

**adidas (UK) Limited**

**Annual report and financial statements**

**Registered Number 1075951**

**31 December 2014**

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## Strategic Report

### Principal activities

The principal activity during the year was the distribution and retail of sports goods to the sports trade in the UK.

### Business Model

Backed-up by strong overseas central functions which continuously strive to improve products and to optimize the supply chain, the company focuses on the consumers and is committed to match and exceed consumer expectations and to provide them with the highest value. The company aims at maintaining and reinforcing its market position in the UK, expanding its cooperation with leading wholesalers and further developing its network of retail stores on a country-wide basis.

### Business review and results

Sales increased by 12.3% (2013: 19.7% decrease) versus prior year to £487.5 million (2013: £434.0 million). The increase was primarily due to growth in the wholesale market.

Profit before tax decreased by 6.6% (2013: 14.6% decrease) versus prior year to £15.6 million (2013: £16.7 million).

### Key performance indicators

KPI's used to monitor the performance of the business include the following:

#### Wholesale

Brand Share  
Market Growth  
Turnover  
Gross margin %  
Sales and margin by Product Group  
Sales and margin by Customer Group  
Sales and Outstanding Orders and Contracts by Customer Group  
Orderbook Conversion  
Operating Profit  
Employee headcount, turnover and absence

#### Retail

Footfall  
Average transaction value  
Units per transaction  
Conversion (transaction value/footfall)

All financial KPI's are monitored compared to budget, forecast, and previous years.

### Principal risks and uncertainties

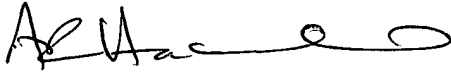
The company's primary commercial and operational risks include loss of market share to competitors, retailer trading environment, bad debts and IT/power failures.

The management of these risks include process manuals and documentation, annual risk assessments, internal audits, disaster recovery procedures and insurance.

**Future developments**

We have maintained good relationships with our customers and continued to develop our business with them. We continue to place new product and marketing initiatives into the UK, whilst serving the consumer direct through our retail channel.

Signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'AR Hackett', with a long horizontal flourish extending to the right.

**AR Hackett**  
*Director*

The adidas Centre  
Pepper Road  
Hazel Grove  
Stockport  
Cheshire  
SK7 5SA

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

### Results and dividends

The profit for the year after taxation amounted to £11.8 million (2013: £12.2 million). An interim dividend was paid in the year of £35 million (2013: £nil). The directors do not recommend the payment of a final dividend (2013: £nil).

### Directors and directors' interests

The directors who held office during the year were as follows:

RH Auschel (resigned 18<sup>th</sup> June 2014)

GACR Steyaert

BS Sandhu (Company Secretary)

AJ Richter

AR Hackett

GP Thomson (appointed 18<sup>th</sup> June 2014)

GP Thomson, GACR Steyaert and AR Hackett were remunerated in their capacities as directors of adidas (UK) Limited. RH Auschel and AJ Richter were remunerated by other group companies.

### Involvement of employees

The company arranges annual meetings to present financial information and factors affecting the achievements of the company, as well as matters of employee interest.

### Employment of disabled persons

Consideration and effort is made to support the employment of disabled people wherever possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the company, through training and career development.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



**AR Hackett**  
Director

The adidas Centre  
Pepper Road  
Hazel Grove  
Stockport  
Cheshire  
SK7 5SA

## **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



## KPMG LLP

1 St Peter's Square  
Manchester  
M2 3AE  
United Kingdom

### **Independent auditor's report to the members of adidas (UK) Limited**

We have audited the financial statements of adidas (UK) Limited for the year ended 31 December 2014 set out on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of adidas (UK) Limited** *(continued)*

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.



23 May 2015

**Jonathan Hurst (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP Statutory Auditor**  
*Chartered Accountants*  
1 St Peter's Square  
Manchester  
M2 3AE



**Profit and loss account**  
*for the year ended 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>Turnover</b>	<i>1</i>	<b>487,475</b>	434,034
Cost of sales		<b>(364,509)</b>	(324,419)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>122,966</b>	109,615
Distribution costs		<b>(92,764)</b>	(76,760)
Administrative expenses		<b>(14,617)</b>	(16,186)
		<hr/>	<hr/>
<b>Profit on ordinary activities before interest</b>		<b>15,585</b>	16,669
Other interest receivable and similar income	<i>5</i>	<b>155</b>	119
Interest payable and similar charges	<i>6</i>	<b>(132)</b>	(83)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<i>2-16</i>	<b>15,608</b>	16,705
Tax on profit on ordinary activities	<i>7</i>	<b>(3,819)</b>	(4,524)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>11,789</b>	12,181
		<hr/>	<hr/>

The Company has no recognised gains or losses in either the current or preceding year other than those presented in the profit and loss account and therefore no statement of total recognised gains and losses has been presented.

The notes on pages 10 to 20 form part of these financial statements.

**Reconciliation of movement in shareholder's funds**  
*for the year ended 31 December 2014*

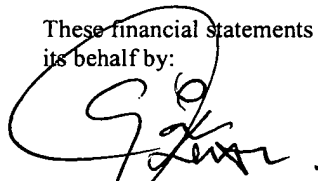
	2014 £000	2013 £000
<b>Profit for the financial year</b>	<b>11,789</b>	12,181
Dividend paid during the year	(35,000)	-
	<hr/>	<hr/>
<b>Net addition / (reduction) in shareholder's funds</b>	<b>(23,211)</b>	12,181
Opening shareholder's funds	62,211	50,030
	<hr/>	<hr/>
<b>Closing shareholder's funds</b>	<b>39,000</b>	62,211
	<hr/>	<hr/>

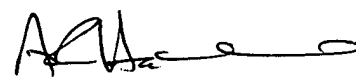
The notes on pages 10 to 20 form part of these financial statements.

**Balance sheet**  
**at 31 December 2014**

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Tangible assets	8	19,132	19,853
Investments	9	560	560
		<u>19,692</u>	<u>20,413</u>
<b>Current assets</b>			
Stocks	10	4,463	4,120
Debtors	11	76,574	99,704
Cash at bank and in hand		1,733	1,430
		<u>82,770</u>	<u>105,254</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(61,193)</u>	<u>(60,653)</u>
<b>Net current assets</b>		<u>21,577</u>	<u>44,601</u>
<b>Total assets less current liabilities</b>		<u>41,269</u>	<u>65,014</u>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(2,269)</u>	<u>(2,803)</u>
<b>Net assets</b>		<u>39,000</u>	<u>62,211</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Profit and loss account	16	38,000	61,211
<b>Shareholder's funds</b>		<u>39,000</u>	<u>62,211</u>

These financial statements were approved by the board of directors on 16/4/2015 and were signed on its behalf by:

  
**G P Thomson**  
Director

  
**A R Hackett**  
Director

Company registered number: 1075951

The notes on pages 10 to 20 form part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of s408 of the Companies Act 2006 from the requirement to prepare group accounts.

#### ***Going concern***

The board has prepared forecasts for the forthcoming 12 month period which indicate that the Company has sufficient financial resources to enable it to meet its obligations as they fall due. As a consequence the board believes that it is well placed to manage its business risk in the current economic environment.

After making all enquiries, the board has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing its accounts.

#### ***Cash flow statement***

As a wholly owned subsidiary undertaking of a parent company established under the law of a member state of the European Union, the company has taken advantage of the exemption in FRS 1 and has not prepared a cash flow statement. The parent company's financial statements include a consolidated cash flow statement.

#### ***Related party transactions***

The directors have taken advantage of the exemption in FRS 8, paragraph 3 (c) and have not disclosed related party transactions with parent, fellow subsidiary and subsidiary undertakings.

#### ***Fixed assets, depreciation and impairment***

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	25 years
Plant and machinery	-	4 to 5 years
Motor vehicles	-	3 to 4 years
Fixtures and fittings	-	3 to 10 years
Computer equipment	-	2 to 4 years

No depreciation is provided on freehold land.

Premiums paid or incentives received on the acquisition of trading locations are written off over the period from store opening to the end of the lease or to the next rent review, whichever is shorter.

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or at the rate at which the company has contracted to purchase the relevant currency. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date or at the rate at which the company has contracted to purchase the relevant currency and the gains or losses on translation are included in the profit and loss account.

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Classification of financial instruments issued by the Company*

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

#### *Dividends on shares presented within shareholder's funds*

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### *Pension costs*

The company operates a stakeholder (defined contribution) pension plan operating as the adidas Group (UK) Pension Plan. The assets of these schemes are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to these schemes in respect of the accounting period.

## Notes (continued)

### 1 Accounting policies (continued)

#### Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year. All turnover is derived in the UK.

### 2 Profit on ordinary activities before taxation

<i>Profit on ordinary activities before taxation is stated after charging</i>	<b>2014</b>	2013
	<b>£000</b>	£000
Auditor's remuneration		
Audit	<b>69</b>	70
Other services	<b>37</b>	50
Depreciation and other amounts written off tangible fixed assets:		
Owned	<b>6,184</b>	4,712
Hire of other assets - operating leases	<b>9,902</b>	8,480
Loss on disposal of fixed assets	-	313
Restructuring costs	<b>(337)</b>	521

## Notes (continued)

### 3 Remuneration of Directors

	2014 £000	2013 £000
Directors' emoluments	1,398	989
Company contributions to money purchase pension schemes	137	93
	<u>1,535</u>	<u>1,082</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £831,000 (2013: £712,000), and company pension contributions of £75,000 (2013: £76,000) were made to a money purchase scheme on his behalf.

At the end of the year, 3 directors (2013: 2) were accruing benefits under a money purchase scheme.

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2014	2013
Office management	406	377
Distribution and retail	697	701
	<u>1,103</u>	<u>1,078</u>

The aggregate payroll costs of these persons were as follows:

	2014 £000	2013 £000
Wages and salaries	27,581	28,314
Social security costs	2,573	2,743
Other pension costs (see note 19)	1,014	1,026
	<u>31,168</u>	<u>32,083</u>

**Notes** *(continued)*

**5 Other interest receivable and similar income**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from group undertakings	155	118
Other	-	1
	<hr/>	<hr/>
	<b>155</b>	<b>119</b>
	<hr/>	<hr/>

**6 Interest payable and similar charges**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Amounts payable to group undertakings	132	65
On bank loans and overdrafts	-	18
	<hr/>	<hr/>
	<b>132</b>	<b>83</b>
	<hr/>	<hr/>



## Notes (continued)

### 7 Taxation

#### Analysis of charge in period

	2014 £000	2013 £000
<i>Current taxation</i>		
UK corporation tax at 21.49% (2013: 23.25%) on profits for the year	4,043	4,305
Adjustments in respect of prior periods	456	(53)
	<u>4,499</u>	<u>4,252</u>
<i>Deferred taxation</i>		
Timing differences	(450)	(286)
Effect of change in tax rate	-	241
Adjustment in respect of prior years	(230)	317
	<u>(680)</u>	<u>272</u>
Tax on profit on ordinary activities	<u><u>3,819</u></u>	<u><u>4,524</u></u>

#### Factors affecting the tax charge for the current period

The effective rate of tax for the year of 28.82% (2013: 25.46 %) is higher than the standard rate of corporation tax in the UK of 21.49% (2013: 23.25 %) due principally to the differences explained below.

	2014 £000	2013 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	15,608	16,705
	<u>3,354</u>	<u>3,883</u>
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 21.49% (2013: 23.25%)		
<i>Effects of:</i>		
Capital items expensed and depreciation on non-qualifying assets	167	110
Expenses not deductible for tax purposes	103	49
Income not taxable for tax purposes	(65)	(70)
Depreciation for the year higher than capital allowances	541	229
Other short term timing differences	(57)	104
Adjustments to tax charge in respect of previous periods	456	(53)
	<u>4,499</u>	<u>4,252</u>
Total current tax charge (see above)	<u><u>4,499</u></u>	<u><u>4,252</u></u>

The Finance Bill 2013 received Royal Assent on 17 July 2013 and accordingly the UK corporation tax rates will reduce to 21% from 1 April 2014 and 20% from 1 April 2015. This will reduce the company's future current tax charge and deferred tax position at 31 December 2014 which has been calculated based on the rate of 20% enacted at the balance sheet date.

## Notes (continued)

### 8 Tangible fixed assets

	Freehold Land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Computer equipment £000	Total £000
<b>Cost</b>					
At beginning of year	22,665	18,191	16,413	5,558	62,827
Additions	224	10	4,800	429	5,463
Disposals	-	(3,601)	(2,423)	(449)	(6,473)
At end of year	22,889	14,600	18,790	5,538	61,817
<b>Depreciation</b>					
At beginning of year	12,324	13,369	12,084	5,197	42,974
Charge for year	1,660	1,751	2,536	237	6,184
Disposals	-	(3,601)	(2,423)	(449)	(6,473)
At end of year	13,984	11,519	12,197	4,985	42,685
<b>Net book value</b>					
At 31 December 2014	8,905	3,081	6,593	553	19,132
At 31 December 2013	10,341	4,822	4,329	361	19,853

Included in the cost of land and buildings is £20,545,000 (2013: £20,545,000) of depreciable assets.

## Notes (continued)

### 9 Fixed asset investments

	Shares in group undertakings £000
<i>Cost and net book value</i>	
At beginning of year and end of year	560

The companies in which the company's interest is more than 10% are as follows:

	Country of registration or incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Larasport (UK) Limited	England	Dormant	100% ordinary
adidas (Ilkley) Limited	England	Dormant	100% ordinary
Three Stripes Limited	England	Dormant	50% ordinary
Sarragan (UK) Limited	England	Dormant	100% ordinary

### 10 Stocks

	2014 £000	2013 £000
Finished goods and goods for resale	4,463	4,120

There is no material difference between the replacement cost of stocks and their balance sheet value.

### 11 Debtors

	2014 £000	2013 £000
Trade debtors	31,779	20,654
Amounts owed by parent and fellow subsidiary undertakings	12,590	53,049
Other debtors	109	206
Prepayments and accrued income	29,522	22,976
VAT	-	925
Deferred tax asset (Note 14)	2,574	1,894
	<b>76,574</b>	<b>99,704</b>

All debtors fall due within one year, with the exception of prepayments and accrued income. For this category, £15,000,000 (2013: £7,000,000) falls due after more than one year.

## Notes (continued)

### 12 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	37,467	37,761
Amounts due to subsidiary undertakings	560	560
Amounts due to parent and fellow subsidiary undertakings	728	1,260
Corporation tax	1,890	2,327
Taxation creditors	1,044	848
Other creditors	110	163
Accruals and deferred income	19,394	17,734
	<u>61,193</u>	<u>60,653</u>

### 13 Creditors: amounts falling due after more than one year

	2014 £000	2013 £000
Accruals and deferred income	2,269	2,803
	<u>2,269</u>	<u>2,803</u>

### 14 Deferred tax

An analysis of the deferred taxation asset is set out below:

	2014 £000	2013 £000
Deferred tax brought forward	1,894	2,166
Current year movement	680	(272)
	<u>2,574</u>	<u>1,894</u>

The elements of deferred taxation are as follows:

	2014 £000	2013 £000
Accelerated capital allowances	1,169	661
Other short term differences	1,405	1,233
	<u>2,574</u>	<u>1,894</u>

## Notes (continued)

### 15 Called up share capital

	2014 £000	2013 £000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	1,000	1,000

### 16 Reserves

	Profit and loss account £000
At beginning of year	61,211
Profit for the financial year	11,789
Dividends paid out during the year	(35,000)
At end of year	38,000

### 17 Contingent liabilities

Adidas (UK) Limited has given guarantees to HM Customs & Excise in respect of VAT and duty deferment of £200,000 (2013: £200,000).

### 18 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings £000	2014 Other £000	Total £000	Land and buildings £000	2013 Other £000	Total £000
Operating leases which expire:						
within one year	-	163	163	1,123	152	1,275
within two to five years	2,256	475	2,731	2,367	475	2,842
in over five years	6,758	-	6,758	5,462	-	5,462
	9,014	638	9,652	8,952	627	9,579

## **Notes** *(continued)*

### **19 Pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £1,014,000 (2013: £1,026,000).

No contributions (2013: £nil) were payable to the fund at the year-end.

### **20 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The immediate parent company is Reebok International Limited, incorporated in the United Kingdom. Their address is 4<sup>th</sup> Floor, 11/12 Pall Mall, London, SW1Y 5LU. The ultimate parent company is adidas AG, incorporated in Germany. The consolidated accounts of the group may be obtained from adidas AG, Adi-Dassler-Strasse 1-2, D-91074 Herzogenaurach, Germany.