Alpine Bikes Limited

Directors' Report and financial statements

Registered number SC157993

52 week period ended

28 January 2017

Contents

Directors' Report

The Directors present their Directors' Report and audited financial statements for the 52 week period ended 28 January 2017.

Principal activity

During the financial period ended 28 January 2017, the principal activity of the Company continued to be that of retailing bicycles. The decision was made during the financial period to transfer the trade and assets of Alpine Bikes Limited into its sister company, Graham Tiso Limited. In October 2016, the trade and assets (with the exception of certain assets and liabilities) were transferred into Graham Tiso Limited. The Directors do not intend to acquire a replacement trade for Alpine Bikes Limited.

Proposed dividend

The Directors do not recommend the payment of a dividend (*2016: £nil*).

Going concern

As the Directors do not intend to acquire a replacement trade for the Company they have not prepared the financial statements on a going concern basis. Going forward, the Company will be a dormant company in terms of section 1169 of the Companies Act 2006.

Directors

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

C Tiso
S Macdonald
PA Cowgill
BM Small
NJ Greenhalgh

Political and charitable contributions

The Company made no political contributions or charitable donations during the period (*2016: £nil*).

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 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

C Tiso
Director

41 Commercial Street
Leith
Edinburgh
EH6 6JD

26 October 2017

Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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. As explained in note 1, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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

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

Independent Auditor's Report to the Members of Alpine Bikes Limited

We have audited the financial statements of Alpine Bikes Limited for the 52 week period ended 28 January 2017 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

Respective responsibilities of Directors and auditor

As explained more fully in the 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, 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.

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 28 January 2017 and of its loss for the period 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.

Emphasis of matter- non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Independent Auditor's report to the Members of Alpine Bikes 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Mick Davies

Mick Davies (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St. Peter's Square
Manchester
M2 3AE

26 October 2017

Profit and Loss Account and Other Comprehensive Income
for the 52 week period ended 28 January 2017

	Notes	52 week period ended 28 January 2017 £000	52 week period ended 30 January 2016 £000
Turnover	*1*	**3,175**	4,019
Cost of sales		**(2,030)**	(2,625)
Gross profit		**1,145**	1,394
Administrative expenses		**(1,234)**	(1,741)
Operating loss before tax	*2*	**(89)**	(347)
Tax on loss	*5*	**5**	19
Loss for the period		**(84)**	(328)

All turnover and associated costs and profits are from discontinued operations.

Statement of Changes in Equity
for the 52 week period ended 28 January 2017

	Called up share capital £000	Profit and loss account £000	Total Equity £000
Balance at 31 January 2015	-	336	336
Total comprehensive loss for the period	-	(328)	(328)
Balance at 30 January 2016	-	8	8
Total comprehensive loss for the period	-	(84)	(84)
Balance at 28 January 2017	-	**(76)**	**(76)**

The notes on pages 7 to 14 form part of the financial statements.

Balance Sheet
as at 28 January 2017

	Note	As at 28 January 2017 £000	As at 28 January 2017 £000	As at 30 January 2016 £000	As at 30 January 2016 £000
Fixed assets					
Intangible assets	6		-		-
Tangible assets	7		-		33
			-		33
Current assets					
Stocks	8	-		1,053	
Debtors	9	1,179		149	
Cash and cash equivalents		-		344	
		1,179		1,546	
Creditors: amounts falling due within one year	10	(1,254)		(1,570)	
Net current liabilities			(75)		(24)
Total assets less current liabilities			(75)		9
Provisions for liabilities	11		(1)		(1)
Net (liabilities) / assets			(76)		8
Capital and reserves					
Called up equity share capital	12		-		-
Profit and loss account			(76)		8
Shareholders' (deficit) / funds			(76)		8

The notes on pages 7 to 14 form part of the financial statements.

These financial statements were approved by the Board of Directors on 26 October 2017 and were signed on its behalf by:

C Tiso
Director

Registered number SC157993

Notes
(forming part of the financial statements)

1 Accounting policies

Alpine Bikes Limited (the "Company") is a company incorporated and domiciled in the UK.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

JD Sports Fashion Plc, an intermediate parent undertaking of the Company, 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 17.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of JD Sports Fashion Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 *Financial Instrument Disclosures.*

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.

The financial statements are presented in pounds sterling, rounded to the nearest thousand.

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

Going concern

As the Directors do not intend to acquire a replacement trade for the Company they have not prepared the financial statements on a going concern basis. Going forward, the Company will be a dormant company in terms of section 1169 of the Companies Act 2006. No adjustments have been required as a result of this.

Notes *(continued)*

1 Accounting policies *(continued)*

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:

- Leasehold buildings — over the life of the lease
- Fixtures and fittings — 10% - 20% straight line
- Computer equipment — 33% straight line

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.

Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost less impairment losses. A provision for the impairment of trade and other debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade and other debtors are impaired. The movement in the provision is recognised in the profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

Trade and other creditors

Trade and other creditors are non-interest bearing and recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment

The carrying amounts of the Company's assets other than stock and deferred tax assets are reviewed annually to determine whether there is any indication of impairment. An impairment review is performed on individual cash-generating units ('CGUs'). A CGU for the purposes of tangible fixed asset impairment reviews is an individual store. In respect of goodwill, the cash-generating units used to monitor goodwill and test for impairment are the store portfolios. In respect of fascia names, the cash-generating units used to monitor the fascia name and test for impairment are the relevant store portfolios. Impairment losses are recognised in the profit and loss account. Impairment losses in respect of goodwill are not reversed.

Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

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. Turnover is recognised upon the purchase of the goods by the customer at the till or when the goods are dispatched.

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 year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

(i) 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.

Notes *(continued)*

2 Expenses and auditor's remuneration

Operating loss is stated after charging:

	52 week period ended 28 January 2017 £000	52 week period ended 30 January 2016 £000
Auditor's remuneration:		
Audit of these financial statements	6	6
Depreciation of tangible fixed assets	10	22
Impairment of intangible fixed assets	-	50
Rentals payable under non-cancellable operating leases for:		
Land and buildings	249	306
Other assets	7	15

3 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 28 January 2017	52 week period ended 30 January 2016
Sales and distribution	36	55
	36	55
Full time equivalents	28	43

The aggregate payroll costs of these persons were as follows:

	52 week period ended 28 January 2017 £000	52 week period ended 30 January 2016 £000
Wages and salaries	482	671
Social security costs	21	38
Other pension costs	6	6
	509	715

4 Directors' remuneration

The directors are 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.

Notes *(continued)*

5 Income tax

Recognised in the profit and loss account	**52 week period ended 28 January 2017 £000**	52 week period ended 30 January 2016 £000
Current tax		
Group relief surrendered	**(15)**	(19)
Adjustments to prior periods	**10**	-
Total current tax credit	**(5)**	(19)

	52 week period ended 28 January 2017 £000	52 week period ended 30 January 2016 £000
Loss for the period	**(84)**	(328)
Total tax on loss for the period	**(5)**	(19)
Loss before taxation	**(89)**	(347)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 20% *(2016: 20.8%)*	**(18)**	(70)
Effect of:		
Depreciation and impairment of non-qualifying non-current assets	**1**	17
Movement on deferred tax assets not provided for	**2**	34
Adjustments to prior periods	**10**	-
Total income tax credit	**(5)**	(19)

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax position at 28 January 2017 has been calculated based on these rates. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Notes *(continued)*

6 Intangible fixed assets

	Goodwill £000
Cost	
As at 30 January 2016 and at 28 January 2017	100
Amortisation and impairment	
As at 30 January 2016 and at 28 January 2017	100
Net book value	
As at 30 January 2016 and at 28 January 2017	-

7 Tangible fixed assets

	Leasehold Buildings £000	Fixtures & Fittings £000	Computer Equipment £000	Total £000
Cost				
As at 30 January 2016	31	294	14	339
Additions	-	2	-	2
Disposals	(21)	(149)	-	(170)
Transfers	(10)	(147)	(14)	(171)
As at 28 January 2017	-	-	-	-
Depreciation and impairment				
At 30 January 2016	25	267	14	306
Charge for the period	1	9	-	10
Disposals	(21)	(149)	-	(170)
Transfers	(5)	(127)	(14)	(146)
At 28 January 2017	-	-	-	-
Net book value				
At 28 January 2017	-	-	-	-
At 30 January 2016	6	27	-	33

8 *Stocks*

	As at 28 January 2017 £000	As at 30 January 2016 £000
Finished goods and goods for resale	-	1,053

The cost of stocks recognised as expenses and included in cost of sales for the 52 week period ended 28 January 2017 was £2,030,000 (*52 week period ended 30 January 2016 was £2,471,000*).

The Company has £nil *(2016: £109,000)* of stock provisions at the end of the period. Cost of inventories includes a net charge of £25,000 *(2016: £26,000)* in relation to net provisions recognised against inventories..

Notes *(continued)*

9 Trade and other debtors

	As at 28 January 2017 £000	As at 30 January 2016 £000
Trade debtors	3	78
Other debtors	10	-
Amounts owed by Group companies	1,166	20
Prepayments and accrued income	-	51
	1,179	149

10 Creditors: amounts falling due within one year

	As at 28 January 2017 £000	As at 30 January 2016 £000
Bank overdraft	241	-
Trade creditors	13	377
Amounts owed to Group companies	1,000	1,000
Social security and other taxation	-	50
Other creditors	-	143
	1,254	1,570

11 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2017 £000	Liabilities 2017 £000	Net 2017 £000	Assets 2016 £000	Liabilities 2016 £000	Net 2016 £000
Tangible fixed assets	-	(1)	(1)	-	(1)	(1)

Movement in deferred tax during the period

	Total £000
Balance at 31 January 2015	(1)
Recognised in income	-
Balance at 30 January 2016	(1)
Recognised in income	-
Balance at 28 January 2017	**(1)**

Notes *(continued)*

12 Capital

Called up share capital

	Number of shares	Ordinary share capital £000
As at 30 January 2016 and at 28 January 2017		
Ordinary shares of £1 each	100	-

13 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 2017 £000	Land and buildings 2016 £000
Less than one year	107	168
Between one and five years	348	612
Over five years	4	194
	459	974

The trade and assets (excluding certain assets and liabilities) have been transferred into Graham Tiso Limited, a sister company. Legally, the operating leases above sit within Alpine Bikes Limited but going forward the costs will be borne by Graham Tiso Limited.

14 Pension

The Company operates a defined contribution pension scheme. The total expense relating to these plans in the current year was £5,770 *(2016: £5,637).*

15 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 £3,985,721 *(2016: £3,776,811)* are outstanding at the year end.

16 Related parties

There are no transactions and balances with related parties, other than those transactions with the immediate parent company, Tiso Group Limited and its wholly owned subsidiaries during the current period. Outstanding balances are unsecured and will be settled in cash.

17 Parent Company

The Company is a subsidiary undertaking of JD Sports Fashion Plc, which 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. Copies of the consolidated financial statements of JD Sports Fashion Plc are available to the public and can be obtained from the Company Secretary at the registered office; Edinburgh House, Hollinsbrook Way, Pilsworth, Bury, BL9 8RR or at www.jdplc.com.

18 Ultimate Parent company

The ultimate Parent company is Pentland Group Plc, which is the largest group in which the Company is a member and for which Group Financial Statements are drawn up. Pentland Group Plc is registered in England. The registered office is 8 Manchester Square, London, W1U 3PH. Copies of the consolidated financial statements of Pentland Group Plc can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.