

Graham Tiso Limited

Annual report and financial statements

Registered number SC081944

52 week period ended

29 January 2022



Contents

Strategic report	1
Directors' report	1
Statement of Directors' responsibilities in respect of the Annual report and the financial statements	4
Independent Auditor's report to the Members of Graham Tiso Limited	5
Statement of Profit and Loss Account and Other Comprehensive Income	8
Statement of Changes in Equity	8
Balance Sheet	9
Notes	10-24

Strategic report

Principal activity

The principal activity of the Company continued to be that of retailing clothing, footwear, equipment and accessories for outdoor leisure activities.

Business review

In assessing the performance of the Company, the Directors make use of the following KPI's; turnover, gross profit, EBITDA and operating profit.

Turnover increased by 53.5% from £20.4m to £31.3m generating gross profit of £13.3m (2021: £8.5m). Administrative costs have increased by £1.9m and other income has decreased by £1.1m, resulting in a EBITDA of £2.9m profit (2021: £1.1m profit).

A reconciliation from the operating profit to EBITDA is included below:

	29 January 2022 £m	30 January 2021 £m
Operating profit / (loss)	2.2	0.4
Addback: Depreciation and amortisation	0.7	0.7
EBITDA	2.9	1.1

An ongoing programme of investment in both stores and digital ensured the company was well enabled to capitalise on increased market opportunities throughout the year.

A positive consumer demand for recreational outdoor products and staycations combined to improve performance across all channels.

Balance sheet

Net liabilities have decreased by £1.5m in 2022 compared to 2021 as a result of the net profit. Tangible fixed assets have increased by £0.3m, stock has increased by £0.4m and Group creditors has remained the same.

Future developments

The company remains focused on performance improvement across all fasciae and channels. Consumer demand for the company's products and services remains positive as interest in outdoor recreational activities continues to grow.

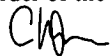
Principal risks and uncertainties

The Directors consider that the following risks and uncertainties are specific to the Company and the outdoor retail sector in which it operates. These risks and uncertainties include the following:

- Ability to access, and the dependence on, key brands;
- The location and influence of competitors;
- Changing consumer trends;
- General economic factors;
- Seasonal weather variations;

The legacy of the COVID pandemic remains, with the product supply chain in particular continuing to represent a significant challenge across categories. The Board will continue to monitor and review this key area. The company also acknowledges the continued support of JD Sports Fashion PLC.

By order of the Board



C Tiso
Director

41 Commercial Street
Leith
Edinburgh
United Kingdom
EH6 6JD

Date: 28 / 06 / 2022

Directors' report

The Directors present their Directors' report and audited financial statements for the 52 week period ended 29 January 2022.

Proposed dividend

The Directors do not recommend the payment of a dividend £nil (2021: £nil).

Going concern

In assessing the ability of the Company to continue as a going concern, the Directors have prepared a detailed trading cashflow forecast extending until January 2024. The Directors have assessed the adequacy of the Company's existing bank funding facilities in place and the Company's continued access to those facilities. The Directors consider its banking facilities to be sufficient to enable the Company to meet its working capital requirements on a day-to-day basis based on its forecast position and supported by the strong trading and cash position post year end.

The directors are confident that based on current trading levels, projected performance and continued access to working capital and inter-group loan facilities, the Company can meet its financial obligations as they fall due for a period of at least 12 months from the date of authorising the financial statements. The Directors have full confidence in the continuing backing of the Group's intermediate parent undertaking JD Sports Fashion Plc, which has provided a parental letter of support confirming its ongoing support for at least 12 months from the date of authorising these financial statements.

Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

Directors

The Directors who held office during the period were as follows:

C Tiso
S Macdonald
PA Cowgill
NJ Greenhalgh

Employees

The Company is committed to promoting equal opportunities in employment regardless of employees' or potential employees' gender, marital status, sexual orientation, age, race, religion, ethnic or social origin or disability. Recruitment, promotion and the availability of training are based on the suitability of any applicant for the job and full and fair consideration is always given to disabled persons in such circumstances. Should an employee become disabled during his or her employment by the Group, every effort is made to continue employment and training within their existing capacity wherever practicable, or failing that, in some alternative suitable capacity.

The Company has continued throughout the period to provide employees with relevant information and to seek their views on matters of common concern. Priority is given to ensuring that employees are aware of all significant matters affecting the Company's performance and of any significant organisational changes.

Disclosures made in the Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments.

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 they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and Johnston Carmichael LLP will therefore continue in office.

By order of the Board



C Tiso
Director

41 Commercial Street
Leith
Edinburgh
United Kingdom
EH6 6JD

Date: 28 / 06 / 2022

Statement of Directors' responsibilities in respect of the Annual report and the financial statements

The Directors are responsible for preparing the Annual 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;
- 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.

Independent Auditor's Report to the Members of Graham Tiso Limited

Opinion

We have audited the financial statements of Graham Tiso Limited (the 'company') for the period ended 29 January 2022 which comprise the statement of profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 January 2022 and of its profit 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Graham Tiso Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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.

Responsibilities of directors

As explained more fully in the Statement of director's responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Members of Graham Tiso Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include FRS 102, the Companies Act 2006 and corporation tax legislation. We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

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.

Johnston Carmichael LLP

James Hamilton (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

Chartered Accountants
Statutory Auditor

29 / 06 / 2022

227 West George Street
Glasgow
G2 2ND

Statement of Profit and Loss Account and Other Comprehensive Income
for the 52 week period ended 29 January 2022

	<i>Note</i>	52 week period ended 29 January 2022 £000	52 week period ended 30 January 2021 £000
Turnover	1,3	31,276	20,376
Cost of sales		(17,997)	(11,866)
Gross profit		13,279	8,510
Administrative expenses		(11,597)	(9,689)
Other operating income	3	518	1,619
Operating profit/(loss)		2,200	440
Interest payable and similar expenses	7	(424)	(464)
Exceptional item	2	(276)	(142)
Profit before tax	4	1,500	(166)
Tax on profit	8	-	-
Total comprehensive profit for the period		1,500	(166)

All turnover and associated costs and profits are from continuing operations. There are no discontinued operations in the current or prior period.

Statement of Changes in Equity
for the 52 week period ended 29 January 2022

	Called up share capital £000	Profit and loss account £000	Total Equity £000
Balance at 1 February 2020	800	(6,166)	(5,366)
Total comprehensive loss for the period	-	(166)	(166)
Balance at 30 January 2021	800	(6,332)	(5,532)
Total comprehensive profit for the period		1,500	1,500
Balance at 29 January 2022	800	(4,832)	(4,032)

The notes on pages 10 to 24 form part of the financial statements.

Balance Sheet
as at 29 January 2022

	<i>Note</i>	As at 29 January 2022 £000	As at 29 January 2022 £000	As at 30 January 2021 £000	As at 30 January 2021 £000
Fixed assets					
Intangible assets	9		175		210
Tangible assets	10		6,407		6,404
			<u>6,582</u>		<u>6,614</u>
Current assets					
Stocks	11	5,729		5,284	
Debtors	12	1,343		777	
Cash and cash equivalents		5,477		3,815	
		<u>12,549</u>		<u>9,876</u>	
Creditors: amounts falling due within one year	13	<u>(20,963)</u>		<u>(19,822)</u>	
Net current liabilities			<u>(8,414)</u>		<u>(9,946)</u>
Total assets less current liabilities			<u>(1,832)</u>		<u>(3,332)</u>
Creditors: amounts falling due after one year	14		<u>(2,200)</u>		<u>(2,200)</u>
Net liabilities			<u>(4,032)</u>		<u>(5,532)</u>
Capital and reserves					
Called up equity share capital	16		800		800
Profit and loss account			(4,832)		(6,332)
Shareholders' deficit			<u>(4,032)</u>		<u>(5,532)</u>

The notes on pages 10 to 24 form part of the financial statements.

These financial statements were approved by the Board of Directors on 28 / 06 / 2022 and were signed on its behalf by:



C Tiso
Director

Registered number SC081944

Notes

(Forming part of the financial statements)

1 Accounting policies

Graham Tiso Limited (the “Company”) is a company limited by shares and is incorporated and domiciled in the UK. The registered office is 41 Commercial Street, Leith, Edinburgh and its principal activities are per those set out within the Strategic Report.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006. The financial statements are prepared on the historical cost basis and are presented in pounds sterling.

The company is a qualifying entity under FRS 102 1.12 on the grounds that the Company’s Parent undertaking, JD Sports Fashion Plc includes the Company in its consolidated financial statements. The consolidated financial statements of JD Sports Fashion Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address in note 21.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on the historical cost basis, presented in pounds sterling, rounded to the nearest thousand.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company’s business activities, together with the factors likely to affect its future development, position and strategy, are set out in the Strategic Report on page 1.

Going concern

In assessing the ability of the Company to continue as a going concern, the Directors have prepared a detailed trading cashflow forecast extending until January 2024. The Directors have assessed the adequacy of the Company’s existing bank funding facilities in place and the Company’s continued access to those facilities. The Directors consider its banking facilities to be sufficient to enable the Company to meet its working capital requirements on a day-to-day basis based on its forecast position and supported by the strong trading and cash position post year end.

The directors are confident that based on current trading levels, projected performance and continued access to working capital and inter-group loan facilities, the Company can meet its financial obligations as they fall due for a period of at least 12 months from the date of authorising the financial statements. The Directors have full confidence in the continuing backing of the Group’s intermediate parent undertaking JD Sports Fashion Plc, which has provided a parental letter of support confirming its ongoing support for at least 12 months from the date of authorising these financial statements.

Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

Notes (continued)

1 Accounting policies (continued)

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose. Goodwill is amortised on a straight line basis over its expected useful life of 10 years.

Tangible fixed assets

(i) Owned assets

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

(ii) Leased assets

Assets funded through finance leases and similar hire purchase contracts are capitalised as tangible fixed assets where the Company assumes substantially all of the risks and rewards of ownership. Upon initial recognition, the leased asset is measured at the lower of its fair value and the present value of the minimum lease payments. Future instalments under such leases, net of financing costs, are included within interest bearing loans and borrowings.

Rental payments are apportioned between the finance element, which is included in finance costs, and the capital element, which reduces the outstanding obligation for future instalments so as to give a constant charge on the outstanding obligation.

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

(iii) Depreciation

Depreciation is charged to the profit and loss account over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings 2% straight line
- Leasehold buildings over the life of the lease
- Fixtures, fittings and equipment 10% to 33.3% straight line
- Motor vehicles 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to the profit and loss.

Investments in subsidiary undertakings

All investments in subsidiary undertakings are stated at cost less provisions for impairment losses.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle. Provisions are made for obsolescence, mark downs and shrinkage based on historical experiences, the quality of the current season buy, market trends and management estimates of future events. The provision requires estimates for shrinkage, the expected future selling price of items and identification of aged and obsolete items.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes (continued)

1 Accounting policies (continued)

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets

Trade and other debtors

Trade and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price including transaction costs. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade and other creditors

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. All other impairment losses are recognised in profit or loss.

Any impairment loss recognised for goodwill is not reversed. For fixed assets other than goodwill, recognised impairment losses are reversed if, and only if, the reasons for the impairment losses have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Notes (continued)

1 Accounting policies (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts and sales related taxes. Goods are sold through the retail stores and the trading website. Turnover is recognised when the goods are sold and title has passed. Retail sales are usually in cash, by debit card or by credit card. For online sales and click and collect orders, where the customer pays online but goods are dispatched by the ecommerce team or the customers collects in store, title is deemed to have passed when the goods are dispatched by the ecommerce team or collected by the customer.

Interest payable and similar charges

Interest payable and similar charges comprise interest payable on interest bearing loans and borrowings. Financial expenses are recognised in the profit and loss account on an effective interest basis.

Income tax

Tax on the profit or loss for the period comprises current and deferred tax.

(i) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences in respect of the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Government Grants

Furlough income from the Government Coronavirus Job Retention Scheme (CJRS) is recognised when it can be reliably measured, which the company considers to be on receipt. In accordance with FRS102 paragraph 24.5D, the Company recognises grant income on a systematic basis over the periods in which the Company recognises the related costs for which the grant is intended to compensate, using the accrual model. The Company presents grant income separately within other income, ensuring grant income is not offset against related expenditure.

After the financial period end, the parent Company (JD Sports Fashion Plc) repaid £24.4 million of furlough income that the Group received from the UK Government in the year ended 29 January 2022. This repayment included £0.4 million of furlough income that Graham Tiso Limited received in the year ended 29 January 2022.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

Notes (continued)

1 Accounting policies (continued)

Critical accounting estimates and judgements (continued)

(i) Provisions to write stocks down to net realisable value

The Company makes provisions for obsolescence, mark downs and shrinkage based on historical experiences, the quality of the current season buy, market trends and management estimates of future events. The provision requires estimates for shrinkage, the expected future selling price of items and identification of aged and obsolete items.

(ii) Defined benefit pension scheme

The company operates a defined benefit scheme for the benefit of its employees. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method and is based on actuarial advice. The service cost of the pension provision relating to the period, together with the cost of any benefits relating to past service, is charged to the profit and loss account. A charge equal to the increase in present value of the scheme's liabilities (because benefits are closer on settlement) and a credit equivalent to the company's long term expected return on assets (based on the market value of the scheme's assets at the start of the period) are included in the profit and loss account.

The difference between the market value of the assets of the scheme and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet. Any difference between the expected return on assets and that actually achieved is recognised in the statement of comprehensive income, along with the differences which arise from experience or assumption changes. See Note 15.

Critical accounting estimates and judgements

Exceptional items are identified by the directors as non-recurring transactions through profit or loss which have been disclosed separately in order to provide necessary explanation to the results of the group.

2 Exceptional Item

	52 week period ended 29 January 2022 £000	52 week period ended 30 January 2021 £000
Exceptional item	276	142

Exceptional costs predominantly relate to provision for closure costs. These costs are non-recurring and as such, have been treated as exceptional.

Notes (continued)

3 Turnover and other significant income

	52 week period ended 29 January 2022 £000	52 week period ended 30 January 2021 £000
An analysis of the company's turnover is as follows:		
Revenue from sale of goods	31,276	20,376
Other income:		
Other operating income	73	119
JRS grant income	445	1,500

4 Expenses and auditor's remuneration

Profit on ordinary activities before tax is stated after charging:

	52 week period ended 29 January 2022 £000	52 week period ended 30 January 2021 £000
Auditor's remuneration:		
Audit of these financial statements	29	34
Preparation of accounts	-	4
Depreciation of tangible fixed assets	707	681
Amortisation of intangible fixed assets	35	35
Amounts written off investments	-	-
Rentals payable under non-cancellable operating leases for:		
Plant and machinery	83	74
Other assets	1,935	2,226

5 Staff numbers and costs

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

	Number of employees	
	52 week period ended 29 January 2022	52 week period ended 30 January 2021
Sales and distribution	278	301
Administration	18	20
	296	321
Full time equivalents	240	179

Notes (continued)

5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	52 week period ended 29 January 2022 £000	52 week period ended 30 January 2021 £000
Wages and salaries	5,868	5,198
Social security costs	483	371
Other pension costs	186	161
	<u>6,537</u>	<u>5,730</u>

6 Directors' remuneration

	52 week period ended 29 January 2022 £000	52 week period ended 30 January 2021 £000
Directors' emoluments	580	252
Pension contributions	50	34
	<u>630</u>	<u>286</u>

The emoluments of the highest paid director were £358,000 (2021: £157,000). The highest paid director received pension contributions of £15,000 (2021: £16,000). In total, two (2021: two) directors had benefits accruing under pension schemes to which the company contributes.

Cowgill and Greenhalgh were employed by other group companies and therefore any remuneration is borne by those group companies. No remuneration is given in respect of acting as a director of this entity as it is incidental to their overall responsibilities to the group.

7 Interest payable and similar expenses

	52 week period ended 29 January 2022 £000	52 week period ended 30 January 2021 £000
On amounts payable to group companies	390	378
On bank loans and overdrafts	34	80
Defined benefit pension scheme	-	5
Other	-	1
	<u>424</u>	<u>464</u>

Notes (continued)

8 Income tax

Recognised in the profit and loss account

	52 week period ended 29 January 2022 £000	52 week period ended 30 January 2021 £000
<i>Current tax</i>		
Group relief received	-	-
Adjustments to prior years	-	-
	<hr/>	<hr/>
Total current tax credit	-	-
	<hr/>	<hr/>
	52 week period ended 29 January 2022 £000	52 week period ended 30 January 2021 £000
Profit for the period	1,500	(166)
Total tax on profit for the period	-	-
	<hr/>	<hr/>
Profit before taxation	1,500	(166)
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	285	(32)
Effect of:		
Depreciation and impairment of non-qualifying non-current assets	66	69
Movement on deferred tax assets not provided	(60)	(37)
Recognition of previously unrecognised tax losses	(291)	-
	<hr/>	<hr/>
Total income tax	-	-
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

The Financial Bill 2021, which was substantially enacted on 24 May 2021, included an increase in the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. UK deferred tax is recognised at the enacted 25% at the balance sheet date. (2021 – 19%).

Notes (continued)

9 Intangible fixed assets

	Goodwill £000
Cost	
At 30 January 2021 and 29 January 2022	350
Amortisation and impairment	
At 30 January 2021	140
Charge for the period	35
At 29 January 2022	175
Net book value	
At 29 January 2022	175
At 30 January 2021	210

10 Tangible fixed assets

	Freehold Buildings £000	Leasehold Buildings £000	Fixtures & Fittings £000	Motor Vehicles £000	Total £000
Cost					
At 30 January 2021	4,933	2,909	6,687	16	14,545
Additions	-	30	661	19	710
Disposals	-	-	-	-	-
	4,933	2,939	7,348	35	15,255
Depreciation and impairment					
At 30 January 2021	1,082	2,075	4,968	16	8,141
Charge for the period	61	181	464	1	707
Disposals	-	-	-	-	-
	1,143	2,256	5,432	17	8,848
Net book value					
At 29 January 2022	3,790	683	1,916	18	6,407
At 30 January 2021	3,851	831	1,719	-	6,404

Notes (continued)

11 Stocks

	As at 29 January 2022 £000	As at 30 January 2021 £000
Finished goods and goods for resale	5,729	5,283

The Company has £ 611,443 (2021: £418,614) of stock provisions at the end of the period.

12 Trade and other debtors

	As at 29 January 2022 £000	As at 30 January 2021 £000
Trade debtors	107	78
Other debtors	216	161
Prepayments and accrued income	1,020	538
	<u>1,343</u>	<u>777</u>

13 Creditors: amounts falling due within one year

	As at 29 January 2022 £000	As at 30 January 2021 £000
Trade creditors	3,585	3,058
Amounts owed to Group companies	13,826	14,587
Social security and other taxation	728	702
Other creditors	117	64
Accruals and deferred income	2,707	1,411
	<u>20,963</u>	<u>19,822</u>

Included within amounts owed to Group companies is £11,757,000 (2021: £12,468,000) which is secured by a floating charge over the assets of the Company. Interest is charged at 3.25% on this balance being 3% above the Bank of England base rate at year end.

14 Creditors: amounts falling due after one year

	As at 29 January 2022 £000	As at 30 January 2021 £000
Amounts owed to Group companies	2,200	2,200

Notes (continued)

15 Defined benefit pension scheme

For certain employees, the Company operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme pensions are updated in line with the retail price index. Plan assets held in the fund are governed by local regulations and practice in the United Kingdom. Responsibility for governance of the plan lies with the Trustees of the pension fund.

The risks of the scheme are as follows:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's holdings.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities.

A comprehensive actuarial valuation of the Company pension scheme, using the projected unit basis, was carried out as at 29 January 2022 by The Royal London Mutual Insurance Society Limited, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	As at 29 January 2022	As at 30 January 2021
Discount rate	2.4% p.a	1.7% p.a.
Retail Price Inflation	3.7% p.a	3.1% p.a.
Consumer Price Inflation	3.0% p.a	2.4% p.a.
GMP increase in deferment	Fixed rates	Fixed rates
Increase in payment:		
GMP earned before 6/4/88	0.0% p.a.	0.0% p.a.
GMP earned after 5/4/88	3.0% p.a.	2.4% p.a.
	As at 29 January 2022 £000	As at 30 January 2021 £000
Amount recognised in the Balance Sheet		
Present value of defined benefit obligation	705	725
Fair value of plan assets	(791)	(743)
Surplus in scheme	(86)	(18)
Effect of asset ceiling / minimum funding requirement	86	18
Net defined benefit liability	-	-

Notes (continued)

15 Defined benefit pension scheme (continued)

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in the UK. These assumptions translate into an average life expectancy in years for a pension retiring at age 65 now and in 20 years' time:

	As at 29 January 2022	As at 30 January 2021
Longevity at age 65 for current pensioners:		
Men	19.5	19.4
Women	21.7	21.6
Longevity at age 65 for future pensioners:		
Men	20.8	20.7
Women	23.1	23.0

Reconciliation of scheme assets and liabilities	Assets £000	Liabilities £000	Asset Ceiling £000	Total £000
At 30 January 2021	743	(725)	(18)	-
Change in effect of the asset ceiling	-	-	(68)	(68)
Past service cost	-	-	-	-
Benefits paid	(3)	3	-	-
Actual return on plan assets, excluding interest	(17)	-	-	(17)
Employer contributions	55	-	-	55
Interest income / (expense)	13	(12)	-	1
Remeasurement gains / (losses)	-	29	-	29
At 29 January 2022	791	(705)	(86)	-

GMP equalisation

In 2018 the High Court ruled that UK pension schemes are required to equalise benefits for the effect of Guaranteed Minimum Pensions (GMP). This scheme provides GMP for some members in respect of service between 17 May 1990 and 5 April 1997 and the trustees and employer will therefore need to take appropriate professional and legal advice, agree an approach, and eventually move to equalise member benefits. It may take many months (if not years) to fully implement GMP equalisation.

The results of the funding valuation at 6 April 2019 (upon which the results in this report depend) included an allowance for the estimated effect on scheme benefits of the judgement. The liability figures in this report therefore include an approximate allowance for GMP equalisation. Until such time as the trustees and employer take definitive action to equalise for the effects of GMP, this allowance should be viewed as illustrative.

In arriving at the estimate of these additional liabilities it was assumed the trustees and employer would adopt a method broadly consistent with a GMP conversion ('D2') approach. This is the same approach as used last year. If a different method of achieving benefit equalisation is eventually used, a different additional liability can be expected.

A further judgement in November 2020 confirmed that trustees are also responsible for equalising GMP benefits that have already been transferred out and therefore an additional liability allowance is required in respect of such transfers. An allowance for this ruling is made in this report.

Notes (continued)

15 Defined benefit pension scheme (continued)

	As at 29 January 2022 £000	As at 30 January 2021 £000
Total cost recognised as an expense:		
Interest cost	-	5
	<hr/>	<hr/>
	As at 29 January 2022 %	As at 30 January 2021 %
Asset class split:		
Equities	27	26
Property	4	3
Corporate Bonds	19	14
Gilts	40	46
Cash	10	11
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

16 Called up share capital

	Number of shares	Ordinary share capital £000
As at 29 January 2022		
Ordinary shares of 0.01p each	9,091	-
Preference shares of £1 each	800,000	800
	<hr/>	<hr/>

The capital structure of the Company comprises issued ordinary share capital and retained earnings. The policy adopted by the Directors is to seek to improve the capital base of the Company so as to maintain creditor confidence and to sustain future development of the business. There were no changes to the Company's approach to capital management during the period.

Preference shares are classified as equity as shareholders have no entitlement to a fixed rate of return.

17 Operating lease commitments

The future minimum rentals payable on land and buildings represent the base rents that are due on each property over the non-cancellable lease term, being usually the earliest date at which the lease can be exited. Undiscounted total future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings 2022 £000	Land and buildings 2021 £000
Less than one year	1,328	1,142
Between one and five years	5,017	4,546
Over five years	2,761	3,106
	<hr/>	<hr/>
	9,105	8,794
	<hr/>	<hr/>

Notes (continued)

17 Operating lease commitments (continued)

In the 2016 financial period, the trade and assets (excluding certain assets and liabilities) of Alpine Bikes Limited (a sister company) were transferred into Graham Tiso Limited. Legally, there are operating leases which sit within Alpine Bikes Limited but the costs will be borne by Graham Tiso Limited. The total future minimum rentals payable in relation to these leases are as follows; < 1 year £34,790, and nil for 1-5 years and > 5 years. These figures are not included within the amounts disclosed above.

In November 2019, the trade and assets (excluding certain assets and liabilities) of George Fisher Limited (a sister company) were transferred into Graham Tiso Limited. Legally, there are operating leases which sit within George Fisher Limited but the costs will be borne by Graham Tiso Limited. The total future minimum rentals payable in relation to these leases are as follows; < 1 year £100,000, 1-5 years £400,000 and > 5 years £41,650. These figures are not included within the amounts disclosed above.

18 Contingent liabilities

The Company has granted a cross guarantee to its bankers in respect of Tiso Group Limited and its subsidiaries. Across the group as a whole, net bank loans and overdrafts totalling £577,096 (2021: £2,077,130) are outstanding at the period end.

19 Related parties

Transactions and balances with related parties are shown below. Transactions were undertaken in the ordinary course of business. Outstanding balances are unsecured and will be settled in cash.

Pentland Group Limited

Pentland Group Ltd owns 55% of the issued ordinary share capital of JD Sports Fashion Plc.

	Value of transactions 2022 £000	(Payable)/ receivable at period end 2022 £000	Value of transactions 2021 £000	(Payable)/ receivable at period end 2021 £000
Purchase of inventory	(820)	-	(847)	-
Trade payables (gross including VAT)	-	(63)	-	(38)

Notes (continued)

19 Related parties (continued)

JD Sports Fashion Plc

JD Sports Fashion Plc owns 60% of the issued ordinary share capital of Tiso Group Limited.

	Value of transactions 2022 £000	(Payable)/ receivable at period end 2022 £000	Value of transactions 2021 £000	(Payable)/ receivable at period end 2021 £000
Intercompany recharges	(118)	(102)	(121)	(6)
Purchase of inventory	(292)	-	(333)	
Trade payables (gross including VAT)	-	-	-	-
Interest payable	(390)	-	(378)	-
Intercompany loan	-	(11,757)	-	(12,478)

The intercompany loan owed to the parent company is secured by a floating charge over the assets of the Company.

Blacks Outdoor Retail Limited

JD Sports Fashion Plc owns 100% of the issued ordinary share capital of Blacks Outdoor Retail Limited.

	Value of transactions 2022 £000	(Payable)/ receivable at period end 2022 £000	Value of transactions 2021 £000	(Payable)/ receivable at period end 2021 £000
Purchase of inventory	(548)	-	(532)	-
Trade payables (gross including VAT)	-	(106)	-	(151)

The company has not taken advantage of the exemption available within FRS 102 Section 33 whereby it has not disclosed transactions with any wholly owned group undertaking.

20 Parent Company

The immediate parent is Tiso Group Limited, which is a subsidiary undertaking of JD Sports Fashion Plc. JD Sports Fashion Plc is the smallest group in which the Company is a member and for which Group Financial Statements are drawn up. JD Sports Fashion Plc is registered in England. The Consolidated Financial Statements of JD Sports Fashion Plc are available to the public and may be obtained from The Company Secretary, JD Sports Fashion Plc, Hollinsbrook Way, Pilsworth, Bury, BL9 8RR or online at www.jdplc.com.

21 Ultimate parent company

The ultimate parent undertaking is Pentland Group Holdings Limited (a company registered in Jersey). R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group Holdings Limited.

Consolidated financial statements will be prepared by Pentland Group Holdings Limited, which is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements for the year ended 31 December 2021. The consolidated financial statements of Pentland Group Holdings Limited can be obtained from the company's registered office at 26 New Street, St Helier, Jersey, JE2 3RA