**7,988**	9,667
Administration	**565**	649	**565**	649
	11,486	14,403	**8,553**	10,316

The above information includes Directors remuneration and the numbers of Directors, full details of which can be found in the Directors' remuneration report on pages 28 to 31 of the Annual report.

8 Taxation on profit on ordinary activities

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	£'000	£'000
The taxation charge comprises:		
Current taxation		
UK corporation tax	**17,205**	23,350
Overseas tax	**208**	285
	17,413	23,635
Adjustments in respect of prior years		
- UK corporation tax	**41**	(1,538)
Total current taxation	**17,454**	22,097
Deferred taxation		
Origination and reversal of timing differences	**(279)**	279
Total deferred taxation (see note 21)	**(279)**	279
Total taxation on profit on ordinary activities	**17,175**	22,376

The differences between the effective rate of total current taxation, expressed as a percentage of the profit on ordinary activities before taxation and the standard rate of UK corporation tax, is as follows:

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	%	%
UK corporation tax rate	**30.0**	30.0
Goodwill amortisation	**7.8**	5.8
Non allowable loss on the disposal of subsidiary undertaking	**0.2**	0.4
Overseas tax differentials	**(0.6)**	(0.4)
Expenses not deductible for tax purposes	**(0.4)**	(0.5)
Origination and reversal of timing differences	**(2.5)**	(0.4)
Prior year UK corporation tax	**0.1**	(2.3)
Effective rate of total current taxation on profit on ordinary activities	**34.6**	32.6

9 Profit attributable to JJB Sports plc

The profit after taxation and goodwill amortisation for the accounting period dealt with in the Financial statements of the parent company, JJB Sports plc, was £28,249,000 (2004 - £40,894,000). As permitted by Section 230 of the Companies Act 1985, no separate Profit and loss account is presented in respect of the parent company.

10 Dividends paid and proposed

	Pence per ordinary share	Number of ordinary shares on which paid/proposed	**53 weeks ended 30 January 2005**	52 weeks ended 25 January 2004
			£'000	£'000
Interim dividend paid 10 December 2003	3.00	235,295,116	**-**	7,059
Final dividend paid 14 July 2004	7.00	230,717,049	**-**	16,150
Interim dividend paid 10 December 2004	3.00	230,766,619	**6,923**	-
Final dividend proposed payable 18 July 2005	7.00	230,766,619	**16,154**	-
Underprovision in respect of dividends paid in earlier years			**3**	88
			23,080	23,297
Total dividends per ordinary share			**10.00p**	10.00p

11 Earnings per ordinary share

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	£'000	£'000
Underlying headline earnings:		
Profit on ordinary activities after taxation but before goodwill amortisation, exceptional operating items net of tax and the loss on disposal of subsidiary undertakings	**46,497**	63,670
Goodwill amortisation	**(12,989)**	(13,102)
Exceptional operating items net of tax		
- Creation of legal penalty provision	**(1,400)**	-
- Release of legal cost accrual	**1,400**	-
- Losses on closure of certain flagship stores and the subsequent disposal of the leases to those stores	**-**	(3,690)
- Legal costs incurred on the abortive management buy-out of the Group	**-**	(564)
Loss on disposal of subsidiary undertakings	**(309)**	(852)
Profit on ordinary activities after taxation, goodwill amortisation, exceptional operating items net of tax and loss on disposal of subsidiary undertakings	**33,199**	45,462

	Number of ordinary shares	
Weighted average number of ordinary shares in issue (thousands)	**231,127**	235,924
Exercise of share options (thousands)	**307**	494
Diluted weighted average number of ordinary shares in issue (thousands)	**231,434**	236,418
Underlying headline earnings per ordinary share	**20.12p**	26.99p
Earnings per ordinary share	**14.36p**	19.27p
Diluted earnings per ordinary share	**14.34p**	19.23p

Underlying headline earnings per ordinary share have been calculated on the basis of profit on ordinary activities after taxation but before goodwill amortisation, exceptional operating items net of tax and the loss on disposal of subsidiary undertakings. The Directors consider that this gives a better understanding of the Group's underlying earnings.

12 Intangible fixed assets - goodwill

	Group	Company
	£'000	£'000
Cost		
At 25 January 2004	255,143	341
Disposal of subsidiary undertaking	(287)	-
At 30 January 2005	**254,856**	**341**
Amortisation		
At 25 January 2004	68,796	132
Charge	12,989	13
Disposal of subsidiary undertaking	(54)	-
At 30 January 2005	**81,731**	**145**
Net book value		
At 25 January 2004	186,347	209
At 30 January 2005	**173,125**	**196**

13 Tangible fixed assets

Group	Freehold property	Short leasehold property	Plant, fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 25 January 2004	20,487	17,540	218,721	256,748
Additions	70	2,031	40,881	42,982
Disposals	(2,159)	(194)	(22,279)	(24,632)
Disposal of subsidiary undertaking	(136)	(697)	(330)	(1,163)
Exchange rate movement	-	12	27	39
At 30 January 2005	**18,262**	**18,692**	**237,020**	**273,974**
Depreciation				
At 25 January 2004	2,436	2,858	95,663	100,957
Charge	468	555	22,811	23,834
Disposals	(391)	(104)	(14,910)	(15,405)
Disposal of subsidiary undertaking	(10)	(337)	(243)	(590)
Exchange rate movement	-	-	3	3
At 30 January 2005	**2,503**	**2,972**	**103,324**	**108,799**
Net book value				
At 25 January 2004	18,051	14,682	123,058	155,791
At 30 January 2005	**15,759**	**15,720**	**133,696**	**165,175**

13 Tangible fixed assets continued

Company

	Freehold property	Short leasehold property	Plant, fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 25 January 2004	19,914	14,361	178,854	213,129
Additions	70	1,948	37,524	39,542
Transfers to group companies	-	-	(81)	(81)
Disposals	(2,000)	(65)	(15,808)	(17,873)
At 30 January 2005	**17,984**	**16,244**	**200,489**	**234,717**
Depreciation				
At 25 January 2004	2,191	1,784	69,117	73,092
Charge	454	452	19,678	20,584
Transfers to group companies	-	-	10	10
Disposals	(354)	(64)	(10,168)	(10,586)
At 30 January 2005	**2,291**	**2,172**	**78,637**	**83,100**
Net book value				
At 25 January 2004	17,723	12,577	109,737	140,037
At 30 January 2005	**15,693**	**14,072**	**121,852**	**151,617**

14 Investments
a) Subsidiary undertakings

	Company	
	30 January 2005	25 January 2004
	£'000	£'000
Cost at 25 January 2004	**290,341**	334,406
Additions	**-**	5
Disposals	**(943)**	(44,070)
Cost at 30 January 2005	**289,398**	290,341
Provision for impairment at 25 January 2004 and 30 January 2005	**(237)**	(237)
Net book value	**289,161**	290,104

Goodwill of £237,000, which arose on the acquisition of a subsidiary in 1988, was written off against reserves in that accounting period.

Details of investments in subsidiary undertakings were as follows:

	Place of incorporation	Issued share capital held	Activity
Blane Leisure Limited	Scotland	100%	Retailer of sportswear and sports equipment
Sports Division (Eireann) Limited	Eire	100%	Retailer of sportswear and sports equipment
JJB Sports Netherlands BV	Netherlands	100%	Retailer of sportswear and sports equipment
JJB Card Services Limited	England	100%	Provider of credit card processing services to the Group
JJB Sports Employment Limited	England	100%	Provider of employee services to the Group
DWF Sports Limited	England	-	Golf driving range operator and retailer of sportswear and sports equipment (disposed of 17 June 2004)

Dormant companies are not listed in the above table.

14 Investments continued
b) Disposal of subsidiary undertaking

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	£'000	£'000
Disposal proceeds	**500**	47,000
Expenses	**(5)**	(579)
Net disposal proceeds	**495**	46,421
Net assets at date of disposal	**(571)**	(39,303)
Unamortised goodwill	**(233)**	(7,970)
Loss on disposal	**(309)**	(852)

The subsidiary disposed of in the accounting period ended 30 January 2005, was DWF Sports Limited and the subsidiary disposed of in the accounting period ended 25 January 2004, was TJ Hughes Limited.

15 Stocks

	Group		Company	
	30 January 2005	25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000
Goods for resale	**112,719**	128,084	**92,429**	102,467

The net replacement value of stock is not considered to be materially different from that stated in the Balance sheet.

16 Debtors

	Group		Company	
	30 January 2005	25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000
Trade debtors	**618**	629	**658**	680
Other debtors and prepayments	**11,563**	10,852	**9,258**	7,735
Amounts owed by subsidiary undertakings	**-**	-	**4,190**	8,085
	12,181	11,481	**14,106**	16,500

17 Current asset investments

	Group and Company	
	30 January 2005	25 January 2004
	£'000	£'000
Loan note deposit	**168,117**	170,478
Tender offer cash deposit	**-**	40,000
	168,117	210,478

18 Creditors: Amounts falling due within one year

	Group		Company	
	30 January 2005	25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000
Borrowings				
Bank overdraft	**-**	-	**104,701**	-
Bank loan (note 20)	**24,950**	-	**24,950**	-
Loan notes	**168,117**	170,478	**168,117**	170,478
	193,067	170,478	**297,768**	170,478
Others				
Trade creditors and accruals	**62,304**	58,639	**57,043**	50,694
Corporation tax	**11,239**	12,303	**4,712**	7,363
Value added tax	**6,586**	9,041	**3,285**	5,335
Other taxes and social security costs	**1,670**	3,636	**1,657**	1,727
Amounts owed to subsidiary undertakings	**-**	-	**37,054**	109,065
Proposed dividend	**16,154**	16,150	**16,154**	16,150
Deferred lease incentives	**1,316**	1,218	**1,279**	1,155
	99,269	100,987	**121,184**	191,489

Loan notes were issued to the vendors of Blane Leisure Limited (Sports Division) in September 1998, as part of the consideration for the acquisition of that Company and its subsidiaries, under an instrument which provided that the notes were redeemable on quarterly interest payment dates after 11 June 1999. By a Deed of Variation dated 26 February 2001, the maturity date up to which the loan notes can be redeemed was extended to 28 April 2006.

Interest is payable on the loan notes at a quarterly rate linked to LIBOR and the loan notes are secured by an identical amount held in a bank account and shown under current assets as "Current asset investments" (see note 17).

19 Creditors: Amounts falling due after more than one year

	Group		Company	
	30 January 2005	25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000
Borrowings				
Bank loan (note 20)	**-**	84,821	**-**	84,821
Others				
Deferred lease incentives	**7,577**	7,559	**7,028**	6,973

20 Bank loan

	Group		Company	
	30 January 2005	25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000
The bank loan represents:				
Principal loan	**25,000**	85,000	**25,000**	85,000
Unamortised finance costs	**(50)**	(179)	**(50)**	(179)
	24,950	84,821	**24,950**	84,821
Amount falling due within one year (note 18)	**24,950**	-	**24,950**	-
Amount falling due after more than one year (note 19)	**-**	84,821	**-**	84,821
	24,950	84,821	**24,950**	84,821

The bank loan at 30 January 2005 comprised £24,950,000 after unamortised finance costs, being the balance of a £100 million revolving bank credit facility available to the Group for less than one year, expiring on 23 June 2005.

Interest is chargeable on the bank loan at floating rates linked to LIBOR.

At 30 January 2005, there was an undrawn facility available to the Group of £75 million (2004 - £15 million) under the revolving bank credit facility.

21 Provisions for liabilities and charges

	Group		Company	
	30 January 2005	25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000
Deferred taxation	**16,312**	16,591	**13,212**	13,413
Legal penalty (see note 29)	**2,000**	-	**2,000**	-
	18,312	16,591	**15,212**	13,413

The movements in the accounting period were as follows:

	Legal penalty		Deferred taxation	
	Group	**Company**	**Group**	**Company**
	£'000	**£'000**	**£'000**	**£'000**
At 25 January 2004	-	-	16,591	13,413
Charge (release) to profit and loss account	2,000	2,000	(279)	(201)
At 30 January 2005	**2,000**	**2,000**	**16,312**	**13,212**

Deferred taxation

	Group			
	Amount provided		Amount unprovided	
	30 January 2005	25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000
Deferred taxation provided and deferred taxation not provided are as follows:				
Accelerated capital allowances	**16,312**	16,591	**-**	-
Gains deferred by rollover relief	**-**	-	**251**	251
	16,312	16,591	**251**	251

	Company			
	Amount provided		Amount unprovided	
	30 January 2005	25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000
Accelerated capital allowances	**13,212**	13,413	**-**	-
Gains deferred by rollover relief	**-**	-	**251**	251
	13,212	13,413	**251**	251

Legal penalty

The Group has made a provision of £2 million against a legal penalty levied by the Office of Fair Trading of £8.4 million concerning price-fixing in the sale of certain replica kit products during 2000 and 2001. On 19 May 2005 the Competition Appeal Tribunal (CAT) reduced this penalty to £6.7 million; however, JJB is intending to seek permission for leave to appeal to the Court of Appeal against the CAT's decision in relation to important aspects of their decision on the liability and the level of the penalty itself.

The final amount of the penalty due will only be determined at the end of the appeal process. Based upon legal advice, the Board currently regard a £2 million provision as being adequate.

22 Called-up share capital
a) Authorised and issued share capital

	Ordinary shares of 5p			
	Authorised		Allotted, called-up and fully paid	
	£'000	Number	£'000	Number
At 25 January 2004	16,580	331,600,000	11,899	237,967,889
Share buy-back by Tender offer	-	-	(363)	(7,250,840)
Issued on exercise of options	-	-	2	49,570
At 30 January 2005	**16,580**	**331,600,000**	**11,538**	**230,766,619**

22 Called-up share capital continued
b) Share option schemes

	Date of grant	Number of ordinary shares of 5p each at 30 January 2005	Exercise price per share
The Company has outstanding options under the following schemes:			
(i) 1999 Unapproved Scheme	17 February 1999	1,116,820	184.84p
	13 November 2000	60,000	205.17p
	30 January 2001	120,000	260.25p
	16 April 2001	413,516	370.00p
	12 October 2002	250,000	150.20p
	26 May 2004	650,000	253.00p
	23 November 2004	832,401	200.75p
(ii) 1999 Inland Revenue Approved Scheme	18 May 1999	142,200	189.84p
	16 April 2001	186,484	370.00p
	23 November 2004	493,119	200.75p

Options granted to Executive Directors as set out in the Directors' remuneration report on page 31, are included in the above figures.

The exercise of options under all schemes are subject to performance conditions that require various specified growths in earnings per ordinary share over a three year period, details of which, for the options granted to the Executive Directors, are set out within the Directors' remuneration report on page 29.

The market price of the ordinary shares on Friday 28 January 2005 was 208 pence and the range during the accounting period ended on 30 January 2005 was 177 pence to 327 pence.

23 Reserves

	Group		Company	
	30 January 2005	25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000
Share premium account	**157,219**	157,129	**157,219**	157,129
Capital redemption reserve	**1,069**	706	**1,069**	706
Profit and loss account	**172,589**	183,269	**124,633**	140,242
	330,877	341,104	**282,921**	298,077

The Directors regard the Company's Profit and loss account reserves as being distributable.

The movements in the accounting period were as follows:

	Share premium account	Capital redemption reserve	Profit and loss account	Total
Group	£'000	£'000	£'000	£'000
At 25 January 2004	157,129	706	183,269	341,104
Retained profit for the period	-	-	10,119	10,119
Exchange rate movement	-	-	(21)	(21)
Purchase of own shares	-	363	(20,778)	(20,415)
Premium on issues of shares	90	-	-	90
At 30 January 2005	**157,219**	**1,069**	**172,589**	**330,877**

	Share premium account	Capital redemption reserve	Profit and loss account	Total
Company	£'000	£'000	£'000	£'000
At 25 January 2004	157,129	706	140,242	298,077
Retained profit for the period	-	-	5,169	5,169
Purchase of own shares	-	363	(20,778)	(20,415)
Premium on issues of shares	90	-	-	90
At 30 January 2005	**157,219**	**1,069**	**124,633**	**282,921**

24 Reconciliation of operating profit to net cash inflow from operating activities:

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	£'000	£'000
Operating profit	**50,339**	71,322
Goodwill amortisation	**12,989**	13,102
Depreciation of tangible fixed assets	**23,834**	25,919
Loss on sale of tangible fixed assets	**835**	3,615
Decrease (increase) in stocks	**15,365**	(20,669)
(Increase) decrease in debtors	**(700)**	2,304
Decrease in creditors	**(694)**	(17,886)
Increase in provisions	**2,000**	-
Net cash inflow from operating activities	**103,968**	77,707

25 Reconciliation of net cash flow to movement in net funds (debt)

	53 weeks ended 30 January 2005	52 weeks ended 25 January 2004
	£'000	£'000
(Decrease) increase in cash in the period	**(11,935)**	4,007
Cash outflow from change in debt	**60,000**	6,667
Change in net funds resulting from cash flows	**48,065**	10,674
Loan disposed with subsidiary	**-**	6,833
Cash flow from (increase) decrease in liquid resources	**(40,000)**	40,000
Amortisation of bank loan costs	**(129)**	(423)
Movement in net funds in the period	**7,936**	57,084
Net debt at 25 January 2004	**(3,563)**	(60,647)
Net funds (debt) at 30 January 2005	**4,373**	(3,563)

26 Analysis of net funds (debt)

	At 25 January 2004	Re-allocation	Cash flow	Other non-cash items	At 30 January 2005
	£'000	£'000	£'000	£'000	**£'000**
Loan note deposit	170,478	-	(2,361)	-	**168,117**
Tender offer cash deposit	40,000	-	(40,000)	-	**-**
Cash at bank and in hand	41,258	-	(11,935)	-	**29,323**
	251,736	-	(54,296)	-	**197,440**
Amount falling due within one year	(170,478)	(24,950)	2,361	-	**(193,067)**
Amount falling due after more than one year	(84,821)	24,950	60,000	(129)	**-**
	(3,563)	-	8,065	(129)	**4,373**

27 Financial commitments

a) Capital commitments

	Group		Company	
	30 January 2005	25 January 2004	**30 January 2005**	25 January 2004
	£'000	£'000	**£'000**	£'000
Contracted but not provided for in the Financial statements	**59,900**	37,100	**54,700**	37,100

b) Pension arrangements

The Group contributes to the personal pension schemes and stakeholder schemes of certain Directors and employees, which are classed as defined contribution schemes. The pension contributions under these schemes for the year were £145,000 (2004 - £159,000).

TJ Hughes Limited, a wholly owned subsidiary of JJB Sports plc until the disposal by the Group of the whole of its share capital on 14 November 2003, operated a defined benefit pension scheme. The pension costs of the scheme for the 42 weeks up to 14 November 2003 were £481,000. No disclosures have been made in these Financial statements in respect of Financial Reporting Standard 17: Retirement Benefits, because the sale of the whole of the share capital of TJ Hughes Limited resulted in JJB Sports plc ceasing to have any responsibility for the scheme.

c) Lease commitments

The Group and the Company lease certain land and buildings. The annual rental charged to the Group on these leases was £84,891,000 (2004 - £92,252,000) and for the Company was £60,673,000 (2004 - £55,036,000). In addition all insurance, maintenance and repairs are paid on these properties.

The Group and the Company have entered into non-cancellable operating leases in respect of plant, fixtures and fittings. The total annual rental charged to the Group for the accounting period was £1,637,000 (2004 - £1,967,000) and for the Company was £1,529,000 (2004 - £869,000).

	Land and buildings 30 January 2005	Land and buildings 25 January 2004	**Plant, fixtures and fittings 30 January 2005**	Plant, fixtures and fittings 25 January 2004
	£'000	£'000	**£'000**	£'000
The minimum annualised rentals under the foregoing leases are as follows:				
Group				
Operating leases which expire:				
- within 1 year	**261**	1,158	**187**	153
- between 2 and 5 years	**3,892**	2,207	**1,168**	884
- after 5 years	**79,657**	80,683	**-**	-
	83,810	84,048	**1,355**	1,037

	Land and buildings 30 January 2005	Land and buildings 25 January 2004	**Plant, fixtures and fittings 30 January 2005**	Plant, fixtures and fittings 25 January 2004
Company	**£'000**	£'000	**£'000**	£'000
Operating leases which expire:				
- within 1 year	**24**	231	**187**	33
- between 2 and 5 years	**2,726**	1,281	**1,132**	842
- after 5 years	**58,024**	56,250	**-**	-
	60,774	57,762	**1,319**	875

28 Financial instruments

The numerical disclosures in this note deal with financial assets and financial liabilities as defined in Financial Reporting Standard 13: Derivatives and other Financial Instruments. Certain financial assets such as investments in subsidiary companies and short-term debtors and creditors (other than those required for currency exposures) are excluded from the scope of these disclosures.

a) Financial risks and policies

Set out below is a summary of the main financial risks faced by the Group during the accounting period and the policies employed to address these risks. These policies have been applied consistently throughout the accounting period and are explained in more detail in the Financial review on pages 10 to 11 of the Annual report.

Liquidity risk – The Group's policy throughout the accounting period has been to use the revolving bank credit facility together with retained profits, to achieve continuity of funding and short-term flexibility.

Interest rate risk – The Group finances its operations through the revolving bank credit facility and its retained profits. Floating rates of interest are charged on the bank facility. No interest rate hedging agreement is currently in place because given the level of borrowings and the current interest rate environment, the Board does not consider fluctuations in interest rates to pose a significant risk to the Group.

Foreign currency risk – The majority of the Group's trading activities are conducted with United Kingdom suppliers and customers, the transactions being payable and receivable in sterling; only approximately £25 million of the Group's annualised purchases are settled in US dollars. In December 2004, the Group entered into a series of forward contracts which cover its dollar requirements through to July 2005, at a fixed rate of exchange. These contracts mature evenly in February, April and June 2005 and protect the Group's trading position and Balance sheet from significant exchange rate movements. The Group's treasury department tracks the sterling/dollar exchange rate on a continuous basis to minimise the Group risk to currency fluctuations.

b) Financial assets

	Group	
	30 January 2005	25 January 2004
	£'000	£'000
Current asset investments	**168,117**	210,478
Cash at bank and in hand	**29,323**	41,258
	197,440	251,736

The currency profile of financial assets was:

	Group	
	30 January 2005	25 January 2004
	£'000	£'000
Sterling	**195,848**	240,285
Dollar	**1,000**	9,372
Euro	**592**	2,079
	197,440	251,736

Financial assets comprise short-term cash deposits with major United Kingdom and European clearing banks and earn floating rates of interest based upon bank base rates or at rates linked to LIBOR.

c) Currency exposures

The table below gives details of forward contracts entered into in order to manage the foreign currency exposure as at 30 January 2005.

	Initial contract value	Contract delivery date	Currency
	£'000		
Contract one	3,476	1 February 2005	US Dollar
Contract two	3,488	1 April 2005	US Dollar
Contract three	3,500	1 June 2005	US Dollar

At 25 January 2004, there were no outstanding forward contract commitments.

28 Financial instruments continued

d) Financial liabilities

	Group	
	30 January 2005	25 January 2004
	£'000	£'000
Expiring in one year or less	**193,117**	170,478
Expiring in more than one year but not more than two years	**-**	85,000
	193,117	255,478
Unamortised finance costs	**(50)**	(179)
	193,067	255,299

All financial liabilities bear floating rates of interest with the interest rate linked to LIBOR and are repayable in sterling.

e) Facilities

The Group has a committed revolving bank credit facility, in respect of which all conditions precedent have been met, of £100 million of which £75 million was undrawn at 30 January 2005. The revolving credit facility expires on 23 June 2005 and the Group are currently in negotiations with its Bankers to renew its borrowing requirements.

f) Fair values

There is no material difference between the book value and the fair value of the Group's financial assets and liabilities.

29 Office of Fair Trading

In August 2003, the Office of Fair Trading (OFT) pronounced JJB guilty of price-fixing in the sale of certain replica kit products over a two year period during 2000 and 2001 and levied a penalty of £8.4 million. JJB appealed to the Competition Appeal Tribunal (CAT) against the OFT's decision on liability and against the level of the penalty itself. The result of the appeal against the decision of the OFT on liability, although given mainly in favour of the OFT, included some elements that were found in JJB's favour. The decision of the CAT in the appeal against the level of the penalty was announced on 19 May 2005 and reduced the penalty to £6.7 million. JJB is to seek permission to appeal to the Court of Appeal against the CAT's decision in relation both to important aspects of its decision on liability and on the level of the penalty. On the basis of legal advice, JJB has created a provision of £2 million against any potential liability.

30 Post balance sheet event

On 11 March 2005, JJB acquired an irrevocable 999 year licence from Slazengers Limited for £10 million for the exclusive right to design, source and sell Slazenger-branded golf clubs, balls, clothing, footwear and accessories in the European Economic Area. This licence replaces a previous royalty agreement between the two companies and should ensure unrestricted product development, enhanced gross margin and income generation from the brand. This acquisition will be treated as an addition in Intangible fixed assets.

31 Transactions with related parties

a) Whelco Holdings Limited is a company owned by members of the family of the Company's Chairman, D. Whelan, which operates itself or through its subsidiaries, a number of businesses including that of Wigan Athletic Football Club (WAFC), Wigan Warriors Rugby League Club, the stadium in which both teams play, which is known as the "JJB Stadium", and Orrell Rugby Union Club. During the accounting period ended 30 January 2005, the Company acted as sponsors of these three clubs and the amount of sponsorship paid was £232,000 (2004 - £174,000), £240,000 (2004 - £347,000) and £NIL (2004 - £45,000) respectively. Also during the accounting period ended 30 January 2005, the Company paid £150,000 (2004 - £150,000) for the naming rights for the stadium.

Advice was taken from independent third parties as to comparative levels of the costs of sponsorship and naming rights at other clubs and stadia, prior to the above amounts being agreed. In addition, the Company provided certain motor vehicles to WAFC in their capacity as sponsors, the running costs of which for the accounting period ended 30 January 2005 were £14,892 (2004 - £12,242), including depreciation of £12,701 (2004 - £9,649). During the accounting period ended 30 January 2005, one vehicle was transferred to Whelco Holdings Limited for £12,069, a consideration equal to its net book value. Additionally, during the accounting period ended 30 January 2005 a royalty commission of £140,994 (2004 – £222,474) was paid to Wigan Warriors in respect of Club merchandise sold in JJB stores.

b) In February 2000, the freehold interest of a store in Northampton, which the Company had leased from a third party for a number of years and at which it had operated a retail store until October 1998, was acquired from the third party by the Trustees of the David Whelan Accumulation and Maintenance Settlement (a Settlement in which the Company's Chairman, D. Whelan, has an interest). Costs incurred by the Company in developing the site amounted to £1,045,967, of which £45,967 was reimbursed during the accounting period ended 30 January 2005 (2004 - £1 million). The Settlement also paid the company £83,142 during the accounting period ended 30 January 2005 in respect of an interest charge at 1% above base rate on those development costs. Following the opening of the retail store on 10 August 2003, the company has continued to pay rent on a full commercial basis at the rate of £150,000 per annum.

c) In July 2003, JJB ceased to trade in a loss-making store situated in Manchester. The property was sub-let to Sharpe Knight Limited, a company owned by T.W. Knight, the Company's Chief Executive, and Mrs. J. Sharpe, the daughter of the Chairman, D. Whelan. The terms of the sub-let, which were completed on a full commercial basis, included the granting of a rent-free period of five months to Sharpe Knight Limited from the date of their entry to the premises, with a subsequent rent payable of £480,000 per annum being equivalent to that payable by JJB to their landlord. In November 2004, T.W. Knight and Mrs J. Sharpe disposed of their shares in Sharpe Knight Ltd to MNG-Mango UK Limited, an unrelated third party.

Five year summary

Consolidated profit and loss accounts

For the accounting periods ended January

	2005	2004	2003	2002	2001
	£'000	£'000	£'000	£'000	£'000
Turnover					
Continuing operations					
Existing	**773,339**	771,772	769,831	739,419	663,272
Acquisitions	**-**	-	164,445	-	-
Discontinued operations	**-**	158,040	-	-	-
Group turnover	**773,339**	929,812	934,276	739,419	663,272
Cost of sales (including exceptional operating items)	**(402,082)**	(504,665)	(519,271)	(375,997)	(350,078)
Gross profit	**371,257**	425,147	415,005	363,422	313,194
Other net operating expenses (including goodwill amortisation and exceptional operating items)	**(320,918)**	(353,825)	(334,247)	(263,137)	(234,206)
Operating profit	**50,339**	71,322	80,758	100,285	78,988
Continuing operations					
Existing	**50,339**	69,148	74,146	100,285	78,988
Acquisitions	**-**	-	6,612	-	-
Discontinued operations	**-**	2,174	-	-	-
Operating profit before goodwill amortisation and exceptional operating items	**63,328**	90,501	93,822	113,049	91,732
Goodwill amortisation	**(12,989)**	(13,102)	(13,064)	(12,764)	(12,744)
Exceptional operating items	**-**	(6,077)	-	-	-
Loss on disposal of subsidiary undertakings	**(309)**	(852)	-	-	-
Interest receivable and similar income	**9,036**	7,149	7,831	9,527	11,215
Interest payable and similar charges	**(8,692)**	(9,781)	(11,329)	(12,342)	(18,806)
Profit on ordinary activities before taxation	**50,374**	67,838	77,260	97,470	71,397
Taxation on profit on ordinary activities	**(17,175)**	(22,376)	(27,492)	(32,640)	(25,531)
Profit on ordinary activities after taxation	**33,199**	45,462	49,768	64,830	45,866
Dividends paid and proposed	**(23,080)**	(23,297)	(17,040)	(17,936)	(14,201)
Retained profit for the period	**10,119**	22,165	32,728	46,894	31,665
Profit on ordinary activities before taxation, goodwill amortisation, exceptional operating items and loss on disposal of subsidiary undertakings	**63,672**	87,869	90,324	110,234	84,141
Underlying headline earnings per ordinary share	**20.12p**	26.99p	26.10p	31.39p	23.74p
Earnings per ordinary share	**14.36p**	19.27p	20.68p	26.22p	18.58p
Dividends per ordinary share	**10.00p**	10.00p	7.25p	7.25p	5.75p

In calculating the earnings per ordinary share and dividends per ordinary share, the earlier years' figures have been restated to take account of the bonus issue of ordinary shares in July 2001.

Consolidated balance sheets

As at January

	2005	2004	2003	2002	2001
	£'000	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets - goodwill	**173,125**	186,347	207,414	211,842	224,606
Tangible assets	**165,175**	155,791	198,709	140,632	121,460
	338,300	342,138	406,123	352,474	346,066
Current assets					
Stocks	**112,719**	128,084	147,906	113,216	115,455
Debtors	**12,181**	11,481	16,889	16,512	12,436
Current asset investments	**168,117**	210,478	170,478	170,478	170,478
Cash at bank and in hand	**29,323**	41,258	37,251	8,470	33,171
	322,340	391,301	372,524	308,676	331,540
Current liabilities					
Creditors: Amounts falling due within one year					
Borrowings	**(193,067)**	(170,478)	(172,478)	(170,478)	(170,478)
Others	**(99,269)**	(100,987)	(151,091)	(111,525)	(108,806)
	(292,336)	(271,465)	(323,569)	(282,003)	(279,284)
Net current assets	**30,004**	119,836	48,955	26,673	52,256
Total assets less current liabilities	**368,304**	461,974	455,078	379,147	398,322
Creditors: Amounts falling due after more than one year					
Borrowings	**-**	(84,821)	(95,898)	(38,762)	(108,126)
Others	**(7,577)**	(7,559)	(14,257)	(8,967)	(8,410)
	(7,577)	(92,380)	(110,155)	(47,729)	(116,536)
Provisions for liabilities and charges	**(18,312)**	(16,591)	(19,748)	(14,539)	(12,504)
Net assets	**342,415**	353,003	325,175	316,879	269,282
Capital and reserves					
Called-up share capital	**11,538**	11,899	11,752	12,371	6,175
Share premium account	**157,219**	157,129	151,836	151,836	157,294
Capital redemption reserve	**1,069**	706	706	87	87
Profit and loss account	**172,589**	183,269	160,881	152,585	105,726
Equity shareholders' funds	**342,415**	353,003	325,175	316,879	269,282

Financial calendar

Final results announced

13 April 2005

Financial statements published

26 May 2005

Final dividend record date

10 June 2005

Annual General Meeting

6 July 2005

Final dividend payable

18 July 2005

Interim results to be announced

October 2005

End of current accounting period

29 January 2006

Final results to be announced

April 2006

Official Team kit suppliers

Wigan Athletic Football Club

Orrell Rugby Union Club

Leicester City Football Club

Leeds Rhinos Rugby League Club

Northern Ireland Football Association

Everton Football Club

Wigan Warriors Rugby League Club

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