

Company Registration No. 04430781 (England and Wales)

**LONSDALE SPORTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 APRIL 2019**



# LONSDALE SPORTS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	A P O Dick A A Adegoke	(Appointed 14 March 2019)
<b>Secretary</b>	T J Piper	
<b>Company number</b>	04430781	
<b>Registered office</b>	Unit A Brook Park East Shirebrook NG20 8RY	
<b>Auditor</b>	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA	

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# **LONSDALE SPORTS LIMITED**

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# **LONSDALE SPORTS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 28 APRIL 2019**

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The directors present their annual report and financial statements for the year ended 28 April 2019.

#### **Principal activities**

The principal activity of the company was that of the licensing of clothing and sports related products. The company ceased trading during the prior year and is expected to remain dormant going forward.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A P O Dick	(Appointed 14 March 2019)
AA Adegoke	
R I L Stockton	(Resigned 14 March 2019)

#### **Qualifying third party indemnity provisions**

Sports Direct International plc has granted the directors with Qualifying Third Party Indemnity provisions within the meaning given to the term by Sections 234 and 235 of the Companies Act 2006. This is in respect of liabilities to which they may become liable in their capacity as director of the company and of any company within the group. Such indemnities were in force throughout the financial year and will remain in force.

#### **Statement of directors' responsibilities**

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**LONSDALE SPORTS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 28 APRIL 2019**

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On behalf of the board

DocuSigned by:

*Dariusz Adyszek*  
.....  
~~A. Adyszek~~

**Director** 11 December 2019  
Date: .....

# LONSDALE SPORTS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LONSDALE SPORTS LIMITED

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#### Opinion

We have audited the financial statements of Lonsdale Sports Limited (the 'company') for the year ended 28 April 2019 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including a summary of 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 28 April 2019 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **LONSDALE SPORTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LONSDALE SPORTS LIMITED**

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#### **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; or
- the directors were not entitled take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## LONSDALE SPORTS LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LONSDALE SPORTS LIMITED

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#### 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.

*Cooper Parry Group Limited*

Alison Fovargue (Senior Statutory Auditor)  
for and on behalf of Cooper Parry Group Limited

*13 December 2019.*

Chartered Accountants  
Statutory Auditor

Chartered Accountants & Statutory  
Auditor  
Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA



**LONSDALE SPORTS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 28 APRIL 2019**

	Notes	2019 £	2018 £
Turnover	3	-	2,503,261
Distribution costs		-	(140)
Administrative expenses		133	(523,243)
<b>Profit before taxation</b>		133	1,979,878
Tax on profit	6	(784,677)	1,209,366
<b>(Loss)/profit for the financial year</b>		<u>(784,544)</u>	<u>3,189,244</u>

All results relate to discontinued operations.

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

**LONSDALE SPORTS LIMITED****BALANCE SHEET****AS AT 28 APRIL 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	9	1,005,000		1,005,000	
<b>Current assets</b>					
Debtors	11	-	2,901,137		
<b>Creditors: amounts falling due within one year</b>	12	-	(121,719)		
<b>Net current assets</b>			-	2,779,418	
<b>Total assets less current liabilities</b>		1,005,000		3,784,418	
<b>Capital and reserves</b>					
Called up share capital	13	100		100	
Profit and loss reserves		1,004,900		3,784,318	
<b>Total equity</b>		1,005,000		3,784,418	

The financial statements were approved by the board of directors and authorised for issue on 11 December 2019 and are signed on its behalf by:

DocuSigned by:

*Datun Adegoke*~~A Adegoke~~**Director**

The notes on pages 8 to 14 form part of these financial statements.

**Company Registration No. 04430781**

# **LONSDALE SPORTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 APRIL 2019**

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### **1 Accounting policies**

#### **Company information**

Lonsdale Sports Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit A, Brook Park East, Shirebrook, NG20 8RY.

#### **1.1 Accounting convention**

These financial statements have been prepared under the historical cost convention and in accordance with FRS 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 in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. The financial statements are for the 52 weeks ended 28 April 2019 (2018: 52 weeks ended 29 April 2018).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

#### **1.2 Going concern**

The financial statements are prepared on a going concern. Sports Direct International plc have agreed not to withdraw finance for the foreseeable future. During the prior year, the company ceased trading and is expected to remain dormant going forward.

#### **1.3 Turnover**

Licensing and royalty revenues are recognised on an accruals basis in accordance with the substance of the underlying agreement between the licensee, the licensing agent and the licensor. The licensing agent is a fellow group company.

#### **1.4 Intangible fixed assets other than goodwill**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

#### **1.5 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1.6 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an assets carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

# LONSDALE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 APRIL 2019

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### 1 Accounting policies

(Continued)

#### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date. The tax charge will also be affected by estimates and judgements made by management as to the availability and allocation of tax losses within the group.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.8 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

#### 1.9 Disclosure exemptions

As permitted by FRS 102, the company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a cash flow statements, financial instrument disclosures, disclosure of related party transactions with group members and disclosing key management compensation.

Where required, equivalent disclosures are given in the group accounts of Sports Direct International plc. The group accounts of Sports Direct International plc are available to the public and can be obtained as set out in note 14.

# LONSDALE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 APRIL 2019

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

##### *Investments*

Management review the carrying value of investments for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated within the Sports Direct International plc group by the asset.

##### *Assumptions relating to tax*

Management estimation is required to determine the amount of deferred tax assets or liabilities that can be recognised, based upon likely timing and level of future taxable profits.

Management judgement is required to estimate the availability and allocation of tax losses within the group, based upon the level of taxable profits across the group.

##### *Provisions*

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgment is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

### 3 Turnover and other revenue

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	-	279,744
Rest of the World	-	2,223,517
	<hr/>	<hr/>
	-	2,503,261
	<hr/>	<hr/>

All turnover was attributable to the principal activity of the company.

**LONSDALE SPORTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 28 APRIL 2019****4 Operating profit**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging:		
Exchange (gains)/losses	-	121
	<u>          </u>	<u>          </u>

Auditor remuneration is borne by a fellow group company.

**5 Employees**

Directors are employed and remunerated through other group companies and the company has no employees.

**6 Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Adjustments in respect of prior periods	784,677	(1,209,366)
	<u>          </u>	<u>          </u>

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before taxation	133	1,979,878
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	25	376,177
Adjustments in respect of prior years	784,677	(1,209,366)
Group relief	(2,152,991)	(2,909,201)
Transfer pricing adjustments	2,152,966	2,533,024
	<u>          </u>	<u>          </u>
Taxation charge/(credit) for the year	784,677	(1,209,366)
	<u>          </u>	<u>          </u>

Estimates are made regarding the availability and allocation of tax losses within the group using the most reliable information available at the date of preparation and approval of the financial statements. During the year ended 28 April 2019 and the period ended 29 April 2018, there have been adjustments to the accounting estimates made in respect of tax charges relating to the periods ended 29 April 2018 and 30 April 2017 respectively, in relation to assumptions regarding the allocation of group tax losses.

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 21% to 20% took effect from 2015. Further reductions in the UK tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 have been announced and substantively enacted in October 2015. Following the budget in 2016, a further reduction in the main rate of corporation tax to 17% from April 2020 has been announced but has not been substantively enacted.

# LONSDALE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 APRIL 2019

### 7 Dividends

	2019 £	2018 £
Dividends waived	1,994,874	-
	<u>1,994,874</u>	<u>-</u>

### 8 Intangible fixed assets

	Trademarks £
<b>Cost</b>	
At 30 April 2018 and 28 April 2019	12,986,776
<b>Amortisation and impairment</b>	
At 30 April 2018 and 28 April 2019	12,986,776
<b>Carrying amount</b>	
At 28 April 2019	-
At 29 April 2018	-

### 9 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	10	1,005,000	1,005,000

#### Movements in investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 30 April 2018 & 28 April 2019	1,005,000
<b>Carrying amount</b>	
At 28 April 2019	1,005,000
At 29 April 2018	1,005,000

# LONSDALE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 APRIL 2019

### 10 Subsidiaries

Details of the company's subsidiaries at 28 April 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Karrimor Limited	England and Wales	Dormant	Ordinary	100.00	
The Trademark Licensing Company Limited	England and Wales	Dormant	Ordinary	100.00	

The registered office of the subsidiaries is the same as the parent company, as detailed on the company information page. The Trademark Licensing Company Limited holds the rights to certain brand names which are used by the wider Sports Direct International plc group.

### 11 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	-	2,900,304
Other debtors	-	833
	<u>-</u>	<u>2,901,137</u>

During the period, the company waived £1,994,874 of amounts owed by group undertakings.

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

	2019 £	2018 £
Trade creditors	-	6,000
Amounts owed to group undertakings	-	115,719
	<u>-</u>	<u>121,719</u>

### 13 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100



## **LONSDALE SPORTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 28 APRIL 2019***

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#### **14 Ultimate controlling party**

The ultimate controlling party is M J W Ashley, by virtue of his 100% ownership of MASH Holdings Limited, the ultimate parent company. MASH Holdings Limited indirectly hold the majority of shares in Brands Holdings Limited, the immediate parent company which is a wholly owned subsidiary of Sports Direct International plc.

Sports Direct International plc is the smallest company and MASH Holdings Limited is the largest company to consolidate these financial statements. Both MASH Holdings Limited and Sports Direct International plc are companies registered in England and Wales. A copy of the respective group financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.