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NO ORDINARY SHOES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

NO ORDINARY SHOES LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity during the year was the design, sourcing, marketing and distribution of footwear in the UK This is not expected to change in the coming year

The directors' acknowledge that the future year will be a challenging period, however remain confident that the business will continue to meet those challenges

Principal risks and uncertainties

The directors of Pentland Group plc manage the group's risk at a group level, rather than at an individual entity level For this reason, the company's directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of the No Ordinary Shoes Limited's business

The principal risks and uncertainties of Pentland Group plc, which include those of the Company, are discussed on page 2 of the group's annual report which does not form part of this report Copies of the Pentland Group plc consolidated financial statements are available from the Company Secretary at 8 Manchester Square, London, W1U 3PH

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

RESULTS AND DIVIDENDS

The company's loss for the financial year is £0 4 million (2008 £0 5 million profit) and is shown in the profit and loss account on page 5 The directors do not recommend the payment of a dividend (2008 £nil)

DIRECTORS

The following directors who held office during the year and up to the date of signing the financial statements, were

L Vishwanathan (appointed on 01/01/09)
M Rock
I Blackman
A K Rubin
A M Long
J Campbell

QUALIFYING THIRD PARTY AND PENSION SCHEME INDEMNITY PROVISIONS

Pentland Group plc (the ultimate parent company) has provided an indemnity for the directors and the secretary of the company, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006

GOING CONCERN

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking has indicated its intention to provide continuing financial support to the company for at least the next twelve months

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 accounting 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,
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for the maintenance and integrity of the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information, being information required by the auditors in connection with the preparation of the auditors report, of which the auditors are unaware Having made enquiries of fellow directors and the group auditors, each director has taken all steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting

By order of the board

P J Campbell
Company secretary
1 April 2010

NO ORDINARY SHOES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NO ORDINARY SHOES LIMITED

We have audited the financial statements of No Ordinary Shoes Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

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 2009 and of its loss for the year then ended,

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

- have been prepared in accordance with the Companies Act 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NO ORDINARY SHOES LIMITED (continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following 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

Alison Lees (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 April 2010

NO ORDINARY SHOES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £'000	2008 £'000
Turnover	3	**8,911**	11,418
(Loss)/profit on ordinary activities before taxation	4	**(408)**	476
Tax on (loss)/profit on ordinary activities	6	**-**	-
(Loss)/profit for the financial year	13	**(408)**	476

All amounts relate to continuing operations

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit on ordinary activities after taxation for the financial years stated above and their historical cost equivalents

NO ORDINARY SHOES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	7	**152**	121
Current assets			
Stocks	8	**1,218**	1,331
Debtors	9	**1,748**	2,349
Cash at bank and in hand		**484**	23
		3,450	3,703
Creditors amounts falling due within one year	10	**(3,583)**	(3,397)
Net current (liabilities)/assets		**(133)**	306
Total assets less current liabilities		**19**	427
Capital and reserves			
Called up share capital	12	**-**	-
Profit and loss account	13	**19**	427
Total shareholders' funds		**19**	427

The financial statements on pages 5 to 13 were approved by the board of directors on 1 April 2010 and signed on its behalf by

A M Long
Director

Registered number 2096981

NO ORDINARY SHOES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES

Basis of preparation These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom A summary of the more important accounting policies, which have been applied consistently with the prior year, is given in the following paragraphs

The financial statements have been prepared on a going concern basis as the ultimate holding company, Pentland Group plc, has committed to provide full financial support to enable the company to meet its liabilities as they fall due for at least the next twelve months

Tangible fixed assets Tangible fixed assets are stated at historic purchase cost less accumulated depreciation Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis The expected useful lives of the assets to the business are reassessed periodically

Depreciation The principal rates used are plant and equipment 20-50% and fixtures and fittings 10-33 3%

Stock Stocks are valued at the lower of cost, determined on a FIFO method, and estimated net realisable value Where necessary, provision is made for obsolete, slow moving and defective stocks

Foreign currencies Transactions in foreign currencies during the year are translated at the rate of exchange applicable at the transaction date, or if hedged forward, at the contracted rate Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, or contracted rates where hedging arrangements are in place

Turnover Turnover comprises the value of external sales excluding sales related taxes Sales are recognised as they are invoiced following the passing of the title of goods

Retirement benefits The company's employees can either be members of the defined benefit or defined contribution pension schemes The total expense recognised in the profit and loss account in relation to pensions represents the actual contribution paid into the defined contribution scheme on behalf of employees

The impact of Financial Reporting Standard (FRS17) Retirement benefits on the defined benefit pension scheme have not been applied to the financial statements as the employer is unable to identify its share of the underlying assets and liabilities The disclosures required under FRS 17 Retirement benefits are disclosed in the financial statements of Pentland Group plc, the company's ultimate parent undertaking

Deferred tax Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date if transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions

1 ACCOUNTING POLICIES (continued)

Deferred tax (continued)

- Provision is made for gains on disposal of tangible fixed assets that have been rolled over into replacement assets only if, at the balance sheet date, there is a commitment to dispose of the replacement assets

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

The deferred tax for the period and any adjustments in respect of previous periods are recognised in the profit and loss account Tax arising on gains and losses that have been recognised in the statement of total recognised gains and losses are recognised in that statement

2 CASH FLOW STATEMENT

Pentland Group plc, of which the company is a wholly owned subsidiary, has presented in its consolidated financial statements a group cash flow statement drawn up under the provisions of Financial Reporting Standard 1 Cash flow statements (FRS 1 revised 1996) Accordingly the company has taken advantage of the exemption available under FRS 1 revised 1996 to dispense with presenting its own cash flow statement

3 TURNOVER

The whole of the company's turnover is derived from the company's principal activity within the United Kingdom

4 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009 £'000	2008 £'000
Turnover	**8,911**	11,418
Cost of sales	**(6,271)**	(7,896)
Gross profit	**2,640**	3,522
Net operating expenses		
Distribution costs	**(694)**	(907)
Administrative expenses*	**(2,354)**	(2,139)
(Loss)/profit on ordinary activities before taxation	**(408)**	476

The following are included within operating expenses.	2009 £'000	2008 £'000
Staff costs*		
Wages and salaries	**760**	816
Social security costs	**106**	83
Other pension costs	**37**	38
	903	937
Depreciation of tangible fixed assets - owned	**115**	69
Auditors' remuneration	**8**	7

* Included within administrative expenses and wages and salaries is £15k (2008 £97k) for restructuring costs

5 DIRECTORS AND EMPLOYEES

The average monthly number of persons over the year, including directors, employed by the company during the year was

	2009 Number	2008 Number
By activity		
Management and administration	**8**	8
Selling and distribution	**9**	9
	17	17

5 DIRECTORS AND EMPLOYEES (continued)

Directors' emoluments

	2009 £'000	2008 £'000
Aggregate emoluments	**103**	147

The emoluments of the highest paid director, excluding pension contributions, were £101,260 (2008: £146,914)

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Based upon the results for the current and prior year there was no tax payable

The tax assessed for the year is higher (2008 lower) than the standard rate of corporation tax in the UK of 28% (2008 28 5%) The differences are explained below

	2009 £'000	2008 £'000
(Loss)/profit on ordinary activities before taxation	**(408)**	476
(Loss)/profit on ordinary activities multiplied by the standard rate in the UK of 28% (2008 28 5%)	**(114)**	136
Effects of		
Group relief claimed/surrendered for £nil consideration	**156**	(200)
Depreciation in excess of capital allowances and other timing differences	**(51)**	88
Permanent differences	**8**	4
Adjustment in respect of prior years	**1**	(28)
Current tax charge for the year	**-**	-

7 TANGIBLE ASSETS

	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 January 2009	329	119	448
Additions	144	1	145
At 31 December 2009	**473**	**120**	**593**
Accumulated depreciation			
At 1 January 2009	250	77	327
Charge for the year	96	18	114
At 31 December 2009	**346**	**95**	**441**
Net book value: **At 31 December 2009**	**127**	**25**	**152**
At 31 December 2008	79	42	121

8 STOCKS

The company's stock consists of finished goods held for resale

9 DEBTORS

	2009 £'000	2008 £'000
Trade debtors	**1,638**	1,729
Amounts owed by fellow subsidiary undertakings	**42**	286
Other debtors	**40**	306
Prepayments and accrued income	**28**	28
	1,748	2,349

Amounts owed by fellow subsidiary undertakings are unsecured, interest free and have no fixed date of repayment

10 CREDITORS: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	**289**	187
Amounts owed to fellow subsidiary undertakings	**2,841**	2,733
Other creditors	**111**	-
Accruals	**342**	477
	3,583	3,397

Amounts owed to fellow subsidiary undertakings are unsecured, interest free and have no fixed date of repayment

11 DEFERRED TAXATION

The full potential deferred taxation asset, which has not been recognised, is as follows

	2009 £'000	2008 £'000
Depreciation in excess of capital allowances	**45**	38
Other timing differences	**20**	78
	65	116

The directors consider that there is insufficient certainty that there will be taxable profits within the Pentland Group plc tax group in the foreseeable future such as to realise the deferred tax asset, and therefore the asset has not been recognised in these financial statements

12 CALLED UP SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised		
1,000 ordinary shares of £1 each	**1**	1

	2009 £	2008 £
Allotted and fully paid		
2 ordinary shares of £1 each	**2**	2

13 PROFIT AND LOSS ACCOUNT

	£'000
At 1 January 2009	427
Loss for the financial year	(408)
At 31 December 2009	**19**

14 COMMITMENTS AND CONTINGENCIES

Bank overdrafts are reported gross but the company and its UK fellow subsidiary undertakings have arrangements with their clearing banks whereby sterling and, if applicable, US dollar and euro cleared credit balances are set off against the respective sterling and foreign currency cleared debit balances on their current accounts and interest is paid only on the aggregate net overdrafts

The company is party to a guarantee in favour of its bank regarding the aggregate indebtedness on the cleared current account balances in sterling, US dollars and euros, respectively, of Pentland Group plc and of several UK fellow subsidiaries, which together comprise the overdraft group and participate in the set-off arrangements with the bank

The company's liability under the guarantee is limited to the lower of the account indebtedness of the relevant group companies and its own current account credit balances in sterling and the respective foreign currencies with the bank

15 RELATED PARTIES

Pentland Group plc, of which the company is a wholly owned subsidiary, has presented in its consolidated financial statements, which are publicly available, a related parties disclosure note under the provisions of Financial Reporting Standard 8 Related party disclosures (FRS 8) Accordingly, the company has taken advantage of the exemption available under FRS 8 to dispense with disclosing related party transactions with entities within the group, or investees of the group, qualifying as related parties

Related party transactions with JD Sports Fashion plc in 2009 comprised of sales of £462,503 (2008 £785,886) The balance due from JD Sports Fashion plc at 31 December 2009 was £31,924 (2008 £157,325)

16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking is Pentland Group plc, a company registered in England R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group plc Consolidated financial statements have been prepared by Pentland Group plc, which is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements for the year ended 31 December 2009 The consolidated financial statements of Pentland Group plc can be obtained from the Company's registered office at 8 Manchester Square, London W1U 3PH