CONNECT GLOBALLY, INSPIRE LOCALLY, EMPOWER INDIVIDUALLY.

JD Sports Fashion Plc
Annual Report and Accounts 2023

A NEW, DISTINCT CHAPTER IN THE STORY OF JD

WE ARE A PORTFOLIO OF BRANDS WITH JD AT THE HEART. **ASSEMBLED TO SERVE AND INSPIRE UNIQUE CONSUMER GROUPS ON THEIR TERMS AND IN THEIR NEIGHBOURHOODS.**

About us

Established in 1981 with a single store in the North West of England, the JD Group is a leading global omnichannel retailer of Sports Fashion and Outdoor brands. At 28 January 2023, the Group had 3,403 stores across 38 territories, with a strong presence in the UK, Europe, North America and Asia Pacific. Included within the 3,403 stores are 13 JD stores operating under joint venture arrangements in Israel and Indonesia.

see page 55.

Our purpose

The Group's purpose is to be a leading international omnichannel retailer of Sports Fashion and Outdoor brands with core values of connecting with consumers through continual investment in our store portfolio, nurturing our global branded supplier relationships and improving our sustainability and financial performance.

see pages 24 and 119.


THE NORTH FACE

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The Group's new Chief Executive Officer, Régis Schultz, joined the Group in September 2022.

An update on the strategic approach for the Group for the next five years was presented at a Capital Markets Event on 2 February 2023.

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The Group continued its international expansion with Group fascias expanding into four new territories and the core JD fascia expanding into three new territories.

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The Group was pleased to become Nike's first European partner for its Connected Partnership loyalty programme.

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The Group is proud of our proven ability to meet and exceed our environmental targets. For further details see our Environmental section.

HIGHLIGHTS

Revenue £m

£10,125.0m

2019	4,717.8
2020	6,110.8
2021	6,167.3
2022	8,563.0
2023	**10,125.0**

Profit before tax and adjusted items* £m

£991.4m

2019	355.2
2020	438.8
2021	421.3
2022	947.2
2023	**991.4**

Profit before tax £m

£440.9m

2019	339.9
2020	348.5
2021	324.0
2022	654.7
2023	**440.9**

Net assets £m

£2,633.4m

2019	1,076.8
2020	1,289.2
2021	1,496.4
2022	2,339.6
2023	**2,633.4**

Net cash* £m

£1,469.3m

2019	125.2
2020	429.9
2021	795.4
2022	1,185.9
2023	**1,469.3**

Average number of employees

75,149

2019	48,852
2020	53,477
2021	54,385
2022	67,831
2023	**75,149**

Board gender diversity (% of female Board members)

44%

2019	17%
2020	29%
2021	29%
2022	43%
2023	**44%**

CDP grade awarded for Climate Change

-A

2019	B
2020	B
2021	-A
2022	-A
2023	**-A**

Number of geographical territories, including joint ventures

38

2019	18
2020	19
2021	20
2022	32
2023	**38**

* Throughout the Annual Report '*' indicates an instance of a term defined and explained in the Alternative Performance Measures section on page 48 along with a reconciliation to statutory measures. Further detail setting out the background to the Alternative Performance Measures is given in Note 1 to the financial statements. The definition of Adjusted Items is included in Note 4 of the Group financial statements on page 184.

OUR VISION

CONNECT GLOBALLY, INSPIRE LOCALLY, EMPOWER INDIVIDUALLY

JD Sports seeks to inspire the emerging generation of globally minded consumers through a connection to the universal culture of sport, music and fashion.

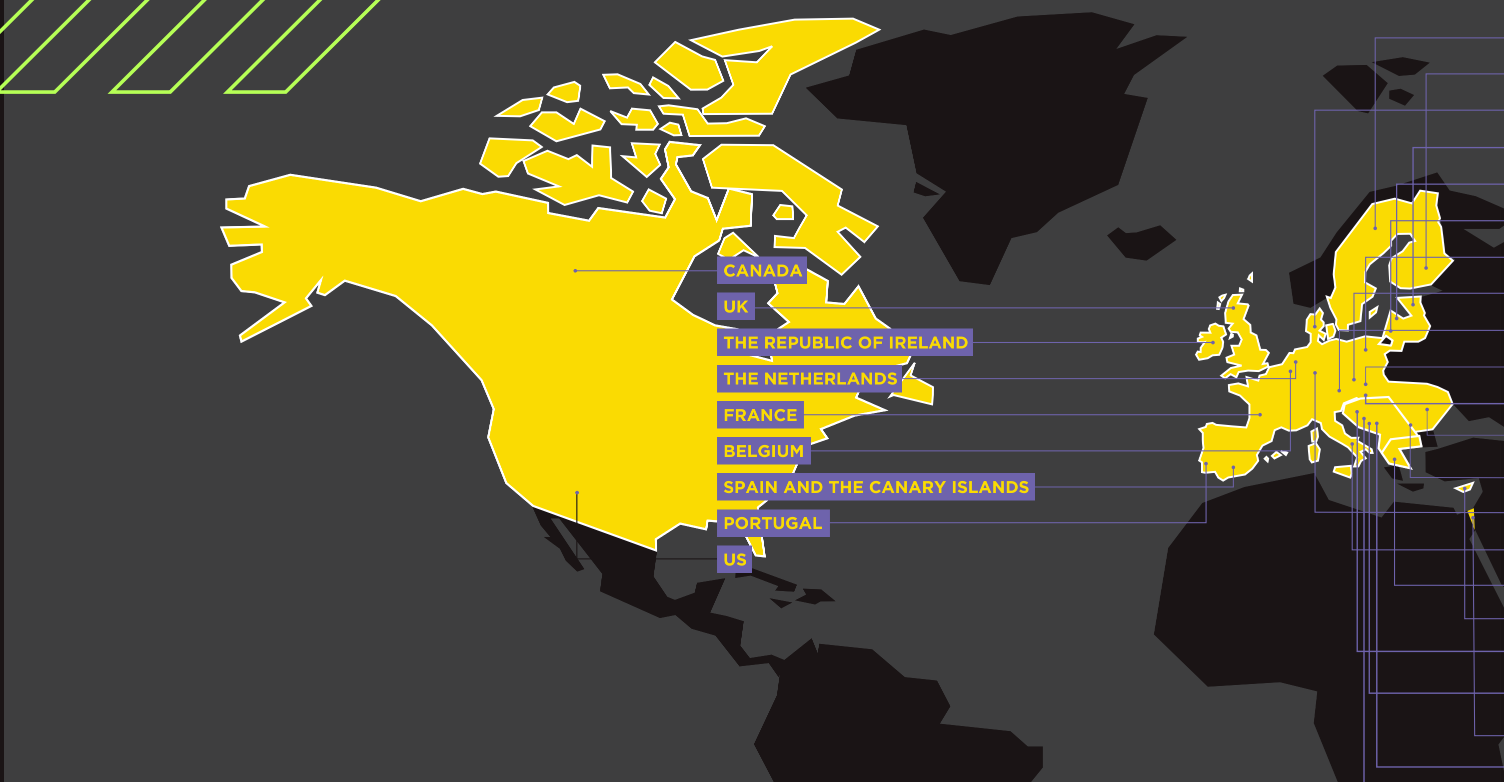
3,403

stores (2022: 3,402)

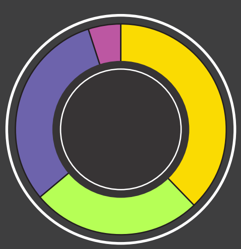
Including 13 stores operating under joint venture agreements in Indonesia and Israel (2022: None).

75,149

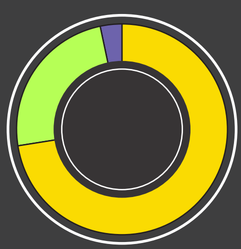
average number of employees (2022: 67,831)



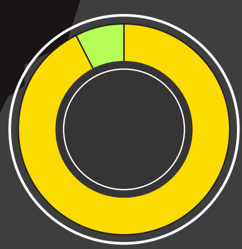
Geographical revenue %



Group revenue by channel %



Store number split %



Our Culture and Values

Entrepreneurial
The Group has a strong track record of revenue growth, profit optimisation and international expansion. We maintain ultimate flexibility in our business model which enables us to capitalise on the fast pace of consumer trends.

Team oriented
Our people are integral to our success and are the heartbeat of our business. They deliver on a daily basis to enable the Group to meet and exceed expectations. Problems are solved and opportunities seized by people working together from all levels of the organisation.

Competitive
Our brand ethos is all about innovation, creativity and competitiveness. We respect each member of our team and everyone is encouraged to put forward their ideas, regardless of how big or small, as dynamic thinking is what drives the business to be competitive.

Ethical
We believe in extending our entrepreneurial and competitive spirit beyond financial performance to making the world around us a better place. We always strive to do the right thing for our colleagues, our customers and our communities.

Committed
The Group is committed to protecting the long-term interests of its shareholders, whilst balancing and promoting the interests of its other key stakeholders, including its colleagues and suppliers.

Our Brands

Sports Fashion

JD
size?
FOOTPATROL
FINISH LINE
SHOEPALACE
DTLR
LIVESTOCK
Sprinter
SPORT ZONE
Sizeer
MIG
COSMOS SPORT
JD GYMS
GYMNATION
MAINLINE

Outdoor

Blacks
FISHING REPUBLIC
Naylors
Tiso
GO Outdoors
LeisureLakesBikes.com
WHEELBASE

From the North West of England to the West Coast of America, Australia and beyond, the Group strives to provide its customers with the latest exclusive products from the very best brands. JD has a powerful combination of international reach, a strong consumer connection and a consistently premium proposition.

The geographical reach of the Group provides opportunities for global progression within all international territories with career pathways across all levels and specialisms.

CONNECT GLOBALLY

The Group is an international sports fashion retailer which has experienced significant growth in recent years.

The Group connects both our colleagues and consumers globally with 3,403 stores across 38 territories as at 28 January 2023 and this continuing global growth in physical store space is complemented by a significant multicurrency, multilanguage website estate.

Located on South State Street, JD Chicago is the second flagship store to open in the US after Times Square, New York.

see page 59.

Our new flagship store opened on 30 September 2022 to exclusive VIPs including NBA players, NFL players and social media influencers.

The double height frontage allowed us to deliver our signature yellow illuminated portal and make clear our intention as a global authority.

INSPIRE LOCALLY

The JD brand is inspirational and aspirational to young people all over the world. That's why our colleagues know JD is not just a workplace.

At our heart we're about empowering, inspiring and connecting our colleagues, our customers and our communities.

The Group is passionate about social mobility and has taken the JD concept to schools, offering young people a direct pipeline into roles with JD, to provide training and pathways to employment through our Early Careers initiatives. This includes apprenticeships, internships, traineeships and work experience along with guidance to inspire the future generations.

For more details, see Our People section on page 93.

SPRINTER x NIKE PLAY FOR FUTURE PROGRAMME

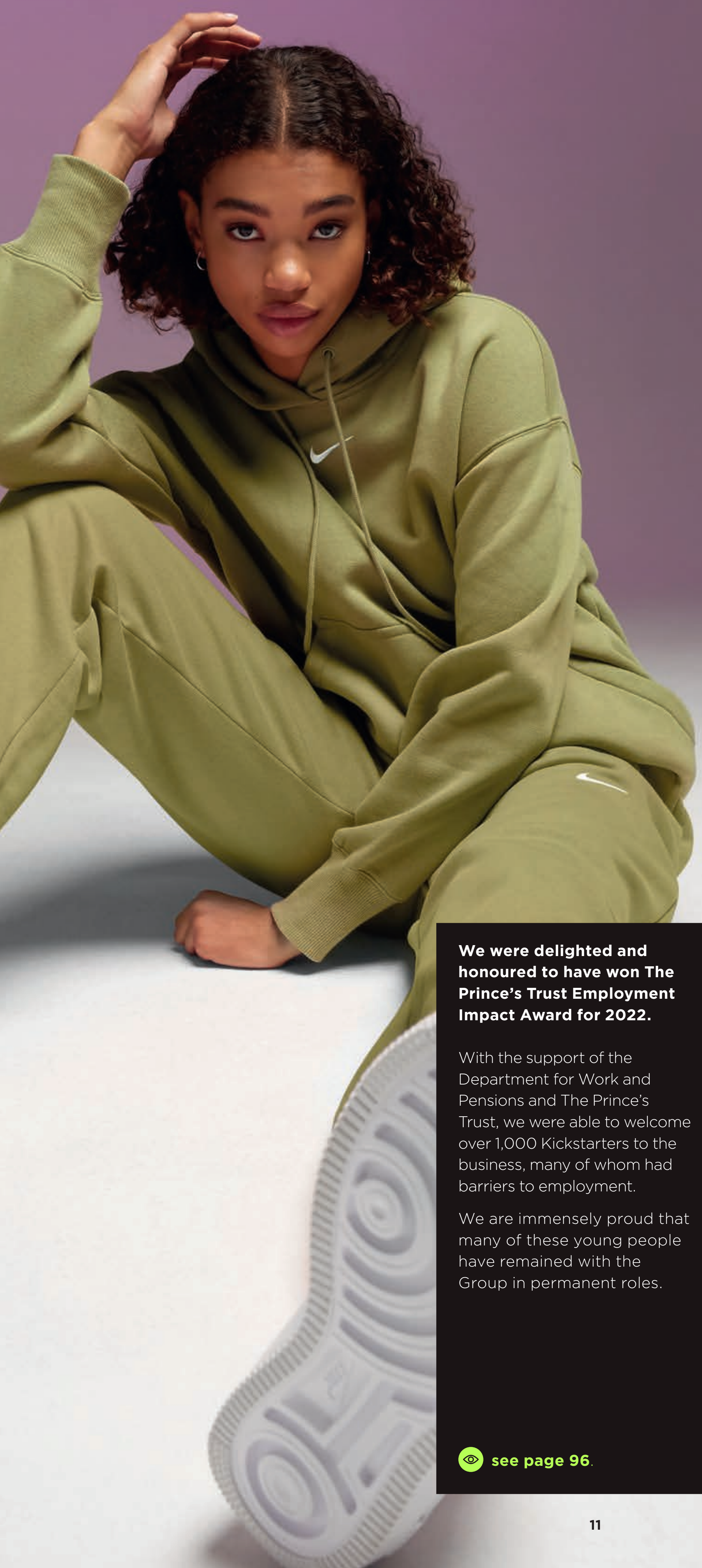
During the period, the Group's Iberian subsidiary, Sprinter, worked with Nike to boost the social integration of the most vulnerable children through the Play for Future programme.

The objective is to generate a positive impact on the social and educational integration of children through sport and the values it promotes.

EMPOWER INDIVIDUALLY

Our subsidiaries and colleagues have been involved in activities all over the world, giving back to the communities in which we operate by getting involved in events arranged in collaboration with our charity partners in each territory.

For details of how we have engaged with our communities during the period, see our Stakeholder Engagement section on page 105.



Our talented colleagues across the globe are the driving force behind our continuing success and growth at JD. That's why we value the opportunity to listen to colleagues and involve them in shaping our policies to ensure we attract and retain our diverse workforce.

For more details about how empowering our colleagues through engagement has driven real change within the business, see our Stakeholder Engagement section on page 105.

We were delighted and honoured to have won The Prince's Trust Employment Impact Award for 2022.

With the support of the Department for Work and Pensions and The Prince's Trust, we were able to welcome over 1,000 Kickstarters to the business, many of whom had barriers to employment.

We are immensely proud that many of these young people have remained with the Group in permanent roles.

see page 96.

WE HAVE ACHIEVED A GREAT DEAL BUT THERE IS **MORE TO COME**

> **JD continues to be the partner of choice for many international brands who see our premium fascias as the natural global home for their latest ranges and freshest new styles.**

Andrew Higginson

Chair

In July 2022 I had the great privilege of being appointed the Chair of the JD Group. This followed the departure of Peter Cowgill who had led the business so successfully for the previous 18 years. I found a business that had a strong leadership team, committed staff and a supportive majority shareholder in Pentland. The business was in tune with its customers, respected by its branded suppliers, was trading strongly and had a significant number of opportunities for growth ahead of it. Before going any further, it is important to thank Peter and his team for developing such a great business.

Chief Executive Officer, Régis Schultz, joined JD in September 2022. Read his key priorities and new strategic pillars designed to shape our focus across the business.

see pages 22 to 31.

The challenges that the business faced were also clear. There was a significant 'governance deficit' in a listed business of JD's size. Starting with the combination of Chair and CEO roles, the business had not raised standards of Governance to the expected norms of a FTSE 100 business. The Non-Executive Directors, whilst bringing much relevant experience, had a lack of Plc experience.

In many ways, the business, which is highly profitable and with significant net cash, was well controlled and conservatively managed. However, it relied too heavily on a few key individuals and on informal controls which were more appropriate for a smaller business. The sort of formal Board oversight and detailed scrutiny that would be normal in a business of this scale were not always present.

When I joined the business, work had already begun on reforming and improving the Governance framework. Helen Ashton, in her role as Chair of the Audit & Risk Committee, deserves our particular thanks; as does Kath Smith, Senior Independent Director, who stepped in as acting CEO for a crucial four month period after Peter's departure. We have made further strong progress on Governance this year, against the additional challenge of a mandatory rotation of auditors, although there is still plenty to do to embed a change of culture around the new controls framework.

The success of the business had afforded many opportunities to grow. However, the strategy outside of the JD Brand had become a little opaque and was in need of some clarification.

In September 2022, the arrival of our new CEO, Régis Schultz, led to a reappraisal of this strategy and a narrowing of the business focus. We have subsequently disposed of a number of Fashion businesses and are concentrating our resources on fewer initiatives. There has also been a simplification in the organisation of the business with the number of direct reports into the CEO reduced from over 30.

We are now starting the next, and distinct chapter in the growth story of JD. The business is in fine health, with a brand and proposition that is clearly loved by consumers, and with the financial resources to deliver further expansion in underpenetrated and strategically important markets.

JD continues to be the partner of choice for many international brands who see our premium fascias as the natural global home for their latest ranges and freshest new styles. The announcement in September 2022 that JD was Nike's first European retail partner for its connected partnership, designed to enhance the shopping experience of customers through access to an additional range of Nike member-exclusive products and experiences, is proof that our relationship with these brands and our access to product is stronger than ever. The ambitious growth plans that we announced in our Capital Markets Event on 2 February 2023 are underpinned by the availability of additional product from these brands.

JD's success over a number of years has come from a relentless focus on ensuring that, at all times, our fascias deliver a compelling and differentiated proposition to the consumer with an attention-grabbing theatre both in stores and online and a product and brand mix that is emotionally engaging, exclusive and continually evolving.

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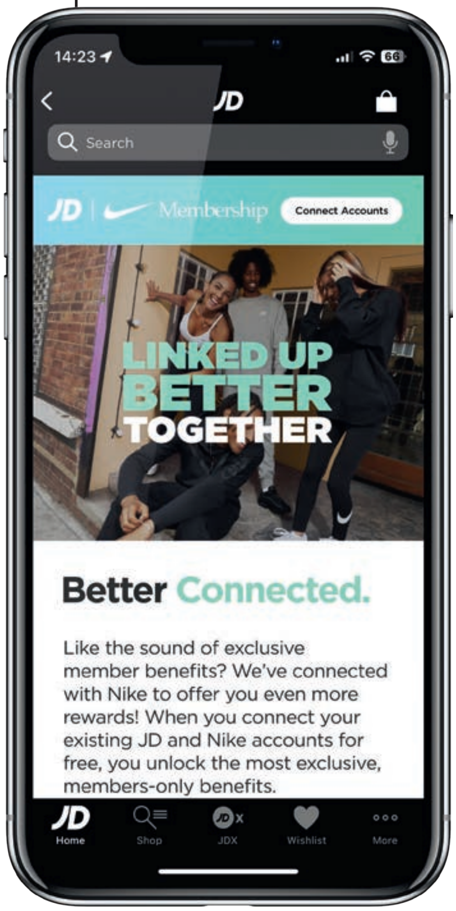
MEMBERSHIP

The announcement on 30 September 2022 that JD was Nike's first European partner for its connected partnership is proof that our relationship with these brands and our access to product is stronger than ever.



> **It is my responsibility as Chair to ensure that the Board is set up to make the governance infrastructure more professional whilst allowing the entrepreneurial flair to flourish. In doing so, JD will have the right foundations from which to progress and support our new CEO and his Executive team.**

The challenge for the Board is to deliver a step change in the governance framework and culture within the business, whilst allowing the entrepreneurial flair to flourish. In doing so, JD will have the right foundations from which to progress and support our new CEO and his Executive team.

Financial Summary

This has been another period of excellent progress for the Group with a profit before tax and adjusted items* for the 52 week period ended 28 January 2023 of £991.4 million (52 week period ended 29 January 2022: £947.2 million). This is a record result for the Group and I must pay tribute to the skills, resilience and positive attitude of the colleagues in our businesses who have not let the leadership changes distract from their focus on the consumer and our offer. The total charge for the adjusted items* was £550.5 million (2022: £292.5 million) which principally relates to a non-cash movement in the present value of future put and call options held by minority shareholders in certain subsidiary businesses, impairments of intangible assets on acquisitions in prior periods and losses incurred in divesting our non-core branded fashion businesses. Consequently, the profit before tax was £440.9 million (2022: £654.7 million).

The progress that the Group is making in its global markets is reflected by the fact that organic sales at constant exchange rates* were 12% ahead of the prior period with a significant strengthening in trade through the second half of the period, particularly in North America, as the supply of product from a number of the international brands normalised. We are pleased with the positive progress that we are making in North America and it is our intention to accelerate the rollout of JD in this important market as we believe it will deliver long term sustainable benefits.

Board Developments

Recruitment of New CEO

We were delighted to welcome Régis Schultz to the Group in September 2022 as Chief Executive Officer. We firmly believe that Régis has the right characteristics and experience to lead the Group through the next phase of its journey. In particular, we believe that his expertise of global retailing, including in Asia and the Middle East, combined with his ability to drive transformational change through an omnichannel approach to retail, perfectly complement the existing skills both in the Board and the wider Senior Leadership team.

Since joining the Group, Régis has spent time with the local teams in all of our principal markets to enhance his knowledge of the Group's global operations. The knowledge that he gained in this period was key in helping him shape his vision for the continued international development of our brands and the further enhancement of our already market-leading multichannel customer experience. His vision for a new and distinct chapter in the growth story of JD was subsequently presented to both the market and our colleagues in February 2023. See the Strategy section on pages 26 to 31 for full details.

Other Board Updates

During the period, Neil Greenhalgh informed the Board that he wished to step down from his role as Chief Financial Officer, a role he has filled since November 2018. We have identified a permanent successor for this important role with Dominic Platt who is currently the Chief Financial Officer at BGL Group Limited and has formerly held a number of senior finance roles at Darty Plc. Neil will leave the Group later in the summer and I would like to thank him for the significant part that he has played in the development of the Group over the last 19 years.

Since joining the Board, together with the Nominations Committee, I have taken the opportunity to review the mix of skills and experience on the Board. In this regard, we were pleased to announce the appointment of Ian Dyson, currently Chair of Currys Plc who joined the Board on 9 March 2023. In addition, Angela Luger, formerly CEO of N Brown Group Plc and Darren Shapland, currently Chair of Topps Tiles Plc will join the Board as of 1 June 2023. All of our new Non-Executive Directors have a strong track record across consumer facing industries and bring much needed Plc experience.

Elsewhere, Suzi Williams, who joined the Board on 16 May 2022, has taken up the role of Remuneration Committee Chair and Helen Ashton has been appointed Chair of our newly formed Disclosure Committee whilst I have been appointed as Chair of the Nominations Committee.

Finally, I am pleased that we were able to reach an amicable and constructive way forward with Peter Cowgill as he has an unparalleled knowledge, built over 18 years, which we did not want to lose. The arrangement that we have agreed includes a binding set of new and enhanced restrictive covenants for a two-year period to September 2024 and a consultancy agreement for a three-year period to September 2025.

Buy or Sell Notice re Iberian Sports Retail Group, S.L. ('ISRG')

Following the receipt of a formal buy/sell notice from Balaiko Firaja Invest, S.L. and Sonae Holdings, S.A. (together the 'Minority Parties'), who collectively hold 49.98% of Iberian Sports Retail Group, S.L. ('ISRG'), the Group is now engaged in formal discussions with the Minority Parties with regards to the future ownership structure of ISRG, including its shareholding in the JD businesses across Iberia. There are three possible outcomes from this process although it is expected to be later in the summer before there is clarity as to which outcome will be progressed by the parties:

1. The Group acquires the 49.98% holding in ISRG currently held by the Minority Parties.
2. The Minority Parties acquire the Group's 50.02% holding in ISRG and the Group simultaneously acquires the Minority Parties interest in JD across Iberia. This would result in the divestment of the Sprinter, Sport Zone, Deporvillage and Bodytone businesses in Iberia together with the Sprinter, Aktiesport and Perry Sport businesses in the Netherlands.
3. No change to existing shareholdings.

Governance and Assurance

Governance Update
As previously advised, a number of issues were identified in the prior period around the Group's compliance with both its regulatory obligations and the UK Corporate Governance Code. The Board subsequently undertook a Control, Risk and Compliance Target Operating Model review, the outcome of which was a programme of works to deliver greater formalisation in governance systems, risk management recording, the documentation and appraisal of internal controls and the mechanisms for reporting relevant matters to the regulatory authorities.

Working with external advisors, the Group continues to make good progress on this programme and the Board reaffirms its commitment to making the necessary resource available, internal and external, to deliver this programme and ensure that these changes become fully embedded in the day-to-day operations of the Group. In this regard, additional resource has already been engaged in the key areas of Assurance, Risk and Legal. The Board believes that it is on track to deliver the first phase of this programme by early 2024 although there will be continuous evolution through longer term initiatives even after the current initial project is completed.

Update on Cyber Security
On 30 January 2023, the Group announced that it had been the target of a cyber incident which resulted in the unauthorised access to a system that contained customer data relating to some online orders placed between November 2018 and October 2020. Whilst the affected data was limited, the Group took the necessary immediate steps to investigate and respond to the incident, including working with leading cyber security experts. The Group also engaged with the relevant authorities, including the UK's Information Commissioner's Office ('ICO'), as appropriate.

The ICO have now formally advised that they will not be taking any enforcement action in respect of this incident although they have highlighted several areas where they believe JD needs to demonstrate improvement. The Group is committed to addressing these recommendations at pace. At this stage, no other regulatory body has indicated that it intends to take any enforcement action although the Group is aware that not all of the relevant regulators have concluded their investigations. The Group will continue to co-operate fully with the relevant global regulatory bodies, including the ICO, on all appropriate matters.

This particular incident, whilst limited in extent and quickly contained, has highlighted the need for the Group to enhance its security control over the technology estate. In this regard, the Group has appointed Boston Consulting Group who will work with best-in-class suppliers to design key tactical and strategic solutions for an efficient and better-integrated cyber vendor ecosystem. We are confident that this multi-vendor approach is the best solution to deliver outcomes at pace whilst ensuring value for money. In addition, the Group has now appointed an interim Chief Information Security Officer ('CISO') with the recruitment of both a permanent CISO and a Chief Information Technology Officer ('CITO') ongoing.

Change of Auditor
KPMG LLP has acted as auditor to the Company since its flotation in 1996. They have been in office in a period of tremendous growth and rapid global expansion for the Group and I would like to thank all the staff in the various offices around the world who have worked on the Group's audit over the years. Subject to approval by shareholders at the forthcoming Annual General Meeting, I am pleased to report that Deloitte LLP will take over as auditor to the Group for the results to 3 February 2024. On behalf of the Board, I would like to formally welcome the team from Deloitte to the Group and I look forward to working with them.

Dividends

The Board proposes paying a final dividend of 0.67p (2022: 0.35p) bringing the total dividend payable for the 52 week period ended 28 January 2023 to 0.80p (52 week period ended 29 January 2022: 0.35p) per ordinary share. Whilst this is a significant increase on the prior period, the Board believes that it is appropriate as it returns the dividend cover*, when measured relative to the adjusted earnings per ordinary share*, to the levels paid in the period prior to the COVID-19 pandemic (2019: 0.34p – restated). Subject to shareholder approval at our AGM, the proposed final dividend will be paid on 4 August 2023 to all shareholders on the register at 7 July 2023. As we indicated in our Capital Markets Event, we continue to believe that it is in the longer term interests of all shareholders to prioritise the available funding for our ongoing development opportunities including investing in both stores and infrastructure as well as potential acquisitions.

The adjusted earnings per ordinary share* has increased by 4.3% to 13.39p (2022: 12.84p).

The basic earnings per ordinary share has decreased by 61.5% to 2.76p (2022: 7.17p).

Outlook

The Group is reassured with trading to date in the new financial period with growth in organic sales at constant exchange rates* of more than 15% after 13 weeks. This performance is further evidence that consumers worldwide are more attracted than ever to JD's differentiated proposition with its attention-grabbing in-store experience, breadth in the range of brands and availability of key styles.

Whilst we are encouraged by the resilient nature of the consumer demand in the current period to date, we remain conscious of the headwinds that prevail at this time including the general global macro-economic and geopolitical situation. Against this backdrop, assuming current exchange rates, we expect that the Group's headline profit before tax and adjusted items* for the 53 week period ending 3 February 2024 will be in line with current average consensus expectations of £1.03 billion.

Our next scheduled update will take place upon the announcement of our Interim Results. We will confirm a date for these results in due course.

Andrew Higginson
Chair

22 May 2023

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Revenue £bn

£10.1bn

(2022: £8.6 bn)

Profit before tax £m

£440.9m

(2022: £654.7m)

A NEW, DISTINCT CHAPTER IN THE STORY OF JD

Régis Schultz

Chief Executive Officer

I am very pleased to report that the Group continues to make excellent progress with the Group headline profit before tax and adjusted items* increasing by a further 5% to £991.4 million (2022: £947.2 million). To further increase the Group's profitability when the first half was impacted by the well-publicised international supply chain challenges, which resulted in the reduced availability of certain key footwear styles, gives me great confidence in both the strength of our market leading sports fashion proposition and the expertise of our colleagues.

Since joining the Group in September 2022, I have undertaken a full strategic review of the Group with the results of this presented at a Capital Markets Event on 2 February 2023. I have described this as a new and distinct chapter in the growth story of JD and, like any new chapter, there will be some changes. I concluded at an early stage that the branded fashion businesses within our Sports Fashion segment, whilst attractive, were not integral to the development of our core sports fashion proposition and so we have subsequently divested a number of businesses in this area. The costs of this exercise together with costs associated with closing our South Korea business, other impairments on prior period acquisitions and movements in the present value of put and call options resulted in adjusted items* for the 52 week period ended 28 January 2023 of £550.5 million (52 week period ended 29 January 2022: £292.5 million). Consequently, the Group profit before tax decreased to £440.9 million (2022: £654.7 million).

The JD fascia has an outstanding reputation with both consumers and our international brand partners and we are convinced that the most significant opportunities lie in the continued international development of this business. I also recognise the importance of having complementary fascias which leverage the JD concept and so, for example, we will also be investing in our seeder concepts of Size? and Footpatrol and looking to strengthen our community fascias of Shoe Palace and DTLR.

Sports Fashion

UK and Republic of Ireland

We are encouraged by another robust performance in the premium Sports Fashion retail fascias in the UK and Republic of Ireland which delivered a profit before tax and adjusted items (excluding IP charges)* of £356.2 million (2022: £386.4 million). It should be recognised that this period's result includes a full annual charge for business rates whereas, in the prior period, business rates were only fully payable from July when the UK Government withdrew its COVID-19 related rates relief support programme. This performance was underpinned by resilient consumer demand with growth in organic sales at constant exchange rates* compared to the prior period of 12% with this revenue growth accelerating through the second half of the period.

The UK and Republic of Ireland is the most mature market for the JD and Size? fascias with developments such as the new flagship store at the Metrocentre in Newcastle and a relocation at Fosse Park in Leicester, which is one of the biggest out of town retail parks in the UK, demonstrating our ongoing commitment to continue raising standards in the retail of premium sports fashion product ranges. The UK and Republic of Ireland is also the market where the JD and Size? fascias have the greatest density of stores relative to the population with 444 stores at the period end (2022: 436). We maintain our belief that the store base at its current scale contributes positively to our development as it raises brand awareness, provides consumers with an opportunity to physically see and try the product, and enables us to offer multiple delivery points.

Elsewhere, our non-core branded fashion businesses including Tessuti, Giulio and Mainline Menswear delivered a total profit before tax and adjusted items* of £19.7 million (2022: £33.9 million) which included £7.0 million (2022: £19.6 million) from the businesses which have now been divested (including Footasylum).

Europe

We are also pleased by the recovery that we have seen in our premium Sports Fashion businesses in Europe with our combined businesses delivering a profit before tax and adjusted items (excluding IP charges)* of £92.6 million (2022: £29.2 million). Clearly the stores being open for the full period has been very beneficial in driving an improved performance with growth in organic sales at constant exchange rates* compared to the prior period of 34%.

The performance of JD in Europe is also benefitting from actions that we have taken to enhance our service proposition. This includes investing in local logistics capabilities with the Group expanding its warehouse footprint in Southern Belgium and Northern France. Longer term, the Group has now taken possession of the 620,000 sqft facility in Heerlen with initial fitting out of the site ongoing. Fulfilment to stores from this facility is still expected to commence in the first half of 2024.

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We firmly believe in the long-term opportunity for JD in Europe and we remain committed to expanding our physical retail presence in all markets at pace. A net 58 new JD stores opened in the period across the continent which included the conversion of 23 stores which formerly traded as Chausport in France. Working in conjunction with the MIG team, there were 12 new stores in Eastern Europe, including the first JD stores in Hungary and Lithuania. Further, working with the Cosmos team, the Group opened its first JD store in Greece in the period with a second store in Greece and our first store in Cyprus also opened by this team in the new financial period. The JD team in Europe is also managing the joint venture in Israel with six stores opened in the period and one further store opened to date in the new financial period.

Elsewhere, our other fascias, which include our businesses focused on the Sporting Goods market, continue to adapt their businesses as appropriate for their markets with a net 10 new stores for the combined Sprinter and Sport Zone businesses in Iberia and a net nine new Cosmos stores across Greece and Cyprus. The MIG team in Eastern Europe opened their first Sizeer stores in Bosnia, Croatia, Serbia and Slovenia although these were offset by closures of both Sizeer stores and the lower price point 50 Style stores in other markets, particularly Poland. There were also a net 12 closures for the Perry Sport and Aktiesport businesses in the Netherlands. As with our premium Sports Fashion fascias, these businesses benefitted from the stores being open for the full period with the profit before tax and adjusted items* increasing to £60.8 million (2022: £51.3 million).

Recently, I was delighted to announce that we had entered into exclusive negotiations on the potential acquisition of the Courir business in Europe. Based in Paris, this business has 313 stores across six countries in Europe. Courir operates a differentiated proposition to JD with its product mix, brand strategies and store designs directed more towards female consumers. In this regard, it perfectly complements JD and is capable of being rolled out internationally alongside JD. We would anticipate that this acquisition will formally close later in the year after a mandatory consultation process with the Courir works council and an anti-trust review. In addition, we have also been successful in our bid to acquire nine stores in France which are currently trading as Gap. These stores, which will all be converted to JD, will significantly enhance our presence in key city centre locations, particularly in Paris.

North America

This was very much a year of two halves with the performance in the first half, particularly the first quarter, negatively impacted by the well-publicised international supply chain challenges which resulted in the reduced availability of certain key footwear styles. These supply chain challenges were felt most acutely in North America, particularly in the first half, as footwear represents more than 80% of total sales which is the highest proportion of any of our markets. However, we are very encouraged by the fact that trading improved rapidly through the second half as the availability recovered and so, over the full period, there was growth in organic sales at constant exchange rates* compared to the prior period of 5%. North America remains our most significant market in premium Sports Fashion in terms of revenues.

Given the trading challenges in the first half of the period, we are very pleased that profitability has largely been maintained at the prior period levels with our premium Sports Fashion businesses delivering a profit before tax and adjusted items (excluding IP charges)* of £317.1 million (2022: £322.2 million).

The roll-out of the JD fascia continues at pace with 138 stores (2022: 89 stores) trading as JD at the end of the period, which includes 10 stores (2022: two stores) in Canada. There are also two stores (2022: one store) trading as Size? in Canada. The net 41 new stores for

> **Looking ahead, it is our intention to accelerate the roll out of the JD fascia in North America with a target to deliver an additional 500 to 600 JD stores over the next five years.**

JD in the United States in the period included 24 locations where Finish Line previously traded with 15 direct conversions of the same space and a further nine stores relocated to facilitate JD opening in a site which is either more appropriately sized or is in a location which attracts higher levels of footfall. In addition, JD opened its second flagship store in the United States with a store on State Street in Chicago.

Looking ahead, it is our intention to accelerate the roll out of the JD fascia in North America with a target to deliver an additional 500 to 600 JD stores over the next five years. These new stores will come from both new stores and the conversion of the remaining standalone Finish Line stores with 392 stores trading under this banner as at 28 January 2023 (2022: 427 stores).

The Shoe Palace and DTLR businesses also continue to make progress in their markets with seven new Shoe Palace stores and a net two new DTLR stores opened in the period. These fascias continue to perform an important complementary role with their focus on consumers that are more neighbourhood based.

Elsewhere, it remains our intention to retain the Finish Line name as a concession in the Macy's department stores with a product offer which is more focused on families. As with our premium businesses, there were short term trading challenges in the first half of the period but the performance improved through the second half. Ultimately, as with our premium fascias, the profitability was largely maintained with these concessions delivering a profit before tax and adjusted items* of £44.7 million (2022: £45.4 million). Whilst the terms of our contract with Macy's permit us to close a number of concessions each year, our enhanced confidence in this part of the business is reflected by the fact that the number of concession that we operate has been maintained at 289 stores with two openings and two closures.

Asia Pacific

The Group continues to make good progress in the Asia Pacific region with our premium Sports Fashion businesses delivering a profit before tax and adjusted items (excluding IP charges)* of £61.7 million (2022: £36.6 million) with growth in organic sales at constant exchange rates* compared to the prior period of 36%.

The principal reason for the strength of this performance is a continued excellent performance in Australia where we have opened an additional seven stores in the period bringing the total at the end of the period to 47 stores (2022: 40 stores). Our management team in Australia is also responsible for our operations in New Zealand where we have made a very encouraging start with three stores now trading (2022: one store).

Elsewhere, other markets, particularly Malaysia and Thailand have seen a strong recovery with footfall progressively returning to pre COVID-19 levels after three years of trading restrictions. However, we have now decided to exit South Korea as a market with a wind-down of our operations ongoing. This was a difficult decision as we recognise that many people had invested a significant amount of time to try and make JD a success in that market. However, the onset of COVID-19 three years ago and the subsequent loss of tourism into the country had a very detrimental impact on our development and, whilst the challenges of COVID-19 continue to ease, this market was slower to recover than other countries in the region.

Elsewhere, working with our joint venture partner, PT Erajaya Swasembada Tb, there were seven stores trading in Indonesia at the end of the period with one further opening to date in the new financial period.

Gyms

Our consumer surveys tell us that, whilst our consumers love the JD stores and our retail experience, they also love the JD brand itself. The JD Gyms are the first example of how this relationship between the brand and its consumers can be extended beyond physical retail into other relevant categories with our market-leading, premium low-cost gyms proposition providing an environment and motivating atmosphere in which all participants can achieve their fitness goals.

After opening a further net five gyms in the period, the Group had 79 sites in the UK at the end of the period with 75 sites trading as JD and four sites still bannered as X4L, of which one has subsequently closed in the new financial period. We have a strong pipeline of opportunities for our gyms business and would expect to open at least a similar number of new gyms in the UK in the current financial period.

The Group also has a further eight gyms operating under the Gymnation name in the United Arab Emirates. Given the lack of JD physical retail presence in the Middle East there are no plans currently to convert these gyms to JD and the business will continue to expand in its markets using the Gymnation name.

During the period we broadened our leisure interests with the acquisition of 60% of Total Swimming Holdings Limited and its subsidiaries, which includes Swim!, the first multi-site operator of dedicated children's 'learn to swim' centres in the UK with 10 sites operating at the end of the period. Initial cash consideration of £11.1 million has been paid with additional consideration of up to £4.0 million potentially payable if certain targets and future performance criteria are achieved. As at the date of this report, contingent consideration of £2.0 million was considered potentially payable.

Throughout the Annual Report '*' indicates an instance of a term defined and explained in the Alternative Performance Measures section on page 48 along with a reconciliation to statutory measures. Further detail setting out the background to the Alternative Performance Measures is given in Note 1 to the financial statements.

Financial Performance

This has been another excellent period for our Sports Fashion businesses with these businesses delivering a profit before tax and adjusted items* of £977.4 million (2022: £928.3 million).

This result was largely driven by the enduring strength of our premium Sports Fashion fascias which delivered an aggregate profit before tax and adjusted items* of £827.6 million (2022: £774.4 million) largely as a consequence of the post pandemic recovery that we saw across our businesses in Europe.

Overall gross margin in Sports Fashion decreased slightly to 48.1% (2022: 49.5%) largely due to the return of some promotional activity in North America as the supply chain normalised together with some short term promotional activity in the Fashion fascias which have now largely been divested.

After recognising aggregate adjusted items* in the period of £510.7 million (2022: £292.5 million) relating to the loss on disposal of the fashion businesses together with costs associated with closing our South Korea business, other impairments on prior period acquisitions and movements in the present value of put and call options, the profit before tax in Sports Fashion was £466.7 million (2022: £635.8 million).

Outdoor

This has been another period of revenue growth in our Outdoor businesses with growth in organic sales at constant exchange rates* compared to the prior period of 4%. It is clear that, whilst international travel has now fully reopened, spending time outdoors remains popular with people appreciating the physical and mental health benefits that it provides. In particular, our businesses saw a strong demand throughout the period for activity-based categories such as fishing, cycling and camping. However, the exceptionally dry and warm weather in the UK through the key Summer period depressed the sale of the higher margin apparel and footwear ranges.

We continue to invest in all of our fascias with the store developments in the period including new Go Outdoors stores in Bury and Launceston and the relocation of our stores in Swindon, Gateshead and Derby. We have also extended our trial of Go Outdoors on the High Street with the conversion of an additional 13 stores which previously traded as either Blacks or Millets. In addition, we have enhanced Go Outdoors' position as an authoritative nationwide retailer in the key activity-based categories of cycling, fishing and equestrian with two new Wheelbase cycling concessions in the stores at Coventry and Stockton to complement the Fishing Republic concessions which are now in more than 50 stores and the Naylors Equestrian concessions which are now in seven stores.

Financial Performance

Whilst revenues have increased, the activity-based categories that have grown deliver lower gross margins which is reflected in overall gross margins reducing by 1.7% to 42.2% (2022: 43.9%). Consequently, the profit before tax and adjusted items* reduced to £14.0 million (2022: £25.9 million). We are confident that we are still making progress in this sector but we accept that there is still work to do on sharpening the proposition so that it has greater year round relevance and is less reliant on particular weather events.

There were adjusted items* in the period relating to impairments on prior period acquisitions which totalled £39.8 million (2022: £nil) which means that the loss before tax in Outdoor was £25.8 million (2022: profit before tax of £25.9 million).

Logistics Developments

UK and Republic of Ireland

The proportion of online orders for UK customers that are being fulfilled from the 515,000 sqft facility in Derby continues to increase with this site expected to fulfil the majority of UK online orders by the time of the peak period later in the year. Approximately £65 million has been invested at this site to date, of which £55 million was incurred this financial period, with the full cost of this initial development expected to rise to approximately £70 million by the middle of 2023.

As previously indicated, we expect to have exited the temporary e-fulfilment facility at Sherburn, Leeds, which was operated by Clipper Logistics Plc, by the end of Summer 2023.

Europe

Initial fitting out of the 620,000 sqft facility in Heerlen, South-East Netherlands, has now commenced after the site was formally handed over in March 2023. This was later than originally anticipated and so the capex incurred to the end of January 2023 was only €5 million. At this stage, we would still expect that the total cost over the life of the project to bring the site into full operational use will be approximately €95 million with the shipping of products to stores expected to commence in the first half of 2024 to be followed by the fulfilment of online orders later in that year.

In the meantime, we have expanded our base of smaller facilities in Southern Belgium and Northern France so that we can further increase the amount of product which is fulfilled locally for JD in Western Europe. Currently, more than 60% of deliveries to JD stores and 40% of online orders from JD customers in Western Europe are being fulfilled out of these facilities with the rest processed from the UK.

Elsewhere in Europe, the shipping of product to JD stores in Eastern Europe and Greece is integrated into the infrastructures of MIG and Cosmos respectively. The majority of JD online orders in these markets are also fulfilled locally.

> **I am absolutely committed to giving all of our colleagues a quality work experience which is challenging yet rewarding and I look forward to working with all of our teams in writing the next distinct chapter in the story of JD.**

North America

Our businesses continue to make progress on a number of infrastructure projects which will enhance both our collective operational effectiveness and the consumer experience. This includes a project to install automation equipment at Shoe Palace's new 512,000 sqft warehouse facility in Morgan Hill, California. We anticipate that this project will cost approximately $70 million with a planned go live in early 2025.

People

In my relatively short time with the Group I have been able to visit all of our principal locations and I have seen first-hand that we have talent, energy and commitment at every level in our businesses. I know the strength of engagement that we have with our people and it is pleasing that this has been recognised externally with JD voted as the best company for "Ability to Attract, Develop & Retain Top Talent" in the 2022 study of Britain's Most Admired Companies. In the same study, JD was also awarded the overall sector prize for "Retailers – Broadline & Home".

I have now completed a full review of our organisational structure with clear principles of responsibility and well defined spans of control to help lay the foundation for our future success. I have already begun to communicate these changes which include structuring our operations by brand with global business unit Managing Directors. In this regard, I can confirm that Michael Armstrong, formerly the Group Buying Director, has been appointed as the JD Global Managing Director. By definition, the width of the product offer in JD means that Michael will continue to oversee all key brand relationships. We are also supporting our global business units through the creation of centres of excellence which will have specific measurable KPIs that are closely aligned to our business priorities. We will recruit additional resource where it is necessary to help deliver our growth plans.

I am absolutely committed to giving all of our colleagues a quality work experience which is challenging yet rewarding and I look forward to working with all of our teams in writing the next distinct chapter in the growth story of JD.

Régis Schultz
Chief Executive Officer

22 May 2023

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Q&A

With Régis Schultz, Chief Executive Officer

Introducing the Group's Chief Executive Officer who joined JD in September 2022.

Q What attracted you to JD Sports Fashion Plc?

A JD is one of the great, unique retail success stories over the last 10 years with a strong consumer connection, an experienced team and proven results. As a well-loved brand across many markets, JD has a loyal customer base and great relationships with its strategic brand partners. Both customers and brand partners recognise JD's differentiated offer as a lifestyle brand with a curated, often exclusive, product range. What drew me to JD is this strong foundation but I also recognise there is still plenty of room to grow and develop further in the future as a major international sports fashion player.

Q How have you spent your first six months in the business?

A I spent the first few months getting to know the Group – listening and learning from colleagues within the business as well as our key suppliers. There are incredible people in the team with a deep knowledge and understanding of JD, the customer and its products.

When I joined the Group, there were over 60 operating fascias and so I focused on understanding the larger fascia, in particular the top six businesses that deliver the majority of the revenue and operating profit. Within the Group there were a number of attractive, but non-core brands and following a strategic review, we decided to simplify our branded offer by divesting 15 non-core businesses. The divestment of these businesses will allow our people to focus more fully on the opportunities across the rest of the Group, in particular the international and digital expansion of the Group's core premium Sports Fashion fascia.

I worked with our Senior Leadership team to develop the strategy for the future which I presented at our Capital Markets Day on 2 February 2023.

Q What are your key priorities?

A My key priorities are:

1. Focusing on the core of the business and putting the JD brand first, with the aim of increasing JD's store footprint globally through new stores and partnerships. We'll do this by leveraging our unrivalled understanding of the urban lifestyle consumer to develop our brand relationships and provide continued availability and exclusivity of product as our physical footprint expands. We'll also focus on building the infrastructure to sustain our strong growth ambitions.
2. Strengthening our position through complementary retail concepts that have a unique customer proposition. This includes our broader Sports Fashion offer and community brands in the US. We also need to enhance our European sporting goods offer and sharpen our UK Outdoor business.
3. Developing JD's omnichannel offer and increasing our interaction with the JD consumer beyond physical retail. Areas of focus include loyalty schemes, improving our omnichannel capabilities and continuing the support of our gyms proposition.
4. Supporting our people, partners and communities and building on the great team that we have at JD, without whom JD's success would not be possible. We'll continue to recruit from the communities we serve, offering internal development and progression and rewarding and recognising our talent. We'll also concentrate on ensuring that the Group builds the right organisational structure to support the next phase of growth. Further details about the Senior Leadership team structure are provided on page 32.

Q What is JD doing to be more sustainable?

A We are very passionate at JD about sustainability and we take our environmental impact seriously. JD has made some great progress in recent years, achieving an 'A-' grade for CDP for three years in a row. Whether funding training, or solar panel projects at our largest sites, we embrace the fact that we must continue to invest in order to reduce our climate impact.

The key for us is to continue to challenge our brand partners to be passionate about this topic too as over 90% of our carbon emissions come from the products we purchase from our third parties.

We recognise that our teams are key to making us a more sustainable business. To aid colleague environmental education and performance, we are rolling out our #IAMSUSTAINABLE course, now live in 11 countries.

Q What does the future look like for JD?

A Exciting! The business has achieved a lot but there is so much opportunity. With a relentless focus on our customer, we will develop our core fascia and businesses to achieve our goal of becoming the leading global sports fashion powerhouse.

For further detail on the Group's strategy and plans for the future, please see pages 26 to 31.

STARTING POINT

JD is the leading omnichannel retailer of sports fashion and outdoor brands, demonstrating strong retail execution across all platforms with a flexible and agile approach.

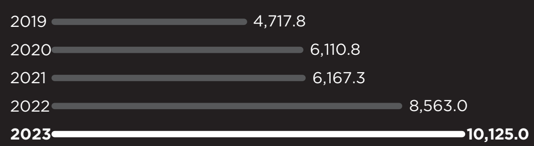
A GLOBAL PRESENCE

The Group is globally recognised with over 3,400 stores in 38 territories following its recent history of international expansion.

STABLE FINANCIAL BASE

Revenue £m

£10,125.0m



JD operates from a stable financial base with a history of strong revenue and profit growth over a sustained period. **See page 272 for our five year history.**

A WEALTH OF EXPERIENCE

At the heart of JD are highly-motivated, loyal and experienced teams who continuously set the global standard for retail experience through best-in-class operations.

PRODUCT IS KING

JD is a premier global strategic partner to the international brands, uniquely delivering a differentiated, and often exclusive, product range.

STRONG CONSUMER CONNECTION

JD has a laser focus on our core consumer with our offer being tailored towards lifestyle trends rather than sports focused.

STRONG ESG FOCUS

As a FTSE 100 company, we recognise and embrace that our scale enables us to make positive, lasting changes by extending our entrepreneurial and competitive spirit beyond financial performance to making the world around us a better place.

OUR BUSINESS MODEL & STRATEGY

OUR COMPETITIVE ADVANTAGE | OUR PURPOSE | OUR TECHNOLOGY

Our strategic pillars

01 JD BRAND FIRST

02 JD COMPLEMENTARY CONCEPTS

03 JD BEYOND PHYSICAL RETAIL

04 JD PEOPLE, PARTNERS & COMMUNITIES

Key performance drivers

- GLOBAL PRESENCE
- STABLE FINANCIAL BASE
- A WEALTH OF EXPERIENCE
- STRONG CONSUMER CONNECTION
- PRODUCT IS KING
- STRONG ESG FOCUS

Key inputs

- INTERNATIONAL BRAND PARTNERS
- PRIVATE LABELS
- SUPPLY CHAIN
- TECHNOLOGY AND IT INFRASTRUCTURE
- THIRD-PARTY LOGISTICS

Our revenue channels

- STORES
- IN-STORE DEVICES
- APPS
- ONLINE
- WHOLESALE

What it means for our stakeholders

Continued expansion driving revenue and profit growth

- JD will continue to develop as an international sports fashion powerhouse, building on its history of strong results to deliver further revenue and profit growth.

Development of long-term strategic partnerships with our suppliers

- JD will continue to nurture our supplier relationships to retain its status as a premier global strategic partner.

Responsible approach to ESG

- We are proud of our ability to meet and exceed our ESG targets, from supporting and protecting our colleagues and supply chain workers to evidencing environmental compliance.

OUR STRATEGIC PILLARS

As part of our vision to inspire the emerging generation of globally minded consumers through a connection to the universal culture of sport, music and fashion, we will measure our progress against the four strategic pillars designed to shape our focus across the business. Our overall aim is to become the leading global sports fashion powerhouse.

01 JD BRAND FIRST

Focusing on the core of the business and putting the JD brand first, with the aim of increasing JD's store footprint globally through new stores and partnerships.

see page 28.

02 JD COMPLEMENTARY CONCEPTS

Strengthen our complementary sports fashion offer and community brands in the US, enhance the Group's sporting goods offer across Europe and sharpening our Outdoor proposition.

see page 29.

03 JD BEYOND PHYSICAL RETAIL

Developing JD's omnichannel offer and increasing our interaction with the JD consumer beyond physical retail. Areas of focus include loyalty, improving our omnichannel capabilities and continuing support of our gyms proposition.

see page 30.

04 JD PEOPLE, PARTNERS & COMMUNITIES

Supporting our people, partners and communities and building on the great team that we have at JD, without whom JD's success would not be possible. We'll continue to recruit from the communities we serve, offering internal development and progression and rewarding and recognising our talent.

see page 31.

01 JD BRAND FIRST

Our Ambition

JD is a world class retail fascia where a constantly evolving sports and fashion premium brand offer is presented in a vibrant retail theatre with innovative digital technology.

The JD fascia has an outstanding reputation with both consumers and our international brand partners and we are convinced that the most significant opportunities lie in the continued international development of this business.

Progress So Far

A total of 123 JD stores have opened during the financial period, of which 56 were in Europe and 41 in the US. During the period, the JD fascia has expanded into three new territories: Greece, Lithuania and Hungary. The Group utilised its recent acquisitions of MIG and Cosmos as the platform to develop the JD fascia, with the local teams being instrumental in the opening of our first JD stores in these territories.

For further details of our investment in the international expansion of the JD fascia, see our Property and Stores review on page 54.

Following the Strategic Review, it was concluded that a number of fashion businesses held by the Group, whilst attractive, were not integral to the development of our core Sports Fashion proposition and so we have subsequently divested a number of businesses in this area during 2022/23.

Future Value Generation

Our priority is the development of JD and we intend to accelerate the store opening programme in most of our markets, including an expedited conversion of Finish Line in the US.

We will extend our footprint in under-penetrated markets through both organic growth and acquisition with franchising an opportunity in certain new markets. Whilst we will be accelerating the rollout of the JD stores, there will be no compromises to the disciplined process that we follow. All stores will still be subject to rigorous financial assessment prior to leases being committed and the fitting out of these stores will be carried out to our usual high standards.

02 JD COMPLEMENTARY CONCEPTS

Our Ambition

JD's proposition is capable of operating at scale in multiple markets. However, our ambition is to have complementary fascia which leverage the JD concept.

For example, the market in the United States is more segmented between malls and neighbourhoods than Europe and so our neighbourhood community fascia of Shoe Palace and DTLR ensure that the Group has a proposition for all consumers.

Further, our elevated Size? and Footpatrol banners are critical in providing valuable market intelligence through seeding new trends and ranges which can then be scaled through JD.

We intend to enhance the Group's sporting goods offer in Europe and sharpen our Outdoor proposition.

Progress So Far

During the financial period, there were a net seven new Shoe Palace stores and two new DTLR stores with these businesses having the support of the international brands to expand in their core markets.

Our complementary fascia in Central and Eastern Europe also expanded into four new territories: Slovenia, Croatia, Serbia and Bosnia & Herzegovina.

In our Outdoor proposition, the Group launched its new brand 'Technicals' where urban style meets outerwear essentials with a range of apparel. New to JD, Technicals' aims to offer maximum comfort, from outdoor hikes to city link ups.

Further, during the period, we worked with four new JD Outdoor brand ambassadors, Julia Bradbury, Helen Skelton, David Seaman and Sean Fletcher. This was a fantastic opportunity to engage with our customers through social media channels via relevant and recognisable figures in the Outdoor sector.

Future Value Generation

We will strengthen the offers in all of our complementary fascia and expand them where appropriate in their markets. We will focus on improving the net profit generation in these fascia.

03 JD BEYOND PHYSICAL RETAIL

Our Ambition

JD has expanded both its physical and digital channels successfully in recent years but the two channels are not as integrated as they could be. The technology investments that we are making, including loyalty, will make our proposition more omnichannel and give us a single view of the customer.

Further, we firmly believe that JD, as a brand, is trusted by consumers and this relationship can be extended into other categories to create a lifestyle ecosystem of relevant products and services.

Progress So Far

We continued with our major programme to enhance the logistics network across the UK and Western Europe, with investment in additional warehousing capacity solely dedicated to the fulfilment of online orders from the UK.

We enhanced our consumer engagement through JD's King of the Game campaign using Snapchat's landmark augmented reality technology to turn our flagship store into a giant arcade game. Further, we stepped into the Metaverse by recreating our JD Arcade within Crayta, the Facebook-owned gaming platform.

For further details about how we engaged with our customers during the period, please see our Stakeholder Engagement section on page 105.

Future Value Generation

We have already started to create a lifestyle ecosystem of relevant products and services through the rollout of JD Gyms, but we believe that this can be extended in other categories such as gaming and music, potentially through third party partnerships.

We will continue to use the universal culture of sport, music and fashion to engage with customers at events most relevant to them, connecting in different ways in order to drive our global reach.

Our partnerships strategy aims to work with the most influential names in youth culture across all social media channels and through appointed brand ambassadors.

04 JD PEOPLE, PARTNERS & COMMUNITIES

The Group has been involved in a number of activities worldwide, giving back to the communities in which we operate through events arranged in collaboration with our charity partners. We are also passionate about social mobility, championing early careers initiatives such as apprenticeships to inspire the future generations. For details of our ESG achievements in the period, please see our ESG section on page 61 and our Stakeholder Engagement section on page 105.

Our Ambition

We want to be the best partner for the brands, the best partner for the communities where we operate and provide our colleagues with the best opportunities to develop their individual careers and to support them in achieving their ambitions.

Improving ESG performance is an integral part of our Group strategy. As a FTSE 100 Company, we recognise that our scale enables us to make positive, lasting changes.

Progress So Far

JD continues to be the partner of choice for many international brands who see our premium fascia as the natural home for their latest ranges and freshest new styles. The announcement on 30 September 2022 that JD was Nike's first European retail partner for its connected partnership, designed to enhance the shopping experience of customers through access to an additional range of Nike member-exclusive products and experiences, is proof that our relationship with these brands and our access to product is stronger than ever.

Future Value Generation

We will continue to seek opportunities to work in partnership with the third-party brands on the design of bespoke product which is then exclusive to the Group's fascia.

We recognise and embrace our responsibility to make positive, lasting changes through our approach to our people strategy, climate change, sustainable sourcing and investment in the communities in which we operate. Our ESG section on pages 60 to 99 provides further details about our future ESG strategy.

SENIOR LEADERSHIP TEAM

The Group's organisational structure will help to lay the foundations for future success.

Business units

Michael Armstrong

JD Global Managing Director

Michael is a JD veteran having started his career with JD on the shop floor in Glasgow over 25 years ago. Michael progressed through the ranks of merchandising and footwear buying to become the JD Buying Director in 2012 progressing to lead the Group's consumer facing offense for the last eight years.

George Mersho

Community Brands Managing Director

George brings over 40 years of Executive-level entrepreneurial experience and is currently the CEO of Shoe Palace Corporation. Prior to its acquisition by the JD Group, George, alongside his three brothers, grew Shoe Palace from a single bricks and mortar location to over 170 stores and a digital business.

David and Angel Segarra

Sporting Goods Managing Directors

David has over 25 years of retail experience, leading the international growth of the Group's Iberian sub-group, ISRG, as Co-Managing Director of Sporting Goods alongside Angel Segarra. Angel joined the Group in 2008 and has experience in many areas of the ISRG group, such as Finance, Retail and Planning & Merchandising.

Heads of Centres of Excellence

Neil Greenhalgh

Chief Financial Officer

Neil joined the Group in June 2004 and was appointed Chief Financial Officer in November 2018 having been promoted from his previous role as Group Finance Director.

Neil previously held a number of senior positions within the Woolworths Group and qualified as a chartered accountant with KPMG in 1996.

Sherilyn Patterson

Group Operations Director

Sherilyn was previously the Group Merchandising Director, overseeing the growth and development of the JD Group in the last decade.

Sherilyn has over 30 years of experience in building teams and delivering results in the sports, fashion and outdoor sectors and is transformative and commercially driven.

Nigel Keen

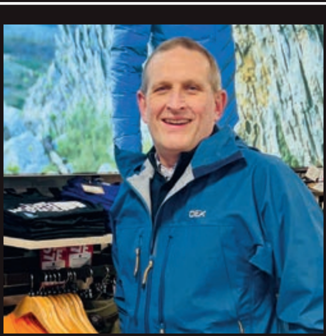
Group Property Development Director

Nigel joined the Group in 1995 to establish an internal property function. He has since built a professional team capable of meeting all property requirements across the Group's global territories.

Nicola Kowalczuk

Group People Director

Nicola joined JD over 30 years ago as a Sales Assistant in our Bury store. Nicola has grown with JD and is now responsible for the people and culture practices, driving a diverse and inclusive workplace plus the oversight and execution of the People strategy for the Group's 70,000+ colleagues worldwide.



Lee Bagnall

Outdoor Managing Director

Lee was previously Chief Operating Officer at private equity backed Go Outdoors, helping the business to grow from six stores to 50 stores before exiting the business after its sale to 3i. Lee joined JD in 2013 to run its Outdoor businesses (Blacks and Millets) with the Group acquiring Go Outdoors in 2016.

Alun Peacock

Gym Managing Director

Alun joined the Group in 2013 to found the JD Gyms concept. He is a proven and experienced operator, widely recognised as a leading figure within the fitness industry.

Alun's career spans 25 years, having developed and overseen the success of over 150 facilities for both major Plcs and numerous private ventures.

Jetan Chowk

Group Transformation Director

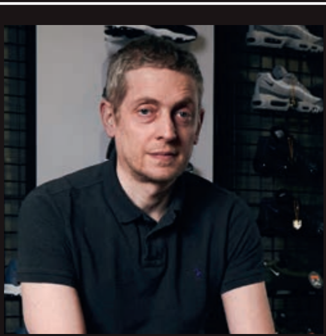
Jetan joined the Group in 2022 as Group Transformation Director. He brings a wealth of both industry and consultancy expertise in spearheading transformational change for over 15 years, most recently at Ferrero and Deloitte.

Jetan has a strong track record in shaping global strategy and unlocking optimal enterprise delivery to deliver commercial growth within the Retail and fast-moving consumer goods ('FMCG') sector.

Theresa Casey

Company Secretary and General Counsel

Theresa joined the Group in April 2023. Previously Theresa was General Counsel at the Open Banking Implementation Entity, having previously served as General Counsel and Company Secretary at N Brown Group Plc for seven years.'



Matthew Hall

Interim Group Technology Director

Matthew has been a part of JD's IT team since he joined in 1993. As the systems and technology have evolved during that time, so has Matthew's career. His experience of our fast-paced business and the technological needs which comes with that have prepared him for his current role.

Arianne Parisi

Group Digital Director

Arianne has spent seven years leading the Group's North American digital business, including the launch and scale of JD in the US.

Arianne has deep experience of driving customer-centric omnichannel strategy and is widely known for creating a culture of collaboration to deliver accelerated growth.

Lucynda Burgess

Brand Relationship Director

Lucynda joined JD in 2014 working with our global brand partners across the Group, bringing her expert industry and brand knowledge.

More recently, Lucynda has been focused on leading the expansion of JD in Asia Pacific territories.

OUR FRAMEWORK AND PROCESS

Risk Management and Internal Controls

The Board, in conjunction with the Audit & Risk Committee, has full responsibility for monitoring the effectiveness of the Group's system of risk management and the supporting system of internal controls. Executive Directors and Senior Management are tasked with managing risk on a day-to-day basis and are supported by operationalised risk management as required. Areas where governance should be enhanced to align with the requirements of a global, growth business have been identified and work is underway as described on pages 121 and 127. Additionally, the Board operates the following features of risk management and internal controls:

- A well-defined organisational structure.
- Identification and monitoring of the business risks facing the Group, including consideration of the Group's strategy; analysis of key risks to strategic goals; consideration of assurance sources and controls; and further assurance work as necessary, including investing in teams which focus on internal control, risk-based assurance and profit and asset protection.
- Detailed appraisal and authorisation procedures for capital investment, which are documented in the Matters Reserved for the Board and the Group's Contract Authorisation Policy.
- Prompt preparation of comprehensive monthly management accounts providing relevant, reliable and up-to-date information. These allow for comparison with budget and previous year's results. Significant variances from approved budgets are investigated as appropriate.
- Preparation of comprehensive annual profit and cash flow budgets allowing management to monitor business activities, major risks and the progress towards financial objectives in the short and medium term.
- Monitoring of store procedures and the reporting and investigation of suspected fraudulent activities.
- Reconciliation and checking of all cash and stock balances and investigation of any material differences.

The Board continues to review opportunities to develop, strengthen and optimise the effectiveness of these systems, particularly in light of the publication of the Group's growth ambitions, and increasing global footprint. The Group has appointed an experienced Director of Risk & Assurance and over the past 12 months, the Board has commissioned a series of activities designed to strengthen the Group's governance arrangements. This has included the ongoing development of a robust risk management process across the Group, delivered by a newly created in-house Risk function, the delivery of a comprehensive Internal Controls over Financial Reporting ('ICFR') programme and the establishment of a risk-based Assurance team.

Further, the Board sees the value in a connected and embedded process where risks and opportunities are considered when making decisions to meet strategic objectives. The initial focus of the risk management framework will be on strategic risk areas, supported by a detailed understanding, oversight and challenge of operational risks.

Assessment of Principal and Emerging Risks and Uncertainties

The Directors confirm that, during the financial period, there has been a continuous assessment of the principal risks and uncertainties facing the Group, including any emerging risks, and those that would threaten its business model, future performance, solvency or liquidity.

The principal risk areas remain broadly consistent with those reported in the prior period and as a prelude to the principal risks table, the Board has provided commentary below on the areas of change and topical risks impacting the Group.

Emerging Risks

ESG Risks

Improving the sustainability and environmental performance of the Group has been an integral facet of our business plan over recent years with efforts intensifying due to both external pressures and our increasing global footprint. The Group continues to adhere to ESG best practice by identifying and detailing climate-related and social impact risks.

The Group uses globally recognised independent benchmarks to assess our ESG performance and to help identify ESG-related risks. Robust governance, transparency and accountability principles underpin our approach across all areas of the business. Understanding and assessing ESG risks supports our efforts to mitigate and manage accordingly, benefitting both the Group, and the local environments in which we operate.

The Group recognises the Task Force on Climate-Related Financial Disclosures ('TCFD') recommendation to quantify the financial impact of strategic climate-related risks. The Group continues to discuss climate-related risks within our regular financial planning activities, primarily via the Group ESG Committee, chaired by our Chief Financial Officer.

Cost of Living Crisis

Many of the countries where the Group operates have experienced a cost of living increase throughout the period with high inflation outstripping wage increases for many consumers.

As with other retailers and distributors into retail businesses, the demand for the Group's products is influenced by a number of economic factors, notably: interest rates, the availability of consumer credit, employment levels and ultimately, disposable income. However, given our core customer demographics and the nature of our core products, these economic factors have less influence on Group results than may be anticipated.

Cyber Risk/Data Breach

In January 2023 we notified a sub-section of our customer group of an incident in relation to a data breach. Whilst the affected data was limited, customers were notified to help mitigate against any increased risk of phishing scams, and relevant data regulators were notified. Discussions with regulatory bodies are ongoing in relation to these issues. Whilst systems were accessed, JD does not hold full payment card data and account passwords were not compromised. This risk is indicative of the fact that global businesses with a significant online presence must be aware of the threats of malicious cyber actors. The best defence is to ensure data is securely stored in the first instance, and we do not hold unencrypted payment information within our network. However, we remain a target for criminals. Therefore, we have engaged with external cyber security providers to review our posture in the light of this data breach and to accelerate our capabilities to ensure we are well placed to protect against threats in the future.

Expansion Risk
The Group has announced a clear growth strategy, which includes expansion in existing territories as well as new locations. Care must be taken to ensure that this expansion does not increase the Group's risk exposure or lead to new, unmanaged risks. The expansion is being led through global teams utilising existing expertise to manage known risks. In some cases, expansion opportunities will be met through existing partnerships or franchise arrangements to draw on local expertise.

The following table outlines the Group's principal and emerging risks, the change in perceived risk exposure in 2022/23, the mitigation activities and links to our strategy. The table only includes those risks that the Group has identified as principal risks.

Key

	Increased risk exposure	No change in risk exposure	Reduced risk exposure
JD brand first	JD beyond physical retail	JD complementary concepts	People, partners and communities

SUPPLY CHAIN

The Group is dependent on continuity in its supply chain to meet the requirements of retail and online customers globally. The partnership with key brands, the supply of our own-brand products and robust management of all key links in the supply chain are a critical area of management focus. This is reflected in a strong track record of supply and high levels of customer satisfaction and continuing growth.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2022/23 before Mitigating Activities (No change)	**Link to Our Strategy** (JD brand first; JD complementary concepts)
Key Suppliers & Brands The retail fascias are heavily dependent on third-party brands and these brands themselves being desirable to the consumer if the revenue streams are to grow. The Group is also subject to the distribution policies operated by some third-party brands. Further, supply chain issues or a reduction in the allocation of stock from key suppliers could negatively impact the results of the Group.	The Group regularly engages with its key suppliers with the aim of continuing to receive the exclusive, differentiated footwear and apparel which our consumer desire. We seek opportunities to work in partnership with the third-party brands on the design of bespoke product which is then exclusive to the Group's fascias. The Group aims to add new brands to its offer and provide a stable of evolving private labels to ensure the offering remains viable.
Change in Risk Exposure 2022/23 before Mitigating Activities (No change)	**Link to Our Strategy** (JD brand first; JD complementary concepts)
Excess Inventories As with other retailers and distributors, the Group's core retail business is highly seasonal and the most important trading period in terms of sales, profitability and cash flow in its Sports Fashion fascias continues to be the Christmas season. Lower than expected performance in this period may have an adverse impact on results for the full period and may result in excess inventories that are difficult to liquidate.	The Group seeks to manage the risk of excess inventories by monitoring the stock levels and managing the peaks in demand constantly with regular sales re-forecasting.
Change in Risk Exposure 2022/23 before Mitigating Activities (No change)	**Link to Our Strategy** (JD brand first; People, partners and communities)
Business Interruption Significant amounts of stock are held in any one of the Group's warehouses. As a result there is an increased risk to store replenishment and multichannel fulfilment from both equipment and system failure, together with the inherent risk of holding large amounts of stock in any one location.	A conceptual business continuity plan is in place for our warehouse operations. Further facilities which could be used in a continuity scenario have come online in the period and provide further flexibility. A full support contract with our automation equipment providers is in place which includes a 24/7 presence from qualified engineers thereby enabling immediate attention to any equipment issues. The Group also pays for enhanced 'hypercare' support over the seasonal peak period from Black Friday in November to Christmas.

The following table outlines the Group's principal and emerging risks, the change in perceived risk exposure in 2022/23, the mitigation activities and links to our strategy. The table only includes those risks that the Group has identified as principal risks.

Key			
	Increased risk exposure	No change in risk exposure	Reduced risk exposure
JD brand first	JD beyond physical retail	JD complementary concepts	People, partners and communities

TECHNOLOGY

Operating at scale across multiple environments, fascias and geographies requires significant technology capabilities. As we drive growth and move towards more omnichannel activities we must continue to invest in technology which is fit for purpose, tailored to the Group, meets the security requirements of a large scale business and properly collects, securely holds, and utilises data.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2022/23 before Mitigating Activities (No change in risk exposure)	**Link to Our Strategy** (JD brand first; JD beyond physical retail; JD complementary concepts)
IT Systems The Group relies heavily on its IT systems and networks and those of its partners to service its customers throughout the period across all channels. Any long-term interruption in the availability of core enterprise systems would have a significant impact on the retail businesses.	The Group manages this risk by combining the best available on-premise solutions with active cloud provisioning to form a robust architecture. The principal IT services are hosted in enterprise grade data centres with high availability and reliability at the core of their design. In addition, there are robust backup and disaster recovery capabilities in place which are tested periodically throughout the period.
Change in Risk Exposure 2022/23 before Mitigating Activities (Increased risk exposure)	**Link to Our Strategy** (JD brand first; JD beyond physical retail; JD complementary concepts)
Cyber Security Cyber-crime is becoming more sophisticated with the risk increasing across all markets. Any cyber-attack or breach of data may result in the short-term loss of revenue and diverted resources, while there is also the risk of a longer-term negative impact on customer confidence and the Group's reputation. The continued growth of the Group via acquisition leads to a more complex network of IT systems. The Group recognises the importance of maintaining a robust set of cyber security policies, procedures and technical controls across all business areas.	The Group continues to invest in protecting our sites, systems and customer data from exposure to cyber-attacks. There has also been a strong focus on increasing the level of cyber security education and awareness across all Group staff. The Group has developed processes to review and manage the security risks within our IT systems in order to quickly detect and respond to any threats that occur. We will respond to all known cyber-security incidents proportionately and have invested significantly in strategic partners and technology to protect the business. Regular independent assessments of the Group's security posture are undertaken to ensure that the correct people, processes and technology are in place to mitigate against the ever-changing threat landscape.
Change in Risk Exposure 2022/23 before Mitigating Activities (No change in risk exposure)	**Link to Our Strategy** (JD brand first; JD complementary concepts; People, partners and communities)
Data Protection Compliance The Group's rapid growth and strategy places increased reliance on digital capability and customer engagement. Any processing of customer or employee data outside of the regulatory requirements of each jurisdiction in which the Group operates could result in complaints, litigation, regulator action or a loss of consumer confidence. The Group's strategy to utilise data to support growth ambitions may require significant realignment of technology, data-handling capabilities and analytics.	The Group has a Data Protection Officer who is supported by the Group's Legal, Information Security, People and Profit Protection teams to advise the business, monitor compliance and to provide training where applicable.

STRATEGIC RISK

The divestment of fashion brands in the period has significantly simplified the organisation structure and, by definition, risk profile. The ability of management to focus on key areas of risk without the distraction of multiple small fascias and their organisations provides clarity of purpose and reduces the risk of small entities carrying significant operational, regulatory or financial risk out of the direct view of the leadership team.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Acquisition Risks JD's status as a premier global strategic partner with key international brands is an important factor in the success of the Group. Acquisitions and expansion into new territories should align with the Group's overall corporate strategy and further develop these brand relationships. Acquired businesses may fail to realise expected synergies, growth targets and performance, impacting Group profitability and cash flows.	The primary focus of the growth model for the Group is through the opening of new stores in existing geographies. The existing operational centres of excellence allow the Group to do this with a reduced risk profile. In addition, the utilisation of a franchise model in non-core markets will ensure that the brand and partnerships can be utilised to drive profit whilst appropriately managing risk. We have robust Board approval procedures to ensure the thorough and detailed review of acquisition proposals. Integration plans are finalised prior to acquisitions being completed to ensure newly acquired businesses are integrated efficiently and swiftly.

TREASURY AND FINANCIAL

The Group remains in a strong financial position, and our track record of sound financial management and a robust balance sheet helps manage risk as the Group continues to grow. The Group operates a centralised treasury function which is responsible for managing liquidity, interest rate and foreign currency risks. The Group operates under a Board approved Treasury Policy.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Economic Factors As with other retailers and distributors, the demand for the Group's products is influenced by a number of economic factors, notably interest rates, inflation, the availability of consumer credit, employment levels and, ultimately, disposable income. These economic factors are impacted by events outside of the Group's control, for example the conflict in Ukraine and the ongoing cost of living crisis.	The Group seeks to manage this risk by offering a highly desirable and competitively priced product range, which is highly differentiated from that of the Group's competitors. The impact of the cost of living crisis is less significant than may be anticipated given the demographic of the Group's core customer base, who are less exposed to some of the direct cost of living impacts, for example interest rates.
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Foreign Exchange As a result of the Group's global footprint, we are increasingly exposed to foreign exchange risk and profits may be adversely affected by unforeseen fluctuations in foreign exchange rates. There is exposure in relation to Sterling/US Dollar consequent to the sourcing of private label merchandise, where suppliers are located principally in the Far East or Indian sub-continent. Strengthening of the US Dollar relative to Sterling makes product sourced in this currency more expensive, thus reducing profitability. Branded product for the JD fascia throughout Western Europe is now mainly supplied by our warehouses in Southern Belgium and France. Elsewhere, fulfilment from our larger facility in Heerlen is expected to commence in the first half of 2024.	Our European supply chain strategy has reduced the exposure in 2022/23 and will continue to reduce the Sterling/Euro exposure going forward as the European Distribution Centres increasingly source the goods in Euros and create a natural hedge. Surplus Euros are also used to fund the international store developments across Europe, thus alleviating the need for local third-party financing. The resulting Euros that will continue to flow back to the UK are converted back to Sterling with hedging now put in place for approximately 90% of the anticipated surplus for the period to 3 February 2024. This leaves some Euros available should the Group need to move quickly to take advantage of acquisitions or other investment opportunities. The Group sets a buying rate for the purchase of private label goods in US Dollars at the start of the buying season (typically six to nine months before the product actually starts to appear in the stores) and then enters into a number of local currency/US Dollar contracts, using a variety of instruments, whereby the minimum exchange rate on the purchase of Dollars is guaranteed. Hedging has now been put in place for approximately 87% of the anticipated requirement for the period to 3 February 2024.

The following table outlines the Group's principal and emerging risks, the change in perceived risk exposure in 2022/23, the mitigation activities and links to our strategy. The table only includes those risks that the Group has identified as principal risks.

Key	Increased risk exposure	No change in risk exposure	Reduced risk exposure
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GOVERNANCE

A review against the UK Corporate Governance Code in 2022 has highlighted a series of improvement activities which are overseen by a Board-led steering group. The activities represent long-term investment in strengthening governance arrangements to meet current and future needs.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Regulatory & Compliance The Group operates in a fast-paced retail environment which is subject to various legislation, codes of practice, guidance and standards including, but not limited to, the listing rules, consumer protection and trading standards legislation, advertising regulations, product safety and quality standards, carbon emission reporting, bribery and corruption requirements, market abuse regulation, FCA regulations in respect of the provision of consumer credit, competition law and health & safety legislation. The Group recognises that failure to comply with these legal frameworks may result in financial or reputational damage to the business. The Group's practices and colleague behaviours could result in breaches in regulations and fines. Further, as a result of Brexit, laws and regulations could diverge between the UK and EU leading to increased operational complexity and a greater risk of non-compliance.	The Group has invested significantly in the Legal team, including in a new Legal Compliance Function and a new General Counsel & Company Secretary. The Legal Compliance Function has specialist compliance expertise (including competition law, data protection and financial services) which advises the business on legal compliance matters and aims to ensure compliance with all applicable legal and regulatory frameworks, with the support of external advisors as required. Training programmes are provided, targeted to relevant colleagues, to ensure awareness of rules and regulation and to allow informed decision making. A wide-reaching, Board-led governance reform programme is also underway and has delivered significant improvements in this period and will continue through to the following period. This programme is overseen by the Governance Transformation Steering Group, chaired by the Audit & Risk Committee Chair, with Executive members and independent programme management. There is an Employee Handbook which outlines the standards expected of employees and the Group has an anti-corruption and bribery policy that is available to all staff. The Group Profit Protection team monitors and investigates any convictions and issues. The Group expects all suppliers to comply with its Conditions of Supply which clearly sets out its expectations of its suppliers and includes an Ethical Code of Practice which all suppliers must adhere to.

GOVERNANCE continued

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Competition Laws and Regulations Competition regulators in the territories in which the Group operates have wide-ranging remits covering areas such as mergers and acquisitions, unfair trading practices and anti-competitive behaviour. As the Group continues to grow and as the Group's activities continue to expand, these competition regulators (including the Competition and Markets Authority in the UK, the European Commission in the EU and the Federal Trade Commission and Department of Justice in the US) will have increased involvement in considering the Group's activities and proposed mergers and acquisitions. Failure to comply with competition laws can result in public criticism, significant financial penalties, reputational damage and remediation costs.	The Group invests heavily in external specialist competition law advice from well-respected competition law advisors and has also recently recruited an in-house competition law expert. The Group continues to invest in additional policies, procedures, and training programmes to ensure that colleagues in the business are aware of the rules in this area and can make appropriate decisions on a day-to-day basis.
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Tax Risk Tax risk arises due to the global scale of the Group's operations and the governing tax legislation that is applicable in each associated jurisdiction.	The Group is committed to paying the right amount of tax, in the right place, at the right time. It recognises the importance of respecting the spirit and letter of the law including allocating value by reference to where it is created, managing it within the normal course of commercial activity and paying the associated tax. When structuring commercial activities, consideration is given, along with other factors, to the prevailing tax laws in the relevant jurisdiction. Any tax planning undertaken has commercial and economic substance and will utilise available tax incentives, reliefs and exemptions in line with, and in the spirit of, the governing tax legislation. The Group adopts a low risk approach to tax planning and does not engage in artificial tax arrangements. Intra-group transactions are conducted on an arm's length basis and comply with the obligations of the transfer pricing rules in the jurisdictions in which it operates and under global transfer pricing principles. The Group does not use tax havens to manage taxes and has a zero tolerance approach to tax evasion. In the event that an entity in a tax haven is acquired as part of a wider acquisition, this structure will be unwound at the first available opportunity. The Group Tax Team identify, evaluate, manage and monitor tax risks on a regular basis. Where there is uncertainty or complexity in relation to how the tax legislation is to be applied, advice will be sought from external advisors and discussed with the relevant tax authority. The Group is committed to working in an open, collaborative and transparent way with all tax authorities in the countries in which it operates in order to minimise the risk of challenge and dispute. The Group Head of Tax is responsible for adopting tax management strategies to ensure that the financial, regulatory and reputational risks within the business are identified and evaluated. Global Tax Risk Registers are used to document the Group's tax risks before and after internal controls. These Registers calculate a risk rating based on the likelihood of occurrence (probability) and potential impact if realised.

The following table outlines the Group's principal and emerging risks, the change in perceived risk exposure in 2022/23, the mitigation activities and links to our strategy. The table only includes those risks that the Group has identified as principal risks.

Key			
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ENVIRONMENTAL AND SOCIAL

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2022/23 before Mitigating Activities (Increased risk exposure)	**Link to Our Strategy** (People, partners and communities)
Climate Strategy and Disclosures Failure to achieve climate-related targets, meet reporting requirements and 'green-washing' in our supply chain and marketing processes could result in public criticism and fines. There is increasing focus on environmental issues and actions by activist groups.	The Group has fully adopted the TCFD framework to disclose transitional risks, physical risks and opportunities under review. See our TCFD statement on pages 64 to 71 for full details of climate change risk, opportunities and mitigating actions. The Group's ESG Committee is responsible for determining ESG-related strategy, corporate risk assessment and monitoring ESG performance across the Group. The Group uses global, independent disclosure frameworks such as the CDP (formerly the Carbon Disclosure Project) to benchmark its performance, in addition to monitoring feedback from ESG ratings bodies such as MSCI and Sustainalytics.
Change in Risk Exposure 2022/23 before Mitigating Activities (No change in risk exposure)	**Link to Our Strategy** (People, partners and communities)
Human Rights & Labour Standards Failure to uphold the rights of people working in our distribution centres and warehouses, including those in the supply chain of our private labels could result in criticism by the media and other bodies. Adverse reports may influence consumer decision making.	The Group's Supply Chain Ethics team has an ongoing programme to audit our private label supply chain (including agents, factories, mills, dye houses and print houses). Suppliers within our private label supply chain are required to adhere to the Group's Ethical Code of Practice which provides assurance that workers producing our products are safe and in fair conditions. The Group uses third-party accredited auditors to audit the factories it uses for its private labels. Existing, and potential new factories are assessed prior to being included within our private label sourcing strategy. The Group's major brand suppliers are globally recognised entities required to publish their respective Supply Chain Code of Conducts and factory lists. The Group's ESG team engages with our largest brands (such as Nike, adidas and Puma) on a regular basis to review progress across multiple topics.
Change in Risk Exposure 2022/23 before Mitigating Activities (No change in risk exposure)	**Link to Our Strategy** (People, partners and communities)
Reliance on Non-UK Manufacturers The majority of both third-party branded product and the Group's private label product is sourced outside of the UK and Europe. The Group is therefore exposed to the risks of human rights violations from having parts of its supply chain operating in regions with inadequate labour laws and working practices. The Group acknowledges that non UK and European supply chains are at a greater risk of exposure to physical, transitional and financial risks related to climate change.	Compliance in our private label supply chain is monitored by the Group's Head of Sustainability and Ethics. The Group has established a cross-functional approach to compliance, ensuring that sourcing and design teams work collaboratively to ensure compliance is built into the design process. For our largest third-party brand partners, the Group holds scheduled engagement sessions to discuss disclosures and supply chain management. These include supply chain risk, and material ESG matters including, but not limited, to modern slavery, codes of practice, ethics, climate change targets and biodiversity. Full details of climate change risk, opportunities and mitigating actions are provided via our TCFD statement on pages 64 to 71. Risk monitoring and mitigation is undertaken via monthly Group Board ESG updates, and by scheduled engagement between the Group Board and the ESG Committee, via the Chief Financial Officer. See page 63 for a summary of ESG Committee risk assessment, issue resolution and Board engagement review.

PERSONNEL

Our people are integral to the success of the Group. Attracting the right people to complement our existing talent pool and ensuring all colleagues have the opportunity to thrive is essential to unlock the aspirations contained in our Group strategy.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Key Management Personnel The success of the Group is dependent upon the continued service of its key management personnel and upon its ability to attract, motivate and retain suitably qualified employees.	To help achieve this continued service, the Group has competitive reward packages for all staff. More specifically for the retail businesses, the Group also has a long established and substantial training function which seeks to develop training for all levels of retail employees and thereby increase morale and improve staff retention. This ensures that knowledge of the Group's differentiated product offering is not lost, thereby enhancing customer service. The Nominations Committee has been actively engaged in the recruitment of a Group Chief Financial Officer with the Group recently announcing the appointment of Dominic Platt. This process was conducted with the assistance of a market leading executive search company. For further details please refer to the Nominations Committee Report on page 124.
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Talent To maintain the high performance of the Group, and to fulfil the growth ambitions contained in our strategy, the Group must ensure it has access to the right talent, in the right locations. Expansion, changing business models and new areas of focus require strong talent pools and pipelines. Failure to develop and source this talent may limit the Group's ability to deliver our strategic aims. As the Group continues to grow globally, we recognise the need for our colleagues to travel, with collaborative working crucial to our continued success.	To support the growth of the Group, we remain committed to the development of our colleagues globally across all business areas. Following the successful development programmes within Retail, the Group has further expanded learning and development courses specifically aimed at our Head Office and Supply Chain functions for all levels, right from Early Careers to our JD Exclusive Senior Leadership programme. We have a dedicated Global Mobility team responsible for the movement of colleagues globally, managing our UK skilled worker sponsorship and supporting travel across the world.
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Diversity, Equity & Inclusion ('DEI') The Group's DEI strategy is at the heart of our colleague journey, which is increasingly seen as an essential component of the workplace, and as such, the lack of a truly inclusive environment is likely to have a detrimental impact on retention and overall colleague engagement.	We have taken steps to improve a candidate's pre-employment experience, which includes the introduction of our new Greenhouse applicant tracking system to ensure opportunities are available for all. Throughout a colleague's journey, DEI is embedded into learning and development opportunities and is further supported by our DEI Champions and Allyship initiative. We feel it is important to listen to our colleagues and regularly review feedback as to how we can continue to offer support and opportunities to all.
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Wellbeing As the global cost of living crisis continues, we acknowledge that this may cause additional pressures to our colleagues and impact personal and professional wellbeing.	The Group recognises the impact ongoing economic pressures may have on our colleagues and we continue to invest in a number of support initiatives, These include our Wellbeing Network initiative, partnering with Able Futures, Salary Finance and the Resilience Project. Additionally, our management and Senior Leadership teams are trained to identify and support our colleagues in times of need. Financial wellbeing has been established as one of our 'four pillars' of wellbeing (along with social, physical and mental wellbeing).
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Compliance with Employment Regulations As our strategy drives continuing overseas growth, our policies and procedures must continually evolve in light of legislative changes and an increasing global footprint. Failure to do so may affect our reputation as an employer of choice and result in penalties or legal action.	The Group continuously review employment legislation changes and ensure our policies, practices, procedures and terms and conditions of employment are compliant and have robust audit controls in place. Through investment in our People teams we continue to develop and upskill our leadership teams to ensure best practice is applied in a fair and consistent manner.

The following table outlines the Group's principal and emerging risks, the change in perceived risk exposure in 2022/23, the mitigation activities and links to our strategy. The table only includes those risks that the Group has identified as principal risks.

Key			
	Increased risk exposure	No change in risk exposure	Reduced risk exposure
JD brand first	JD beyond physical retail	JD complementary concepts	People, partners and communities

RETAIL PROPERTY FACTORS

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2022/23 before Mitigating Activities	**Link to Our Strategy**
Retail Property The Group can be financially exposed where it has committed itself to a long lease in a location which, as a result of external factors, now has high vacancy rates. Higher vacancy rates make a location less attractive to the customer resulting in further reductions in footfall and potentially lower sales volumes in the future. Additionally, there could be a further shift of revenue from bricks and mortar stores to e-commerce as consumer preferences continue to change over time.	New property lease agreements are actively managed by Senior Management, with caps on the length of leases, break options, capped rent reviews and rents based on store revenue. The average lease length for the Group is under three years, and break clauses provide flexibility to vacate underperforming stores, so rarely are subletting or assignment arrangements required. When the Group determines that the current store performance is unsatisfactory then an assessment is made as to whether the Group wants to continue trading in that location and engages accordingly with the landlord. If it is considered that the best solution is to exit the store completely then the landlord is approached with a view to a complete surrender of the lease. If this is not possible then the Group would alternatively seek to assign the lease or sub-let to another retailer. Assigning the lease or finding a sub-tenant is not without risk because if the incoming retailer fails then the liability to pay the rent usually reverts to the head lessee. The Group monitors the financial condition of the assignees closely for evidence that the possibility of a store returning is more than remote. The Board reviews the list of assigned leases regularly to assess the probable risk of the store returning to the Group under privity of contract. The Group continues to invest in store refurbishment, visual merchandising, retail theatre, customer service and digital integration to enhance the consumers' in-store retail experience.

Assessment of the Group's Prospects

The Board regularly reviews the current financial position and performance and assesses the future prospects of the Group. As part of this assessment, the Board reviews the Group's income and expenditure projections, cash flows and other key financial ratios along with the potential impact of, and challenges presented by, the principal risks outlined on pages 34 to 43. The Group's strategy along with the factors likely to affect the development, performance and position of the businesses are detailed throughout the Strategic Report on pages 22 to 111.

Viability Reporting

In accordance with the requirements of the UK Corporate Governance Code, the Board has assessed the viability of the Group for a period of three years to 31 January 2026. A period of three years has been selected as the Board considered this to be an appropriate period to assess performance and the potential impact of key risks in a fast-paced retail environment. The three year period also strikes a balance between the time horizons across the different aspects of the Group, such as short-term detailed financial budgets and forecasts, medium-term financing considerations and retail space planning.

Whilst all of the risks identified in our Principal Risks section could have an impact on the Group's performance, the specific risks that have been focused on for the purposes of Viability Reporting are those that pose the greatest risk to the Group's financial position, being a potential reduction in sales volumes due to:

1. A material and unexpected reduction in demand due to future events such as a pandemic or economic downturn; or
2. Supply chain issues, a reduction in the allocation of stock or business interruption impacting the availability of stock from one of our key Sports Fashion suppliers.

The Board has evaluated the impact of these risks actually occurring based on severe but plausible downside scenarios, which resulted in a reduction in sales across the impacted Sports Fashion retail fascias by up to 15% in 2024/25 and up to 30% in 2025/26 and assumed any mitigating actions within the Group's control (such as reductions in operating and capital expenditure) were not taken. The evaluation included performing sensitivity analysis by flexing the reduction in sales further.

For the purposes of Viability Reporting, the Directors have prepared severe but plausible downside scenarios which cover the three year period, including specific consideration of a range of impacts that could arise from geopolitical tensions and the actual and potential impact on supply chains, inflationary cost pressures and business interruption impacting the availability of stock from the Group's key Sports Fashion suppliers. As part of this analysis, mitigating actions within the Group's control, should these severe but plausible scenarios occur, have also been considered but not modelled as there was sufficient headroom without their inclusion.

Viability Statement

All of the forecast scenarios indicate that there remains sufficient headroom for the Group to operate within the committed facilities and to comply with all relevant banking covenants during the forecast period. The Board therefore has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period of the assessment.

Going Concern

The Directors have prepared the Group and the Company financial statements on a going concern basis for the following reasons:

At 28 January 2023, the Group had net cash balances of £1,469.3 million (29 January 2022: £1,185.9 million) with available committed UK borrowing facilities of £700 million (29 January 2022: £700 million) of which £nil (29 January 2022: £nil) has been drawn down and US facilities of approximately $300 million of which $nil was drawn down (29 January 2022: $nil).

These facilities are subject to certain covenants. With a UK facility of £700 million available up to 6 November 2026 and a US facility of approximately $300 million available up until 24 September 2026, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Group had net cash balances of £1,127.2 million and £nil drawn down on the facilities as at 5 May 2023.

The Directors have prepared cash flow forecasts for the Group covering a period of at least 12 months from the date of approval of the Group and Company financial statements, including specific consideration of a range of impacts that could arise from geopolitical tensions and the actual and potential impact on inflationary cost pressures. These forecasts indicate that the Group and Company will be able to operate within the level of its agreed facilities and covenant compliance. A reverse stress test has also been performed on these forecasts, which demonstrates that a reduction in revenue of 50% is required for the Group to run out of cash and be fully drawn down on the available facilities/to breach a covenant. This is not considered to be plausible.

For the purposes of Going Concern Reporting, the Directors have prepared severe but plausible downside scenarios which cover the same period as the base case, including specific consideration of a range of impacts that could arise from a significant business continuity event adversely impacting one of the Group's main Distribution Centres and peak trading. Further, the Directors have modelled the impact of a significant cyber attack resulting in a significant proportion of the Group's stores being unable to trade for a period of one month, impacting the peak trading period of December 2023.

As part of this analysis, mitigating actions within the Group's control, should these severe but plausible scenarios occur, have also been considered, including reductions in capital expenditure, discretionary spend and dividends. The Directors have also considered the impact on the base case of the post balance sheet event buy/sell notice re Iberian Sports Retail Group S.L. as disclosed in Note 35.

The forecast cash flows in the severe but plausible downside scenario indicate that there remains sufficient headroom for the Group to operate within the committed facilities and to comply with all relevant banking covenants during the forecast period.

The Directors have considered all of the factors noted above and are confident that the Group and the Company has adequate resources to continue to meet all liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Neil Greenhalgh
Chief Financial Officer

22 May 2023

A RECORD RESULT FOR THE GROUP

Neil Greenhalgh

Chief Financial Officer

Revenue £bn

£10.1bn

(2022: £8.6bn)

Total gross margin %

47.8%

(2022: 49.1%)

Profit before tax and adjusted items* £m

£991.4m

(2022: £947.2m)

> **This is a record result for the Group with a particularly strong performance through the second half of the period as the supply of key footwear styles normalised.**

Financial Performance

Revenue and Gross Margin

This period was the first time since 2019 that all of our businesses have traded free from COVID-19 related restrictions. This was a positive to revenues in many countries, particularly in Europe, although revenues in the United States were depressed in the first half as a result of reduced availability of certain key footwear styles.

Ultimately, total revenue for the Group for the period increased to £10,125.0 million (2022: £8,563.0 million) with growth in organic sales at constant exchange rates* compared to the prior period of 12%.

Total gross margin for the period has reduced slightly to 47.8% (2022: 49.1%) with the return to normalised stock levels in North America through the second half of the period leading to the return of some promotional activity consistent with expectations. Encouragingly, gross margins are ahead of the levels prior to the pandemic (2020: 47.0%) which is a fair reflection of the underlying progress that the Group has made on managing the overall levels of markdown and promotional activity across our global businesses.

Profit Before Tax

Profit before tax and adjusted items* was 5% higher than the prior period at £991.4 million (2022: £947.2 million). This is a record result for the Group with a particularly strong performance through the second half of the period as the supply of key footwear styles normalised. This represents 9.8% of revenues (2022: 11.1%) which, whilst lower than last year, is more representative of what the Group would expect to deliver in a normalised trading environment free from government fiscal support and other interventions. It is also consistent with the targets that we set out in our recent Capital Markets Event.

As a result of the increase in the adjusted items* to £550.5 million (2022: £292.5 million), the Group profit before tax decreased to £440.9 million (2022: £654.7 million).

We are particularly encouraged with the performance of our premium Sports Fashion fascias in North America where, notwithstanding the trading challenges in the first half of the period, the profitability has largely been maintained at the prior period levels with these businesses delivering a profit before tax and adjusted items (excluding IP charges)* of £317.1 million (2022: £322.2 million). After recognising intergroup recharges for the use of the JD intellectual property of £23.7 million (2022: £24.6 million) and adjusted items* of £303.9 million (2022: £239.7 million), which principally relates to a non-cash movement in the present value of future put and call options held with the minority shareholders of Genesis Topco Inc which is the intermediate holding company for our businesses in the United States, the loss before tax in the premium Sports Fashion fascias in North America was £10.5 million (2022: profit before tax of £57.9 million).

We are also particularly encouraged by the post-pandemic recovery of our premium Sports Fashion fascias in Europe which delivered a profit before tax and adjusted items (excluding IP charges)* of £92.6 million (2022: £29.2 million). After recognising intergroup recharges for the use of the JD intellectual property of £51.6 million (2022: £20.6 million) and a credit for adjusted items* of £0.3 million (2022: credit of £1.1 million), the profit before tax in the premium Sports Fashion fascias in Europe was £41.3 million (2022: £9.7 million).

Total operating costs in the period before adjusted items* were £3,812.9 million which represented 37.7% of revenue (2022: £3,221.5 million being 37.6% of revenue) with the increase in costs reflecting the end of the support programmes that various governments put in place to support corporates through the COVID-19 pandemic.

Throughout the Annual Report '*' indicates an instance of a term defined and explained in the Alternative Performance Measures section on page 48 along with a reconciliation to statutory measures. Further detail setting out the background to the Alternative Performance Measures is given in Note 1 to the financial statements.

Chief Financial Officer's Statement continued

There were adjusted items* in the period of £550.5 million (2022: £292.5 million) relating to the loss incurred on the divestment of our non-core UK fashion businesses, costs associated with closing our South Korea business, movements in the present value of put and call options and other impairments on prior period acquisitions:

	2023 £m	2022 £m
Impairments of intangible assets and investments(1)	**137.2**	–
Items that are unusual in nature or outside of the normal course of business:		
Movement in present value of put and call options(2)	**296.2**	292.7
Insurance settlement for DTLR(3)	**–**	(16.6)
Items as a result of acquisitions, divestments, major business changes or restructuring:		
Divestment and restructuring(4)	**129.6**	16.4
Deferred consideration release(5)	**(12.5)**	–
Total adjusted items*	**550.5**	292.5

1. The impairment in the current period primarily relates to the impairment of goodwill and fascia name arising on the acquisition of Deporvillage (£24.7 million), Hairburst (£21.6 million), Leisure Lakes (£21.1 million), Wheelbase (£18.7 million), Bodytone (£12.4 million), Missy Empire (£10.2 million), Livestock (£7.1 million), Wellgosh (£1.0 million), Oi Polloi (£0.7 million) and Philip Browne (£0.1 million). In addition, there is an impairment charge for the investment in Gym King of £19.6 million.
2. Movement in the present value of the liabilities in respect of put and call options which are remeasured at each reporting date (£295.0 million), comprising Genesis Topco Inc charge of £280.8 million (2022: charge of £258.7 million), Iberian Sports Retail Group charge of £19.6 million (2022: charge of £31.6 million), Marketing Investment Group S.A: a charge of £0.5 million (2022: charge of £1.7 million) and a credit of £5.9 million (2022: charge of £0.7 million) in relation to the other put and call options held by non-controlling interests. Also included is a charge of £1.2 million relating to an element of put and call option agreements that have been treated as a long term employee benefit under IAS 19.
3. Insurance settlement proceeds in the prior period related to a pre-acquisition claim for business interruption by DTLR Villa LLC. As the claim was a contingent asset at the date of acquisition, this was not recognised in the assets acquired in the fair value table in Note 11.
4. The divestment and restructuring charge relates to the divestment of UK-based non-core fashion business assets (£106.7 million) and Footasylum (£14.8 million) plus the closure costs associated with JD's announced withdrawal from the South Korean market in the current period (£8.1 million) being business restructuring costs of £2.1 million and a charge of £6.0 million in relation to the impairment of non-current assets. The charge in the prior period reflected the restructuring of Spodis SA including a charge of £5.5 million in relation to the impairment of tangible assets and business restructuring costs of £10.9 million.
5. Acquisition related release of deferred consideration for Leisure Lakes (£10.5 million) and Total Swimming Holdings Limited (£2.0 million).

Cash and Working Capital

The strong performance in the period is reflected in the cash generation with the net cash balance at the end of the period increasing to £1,469.3 million (2022: £1,185.9 million).

Our capacity to generate cash in our retail operations remains as strong as ever. However, the net cash in the period has been impacted by a general restocking of our businesses in North America, as the supply from the international brands normalised after the first quarter, and increased investment in capital expenditure as we expand our geographical footprint further, to enhance the consumer proposition and upgrade our operational infrastructure.

Inventories, net of provisions, across the Group at the end of the period were £1,466.4 million (2022: £989.4 million). Within this, inventories, net of provisions, in our businesses in North America increased to $581.7 million (2022: $262.9 million) as the flow of product reverted to normal levels. Forward cover in the core JD business in the UK/Europe at the end of the period was 10 weeks which was broadly consistent with the prior period (2022: nine weeks) with a continual focus on robust stock management disciplines.

Gross capital expenditure* (excluding disposal costs) increased to £359.3 million (2022: £247.9 million) with the primary focus of our capital expenditure continuing to be our physical retail fascias* where spend in the period was £213.4 million (2022: £124.0 million). The increased investment that the Group is making in its logistics infrastructure is reflected in the fact that spend on capital expenditure on logistics* increased to £80.8 million (2022: £33.5 million). Consistent with the messaging in our recent Capital Markets Event, our growth plans over the next five years will be powered by an increase in the spend on capital expenditure with an annual spend of up to £600 million per annum with 50% to 60% of this investment dedicated to growing our store base in underpenetrated markets.

Throughout the Annual Report '*' indicates an instance of a term defined and explained in the Alternative Performance Measures section on page 48 along with a reconciliation to statutory measures. Further detail setting out the background to the Alternative Performance Measures is given in Note 1 to the financial statements.

Earnings per Ordinary Share

The basic earnings per ordinary share decreased to 2.76p (2022: 7.17p) consistent with the reduction in the Group profit before tax.

The adjusted* earnings per ordinary share increased to 13.39p (2022: 12.84p).

Foreign Exchange

The Group has two principal foreign exchange exposures:

1. The sourcing of private label merchandise from either the Far East or Indian subcontinent which usually has to be paid for in US Dollars. A buying rate is set at the start of the buying season (typically six to nine months before product is delivered to stores). At this point, the Group aims to protect the anticipated US Dollar requirement at rates at, or above, the buying rate through appropriate foreign exchange instruments. The Group's forecast requirement for US Dollars in the period to January 2024 is now $350 million. Cover is in place for $303.3 million meaning that the Group is currently exposed on exchange rate movements for $46.7 million of the current year's estimated requirement.
2. The Group is also exposed to the movement in the rate of the Euro from the sale of its UK sourced stocks to its subsidiaries in Europe. Our European supply chain strategy has reduced the exposure and will continue to reduce the Sterling/Euro exposure going forward as the European Distribution Centres increasingly source the goods in Euros and create a natural hedge. Surplus Euros are also used to fund the international store developments across Europe thus alleviating the need for local third-party financing. The anticipated surplus over and above the planned investment levels in the period to January 2024, pre any potential acquisition activity to be funded in Euros, is €400 million. Hedging contracts are in place to sell €360.3 million meaning that the Group is currently exposed on exchange rate movements for €39.7 million of the current year's estimated surplus.

Taxation

The Group takes a responsible approach to the management of taxes and aims to work transparently and collaboratively with all stakeholders.

The Group is committed to paying the right amount of tax, in the right place, at the right time. It recognises the importance of respecting the spirit and letter of the law including allocating value by reference to where it is created, managing it within the normal course of commercial activity and paying the associated tax.

When structuring commercial activities, consideration is given, along with other factors, to the prevailing tax laws in the relevant jurisdiction.

Intra-group transactions are conducted on an arm's length basis and comply with the obligations of the transfer pricing rules in the jurisdictions where it operates and under global transfer pricing principles.

Where there is uncertainty or complexity in relation to how the tax legislation is to be applied, advice will be sought from external advisors and discussed with the relevant tax authority, where appropriate.

The Group is committed to working in an open, collaborative and transparent way with all tax authorities in the countries in which it operates in order to minimise the risk of challenge and dispute. It responds to all tax authority enquiries in a timely manner.

The tax the Group pays reflects the underlying commercial transactions across its global business. The UK mainstream corporation tax rate for the financial period was 19%, however the effective rate of tax on profit from continuing operations for the Group is 48.4% which is higher than the previous period (2022: 29.8%). The increase above the UK mainstream rate is predominantly due to the losses incurred on divestment of non-core businesses during the period of 5.3% (2022: Nil), non-deductible put and call option charges of 12.7% (2022: 8.5%), non-qualifying impairment of goodwill on consolidation of 5.5% (2022: 0.1%) and 7.2% (2022: 4.3%) in respect of Group profits that have arisen in jurisdictions that have a higher rate of corporation tax than that of the UK, in particular the US.

Excluding both adjusted items and prior period adjustments, the adjusted effective tax rate from continuing activities* in the financial period has increased from 23.1% to 25.0%. The adjusted effective rate continues to be above the UK mainstream rate primarily due to the growth in the overseas businesses which are subject to higher rates of corporation tax.

The increase in the UK mainstream corporation tax rate to 25% in April 2023 is expected to have a c.3.6% impact on the Group's effective tax rate. Other influencing factors on the future effective rate include, but are not limited to, further impairments of goodwill on consolidation (see Note 13), additional put and call liabilities and increases in overseas mainstream tax rates.

The Group has been closely monitoring the development of the OECD's Two Pillar Solution to Address the Tax Challenges arising from the Digitalisation of the Economy ('Pillar 2 rules'). Additional commentary on the potential impact for the Group is detailed within Note 25 to the financial statements.

No material tax charges or credits are expected to arise from any of the climate related risks and opportunities detailed within the ESG section on page 64.

ALTERNATIVE PERFORMANCE MEASURES

(terms listed in alphabetical order)

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by International Accounting Standards ('IAS') in conformity with the requirements of the Companies Act 2006 and in accordance with UK-adopted International Accounting Standards. These alternative performance measures may not be directly comparable with other companies' alternative performance measures and the Directors do not intend these to be a substitute for, or superior to, IFRS measures. The Directors believe that these alternative performance measures assist in providing additional useful information on the trading performance of the Group. Alternative Performance Measures are also used to enhance the comparability of information between reporting periods, by excluding adjusted items. The Group's operating and reportable segments under IFRS 8 are Sports Fashion and Outdoor, however, more granular information is provided within these Alternative Performance Measures which the Directors believe will further enhance the readers understanding of the Group.

Adjusted Earnings per Share

The calculation of basic earnings per share is detailed in Note 10 to the financial statements. Adjusted basic earnings per ordinary share has been based on the profit for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of certain adjusted items. A reconciliation between basic earnings per share and adjusted earnings per share is shown below:

	2023	2022
Basic earnings per share	**2.76p**	7.17p
Adjusted items	**10.67p**	5.66p
Tax relating to adjusted items	**(0.04p)**	0.01p
Adjusted earnings per ordinary share	**13.39p**	12.84p

Adjusted Items

For the financial period ended 28 January 2023, the Group has used the term 'adjusted items' as opposed to 'exceptional items' as used in previous financial periods and the definitions of adjusted items have also been updated. These updates are intended to provide greater clarity over what is classified as an adjusted item and, by being more specific in terms of defining adjusted items, results in the provision of more relevant information with greater comparability between financial periods. This change has only affected the presentation of the items within the Adjusted Items note, the balances in the prior period remain unchanged.

The Group exercises judgement in assessing whether items should be classified as adjusted items. This assessment covers the nature of the item, cause of occurrence and scale of impact of that item on the reported performance. In determining whether an item should be presented as adjusted, the Group considers items which are significant because of either their size or their nature. In order for an item to be presented as adjusted, it should typically meet at least one of the following criteria:

- Impairments of intangible assets and investments recognised on acquisition.
- It is unusual in nature or outside the normal course of business (for example, the movement in the present value of put and call options).
- Items directly incurred as a result of either an acquisition or a divestment, or arising from a major business change or restructuring programme.

The separate reporting of items, which are presented as adjusted items within the relevant category in the Consolidated Income Statement, helps provide an indication of the Group's trading performance in the normal course of business. An explanation as to why individual items have been classified as adjusted is given in Note 4 to the financial statements.

Adjusted Effective Rate of Taxation

As a UK-based Group with subsidiaries, associates and joint ventures in 38 territories worldwide as at 28 January 2023, we have presented a reconciliation between the UK main rate of corporation tax and the effective tax rate (excluding adjusted items and prior period adjustments). This is to provide further clarity for the users as the information is not easily identifiable from the financial statements.

	2023	2022
UK main rate of corporation tax	**19.0**	19.0
Depreciation and impairment of non-qualifying non-current assets	**0.3**	0.5
Effect of tax rates in foreign jurisdictions	**3.4**	1.6
Expenses not deductible and income not taxable	**(0.5)**	0.6
Recognition of previously unrecognised tax losses	**(0.9)**	0.9
Movement in unrecognised deferred tax assets	**1.5**	(0.9)
Other	**2.2**	1.4
Adjusted effective rate of taxation	**25.0**	23.1

Dividend Cover

Being the number of times that the full period dividend is covered by the adjusted earnings per ordinary share.

	2023	2022	2021	2020	2019
Adjusted earnings per ordinary share (pence)	**13.39**	12.84	6.44	6.85	5.69
Full period dividend per share (pence)	**0.80**	0.35	0.29	0.06	0.34
Dividend cover	**16.74**	36.69	22.21	114.17	16.74

EBITDA Before Adjusted Items

Earnings before interest, tax, depreciation, amortisation and adjusted items.

	2023 £m	2022 £m
Profit for the period	**226.7**	459.6
Addback:		
Financial expenses	**77.3**	67.9
Income tax expense	**214.2**	195.1
Depreciation, amortisation and impairment of non-current assets	**636.6**	593.1
Adjusted items (see note 4)	**550.5**	292.5
Deduct:		
Financial income	**(8.4)**	(1.4)
EBITDA before adjusted items	**1,696.9**	1,606.8

Gross Capital Expenditure

	2023 £m	2022 £m
Investment in software	**19.9**	14.9
Acquisition of property, plant and equipment	**326.6**	227.3
Acquisition of non-current other assets	**12.8**	5.7
Total gross capital expenditure	**359.3**	247.9

An alternative presentation of this is as follows:

	2023 £m	2022 £m
Investment in physical retail fascias	**213.4**	124.0
Investment in logistics infrastructure	**80.8**	33.5
Investment in technology and other	**65.1**	90.4
Total gross capital expenditure	**359.3**	247.9

Like-for-Like ('LFL') sales

The percentage change in the year-on-year sales, removing the impact of new store openings and closures in the current or previous financial period. This metric enables the performance of the retail stores to be measured on a consistent year-on-year basis and is a common term used in the industry.

Net Cash/(Debt)

Net cash/(debt) consists of cash and cash equivalents together with interest-bearing loans and borrowings. This measure is a good indication of the strength of the Group's Balance Sheet position and is widely used by credit rating agencies. A reconciliation of net cash/(debt) is provided on page 239.

Operating Costs Before Adjusted Items

	2023 £m	2022 £m
Selling and distribution expenses	**3,315.6**	2,808.1
Administrative expenses – normal	**497.3**	413.4
Total operating costs before adjusted items	**3,812.9**	3,221.5

Operating Profit Before Adjusted Items

A reconciliation between operating profit and adjusted items can be found in the Consolidated Income Statement.

Organic Revenue Growth at Constant Exchange Rates

One of the key measures of performance is the growth in revenues between reporting periods. Historically, the Group has considered the growth in revenues on a like-for-like basis which removes the impact of new store openings and closures in the current or previous financial period. However, revenues in the 52 week periods to 30 January 2021 and 29 January 2022 were impacted by COVID-19 related trading restrictions, particularly in stores. Consequently, the consideration of revenues on a like-for-like basis has lacked context and so the Group has, instead, considered the revenue performance on a basis which aggregates stores and websites. Acquisitions and disposals, including the annualisation impact of acquisitions or disposals in the previous period, are excluded to ensure that the growth which is reported reflects the same period of ownership in both reporting periods. Organic sales growth at constant exchange rates for each operating segment is calculated as follows for the 52 week period ended 28 January 2023:

	Revenue 2022	Revenue 2022	Acquisitions, Disposals & Annualisations (2)	Organic Growth (3)	**Revenue 2023**	Organic Growth (4)
	Actual £m	Re-translated(1) £m	Actual £m	Actual £m	**Actual £m**	%
Sports Fashion (Reportable Segment)						
Premium Retail Fascias						
UK & ROI	2,318.1	2,318.3	–	279.2	**2,597.5**	+12%
Europe	1,024.3	1,024.2	10.7	350.9	**1,385.8**	+34%
Asia Pacific	300.8	312.7	6.1	112.1	**430.9**	+36%
North America	2,341.9	2,624.2	93.4	128.0	**2,845.6**	+5%
Other Retail Fascias						
UK & ROI	649.4	649.4	(158.6)	29.6	**520.4**	+5%
Europe	916.2	914.0	185.5	80.2	**1,179.7**	+9%
Asia Pacific	0.4	0.4	0.4	1.4	**2.2**	+350%
North America	249.9	280.1	–	0.6	**280.7**	+0%
Non-Retail Businesses	248.6	249.3	46.0	22.5	**317.8**	+9%
Total Sports Fashion	8,049.6	8,372.6	183.5	1,004.5	**9,560.6**	+12%
Outdoor (Reportable Segment)						
Total Outdoor	513.4	513.4	28.1	22.9	**564.4**	+4%
TOTAL GROUP	**8,563.0**	**8,886.0**	**211.6**	**1,027.4**	**10,125.0**	**+12%**

1) Being revenues in the 52 week period to 29 January 2022 re-translated at the average exchange rate in the 52 week period to 28 January 2023.
2) Being the net impact of acquisitions and disposals made in the period and the annualisation of acquisitions made in the prior period.
3) Being revenue growth for the same period of ownership in both periods.
4) Being organic revenue growth in the 52 week period to 28 January 2023 as a % of the revenues for the 52 week period to 29 January 2022 (as re-translated for current period exchange rates).

The comparison table for the 52 week period to 29 January 2022 is presented below:

	Revenue 2021	Revenue 2021	Acquisitions, Disposals & Annualisations (2)	Organic Growth (3)	**Revenue 2022**	Organic Growth (4)
	Actual £m	Re-translated[1] £m	Actual £m	Actual £m	**Actual £m**	%
Sports Fashion (Reportable Segment)						
Premium Retail Fascias						
UK & ROI	1,810.1	1,803.7	–	514.4	**2,318.1**	+29%
Europe	792.2	759.7	0.1	264.5	**1,024.3**	+35%
Asia Pacific	259.6	255.6	6.1	39.1	**300.8**	+15%
North America	1,534.7	1,438.3	736.7	166.9	**2,341.9**	+12%
Other Retail Fascias						
UK & ROI	467.6	467.3	104.9	77.2	**649.4**	+17%
Europe	544.4	521.8	268.6	125.8	**916.2**	+24%
Asia Pacific	–	–	0.4	–	**0.4**	–
North America	235.7	221.0	–	28.9	**249.9**	+13%
Non-Retail Businesses	163.7	163.7	12.3	72.6	**248.6**	+44%
Total Sports Fashion	5,808.0	5,631.1	1,129.1	1,289.4	**8,049.6**	+23%
Outdoor (Reportable Segment)						
Total Outdoor	359.3	359.3	9.1	145.0	**513.4**	+40%
TOTAL GROUP	**6,167.3**	**5,990.4**	**1,138.2**	**1,434.4**	**8,563.0**	**+24%**

1) Being revenues in the 52 week period to 29 January 2021 re-translated at the average exchange rate in the 52 week period to 29 January 2022.
2) Being the net impact of acquisitions and disposals made in the period and the annualisation of acquisitions made in the prior period.
3) Being revenue growth for the same period of ownership in both periods.
4) Being organic revenue growth in the 52 week period to 29 January 2022 as a % of the revenues for the 52 week period to 30 January 2021 (as re-translated for current period exchange rates).

Profit Before Tax and Adjusted Items

A reconciliation between profit before tax and profit before tax and adjusted items is as follows:

	2023 £m	2022 £m
Profit before tax	**440.9**	654.7
Adjusted items	**550.5**	292.5
Profit before tax and adjusted items	**991.4**	947.2

The profit before tax and adjusted items for each operating segment is calculated as follows:

52 Weeks to 28 January 2023	Profit before tax and adjusted items Excluding IP[(1)] £m	IP[(1)] £m	**Total £m**	Adjusted items £m	**Profit before tax £m**
Sports Fashion (Reportable Segment)					
Premium Retail Fascias					
UK & ROI	356.2	83.6	**439.8**	(129.4)	**310.4**
Europe	92.6	(51.6)	**41.0**	0.3	**41.3**
Asia Pacific	61.7	(8.3)	**53.4**	(8.2)	**45.2**
North America	317.1	(23.7)	**293.4**	(303.9)	**(10.5)**
Sub-total (Premium Retail Fascias)	827.6	–	**827.6**	(441.2)	**386.4**
Other Retail Fascias					
UK & ROI – Continuing	12.7	–	**12.7**	(3.7)	**9.0**
UK & ROI – Divested (2)	7.0	–	**7.0**	(16.2)	**(9.2)**
Europe	60.8	–	**60.8**	(38.7)	**22.1**
Asia Pacific	0.2	–	**0.2**	–	**0.2**
North America	44.7	–	**44.7**	–	**44.7**
Sub-total Other Retail Fascias)	125.4	–	**125.4**	(58.6)	**66.8**
Other Businesses	24.4	–	**24.4**	(10.9)	**13.5**
Total Sports Fashion	**977.4**	**–**	**977.4**	**(510.7)**	**466.7**
Outdoor (Reportable Segment)					
Total Outdoor	14.0	–	**14.0**	(39.8)	**(25.8)**
Unallocated					
Net Interest Expense	–	–	**–**	–	**–**
	991.4	**–**	**991.4**	**(550.5)**	**440.9**

1) Being the intergroup charge for the use of the JD intellectual property which is legally owned by JD Sports Fashion Plc in the UK. This results in net income in the premium Sports Fashion retail fascias in the United Kingdom and Republic of Ireland which is offset by a charge in the international premium Sports Fashion retail fascias. The Group reports the performance of its operating segments excluding the impact of this intergroup charge as this provides an indication of the operating segments' underlying trading performance.

2) Being:
   a. Divested 5 August 2022: Footasylum Limited.
   b. Divested 16 December 2022: Base Childrenswear Limited (80% equity interest), Dantra Limited (75% equity interest), PG2019 Limited (100% equity interest), Prevu Studio Limited (100% equity interest), Nicholas Deakins Limited (100% equity interest), Uggbugg Fashion Limited – including its subsidiary Missy Empire Limited (51% equity interest), Clothingsites Holdings Limited – including its subsidiaries Clothingsites.co.uk Limited and Old Brown Bag Clothing Limited (100% equity interest) and WHCO Limited – including its subsidiaries The Watch Shop Holdings Limited and Watch Shop Logistics Limited (100% equity interest).
   c. Divested 6 February 2023: Rascal Clothing Limited (75% equity interest) following the exercise of a pre-emption right by one of the founders.
   d. Divested 7 February 2023: Tessuti Limited (87.5% equity interest) – including its subsidiaries Choice Limited and Giulio Limited, R.D.Scott Limited (100% . equity interest) and Catchbest Limited (80% equity interest) to Frasers Group Plc as per the terms of the transaction agreed on 16 December 2022.
   e. Divested 2 March 2023: Topgrade Sportswear Holdings Limited (80% equity interest) to Frasers Group Plc as per the terms of the transaction agreed on 16 December 2022.

52 Weeks to 29 January 2022	Profit before tax and adjusted items: Excluding IP[1] £m	IP[1] £m	Total £m	Adjusted items £m	Profit before tax £m
Sports Fashion (Reportable Segment)					
Premium Retail Fascias					
UK & ROI	386.4	50.9	**437.3**	–	**437.3**
Europe	29.2	(20.6)	**8.6**	1.1	**9.7**
Asia Pacific	36.6	(5.7)	**30.9**	–	**30.9**
North America	322.2	(24.6)	**297.6**	(239.7)	**57.9**
Sub-total (Premium Retail Fascias)	774.4	–	**774.4**	(238.6)	**535.8**
Other Retail Fascias					
UK & ROI – Continuing	14.3	–	**14.3**	0.1	**14.4**
UK & ROI – Divested [1]	19.6	–	**19.6**	(2.6)	**17.0**
Europe	51.3	–	**51.3**	(51.2)	**0.1**
Asia Pacific	–	–	**–**	–	**–**
North America	45.4	–	**45.4**	–	**45.4**
Sub-total (Other Retail Fascias)	130.6	–	**130.6**	(53.7)	**76.9**
Other Businesses	23.3	–	**23.3**	(0.2)	**23.1**
Total Sports Fashion	**928.3**	**–**	**928.3**	**(292.5)**	**635.8**
Outdoor (Reportable Segment)					
Total Outdoor	25.9	–	**25.9**	–	**25.9**
Unallocated					
Net Interest Expense	(7.0)	–	**(7.0)**	–	**(7.0)**
Group	**947.2**	**–**	**947.2**	**(292.5)**	**654.7**

1) Being the intergroup charge for the use of the JD intellectual property which is legally owned by JD Sports Fashion Plc in the UK. This results in net income in the premium Sports Fashion retail fascias in the United Kingdom and Republic of Ireland which is offset by a charge in the international premium Sports Fashion retail fascias. The Group reports the performance of its operating segments excluding the impact of this intergroup charge as this provides an indication of the operating segments' underlying trading performance.

2) Being:
   a. Divested 5 August 2022: Footasylum Limited.
   b. Divested 16 December 2022: Base Childrenswear Limited (80% equity interest), Dantra Limited (75% equity interest), PG2019 Limited (100% equity interest), Prevu Studio Limited (100% equity interest), Nicholas Deakins Limited (100% equity interest), Uggbugg Fashion Limited – including its subsidiary Missy Empire Limited (51% equity interest), Clothingsites Holdings Limited – including its subsidiaries Clothingsites.co.uk Limited and Old Brown Bag Clothing Limited (100% equity interest) and WHCO Limited – including its subsidiaries The Watch Shop Holdings Watch Shop Logistics Limited (100% equity interest).
   c. Divested 6 February 2023: Rascal Clothing Limited (75% equity interest) following the exercise of a pre-emption right by one of the founders.
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   e. Divested 2 March 2023: Topgrade Sportswear Holdings Limited (80% equity interest) to Frasers Group Plc as per the terms of the transaction agreed on 16 December 2022.

OVERVIEW

The retail landscape has seen considerable evolution over the past several decades, accentuated by the evolution and development of digital technologies. The arrival of the COVID-19 pandemic three years ago provided a new layer of uncertainty as to the long term future of physical retail with customers readily switching to online channels.

What no retail business truly knew was how customers would react as the world emerged from the pandemic. Whilst it is inevitable that some consumers have permanently changed their shopping preferences as a result of COVID-19, it appears that there has not been a widespread permanent change in consumer behaviour with the majority of customers liking the flexibility that comes from operating stores in tandem with a strong online offer. Stores give a platform to showcase product, allowing consumers to physically see and try the product immediately.

They also provide the operational flexibility and agility to offer an enhanced speed of service for online orders as part of an agile omnichannel approach. It should also be recognised that stores provide people with an opportunity to interact with friends and families and hence have their purchases socially validated.

The positive performance in our stores gives us the confidence to continue investing in property with a focus on accelerating the international expansion of the JD fascia. We remain confident that the powerful combination of increasing international reach, consistency of premium proposition across our territories and strengths in consumer connection remain attractive to the major international landlords and property agents.

KEY HIGHLIGHTS DURING THE FINANCIAL PERIOD

- **Number of stores, excluding joint venture stores, decreased slightly to 3,390 as at 28 January 2023 (2022: 3,402 stores)** following the divestment in August 2022 of 62 stores which traded as Footasylum and 14 stores in December 2022 which traded as Base Childrenswear, Kids Cavern, Pretty Green and WatchShop consequent to the disposal of 15 non-core UK fashion brands to Frasers Group Plc. Completion of this process spanned the financial period end with a further 62 stores relating to Tessuti (inc Xile), Scotts, Choice, Giulio and Cricket divested in February 2023.
- **The Group now has stores across 36 territories (2022: 32)** with joint ventures in a further two territories (2022: nil).
- **Increased presence in the United States, the largest sportswear market in the world,** through the continued development of the JD fascia including the opening of a flagship store in Chicago.
- **Group fascias expanded into four new territories (Slovenia, Croatia, Serbia and Bosnia & Herzegovina)** with the core JD fascia expanded into three new territories (Greece, Lithuania and Hungary).
- **Ongoing programme to enhance the logistics network** across the UK and Western Europe.

SPORTS FASHION

Fascia	Stores	Movement	000 Sq Ft	Movement
JD UK and ROI	444	+8	1,876	+73
JD Europe	435	+58	1,325	+194
JD Asia Pacific	88	+9	369	+53
JD US	128	+41	547	+193
JD Canada	12	+9	49	+40
Fashion UK	70	-81	256	-247
Other Europe (1)	850	-39	3,665	+17
Finish Line (own)	392	-35	1,270	-124
Finish Line (Macy's)	289	-	271	-2
Livestock	4	-	8	-
Shoe Palace (2)	173	+7	517	+28
DTLR Villa	246	+2	917	+13
Other Asia Pacific	8	+6	8	+7

OUTDOOR

Fascia	Stores	Movement	000 Sq Ft	Movement
Blacks	51	-4	188	-10
Millets	84	-9	170	-25
Ultimate Outdoors	2	-1	18	-15
Tiso	13	-	100	-
Go Outdoors (3)	82	+14	1,935	+98
Go Fishing	3	-	23	-
Leisure Lakes	11	+1	49	+4
Wheelbase Lakeland	5	+2	34	+20

	Stores	Movement	000 Sq Ft	Movement
Sub total – JD and Size?	1,107	+125	4,166	+553
Total – Sports Fashion	3,139	-15	11,078	+245
Total – Outdoor	251	+3	2,517	+72

1. Chausport (France), Sprinter (Spain & Canary Islands), Sport Zone (Portugal), Perry Sport/Aktiesport (the Netherlands), MIG (Central & Eastern Europe) and Cosmos (Greece & Cyprus).
2. Includes four stores trading as Nice Kicks.
3. Includes three Naylors stores transferred into Go Outdoors during the period.
4. The +/- figures show the movements in the 52 week period ended 28 January 2023.
5. In addition to the stores shown above, the Group now has 13 JD stores operating under joint venture arrangements with partners in Indonesia (seven stores) and Israel (six stores).

SPORTS FASHION

Premium Sports Fascias

The Group operates a number of fascias across its markets with an elevated Sports Fashion multichannel proposition. The most well-known of these fascias is the JD banner which is widely recognised as a world class retail fascia where a unique and constantly evolving sports and fashion premium brand offer is presented in a vibrant retail theatre with innovative digital technology. The Group has announced that it intends to accelerate the international expansion of the JD fascia.

UK & ROI

During the period, there was a net increase of eight premium sports stores across the UK and ROI to take the total to 444 stores (2022: 436 stores). Ensuring that we remain in positions with the highest footfall and have sufficient space to present our full footwear and apparel offer in major markets remains a key strategy.

Several larger format stores opened during the financial period including Metrocentre (Newcastle) and Fosse Park (Leicester) with these stores setting new standards in visual merchandising, retail theatre and digital integration to enhance the consumers' in-store retail experience.

The Group has also now commenced projects in the premium malls at Stratford (London) and Trafford Centre (Manchester) which will enable it to further enhance its offer and product ranges in these key locations.

Europe

At the end of the period, the Group had 435 premium Sports Fashion stores across Europe (2022: 377 stores). The net increase of 58 premium sports stores included the conversion of 23 stores in France which previously traded as Chausport. The Group's key markets continue to be France (116 stores), Spain (84 stores) and Germany (81 stores). The openings in the period included bigger JD stores in key malls such as Oberhausen (Germany), Euralille (France) and the Mall of Scandinavia

(Sweden). The openings also included 12 new JD stores in Eastern Europe including the Group's first premium stores in Lithuania and Hungary. Further, JD has also now opened its first store in Greece at the Athens Smart Park.

Looking ahead, the Group sees significant opportunity for further expansion in Europe with the pace of openings expected to at least be maintained at the current level for the foreseeable future. The openings in the period to 3 February 2024 will include at least 20 new stores in Italy with the Group agreeing a deal to acquire a package of 20 stores from a retailer that has fallen into bankruptcy with these stores scheduled to be converted progressively through 2023.

Elsewhere, the Group also operates through a joint venture partner in Israel and, at the end of the period, there were six stores trading in the country (2022: nil).

North America

At the end of the period, the Group had 955 premium Sports Fashion stores across North America (2022: 931 stores) which included 16 stores in Canada (2022: seven stores). The main focus of the Group's developments in this market is the expansion of the JD fascia with a net increase of 50 stores in the period. The 50 stores included 15 locations where an existing Finish Line store was converted to JD and a further nine locations where the Finish Line store was replaced by a JD store in the same mall but in a new location which was either more appropriately spaced or in a location with stronger footfall. The remaining new openings in the year included a flagship store on State Street in Chicago which is the Group's second flagship store in the United States.

Elsewhere, there were also a net seven new Shoe Palace stores and a net two new DTLR stores with these businesses having the support of the international brands to expand in their core markets.

At the end of the period, there were 392 stores still trading as Finish Line. The Group is encouraged by the performance of the stores which have already been converted to JD and intends to accelerate the conversion of the remaining stores such that all Finish Line standalone stores will have been converted within four years as part of a general objective to have between 500 and 600 JD stores trading in North America by 2028.

Asia Pacific

At the end of the period, the Group had 88 premium Sports Fashion stores across six countries in the Asia Pacific region (2022: 79 stores). All of these stores are bannered as JD. The Group continues to be particularly encouraged by the performance in Australia where there were 47 stores trading at the end of the period (2022: 40 stores).

Prior to the period end, the Group announced that it will be exiting from South Korea where it has 12 stores trading as JD currently. This market continues to be impacted by the loss of tourism from Chinese visitors through the COVID-19 pandemic and, given that it is uncertain when footfall will truly normalise to pre-pandemic levels, the Board has decided that it is not in the best interests of the wider Group, and its shareholders, to provide continued financial support to this business.

Elsewhere, the Group also operates through a joint venture partner in Indonesia and, at the end of the period, there were seven stores trading in the country (2022: nil), all of which are in the Jakarta area.

OTHER SPORTS FASHION FASCIAS

UK & ROI

Excluding Footasylum, the Group started the period with 86 branded fashion stores across a number of banners. Following a strategic review led by the Group's Chief Executive Officer, it has significantly simplified this fashion offer through the divestment of 15 UK-based non-core fashion businesses. A total of 14 stores were divested in December 2022 with the disposal of a further 62 stores completed after the financial period end in February 2023. Since the financial period ended 28 January 2023, the Group has also announced that three stores trading as Wellgosh and one store trading as Oi Polloi are also to be converted to other fascias as it continues its rationalisation in this sector.

Europe

At the end of the period, the Group had 850 other Sports Fashion stores across Europe (2022: 889 stores). These stores which retail a mixture of sporting goods and a multi-branded volume lifestyle concept at lower price points were spread across 20 countries (2022: 16 countries) with the banners being:

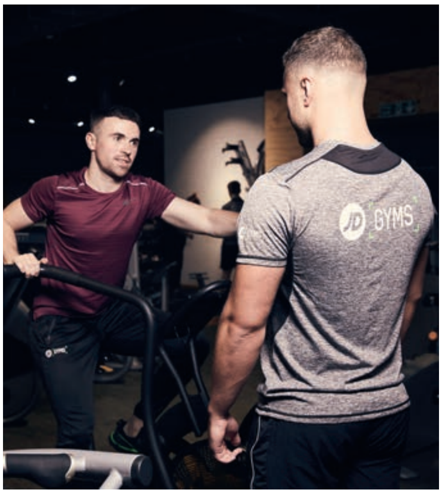
- Sizeer/50 Style: 411 stores (2022: 415 stores) across 14 markets (2022: 10 markets) throughout Eastern Europe.
- Sprinter: 203 stores (2022: 193 stores) across Spain and the Canary Islands
- Sport Zone: 88 stores (2022: 88 stores) across Portugal, Madeira and the Azores.
- Perry Sport / Aktiesport: 70 stores (2022: 82 stores) in the Netherlands.
- Cosmos: 70 stores (2022: 61 stores) across Greece and Cyprus.
- Chausport: eight stores (2022: 50 stores) across France with 23 stores converted to JD and a further 19 stores closed.

North America

Longer term, the Finish Line fascia will principally be used in the Macy's concessions focusing on more female and family consumers. The performance of these concessions has improved significantly since our original acquisition of Finish Line in June 2018 and, consequently, the number of concessions at the end of the period was unchanged from the prior period at 289.

Gyms

JD Gyms offers stylish, affordable, award winning facilities with 79 clubs open at the end of the period in the UK (2022: 74 clubs). The 79 sites include 33 sites which previously operated as Xercise4Less (a business the Group acquired out of administration in 2020). A further four gyms were still branded as Xercise4Less as at 28 January 2023 and we continue to review the long-term viability of these sites. The Group also operates eight clubs (2022: seven clubs) in the United Arab Emirates trading as GymNation.



OUTDOOR

The Group's Outdoor mission is to inspire and equip everyone for life outdoors, all year round, whatever the activity or pursuit.

The Group's primary fascia in Outdoor is Go Outdoors. At the end of the period, the Group had 82 stores trading as Go Outdoors (2022: 68 stores) with the net increase of 14 stores including the conversion of 13 stores which formerly traded as Blacks or Millets in high street locations. These are new locations for Go Outdoors which has historically focused on large, out of town sites. The Group also now owns the freehold on nine of the highest performing Go Outdoors sites with the Group acquiring these sites to protect future profitability as there was significant competition from other retailers for those units.

Our programme of works to enhance the profile of certain categories such as fishing and equestrian has gained momentum with the opening of additional concessions for Fishing Republic, Naylors and Wheelbase in key locations.

SUPPLY CHAIN/ WAREHOUSING

There is significant ongoing investment to broaden the international network to service a complex international multichannel business with multiple fascias. The Group is also investing in technically advanced automation equipment and robotics to strengthen the operational foundations of our businesses and ensure that the Group remains a leader in multichannel developments.

UK and Republic of Ireland

Initial fitting out works on the new 515,000 sqft facility in Derby, which will be used exclusively to fulfil online orders for JD in the UK are now complete, which has enabled picking to commence from the site. This will increase in quantum through 2023 as additional sections of the automation equipment are commissioned. We still anticipate that the site will be fully operational by mid-2023.

As Derby ramps up its activity, picking from the temporary facility at Sherburn, Leeds operated by Clipper Logistics Plc will reduce. The Group expects to fully exit this facility by late summer 2023.

Western Europe

Construction of the 620,000 sqft facility in Heerlen, South-East Netherlands completed in March 2023 with the site now handed over for fitting out. It is now anticipated that picking from this site will not commence until early 2024, although it will be the second half of 2024 before the site is fully operational.

In the meantime, the Group continues to operate out of a number of smaller facilities in Southern Belgium and Northern France. To date these facilities have focused on the fulfilment of a large proportion of the core ranges and fastest moving lines required for stores in Mainland Europe although these facilities also pick some online orders for their local markets.

United States

The Board has now approved the installation of TREW automation equipment at the Shoe Palace warehouse in Morgan Hills, California. The commissioning of this equipment will provide significant additional fulfilment capacity for our businesses in the United States which is necessary given the Group's ambitious growth plans for the country. In addition, our team in North America is searching for a suitable facility on the East Coast which will be necessary to alleviate future mid-West/East coast capacity constraints.

Head Office Campus

The Group has now received planning permission to extend its global Head Office campus in Bury, United Kingdom. In addition to constructing a new office building, the plans for the site include the creation of a creche and multi-purpose sports facilities reflecting the fact that the quality of the working environment and the facilities that are available are a factor in both the recruitment and retention of talent in the business. Construction of these new facilities will commence in 2024 and are expected to be completed in 2025.

Régis Schultz
Chief Executive Officer

22 May 2023

INTERNATIONAL OPENINGS

JD GREECE OPENING

The acquisition of Cosmos Sport S.A. in October 2021 has provided the platform to develop the JD fascia in Greece and Cyprus.

Working closely with the Cosmos team, the Group opened its first JD Greece store in 2022/23, with a second store in Greece and our first store in Cyprus opened in 2023/24.

JD FLAGSHIP CHICAGO

During 2022/23, the Group opened a flagship store in Chicago, Illinois. Located on South State Street, JD Chicago is the Group's second US flagship store after NYC Times Square.

FOCUSED ON THE FUTURE

ESG INDEX

Neil Greenhalgh

Chair of the ESG Committee

> **"I am very proud to once again share our disclosures for a period in which the Group retained its verifiable sector-leading ESG performance via continued investment in both people and planet."**

Planning for climate-related risks has never been more critical. The natural environment is being exploited faster than it can be replenished.

Transparency and fulfilment of our environmental, social and governance ('ESG') obligations and performance targets is integral to achieving our short, medium and long-term growth and expansion plans.

We are proud of our proven ability to meet and exceed our environmental targets – from supporting and protecting our colleagues and supply chain workers through to evidencing Task Force on Climate-Related Financial Disclosures ('TCFD') compliance.

I am proud to present our ESG disclosures in a reporting period that has seen the Group retain independently verified recognition of sector-leading performance, most notably evidenced by the Group achieving A- rating for Climate Change and Water Security from the CDP (formerly the Carbon Disclosure Project).

HIGHLIGHTS

GRADE A

The Group received an 'A' grade as a 'Supplier Engagement Leader' from the CDP

98%

of cotton sourced via the Better Cotton Initiative

500+

Apprentices now recruited

70%+

of our colleagues completed our Global Engagement Survey during the period

44%

female Board members at 28 January 2023

+99%

of votes were in favour of the Directors' Remuneration Policy at the General Meeting on 13 December 2022 see page 154

ENVIRONMENTAL

Key Facts

- The Group retained 'A-'Climate Change' grade from the CDP for the third successive year, surpassing our sector average by three grades.
- The Group improved its CDP Water Security grade to 'A-', also three grades above our sector average.
- Our private label team surpassed previously documented targets by sourcing 98% of our cotton via the 'Better Cotton' initiative.
- The Group achieved 'Zero Waste to Landfill' accreditation across four of our largest UK and European distribution and office locations.

See pages 72 to 87

SOCIAL

Key Facts

- Our Global Engagement Survey was completed by more than 70% of our colleagues globally, from all areas of the business. The responses have informed our people strategy. See Our People section on page 93 for further details.
- Kath Smith, Senior Independent Director, has been appointed as the Workforce Engagement Non-Executive Director providing a meaningful two-way dialogue with the Board.
- The JD Foundation has raised over £5.9 million since it was founded in October 2015. See page 100 for more information on the JD Foundation and its activities.

See page 88 to 103

GOVERNANCE

Key Facts

- Over the course of this financial period, the Board has made significant enhancements to its governance programme, focusing on Board composition and succession, Group strategy and purpose and the culture and values which the Group embodies to drive its growth forward. See pages 118 to 121 for details.
- Our newly approved Remuneration Policy has enabled us to reset JD's approach to Executive remuneration and was approved with over 99% of the votes at the General Meeting on 13 December 2022.

See pages 104 to 154

OVERVIEW AND GOVERNANCE

ESG Committee

As we continue to establish our FTSE 100 presence, we recognise and embrace our responsibility to deliver long-term shareholder value by making positive, lasting changes to material ESG matters.

Our ESG Committee (founded in 2020) governs our global, Group-wide approach to sustainability, including the critical topics of: People strategy, climate change, sustainable sourcing, the circular economy and governance.

Our UK social impact initiatives are primarily channelled through the JD Foundation, see page 100, which has raised over £5.9 million from 2015 to January 2023.

Further information on our ESG committee and credentials can be found on our corporate website at www.jdplc.com/esg/governance/esg-committee

Responsibilities of the ESG Committee include:

- Assessing and managing our corporate ESG strategy, including short to long-term climate risk scenario planning.
- Ensuring delivery of critical ESG performance metrics by the responsible Group divisions across the business.
- Review and submission of our TCFD statement, including all climate scenario risks, mitigatory activities and opportunities.
- Reviewing potential investment plans from an ESG perspective – from capital expenditure projects to environmental risks and opportunities for potential acquisitions.
- Engaging (via our Committee Chair) with the Board on ESG-strategy impacting activities on a periodic basis.
- Ensuring that our ESG strategy aligns with the United Nations Sustainable Development Goals ('UN SDGs') most relevant to our sector.
- Clear communication of our strategy to investors. By evidencing our Green Fund eligibility via independently accredited validation of our ESG performance, we support investors' compliance with EU Sustainable Finance Disclosure Regulations ('SFDR').
- Ensuring that our colleagues and suppliers are supported and trained across a broad cross-section of personal, social and environmental welfare topics.
- Supporting our customers by ensuring that our teams provide accurate environmental information and claims for the products that we sell.
- Holding our largest brand partners to account on their environmental performance – from carbon emission reduction targets to biodiversity support and on matters such as Green Claims Code (and global equivalent) compliance.

ESG RISK IDENTIFICATION AND MANAGEMENT

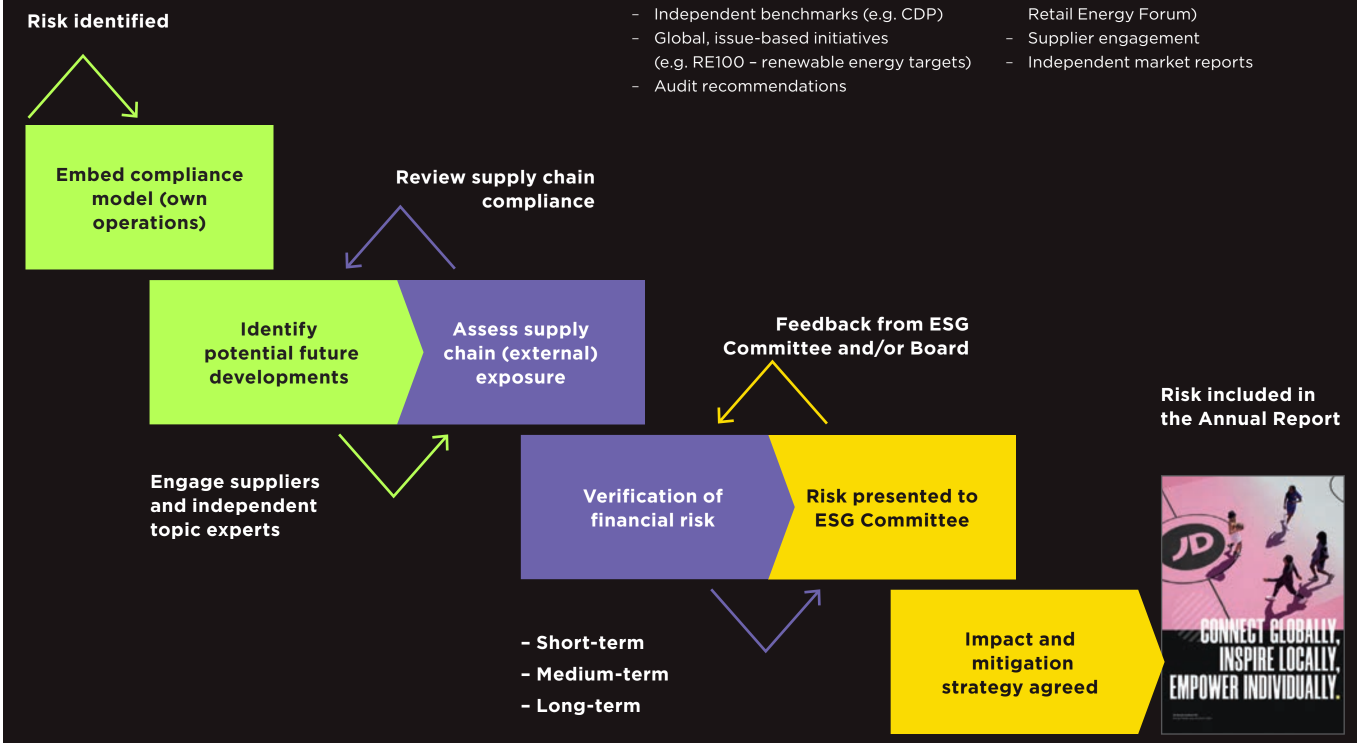
ESG risk identification – sources:

Formal

- International non-governmental organisations (e.g. United Nations)
- Global inter-governmental organisations
- National government notifications
- Financial Conduct Authority updates
- Independent benchmarks (e.g. CDP)
- Global, issue-based initiatives (e.g. RE100 – renewable energy targets)
- Audit recommendations

Informal

- Media coverage
- Major brand engagement
- Customer feedback
- Industry forum feedback (e.g. British Retail Consortium, Retail Energy Forum)
- Supplier engagement
- Independent market reports



Background ESG Context – Third-party Brands and Private Label Products

As a multichannel retailer of branded sports fashion and casual wear, the majority (presently in excess of 85%) of our sales are from globally recognised third-party brands including Nike, adidas, Puma, Under Armour and The North Face. The remaining balance of our product sales are from our quality private label brands, including Pink Soda and McKenzie.

The global reach and recognition of our major third-party brands is integral to our ESG strategy and targets. The power and value of our brand partners means that to deliver their own shareholder value, they must pre-empt, meet and exceed consumer expectations for product quality and sustainability alike.

High quality materials, longer-lasting products and footwear/garments kept in-use represent the more sustainable side of the fashion sector.

Representatives from our ESG Committee undertake regular engagement sessions with our largest third-party brands, monitoring their progress to attain global leadership for sustainable product innovation.

We work with our brands to share our targets and commitments to reduce the impact of climate change and supply chain transparency.

Finally, we continue to challenge our brand partners to ensure that:

- They are providing accurate emission usage and reduction data.
- Long-term renewable energy investment plans are shared for key manufacturing territories.
- They supply the Group with sustainability claims that are verifiable, and translatable to our customers.

85%+

of our sales are from globally recognised third-party brands including Nike and adidas.

Summary: Performance of our largest third-party brands (selected environmental and social metrics)

Brand	UN Fashion Charter	ZDHC equivalent	CDP Climate	CDP Water	Animal Welfare Policy	Conflict Minerals Policy	Clean by Design
Nike	✓	✓	✓	✓	✓	✓	✓
adidas	✓	✓	✓	✓	✓	N/A	N/A
Puma	✓	✓	✓	✓	✓	N/A	✓
The North Face (VF Corporation)	✓	✓	✓	✓	✓	✓	✓

ESG ENVIRONMENTAL

TCFD

Disclosures and Standards

The Group used the Financial Stability Board's TCFD 'Core Recommendations' template categories to support the climate-related risk and opportunity disclosure. In accordance with the Listing Rule 9.8.6R, our TCFD matrix is predominantly consistent with the recommendations and recommended disclosures of the TCFD. The Group used TCFD-aligned disclosures and standards including:

- The 2021 TCFD 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures'. - Specifically Sections A, B, C and E of the 2021 TCFD 'Annex' that superseded the 2017 version.
- In support of its disclosure, the Group refers to its 'A-' Climate Change score and responses from the 2022 CDP Climate Change survey.
- CDP is recognised by TCFD as supporting TCFD recommendations via over 25 aligned climate-related questions on topics including governance, risks and opportunities, strategy, targets and emissions.
- CDP disclosures require data from the last completed financial period at the time of submission. The Group's December 2022 CDP scores relate to 2021/22 Financial Year data, submitted to CDP in July 2022.
- The Group's approved emission reduction targets, as validated by the Science Based Targets Initiative (also aligned to TCFD principles).

The Group recognises the TCFD recommendation to quantify the financial impact of strategic climate-related risks and continues to prioritise climate-related risks within our regular financial planning activities, primarily via the Group ESG Committee, chaired by the Chief Financial Officer. As evidenced on pages 68 and 69, the Group continues to mitigate ESG risks via our wider risk management framework.

The areas of the Group's disclosure that are not fully consistent with TCFD are listed below along with the Group's plans to remedy this:

- Strategy (Section C). Climate-related scenarios – organisational strategy resilience has not been included within this TCFD statement. The Group shall achieve consistency with TCFD requirements by completing a 1.5°C, 2°C and 3°C qualitative scenario analysis by September 2023 to meet TCFD requirements. The Group has existing, approved Science Based Targets for Scope 1,2, and 3 emissions, all based on the 1.5°C scenario.
- Metrics and Targets (Section A). The Group has not published the carbon pricing methodology used due to this representing commercially sensitive information.

GOVERNANCE

TCFD Recommended Disclosure

a) Describe the Board's oversight of climate-related risks and opportunities.

Climate change is identified as a strategic risk to the business and is incorporated into the Group's ESG risk management processes.

The Board retains oversight of all key risks and reviews these within monthly meetings, as appropriate. Our Group CFO and ESG Chair remains our signatory and conduit from the Board to all stakeholders relating to climate, biodiversity, and people-based disclosures, risks and opportunities.

An ESG report (focusing on climate progress and opportunities, emission reduction and biodiversity) is included within the monthly Board report, issued to all Board members. Board queries on ESG-related data are raised with our Group CFO, enabling two-way dialogue on ESG matters, via the Group CFO's role as ESG Committee Chair.

The Board comprises the Group Chair, CEO, CFO and Non-Executive Directors ('NEDs'). NEDs have received ESG Committee briefings on Climate Strategy and progress of Scope 1, 2, and 3 emissions versus published Science Based Targets.

In-year Progress

The Board was provided with Green Claims Code guidance via detailed reports outlining Competition and Markets Authority ('CMA') statements, examples of best practice, non-compliance and Group mitigatory plans and actions.

The Board was advised of the official approval of Scope 3 Science Based Targets. The Board continued to request ESG Committee support for Mergers and Acquisition team activity – sustainability and social risks were documented and reported as part of the Group's strategic assessment of potential risk.

The ESG Committee was expanded to include representation from our Outdoor and North American businesses.

Capital expenditure budgets were approved for climate-related investments including solar and building management systems. Revenue budgets and procurement strategy were approved via the Group ESG Chair ensuring minimal financial exposure to a tumultuous energy market.

ESG Committee approval and subsequent Board updates were provided on the latest Waste and Resources Action Plan ('WRAP') T2030 targets including emission reductions, sustainable sourcing and circular economy targets and metrics.

2023/24 Plans

Climate risk and opportunities to be a monthly Board agenda item within the ESG section.

Progress against Science Based Targets and forecast Net Zero pathway to be submitted to the Board on a monthly basis, via the Board Report.

The Group to document changes in our Scope 3 Science Based Targets (including 2025-2030 pathway forecasts) arising from updates in publicly disclosed targets and/or performance of our largest brand partners.

Additional Board updates to be provided on Circular Economy opportunities including store asset reuse, extension of product life initiatives and potential Group entry into the used/pre-loved marketplace.

TCFD Supporting Information

Due to the volume of information required to provide verifiable statements and disclosures, we have included references and links to additional TCFD-related documentation, available via the 'Additional Information – TCFD 2023' document within the 'Our Policies' section of our corporate website at https://www.jdplc.com/esg/governance/our-policies.

This includes the following TCFD-related content:

TCFD section	Question No.	Detail
Governance (A, B)	1-2	CDP response on Board responsibility and structure.
Strategy (A)	3-5	Time horizon rationale, CDP responses on risk assessment and climate-related scenario analysis.
Strategy (B)	6-7	CDP responses on strategic and financial planning. Influence of climate-related risk and opportunities.
Strategy (C)	8	Additional detail on TCFD non-compliance item.
Risk Management (B, C)	9	CDP response on Board oversight on climate
Metrics and Targets	10	Additional detail on TCFD non-compliance item.

GOVERNANCE

TCFD Recommended Disclosure

b) Describe management's role in assessing and managing climate-related risks and opportunities.

The ESG Committee is responsible for the assessment, management and communication of Group ESG-related principal risks, environment-related investment plans and strategy to colleagues, customers and investors as per the pictorial representation on page 63.

ESG Committee members include the CFO (Chair of the ESG Committee and Board member), with Group-wide remit representatives including the Sustainability and Procurement Director, Head of Sustainability and Ethics, People Director, Company Secretary and General Counsel, and Head of Investor Relations. Profiles of ESG Committee members can be found at www.jdplc.com/esg/governance/esg-committee.

The ESG Committee reports to the Board via our CFO and ESG Chair. ESG issues are presented to the Board via a monthly ESG climate summary incorporating assessments of key climate risks, issues and opportunities, including financial planning. This report forms the basis for ESG-related investor updates.

The Group Sustainability and Procurement Director manages the Energy and Environment team – responsible for monitoring and reporting climate-related risks and opportunities.

Risk assessment and update topics include emission reduction initiatives and reporting versus targets. Submission of disclosures to independent assessors (CDP and the Science Based Target Initiative Board) is viewed as an opportunity, owing to the Group's assessment scores improving its green-fund eligibility status with investors.

Voluntary disclosure submission ensures the Group's continued recognition for 'strong' management of ESG risk, as defined by Morningstar Analytics.

In-year Progress

Assessment of climate-related risks and opportunities has been completed by the ESG Committee via scheduled reviews.

An ESG summary is incorporated within all monthly Board reports.

The Board was briefed on the forecast 'Net Zero pathway' of 2043, with the Group CEO updating investors, colleagues and stakeholders via the Group's Capital Markets Day.

ESG Committee members contributed to key industry climate body initiatives (WRAP Textiles 2030) as a Steering Committee member. Actions undertaken supporting climate-related risk management topics include implementing carbon and water reduction targets for the Group supply chain.

ESG Committee members continued the management of strategic suppliers (major brands and private label) on a scheduled basis, focusing on carbon emission reduction, biodiversity and circular economy initiatives as per Group climate objectives.

2023/24 Plans

Scheduled assessment of climate-related risks and opportunities prior to formal inclusion within the Group risk management processes.

Management of climate-related risks and opportunities to be supported by additional 2025-2030 pathway metrics as per TCFD recommendations.

Identify and implement a new methodology to evidence measurement against, and delivery of, Group Scope 3 emissions objectives (private label), with targets to be set for Tier 1 suppliers.

STRATEGY

TCFD Recommended Disclosure

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.

The Group has documented climate-related risks across different time horizons, including short-term (0-3 years), medium-term (3-8 years) and long-term (8-20 years). The Group has adjusted its time horizons (from 2021/22) to incorporate both the nature of our short-term retail leases and our long-term Net Zero forecast year of 2043. Full rationale is available via Section G of the 'Additional Information – TCFD 2023' document available in the Our Policies section of the corporate website https://www.jdplc.com/esg/governance/our-policies.

Short-term risks and opportunities are set on business activities over which we have direct operational control[1]. This includes setting emission reduction targets, and providing climate-related disclosures to assess Group performance against both sector peers and major brand partners. Short-term climate objectives also include infrastructure investment on both store formats and owned (or long-term leased) facilities such as Distribution Centres and offices.

Within the medium-term, the Group continues to pursue opportunities presented by circular economy initiatives – from cost efficiencies of asset re-use to pre-emptive actions relating to packaging and end of life stock. Such opportunities reduce Group exposure to future taxation, whilst generating potential revenue and margin increases. Long-term risks and opportunities incorporate strategic planning undertaken with brand partners (including Nike, adidas, and Puma).

The Group assesses the financial risk of future energy costs, and availability of renewable energy in key third-party and private label sourcing territories. Such planning is essential to achieve our Net Zero emission pathway year of 2043.

A description of specific climate-related issues potentially arising in short, medium, and long-term time horizons is available via Section G of the 'Additional Information – TCFD 2023' document within the Our Policies section of the corporate website https://www.jdplc.com/esg/governance/our-policies. Transition and adaption risks listed include enhanced emissions reporting obligations (major brands), increased taxation, climate adaptation measures and impacts, and physical supply chain disruption risks linked to raw material supplies and costs.

1 Direct operational control, or operationally controlled sites are defined as facilities, operations, or locations for which the Group management team is able to make changes or decisions to supply and services without breaching existing contracts or requiring landlord consent.

In-year Progress

The strategic risk progress has been evidenced via climate-related risks scored within the 2022 CDP report:

- The Group achieved an A- grade for Climate Change in December 2022.
- Our Water Security grade (including biodiversity measures) increased to A- for the period, surpassing our sector average by three grades.
- The Group achieved 'A' grade for Climate Change Supply Chain Engagement for the third successive year.

In summary, the Group has verifiable evidence that it is outperforming our sector with regards to climate risk and opportunity assessment.

Work with Textiles 2030 ensured that the Group is well-placed to mitigate risks and maximise opportunities relating to Extended Producer Responsibility ('EPR') regulations.

We engaged our private label supply chain to identify both additional climate-related risks, and mitigatory measures at sourcing territory level.

Within the period, the Procurement team commenced use of carbon pricing within tender activity. This enables the Group to evaluate medium and long-term cost of carbon within sourcing decisions.

2023/24 Plans

Retention of 'A' grade for climate change supplier engagement.

Improve documentation of climate risk measures via additional disclosures on climate audit and data for private label and key indirect suppliers.

Align time horizons for risk management across the Group, including climate scenario analysis and identifiable risks and opportunities.

Provide additional risk-assessment on physical climate risks by geography (supply chain and physical store locations) via additional Scope 1 and 2 emission analysis within the private label supply chain.

Continue Group compliance with Extended Producer Responsibility ('EPR') regulations – in place for Europe, with UK legislation delayed.

Reduce medium and long-term financial risk and exposure to carbon tax by implementing carbon pricing analysis within additional indirect sourcing activities.

STRATEGY

TCFD Recommended Disclosure

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning risks and opportunities.

Strategic planning undertaken by the ESG Committee considers that the Group's direct operations are not materially exposed to climate risk in terms of physical risks from the changing climate.

The vast majority of our assets (retail stores) are on short-term leases, with a low volume of stores in areas exposed to short-term physical climate risks. The Group view is that current and emerging legislation represents a greater transition risk, primarily owing to potential regulation (including tax) increases at product-level.

The Group assessment of climate-related risks and opportunities is informed by participation within (and feedback from) independently verified bodies such as the Science Based Targets initiative ('SBTi'), CDP and RE100. Each disclosure requires evidence of strategy and financial planning. The Group used the more ambitious 1.5 degree scenario for its Science Based Targets, further emphasising the breadth of our climate risk assessment. The Group's scores and assessment from each disclosure body is listed within the next TCFD section – 'Strategy – in-year progress'.

Climate-related risks have a direct (but not material) cost impact associated with achieving future compliance and meeting committed targets and forecast pathway objectives.

In addition to capital expenditure, investment is required to support administrative or capital initiatives (e.g. energy efficiency and asset replacement). These 'direct costs' are incorporated into our short, medium and long-term financial planning.

Medium-term financial planning risk associated with the circular economy (via potential taxation increases and regulation change) is mitigated by increased investment in 'circularity' via both investment in our core UK Distribution Centre and resources to extend the life of legacy 'non-saleable' products and store fixtures and fittings.

In-year Progress

CDP: Endorsement of the Group's strategy for climate-related risk assessment was verified via our 'A-' grades for Climate Change and Water Security, awarded in December 2022.

Science Based Targets: The Group's external ESG risk assessment scores recognise that the Group has fully approved Science Based Targets. As at March 2023, the Group was rated within the top 4% of retail organisations based on Sustainalytics ESG risk assessment.

The Group achieved its target of 100% renewable energy use for direct operationally controlled stores (UK and Western Europe) prior to the end of the reporting period.

The Group's knowledge of climate-related risks enabled our most detailed ESG-assessment of potential acquisitions to date.

Capital investment continued in accordance with financial planning parameters, including investments within solar technology, building management systems, electric vehicle charging and voltage optimisation.

We continue to assess potential acquisitions from a climate-related perspective via the Environmental team on behalf of the ESG Committee. This includes analysis of high-risk ESG categories (e.g. carbon emissions and labour conditions).

The Group expanded our policies (e.g. Green Logistics Policy and the Group Cotton Sourcing Policy) to address climate risks and opportunities through our supplier resource document: https://www.jdplc.com/esg/governance/our-policies/supplier-resource-guidance-documents.

2023/24 Plans

Business strategy and financial planning will continue to be informed by Group performance within voluntary disclosures and ESG analyst ratings (MSCI and Sustainalytics).

Our new UK campus development incorporates local city carbon targets, planning laws and sustainability targets, all of which reduce Group exposure to future costs associated with climate-related regulation changes appertaining to property and/or fixed assets.

With climate-related risks necessitating the requirements to extend product life and reuse materials, the Group shall continue to invest in circular economy and product life extension initiatives, such as customer to customer sales of used product.

Reduce the risk of UK and European regulatory fines relating to 'Green-washing', to be supported by continued investment in colleague training.

STRATEGY

TCFD Recommended Disclosure

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The risks related to climate strategy and disclosures and the Group's mitigating activities are disclosed within the Principal Risks section of this Annual Report on page 40.

The Group has approved Science Based Targets in place based upon the 1.5 degree scenario. Examples of 1.5 degree scenario impacts are regulatory changes (e.g. 'carbon tax' on imports from sourcing territories using non-renewable energy). Forecast impacts include increases in taxation for both third-party and private label products. The Group has not yet performed full impact analysis for all climate scenarios. We have SBTi based on a 1.5°C and we have qualitative scenario analysis planning commenced in early 2023, which includes 1.5°C, 2 °C and 3 °C scenarios. Our first draft will be ready during 2023. This analysis shall determine the impacts of the material risks and opportunities identified for each scenario.

In-year Progress

Scenario analysis planning commenced.

The JD team continued to work with brand partners to identify the potential impact of regulatory change and product cost impact.

2023/24 Plans

Complete qualitative scenario analysis (forecast by June 2023) and progress to transition planning.

Continue advocacy for CDP, including submission of scenario analysis details within the Group 2023 response.

Retain the Group CDP 'A' grade for Supplier Engagement by providing case study evidence of private label and indirect supplier emission reductions (in accordance with 1.5°C Science Based Targets).

RISK MANAGEMENT

TCFD Recommended Disclosure

a) Describe the organisation's processes for identifying and assessing climate-related risks.

As outlined in Strategy (A), our updated assessment of ESG-related risks and opportunities, categorising each as short (0-3 years), medium (3-8 years) and long term (8-20 years). Substantive climate-related financial impact is defined as occurrences that may cause a reduction to operating profit of greater than 4% vs. budget plan.

The Group Energy and Environment team is the primary source of climate risk identification (both regulatory and physical risks). Annual performance objectives include climate risk monitoring and reporting to the ESG Committee. Monthly Board reports include assessment of climate risks, likelihood and impact, and facilitate early Board awareness of changing climate conditions and corresponding risks and opportunities.

Tangible financial impacts include reduced profit owing to increased taxation, legislative penalties or loss of revenue associated with changing consumer preferences. Identified high-impact climate-related risks are reviewed by the Group CFO via the ESG Committee, subsequent to which the Board may instruct mitigating activities and/or risk avoidance strategies.

In-year Progress

Climate-related risks updated after a post-COP27 impact assessment.

Impact assessments include engagement with both major brands, and our private label supply chain.

Major brand risk exposure (to physical climate risks of flooding, extreme weather conditions etc.) assessed as 'low' in the short-term, primarily arising from established brand mitigation strategies and measures.

Group CDP submissions for Climate Change, Water Security and Forestry contained extensive detail on climate-related risk identification and assessment.

Group progress evidenced via 'A-' grade for CDP Climate Change for the third year running and improvement to 'A-' grade for Water Security.

2023/24 Plans

Improve assessment of climate-related risks via use of a new carbon reporting tool for private label Scope 3 emissions.

Monitoring private label Scope 3 emissions enables the Group to identify risks associated with high emission areas within the Supply Chain.

Such prioritisation enables the Group to focus investment on reducing emission areas representing the highest long-term cost risk.

RISK MANAGEMENT

TCFD Recommended Disclosure

b) Describe the organisation's processes for managing climate-related risks.

Climate-related risks are continually reviewed by the ESG Committee and incorporated into business planning processes for ongoing management. A summary of our climate-related risk management process is provided on page 63.

Upon risk identification by the Group Energy and Environment team or divisional teams, our Head of Corporate Social Responsibility engages stakeholders facing the greatest risk impact. For validated non-financial risks (e.g. minor reputational impacts) we develop a strategy to comply, manage or mitigate risk, prior to relevant notification to the ESG Committee and/or inclusion in the Board Report.

High-level risks include 'reactive' political measures such as quickly-executed tax increases on high-carbon imports, which may impact medium to long-term profit. In such scenarios, divisional engagement typically leads to mitigatory recommendations to the ESG Committee and/or Group Board.

In-year Progress

Scheduled monthly updates on the status of climate-related risks under management have been provided via monthly ESG updates, included within Board reports.

Content included risks and opportunities related to private label and brand partner sourcing, Group progress on emission targets and disclosures, in addition to preparation and response to planned regulation and legislation changes.

Within the period, the Group continued to manage physical climate-risks based on sourcing territories and factory locations, with the Group monitoring supplier performance via its Environmental Performance Evaluation process. This enables the assessment of supply chain risk, providing the Group with necessary preparation to identify alternative sourcing locations.

2023/24 Plans

The consolidation of the Group's private label manufacturing supply base enables closer relationships with tier 1 suppliers (and their supply chain). The Group will monitor climate change mitigation measures at sourcing territory, factory and secondary supply chain level.

The Group will continue to use independent, TCFD-aligned climate risk disclosures to benchmark the effectiveness of our climate-risk identification and management plans. Our 2023/24 target includes continuing to outperform our sector with regards to climate change preparation.

TCFD Recommended Disclosure

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Any risk measured as being greater than 4% of profit before tax and adjusted items* (against plan) is defined as a substantive risk. This includes climate-related risks. Substantive impact risks are addressed within our scheduled budgeting and re-forecasting processes. Any subsequent risks identified (and their respective impact) are assessed from the perspective context of legal compliance, financial impact and reputational risk.

The diagram on page 63 explains our risk identification and management process and the Topical Risks section on page 34 provides further detail.

In-year Progress

Our risk measurement approach has been detailed within our CDP response, scored as A- for the third year in succession.

Improvements identified within the Group Enterprise Risk Management framework have been incorporated into our approach to managing climate-related risks.

2023/24 Plans

Extension of our externally recognised, highly-rated ESG risk management strategy to the Group's international businesses.

The Sustainability and Ethics team will be expanding private label supplier surveys to encompass and understand additional risks and opportunities in adopting renewable energy and climate change adaptation.

Throughout the Annual Report '*' indicates an instance of a term defined and explained in the Alternative Performance Measures section on page 48 along with a reconciliation to statutory measures. Further detail setting out the background to the Alternative Performance Measures is given in Note 1 to the financial statements.

METRICS AND TARGETS

TCFD Recommended Disclosure

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Since 2017, the Group has benchmarked ESG performance (including risk identification) via globally recognised, independent assessments such as the CDP, which is now aligned to TCFD. CDP and Science Based Target assessments encompass climate-related risk assessments and opportunities, including financial impacts.

A critical Group metric is performance against approved Science Based Targets – our commitment to reduce absolute scope 1 and 2 greenhouse gas ('GHG') emissions by 67.2% by 2035/36 from a 2019/20 base year, and absolute scope 3 GHG emissions from purchased goods and services by 67.2% by 2035/36 (also 2019/20 base year).

Key metrics to track progress against these commitments are Scope 1, Scope 2, Scope 3 emissions and renewable energy use, including GHG efficiency ratio is based on our Market based emissions with a metric of $kgCO_2e$ per sqm.

Group support for RE100 renewable energy targets and WRAP Textiles 2030 emission and water reduction ensures that renewable energy and biodiversity resource and investment is prioritised, reducing future exposure to risks including enhanced costs relating to unsustainable business practices.

In-year Progress

The Group's proactive approach to climate-related risk was recognised by retention of CDP 'A-' rating for Climate Change – three grades above sector average, and outperforming the majority of our global brand partners.

The Group achieved its highest CDP Water Security score of 'A-' within the period, highlighting the achievements of our private label brand team in reducing resource usage and increasing biodiversity.

Renewable energy usage reached the Group target of 100% for direct operational controlled stores within Western Europe.

Within the period we completed our first sourcing events utilising carbon pricing for indirect goods.

2023/24 Plans

Maintain the Group's sector-leading position within third-party assessments including CDP, and external recognition via leading analytics and reporting indices of ESG risk identification and management, including MSCI and Sustainalytics.

Participation within recognised schemes and accreditation including 'Better Cotton' and 'Zero Waste to Landfill'.

Improve Group performance on Scope 3 emission reporting, via investment in a new carbon reporting tool to facilitate supplier and factory life cycle assessment, enabling additional long-term climate risk and opportunity assessment.

Increase use of carbon pricing on investment projects, enabling improved risk and opportunity assessment.

TCFD Recommended Disclosure

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 Greenhouse Gas ('GHG') emissions, and the related risks.

See data on page 76. The Group has disclosed GHG emissions data since 2014. Scope 3 disclosures have been provided since 2020.

Streamlined Energy and Carbon Reporting ('SECR') compliant as per regulatory requirements.

The Group reports emissions figures for Scope 1 and 2, based on GHG Protocol Corporate Standard using emissions factors from UK and other territories published government conversion factor guidance. The GHG efficiency ratio used by the Group is based on Market based emissions with a metric of $kgCO_2e$ per sqm.

A Group Scope 3 emissions breakdown is disclosed on page 72, with references made to the Group's reliance on major third-party brands to achieve its Scope 3 emission reduction targets.

In-year Progress

Compliant GHG emission disclosure via CDP and this report.

Third-party verification of Scope 1, 2, and 3 emissions, incorporating calculation of data and compliant reporting to regulatory standards.

SBTi Scope 3 emission reduction targets fully approved.

Use of the WRAP Textiles 2030 carbon footprint tool improved Scope 3 transparency within our private label supply chain.

2023/24 Plans

Expand Scope 1, 2 and 3 reporting to the Group's international businesses (not presently under direct operational control). Direct operational control, or operationally controlled sites are defined as facilities, operations or locations for which the Group management team is able to make changes or decisions to supply and services without breaching existing contracts or requiring landlord consent.

Improve Scope 3 emission reporting for private label supply chain emissions via investment in a new, more accurate emission reporting tool.

METRICS AND TARGETS

TCFD Recommended Disclosure

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Target: Independent verification and comparative assessment of the Group's climate-related risk and opportunity assessment.

Measure: CDP scores, and RE100 target achievement. The Group supports CDP as the most comprehensive metric with regards to the management of climate-related risks and opportunities. RE100 (aligned to CDP and TCFD) represents the world's largest organisations committed to using 100% renewable energy. The Group set a target of 100% renewable energy use in Western Europe by 2022, and globally by 2025.

Result: For CDP Climate Change, the Group score progressed from 'D' in 2017/18 to 'A-' in 2020/21 and the Group has retained this high rating to date. The Group also achieved A- grade for the CDP Water Security category. The Group achieved its target of 100% renewable energy use (Western Europe) by the end of 2022, and remains on-track to achieve its 2025 global target.

Target: Independent, science-based verification of the Group's climate-reduction targets and data via the SBTi.

Measure: SBTi verification of Group Scope 1, 2, and 3 targets.

Result: Scope 1 and Scope 2 emissions received verification (by SBTi Board) in 2021. Scope 3 emissions verified in 2022.

Target: Identify and describe the Group's pathway to Net Zero for Scope 1 and 2 emissions.

Measure: Document the Group's forecast transition to Net Zero, utilising third-party brand partner data.

Result: Forecast pathway to reach Net Zero (Scope 3 emissions) by 2043 identified, based on the latest brand data available during the reporting period.

Sustainable Sourcing: Our private label brands are members of Better Cotton; a flagship scheme to reduce water usage within the supply chain. The Group has surpassed its original target of 80% usage, reaching 98% within the period.

Recycling and the Circular Economy: The Group targets and achieves third-party verified 'Zero Waste to Landfill' accreditation for major, direct operational control sites.

In-year Progress

Documented above.

2023/24 Plans

Provide updates, progress reports and any risks relating to our global 100% renewable energy target (2025).

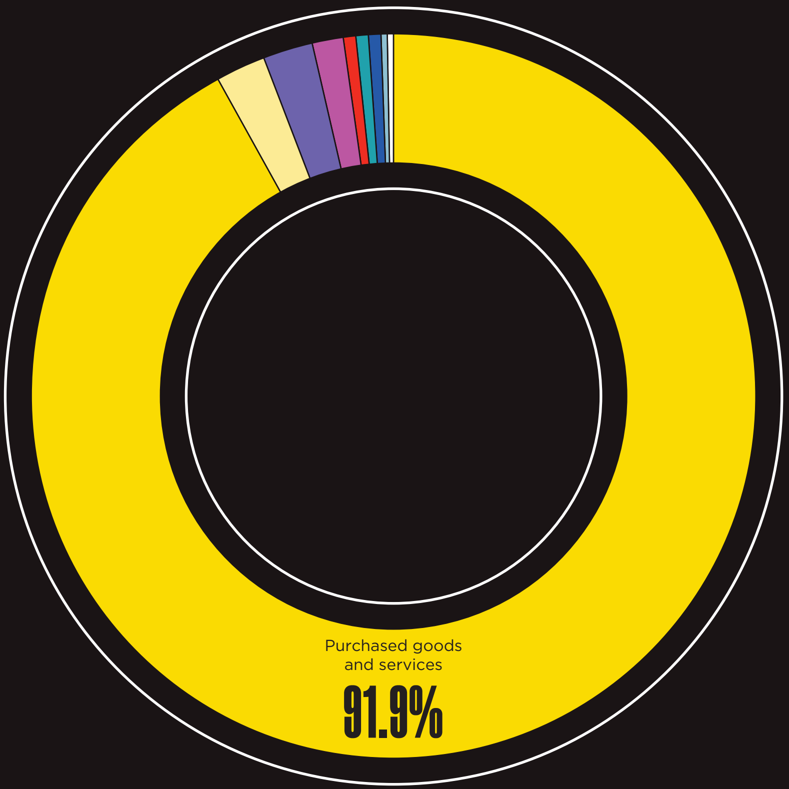
Expand Better Cotton approach and learnings to acquired businesses, and support advancement of private label climate change management across our expanded global operations.

Retain 'Zero waste to landfill' accreditation at our largest operated facility, UK and European offices.

Achieve equivalent accreditation for our new Derby Distribution Centre (UK).

Complete Green Claims Code training across high-risk roles for UK, Europe and potentially North America.

CLIMATE CHANGE



Reporting – Scope 3 emissions breakdown

As shown in the analysis just under 92% of our Scope 3 emissions comes from the Purchased goods and services category

Purchased goods and services	91.9%
Capital goods	2.4%
Upstream transportation and distribution	2.2%
End-of-life treatment of sold products	1.4%
Downstream transportation and distribution	0.6%
Business travel	0.5%
Employee commuting	0.4%
Fuel and energy-related activities (not included in scope 1 or scope 2)	0.3%
Waste generated in operations	0.3%

Climate Change – Headline Achievements

- Achievement of 'Leadership' grade of A- within December 2022 CDP 'Climate Change' assessment, for the third year running.
- Awarded 'A' rating for 'Supplier Engagement' by CDP in March 2022.
- Achieved our RE100 target of 100% renewable energy usage for Western European sites. The RE100 is the world's most influential companies, committed to 100% renewable power.
- Our Scope 3 Science Based Targets were approved by the Science Based Targets Initiative (SBTi) Board. All JD targets are set against the most environmentally ambitious 1.5-degree Celsius scenario.
- Amidst increased scoring thresholds, our CDP 'Water Security' submission improved a grade to 'A-' grade, achieved via verifiable progress within our environmental management programme (page 75).
- The Group was awarded a 'Zero waste to landfill' accreditation for multiple core locations, being our largest UK/European Distribution Centre, Head Office plus our ISRG Head Office and Distribution Centre in Spain.
- We completed on-site solar installations across multiple stores, and at our Outdoor Distribution Centre.
- Our European Distribution Centre in Heerlen, Netherlands, has commenced a solar roof installation that is due to be completed in August 2023.
- We have delivered our accredited #IAMSUSTAINABLE training programme across 11 additional territories, adding new region-specific content and adjusting language to maximise colleague engagement.

Climate Change – Reporting and Compliance

The Group's management of carbon emissions is delineated into two categories:

1) Scope 1 and Scope 2 – Group 'directly controlled' operations within our infrastructure (e.g. our warehouse and in-store energy usage). GHG emissions are as defined by the GHG Protocol. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy.

2) Scope 3 – operations and activities of our supply chain, including manufacture of products and our non-merchandise suppliers:

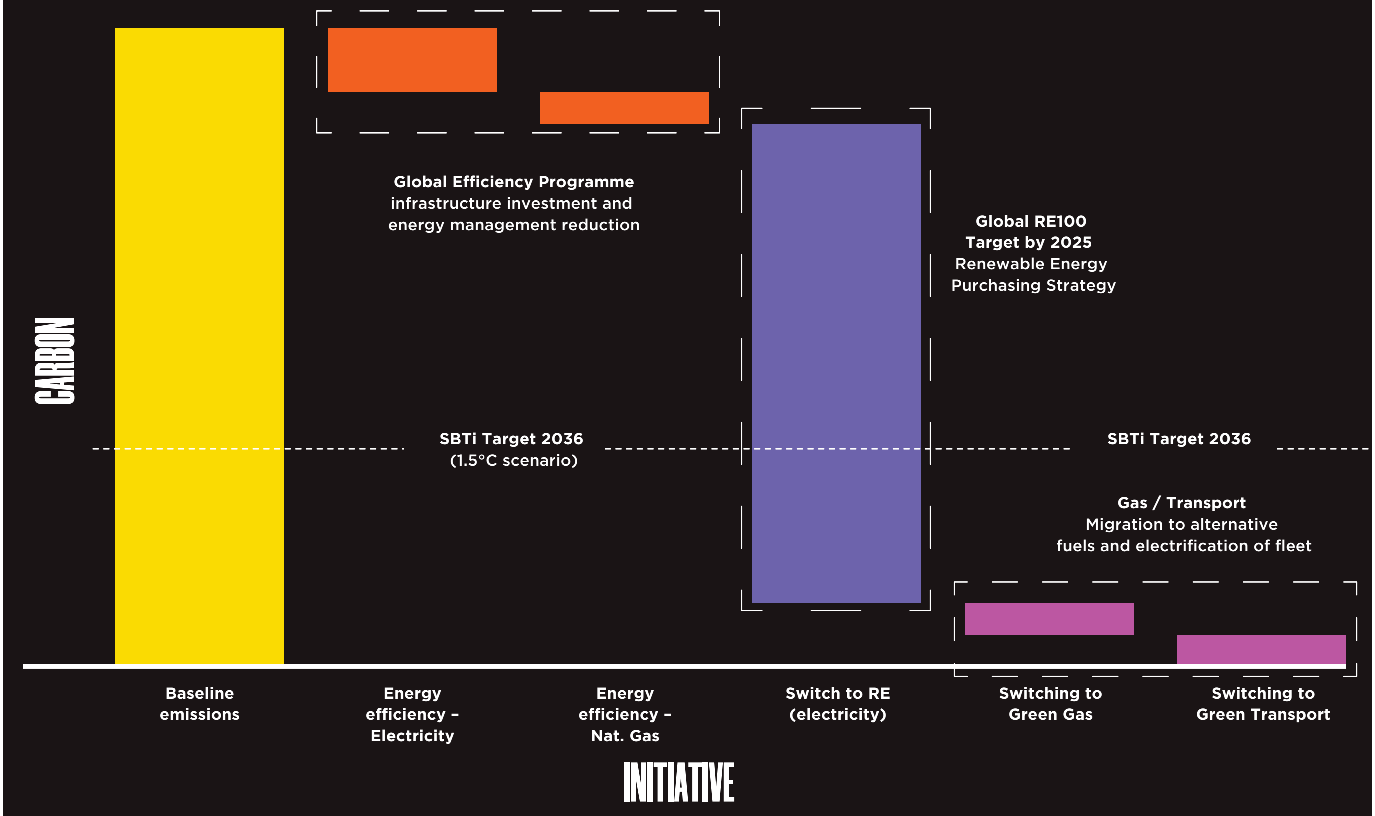
- Purchased goods and services (91.9%) are our largest Scope 3 contributor.
- The Group continues to monitor and encourage emission reduction progress from our strategic suppliers. The highest level of emission reductions need to be achieved at the raw material and manufacturing stages for branded products.
- Emissions data is constantly adjusting due to both changes in Group activity and changes to calculation methodologies.

Within these categories, the Group remains compliant with:

- The updated UK SECR system.
- The Energy Savings Opportunity Scheme obligations within the UK and Energy Efficiency Directive obligations for Europe.

Scope 1 and 2 Carbon Reduction roadmap

Taking the baseline of our carbon emissions, the carbon reduction roadmap sets out how we forecast to achieve net zero trajectory by 2043



Climate Change – Science Based Targets initiative

During the period, our Scope 3 targets were verified by independent consultants and subsequently approved by the SBTi Board. The Group now holds, and is working to a complete set of fully-approved, Scope 1-3 Science Based Targets.

WRAP Textiles 2030 Steering Group presence and participation enabled the Group to continue further detailed evaluation of our private label Scope 3 emissions, utilising tools such as the 'WRAP Carbon calculator'.

Development of our private label carbon lifecycle analysis continues. Once complete, this will increase accuracy of product-level emission reporting.

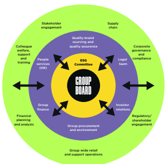
	Category	Target	Status
SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	**Scope 1 and 2 emissions**	The Group commits to reduce absolute Scope 1 & 2 GHG emissions by 67.2% by 2035/36 from a 2019/20 base year. These targets do not factor in the growth strategy that was recently announced at the Capital Markets Day on 2 February 2023. The Group will keep this under review.	Submitted and approved
	Scope 3	The Group commits to reduce absolute Scope 3 GHG emissions by 67.2% from textiles and footwear within the purchased goods and services category by 2035/36 from a 2019/20 base year. These targets do not factor in the growth strategy that was recently announced at the Capital Markets Day on 2 February 2023. The Group will keep this under review.	Submitted and approved

ESG – Environmental continued

Climate Change – Reducing Carbon Emissions – Progress and Objectives

Environmental objective	2022/23 progress	2023/24 objective
Carbon reductions Temperature 	– LED investment in 25 stores and gyms achieving 40% energy reduction (228t CO_2). – Completion of solar installation at three Go Outdoors stores and at our Outdoor Distribution Centre saving 107t CO_2. – Shoe Palace completed a solar project at our new Distribution Centre in California, saving 1,323t CO_2. – Over 140 Building Management Systems ('BMS') installed across JD, Outdoor and JD Gyms, delivering estimated carbon savings of 253t CO_2. This brings our total BMS sites to over 500. – Proof of concept completed on Voltage Optimisation ('VO') technology, saving 14t CO_2. – Alternative water systems deployed across 62 gyms, saving 11% energy per gym. – Electric Vehicles ('EV') chargers installed at our main UK/European Head Office and at our new Derby Distribution Centre. – Fleet policy updated to include the provision of EV transition support for Group funded domestic chargers for colleagues.	– Complete LED investments in Kingsway Distribution Centre by the end of the 53 week period ending 3 February 2024 and target 40+ remaining non-LED UK JD stores. – Continue solar panel investment programme at Heerlen Distribution Centre – forecast 1,449t CO_2 saving per annum by Q3 2023/24. – Additional investment in solar technology (where feasible) for UK and European sites. – Continued investment in BMS technology (UK and International) with additional focus on alternative energy controls. – Expansion of voltage optimisation – target 10 additional stores. – Expand energy monitoring system to Germany and France by the end of 2023, utilising new meter data infrastructure. – Complete installation of vehicle charging point infrastructure for our major occupancy sites/ Distribution Centres by end of 2023. – Trial customer Electric Vehicle charge point solutions across three Outdoor business sites by early 2024. – Review market options to implement an Electric Vehicle salary sacrifice scheme for eligible colleagues.
Carbon reduction – procurement RE 100	– Renewed Green Energy contracts, with 100% traceable renewable electricity in Austria, Denmark, Finland, Ireland, Portugal and Spain. – We reached our disclosed target for 100% Green energy use for Western European stores (where we have direct operational control over energy sourcing).	– Retain 100% renewable usage for Western Europe, with continued progression towards 100% global renewable energy use by 2025. – Of the sites we own, additional investment in on-site green energy generation (where feasible), 30% of the relevant Outdoor stores are complete with a target to complete 50% of the portfolio by early 2024. – Review alternative green renewable sourcing methods such as Power Purchase Agreements ('PPA') across our territories.
Sustainability – education and engagement CPD The CPD Certification Service	– ESG awareness and education increased via our accredited #IAMSUSTAINABLE online training courses, available to over 27,000 colleagues. – #IAMSUSTAINABLE is now available in 11 countries across Europe, Australia and New Zealand. Region-specific content and language to maximise relevance and colleague engagement. – Continued support for colleague 'sustainable at home' tips and behaviours, focusing on measures that save money to reduce the impact of the cost of living crisis.	– #IAMSUSTAINABLE programme to be accessible in at least 10 additional territories. – Create and launch a new 'Green Claims Code' training module, targeting key roles at high risk in the UK, Europe and North America. – Develop consumer and colleague education on sustainability messaging through the consumer website – highlighting sustainable products and promoting product life extension. – Undertake additional customer surveys to identify 'perception versus reality' gaps on sustainability issues, whilst identifying potential new revenue streams.

Climate Change – Reducing Carbon Emissions – Progress and Objectives

Environmental objective	2022/23 progress	2023/24 objective
Verification and reporting – Climate change (carbon) and water	– The Group submitted and received Scope 3 emissions target approval from the SBTi committee. – Our private label brands sourced 3,180 tonnes of cotton through the 'Better Cotton' initiative. Since joining in 2020, over 1.48 billion litres of water have been saved. – The Group utilised the WRAP 2030 carbon footprint tool to identify actions aiming to reduce Scope 3 emissions within private label manufacturing. – The assessment of wet processing units through our Environmental Performance Evaluation, was completed for JD UK and our Outdoor businesses, with all facilities graded.	– Progress our Scope 3 emission target reporting via investment in emissions measurement, focusing on private label apparel and footwear. – Utilise our Environmental Performance Evaluation ('EPE') as a means to improve climate performance at manufacturing sites. – Our 'Cleaner in Production' programme will be expanded to all private label suppliers (over 500 sites). – Complete all Energy Savings Opportunity Scheme ('ESOS') recommendations across our UK estate, reducing store energy usage in support of our emission reduction targets.
Benchmarking and engagement	– The Group achieved an 'A-' grade for the third year running for Climate Change and improved to an 'A-' grade for Water Security. – For the third successive year, the Group was certified as a 'CDP Supplier Engagement Leader' with an 'A' rating. – Sustainalytics formally recognised the Group as an ESG Industry and Regional 'Top Rated' company. – The Group is ranked in the top 4% of global retail by Sustainalytics*, and improved its MSCI rating.	– Continue to outperform our CDP sector score within the December 2023 Climate Change and Water Security surveys. – Improve our 2023 Forest CDP scoring (presently mid-level) to surpass our sector peer group. – Support brands and licensees to improve their respective investor benchmarking performance during 2023/24. One major brand and licensee identified by the Group Sustainability team.
Resource management- Circular economy 	– For the third successive year the Group retained its 'Zero waste to landfill' waste accreditation at our largest operated facility. – Our largest UK/European office is also now 'Zero waste' certified. – The ISRG Head Office and Distribution Centre in Alicante, Spain achieved 'Zero waste to landfill' waste accreditation. – 5,219 tonnes of card and over 75 tonnes of plastic recycled. – Our store and Distribution Centre asset take-back programme enabled the recovery and reuse of over 14 tonnes of hangers and 236 tonnes of plastic tote bins. – The Group completed its 'Circular Economy in Business' project and selected a supplier for our proposed customer take-back/recycling scheme.	– Retain 'Zero waste to landfill' accreditation at our largest operated facility and our largest UK/European office. Aim to achieve 'Zero waste to landfill' waste accreditation for our Derby Distribution Centre. – Develop a 'zero waste' solution for our European Distribution Centre. – Implement a 'Recycling Recovery Unit' facility solution at our UK Distribution Centre, expanding Group take-back and recycling capability. – Implement QR code traceability through the private label supply chain, enabling transparency on manufacturing and materials. – Publish Group-specific outputs from the WRAP 2030 workstream group ('Circular Economy in Business') including launch of our take-back scheme within JD Outdoor.

GREENHOUSE GAS EMISSIONS

Environmental – Greenhouse Gas ('GHG') Emission Data

The Group emission reduction strategy utilises Key Performance Indicators. During the period:

- The Group engaged the services of a leading third party certification body to audit and verify Greenhouse Gas (GHG) submissions (in accordance with ISO 14064-3 standards).
- Accordingly, the Group can report the fully verified figures below, calculated based on the GHG Protocol Corporate Standard, using emissions factors stated within UK government conversion factor guidance.
- The emissions reported correspond with our financial period, reflecting emissions from leased and controlled assets for which the Group is responsible.

KPI: Emissions by Source	**2022/23 Tonnes CO_2e Equivalent**	2021/22 Tonnes CO_2e Equivalent
Scope 1 (Purchased fuels)	**7,642**	10,739
Scope 2 (Electricity) Location based	**75,534**	70,777
Scope 2 (Electricity) Market based	**45,306**	36,315
Scope 3 (All emissions)	**5,568,785**	4,458 224

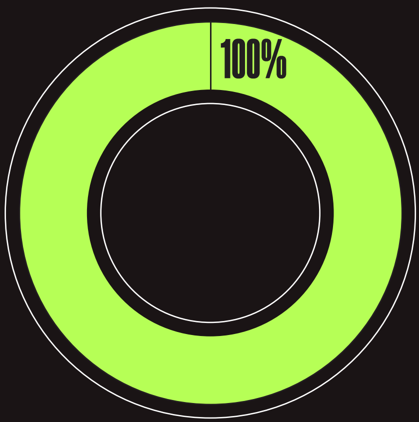
- Reporting boundaries for 2022/23 (aggregated facilities under operational control) include the UK, Australia, Austria, Belgium, Bulgaria, Canada, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, The Republic of Ireland, Italy, Latvia, Lithuania, the Netherlands, Malaysia, Poland, Portugal, Romania, Singapore, Slovakia, South Korea, Spain, Sweden, Thailand and the US.
- New territories (expansion) of Bosnia & Herzegovina, Cyprus, Greece, Indonesia, Israel, New Zealand, Serbia and Slovenia are also included.
- In accordance with GHG dual reporting protocol, we disclosed both market and location-based emissions for purchased electricity in 2021/22 and 2022/23.
- Scope 3 emissions data is calculated via a screening exercise using a leading third-party (Quantis) financial input-output model.
- This excludes emissions from 'use of sold product' – an optional category for GHG accounting that was not included in the Group's Scope 3 boundary for its SBTi submission.
- Fugitive emissions are not included in the above due to their de-minimis category status.
- Total Scope 3 emissions increased as a direct result of higher sales and the associated increase in purchased goods expenditure.
- Group Scope 3 emission data accuracy improved via acquisitions and inflationary cost impacts inclusion.
- 2022/23 figures (above) have been updated to reflect the Group's 2022 CDP submission, as verified by our third party auditor.
- Whilst not a mandatory disclosure, the Group remains committed to presenting data appertaining to energy usage and carbon footprint.
- Increases in energy usage and emissions (versus previous period) arose from the sales benefits of the continued reduction of COVID-19 trade impact, planned operational expansion, and improved consumption data accuracy.
- Sales-related increases in consumption do not reflect the Group's verifiable success in reducing energy use on a like-for-like basis.

	2023 (UK & ROI)	2023 (International)	**2023 (Total)**
Energy Usage – Electricity (kWh)	109,027,355	168,831,325	**277,858,680**
Energy Usage – Natural Gas (kWh)	14,613,056	20,412,256	**35,025,312**
Total Energy Use (kWh)	123,640,411	189,243,581	**312,883,992**
Carbon Emissions Location based (Tonnes CO_2e)	21,556	53,978	**75,534**
Carbon Emissions Market based (Tonnes CO_2e)	2,851	42,455	**45,306**
Intensity metric: Market based emissions ($kgCO_2e/m^2$)	4.7	49.9	**31.2**

Within the UK & Republic of Ireland, the equivalent 2021/22 energy usage was: Electricity 93,105,676(kWh), 21,997,957 Natural Gas (kWh) and 115,103,633 Total energy use (kWh).

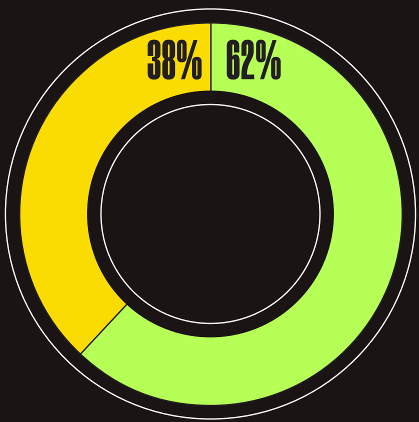
- As required under UK SECR legislation, the Group applies an intensity factor to GHG emissions expressed in $kgCO_2e$ per metre squared. To evidence progress in decarbonising operations we use Market-based emissions $kgCO_2e$ per sqm as our intensity metric.
- The Location-based approach does not account for the emissions reductions due to renewable electricity usage. Comparative Market-based emissions $kgCO_2e$ per sqm for 2021/22 were 7.9 (UK & ROI), 49.3 (International) and 29.3 (Total).
- Renewable energy split is calculated based on the total usage of renewable supply as a percentage of the total electricity for the region for directly controlled operations.
- Exclusions to the data presently include Eastern and Southern European acquisitions including MIG, Cosmos, and sites where operational control is restricted (e.g. landlord-managed energy supplies).

Europe



- Renewable
- Non-renewable

Worldwide



- Renewable
- Non-renewable

The 2016 Paris Climate Agreement and subsequent Intergovernmental Panel on Climate Change reports (2018 and 2023) emphasise the importance of accelerating decarbonisation.

Independent reports such as 'Fashion on Climate' (McKinsey/Global Fashion Agenda), identified that the fashion industry needs to reduce annual emissions by 1.1 billion tonnes (50%) within the next decade to remain on course to achieve the 1.5°C global temperature increase limit required to reduce the severity of the impact of global warming.

Within the fashion industry, the largest source of carbon emissions is – by far – the 'upstream' production, processing and garment manufacturing stages of the supply chain.

Upstream activities such as energy-intensive raw material production, preparation and processing (see chart below) account for 70% of emissions.

In 2020, the Group commenced its current strategy to improve sustainable behaviours within the supply chain. Year-on-year improvements (across supply chain tiers) have reduced like-for-like carbon emissions, whilst improving water stewardship and biodiversity protection.

Recognition of the success of our strategy has been (independently) provided via the Group's CDP scores. Our Climate Change and Water Security submission outline how our private label supplier engagement process developed from research questionnaires to the successful operation of a full Environmental Performance Evaluation (EPE) across our supply chain.

By consolidating our manufacturing supply chain, the Group has been able to accelerate positive environmental change with 'post tier 1' supply chain partners, with each reduction in emissions and water usage benefitting local communities and ecosystems.

The next phase of our private label strategy is 'Cleaner in Production', and incorporates additional, extensive surveys to identify and deliver additional environmental improvements.

TIER 4	TIER 3	TIER 2	TIER 1	TIER 0
Raw material extraction	**Raw material processing**	**Material production**	**Finished production assembly**	**Office, retail, Distribution Centres**
Cultivation and extraction of raw materials from the earth, plants or animals.	**Processing of raw materials into yarn and other intermediate products.**	**Production of materials (e.g. fabric, trims) that go directly into finished product.**	**Assembly and manufacturing of final products.**	**Corporate real estate not involved in production process.**
ILLUSTRATIVE ACTIVITIES FOR APPAREL AND FOOTWEAR				
– Bottle recycling (for recycled polyester) – Conversion of oil/gas into polymers – Cultivation of cotton, wood and natural rubber products – Cattle grazing	– Yarn production (extrusion, spinning, etc.) – Production of dyes, inks, adhesives, resin, etc. – Conversion of wood products into pulp – Leather preparation (including tanning)	– Knitting and weaving textiles – Fabric bleaching, dyeing, finishing, washing – Production of footwear mid and outer sole components (extrusion, moulding, vulcanisation)	– Cutting, sewing, stitching, embroidery – Screen printing – Stock fitting and lasting for footwear – Product packaging	– Business travel and employee commuting Source: Sciencebasedtargets.org

WATER STEWARDSHIP AND BIODIVERSITY

Environmental – Water Stewardship and Biodiversity

Background
The growth and extraction of raw materials (including cotton) are water-intensive activities.

Accordingly, by adopting more sustainable behaviours within both our design and supply chain, the Group has reduced its environmental impact. Group progress has been verified by water usage and pesticides reduction and removal, respectively (see Better Cotton infographic, below) benefitting farmers and local communities alike.

Group use of recycled polyester (in place of virgin polyester), within apparel products conserves natural resources by eliminating waste, whilst reducing water and energy consumption.

Water Stewardship – Branded Suppliers
As outlined on page 63, the global scale and visibility of our major third-party brands ensures high standards of environmental management and responsibility.

Brand priorities include water stewardship and protection of biodiverse habitats, with brand partner action and success evidenced via the Water Security CDP scores achieved (page 75).

Water Stewardship – Private Label Manufacture
Within our private label supply chain, the highest volume of water usage occurs during product manufacture. Accordingly, the Group proactively reduces water usage by:

- Joining and continuing to support ‘Better Cotton’. Since 2020, our sourcing changes has saved over 1.3 billion litres of water versus previous cotton sourcing practices.
- Committing to the WRAP Textiles 2030 water reduction target of an additional 30% versus Group baseline.
- Utilising the WWF Water Risk Filter to enable data-driven identification of water-related risk and opportunity within our supply chain.

Biodiversity
Within our supply chain, Group participation within the Better Cotton programme ensures that licensed cotton farms and farmers adopt management plans to conserve and enhance biodiversity.

Within our directly controlled operations, our new UK campus development plans incorporated biodiversity assessments including planting of hedges, flowers and trees to both enhance the local environment, and reduce deforestation.

Within the period, our ISRG business in Alicante, Spain, planted 2,500 trees to restore biodiversity within the local area.

Key Metrics and Targets
Within the reporting period, the Group demonstrated progress via:

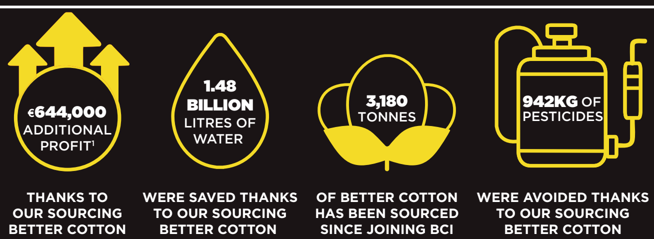
- Improving our CDP ‘Water Security’ to an ‘A-’ grade, three grades above the retail average.
- Reducing usage of virgin polyester.
- Increasing use of ‘Better Cotton’ to over 98% in private label products, enabling further farmer training on water reduction and economic irrigation, whilst ensuring payment of fair wages to farm workers.
- Continuing the JD Group ‘Sustainability flag’ assessment process for manufactured garments rewarding suppliers that evidence reduced environmental impact within product manufacture.

better cotton™

Better Cotton Initiative

We are proud members of Better Cotton. Better Cotton trains farmers to use water efficiently, care for soil health and natural habitats, whilst reducing use of harmful pesticides.

JD Group is committed to supporting Better Cotton within our private label manufacturing. Over 98% of our cotton in private label production is now sourced through Better Cotton. Since joining Better Cotton in 2020, JD Group manufacturing impact achieved the following successes:



1 Better Cotton farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimised use of inputs (such as irrigation water, pesticides or synthetic fertiliser)
Time period from January 1st 2022 – December 31st 2022.

ENVIRONMENTAL – RESOURCES MANAGEMENT

Consumer and media scrutiny on resource management (including plastic and packaging) continues, and the Group embraces its responsibility to reduce material consumption, where achievable. During the period, the Group continued to optimise resources management across directly-controlled operations, as detailed below:

Resource/Objective	2022/23 Progress	2023/24 Objective
Retail packaging and materials Increase recycled content within retail packaging and consumables 	Where packaging is required, we ensure paper-based products are FSC-certified and plastic is manufactured from optimal levels of recycled content. We developed a carbon-pricing metric for packaging products, rewarding suppliers utilising renewable energy to manufacture products. A key supply chain partner transitioned to a 100% renewable energy tariff and installed solar panels at its manufacturing site, reducing the carbon footprint of the famous JD duffle bag. Completed packaging specification review, ensuring compliance to 2022 UK plastic tax legislation.	Support international acquisition businesses to challenge demand for packaging use, and use accredited and/or recycled specifications. Expand the implementation of carbon pricing across new retail packaging and materials projects. Undertake a review of JD Outdoors packaging, with a target to increase recycled content to 90%.
Private label products Reduce and change specifications to eliminate harmful materials	All packaging is 100% FSC/recycled paper, including swing tags and tissue paper. Our barcodes are FSC accredited and use APEO free adhesive. During 2022, we replaced 25 million garment bags with 100% Global Recycled Standard ('GRS')-certified post-industrial waste recycled plastic.	Target the Outdoor business, specifically the Outdoor living category, to continue the removal of unnecessary packaging and the conversion to sustainable materials.
Reduce waste Eliminate waste to landfill	Our UK Distribution Centre and Head Office Locations retained 'Zero waste to landfill' accreditation. Our largest operational European sites (ISRG Head Office and Distribution Centre, Alicante, Spain) achieved similar 'Zero waste to landfill' accreditation for the first time. The Group increased retail store diversion from landfill once again, reaching 98.9% (2022: 98.8%) within the period. Achieved a 15% reduction in machine stretch packaging usage by challenging demand and specifications. Process improvements at our Outdoor return centre resulted in a reduction of c.80% of bin collections.	Achieve 'Zero waste to landfill' accreditation at both our Derby Distribution Centre site, and that of our outsourced Distribution Centre partner for JD Outdoor. Reduce use of cardboard 'pallet boxes' by 40% – saving resources and optimising logistics by saving space. Maintain landfill diversion of at least 98.5% and target 99%+ (subject to regulation changes). Achieve an additional 30% reduction in machine stretch packaging via equipment optimisation. Reduce material use via new, more efficient customer address labels on packaging.

Environmental – Resources Management continued

Resource/Objective	2022/23 Progress	2023/24 Objective
Re-use Increase re-use of materials, products, fixtures and fittings via circular economy solutions	'Circular economy' development continued via central (Distribution Centre) processing of former waste streams from our directly controlled operations. Assets returned, refurbished and reused including store radios, metal fixtures, office furniture, hangers (14 tonnes), mannequins, staff uniforms and plastic product containers. Implementation of a take-back and repair scheme for security equipment used across UK stores. Our new sortation process for warehouse tote bins enabled 236 tonnes of broken product to be repurposed to manufacture over 14,000 new tote bins.	Expand Group circular economy infrastructure within our UK and European retail operations via investment in recycling and recovery facilities. Target re-purpose of our used paper and card products into new packaging products. Achieve re-processing and re-use of up to 10,000 colleague uniform items.
Recycle Increase card and plastic recycling volumes	Our 'reduce' strategy removes card and plastic at the earliest possible source. Cardboard recycling totalled 5,219 tonnes and plastic 75 tonnes. Group 'mailing bags' (for online orders) now use previous 'waste' plastic film, now recovered, repurposed, and reused. Using recycled plastic material for online orders delivered an equivalent embodied carbon saving of 207t CO_2e. Our e-commerce boxes are now 100% recycled card. New, printed customer messaging launched on packaging to encourage reuse and improve recyclate quality.	Replicate paper, card, and plastic recycling and reuse at our new European Distribution Centre at Heerlen, Netherlands. Increase recycled percentage rates by a minimum of 20% for our Outdoor e-commerce packaging.
Improving in-store sustainability	A project was undertaken within the ESG team to identify opportunities in stores to convert Goods Not For Resale ('GNFR') to sustainable options. This provides a blueprint for the stores within the JD portfolio, further details can be found on our corporate website at https://www.jdplc.com/esg	Complete the 'in-scope' categories where possible. Expand this model across other fascia's and territories.

SUSTAINABILITY IN PRIVATE LABEL MANUFACTURING

WRAP Textiles 2030 – Support, Objectives and Deliverables
The Group is proud to continue membership of the government-backed Waste and Resources Action Programme ('WRAP') Textiles 2030 initiative, and acts as an Advisory member.

The primary programme objective is to reduce the global environmental impact of textiles with emphasis on reducing carbon emissions (by 50%) and water usage (by 30%).

The four Textiles 2030 modules supported by our private label Sourcing and Development teams are:

- Circular business models/in-use and disposal.
- Raw materials and processing improvements.
- Citizen behaviour.
- Circular design.

Participation in Textiles 2030 has supported delivery of:

- Multi-fascia collaboration on circular business models and customer awareness initiatives.
- Group awareness and compliance with environmental standards.
- Organisational environmental awareness, further supported by our #IAMSUSTAINABLE training.

Our first Textiles 2030 module – 'Circular business models' involved an extensive working group. Our inaugural 'take-back' scheme has been implemented in our Outdoor business, working alongside the Textile Recycling Initiative.

Textiles 2030 has devised an improvement action tool requiring annual data submissions of material usage, aiding the Group with implementation of specification changes.

The Textiles 2030 working group for raw material and processing improvements will aid JD with our targets to reduce emissions and water usage within our supply chain.

Sustainable Sourcing Improvements – Outdoor Apparel
Water proofing and coating are key to outdoor product durability, but can contain Perfluorochemicals ('PFC') – persistent organic pollutants found to be harmful to the environment, with a negative impact on biodiversity.

Our Outdoor business has successfully addressed this risk – 98% of apparel is now PFC-free, and we are targeting 100%.

Sustainable Sourcing Improvements – Outdoor Packaging Reduction
With specific focus on camping equipment, our Outdoor team reduced packaging impact across a large volume of products, with key achievements including:

- Removal of all non-essential plastic packaging, with c.30 tonnes of plastic removed during the period.
- Swing ticket booklets have been reduced and UV coatings and laminates removed, making it easier to recycle. Any card used is now made from recycled product.
- A 99% reduction in the use of packaging featuring PVC/acetate.
- All polyethylene tubes and wraps have been replaced with card.
- Polystyrene and foam have been removed from packaging.

Private Label – Environmental Management Programme and Auditing
Our private label commitment to reducing environmental impact across our supply chain is undertaken via our Environmental Management Programme ('EMP').

The first key facet of the EMP is Environmental Performance Evaluation ('EPE') – the completion of audits on supplier site sustainability, including:

- Reducing carbon emissions.
- Reducing water usage.
- Preventing the usage and discharge of harmful chemicals, enhancing water security and supporting biodiversity.

The EPE process is detailed within the next section, and our results will form part of our 'Cleaner in Production' programme (page 82).

Private Label – Operational Scope and Supplier Consolidation Strategy
JD contracts fully-factored goods for all private label production, contracting with Tier 1 suppliers only. The Group has no direct contractual agreements with Tier 2 (Mill) and Tier 3 (Wet Processing) units.

To enable supply chain improvements beyond contracted Tier 1 suppliers, the Group has undertaken strategic supplier reduction initiatives. Volume consolidation enables our private label teams to work alongside Tier 1 suppliers to build relationships with the value-chain.

Our Outdoor business is undertaking the same consolidation to reduce its supply chain to achieve similar, positive outcomes. Finally, our subsidiary, Focus International Limited has completed its consolidation plan and will implement EPE within its value-chain in late 2023.

In summary, supply chain consolidation enabled multiple Group businesses to achieve product quality consistency, whilst simultaneously supporting environmental targets and promoting sustainable economic growth via meaningful work across the supply chain. This has been evidenced via the number of sites attaining silver and gold accreditation.

By focusing on sites with Bronze accreditation during the next period, our team can support capability and development to target improved performance. Sites verified as achieving higher levels of performance will reach accreditation levels of silver, or above. Sites with no grade (no accreditation or verified metrics) will be de-listed.

Private Label – Environmental Performance Evaluation (EPE)
Our private label supplier consolidation strategy facilitated faster implementation of the EPE – our primary means to deliver private label sustainability and emission targets.

The latest stage of our EPE programme incorporates the analysis of sustainability-related processes at dye house level. Improvements identified to the sites support our objectives to reduce private label carbon emissions and water usage.

By continuing investment in our EPE programme, the Group is able to increase its ability to reduce the environmental impacts associated with raw material processing.

The EPE will be extended to wider (non-JD) Group manufacturing in 2023/24 as part of the Group sourcing and sustainability strategy expansion, with particular focus placed on the assessment of environmental performance of potential new suppliers across the wider Group.

Product Manufacturing – 'Cleaner in Production' Programme
The 2023/24 Private Label Environmental Management Programme will be enhanced via our 'Cleaner In Production' initiative. JD, our Outdoor businesses and a Group subsidiary (Focus International), will engage over 400 factory sites and c.150 mills to evaluate site level environmental performance. Key areas of the programme include energy and emission reductions, further enhancing the progress already achieved in wet processing units.

By identifying opportunities to reduce emission, water and chemical impacts, 'Cleaner in Production' represents the next development from the Environmental Performance Evaluations undertaken at our wet processing units.

'Cleaner in Production' is envisaged to be a three to five year programme, with targets of improving our ability to 'design out' waste and environmental impact, in addition to verifiably reducing our private label Scope 3 emissions in accordance with Group Science Based Targets and WRAP Textiles 2030 emission reduction targets.

Product Governance – Zero Discharge of Hazardous Chemicals ('ZDHC')
The Group is predominantly a supplier of third-party brands. Over 88% of our products sold (by value) are from brand partners formally recognised as 'contributors' to the ZDHC initiative and corresponding standards.

The balance of our suppliers comply with alternative, high-standard assessments such as the Apparel and Footwear International RSL Management Group ('AFIRM'). These measures reduce the use and impact of harmful substances within the apparel supply chain.

Restricted Substances List ('RSL')
The Group operates a zero-tolerance policy on restricted substances. This ensures that our products remain safe, and do not contain any hazardous or restricted substances.

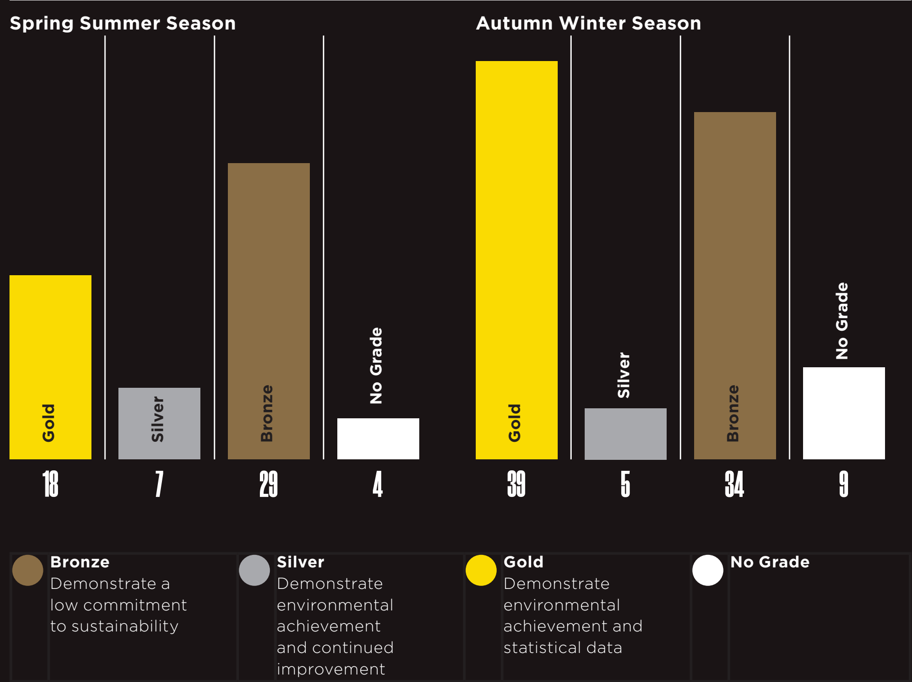
The Group mandates that our Tier 1 suppliers (producers of finished goods) utilise a product testing matrix, with the Group providing additional support via our nominated, specialist supplier. The Group testing matrix encompasses the most recent AFIRM RSL.

To verify supplier compliance with our Chemical Management and Product Governance policies (including AFIRM) we undertake a due diligence programme on products or substances of potential high concern.

Environmental Performance Evaluation (EPE) – Lower Tiers
Our EPE programme and metrics were devised in 2021 and have developed during the period. Focusing on wet processing sites in the manufacturing supply chain, environmental audits were undertaken by accredited third parties.

The third-party results were compared to our own, earlier assessments. This enabled a 'cause and effect' benchmark comparison review of our audit quality (versus third-party standards). This review facilitated improvements in the accuracy of our self-delivered EPE assessment quality.

Water (Number of sites)



This encompasses both seasonal due diligence audits, and random RSL sampling tests undertaken by our third-party testing specialist (Intertek).

By working with third-party experts, the Group incorporates legislative and pre-legislative scientific updates within our approach to testing. This ensures that our private label products do not exceed parts per measure limits specified within the legislative and/or regulatory scope.

Product Safety Testing

In addition to the governance processes in place for hazardous chemicals and restricted substances, Group suppliers have online access to further product safety standards and manuals. Group suppliers utilise our accredited, third-party portal for product testing requirements and submissions. This provides the Group with transparent, accessible verification of compliance.

The Group continues to enhance product testing procedures, engaging with test houses to utilise new and developing testing methods. Such developments have (within the period) included assessing challenges such as microfibre shedding for our most common fabrics. Our testing results within the period have been successful, evidencing very low shedding properties in each of our most frequently used fabrics.

Product Safety Legislation Compliance

Our Product and Design Development teams are committed to providing safe, compliant private label products that conform and perform to high standards via:

- Undertaking training provided by third-party subject experts to enable awareness and compliance with regulatory, legislative, and scientific developments.
- Identifying and removing potential product safety risks at design stage, ensuring achievement of (for example) safety standards specific to products sold for use by children.
- Compliant sourcing with all product safety updates, including regional and global changes.
- Using safe, high-quality, and fit for purpose materials and products, such as APEO-free adhesives.
- As the Group expands into new territories, we regularly commission specialist training for new colleagues working in Product Development so as to ensure compliance with local legislation, such as Proposition 65 (California).

Our Policy guidance documents for supplier chemical management (within both the final product, and preceding supply chain stages) can be accessed via https://www.jdplc.com/sites/jd-sportsfashion-plc/files/2022-10/chemical-management-policy.pdf and https://www.jdplc.com/sites/jd-sportsfashion-plc/files/2022-10/product-governance-policy.pdf

Product Manufacturing – Sustainable Material Use

Producing verifiably 'more sustainable' goods requires additional investment for each and every garment.

Low-cost 'fast fashion' brands are recognised as high-risk owing not just to working practices, but likely margin erosion in the event of taxation and regulatory changes on materials used in low-cost, low-lead time garments.

To avoid such risks, the Group assesses material supply, demand and global market conditions at design stage.

Key factors influencing sustainable product manufacture include material availability, affordability, aesthetics and performance. The main fabrics used within private label products are typically cotton, polyester and nylon.

The Group's private label teams constantly assess new variations on our main fabrics, seeking to utilise materials with improved sustainability credentials. Alternative solutions such as recycled polyester and wadding reduce environmental impact without compromising product quality or performance.

Material Focus: Recycled Polyester

Recycled polyester used in apparel reduces water and energy consumption versus non-recycled polyester.

Whilst recycled polyester has a lower environmental impact at manufacturing stage, it is not yet a fully sustainable solution to virgin polyester, owing to its impact at disposal. As an oil-based plastic, recycled polyester does not biodegrade in the same manner as natural fibres.

To reduce the end of life impact of recycled or virgin polyester, our private label team undertakes seasonal, third-party testing on polyester garments, to assess shedding and durability.

Within the period, the results of the testing evidenced negligible amounts of shedding, demonstrating that the materials sourced by the Group are helping to minimise the comparative environmental impact.

Our Environment Management Programme will continue to prioritise our efforts to minimise the impact associated with raw material processing, whilst evaluating the use of more sustainable options on fabrics.

Private Label – Reducing Volume and Impact of Packaging

The Group aims to ensure all private label packaging and point of sale materials are manufactured using optimal levels of recycled content, and can be recycled after use.

All private label garment transit bags are manufactured from post-industrial waste, which are both made from 100% recycled content, and fully recyclable via domestic recycling facilities.

Raw Material Sourcing

Group private label brands source all cotton via the 'Better Cotton' programme.

Our support for WRAP Textiles 2030 aided prioritisation of sustainable raw material sourcing. Our Product Developers and Designers utilised the WRAP 'Materials and Processing' module objectives to improve sustainability at product design stage, reducing environmental impact via material and manufacturing choices.

Supply Chain Transparency

During 2022 we partnered with Avery Dennison to trial its Association for Technical Monitoring Agents ('ATMA') project within our supply chain.

The project enabled our private label team to utilise QR codes to improve raw material traceability throughout the supply chain – from production to delivery to our UK Distribution Centre.

Following a successful trial, the Group plans to expand this initiative to all JD and Outdoor private label products in 2023/24.

Future objectives include utilising the data to create verifiable product-level sustainability facts to be shared with customers online, or via in-store QR codes.

Sustainability in JD Private Labels

The JD private label team started its sustainability journey in 2020 and continues to move forward to implement sustainable actions across its brands.

Appointing sustainability champions in key areas of the product development teams across the JD and Outdoor businesses, centralises the research and action on sustainable options to become a driver in the development and sourcing of the apparel brands within the wider teams.

Progress is demonstrated on the sustainable product map (further details can be found on our corporate website: https://www.jdplc.com/sites/jd-sportsfashion-plc/files/homepage/esg/environment/sustainable-sourcing-sustainable-product-mapping.pdf), and illustrates our achievements and identifies those areas that remain in scope as we continue to push forward to embed changes into product wherever possible.

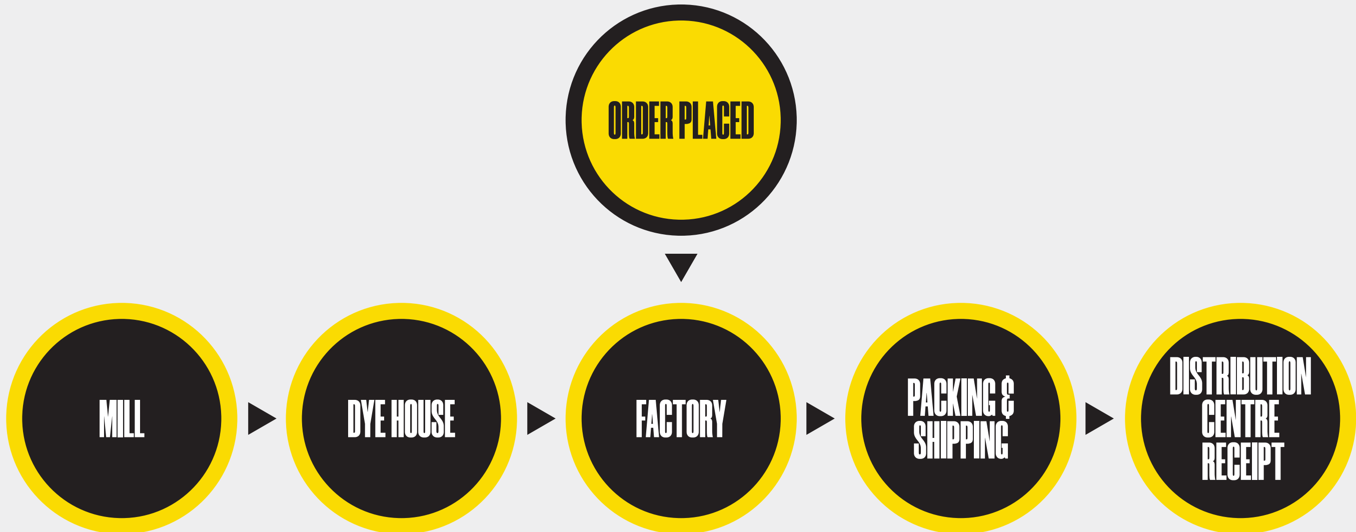
Being a lifestyle Sports Fashion brand our materials are mainly cotton, polyester and nylon so we work with our suppliers to find innovative or existing solutions to reduce the impact of the raw material manufacturing at site level through the Environmental Performance Evaluation programme.

Sustainable Design at Source

Our private label team reviewed 13 cost components of a typical jacket. The median price increase of using recycled material (versus non-recycled variant) was 47%. It is therefore necessary to balance cost against commerciality.

Digital Passports / Supply Chain Transparency

Private label products can be traced through the supply chain – from mill to Distribution Centre – by using QR code identifiers as part of transition to digital product passports.



Mill: ‘Scanning Event’ to trace material production details, required for end product data.

Dye House: Scanning Event to trace the dyeing of materials.

Factory: Supplier validation scans are mandated at production to verify site location.

Packing & Shipping: 100% ‘scan to pack’ at source reduces packing errors, and enables visibility and traceability of the packing and dispatch process.

Distribution Centre Receipt: Carton labels generated with QR codes contain order data, improving intake automation and product traceability.

Sustainable Sourcing Improvements – JD Colleague Uniform

In 2022 we commenced a project to manufacture JD staff uniform from more sustainable materials.

This required the conversion of almost 228,000 units to Better Cotton, whilst also seeing care labels replaced with recycled polyester alternatives.

Owing to the success of the 2022 project, all subsequent uniform manufacture will be to the new, more sustainable specification detailed.

Sustainability of JD Sports Staff Uniform JD Group

JD Group is committed to responsibly sourcing all staff uniform and is actively investigating improvements continually.

INVESTIGATING FOR FUTURE...

SUSTAINABLE TRANSFER PRINTS

SOURCING SUSTAINABLE TRIMS

RECYCLED POLYESTER, NOT INCLUDED DUE TO PRICE

PRE 2022

NON-RECYCLED POLYESTER CARE LABEL

NON-RECYCLED POLYESTER WOVEN LABELS

NON-RECYCLED LDPE POLYBAGS

METAL EYELETS

TRANSITIONED THROUGHOUT 2022

227,650 PIECES

TRANSITION TO BETTER COTTON

TRANSITION TO RECYCLED POLYESTER CARE LABELS

TRANSITION TO 100% RECYCLED LDPE POLYBAGS

ORDERED 2022 FOR LAUNCH 2023

304,920 PIECES

A REDESIGN OF OUR JD STAFF UNIFORM, INCLUDING:

CARE LABEL 100% RECYCLED POLYESTER

100% RECYCLED LDPE POLYBAGS

100% BETTER COTTON

RECYCLED POLYESTER WOVEN LABELS

EMBROIDERED EYELETS, REDUCING ADDITIONAL COMPONENTS

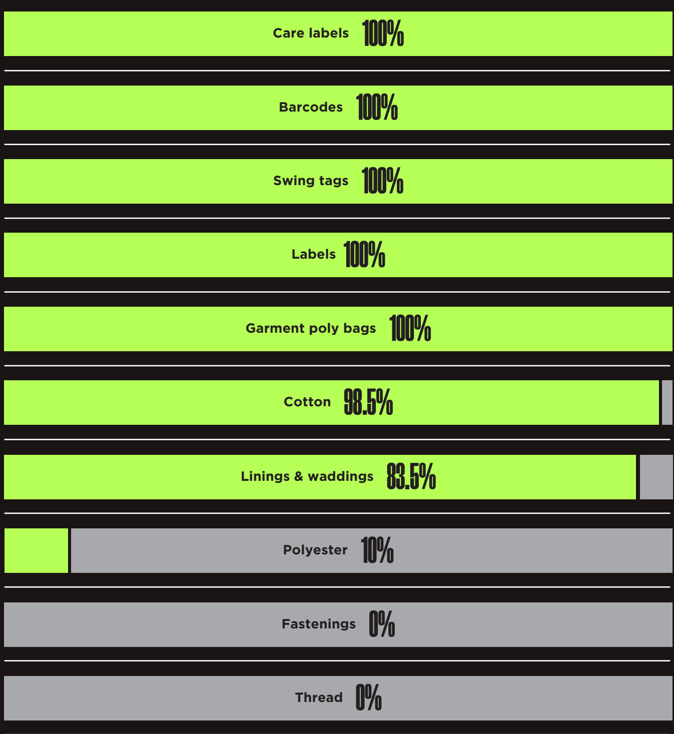
Sustainable Sourcing – Component Conversion

During the period, the private label team continued its progress with converting manufacturing components to more sustainable alternatives, as demonstrated (by percentage of material conversion) within the table below.

Our target is to achieve 100% conversion of all components to more sustainable alternatives by 2024.

Sustainable
Components in the production process which are sourced from a sustainable source such as recycled Better Cotton etc.

Non-sustainable
Components in the production process which are currently not from a sustainable source. These areas are high priority to become sustainable going forward.



Sustainable Sourcing Private Label Volumes (within period)

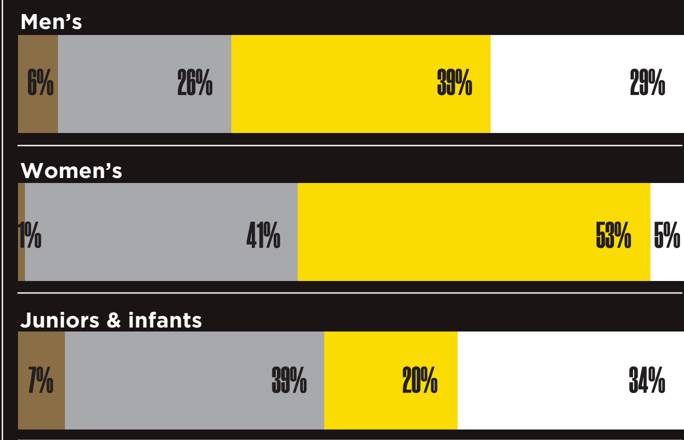
This diagram illustrates sustainable materials used in a garment (at a minimum of 30%). Our private label team measures progress against overall volumes of garments ordered.

Bronze
30%-49% of the product contains sustainably grown cotton, and/or recycled polyester.

Silver
50%-79% of the product contains sustainably grown cotton, and/or recycled polyester.

Gold
80%-100% of the product contains sustainably grown cotton, and/or recycled polyester.

White
Non-sustainable – Product does not contain any sustainable fibre.



CIRCULAR ECONOMY

Keeping Products and Materials in Use

Group Approach

The Group has developed a supply chain to extend material and product life at every opportunity.

Whilst this is not 'circularity' by definition, extending product life represents an investment in the same principles that support the Circular Economy by:

- Reducing the manufacture of new products (and associated material usage).
- Eliminating emissions that would have been created by the manufacture of equivalent new products.
- Encouraging re-use and responsible end of product life decisions.

Whilst the Group continues to invest in both product design and materials to improve product quality and reduce environmental impact, the challenges relating to returned or damaged stock remain.

To reduce the impact of stock returns, the Group identified marketplace supply chain partners, each aligned to our zero-waste principles.

By managing returned and defective stock through an established supply chain, the Group minimises the impact of returns, whilst ensuring protection of the products and reputations of the brands that we sell.

Profiles of three suppliers supporting our United Nations Sustainable Development Goal of 'Keep products and materials in use' are provided as follows:

Africa Shoes

Africa Shoes has been exporting branded second-hand and safe basic-fault products (historically classified as 'discarded products' by other retailers) to Africa and approved locations since 1990.

Whilst Africa Shoes sells product globally, the preferred destination for the majority of Group stock is local vendor markets within selected regions of Africa. Providing small businesses with access to re-saleable stock at heavily discounted prices enables the company to make a profit and contribute to its local economy.

Sole Responsibility

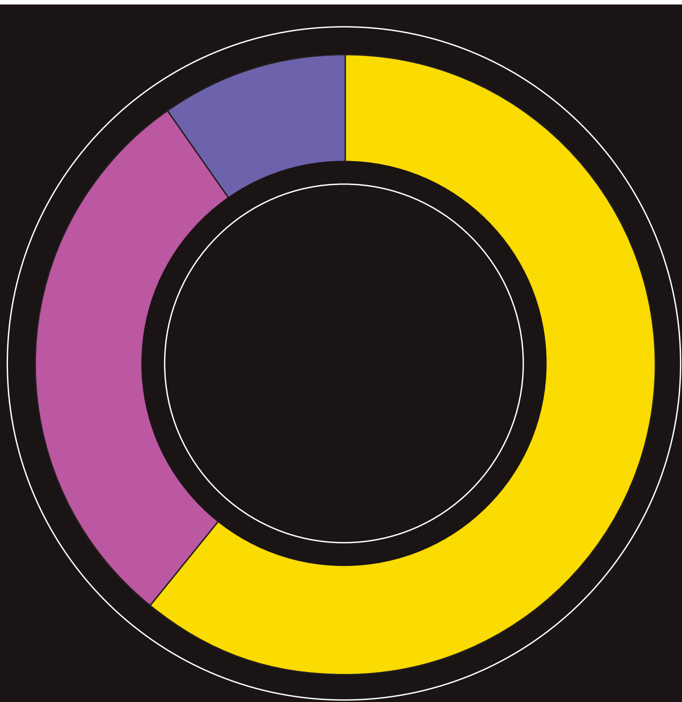
Sole Responsibility specialises in the resale of store-damaged and minor-use clothing and footwear, ensuring that 'seconds' are given a 'second chance' – avoiding landfill, and keeping products and materials in use.

Carbon Resources (Camping Resources) Ltd

Carbon Resources supports our Outdoor businesses with refurbishment and repair of tents and equipment.

The high quality of repairs ensures long-term durability beyond the original repair, keeping products and materials in use, and reducing carbon emissions associated with new manufacture.

The chart below demonstrates the recent volumes of products given an 'extended life' via these outlets:



Trader	Units
Africa Shoes	93,145
Sole Responsibility	44,925
Carbon Resources (Camping Resources) Ltd	14,509
Grand Total	**152,579**

Extending Product Life – Group Investment

During the period, the Group invested in additional product return infrastructure and resource at our core UK Distribution Centre.

Working with colleagues including the JD Studio team, the Group now offers brand partners access to enhanced returns management support. The Group is now able to capture product fault details before photographing re-saleable items and providing brands with access to marketplaces. Products can then be resold for use, as opposed to recycled.

Retailers and brands need to make a proactive contribution to reducing the impact of fashion on climate change. Customer education and support also play an integral role to achieve improvements.

We believe that consumers have a stronger understanding of the impact of their product choices (purchases and end of life decisions) than ever before.

With this in mind, our online team has developed a sustainability section on our consumer website to remind and further educate our customers on 'conscious choices'.

WRAP Textiles 2030 – Circularity (JD Outdoor)

In support of our work on circular business models, our Outdoor business successfully launched a 'tent return portal' within the period. By repairing returns, the Group will extend product life via secondary sale as 'pre-loved' items in selected stores.

For the year-ahead, our Outdoor business is planning a potential launch of additional re-sale products on an omni-channel basis.

During the period, JD Outdoor inspected and repaired over 600 cycles, which were subsequently re-sold via dedicated stores. Our team also increased stock of tent spare parts, reducing return rates whilst offering customers the opportunity to extend tent lifecycle via improved access to parts.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Skip a wash | **Care label** | **Pass it on** | **Re-use** | **Repair** | **Recycle**

Supporting Consumer Education

Group consumer surveys identified misalignment between customer perceptions on climate change causation versus scientific data. Accordingly, Group websites now include sustainability information on both product content, and tips on how to reduce carbon footprint, reduce water use and extend product life.

Consumer Care Labels

JD private label products provide clear wash and care instructions designed to help reduce energy usage whilst maintaining garment quality and extending product life.

BEHIND THE LABEL

The JD Foundation initiated a project named Behind The Label to support women and girls around the world, with specific focus on women working within the textile manufacture supply chain.

In 2022, the JD Foundation initiated its 'Behind The Label' project, supported via customers micro-donations.

Supporting women and girls around the world, the project, informally known as 'Behind The Label', focuses on the supply chain where 80% of women workers are employed in the textile manufacturing sector.

As part of this project, the Group is committed to allocating funding to support a 'Safe Circle' approach in those countries most at risk of Gender Based Violence and Harassment ('GBVH').

The first 'Safe Circle' support will be implemented with suppliers in India via the Asia Wage Floor Alliance ('AWFA'). AWFA supports regular, face-to-face, small group engagement processes designed to address behavioural violence on production lines.

AWFA funding supports:

- Establishing 'Safe Circles' and training for key site personnel.
- Developing shared goals to end GBVH.
- Establishing a deeper understanding of GBVH within different sourcing territories.

On completion of Phase one (India), the second phase of the project will focus on suppliers in Bangladesh.

Whilst GBVH within the supply chain has previously been associated with South Asian sourcing locations, we recognise that GBVH can take place in any territory, with examples including vulnerable girls and women being targeted by organised criminal groups. The JD Foundation plans to work with selected youth centres to educate, empower, and create protective networks.

The Group appreciates that the JD Foundation presents a unique platform from which the Group can support our customer demographic, funding and facilitating positive influences to change life aspirations and outcomes.

The health and safety of workers within all areas of our supply chain is of paramount importance to us.

The Group reviews ethical sourcing policies on a regular basis. Our private label team continuously assesses factory ethical and quality management, working with suppliers to improve conditions across our supply chain.

The Group acknowledges that the prevailing economic climate of increased raw material and living costs further emphasises the need for brands and retailers to address deficiencies in wage and compensation for supply chain workers.

Support for Minimum and Living Wage

The Group recognises that by paying a living wage, economic benefits are realised at both a personal and a local level, with worker morale and health also improving, whilst contributing to a more productive and sustainable supply chain.

The Group defines the Living Wage as per the Global Living Wage Coalition – ensuring that workers can afford decent housing, meet the basic needs of themselves and their families, and accumulate some savings, all without working overtime.

In 2021, the Group commenced its evaluation of supplier factory workers' earnings across the private label Tier 1 supply chain. The Group sought to identify methods to further incentivise and reward workers within our consolidated supply base, further supporting the principle that every worker has the right to fair compensation.

Our initial findings demonstrated that:

- 54% of our factories paid workers more than 5% above the local National Minimum Wage (NMW).
- Almost half of factories paid workers more than 10% above the local NMW.
- 32% of our factories paid more than 20% over the local NMW.
- Almost 25% of our factories paid over the local Living Wage (predominantly based in China).

SUPPLY CHAIN LIVING WAGES – IMPROVED CUMULATIVE REMUNERATION

In 2022 we implemented a 'remuneration input tool' with the objective of identifying the cumulative remuneration value for worker facilities and benefits. All benefits were over and above regulatory and legal pay requirements.

Data collected included:

- Basic wage.
- Incentive pay, such as bonuses.
- In-kind benefits including free meals, accommodation, transport etc.
- Additional cash and cash-equivalent benefits.

Overtime and social insurance deductions were excluded from the analysis due to the transient nature of the former, and 'opt-out' potential for the latter.

Results and next steps:

- 100% of suppliers and factories comply with national minimum wage requirements.
- The survey enabled the Group to improve its understanding of territory-specific and cultural approaches to worker benefits.
- The number of factories paying living wages within basic pay increased by 10% versus the previous period.
- Using the cumulative benefit analysis, the number of facilities meeting the living wage increased from 32.3% (legacy analysis) to 72.6%.
- Within our largest sourcing territory (China), 123 factories met or exceeded living wage levels via the cumulative remuneration value metric.
- The Group will use the results and analysis to further engage our supply base and encourage participation in schemes improving overall worker compensation.

Transparency

We recognise the need for transparency. We are committed to working with our suppliers in an open, constructive and transparent manner and we request that our suppliers apply the same approach to their own supply chain. There is a greater need than ever to make these standards and management systems part of our suppliers' everyday business and for them to be able to demonstrate they are meeting this objective.

Our commitment to transparency requires publicly available information relating to the suppliers and partners with whom we work, both in the UK and overseas. This information is published on our interactive supply chain map and partner list which can be accessed on the corporate website at https://www.jdplc.com/esg/modern-slavery/group-private-label-supply-chain.

Across the Group, 278 audits have been carried out and evaluated during the 2022 calendar year.

Non-compliances have been categorised according to issue type, root cause and severity level and action plans have been proposed to the factories to resolve and close the issues highlighted in the reports. The closed non-compliances evidence the commitment to improvements and solutions from both the compliance team and the factories to ensure that progress is made and workers have a safe and prosperous environment. Where there are still issues, the work continues to ensure that remedies are implemented, working with the factories and showing long-term commitment through rewarding progress.

The full report can be found on our corporate website at https://www.jdplc.com/sites/jd-sportsfashion-plc/files/homepage/esg/modern-slavery/non-compliance-disclosure-report-2022.pdf.

GUIDANCE DOCUMENTS

The JD Group has supplier resource guidance documents accessible on its corporate website. Translation is underway for upload to a supplier portal into all relevant languages. Policies include:

- Suppliers using Third Party Labour Providers
- Child Labour Policy
- Forced Labour Policy
- National Minimum Wage Guidance
- Responsible Exit Policy
- Migrant Worker Policy
- Purchasing Practices
- Equality & Diversity Policy
- Animal Welfare Policy
- Chemical Management Policy
- Product Governance Policy
- Green Logistics Policy

These policies can be found here: https://www.jdplc.com/esg/governance/our-policies/supplier-resource-guidance-documents.

Group Sourcing of Product

In 2022, we achieved an audit percentage of 84.0% against our target of 85.0%.

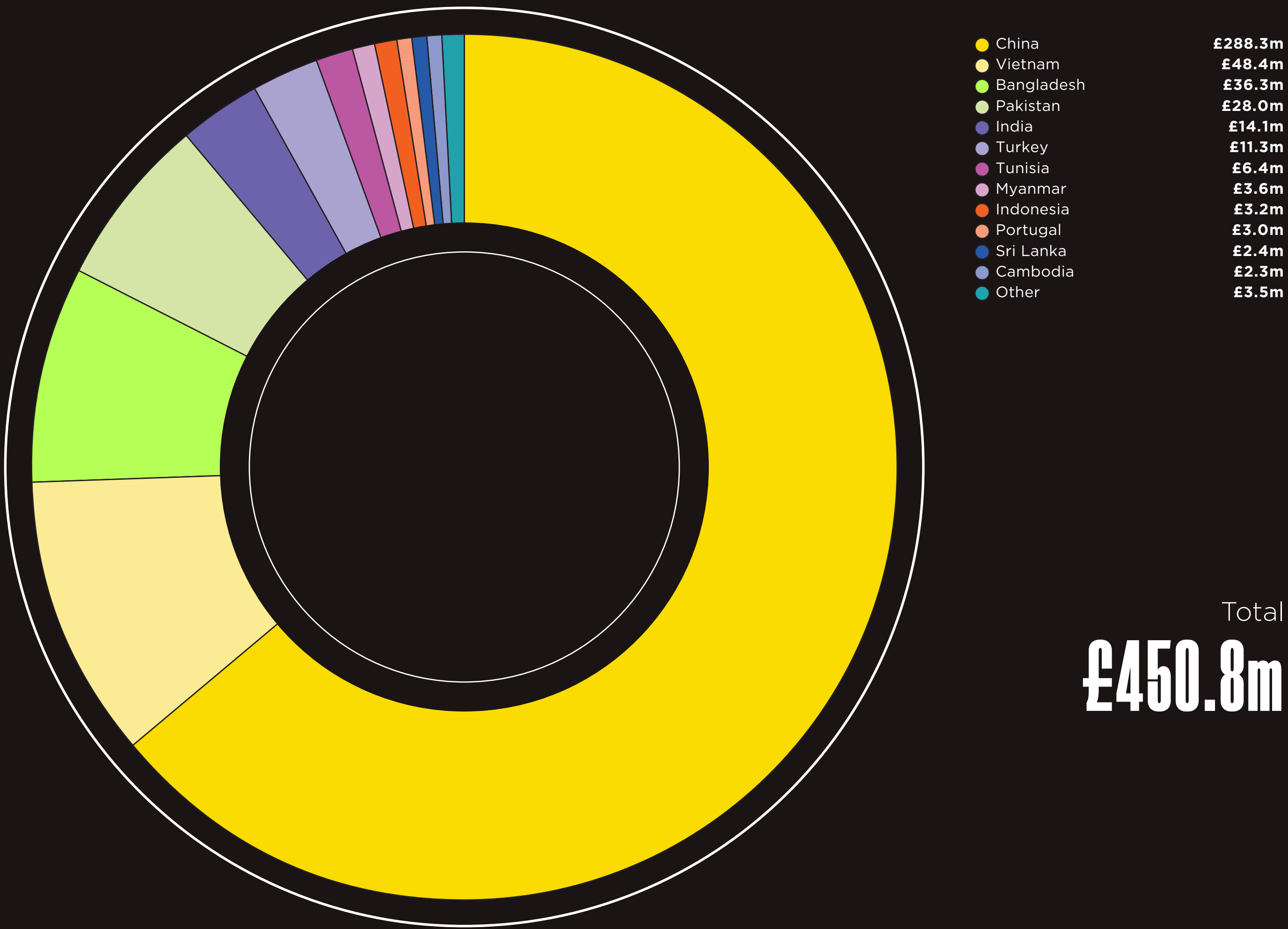
Our main sourcing regions continue to be Asia, India, Turkey and Pakistan. The chart below illustrates the sourcing value (Sterling) by country for all entities that source private label products.

Subcontracting is expressly forbidden without authorisation and verification. The Group regularly visits the factories we work with to check production and standards. This is critical to promote the importance of longer-term relationships, protecting workers' rights and improving standards.

The Group works to ensure that all entities comply with our key supply chain and environmental policies.

In the period ahead, we shall continue to engage and embed policies into acquisition businesses, working towards reaching our private label best practice standard across our collective supply chains.

Private Label Product Sourcing 2022/23 (£m)



Modern slavery

The Group recognises that human rights are fundamental principles allowing individuals to lead dignified and independent lives, free from abuse and violations.

The Group does not tolerate, nor condone, abuse of human rights within any part of our business or supply chain, and is committed to complying with the applicable laws and regulations in all of the territories in which we operate.

The Group commits to conducting ourselves with professionalism, honesty and integrity whilst working with our suppliers and third-parties to ensure our high ethical standards are maintained.

Supply Chain

Our private label team has continued to map our supply chain to 4th Tier level during the period.

This exercise requires extended engagement with supply chain partners as manufacturing chains (beyond 1st Tier) regularly change due to capacity and demand.

As a supplier of fully-factored garments, our contractual partnership does not extend to mills and dye houses. Accordingly, we are continuing to work with our key supply chain partners to enhance these relationships.

Our supply chain by Tier:

1st Tier	= CMT Site (Factory)
2nd Tier	= Mill
3rd Tier	= Dye House
4th Tier	= Print House

Summary of supply chain partners (Calendar year 2022 vs 2021)

2021	2020
188 agents	191 agents
481 factories	536 factories
18 sourcing countries	19 sourcing countries

Audit status vs last period

Factories used by the Group are audited by accredited third-party, specialist assessment, and audit suppliers (see chart, right).

Of the 16% of factories where an audit did not take place within the period, almost half were not required due to either:

- low levels of expenditure.
- the operating period represented the first year in which the Group worked with the factory (in which case, the factories had been successfully pre-qualified).

Protection of workers within our supply chain is non-negotiable. The Group continues to adopt a zero-tolerance approach to critical issues identified by Group personnel or third-party auditors. From physical working environment concerns to behavioural issues impacting or harming workers, the Group commits to enacting corrective action plans to improve conditions wherever, and whenever appropriate.

Audit Status last year vs this year (% of Factories/Tier 1)

ETHICAL SOURCING

The JD Ethical Code of Practice ('Code') establishes our procedure for protecting workers and providing assurance that private label products are manufactured within safe and fair conditions.

The people working for our suppliers are to be treated with respect. Their health, safety and basic human rights must be protected and promoted. The Code follows the International Labour Organization minimum standards. The full Code is available at www.jdplc.com.

JD CODE OF PRACTICE: MINIMUM STANDARDS

Employment is freely chosen – there must be no forced labour, bonded or involuntary
The organisation shall not engage in or support the use of forced or compulsory labour, including prison labour and shall not retain original identification papers. No personnel shall be required to pay deposits to the organisation at any time during or prior to commencing employment.

Freedom of Association and the right to collective bargaining must be respected
All personnel should have the right to form, join and organise trade unions and to bargain collectively on their behalf with the organisation. Where these rights are restricted under local laws the organisation shall allow workers to freely elect their own representatives.

Workers conditions are safe and hygienic
The organisation shall establish documented procedures to detect, prevent, minimise and eliminate potential risks to the health and safety of personnel. The organisation shall maintain written records of all health and safety incidents that occur in the workplace and in dormitories provided by the organisation, whether it owns, leases or contracts dormitories from a service provider.

The organisation shall provide, for use by all personnel, free access to clean toilet facilities, potable water, suitable spaces for meal breaks and, where applicable, sanitary facilities for food storage.

Child labour shall not be used
The organisation shall establish, document, maintain and effectively communicate to personnel and approved subcontractors, written policies and procedures for remediation of child labourers and shall provide adequate financial and other support to enable such children to attend and remain in school until no longer a child.

The organisation may employ young workers, but where such young workers are subject to compulsory education laws, they shall work only outside of school hours. Under no circumstances shall any young worker's school, work and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than eight hours a day. Young workers may not work during night hours.

Living wages are paid in line with local laws and for a standard working week, overtime must be paid at premium rate
The organisation shall respect the right of personnel to a living wage and ensure that wages for a normal work week, not including overtime, shall always meet at least legal or industry minimum standards, or collective bargaining agreements (where applicable). Wages shall be sufficient to meet the basic needs of personnel and to provide some discretionary income. The organisation shall not make deductions from wages for disciplinary purposes.

Working hours must not be excessive and must be voluntary
The organisation shall comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays. The normal working week, not including overtime, shall be defined by law but shall not exceed 48 hours. Personnel shall be provided with at least one day off following every six consecutive days of working.

No discrimination
The organisation shall not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on; race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other condition that could give rise to discrimination. The organisation shall not allow any behaviour that is threatening, abusive or exploitative, including gestures, language and physical contact, in the workplace and in all property provided by the organisation, whether it owns, leases or contracts the residences or property from a service provider.

Regular employment is provided
Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

No harsh or inhumane treatment is tolerated
Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

OUR PEOPLE

At JD, we know it's our talented colleagues across the globe who are instrumental in selecting and creating the right product, designing and delivering the best omnichannel experience and are the driving force behind our continuing success and growth.

With over 70,000 colleagues in territories all over the world, we continue to work collaboratively to foster a workplace in which everyone is safe, supported and respected and has the opportunity to achieve their full potential.

We strive to help people grow within the business and the communities we serve.

> **What makes us unique… I think it's you (our colleagues).**
> Régis Schultz, CEO

Health, Safety & Wellbeing

We want our colleagues to bring the very best version of themselves to the JD Group. That's why we are passionate about our colleagues' wellbeing, focusing on our four pillars; mental, physical, financial and social.

We received 83% in our Global Engagement survey with regards to safety and employees feeling safe at work, with 87% stating they understood the health and safety measures in place and how to escalate concerns.

2022 saw our dedicated wellbeing team lead a project within our retail stores emphasising the importance of the Group's wellbeing strategy to our retail colleagues and upskilling an additional 348 managers to become part of our Wellbeing Network. This was complemented by our wellbeing awareness modules available to all colleagues on our e-learning platform.

The welfare champion course is also integrated into three of our leadership development courses across the business, which will ensure our future leaders are equipped with the right tools to support the wellbeing of our colleagues. We have also continued our successful partnership with Able Futures in the UK and formed a new partnership with the Resilience Project in Australia to provide additional mental health and coaching services.

We remain conscious of ongoing economic pressures that may impact colleagues mental health and our partnership with Salary Finance remains an important resource, providing colleagues with financial advice, including low interest, pay-at-source loan agreements.

Following collaboration with our Wellbeing network, we were pleased to launch our Menopause Policy with an adjustments action plan, including training and support made available to all colleagues.

We work very closely with our JD Foundation charity partners and have collaborated with MIND, Andy's Man Club, Papyrus & Young Minds on a number of awareness events throughout the period. Mental Health Awareness Week was a key campaign this year, with over 50,000 impressions generated across internal and external channels promoting our activity. We feel it is important to continue to promote and remind our colleagues about their responsibility to each other and be on the lookout for any signs that somebody requires any additional assistance.

Diversity, Equity and Inclusion

In a global business such as JD, diversity and inclusion are a vital component in ensuring our continued evolution and success. The diverse backgrounds of our colleagues, partners and customers are celebrated throughout the year as we strive to ensure everyone can bring their whole self to JD. This was recognised with a score of 82% in our recent Engagement survey in relation to inclusion, where 82% of Group colleagues stated that they are treated with fairness, dignity and respect and 84% of Group colleagues stated they could 'be themselves at work'.

This is a message that is reinforced at the very start of every colleague's journey with the Group, as we provide access to numerous learning opportunities, promoting inclusive practice in addition to our regular colleague communications.

This year's National Inclusion Week, launched by our CEO, Régis Schultz, saw online events draw participation from 15 countries and four continents, as colleagues from across the Group came together to discuss the importance of equitably supporting diverse communities and the role this plays to our ongoing success.

Campaigns were also launched throughout the business for Pride, Black History Month (US and UK), Disability Awareness Week, as well as International Men's and Women's Days to further promote a culture of belonging. Our colleagues are also encouraged to defend these values and discuss the challenges faced by our communities in our Allyship initiative.

In addition to our event calendar, our Diversity, Equity and Inclusion ('DEI') team has partnered with Inclusive Employers and Neurodiversity in Business to provide resources to promote awareness of neurodivergence within society and amongst our colleagues.

Our network of DEI Champions provides feedback to the business in our regular forums hosted by our DEI team. The feedback generated has contributed to direct action by the Group across multiple departments, influencing everything from our communications, recruitment approach, to site accessibility and policy updates.

In the broader retail community, our commitment to and support for this ethos are reflected in our membership of Diversity in Retail (of which we are a founder member) and our continued work with the British Retail Consortium's D&I Charter. Externally, our Community Voices series, dedicated to amplifying black voices within the US featured stars such as Wesley Snipes and SZA within the past year and has now produced over 100 episodes.

We are also proud to have partnered with the 10,000 Black Interns charity and have pledged a number of opportunities for 2023 as part of its programme.

84%

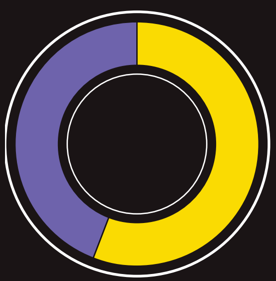
of Group colleagues stated they could 'be themselves at work'.

Gender Analysis

The breakdown of the Plc Board and the Group as a whole by gender as at the end of the financial period ended 28 January 2023 is as follows:

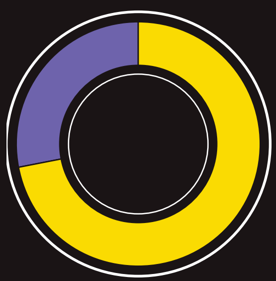
We have been working hard to improve the gender, ethnic and cultural diversity of the Executive Board and are very pleased to confirm that we have met the requirements for both the Parker Review and the FTSE Women Leaders Review.

Plc Board



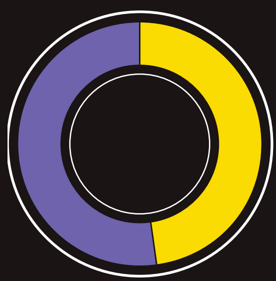
Male	56%
Female	44%

Senior Managers



Male	72%
Female	28%

Other employees



Male	48%
Female	52%

Engagement and Communication

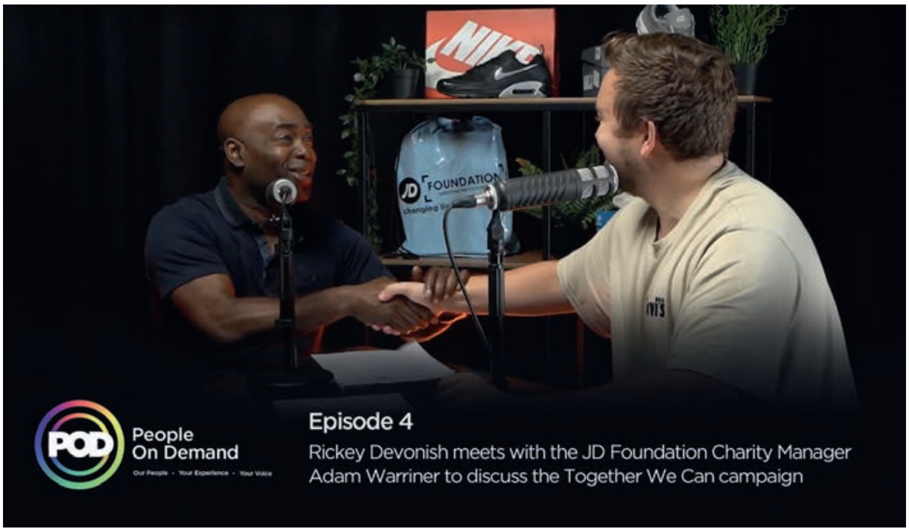
Our engagement & communication output continues to increase in line with the growth of the business. 2022/23 was a landmark year in this regard, as our People teams promoted the Group's vision worldwide, in person and via all available digital channels.

Each month colleagues receive a digital magazine which is distributed to all areas of the business across the globe, summarising our key activities throughout the Group and generating content from all territories regarding campaigns, new store openings and social initiatives.

Our Global Engagement Survey was completed by more than 70% of colleagues globally, from all areas of the business. The findings from the survey along with feedback from our regular Engagement forums have helped us to understand what our colleagues want from JD as an employer and is informing our people strategy. We want our colleagues to actively participate in our colleague recognition programmes. Our Colleague of the Month programme encourages our teams to nominate their peers for consideration to receive rewards.

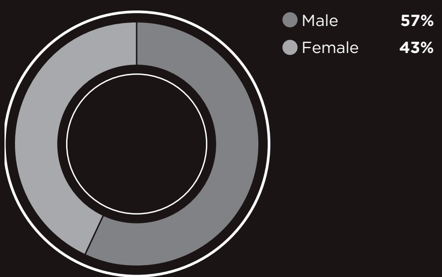
2022 saw the launch of our 'People on Demand' podcast, which has seen contributions from colleagues at all levels of the business, from the Boardroom to the sales floor, engage in conversation about the topics that matter to our teams each month.

The Engagement calendar encourages a broad range of events and activities for colleagues to get involved with. Our internal channels promote this throughout the year, which showcases the fantastic efforts we have in place. We are delighted that we have gained more followers on our LinkedIn platform, showcasing to our current and future talent that JD is an amazing place to work.

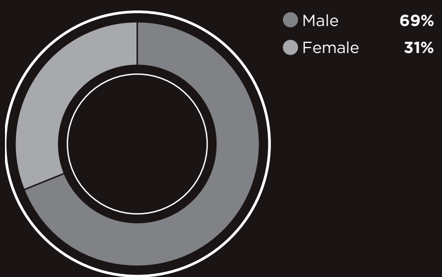


The breakdown for the comparative period, ended 29 January 2022, is set out below:

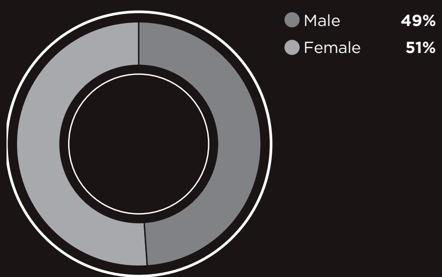
Plc Board



Senior Managers



Other employees



Talent & Development

We're investing in the talent we have at JD as well as investing in recruiting the best of the best as part of our people strategy.

For those people looking to join our Group, we want to make sure everyone is given the same opportunities, which is why we remove any identifying data from our recruitment process. Following our Disability Confident accreditation, we have implemented the Guaranteed Interview Scheme.

In terms of development, there have never been so many varied pathways to success at JD. We have a broad range of programmes that allow our people to develop at any stage of their career and in any specialism they wish.

Our Graduate Programme enables colleagues to gain experience across a broad area of the business before refining their skillset and assessing their professional development to secure a role in their chosen business area. This provides graduates with the freedom to exercise their skills in different areas and promotes cross-functional working, adding to a JD culture that is reliant on teamwork and cooperation.

We proudly recruited our 500th Apprentice (a number we aim to double in the coming year), as our Early Careers teams work closely with all departments and learners to source the correct apprenticeship to develop colleagues' skill-sets, interests and career goals. Each colleague receives a recognised qualification upon completion of their apprenticeship programme.

Our Early Careers team works with a number of partners to deliver traineeships, mentoring, career insight activities and internships across the Group.

Our Aspire programme is available to colleagues in the early years of their career, offering the chance to develop awareness on subjects such as time management, building resilience and presentation skills.

At Management level, colleagues can undertake our Management Development Programme, which enables individuals to hone their soft skills and offers in-depth tuition and coaching on subjects such as communication, emotional intelligence, conflict resolution and many more.

As part of our organisational development strategy, we have been focusing on our talent mapping and succession planning models and have added a number of courses and programmes to our portfolio to help us to identify and develop the leaders of tomorrow.

This year we introduced our JD Exclusive Programme, which provides our senior talent with an opportunity to collaborate on projects across the business and ensures that they continue their professional development in the behaviours and skills required to deliver at senior level.

This is all in addition to our established development programmes such as the JD Academy, and Junior Management Development Programme, which see hundreds of colleagues undergo a fully blended learning experience to equip them with the tools required to be the management superstars of the future.

This development network is brought together by our Performance Review systems, which provide colleagues and line managers with the opportunity to regularly discuss professional development, career progression and what is required to grow with the Group.

JD People

The development opportunities across JD are phenomenal. With over 708 different development opportunities available across the globe.

At JD, helping people reach their full potential and grow within our business is embedded in our culture.

Development opportunities/topics

Commitment to Our Communities

The JD brand is inspirational and aspirational to young people all over the world. That's why our colleagues know JD is not just a workplace. At our heart we're about empowering, inspiring and connecting our colleagues, our customers and our communities. Our colleagues are more and more involved in activities in the community regarding social mobility, as our brands give back to the people who need it most.

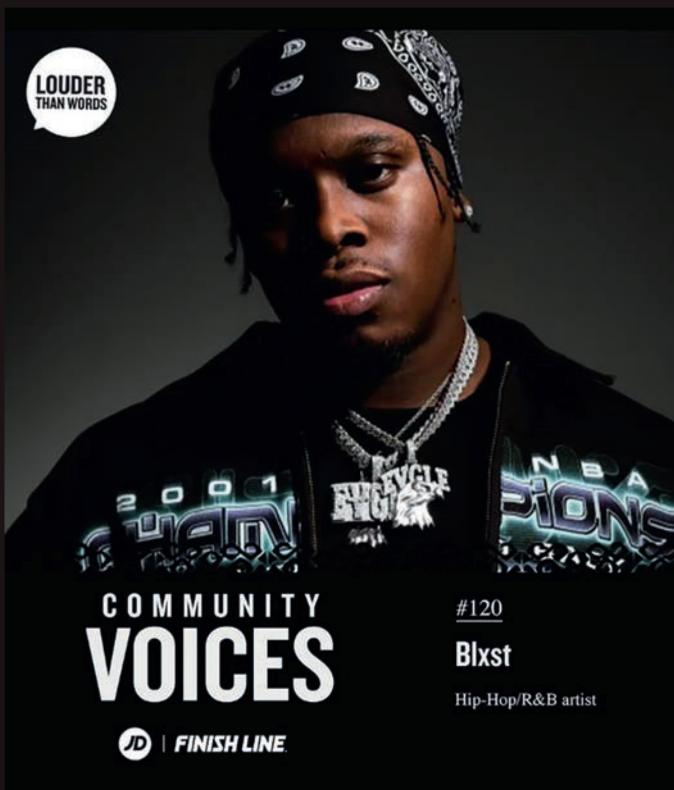
From our teams in the UK getting involved with mentorship programmes at our schools and passing on career advice and coaching to young people, to product giveaways and activities helping the homeless in the US, all around the world communities are benefitting from the contribution of the Group and its colleagues.

In October 2022 our US subsidiary, DTLR, launched the brand new Community Storefront in Baltimore City to assist students and their families as they start the process of re-enrolling in schools. Working in partnership with Nike and The Movement Team we are giving students free apparel and footwear. We'll continue to keep this store replenished all year to assist more young people on returning to education.

As part of our 'From the Community and For the Community initiative', Shoe Palace partnered with Nike and adidas to hold basketball coaching sessions in a number of schools, spending time with young people to give back and inspire them for the future.

We continued our commitment to building trust within our communities and extending our partnerships. This year, we have established a new alliance with UA92. This blends well with the continuing work we are doing with a number of our JD Foundation Charity Partners, The Diane Modahl Sports Foundation, Blueprint For All and The Salford Foundation. As part of our commitment to social mobility, our JD colleagues offer their time and experience to events and courses that inspire and educate young people across the UK.

This year we took the world of JD directly to schools and set up mock shops, VM challenges, Social Content Creation tasks and a full-size photography studio with great JD product for the young people to style. This was a great opportunity to invest in local talent and help build relationships with the young people and develop them in key areas to ensure their confidence and skills are ready for when they enter the workplace. Our mission is to offer these young people a direct pipeline into roles with JD, to offer training, including apprenticeships and work experience along with guidance to inspire the future generations.



HEALTH AND SAFETY

We are fully committed to continuous health and safety improvement across all areas of the Group and understand that it is the way we work and behave that protects our colleagues, customers and other stakeholders.

Our Occupational Health provision offers health checks and support, both physical and mental, for employees and enables the business to promote healthier lifestyles.

Our organisational structure defines individual safety responsibilities and duties to ensure that we provide and maintain safe and healthy working conditions, equipment and systems of work for all our colleagues.

We demonstrate this commitment through active leadership, promoting best practice and by setting specific and measurable targets each period. Our performance against these targets is reviewed at Board level and reported upon regularly. We ensure that adequate resource is provided to enable these targets to be achieved and to ensure the effective management of risk within the Group.

As the Group's physical store base becomes more geographically dispersed, the risk of breaches in health and safety standards and regulations will naturally increase. To mitigate against this risk, we constantly review the level of resource dedicated to this important area to ensure that our Health and Safety team has the necessary personnel and other resources to manage the risk effectively.

Breaches of health and safety regulations can happen though, and where they do, we take appropriate action and use any breach as a learning opportunity to ensure an even greater focus on health and safety improvement for the benefit of the public, our customers and our employees.

Our Results

We can report the following for the period to 28 January 2023:

- The Group has again received an award from the Royal Society for the Prevention of Accidents in recognition of our UK retail health and safety management systems. The Group was awarded a 'Commended' grade in the Wholesale and Retail Industry sector.
- Our Kingsway Distribution Centre achieved the internationally recognised ISO 45001 health and safety management accreditation.

Our Commitment

Our commitment to continuous health and safety improvement is demonstrated by the development of our Group Health and Safety team in the period with the appointment of:

- An International Health and Safety Manager to provide support in implementing Group health and safety standards in our international operations and joint ventures.
- A Distribution Health and Safety Manager to provide support in implementing Group health and safety standards and addressing the specific risks in our distribution operations across the UK and Europe.
- A Health and Safety Advisor (Italy) to provide in-country support to our team in Italy.
- A Health and Safety Advisor (JD Outdoor) to support the team with the specific challenges presented by our JD Outdoor retail operation.

2022
ROSPA
Wholesale & Retail
Sector Award
Commended

We have also completed the following:

- The further development across our European stores of our online induction and training programme ensuring every colleague has the competence, understanding and awareness to work safely and at minimum risk.
- Continued health and safety input in all our new and refitted stores from the initial design through to opening. Our health and safety team conducts its own audit programme to ensure the highest safety standards are maintained during the construction phase of all our shop-fit projects.
- Continuous review of our policies and processes to ensure best practice in all areas of our business. During the period we have reviewed and revised various risk assessments across all areas of the business.
- Our quarterly Group and monthly Distribution Centre health and safety committee meetings allow colleague engagement in health and safety, with all colleagues having the opportunity to raise safety concerns through their committee representatives.
- Bi-annual health and safety meetings held in all other European countries in which we operate.

Our Focus

Our focus for 2023/24 will be:

- To retain the British Safety Council five star accreditation to be maintained by Kingsway Distribution Centre.
- To assess the level of health and safety risk in all Group operating companies and assign a quantifiable risk rating to each. The aim being to support focus and further improve the standards of health and safety management across all areas of the Group.
- To ensure that all senior operational management will have measurable health and safety related Key Performance Indicators ('KPIs'). These KPIs will be based on health and safety training and auditing.
- For senior management personnel to complete an IOSH Leading Safely course.
- For the Group Board to meet to review and discuss health and safety performance every six months.
- To retain the Royal Society for the Prevention of Accidents Award for our retail health and safety management.

The JD Foundation (the 'Foundation') is a registered charity in the UK founded by the JD Group in October 2015. The mission of the Foundation is to support disadvantaged young people throughout the UK.

Over

£5.9m

Raised since October 2015

Over

£4.6m

Donated since October 2015

24

Charity partners

£1.2m

Raised by sales of the JD duffle bag (Feb 2022 – Jan 2023)

£352,000

In-store donations raised towards the Together We Can project (Oct 2021 – Jan 2023)

The Foundation receives 100% of net proceeds from the sale of the iconic JD duffle bag across England, Wales and Scotland and this is further boosted by the recent roll-out of optional donations at the point of sale within UK Group-wide stores as well as activities that are undertaken by the Group's employees.

Primarily, the JD Foundation offers funding to a number of Charity Partners across the UK as well as supporting partners with colleague fundraising and volunteering. As our Charity Partners start to review, reset, recover and rebuild in the wake of the COVID-19 pandemic, we have continued to offer financial support. In a time where 40% of charities within the UK expect to receive fewer donations over the next 12 months, we have been steadfast in continuing our support whilst diversifying ways that we can increase our income to further support our Partners.

How the JD Foundation Supports Its Charity Partners

This year the Foundation has built a number of projects alongside the JD Group that have offered support to young people across the UK, including the following:

- Colleagues have been involved in offering 1-to-1 mentoring to beneficiaries of a number of our Charity Partners.
- We have engaged hundreds of young people through our immersive employability days.
- We collected hundreds of toys for our Charity Partners as part of our Christmas Toy Appeal.
- Colleagues took time to make meals for homeless people around Christmas.
- Some of our Group Directors acted as judges for young people who were seeking funding for their community initiatives across Manchester.

2022/23 Overview

During the period, the Foundation was keen to do more work to support our colleagues, consumers, communities, and Charity Partners. We are building a new three-year strategy to ensure our vision aligns with that of the JD Group, and will be creating more opportunities than ever. From volunteering to fundraising, from employability to charitable donations – we want our consumers and colleagues to feel linked with the Foundation at every possible opportunity.

This year we have launched our new Together We Can project across all UK-based retail stores in collaboration with micro-donation charity Pennies.

The initiative has been designed to support women and girls within the UK and across our supply chain who are in need, and we've taken the first step in engaging the communities of our retail stores to help us achieve this.

Within the UK, the JD Foundation is committing to donate a minimum of £250,000 per year to charities that support women and girls. We've asked our colleagues across the UK to nominate charities within their communities to ensure we are able to reach all areas of our UK-footprint.

So far, we have received a huge number of applications, with roll-out of funds starting soon. We've had nominations from the North, South, East and West and are empowering colleagues to keep nominations coming in.

Examples of causes so far include women's and girls' sports charities, mother and baby units, rape crisis centres, women's refuge centres and women's rehabilitation centres.

Further to this, we are looking to support women and girls across our supply chain by addressing educational inequalities and gender-based violence and harassment ('GBVH'). We will do this working with local non-governmental organisations and our factories, in the countries that make our apparel. There are estimated to be more than 75 million garment workers across the globe with estimates suggesting up to 80% are women and girls; we want to bring attention to the support we are offering behind the label. We aim to support our workers in Cambodia, Bangladesh and India within the next three years.

SPOTLIGHT ON CHARITY PARTNERS

> **We simply couldn't expand on and deliver the support to bereaved children and their families without the contribution from the JD Foundation. The donations have contributed to Sidley House and the costs that come with running the building. As a charity we find it harder and harder to receive funds to cover our running and core costs and, as we deliver the majority of our support from Sidley House, we have to ensure that we are able to keep up with the rising costs that come with a two storey building with over 10 tailored rooms.**
>
> Angela
> Once Upon A Smile

Once Upon a Smile

In the last 12 months Once Upon a Smile ('OUAS') has provided 1,326 bereavement sessions and received 300 individual referrals, an increase of 53% on the previous year. The support from the JD Foundation has enabled OUAS to increase the support it provides, introducing groups through which parents can meet other people with similar experiences whilst taking part in wellbeing activities. One of the parents from last years' group shared the following:

> **I found it really beneficial to meet others in a similar position and share experiences – it's the first time that's happened for me, and it felt really powerful and positive, and very emotional too – grief can often feel very isolating.**

OUAS is looking to act on positive feedback that it has received from parents by introducing more groups during 2023.

The funding from the JD Foundation means that OUAS has been able to continue providing tailored bereavement support to children who have lost a parent or sibling; the support provided is in the form of both 1-to-1 and group sessions, all of which are bespoke and take place at OUAS' headquarters, Sidley House, Trafford.

Charitable Donation of Plastic Bag Levy Income

To encourage the reduction in retail packaging use, the Group voluntarily charges for the sale of drawstring-bags.

Where local authorities permit the donation of bag-levy income, the Group donates all proceeds from UK and European bag charges to the JD Foundation.

The Group does not offset any production or 'administrative' costs from its bag-levy. 100% of proceeds (net of VAT) are received by the JD Foundation for annual distribution, as follows:

- £850,000 received in England and £28,000 received in Wales in the period to 31 January 2023. Mountain Rescue in England and Wales received 10% of income, with the remaining 90% donated to charitable causes as approved by the JD Foundation
- £89,000 received in Scotland in the period to 31 January 2023. Scottish Mountain Rescue received 10% of the income, with the remaining 90% donated to charitable causes as approved by the JD Foundation

For further details about how the JD Foundation uses these donations see page 100.

Our bags used in our European and International stores are made at a facility using 100% renewable electricity.

Kidscape

The funding from the JD Foundation supports the delivery of Kidscape's ZAP workshops. 45% of the children who attended a Kidscape ZAP workshop last year had spent time out of school because of bullying, and 92% shared with the group that bullying had impacted their physical or mental health. ZAP workshops are built to build confidence, resilience and assertiveness, to empower children and equip them with the skills to return to school, a challenge which is all too great for so many young people who suffer from bullying. With the JD Foundation's support, Kidscape launched a pilot project in 2022, providing trauma-informed therapeutic support to children who had been severely impacted by bullying.

At present, the project is being independently evaluated by the University of York, and with the help of the JD Foundation, Kidscape hopes to provide this crucial therapy for children most impacted by bullying for years to come.

> **"With one in four children experiencing bullying each year – and at least one child in every class bullied on a daily basis, Kidscape is a vital source of help and comfort for children and families facing a bullying situation. Support from the JD Foundation has meant the continuation of crucial frontline services such as our Parent Advice Line and ZAP workshops for children experiencing bullying. We've also developed new programmes and resources, providing trauma therapy for children, and increased our understanding and support for children with ASD and their families. As a small charity, the Foundation's long-term commitment to our work has made a huge difference. Thank you."**
>
> Lauren Seager-Smith
> CEO Kidscape

> **"I really don't know whether our daughter would still be living with us, or even alive, if we had not received the timely support that we did from Kidscape. During what was without a doubt the worst year of all our lives, this project was the only place we could access help and support, despite numerous attempts to contact many other agencies. We can't thank you enough."**

HideOut

90% of HideOut Youth Zone's members live within the top 10% of the most deprived areas of the UK, with 20% identified as having additional needs or disabilities. HideOut Youth Zone works hard to reduce barriers to participation and to place emphasis on community access for all members, despite financial obstacles and socioeconomic prejudices around the programme. Thanks to funding from the JD Foundation, HideOut was able to fully fund 96 young people to gain their Duke of Edinburgh ('DofE') Certificate of Achievement, with 22 young people completing their DofE Bronze Award which included a two-day outdoor expedition. Ahead of completion, participants took part in several training sessions including an introduction to map reading, the Countryside Code, rucksack essentials and basic first aid training. As well as the physical outdoor expedition, participants are asked to complete a number of challenges that empower them to help their communities and the environment, challenge them to become fitter, challenge them to develop new skills and plan all aspects of their two-day expedition.

Since the completion of the programme, HideOut Youth Zone has been noted as the 'best in the UK for delivering DofE for young people' and attained the Manchester Duke of Edinburgh Award at the Manchester Outdoor Education Conference in October 2022, which is testament to the passion and enthusiasm of the team and the knowledge that they carry into their work.

The JD Foundation has contributed to the following United Nations Sustainable Development Goals:

- 3 GOOD HEALTH AND WELL-BEING
- 5 GENDER EQUALITY
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES

> **You know what, it's been the best achievement I've had. I thought when people said 'it'll be the best experience, you'll remember it for the rest of your life', that it was just a line. I've achieved something I never thought I could do.**
>
> James
> (Senior Club Member)

SECTION 172 STATEMENT

This statement sets out how the Directors have approached and met their responsibilities under Section 172 ('s172') of the Companies Act 2006 and in particular how the Directors have satisfied themselves that they have acted in a way which is most likely to promote the success of the Group for the benefit of its members as a whole and, in doing so, have regard for stakeholders' interests.

This statement should be read in conjunction with the Stakeholder Engagement section on pages 105 to 111.

The Strategic Report on pages 22 to 111 is approved by the Board of Directors.

By order of the Board

Neil Greenhalgh
Chief Financial Officer

22 May 2023

Further information on how s172 has been applied by the Directors can be found throughout the Annual Report:

s172 duties	Read more	Pages
Consequences of decisions in the long term	Our Business Model & Strategy	26
	Principal Risks	34-35
	Viability Statement	43
	Going Concern	43
	Activities of the Board	121
Interests of employees	Our People	93-97
	Diversity, Equity and Inclusion	94
	Engagement and Communication	95
	Culture	120
Fostering business relationships with suppliers, customers and others	Chair's Statement	12
	Chief Financial Officer's Statement	44
	Stakeholder Engagement	105
Impact of operations on the community and the environment	TCFD	64
	Sustainability	81
Maintaining high standards of business conduct	Culture	120
	Whistleblowing Policy	130
	Anti-bribery and Corruption Policy	130
	Modern Slavery	91
Acting fairly between members	Shareholder and Voting Rights	115
	Stakeholder Engagement – Shareholders	108

Board Awareness

Each of the Directors is aware of their Director's duties in respect of the s172 statement.

↓

Board Engagement

Our Board directly and indirectly engages with our stakeholders. See pages 105 to 111 for further details.

↓

Board Strategic Discussion

The Board considers the impact of its decisions on our stakeholders.

↓

Board Decisions

Outcomes of Board decisions are assessed and further engagement with stakeholders is undertaken where appropriate.

Stakeholder Engagement

CUSTOMERS

Key Considerations

There continue to be high expectations and elevated demands from consumers for seamless experiences, stretching across a wide range of digital, store and social touchpoints. Such demand has extended, with consumers not just expecting a seamless experience from retailers but from their partners also.

How We Have Engaged

1. We have engaged with Nike to become its first European retail partner for its Connected Partnership loyalty programme, enabling our consumers to access an integrated rewards programme by linking their JD and Nike membership accounts via the JD mobile app. The Connected Partnership loyalty programme is designed to enhance the shopping experience of customers through access to an additional range of Nike member-exclusive products and experiences.
2. For every JD UK in-store transaction, customers are prompted to give feedback in two ways. The first method is at the point of sale via a card machine, which contains a rating system for their shopping experience that day. General questions are provided in relation to the shopping, product, staff and transaction experience overall. The second method is via a QR code on the customer receipt, which JD introduced in November 2022. The QR code brings the customer to an online customer satisfaction survey.

   Further, our power reviews system allows us to measure overall sentiment towards product online whilst also supporting our shopper mission for the broader consumer. At present we have just over 39 million product reviews active on site, with an average rating of 4.7 out of 5. These reviews cover 90% of live product. In addition we proactively request feedback through review portals such as Trustpilot and post purchase surveys online and instore.
3. During the period, we used the 'King of the Game' campaign on Oxford Street by using Snapchat's landmarker Augmented Reality ('AR') technology to turn our flagship store into a giant arcade game. In a retail first, we partnered with Snap to transform the outside of our store into an interactive claw-grabber machine, as featured in our TV ad.
4. Also as part of our Christmas 'King of the Game' campaign, we stepped into the Metaverse by recreating our JD Arcade within Crayta, the Facebook-owned gaming platform. As such, JD became the first event brand to launch a game on the platform.
5. We have continued to use our partnerships strategy to engage with consumers at events most relevant to them.

Impact of Engagement

1. Nike's Connected Partnership – a transformative integrated loyalty programme – offers JD's customers, starting in the UK, unprecedented access to select Nike member-only footwear and apparel when they opt to link their JD and Nike membership accounts through the JD mobile app. By linking their membership accounts, JD and Nike customers unlock an instant reward bonus, curated collections and earlier access to select Nike member products. In future, connected members will also have the opportunity to benefit from exclusive experiences and services. In this Connected Partnership the two companies will harness their technological and digital expertise to serve consumers in a more convenient and rewarding way.
2. The data collected is analysed by the Customer Experience team to identify areas of focus and continue the development of a market leading experience for our customers. Since implementing the customer survey in November 2022, we have had over 1,500 customer responses. This feedback provides insights into our customers' experience and enthusiasm for the JD offering and allows us to focus on improvements.
3. Whilst shoppers and passers-by were encouraged to play our 'King of the Game' arcade game by scanning a Snapcode in the store window, the activity was first and foremost a PR opportunity, and we captured content with JD ambassadors' Chunkz and Chloe Burrows using the AR lens. The activity generated 63 pieces of coverage nationwide, with combined monthly unique users of 1.3 million. Further, with over 11.8 million followers, Chunkz has played a big part in our marketing strategy this year. He was the face of our Back to School and Christmas campaigns, and through continued activations in the period we have been able to tap into his audience, who resonate perfectly with JD. The JD Chunkz launch on TikTok had in excess of 30 million views.
4. Our social engagement continues to drive audience engagement. For example our Christmas advert on YouTube with over 25 million views. Our Christmas content also had a further 83 million views on TikTok. JD's 'King of the Game' Metaverse virtual experience included the three mini games featured in our TV advert and attracted more than 10,000 players.
5. Through music festivals such as Longitude, Ibiza Rocks and Parklife we can push experiential boundaries and connect with customers in a totally different way. The festivals combined are attended by over 200,000 of our core audience. Through sports partnerships we continue to drive global reach through the premier league (Southampton & Crystal Palace) and focused European expansion via Valladolid in Spain.

How the Board Took Account of the Engagement

The Board carefully considered the Nike Connected Partnership before approving its launch.

The Head of Customer Care reports into the Chief Financial Officer, Neil Greenhalgh. A weekly report is provided to the Executive Directors and relevant stakeholders, which includes information and statistics on customer feedback via the above-mentioned measurement sources. In addition the report monitors any increase in contacts with the JD Customer Care team which may illustrate increased customer issues. This report is presented to the Executive Directors by the Head of Customer Care in a weekly trade meeting and relevant actions are agreed on and reviewed and analysed at subsequent trade meetings to assess their effectiveness.

The Board receives regular feedback from the customer engagement activities, providing insights into our customers' experience and enthusiasm. This relevant information enables the Board and the Senior Leadership team to direct the teams to focus on improving the overall customer experience.

Periodically, the Board considers matters relating to suppliers, shareholders, customers and employees. The Board continues to assess its engagement mechanisms to ensure they remain effective.

COLLEAGUES

Key Considerations

Our talented colleagues across the globe are the driving force behind our continuing success and growth at JD, they are instrumental in selecting and creating the right product as well as designing and delivering the best omnichannel experience for our customers. That's why we value the opportunity to listen to colleagues and involve them in shaping our policies to ensure we attract and retain our diverse workforce.

How We Have Engaged

This year, we launched our first Global Engagement Survey which received a 70% response rate, with 76% of colleagues stating they are proud to work for the Company.

Our Your Voice Colleague Engagement Network has increased in size over the last 12 months. There are regular meetings and feedback sessions throughout the period. Our Chief Executive Officer and Group People Director co-chair a session each quarter which provides an opportunity for ideas to turn into actions very quickly. It's not just the increased two-way dialogue we're encouraging. Our Senior Leadership team spend time in stores connecting with, and learning from, colleagues. All colleagues from the Board room to the shopfloor are involved in our internal colleague communications and regularly participate in webinars, Town Halls, Q&A sessions and communication pieces to ensure that our colleagues feel a connection with the teams that guide the business.

Impact of Engagement

The feedback we regularly receive from colleagues around the world has already driven real change within the business. Our engagement forums have suggested initiatives and played an active part in a wide range of business decisions over the past year, including but certainly not limited to, our new Head Office Campus expansion plans, the introduction of our Menopause Policy, the provision of free sanitary products and a substantial increase in engagement activities and events in all areas of the business.

We know that enjoyment and engagement go hand in hand. That's why we were delighted to see that the word 'fun' was the most recurrent term when colleagues were asked to sum up working with us in three words. The fun certainly translates to productivity with 82% of colleagues stating that the people they work with focus on what's needed to deliver a great experience for the customer.

The introduction of our new internal Podcast series, the first of which featured our new Chief Executive Officer, along with our LinkedIn channel and digital colleague magazine, keep our colleagues informed and included in the direction of the business.

How the Board Took Account of the Engagement

Our Board members hear from and engage with our colleagues directly during store visits. We have appointed a Designated Workforce Non-Executive Director, who will have a network of nominated engagement delegates from around the globe and will hold bi-annual listening groups. These listening groups, along with information from our Global Engagement Survey and the quarterly Your Voice report provide a wealth of feedback and helps shape the culture of inclusion within our business.

SHAREHOLDERS

Key Considerations

The key considerations in the financial period were:

- Ensuring shareholders have greater transparency on governance transformation issues.
- Addressing shareholder concerns around the combined Chief Executive Officer and Executive Chair role.
- Responding to shareholder feedback and implementing a revised remuneration structure with share-based incentives to ensure better alignment between Executive pay and long-term shareholder value.

How We Have Engaged

We have engaged with stakeholders as follows:

- Regular calls and meetings between shareholders attended by the Chief Financial Officer, Chief Executive Officer and Chair.
- Attended roadshows and conferences with institutional investors.
- Presentation of the Annual and Interim results, which major shareholders are invited to attend.
- Provided transparency to shareholders with regards to the Group's governance transformation programme.
- A Capital Markets Event was held in February 2023, introduced by Andrew Higginson, Chair and led by Régis Schultz, Chief Executive Officer, presenting an update on the strategic approach for the Group for the next five years.
- Meetings were held with shareholders on environmental, sourcing sustainability and social matters.

Impact of Engagement

As a result of the engagement during the period and listening to the feedback and concerns of shareholders, the Board implemented the following actions:

- The Board launched a governance transformation programme, which has made significant progress during the course of 2022/23.
- Appointed a new Chair, Chief Executive Officer and Chair of the Remuneration Committee during the period.
- The Chair of the Remuneration Committee contacted the Company's largest shareholders to consult with them in advance on the revised remuneration policy before being submitted to shareholders for approval at a general meeting held in December 2022.

How the Board Took Account of the Engagement

- The Board took careful account of all of these issues and has made significant progress during the course of 2022/23 in addressing shareholder feedback.
- Positive feedback was received from shareholders who attended the Capital Markets Day which was held in February 2023 and the presentation is available on our website at www.jdplc.com.
- The Board receives appropriately detailed Board papers prior to considering major strategic decisions and tests each decision against its overall objective to deliver long-term sustainable earnings growth and enhance total shareholder returns.
- The Board receives updates from Investor Relations at every Board meeting on shareholder changes, interaction with shareholders with topics covered and questions asked in these meetings.

SUPPLIERS

Key Considerations

- JD's status as a premier global strategic partner with key international brands is an important factor in the success of the Group.
- A robust framework is in place for the protection of people working for our suppliers. From our Ethical Code of Practice to transparency on factory location and audit status, our team engages in continuous improvement with regard to private label suppliers.
- Our ESG Committee provides strategic guidance and management of supplier engagement, as outlined within the ESG section on pages 60 to 92.

How We Have Engaged

- We carry out regular audits of our factories and engage in extensive due diligence to ensure we understand where the components of the products that we manufacture are made and what the working conditions are like in those environments.
- We regularly engage with our largest suppliers of branded products on ESG-related risks, including our approach to climate change initiatives.
- Members of the Senior Leadership team meet with the senior stakeholders at key suppliers (such as Nike, adidas, The North Face, Under Armour, VF Corp, New Balance) on a regular basis throughout the period to discuss relationships and to obtain supplier feedback. The wider JD business, including some members of the Senior Leadership team, are also in regular and frequent discussions with suppliers on day-to-day matters (such as product purchases, marketing campaigns and ongoing projects), during which ongoing and real-time feedback from suppliers is obtained.
- We are pleased to become Nike's first European retail partner for its Connected Partnership loyalty programme, enabling our consumers to access an integrated rewards programme by linking their JD and Nike membership accounts via the JD mobile app.
- Our sustainability teams are invited to sustainability conferences held by the brands to work on solutions together and learn best practice.

Impact of Engagement

- Our Ethical Code of Practice ensures that fundamental health and safety measures are in place, along with promoting and safeguarding the basic human rights of supply chain workers. For more information, see our ESG section on pages 88 to 92.
- The engagement with suppliers ensures the Group continues to be a key strategic brand partner of the international brands. By nurturing these key relationships, the Group aims to continue receiving the exclusive, differentiated footwear and apparel which our consumers desire.
- The Nike Connected Partnership highlights JD and Nike's ability to provide a compelling and differentiated proposition both instore and online through a deep understanding of their consumers.

How the Board Took Account of the Engagement

- The CEO is heavily involved in all material supplier relationships and holds regular 'top-to-top' interaction with the leadership of those suppliers. Other supplier relationships are managed by a combination of the Divisional Managing Directors and the Brand Liaison Director who, via their monthly 1-2-1 meetings with the CEO, can feedback points of note. In addition to the direct sales/buying relationship, the operational functions across the business, including Logistics, Merchandising, Marketing and Finance also have regular interaction with their counterparts in the supplier base. Those functional leads also have monthly 1-to-1 meetings with the CEO and will feedback relevant points as necessary. Ahead of each Board meeting, the CEO collates all the various updates from his interactions, internal and external, and disseminates relevant points to the Board through the CEO Report.
- Outside of this regular process, the Board is updated by way of formal presentations when a decision is of significance in terms of revenue, compliance or strategic importance. For example, there was a formal presentation to the Board in July 2022, including strategic modelling and assessment of key risks, before the Nike Connect initiative went live in September 2022. These discussions are formally minuted through the usual Board minute process. Programmes such as Nike Connect go through appropriate legal review prior to being presented to the wider Board with approval sought from the General Counsel and the Executive Directors.
- The Board encourages the JD team to attend leading conferences such as Zero100 to learn about digital innovation in supply chains to make our business more globally sustainable and less environmentally damaging ways of working.

COMMUNITY

Key Considerations

As the Group's global profile has increased, so has the number of communities served by JD. As a brand we are inspirational and aspirational to young people and regard this privileged position with the appropriate responsibility in the range of territories in which we operate.

Further, our business operates in highly regulated territories. Accordingly, we seek to proactively engage and build cohesive relationships with governmental and regulatory bodies that monitor our business activities.

How We Have Engaged

Our business has been involved in activities all over the world, giving back to our communities by getting involved in events arranged in collaboration with our charity partners in each territory.

This has involved a combination of approaches, from product giveaways in underprivileged communities (such as our Community Storefront in Baltimore) to educating our colleagues, customers and social media followers on topics such as wellbeing and diversity, equity and inclusion. Our aim is to make immediate and lasting positive change in our communities.

We are also passionate about social mobility and have taken the JD concept to schools, offering young people a direct pipeline into roles with JD, to provide training and pathways to employment through our Early Careers initiatives. This includes, but is not limited to, Apprenticeships, Internships, Traineeships and Work Experience along with guidance to inspire the future generations.

From a social perspective, our global community engagement is led by our two charity foundations within our largest operating territories – the JD Foundation (registered in the UK), and the JD Finish Line Foundation (North America). Both entities are registered charities operating within their respective national regulation with regards to finance and disbursement of funds to charitable causes.

The Group submits voluntary environmental disclosures that provide communities, regulators and governments with transparent, verifiable information relating to our business impact.

Examples of voluntary disclosures (accessible by global regulators and governments) including: CDP, Climate Change, Water Stewardship, Forests submissions, the RE100 and Zero Waste to Landfill initiatives. The Group provides wide-ranging data and climate strategy information to evidence our commitment to reduce our impact on the communities in which we sell to consumers, and those from which we source.

Impact of Engagement

- Our activities which give back to the communities that need it most have great impact in both the short and the long term. Our product giveaways have provided young people in economically challenged areas with apparel and footwear to help them continue their education with the confidence that they can do this in style. Similarly, events such as our 'From the Community and For the Community' basketball coaching sessions arranged by our Shoe Palace team, promote the message to communities that they can feel good about who they are and who they can be.
- In addition to these short-term, high impact activities, on a longer timeline, our involvement in educational, environmental and industry-specific social initiatives (including, but certainly not limited to, our mentorship programme, RE100 involvement, Diversity in Retail Membership) will help to build a world in which communities cannot just survive, but thrive.
- During the period, the Group achieved A- ratings for its CDP Climate Change and Water Security submissions. This is a clear demonstration of the Group's success in reducing the impact or carbon emissions and biodiversity loss within our communities.
- The Group achieved Zero Waste to Landfill accreditation across our largest distribution and office facilities within key operating territories of the UK and Spain.
- The JD Foundation launched the 'Together We Can' project in 151 stores across all fascias. The vision of 'Together We Can' is to support women and girls across local communities in the UK and within our worldwide supply chain. Please see our JD Foundation section on page 100 for further details.
- Within our key territory of North America, the Group's US subsidiaries continued to invest and support their local communities, whilst also contributing to national social projects. See page 97 for further details.

How the Board Took Account of the Engagement

- Board engagement is undertaken via the JD ESG Committee, the JD Foundation Trustees, and the JD Finish Line Foundation Trustees.
- The Group Chief Financial Officer chairs the ESG Committee, and is a Trustee for the JD Foundation, ensuring two-way engagement with the Board on community activities including, but not limited to, regulatory compliance, social investment and reducing our environmental impact.
- The JD Finish Line Foundation reports strategic plans via our North American General Counsel, with scheduled annual reviews undertaken with members of the JD ESG Committee.
- On a monthly basis, ESG Committee members submit strategic plans to the Group Board via our scheduled Board reports. Within the period, the Board received updates on topics ranging from charity and social investment to enhanced supply chain worker protection and the Group's progress against our documented sustainability targets (pages 74 and 75).

Board of Directors

AN EXPERIENCED TEAM DELIVERING OUR STRATEGIC VISION

Committee key:

- N Nominations Committee
- A Audit & Risk Committee
- R Remuneration Committee
- D Disclosure Committee
- Committee Chair

Régis Schultz

Chief Executive Officer

Régis was appointed as Chief Executive Officer on 2 August 2022 and has a wealth of prior retail experience as Chief Executive Officer, including of a UK-listed retail business, and across retail categories including home, fashion, electrical, sporting goods and food. In particular, Régis has a strong track record of effecting transformational change through digitalisation, driving multichannel growth strategies and working across international markets.

Prior to joining JD, Régis was President of Retail at Al-Futtaim Group, the Dubai-based conglomerate which is partner to many of the world's most high-profile companies across automotive, retail, financial services, real estate and health sectors.

Other appointments:

None

Andrew Higginson

Non-Executive Chair

N

Andy was appointed as Non-Executive Chair on 8 July 2022. Andy is a highly experienced and proven retailer and Chair with over 32 years of continuous Plc Director experience both in Executive and Non-Executive roles. This includes 15 years as an Executive Director of Tesco plc, and until recently, seven years as Chair of William Morrison Supermarkets plc. During this time, Andy oversaw a major turnaround of the business and significant value creation for shareholders. Andy was previously Senior Independent Director at Sky plc and Flutter plc.

Other appointments:

JD Sports Fashion Plc is currently Andy's only Plc Board appointment. Andy holds a small number of private company and pro bono Board and advisory roles.

Neil Greenhalgh

Chief Financial Officer

D

Neil joined the Group in June 2004 and was appointed Chief Financial Officer in November 2018 having been promoted from his previous role as Group Finance Director. Neil previously held a number of senior positions within the Woolworths Group and qualified as a chartered accountant with KPMG in 1996.

Other appointments:

None

Kath Smith

Senior Independent Director and Non-Executive Workforce Engagement Director

A N

Kath was appointed to the Board as a Non-Executive Director in May 2019. Kath has 40 years of executive experience building world-leading brands including Mars and Guinness. Kath is widely recognised as a leading figure in the sports, athletic leisure and outdoor sectors. Kath was Managing Director of both adidas and Reebok and General Manager and Vice President, EMEA at The North Face where Kath is credited with transforming the business and delivering unprecedented and sustained results.

Other appointments:

None

Bert Hoyt

Non-Executive Director

A N R

Bert was appointed to the Board in September 2021. Bert is recognised as one of the most eminent leaders in the sporting goods and sportswear industry over recent years and has significant experience of global markets. Prior to his retirement in January 2021, Bert held the position of Vice President and General Manager of Nike EMEA. Bert is acknowledged for transforming Nike's business in Western Europe and EMEA, achieving substantial growth in revenues and profitability. Prior to his engagement at Nike, Bert spent 10 years at Puma, six of them as General Manager for Puma International.

Other appointments:

JD Sports Fashion Plc is currently Bert's only Plc Board appointment. Bert holds a small number of private company Board and advisory roles.

Andy Long

Non-Executive Director

Andy was appointed to the Board in May 2021. Andy is currently an Executive Director at Pentland Group and was the CEO of Pentland Brands, the Pentland Group's portfolio of sports and fashion brands, until the end of 2020, having previously held the roles of CFO and COO. Prior to joining Pentland, Andy held senior finance roles at Boots and Procter & Gamble and is a Chartered Management Accountant. Andy served as a Board member and Audit Chair at Sport England from 2016 – 2022.

Other appointments:

Executive Director at Pentland Group

Suzi Williams

Non-Executive Director

R N

Suzi was appointed to the Board in May 2022. Suzi is a Procter & Gamble-trained brand & marketing leader who has spent 30 years building global businesses in the consumer, media, and telecoms space for brands ranging from Procter & Gamble to BT, Orange and the BBC. Suzi was previously a Non-Executive Director at Workspace plc and The AA, and has held pro bono and charity Board roles including the Cabinet Office Great Campaign promoting British business overseas, Her Majesty The Queen's Patrons Lunch event, and, within the England and Wales Cricket Board ('ECB'), launching the successful new Hundred cricket format, The Hundred.

Other appointments:

Non-Executive Director and Nominations Chair on the Board of Telecom plus plc (FTSE 250). Chairs of the Nominations and Remuneration Committees at Zegona Communications plc. Suzi also leads the Advisory Board for the Gresham House Sustainable Infrastructure Group.

Helen Ashton

Non-Executive Director

A D N R

Helen was appointed to the Board in November 2021. Helen has 30 years of experience of working in public and private equity backed businesses and is a qualified Chartered Management Accountant. As the former CFO of ASOS plc, Helen has a deep knowledge of high growth, digital fashion in an international arena. Helen has also held executive level roles in ASDA, Barclays and Lloyds Banking Group and CEO positions in high growth private equity backed businesses.

Other appointments:

None

Mahbobeh Sabetnia

Non-Executive Director and Consumer Duty Director

R

Mahbobeh was appointed to the Board in November 2021. Mahbobeh brings extensive experience in consumer technology, digital transformation, and accelerating growth and profit margin through enterprise technology. Mahbobeh has been at the forefront of e-business expansions, leading data-driven consumer insights to unlock value and framing new business propositions. Mahbobeh has an extensive track record delivering digital growth in global organisations and has held Executive roles within Amazon.com Inc, McDonald's Corporation, HSBC and Mars Inc.

Other appointments:

SVP Consumer & Expert Technology at Haleon.

Ian Dyson

Non-Executive Director

A R

Ian was appointed to the Board in March 2023. Ian has a strong track record across consumer facing industries and public company boards. Ian was Chairman and before that, Senior Independent Director, at ASOS plc, Senior Independent Director at Flutter Entertainment plc and a Non-Executive Director of Intercontinental Hotels Group plc and SSP Group plc. During his Executive career, Ian was Group Finance and Operations Director of Marks & Spencer Group plc, Chief Executive of Punch Taverns plc and Group Finance Director of Rank Group plc.

Other appointments:

Chair of Currys plc

Directors' Report

RÉGIS SCHULTZ
CHIEF EXECUTIVE OFFICER

Pages 114 to 117 (inclusive) of the Annual Report, together with the relevant sections of the Annual Report, which are incorporated into these pages by reference, constitute a Directors' Report, which is required to be produced by law and is prepared in accordance with applicable law. The Directors' Report also includes certain disclosures that the Company is required to make by the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules ('DTRs').

Fair, Balanced and Understandable

The Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. A summary of the process undertaken by the Audit & Risk Committee, at the request of the Board, to assess whether the Annual Report is fair, balanced and understandable is outlined on page 129. A summary of the Directors' responsibilities in respect of the Annual Report and Financial Accounts is set out on page 155.

Principal Activity

The principal activity of the Group is the retail of multibranded, sports fashion and outdoor clothing, footwear, accessories and equipment.

In accordance with the Companies Act 2006, the Strategic Report on pages 22 to 111 contains:

- A fair review of the business.
- A description of the principal risks and uncertainties facing the Group.
- Balanced, comprehensive and understandable analysis of the development and performance of the Group's business during the financial period, including an assessment of relevant environmental, employee, social, community and human rights issues, together with the Group's key performance metrics in a manner which is consistent with the size and complexity of the business.
- An assessment of the Group and Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern.

The Group is committed to establishing and maintaining good corporate governance practices (as set out in the Corporate Governance Report), which the Board believes is appropriate for the business of the Group and is fundamental for retaining effective and long term sustainable relationships with its key stakeholders.

The Corporate Governance Report (pages 118 to 123) is incorporated by reference into, and is deemed to form part of, this report. For the purposes of DTR 4.1.5R (2) and DTR 4.1.8, this Directors' Report and the Strategic Report, which has been approved by the Board and is set out on pages 22 to 111, comprise the Group's management report.

Details of the Group's use of financial instruments, together with information on policies and exposure to interest rates, foreign currency, credit and liquidity risks can be found in Note 22 to the financial statements. The information included in Note 22 is incorporated into the Directors' Report and is deemed to form part of this Directors' Report.

Share Capital

As at 29 January 2022, the Company's issued share capital was £2,579,068 comprising 5,158,135,745 shares of 0.05p each.

On 20 December 2022, the Company applied for a total of 25,000,000 ordinary shares of 0.05p each to be admitted to the Official List. As a result of this allotment, the Company's issued share capital as at 28 January 2023 was £2,591,568 comprising 5,183,135,745 shares of 0.05p each.

Share Allotment Authority

The Directors were granted authority at the 2022 AGM to allot shares in the Company and to grant rights to subscribe for, or convert, any securities into shares in the Company up to a maximum aggregate nominal amount of £44,614 (which represented approximately 1.73% of the Company's issued ordinary share capital as at 22 July 2022). This authority is scheduled to lapse at the 2023 AGM. At the 2023 AGM, shareholders will be asked to grant a new allotment authority.

At the 2022 AGM, a resolution was also passed to permit the Board to allot ordinary shares for cash on a non-pre-emptive basis both in connection with a rights issue or similar pre-emptive issue and, otherwise than in connection with any such issue, up to a maximum nominal amount of £44,614 (which represented approximately 1.73% of the Company's issued ordinary share capital). A new special resolution will be proposed at the 2023 AGM to renew the Directors' power in this regard.

Shareholder and Voting Rights

All members who hold ordinary shares are entitled to attend and vote at the Company's Annual General Meeting, save as set out in the Company's Articles of Association. On a show of hands at a general meeting, every member present in person or by proxy shall have one vote and, on a poll, every member present in person or by proxy shall have one vote for every ordinary share they hold. Subject to relevant statutory provisions and the Company's Articles of Association, holders of ordinary shares are entitled to a dividend where declared or paid out of profits available for such purposes. Details of the final dividend proposed is provided in the Dividends and Earnings per Share section on page 15.

Restrictions on Transfer of Shares

The restrictions on the transfer of shares in the Company are as follows:

- The Board may, in its absolute discretion, refuse to register any transfer of shares which are not fully paid up (but not in a manner which prevents dealings in listed shares from taking place), or which is in favour of more than four persons jointly or which is in relation to more than one class of share.
- Certain restrictions may, from time to time, be imposed by laws and regulations for example, insider trading laws.
- Restrictions apply pursuant to the Listing Rules ('LR') and the Market Abuse Regulation ('MAR') of the Financial Conduct Authority. The Company has in place a share dealing policy which includes processes which must be followed to ensure that any transfer of shares activity is conducted in compliance with the MAR and the LR and that all Directors and certain Company employees obtain prior approval before dealing in the Company's shares.

The Company is not aware of any arrangement between its shareholders that may result in restrictions on the transfer of shares and/or voting rights.

Substantial Interests in Share Capital

As at 28 January 2023, the Company has been notified of the following significant holdings of voting rights in its ordinary share capital pursuant to the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority:

	Number of ordinary shares/voting rights held	% of ordinary share capital
Pentland Group	2,676,391,195	51.6
BlackRock Inc	217,973,724	4.2

As at the latest date prior to the publication of this report, the Company has not received any further notifications in regard to substantial shareholdings under the Disclosure Guidance and Transparency Rules.

Relationship Agreement

In accordance with LR 9.2.2 AD R (1), the Company has in place a legally binding relationship agreement with its controlling shareholder, Pentland Group Limited. The Company has complied with the undertakings included in the relationship agreement during the period under review. So far as the Company is aware, the undertakings in the agreement have also been complied with by both Pentland Group Limited and its associates during the period under review.

Directors

Details of all persons who were Directors at the financial period end including their roles and brief biographical details are set out on page 112. The following appointments and resignations occurred during the financial period:

- Suzi Williams, appointed 16 May 2022.
- Peter Cowgill, stood down as Executive Chair and Chief Executive Officer with effect from 25 May 2022.
- Andrew Higginson, appointed as Executive Chair on 8 July 2022.
- Régis Schultz, appointed as Chief Executive Officer on 5 September 2022.

After the financial period end, the following Directors were appointed to the Board; Ian Dyson as Non-Executive Director on 9 March 2023, Angela Luger and Darren Shapland as Non-Executive Directors with effect from 1 June 2023 and Dominic Platt as Chief Financial Officer with effect from a later date during 2023/24.

The Directors are responsible for the management of the business of the Company and, subject to relevant legislation, regulatory requirements and the Company's Articles of Association ('Articles'), the Directors may exercise all of the powers of the Company and may delegate their power and discretion to committees, as they see fit.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

Directors' Interests

Details of Directors' interests and those of their connected persons in the share capital of the Company are set out on page 149. This information is incorporated into this Directors' Report by reference and is deemed to form a part of it.

Appointment and Replacement of Directors

The Company's Articles of Association provide that the Company may by ordinary resolution at a general meeting appoint any person to act as a Director, provided that (where such person has not been recommended by the Board) notice is given by a member entitled to attend and vote at the meeting of the intention to appoint such a person and that the Company receives, among other information, confirmation of that person's willingness to act as a Director. The Articles also empower the Board to appoint as a Director any person who is willing to act as such. The maximum possible number of Directors under the Articles is 20.

In addition to the powers of removal conferred by statute, the Company may by ordinary resolution remove any Director before the expiration of his or her period of office.

The Articles also set out the circumstances in which a Director shall vacate office.

The Articles broadly require that at each AGM one-third of eligible Directors shall retire from office by rotation and may stand for re-election and that any Director who was appointed by the Board after the previous AGM must retire from office and may stand for election by the shareholders. Additionally, any other Director who has not been elected or re-elected at one of the previous two AGMs must also retire from office and may stand for re-election.

Notwithstanding the provisions of the Articles, the Board has determined that all the Directors will stand for re-election at the 2023 AGM in accordance with the best practice recommendations of the UK Corporate Governance Code.

The number of Directors at any one point in time shall not be less than two.

Amendment of the Company's Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.

Change of Control – Significant Agreements

In the event of a change of control of the Company, the Company and the lenders of the £700 million bank syndicated facility shall enter into an agreement to determine how to continue the facility. If no agreement is reached within 20 business days of the date of change of control, the lenders may, by giving not less than 10 business days' notice to the Company, cancel the facility and declare all outstanding loans, together with accrued interest and all other amounts accrued immediately due and payable.

Employees

The 'Our People' section on pages 93 to 97 provides information on the Group's approach to its people and how the Group attracts, retains and develops its employees. The Strategic Report also sets out a summary of the measures recently adopted by the Group to improve the way it engages with its employees.

As required under the UK Corporate Governance Code 2018, the Group has made further progress regarding its stakeholder engagement programme.

We have continued our engagement initiatives during the period. The focus remains on ensuring that the Group's employees are well informed about any material organisational changes in the Group and all significant matters which may affect the Group's financial performance.

During the financial period, Kath Smith, the Group's Senior Independent Director, was appointed as the Workforce Engagement Non-Executive Director to provide a meaningful two-way dialogue between the Board and its colleagues. The Workforce Engagement Non-Executive Director will attend forums to listen to the issues that are important to our colleagues. Issues are relayed back to the Board at the regular Board meetings supported by the Group's People Director.

In addition, a key factor in the Group's employee remuneration strategy is encouraging the involvement of all employees in the Group's performance so that every employee feels they have an important contribution to make in this regard. Full details of the Group's remuneration strategy are set out in the Remuneration Report on pages 132 to 154.

Further details on how employee engagement is taken into account in the principal decision making process is set out in the Stakeholder Engagement section on page 107.

The Group is committed to promoting equal opportunities in employment regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. Recruitment, promotion and the availability of training and development at all areas within the Group are based on the suitability and merit 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 their employment by the Group, every effort is made to continue the employment, development and training of the employee in question within their existing capacity wherever practicable, or failing that, in an alternative suitable capacity.

Further information regarding the Group's approach to equality and diversity is set out in the Strategic Report on page 94.

Suppliers, Customers and Others

Details of how the Directors have had regard to the need to foster the Group's business relationships with suppliers, customers and others, and the effect of that regard, including on principal decisions taken during the financial period, can be found in the Stakeholder Engagement section on pages 105 to 111.

Post Balance Sheet Events

Details of post balance sheet events are provided in Note 35 of the financial statements.

Future Developments

Future developments are discussed throughout the Strategic Report on pages 22 to 111.

Political Donations and Expenditure

Neither the Company nor any of its subsidiaries has made any political donation or incurred any political expenditure during the period under review.

Research & Development

During the financial period ended 28 January 2023, the Group engaged in Research & Development activity in relation to technological advances in the Group's multichannel solution.

Energy consumption and emissions

Information about greenhouse gas emissions, energy consumption and energy efficiency action are shown in the ESG report on page 76. This information is incorporated into this Directors' Report by reference and is deemed to form part of it.

Auditor

As set out on page 131, the Audit & Risk Committee concluded its tender process on the appointment of a new external auditor to replace KPMG LLP with Deloitte LLP providing the most compelling global proposal. It is the Board's intention to recommend the appointment of Deloitte to shareholders at the 2023 Annual General Meeting with Deloitte's first report to members being on the results to 3 February 2024. A resolution proposing Deloitte's appointment will be proposed to shareholders at the forthcoming AGM.

Disclosure of Information to the Auditor

Each person who is a Director at the date of approval of this report confirms that:

- So far as they are 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.

Annual General Meeting

The Company's AGM will be held on 27 June 2023 at the offices of Addleshaw Goddard LLP, One St. Peter's Square, Manchester, M2 3DE. The notice of this year's AGM is included in a separate circular to shareholders. This notice will be available to view under the 'Investor Relations' section of the Company's website (www.jdplc.com/ investor- relations).

By order of the Board

Régis Schultz
Chief Executive Officer

22 May 2023

Corporate Governance Report

ANDREW HIGGINSON

NON-EXECUTIVE CHAIR

On behalf of the Board, I am pleased to present our Corporate Governance Report for 2022/23. The Board promotes the principles set out in the UK Corporate Governance Code 2018 as issued by the Financial Reporting Council ('FRC') (the 'Code'). This report sets out how the Company has applied the main principles set out in the Code. The statement of the Company's compliance with the relevant provisions of the Code is set out on page 123. This report includes relevant provisions of the Code, where appropriate. The full Code can be found on the FRC website (www.frc.org.uk).

Key Activities

Over the course of this financial period, the Board has made significant enhancements to its governance programme, focusing on Board composition and succession, Company strategy and purpose, and the culture and values which the Company embodies.

Board Composition

As at 28 January 2023, the Board comprised nine Directors: the Chair, the Chief Executive Officer, the Chief Financial Officer and six Non-Executive Directors. The name, position and a brief profile of each Director are set out on page 112.

In May 2022, the Group announced that it had decided to accelerate the separation of the roles of Chair and Chief Executive Officer. Peter Cowgill stood down as Executive Chair and Chief Executive Officer on 25 May 2022. Helen Ashton was appointed as Interim Non-Executive Chair and Kath Smith was appointed as Interim Chief Executive Officer pending permanent appointments being made.

Andrew Higginson was subsequently appointed as Non-Executive Chair and Régis Schultz was subsequently appointed as Chief Executive Officer; commencing their roles in July and September 2022, respectively. Helen Ashton and Kath Smith, accordingly, returned to their roles as Chair of the Audit Committee and Senior Independent Director, respectively.

The Board has also been pleased to welcome Suzi Williams during 2022/23 as Non-Executive Director and Chair of the Remuneration Committee. After the financial period ended 28 January 2023, the Board has also been pleased to have made the following appointments to the Board; Ian Dyson as Non-Executive Director on 9 March 2023, Angela Luger and Darren Shapland as Non-Executive Directors with effect from 1 June 2023 and Dominic Platt as Chief Financial Officer effective at later date in 2023. We look forward to welcoming Angela Luger, Darren Shapland and Dominic Platt to the Board, once their appointments become effective.

Matters Reserved for the Board

The Board has a formal schedule of matters reserved specifically to it for decisions which include:

- Strategic decision making and shaping of future strategy.
- Approval of the Group's financial statements.
- Significant capital projects.

The matters reserved for the Board are kept under continual review to ensure they remain appropriate in light of the size of the Group and the nature of its activities. The matters reserved for the Board are currently being revised for imminent implementation.

Board Leadership

The Board's role is to ensure that the Group is led in a manner which protects the long term interests of its shareholders, whilst balancing and promoting the interests of its other key stakeholders, including its employees and suppliers.

The Board is responsible for the direction, management and performance of the Company. The Directors act together in the best interests of the Group via the Board and its Committees.

The Board held nine scheduled Board meetings during the period under review and ad hoc meetings were held in between scheduled meetings, where required. Director attendance at scheduled Board and Committee meetings is set out in the table on page 120.

The Board also established a Disclosure Committee, during the period.

> **"This is a distinct new chapter, following significant improvements in governance structures, upon which the Group's growth opportunities can be realised and long-term value created for stakeholders."**

Group Purpose

The Group's purpose is to be the leading global sports fashion powerhouse with a leading retail product and brand proposition that connects with consumers and that supports our people, partners and communities. Further detail on the Group's strategy is provided on page 26.

How the Board Contributes to the Delivery of the Group's Strategy and Purpose:

- The Board effectively challenges and approves any significant changes to the Group's strategy and purpose. During the course of this year, the Board approved the Group's new strategy detailed on page 26.
- The Board receives appropriately detailed Board papers prior to considering major strategic decisions and tests each decision against the Group's strategic objectives.
- The Group's status as a premier strategic partner with international brands is an important factor in the strategy and success of the Group and the Group's relationship with these key brands is discussed at regular Board meetings. There are robust Board approval procedures in place to ensure that acquisitions and expansion into new territories align with the overall corporate strategy and further develop these brand relationships.
- The Chief Financial Officer, as ESG Committee Chair, is appraised of climate-related issues both informally and formally on a regular basis. The Chief Financial Officer will then provide updates as required during the regular Board meetings. Furthermore, the Board is informed of climate-related issues, updates and metrics via formal Board reports which are circulated on a monthly basis. Ad hoc sessions are also held where the ESG Committee will present updates regarding specific issues, achievements and metrics to the Non-Executive Directors.
- Representatives from our ESG Committee undertake regular engagement sessions with our largest third-party brands to monitor their continued global leadership with regards to sustainable product innovation, commitments to reduce the impact of climate change and supply chain transparency.
- It is the Board's strong belief that if colleagues feel supported, respected and empowered to achieve their ambitions regardless of background, this will ultimately promote the long-term success of the Group. Further details regarding the Board's two-way dialogue with our colleagues and an explanation of how we continue to promote wellbeing, diversity, inclusion and equality across the Group are provided on pages 93 to 95 and page 107.

How the Group Generates Long-Term Sustainable Value

The Board considers that the following align with the Group's strategic objectives and generate long-term sustainable value:

- The Group operates from a stable financial base with a history of strong revenue and profit growth over a sustained period. The Group has delivered total shareholder returns ('TSR') with reference to the graph on page 150 which compares the Group's TSR with the FTSE All Share General Retailers Index over the past 10 years.
- On an annual basis, the future viability of the Group is internally assessed over a three-year period by considering the potential future impact of key risks in the fast-paced retail environment in which the Group operates. This involves applying severe but plausible scenarios and assessing the impact on the financial position and performance of the Group. For further details see our Viability Reporting on page 42.
- The Group supports the economies in the territories in which it operates by providing employment both in the UK and internationally.
- During the 52 week period ended 28 January 2023, the Group employed an average of 75,149 people (2022: 67,831).
- The Group takes a responsible approach to the management of taxes and aims to work transparently and collaboratively with all stakeholders. The Group is committed to paying the right amount of tax, in the right place, at the right time. It recognises the importance of respecting the spirit and letter of the law, including allocating value by reference to where it is created, managing it within the normal course of commercial activity and paying the associated tax.

FOCUS FOR 2023/24

Our key focus for 2023/24 is to continue with the good progress made as part of the governance transformation programme, with a particular focus on embedding these changes and enhancing the culture and values which the Company embodies.

- The Group's 'Commitment to Our Communities' section on page 97 explains how we promote our values through our global initiatives, supporting communities in the Group's international territories and beyond.

Culture

As part of an ongoing governance reform programme, the Board and the Senior Leadership team have given particular focus to culture and the values which underpin the Group. Positive work in this area continues as the Group continues to reassess and rebase its culture and values to enable future growth.

During this financial period, we have continued to assess and monitor culture in the following ways:

- As part of the governance reform programme.
- Kath Smith, Senior Independent Director, has been appointed as the Workforce Engagement Non-Executive Director providing a meaningful two-way dialogue with the Board.
- Engagement and attendance at forums by the Workforce Engagement Non-Executive Director and Executive Directors to listen to the issues that are important to our colleagues. Issues are relayed back to the Board at the regular Board meetings supported by the Group's People Director.
- Inclusion of relevant information within the reporting packs that are circulated to the Board on a monthly basis.
- Annually reviewing the whistleblowing policy. The mechanisms for employees to access whistleblowing channels has been recently reviewed and updated to ensure that they are effective. For further details see page 130.
- Through employee engagement surveys.

Succession Planning

A major focus of the Board's objectives this year has been succession planning in four key areas:

- the role of Chair/Chief Executive Officer;
- the role of Chief Financial Officer;
- the composition of the Board; and
- the strength and development of the Senior Leadership team.

Each succession programme has unique methods and objectives but ultimately is centred around securing the future long-term success of the Group's business. An overview of the Board's composition and succession activities, during the course of this year, is set out on page 124 of the Nominations Committee report.

The independence of the Non-Executives is carefully considered by the Board on a continual basis:

- During the course of this financial period, Kath Smith acted as Interim Chief Executive Officer. In September 2022, the Board re-assessed Kath Smith's independence and ability to return to her role as Senior Independent Director. After carefully considering a number of different factors, the Board was satisfied that Kath Smith remained independent and approved Kath's return to her role as Senior Independent Director.
- Bert Hoyt was formerly appointed as Head of Europe for Nike, the Group's largest supplier. The Nominations Committee considered Bert's independence and was satisfied with this position given the gap of one year in between Bert leaving Nike and subsequently joining the Group as a Non-Executive Director.
- All other Non-Executives, save for Andy Long, are considered to be independent by the Board. Andy Long is an Executive Director at Pentland Group and is therefore not considered by the Board to be an independent Non-Executive Director.

The Board considers that all Directors are able to devote sufficient time to their duties as Directors of the Company.

A summary of the rules that the Company has in place about the appointment and replacement of Directors is set out on page 115. Notwithstanding the provisions of the Company's Articles regarding the retirement of Directors, the Board determined that all Directors retired at the 2022 AGM and offered themselves for re-election in accordance with the best practice recommendation of the UK Corporate Governance Code.

Board Diversity

An overview of the Board's composition with regards to diversity is set out on page 125 of the Nominations Committee report.

Attendance at Board and Committee Meetings

52 week period ended 28 January 2023	Board Meetings	Remuneration Committee	Audit & Risk Committee	Nominations Committee	Disclosure Committee
Total number of meetings	9	5	7	3	1
A Higginson***	4	–	3**	–	–
R Schultz***	3	–	2*	–	–
N Greenhalgh	9	–	7*	–	1
K Smith	9	1**	7	1	–
A Long	9	1**	3**	–	–
B Hoyt	8	5	3	2	–
H Ashton	9	3	7	3	1
M Sabetnia	9	–	–	–	–
S Williams	6	3	–	1	–
P Cowgill	3	–	1*	1	–

* R Schultz, N Greenhalgh and P Cowgill attended the meetings as annotated in the table above at the invitation of the members of those Committees in order to provide additional detail on day-to-day matters arising at such meetings and to assist the Committee members with the matters delegated to the Committee as deemed appropriate.

** These Non-Executive Directors were present during the meeting but as observers only.

*** A Higginson and R Schultz were appointed to the Board during the 52 week period ended 28 January 2023. They have attended all Board meetings since their appointment.

Activities of the Board During the Period

The Board has undertaken a number of activities during the period including:

- Assessing the Group's new strategy and approving matters reserved for the Board, relating to its implementation.
- Appointing BDO LLP to undertake a review of the Group's compliance with the UK Corporate Governance Code. This review was led by a sub-committee of the Board including Senior Independent Director, Kath Smith and Helen Ashton, Chair of the Audit & Risk Committee. The sub-committee was chaired by Kath Smith. Further detail is provided in the Audit & Risk Committee report on page 127.
- Assessing the key regulatory risks posed to the Group and the various measures being implemented to counter these risks on an ongoing basis including in relation to regulatory frameworks such as competition law. Engaging external advisors to carry out a number of independent investigations into certain matters including regulatory issues. For further details, please see page 126.

In order to assist the Board in its effective review and decision making regarding the Group's activities, Board papers are circulated to Directors prior to Board meetings which include up-to-date financial information, reports from the Executive Directors, a summary of key risk and compliance issues and papers on major issues for consideration by the Board. During the course of this financial period, a software solution has been implemented to improve Board efficiency. Various improvements have also been made to the structure of Board meetings.

The Board has a formal procedure for Directors to obtain independent professional advice. All Board members have full access to the Company Secretary who is a fully admitted solicitor and attends all Board and Committee meetings.

The Company Secretary is responsible for advising the Board on all Corporate Governance and legal matters. In the event that the Company Secretary is not available, the Assistant General Counsel assists.

All newly appointed Directors receive an appropriate induction when they join the Board. Relevant training is arranged throughout the year as deemed appropriate including the attendance at Board meetings by external legal specialists and/or the circulation of advice notes.

From time to time, the Non-Executive Directors meet with the Chair without the other Directors present to discuss Board performance and other matters considered appropriate.

Board Evaluation

As BDO LLP undertook a review of the Group's compliance with the UK Corporate Governance Code in 2022 and given that the Chair is new to his role during 2022/23, the Board deemed it appropriate to carry out an internal evaluation of its performance during 2022/23.

The evaluation exercise required the Board members to score themselves individually and the Board as a whole on topics such as:

- The Board's contribution to the shaping of the Group's strategy.
- An assessment of the effectiveness of the Group's risk management approach.
- The process of sharing information with the Board to allow appropriate and effective interaction between the Board and the rest of the Group.
- The Board's expertise and skills in the context of the Group.
- The effectiveness of the Committee and the relevant expertise and experience of Committee members.
- The decision making process adopted by the Board and the Senior Leadership team.

The evaluation exercise concluded that during a challenging transitional period, the Board demonstrated clear leadership, enhanced effectiveness and responded to challenges swiftly and effectually. Examples of areas positively reported included enhanced governance procedures with a clear focus on corporate governance transformation, enhanced Board effectiveness including swift and effectual decision making and clear leadership under the new Chair's tenure. Areas identified as possible opportunities to develop the Board's effectiveness further included continued enhancements to the composition of the Board and its Committees, continued enhancements to Board policies and procedures and continuing with the good progress made as part of the governance transformation programme.

The Non-Executive Chair and Company Secretary will put in place appropriate action plans in response to the evaluation findings and will review progress during the course of 2023/24. Additional Board appointments have subsequently been announced post this evaluation exercise.

The Senior Independent Director has also conducted an evaluation of the Chair, meeting with other Directors to assess performance. The Chair appraised the Chief Executive Officer and the Senior Independent Director, along with the Non-Executive Directors.

Insurance Arrangements

The Company, through its majority shareholder Pentland Group, maintains Directors' and Officers' liability insurance, which is reviewed at appropriate intervals to ensure it remains fit for purpose.

Conflicts of Interest

The Company's Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or possibly could conflict, with the interests of the Company. The Board considers that the procedures it has in place for reporting and considering conflicts of interest are effective. These procedures remain under review to ensure effectiveness.

Board Committees

The Board delegates certain powers to Board Committees. There are four principal Board Committees to which the Board has delegated certain responsibilities. The terms of reference for all Committees are reviewed by each Committee regularly and are available for inspection on request or on the Group's corporate website www.jdplc.com (save for the Disclosure Committee Terms of Reference).

Disclosure Committee

This newly formed Committee consists of Helen Ashton, Neil Greenhalgh and Theresa Casey (Company Secretary and General Counsel), with Helen Ashton as the Chair. The Committee's principal duties are to:

- monitor compliance with the Company's systems and procedures as regards the identification, assessment and disclosure of inside information;
- review the steps taken to ensure the timely and accurate disclosure of any announcement;
- review and advise generally on the scope and content of disclosure by the Company;
- consider and decide whether information provided to the Disclosure Committee is inside information and, if so, the date and time at which that information first existed within the Company; and
- consider and decide whether inside information gives rise to an obligation to make a market announcement and, if so, the nature and timing of that announcement.

The Disclosure Committee met once during the 52 week period ended 28 January 2023. Details of attendance at Disclosure Committee meetings are set out in the table on page 120.

Audit & Risk Committee

The Committee consists of Helen Ashton, Bert Hoyt, Kath Smith and Ian Dyson (appointed on 9 March 2023) with Helen Ashton as the Chair.

The Board notes that it is a requirement of the DTRs and a recommendation of the Code that the Audit & Risk Committee as a whole shall have competence relevant to the sector in which the Company operates. This is something that was explored during the Board Evaluation process.

The Board confirms that it considers the composition of the Audit & Risk Committee provides the requisite skills and experience. However, the Board and the Audit & Risk Committee consider it is prudent to keep this under continual review in order to ensure that they remain satisfied that the expertise of the membership of the Audit & Risk Committee remains appropriate. The brief biographical detail on page 112 and the skills table included in the Nominations Committee report on page 125 include details of the experience and expertise of the Board.

The Audit & Risk Committee met seven times during the period with the external auditor attending part of each meeting. Deloitte LLP, as the Group's proposed incoming auditor for the period ending 3 February 2024, has also attended the Audit & Risk Committee meetings. Details of attendance at Audit & Risk Committee meetings are set out in the table on page 120.

Remuneration Committee

The Committee consists of Helen Ashton, Bert Hoyt, Mahbobeh Sabetnia, Suzi Williams (appointed 1 September 2022) and Ian Dyson (appointed 9 March 2023) with Suzi Williams as the Chair.

Bert Hoyt was appointed as Interim Chair of the Remuneration Committee in February 2022 until Suzi Williams was appointed as Chair from 1 September 2022.

The Committee's principal duties are to determine:

- Overall Group remuneration policy.
- Remuneration packages for Executive Directors and Senior Management.
- The terms of Executive Director service contracts as may be required from time to time.
- The terms of any performance-related and/or long term incentive schemes operated by the Group and awards thereunder.

The Remuneration Committee met five times during the period. Details of attendance at Remuneration Committee meetings are set out in the table on page 120. Further details about Directors' remuneration are set out in the Directors' Remuneration Report on pages 132.

Nominations Committee

The Committee consists of Helen Ashton, Bert Hoyt, Suzi Williams, Kath Smith and Andrew Higginson with Andrew Higginson as the Chair.

During the course of this financial period, Kath Smith acted as Chair. Following Kath Smith's appointment as Interim Chief Executive Officer on 25 May 2022, the Board considered whether she should continue as Chair of the Nominations Committee but concluded that this position should be held by the Interim Chair, Helen Ashton. This change was effective from 7 June 2022 until July 2022.

The Committee's principal duties are to consider the size, structure and composition of the Board, ensure appropriate succession plans are in place for the Board and Senior Management and, where necessary, consider new appointments to the Board and Senior Management. The matters delegated to the remit of the Nominations Committee include Board structure, succession planning and the performance of the Board and Senior Management.

The Nominations Committee met three times during the period. Details of attendance at Nominations Committee meetings are set out in the table on page 120.

The gender balance of the Board, Senior Leadership team and the wider employee group is set out in the Our People section of the ESG Report on page 94.

Further details about the Nominations Committee and its activities are set out in the Nominations Committee Report on pages 124.

Audit, Risk & Internal Control

For further information on the Company's compliance with the Code provision relating to the Audit & Risk Committee and external auditor, please refer to the Audit & Risk Committee Report on page 131. The Group's approach to internal audit, internal controls and risk is also detailed on pages 128 and 129 of the Audit & Risk Committee Report.

AGM Resolutions

At the Company's AGM, all resolutions, were duly passed on a poll with the requisite majority. Resolution 2 (the approval of the Directors' Remuneration Report) was passed with 72.29% votes in favour. Suzi Williams, Chair of the Remuneration Committee, subsequently engaged with shareholders to better understand their views. The primary concern raised related to the incentive structure and the significant emphasis on cash, particularly in the context of diluting the efficacy of applying clawback. Reflecting on shareholder and proxy body feedback and reviewing the existing Directors' Remuneration Policy ('Policy') and the Company's remuneration practices over the past few years, the Committee determined that material changes to the Policy were necessary to move towards best practice and ensure full compliance with the UK Corporate Governance Code. Accordingly, the Committee developed a market standard Policy that is more appropriate for a FTSE 100 business, which included the following key amendments:

- the introduction of an element of bonus deferral into shares;
- delivery of shares rather than cash under the Company's long term incentive arrangements;
- the introduction of shareholding requirements, and;
- enhanced malus and clawback arrangements.

Illustrating the Committee's commitment to improving corporate governance in respect of remuneration at the earliest opportunity and following shareholder consultation, the Policy was put forward ahead of the usual timescales at a General Meeting on 13 December 2022. The Policy was approved by shareholders with 99.22% votes in favour based on an 83.7% turnout. The Board is grateful to those shareholders who took part in the engagement process and values the feedback provided. The Company will continue to engage with its largest shareholders on Executive remuneration going forward.

Compliance with the Code

The Directors consider that during the period under review and to the date of this report, the Company complied with the Code except as follows:

- Code Provision 5: Up until 24 November 2022, the Group did not have a designated Director appointed to the Board responsible for workforce engagement. A designated Non-Executive Director has however been appointed as the Workforce Engagement Non-Executive Director, effective 24 November 2022. Following the appointment of Kath Smith, as the Workforce Engagement Non-Executive Director, the Company considers that it has effective arrangements in place. The Chief Executive Officer and the Chief Financial Officer also have regular interactions and meetings with the Group People Director and with the workforce and report these views back to the Board. A global employee engagement survey has also been conducted during the financial period with the results of such a survey being communicated to the Board.
- Code Provision 9: The role of Chair and Chief Executive Officer was performed singularly by the previous Executive Chair, as had been the case for eight years. The former Executive Chair departed the business on 25 May 2022 upon which the roles of the Chair and Chief Executive Officer were separated with interim appointments of Kath Smith as Interim Chief Executive Officer and Helen Ashton as Interim Chair. Régis Schultz has since been appointed as Chief Executive Officer and Andrew Higginson has since been appointed as Non-Executive Chair. The Company now considers that is has effective arrangements in place.
- Code Provision 12: The Company was absent of a Senior Independent Director between 31 January 2022 and 25 February 2022 whilst the Company assessed the skills and qualities of its new members in order to make the correct appointment. The Company was also absent of a Senior Independent Director between 25 May 2022 and 6 October 2022 whilst Senior Independent Director, Kath Smith, undertook the interim role of Chief Executive Officer, prior to Régis Schultz's permanent appointment. Following the appointment of Régis Schultz, Kath Smith returned to her role as Senior Independent Director.
- Code Provision 16: Access to a Company Secretary by the Board was limited between February 2022 and October 2022. The Company now considers that is has effective arrangements in place.
- Code Provision 17: Due to the exceptional circumstances resulting in Helen Ashton's appointment as Interim Chair on 25 May 2022, Helen Ashton acted as Interim Chair of the Board and Chair of the Nominations Committee during a period of time when the Committee was dealing with the appointment of a new Chair of the Board. The Board considered this to be the appropriate course of action whilst navigating the exceptional circumstances it encountered at the time.
- Code Provision 19: Prior to his departure, the previous Executive Chair had been in the role for more than nine years. Andrew Higginson has been appointed as Non-Executive Chair during the course of this financial period and the Company now considers that is has effective arrangements in place.
- Code Provision 24: Due to the exceptional circumstances resulting in Helen Ashton's appointment as Interim Chair on 25 May 2022, Helen Ashton acted as both Interim Chair of the Board and Chair of the Audit Committee. The Board considered this to be the appropriate course of action whilst navigating the exceptional circumstances it encountered at the time. Following the appointment of Andrew Higginson as Non-Executive Chair, Helen Ashton stepped down as Interim Chair of the Board.
- Code Provision 32: Bert Hoyt was appointed as interim Chair of the Remuneration Committee in February 2022. Bert had not previously served on a Remuneration Committee for at least 12 months, prior to his appointment. Suzi Williams was appointed Chair of the Remuneration Committee from 1 September 2022, having served on a Remuneration Committee for at least 12 months prior.

The Company is now in compliance with all of the provisions of the Code specified above.

This report was approved by the Board and signed on its behalf by:

Andrew Higginson
Non-Executive Chair

22 May 2023

Nominations Committee Report

ANDREW HIGGINSON

CHAIR OF THE NOMINATIONS COMMITTEE

The financial period ended 28 January 2023 has been a period of great change to the composition of the Board. In May 2022, the former Executive Chair departed the Company, subsequently resulting in my appointment as Non-Executive Chair and Régis Schultz's appointment as Chief Executive Officer. The Board has also been pleased to welcome Suzi Williams as Non-Executive Director and Remuneration Chair and, subsequent to the financial period ended 28 January 2023, Ian Dyson, Angela Luger and Darren Shapland as Non-Executive Directors and Dominic Platt as Chief Financial Officer. As Non-Executive Chair of the Board and Chair of the Nominations Committee, my focus remains on ensuring that the Board has the appropriate balance and depth of skills, knowledge, experience, market expertise, consumer insight, diversity and independence. I am pleased with the strength of the composition of the current Board and look forward to welcoming new Board members to further strengthen the skills, knowledge and experience required to realise the Group's strategic ambitions.

Nominations Committee members as at 28 January 2023*
Andrew Higginson (Chair)
Helen Ashton
Bert Hoyt
Suzi Williams (appointed May 2022)
Kath Smith

* Details of attendance at Nominations Committee meetings during the period are set out on page 120.

Committee Membership

At the beginning of 2022/23, the Committee was chaired by the former Executive Chair. Between 25 February 2022 and 25 May 2022, Kath Smith acted as Committee Chair. Upon Kath Smith's appointment as Interim Chief Executive Officer on 25 May 2022, the Board considered that Helen Ashton, acting as Interim Chair, should also chair the Committee. This change was effective from June 2022 until October 2022. In accordance with Provision 19 of the UK Corporate Governance Code, the majority of the members of the Nominations Committee are independent Non-Executive Directors.

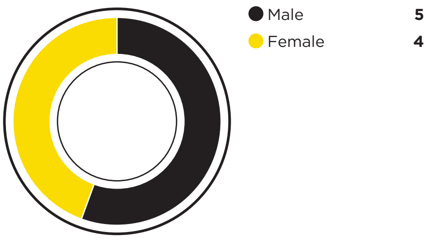
Board and Committee Activities 2022/2023

- The Board was pleased to appoint Suzi Williams as Non-Executive Director in May 2022. Suzi Williams has significant consumer marketing and management experience and is a seasoned FTSE 250 Non-Executive Director.
- The former Executive Chairman departed the Board on 25 May 2022. The Board is grateful for his service; with recognition that the business developed strongly under his leadership into a world-leading retailer.
- Helen Ashton was appointed as Interim Non-Executive Chair and Kath Smith was appointed as Interim Chief Executive Officer, on 25 May 2022, whilst permanent appointments into these positions were made.
- In accordance with the Board's pre-existing succession plans and following a period of interim appointments for the roles of Chair and Chief Executive Officer, I was subsequently appointed as Non-Executive Chair. The Board premised my appointment on my experience as a proven retailer and Chair with over 28 years of continuous Non-Executive Director experience on Plc boards, including senior leadership roles.
- Following the split of the roles and responsibilities of the Chair and Chief Executive Officer, and following an extensive global search process, Régis Schultz was appointed as the Company's new Chief Executive Officer. Régis Schultz brings with him a wealth of retail experience as CEO, including of a UK-listed retail business, across various retail categories and has a strong track record of effecting transformational change through digitalisation, driving multichannel growth strategies and working across international markets.
- Kath Smith acted as Remuneration Committee Chair until February 2022 when Bert Hoyt was appointed as Interim Chair. Bert Hoyt acted as Interim Chair of the Remuneration Committee until Suzi Williams was appointed as Chair in September 2022.

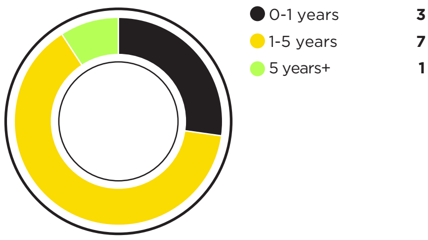
KEY RESPONSIBILITIES

The Committee's principal duties are to consider the size, structure and composition of the Board, to ensure appropriate succession plans are in place for the Board and Senior Management and, where necessary, consider new appointments to the Board and Senior Management. The matters delegated to the remit of the Nominations Committee include Board structure, succession planning and the performance of the Board and the Senior Management. The Committee's terms of reference detailing the full extent of the Committee's roles and responsibilities are available on our corporate website.

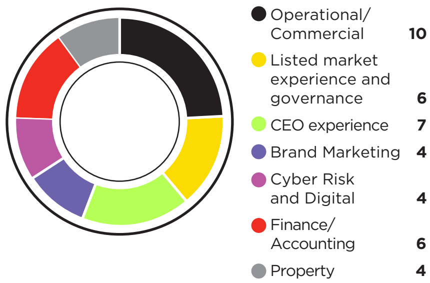
Board split by gender as at 28 January 2023



Board tenure as at 28 January 2023



Board split by skill and experience



- In March 2023, the Board was pleased to welcome Ian Dyson to the Board as a Non-Executive Director and member of the Audit & Risk and Remuneration Committees. Ian has a strong track record across consumer facing industries and public company boards and has acted as Chair and Senior Independent Director in previous roles.
- In April 2023, the Board was pleased to announce the appointments of Angela Luger and Darren Shapland as Non-Executive Directors. Angela Luger brings a wealth of retail and Non-Executive Director experience to the Board, with strong experience in digital commerce, digital transformation and marketing. Darren Shapland has extensive experience in retail and consumer businesses over the past 35 years as both an Executive and Non-Executive Director. We look forward to welcoming them both to the Board when their appointments become effective on 1 June 2023.

All Board members appointed during the financial period ended 28 January 2023 have completed their full, formal and tailored induction programmes.

Following Régis Schultz's appointment, Régis Schultz assessed the Group's strategy and the Group's Senior Management structure. The structure of the Senior Leadership team has been re-organised as part of the re-assessment of the Group's strategy and full details of the new roles and appointments can be found on page 32. The Board is confident that the newly formed Senior Leadership team retains the wealth of experience of the previous Senior Leadership team whilst also ensuring that the Group has the relevant expertise in place to achieve its future growth plans.

We are also pleased to have formed a Disclosure Committee during the financial period, with Helen Ashton acting as Chair.

Succession Planning

The skills chart shown above sets out the core skills, experience, knowledge and diversity represented by our current Board members. External search consultants have been engaged with the process of appointing Non-Executive Directors during the period. These external search consultants have no connection to the Group or any individual Directors.

The skills chart shown above and evaluation processes referred to on page 121 form the basis for identifying additional Board and Committee appointments and succession planning activities. This process will continue to be improved and refined as the newly transitioned Board, Board Committees and Group's Senior Management teams embed into their new roles.

Search for a New Group CFO

On 12 October 2022, the Group announced that Neil Greenhalgh had informed the Board of his intention to step down from his role as Chief Financial Officer. The Board would like to thank Neil for his tremendous service, and for his support during the search for a new Group CFO, which has allowed us to search for the best replacement. We have recently been pleased to announce the appointment of Dominic Platt as Chief Financial Officer who is currently expected to join the Company later this year. Dominic is currently CFO of BGL Group, one of the UK's leading digital distributors of financial services and owner of Compare the Market. He previously held senior finance roles at Darty Plc and at Cable and Wireless Plc, both in the UK and internationally. Dominic has extensive experience in international consumer-focused public and private companies, including helping to drive growth strategies and deliver successful results. He is an independent non-executive Director at N Brown Group Plc and a Fellow of the Chartered Institute of Management Accountants.

FOCUS FOR 2023/24

We are highly committed to Board excellence and leadership. In 2023/24 we will continue with the good progress made in 2022/23, bolstering the Board with additional Board appointments, suitable for the Company's new chapter of growth and underpinned by good governance and strong leadership.

Equity, Diversity and Inclusion

Our Equity, Diversity and Inclusion Policy is embedded in our approach to recruitment at all levels, including the Board. That policy is that all employees are treated fairly and equally regardless of age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. We acknowledge the benefits of diversity in all its forms and we will continue to strive to make our Board and Senior Leadership team more representative of our diverse workforce.

Andrew Higginson
Chair of the Nominations Committee

22 May 2023

Audit & Risk Committee Report

HELEN ASHTON

CHAIR OF THE AUDIT & RISK COMMITTEE

I am delighted to highlight the significant improvements made to the Group's governance position under the stewardship of the Audit & Risk Committee.

Investment in our teams, delivery of a programme to significantly enhance the internal control environment and the alignment of our risk management process to the Group strategy all significantly enhance how we can provide shareholders with confidence in how our business is governed.

We have made significant improvements to the Board structure, embedded wider governance reforms to address previous shortfalls against the Corporate Governance Code and continue to invest in developing our risk management capability.

We are making significant investments in building internal expertise across Risk Assurance Controls and Legal as well as continuing with our Group-wide internal financial reporting.

Audit Committee members as at 28 January 2023*
Helen Ashton
Kath Smith
Bert Hoyt

* Details of attendance at Audit & Risk Committee meetings during the period are set out on page 120.

Composition

The composition of the Audit & Risk Committee ('Committee') is detailed on page 122 and full details of the skills, experience and qualifications (including recent and relevant financial experience) can be found in the biographies on pages 112 and 113 and the skills chart on page 125. The Committee member meeting attendance table is shown on page 120.

Overview

Following a period of significant change for the Committee and the wider Group in 2022, the Group is now seeing the benefit of greater stability and depth of experience. This has afforded the business the opportunity to significantly invest in ensuring the governance and control arrangements are fit for purpose to support the Group's growth ambitions.

Steps have been taken to strengthen controls, roll out appropriate training and provide oversight in areas which have previously given rise to regulatory issues.

Our ambitious, wide-reaching, Board-led governance reform programme is well underway and has delivered significant improvements in this period and will continue through to the following year.

Board developments are supported by investment in governance systems, risk management, enhanced internal control and regulatory oversight and reporting. Priority has been given to prior-period regulatory issues, the financial reporting control environment and further alignment with the UK Corporate Governance Code. We remain committed to making the necessary resource available, internal and external, to ensure these commitments are delivered.

CMA Regulatory Compliance

Issue: On 27 September 2022 the Competition and Markets Authority ('CMA') announced that it had closed its investigation into JD Sports and other parties in relation to anti-competitive behaviour relating to Rangers-branded replica football kit. The CMA imposed a penalty of £1.485 million on JD Sports, which included a settlement discount as a result of JD Sports admitting to the conduct and cooperating with the investigation.

In September 2021 the CMA also opened a formal investigation into conduct relating to Leicester City branded products. This investigation is ongoing.

> **"Investment in our teams, delivery of a programme to significantly enhance the internal control environment and the alignment of our risk management process to the Group strategy all significantly enhance how we can provide shareholders with confidence in how our business is governed."**

Remedy: Working with external advisors, the Group continues to make good progress with implementing a comprehensive compliance programme, which includes:

- Short-term: Immediate actions include training sessions for Directors, senior management and subsidiary businesses together with the creation and roll out of an e-learning module which is being used to teach, process knowledge and form part of the induction processes for new starters in the UK. The competition compliance policy was signed off by the Board in January 2023 and is now being rolled out. The Group now also has dedicated in-house competition law expertise to support the implementation of the compliance programme and monitor competition law risks.
- Long-term: Longer term initiatives include annual refresher training, targeted training for certain teams, the creation of 'on-demand' resources accessible 24/7, and the development of a competition policy and training programme for non-UK jurisdictions.

Following the CMA's investigation into the Group's acquisition of Footasylum, the Group completed the sale of Footasylum on 5 August 2022, at which point the CMA closed its investigation.

FCA Regulatory Compliance

Issue: A number of companies in the UK have a limited permission credit broking licence from the Financial Conduct Authority ('FCA'). Operating in a regulated environment requires a compliant process to be embedded within those companies.

Remedy: The Board has approved the future approach to the provision of regulated financial products through an external compliance service provider. Dedicated internal resource has been recruited to support the Group's compliance programme and will work with external suppliers to ensure that an appropriate process is embedded within each sales process.

The Group will continue to monitor the Government's response to the consultation on the future of currently unregulated Buy Now Pay Later products and ensure that it is ready to respond to any changes.

UK Corporate Governance Code

As previously highlighted, the Board engaged BDO LLP to assess current compliance with the UK Corporate Governance Code ('Code').

The primary action was to ensure a common understanding of the strategic direction, purpose and values across the Board and senior management. With the appointment of a Non-Executive Chair and a Chief Executive Officer, along with the publication of a clear strategy, this process is well underway.

In turn, we continue to build strong governance structures and processes, and a culture that positively influences behaviours.

The Board is committed to enhancing the Governance Framework. Progress to date includes:

- Permanent appointees to the Non-Executive Chair and Chief Executive Officer roles, and greater relevant experience across the Board. This includes appointments of Non-Executives with relevant experience to lead all Board Committees.
- The Group has also invested significantly in additional resources in the legal function.

FOCUS FOR 2023/24

The Committee will continue to oversee investment in our governance arrangements, and through the Board-led governance and control programme seeks to meet our combined code requirements, as well as:

- Delivering the Internal Controls over Financial Reporting ('ICFR') programme to all material Group entities.
- Remediating controls and establishing ongoing controls testing and assurance.
- Aligning risk management to our strategy and establishing executive risk management groups in key locations.
- Establishing the Group Assurance team and rolling out a Group-wide assurance plan.

Risk Management and Internal Controls

As with all large organisations, the internal control environment continues to evolve affecting domestic and international operations, systems and technologies. This evolving landscape requires ongoing analysis to ensure that proportionate and robust control is established and maintained. The Internal Controls team is delivering an ICFR programme. In addition teams are being built in the risk management and assurance areas to enhance the Group-wide arrangements to monitor risks and continuously improve how management identify and respond to risk.

This is a significant task and the Board remains committed to supporting and funding such activities arising from the review against the Corporate Governance Code.

The Internal Controls team continues to build the ICFR framework across the Group working with a global delivery partner. The Internal Controls team is now part way through the process of mapping, prioritising, remediating and embedding enhanced control structures across the business. This includes addressing control actions raised through the external audit process as at 29 January 2022.

A Board Governance Committee has been established to manage and monitor the key actions arising from this review.

Membership of the Board Governance Committee includes the Chair of the Audit & Risk Committee, Chief Executive Officer, Chief Financial Officer, Group Transformation Director, Director of Risk & Assurance, and the Company Secretary and General Counsel. The Governance Committee meets at least monthly and reports on progress regularly to the Audit & Risk Committee meetings and at which the external auditor is in attendance.

In addition, a newly created Group-wide role of Director of Risk & Assurance has been filled, reporting to the Chair of the Audit & Risk Committee and the Chief Financial Officer. This Director oversees the activities of Internal Control, and is tasked with addressing the Board's and Executives' needs in risk management, assurance and certain wider control activities through the creation of risk and assurance teams.

The Board is committed to providing both resource and investment to allow both assurance and strategic insight to be driven by this new function, which will address the need for Internal Audit through the delivery of a programme of reviews reporting directly to the Audit & Risk Committee, aligned to leading practices and the latest guidance.

In addition to these specific workstreams, the Governance Committee will also manage a wider process to review, and enhance, where necessary, the policies and controls which ensure compliance with other regulators including the Information Commissioner's Office, the Advertising Standards Association and the FCA.

Other Principal Duties

The other principal duties of the Committee are to review draft annual and interim financial statements prior to being submitted to the Board, to review the effectiveness of the Group's system of internal controls, risk management and the performance and cost effectiveness of the external auditor.

Main Activities of the Audit & Risk Committee During the Period

The Committee's activities during the period included:

- Reviewing the Group's draft financial statements and interim results statement prior to Board approval and reviewing the external auditor's detailed reports thereon including on internal controls.
- Reviewing Board papers prepared by management to document the significant accounting matters and key judgements in order to determine whether there is a clear basis for the conclusions reached.
- Regularly reviewing the potential impact on the Group's financial statements of certain matters such as the valuation of intangible assets and proposed International Accounting Standards.
- Reviewing the external auditor's plan for the audit of the Group's financial statements, key risks of misstatement in the financial statements, confirmations of auditor independence, audit fee and terms of engagement of the auditor.
- Reviewing the independence (including any necessary safeguards) and effectiveness of the Group's external auditor, including an assessment of the impact on the external auditor's independence of the breaches in overseas territories referred to in their long form audit report.
- Reviewing the whistleblowing arrangements in place for employees to be able to raise concerns in confidence.
- Consideration of risks facing the Group and matters of internal control.
- Assessment of the need for an internal audit function and the effectiveness of the Group's existing system of internal controls. This will be built into arrangements led by the Director of Risk & Assurance.

Fair, Balanced and Understandable Reporting

At the request of the Board, the Committee has considered whether, in its opinion, this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and whether it provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy. The following process was considered by the Committee in making its assessment:

- The Committee is responsible for reviewing the Group's draft financial statements and interim results statement prior to Board approval. As part of such review, the Committee considers whether suitable accounting policies have been adopted and whether appropriate judgements have been made by management. The Committee also considers whether appropriate disclosure of significant estimates and judgements has been made along with other key matters during the financial period.
- The Committee reviews reports by the external auditor on the full-year and half-year results. The significant issues considered as a Committee were consistent with those identified by the external auditor. The material area in which significant judgements have been applied and have been considered by the Committee during the period is the measurement of the Genesis Topco Inc put and call option. The Committee has reviewed the measurement of the put and call option over the shares in Genesis Topco Inc and has considered the inputs, assumptions and methodology used; primarily the EBITDA taken from the Board approved forecasts and the discount rate used along with the report provided by the third-party valuations expert. The external auditor has provided the Committee with detailed explanations of their review of the valuation, including their challenge of management's key assumptions and methodology. The Committee has also reviewed the disclosures in the financial statements including the sensitivity analysis performed.
- Following its review, the Committee was of the opinion that the 2023 Annual Report and Accounts are representative of the period and present a fair, balanced and understandable overview, providing the necessary information for the shareholders to assess the Group's position, performance, business model and strategy. The Board then approved the Committee's recommendation that the fair, balanced and understandable statement could be made, which can be found in the Directors' Responsibility Statement on page 155.

Audit Quality Review

As part of the annual inspection of audit firms, the Audit Quality Review ('AQR') team of the Financial Reporting Council ('FRC') reviewed KPMG's audit of the Group accounts for the 52 week period ended 29 January 2022. The AQR routinely monitors the quality of audit work of certain UK audit firms through inspections of sample audits and related procedures at individual audit firms.

Certain matters for improvement were identified along with good practice observations. The Committee and KPMG LLP have discussed the review findings and the identified improvement areas, and the actions taken to incorporate these into the audit work for the Group accounts for the 52 week period ended 28 January 2023. KPMG LLP reported to the Audit and Risk Committee as part of their May 2023 report on these matters, with the Audit & Risk Committee concluding that the findings had been addressed.

Internal Audit and Internal Controls

The Board, in conjunction with the Committee, has full responsibility for the Group's system of internal controls and monitoring their effectiveness. However, such a system is designed to monitor and manage the risk of failure to achieve business objectives and cannot eliminate such risk entirely. The Board seeks to manage this risk by having established a well-defined organisational structure, clear operating procedures, embedded lines of responsibility, delegated authority to Executive management and a comprehensive financial reporting process.

Key features of the Group's system of internal controls and risk management are:

- Identification and monitoring of the business risks facing the Group, with major risks identified and reported to the Committee and the Board as appropriate.
- Detailed appraisal and authorisation procedures for capital investment, which is documented in the Matters Reserved for the Board and the Group's Contract Authorisation Policy.
- Prompt preparation of comprehensive monthly management accounts providing relevant, reliable and up-to-date information. These allow for comparison with the Group's budget and previous year's results. Significant variances from approved budgets are investigated as appropriate.
- Preparation of comprehensive annual profit and cash flow budgets allowing management to monitor business activities and major risks and the progress towards financial objectives in the short and medium-term.
- Monitoring of store procedures and the reporting and investigation of suspected fraudulent activities.
- Reconciliation and checking of all cash and stock balances and investigation of any material differences.

The Chair of the Committee has regular interaction with the Director of Risk & Assurance and senior members of the Group finance department in order to monitor and assess the effectiveness of the Group's system of internal controls.

The Board has a responsibility to review the effectiveness of the Group's system of internal controls, with due regard to the materiality of relevant risks, the likelihood of a loss being incurred and costs of control.

It follows, therefore, that the system of internal controls can only provide reasonable, and not absolute, assurance against the risk of material misstatement or loss.

The Board is satisfied that the internal controls have operated effectively throughout the period, although it accepts that the control environment across the Group requires formalisation and would benefit from increased monitoring and due diligence. Control deficiencies highlighted by the Group's auditor as at 29 January 2022 have been addressed and remediating controls or compensating actions have been established. The comprehensive ICFR programme highlighted last year, and elsewhere in this report, continues to drive standards in the financial reporting environment.

The ICFR programme is delivered by the Internal Controls team working in conjunction with colleagues from across the finance, business and technology functions. The delivery of the ICFR programme, along with other governance and risk enhancements, is overseen by the Governance Transformation Programme, chaired by the Audit & Risk Committee Chair, with Executive members and independent programme management.

The Group has made the following progress:

- Grown its Internal Controls team and recruited a Group Director of Risk & Assurance.
- Commenced a refresh and enhancement of its approach to risk management, aligning to the growth strategy.
- Commenced recruitment into the Group Assurance function, which will fulfil the role of Internal Audit once established resources and plans are agreed.
- Continued to partner with an external firm to provide interim assurance capabilities and longer term flexible resources.
- After the financial period ended 28 January 2023, but prior to the publication of this report, the Group has established an Executive risk management function and also launched a Group-wide letter of assurance process to support the Chief Executive Officer in signing the management representation letter required for the audit.

The Committee will oversee all activities of the internal controls, risk and assurance functions, and will receive regular updates on the progress of agreed activities.

In previous financial periods, the Committee determined that an internal audit function was not necessary given the work performed by existing business functions. The Committee has approved roadmaps for risk management and assurance which includes the development of a rolling programme of reviews to be delivered and reported to the Committee. Along with the role of the Internal Controls team, it is anticipated that this will provide a robust assurance map against key risks and fulfil the role of an Internal Audit function, supported by externally provided reviews as appropriate. We acknowledge the guidance of leading advisory firms, evolving best practice in this area, and guidance from the Chartered Institute of Internal Auditors in designing our arrangements. We will establish a function designed to provide consulting and assurance activity, providing the business with a mechanism to ensure continuous improvement in the risk and controls space alongside the robust monitoring of the control environment.

Finally, the Committee believes that the changes implemented in 2022, and those that are being implemented in 2023, will stand the Group in good stead for the reforms proposed by the Department for Business, Energy and Industrial Strategy ('BEIS').

Whistleblowing Policy

The Board has approved the amended whistleblowing policy. This policy encourages any individual who has genuine concerns in relation to the Group's activities or the actions of any employee of the Group, to raise those concerns at an early stage, on a confidential basis. The whistleblowing policy has been updated in light of the changes to the EU Directive on whistleblowing. In addition, the Board approved the reporting mechanism underpinning the whistleblowing policy to be provided through a market-leading independent third-party provider on a 24/7 basis with this solution approved to go live in May 2023 in the UK. Concerns can be submitted through an online portal, which is available in c.54 languages, or via a hotline, which is supported in c.300 languages. All reports are treated with utmost confidentiality by independent staff, who will summarise the call or report and pass it to an appropriate Senior Manager, which can include the Company Secretary and General Counsel or Group HR Director for investigation. A summary of the reported concerns, together with an analysis of trends by type and territory, will be provided to the Audit & Risk Committee which is also responsible for reviewing the policy on an annual basis.

Anti-Bribery & Corruption Policy

The Group strives to conduct itself in all areas and at all levels in an ethical manner. The Group takes a zero tolerance approach to bribery and corruption, amongst its employees, suppliers and any associated parties acting on the Group's behalf and this is very clearly documented in the way that it contracts with any such third-parties. The Group has a detailed Anti-Bribery and Corruption Policy and is committed to acting professionally, fairly and with integrity in all its business dealings.

External Auditor Fees

A breakdown of the audit and non-audit related fees are set out in Note 3 to the Consolidated Financial Statements on page 183.

The Committee has regard to the Financial Reporting Council ('FRC') rules on auditor independence and the provision of non-audit services by the auditor and in particular the policy on the provision of non-audit services by the external auditor. The Committee recognises that the policy's objective is to ensure auditor independence and appropriate levels of approval for non-audit work being undertaken by the external auditor. Under the policy, any non-audit services to be undertaken by the auditor which are not prohibited under the audit reforms require advance authorisation in accordance with the following:

- For individual pieces of work below £25,000: Approval by the Chief Financial Officer.
- For individual pieces of work between £25,000 and £50,000: Approval by the Chair of the Audit & Risk Committee.
- Work in excess of £50,000: Approval by the full Audit & Risk Committee.

External Audit Tender Process and External Auditor Reappointment

KPMG has acted as auditor to the Company since its flotation in 1996. The Audit & Risk Committee is satisfied that this is in compliance with the FRC's rules on mandatory firm rotation. A new lead audit partner was appointed during the 2022/23 financial period, which is outside of the mandatory rotation required every five years to safeguard independence. The Audit & Risk Committee is confident that this has brought an additional level of independence to the audit process for KPMG's final period as the Group's statutory auditor.

During the 2021/22 financial period, the Committee concluded its tender process on the appointment of a new external auditor to replace KPMG LLP, with Deloitte LLP providing the most compelling global proposal. It is the Board's intention to recommend the appointment of Deloitte to shareholders at the 2023 Annual General Meeting with Deloitte's first report to members being on the results to 3 February 2024.

The Audit & Risk Committee confirms that the Company otherwise complied throughout the financial period under review with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Helen Ashton
Chair of the Audit & Risk Committee

22 May 2023

Directors' Remuneration Report

SUZI WILLIAMS
CHAIR OF THE REMUNERATION COMMITTEE

Remuneration Committee members as at 28 January 2023*
Suzi Williams
Bert Hoyt
Helen Ashton
Mahbobeh Sabetnia

* Details of attendance at Remuneration Committee meetings during the period are set out on page 120.

Dear Shareholder,

On behalf of the Board, I am pleased to introduce our 2022/23 Directors' Remuneration Report; my first as Chair of the Remuneration Committee (the "Committee") since taking over in September 2022. I would like to thank my colleague Bert Hoyt for his interim stewardship of the Committee in the prior period from February 2022.

This has been an important and fast-moving period for the business, with the Company undertaking important governance transformation, including significant changes to the composition of the Board. In this context, the business has continued to deliver exceptional performance and continuing momentum. Profit Before Tax and Adjusted items for the period was £991.4m, an increase of 5% compared to the prior period, demonstrating the resilience shown by the business and underscoring the opportunity for continued growth through the delivery of the revised JD business strategy. Results are especially heartening in the current volatile economic climate and within the context of the ongoing cost of living crisis.

In this context then across the last twelve months, the Committee considered the following items:

- The arrangements for Peter Cowgill's departure. These arrangements were agreed based on legacy provisions in Peter's contract as well as the previous remuneration policy. More information is provided in the Annual Report on Remuneration and the RNS announcement published on 21 September 2022.
- Andrew Higginson's appointment as Chair of the Group on 11 July 2022. The Committee determined the appropriate fee in line with market practice for FTSE 100 companies.
- Régis Schultz's appointment as CEO on 5 September 2022. The Committee considered the appropriate remuneration that would motivate the right calibre of individual in the context of market practice and wider workforce remuneration.
- Following an extensive shareholder consultation, development of a new Directors' Remuneration Policy (the "Policy") to ensure full compliance with the UK Corporate Governance Code, alignment with FTSE 100 best practice and to ensure a greater emphasis on share-based remuneration.

The Report is set out in the following sections:

> **A fresh remuneration approach and newly strengthened policy will help drive transparency, performance and shareholder alignment in this high performing business.**

Remuneration Policy Review

Since the AGM in 2022, the Committee has been squarely focused on two things:

- Moving towards FTSE 100 normalisation, transparency, and shareholder alignment.
- Attracting, retaining and motivating the very best global retail talent.

The priority in the first half of the financial period concerned a number of legacy items, in particular the arrangements for the departure of the Executive Chairman as well as determining salary arrangements for interim role holders and structuring compensation for our incoming leadership team. Alongside this, we committed post AGM, to extensive shareholder consultation and a thorough review of the existing Directors' Remuneration Policy in response to long-standing shareholder concerns around the use of cash-based incentives in the historical remuneration structure.

My first task then as Chair of the Committee in the second half of the financial period, was to thoroughly review the policy in line with FTSE 100 best practice, undertaking a broad engagement exercise with our shareholders to discuss and refine proposals. Reflecting on the strategic priorities of the business, including our increasing global reach with more than 30% of Group revenue now being derived from the US, and recognising the competitiveness of the market for talent, the Remuneration Committee refreshed the executive pay philosophy to bring it in line with FTSE 100 requirements, whilst keeping in mind the need to attract, retain and motivate the very best global retail talent. The revised philosophy is to pay market-aligned remuneration for delivering consistent performance, with the ability to earn above market levels if performance warrants it. Conscious of the urgency to deliver improved corporate governance, and supported by JD's shareholders, the Committee agreed to put forward the proposed Policy at the earliest opportunity. Our new Directors' Remuneration Policy was very well received by shareholders, being approved with over 99% of votes in favour at the General Meeting on 13 December 2022.

On behalf of the Remuneration Committee, I would like to thank shareholders and their advisory bodies for taking the time to engage with us and for their feedback, which provided valuable input and assisted the Committee to develop the new Remuneration Policy.

Our newly approved Remuneration Policy has enabled us to reset JD's approach to Executive remuneration going forward. I'd like to highlight the key amendments which help to bring the Policy in line with market practice of a FTSE 100 business, including:

- Introduction of bonus deferral such that 50% of any bonus earned is deferred into shares for a minimum of three years.
- Normalisation of the LTIP structure by delivery wholly in shares, formalisation of a two year post-vesting holding period and removal of the limit on the value of the LTIP on vesting, which currently disincentivises further share price growth above this point and is out of line with market practice for standard performance share plans. These changes further align Executive Directors' remuneration with long term shareholder value and ensure full alignment with the UK Corporate Governance Code.
- Introduction of in-employment and post-cessation shareholding requirements.
- Strengthened malus and clawback provisions.

Going forward, the Remuneration Committee now holds the necessary tools to operate and govern a structure for executive remuneration that is clear, fair and closely aligned with the interests of shareholders.

For further details on the Policy please see pages 137 to 145.

Performance and Incentive Outcomes for 2022/23

Annual Bonus

Profit Before Tax and Adjusted items for the period was £991.4m, which was between the on-target and maximum targets set by the business at the start of the period. This resulted in an outcome of 77.6% of the maximum under the Profit Before Tax and Adjusted items element of the annual bonus.

Considering the progress made against the non-financial targets during the period, namely People and Operational Governance, the Committee first determined that great strides were made from a people related perspective. Key players were retained and motivated, store teams continued to deliver outstanding trading performance across the group, and the leadership team executed a long-awaited organisational restructure smoothly and efficiently; the latter will shorten reporting lines and increase efficiency. Overall, culture and momentum were maintained through a challenging period which the committee judged to be an excellent performance. However, from a governance perspective, following a number of well-publicised governance challenges improvements made during the period – whilst substantial – were still, in the Committee's view, some way short of Board requirements and expectations. Hence the Committee determined that a payout of 100% and 0% of maximum under the People and Governance metrics respectively were warranted.

The overall resulting annual bonus outcome for the Executive Directors for 2022/23 was 72% of maximum which led to a payout of £406,658 for Peter Cowgill (relating to the period as an Executive Director) and £648,720 to Neil Greenhalgh. The Committee believes this is a fair reflection of underlying Group performance during the period. There have been no adjustments to the performance targets and the Committee agreed that no discretionary adjustments were required. Full details on the outcomes for the period are included on page 147.

LTIP

The LTIP awards granted to Neil Greenhalgh vested in respect of performance for the period ended 28 January 2023. The award was subject to 66.7% Profit Before Tax and Adjusted items performance and 33.3% tracking of share price over the performance period. The overall outcome of this LTIP award was equivalent to 216.2% of salary.

No discretion was exercised in respect of the vesting of this LTIP award, which reflects the Group's exceptional Profit Before Tax and Adjusted items performance in a challenging and turbulent economic environment over the last three years.

Executive Director Changes

Former Executive Chair

As disclosed in last year's Annual Report, Peter Cowgill stepped down from the Board and his role as Executive Chair on 25 May 2022. The Committee together with the Board reached an agreement with Peter in respect of his departure from the business, as set out in the RNS announcement published on 21 September 2022. The Committee together with the Board firmly believes that these arrangements are in the best interests of the business and its shareholders, of which several indicated their support during the consultation process held during late 2022.

Further details regarding the leaving arrangements of Peter can be found on pages 148 to 149.

New CEO
Régis Schultz was appointed to the Board as CEO on 5 September 2022. In setting Régis' remuneration, the Committee considered market data in respect of FTSE 100 companies and other Global retailers, the former Executive Chair's remuneration package, the Directors' Remuneration Policy and the pay and conditions of the wider workforce. Régis' salary was set at £990,000 and his pension contribution is up to 4% of salary, in line with that of the wider workforce. Régis' maximum opportunity under the annual bonus and LTIP will be 200% of salary. For the avoidance of doubt, Régis did not participate in the 2022/23 annual bonus.

As part of his recruitment, and as disclosed in an RNS announcement published 13 January 2023, it was determined that Régis would receive a buyout award in respect of the cash annual bonus he forfeited from his previous employer on commencement of employment with the Group. In line with the Policy, the face value of the award was of equivalent value to the cash bonus forfeited. The buyout award was delivered in shares (as opposed to cash) in order to give Régis an early stake in the business and align with the interests of shareholders. The buyout award is subject to leaver provisions such that a proportion of the award is ordinarily forfeited in the event of leaving prior to 1 September 2026.

Departing CFO
As explained in the RNS announcement published on 12 October 2022, Neil Greenhalgh informed the Board of his intention to step down from his role as CFO during 2023/24.

It is proposed that Neil will continue to work in the business until later this year to ensure an orderly transition. Full details of his remuneration arrangements upon leaving will be published in next year's Directors' Remuneration Report.

New CFO
The Remuneration Committee has been working closely with the Nominations Committee to recruit a suitable successor of the necessary calibre for a company of JD's size and complexity. As announced on 11 May, we have appointed a CFO whose package has been agreed in line with the current Remuneration Policy and will be disclosed in next years Directors' Remuneration Report once he has started employment.

Approach to Pay in 2023/24
We invested a total of £45.5m in pay increases for the wider workforce in the UK and ROI across the Group, during the period ended January 2023. This was split between £25.5m, effective from 1st April 2022, with a further £20m invested to remove age banding within retail so that all employees below the age of 23 are paid at the 23 plus National Minimum Wage rate. A further pay increase averaging 11% and 8% for our UK and ROI retail and UK head office staff respectively will be implemented from 1st April 2023.

Recognising the necessity to exhibit restraint in respect of executive pay, the Committee has determined to award the CEO a salary increase of 6%. This is below that of the wider workforce which is on average 11% for retail and 8% for head office staff. As the CFO is currently serving notice, he will not receive a salary increase.

The Committee carefully considered how best to align remuneration to delivering the Group's KPI's and in particular, listened to shareholder feedback regarding the existing performance measures.

Further details on the 2023/24 annual bonus metrics are set out on page 152.

As part of the normalisation of the LTIP structure, the Committee has determined to amend the performance metrics and weightings under the LTIP to ensure there is no longer a duplication of metrics with the annual bonus, and to best reflect our newly defined strategy for the business. The Remuneration Committee intends to adopt both EPS and strategic metrics (which is likely to include an ESG metric). Details of the final metrics and targets will be disclosed at the time of grant.

As part of the review of the Remuneration Policy during the period, the Board commissioned a market benchmarking exercise in respect of the Non-Executive Director fees to ensure that the level and structure of fees were appropriate for a FTSE 100 company. We did this particularly with a view to board transformation and attracting the right calibre and seniority of NED talent to the business. Consistent with the approach to setting pay for the Executive Directors, the Board determined that the fees for the Chair and Non-Executive Directors would be set out as detailed on page 153 to ensure the Board has the necessary tools to attract and retain the best.

Senior Leadership Remuneration
Consistent with the revised Directors' Remuneration Policy, the Remuneration Committee has also undertaken a review of remuneration structure for the below Board Senior Leadership team; including both annual bonus and LTIP. The intention for FY23/24 is for the below Board LTIP to be delivered wholly in shares, and with an element of annual bonus deferred into shares creating alignment with the Executive Director remuneration structure.

Committee Terms of Reference
Signalling the intent to improve the governance of remuneration, and in line with best practice, the Committee commissioned a review of its terms of reference during the period. The terms of reference were subject to some amendments to ensure that they were of appropriate scope and suitability for a FTSE 100 business. In particular, the Committee have sought to ensure that they have full remit over decisions relating to senior leadership pay. The Committee will continue to review the terms of reference on a regular basis to ensure that they remain appropriate. The Committee's terms of reference can be found on the corporate website: https://www.jdplc.com/esg/governance.

AGM
I look forward to meeting with shareholders at the forthcoming AGM to discuss any queries or comments on this Directors' Remuneration Report or on JD's remuneration principles more generally.

Suzi Williams
Remuneration Committee Chair
22 May 2023

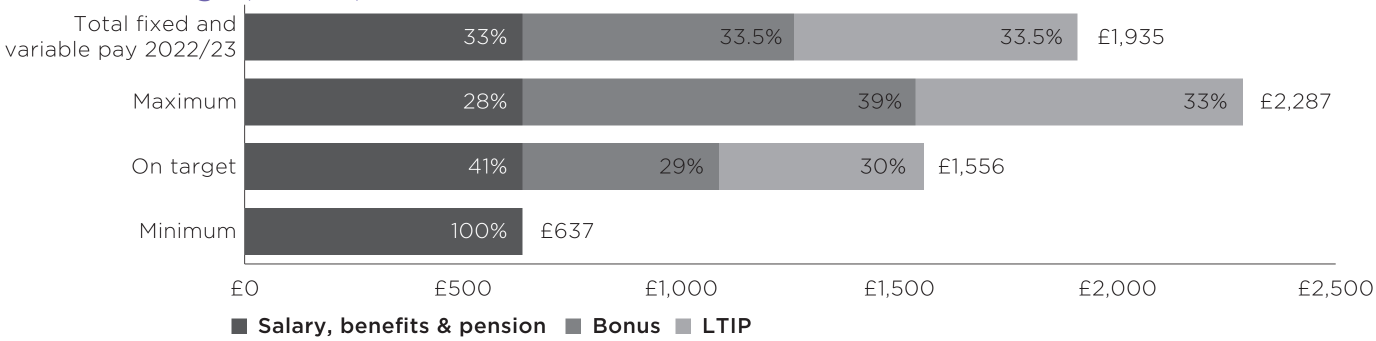
Remuneration at a Glance

Remuneration Outcome for the Period

The graphs below show the total remuneration outcomes in respect of 2022/23 for Neil Greenhalgh versus the illustrative values available under his reward packages for Minimum, On target and Maximum performance scenarios.

Further explanation of each element of remuneration is set out on page 136.

Neil Greenhalgh (£000's)



As Régis Schultz was appointed as CEO in September 2022, we have not included him in the illustrations.

2022/2023 Annual Bonus Outturn

Annual bonus metric	Weighting	Threshold (25% payout)	Target (50% payout)	Maximum (100% payout)	Outcome	Outcome (% of maximum)	**Achievement (% of maximum bonus earned)**
Profit Before Tax and Adjusted items	80%	£900m	£950m	£1,025m	£991.4m	77.6%	**62%**
People	10%	Focused on succession planning and development of people within the Group.				100%	**10%**
Governance	10%	Focused on the strengthening and delivery of corporate governance controls and processes.				0%	**0%**
				Overall achievement			**72%**

2020 LTIP outturn

LTIP metric	Weighting	Threshold	Outcome	Achievement of salary	**Achievement (% of cap)**
Profit Before Tax and Adjusted items	66.7%	**£460.7m**	£991.4m	183.4%	
Share Price tracking	33.3%	**N/A**	Decrease of 2%	32.8%	**86.5%**
			Overall achievement	216.2%	

Strategic Alignment Disclosure for 2023/24 Implementation

	JD Financial Strategy	
Commercial Ambition	**Diversified CAPEX**	**Priorities for cash**
- Double-digit revenue Compound Annual Growth Rate (CAGR)	- Store expansion into underpenetrated markets	- Stores / Tech
- Double-digit market share in key regions	- Tech, data & analytics to fuel international expansion	- Acquisitions
- Double-digit operating margin	- Distribution to reach customers faster, across channels at scale	- Share Buybacks / Dividends

Link to remuneration

- Short-term financial KPIs make up 80% of the annual bonus: Profit Before Tax and Adjusted Items, Revenue, Cash Flow
- LTIP: Performance metrics will be set in line with JD Financial Strategy

JD Business Strategy

JD Brand First	JD Complementary Concepts	JD Beyond Physical Retail	JD People, Partners & Communities
– Accelerate JD store openings & conversions and grow apparel	– Leverage JD's pinnacle/ premium concepts and divest fashion and other non-core offers	– Develop loyalty program and leverage partnerships	– Long-term strategic partnerships
– Extend footprint through organic growth & acquisition	– Strengthen complementary Sports Fashion offer and community brands in the US	– Enrich data and analytics	– Marketplace to access full assortment
– Expand internationally through franchising & acquisition	– Enhance Sporting Goods and sharpen Outdoor	– JDXpress – click & collect, kiosks, delivery speed and Mobile Point of Sale (MPOS)	– Products uniquely available at JD

Link to remuneration

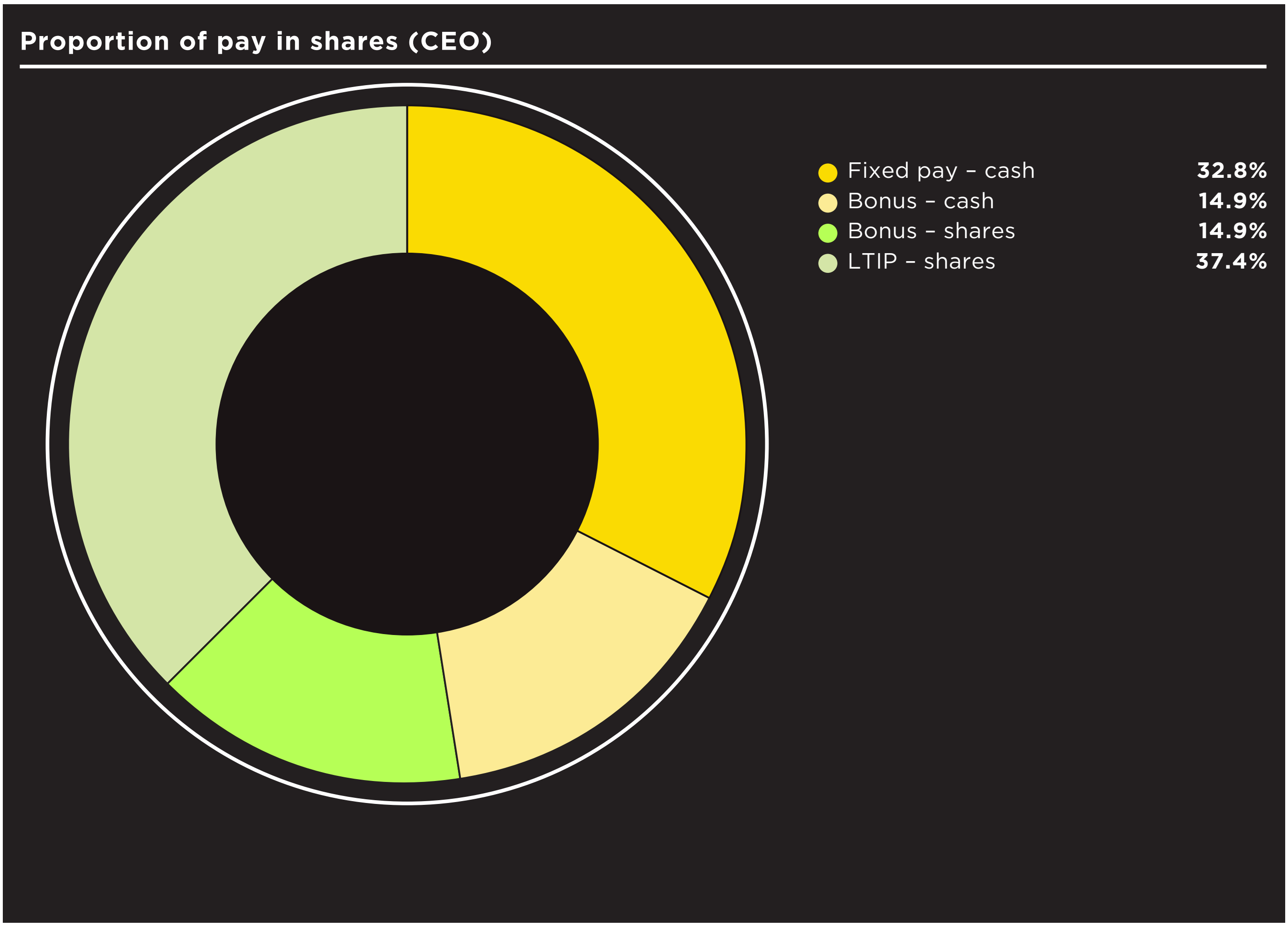
- Short-term strategic KPIs make up 20% of the annual bonus: Employee Engagement, Net Promoter Score (NPS).
- LTIP: Performance metrics will be set in line with JD Financial Strategy

Implementation of Policy for 2023/24

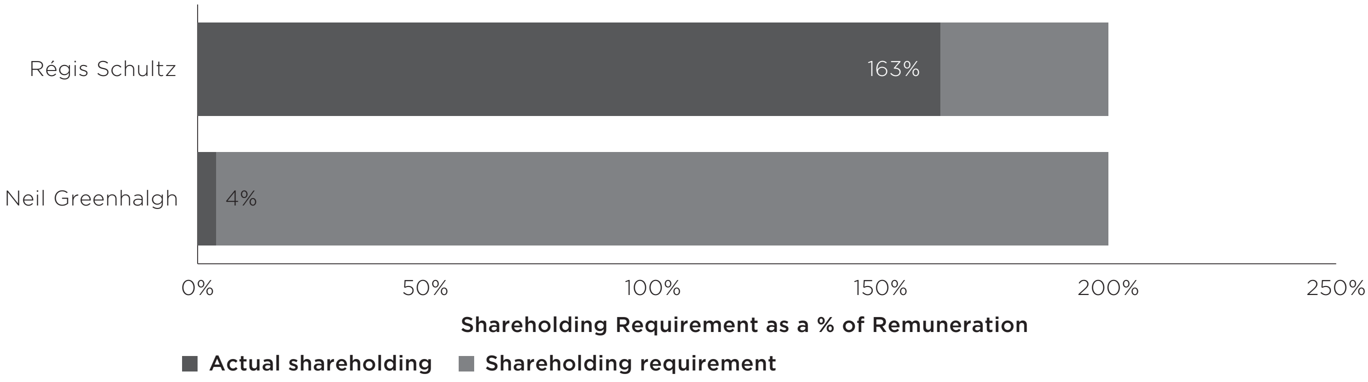
The following chart highlights the elements of remuneration that will be delivered in cash and in shares (on-target basis with no share price appreciation), with over 50% of pay being delivered in shares, based on the following implementation for the CEO.

Element of remuneration	Opportunity
Base salary	£1,049,400
Estimated Benefits	£60,000
Pension	4% of salary
Annual Bonus	200% of salary, 50% deferred into shares
LTIP	200% of salary

Proportion of pay in shares (CEO)



Shareholding Requirement
The new Policy as detailed on page 138, introduced a formal shareholding requirement for Executive Directors to build up over a five year period. The graph below sets out the current shareholdings of each Executive Director. Given Régis was appointed late 2022, he has had limited opportunity to build his holding in JD shares. Régis will continue to build his shareholding through the vesting of his buyout awards as well as any annual bonus deferral and vesting of LTIP awards in coming years.



Directors' Remuneration Policy

The Remuneration Committee presents the full Directors' Remuneration Policy as approved by shareholders at the General Meeting on 13 December 2022. The policy is intended to apply to the conclusion of the Annual General Meeting in 2025.

Approach to Determining the Remuneration Policy
In light of the Group's desire to strengthen governance and align with best practice for a FTSE 100 Company, we carried out a thorough review and developed a new Directors' Remuneration Policy. The Directors' Remuneration Policy places a greater emphasis on share-based remuneration and provides a stronger link between remuneration and JD's strategy as well as enhanced alignment with shareholders.

Considerations when Forming the Remuneration Policy
In reviewing the Remuneration Policy, the Committee has taken account of the following in adherence to Provision 40 of the UK Corporate Governance Code:

Aspect	How this is addressed in the Remuneration Policy
Clarity	The purpose and operation of each element of the Remuneration Policy has been set out in this report. We have already undertaken a consultation process with major shareholders to discuss the proposals and listen to feedback, and have provided a summary of the key points from these meetings in the letter to shareholders in the Notice of Meeting for the General Meeting held on 13 December 2022.
Simplicity	The structure of remuneration has been amended to be in line with normal market practice, with standard bonus and LTIP plans. We have removed complexities in the prior policy, such as a look back to previous LTIP payouts when determining vesting levels. Delivering the LTIP entirely in shares as well as the introduction of formal shareholding requirements brings JD in line with standard market practice.
Risk	The Committee believes that the incentive arrangements do not encourage undue risk-taking, as remuneration levels remain in line with standard market practice. The introduction of a shareholding requirement and stronger malus and clawback provisions provides greater alignment of Executive Director interests with those of shareholders and the ability to avoid pay for failure.
Predictability	The Policy table and the illustrations of remuneration provide an indication of the possible levels of remuneration that may result from the application of the Remuneration Policy under different performance scenarios. The Committee believes that the range of potential total remuneration scenarios is appropriate for the roles and responsibilities of the Executive Directors given the market in which JD operates, and in the context of the performance required for incentive awards to pay out.
Proportionality	The Remuneration Policy has been designed to give flexibility in operation, particularly in relation to incentive plan metrics. This allows the Committee to implement the Remuneration Policy from year-to-year using the metrics that most closely align with JD's strategy.
Alignment to culture	The Remuneration Policy has retained the simplicity it previously had in line with our straight-forward culture whilst further aligning with standard market practice. There is a strong performance culture across the business, and this is reflected in the fact that the majority of the potential value for Executive Directors derives from variable pay that needs to be earned through performance.

Remuneration Policy for Executive Directors

The following table sets out each element of remuneration for Executive Directors and how it supports JD's short and long-term strategic objectives:

Element and how it supports our short and long-term strategic objectives	Operation	Maximum opportunity	Performance conditions and assessment
Base salary Provides a competitive fixed level of remuneration to attract and retain Executive Directors of the necessary calibre to execute JD's strategy and deliver shareholder value.	Base salaries for the Executive Directors are normally reviewed annually by the Committee. The following factors are taken into account when determining base salary levels: – Remuneration levels at comparable quoted retail companies. – The need for salaries to be competitive. – The performance of the individual Executive Director. – Experience and responsibilities of the individual Executive Director. – The total remuneration available to the Executive Directors, the components thereof and the cost to JD.	Base salaries will normally be reviewed annually, but the Committee reserves the right to review fees on a discretionary basis if it believes an adjustment is required to reflect market rates, scope of responsibilities or performance. There is no prescribed maximum annual increase. The Committee is guided by the general increase for the broader employee population but on occasion may need to recognise, for example, an increase in the scale, scope or responsibility of the role, as well as market rates.	None.
Benefits Ensures the overall package is competitive for Executive Directors.	Benefits may be provided where appropriate, including health insurance, life insurance/death in service, travel, car allowance, staff discount and relocation expenses.	The Committee determines the appropriate level, taking into account market practice and individual circumstances. There is no prescribed maximum.	None.
Pensions Provides market competitive retirement benefits for Executive Directors.	Pension provision is a payment into a defined contribution pension scheme or a cash amount in lieu of a pension contribution. Pension payments do not form part of salary for the purposes of determining the extent of participation in JD's incentive arrangements.	The maximum pension provision is 4% of salary, in line with the workforce.	None.

Element and how it supports our short and long-term strategic objectives	Operation	Maximum opportunity	Performance conditions and assessment
Annual Bonus Provides Executive Directors with the opportunity to earn performance related bonuses based on the achievement of financial targets and key performance indicators which incentivise the achievement of the business strategy.	The bonus is paid annually in cash and shares with 50% of any bonus earned deferred into shares for three years. The deferred shares are not subject to any further conditions, save for continued employment. Deferred share awards may include additional shares (or, at the discretion of the Committee, cash) equivalent to the value of the dividend roll-up, and may assume dividend reinvestment. Malus and clawback provisions apply as detailed within the Remuneration Policy.	The maximum bonus opportunity may be up to 200% of salary.	The targets are set by the Committee each year and are based on a combination of financial and strategic KPIs. Performance is measured against financial and non-financial measures with no more than one third of the annual bonus linked to non-financial measures. Up to 25% of the bonus is paid for achieving a threshold level of performance and the full bonus is paid for delivering stretching levels of performance. For performance below threshold, no bonus is paid. The Committee sets bonus targets each year to ensure they are appropriately stretching in the context of the business plan. In exceptional circumstances such that the Committee believes the original measures and/or targets are no longer appropriate e.g. corporate activity, the Committee has discretion to amend performance measures and targets during the year. The Committee may, in exceptional circumstances, amend the formulaic bonus pay-out should this not, in the view of the Committee, reflect the overall business performance or individual contribution.

Element and how it supports our short and long-term strategic objectives	Operation	Maximum opportunity	Performance conditions and assessment
Long Term Incentive Plan (LTIP) Provides the Executive Directors with the opportunity to earn competitive rewards. Aligns the Executive Directors' interests more closely with those of shareholders. Focuses the Executive Directors on sustaining and improving the long-term financial performance of JD and rewards them appropriately for doing so.	Awards granted under the LTIP will be subject to a three-year performance period and will be settled in shares. Executive Directors must retain the net of tax number of vested LTIP awards for a two-year vesting period. LTIP awards may include additional shares (or, at the discretion of the Committee, cash) equivalent to the value of the dividend roll-up, and may assume dividend reinvestment. Malus and clawback provisions apply as detailed within the Remuneration Policy.	Maximum quantum of 200% of salary.	Awards vest based on financial, non-financial and/or strategic performance conditions which are normally aligned to JD's KPIs. At least 50% of the LTIP will be based on financial metrics, which may include Total Shareholder Return ('TSR') and Earnings Per Share ('EPS'). Up to 25% of the award vests for threshold levels of performance, increasing to 100% of the award for stretching performance. The Committee sets targets each year so that they are stretching and facilitate growth for shareholders, while remaining motivational for leadership. In exceptional circumstances, such that the Committee believes the original measures and/or targets are no longer appropriate e.g. corporate activity, the Committee has discretion to amend performance measures and targets during the year. The Committee may, in exceptional circumstances, amend the LTIP vesting should the formulaic outcome not, in the view of the Committee, reflect the overall business performance or individual contribution.
Shareholding requirement To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.	Executive Directors are required to build a shareholding requirement of 200% of salary. The full requirement should be achieved over a five year period. At least half of LTIP and deferred bonus awards must be retained on vesting if the shareholding requirement is not met. For two years following cessation of employment, Executive Directors are subject to a post-employment shareholding requirement equal to the lesser of the shareholding on cessation and 200% of salary (the in-employment requirement).	n/a	None.

Notes to the Policy table

Explanation of Chosen Performance Measures and Target Setting

Performance measures will be selected to reflect the key performance indicators which are critical to the realisation of our business strategy and delivery of shareholder returns, which might include EPS and TSR. The performance targets are reviewed each year to ensure that they are sufficiently challenging.

When setting these targets the Committee will take into account a number of different reference points including, for financial targets, JD's business plan and consensus analyst forecasts of JD's performance. Full vesting will only occur for what the Remuneration Committee considers to be excellent performance.

Legacy Policy Provisions

JD may honour any outstanding remuneration commitments entered into with current or former Directors (as disclosed to shareholders) before this Remuneration Policy took effect.

Malus and Clawback

The following table illustrates the time periods during which malus and clawback provisions may apply for each element of remuneration:

Remuneration element	Malus	Clawback
Annual bonus (cash)	Up to the date of the cash payment.	Up to three years post the date of any cash payment.
Annual bonus (deferred shares)	To the end of the three year vesting period.	n/a
LTIP	To the end of the three year vesting period.	Up to two years post-vesting.

The malus and clawback trigger events are:

- a material misstatement resulting in an adjustment in the audited consolidated accounts of the Group or the audited accounts of any group member; and/or
- a serious failure of risk management of the Company, a Group member or business unit of the Group; and/or
- events or behaviour of an Award Holder have led to the censure of a Group member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group member provided that the Committee is satisfied that the relevant Award Holder was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them; and/or
- fraud or gross misconduct of an Award Holder; and/or
- if assessment of a performance condition is found to have been based on an error, inaccuracy or misleading information; and/or
- the discovery that any information used to determine the number of shares under award was based on error, or inaccurate or misleading information; and/or
- JD or any Group member or business of the Group becomes insolvent or otherwise suffers a corporate failure so that the value of shares is materially reduced where the Committee determines the Award Holder should be held responsible (in whole or in part) following an appropriate review of accountability; and/or
- any other circumstances that the Committee considers justifying the operation of these provisions.

Differences in Policy for the Wider Employee Population

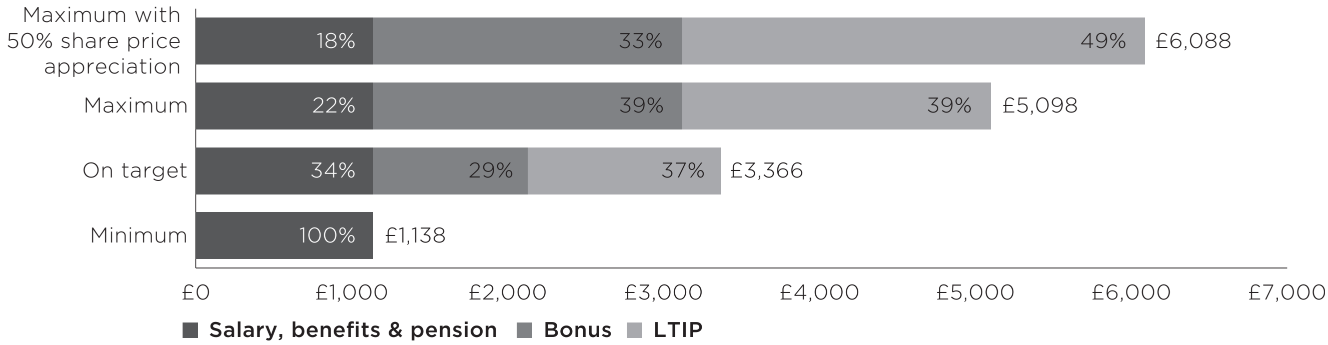
JD aims to provide a remuneration package for all employees that is market competitive and operates the same reward and performance philosophy throughout the business. This includes provision of competitive pension and benefits.

JD operates a bonus plan primarily but not exclusively focused on the Senior Leadership level. In addition, employees at Senior Leadership level are eligible to participate in long term incentive plans.

Illustrations of the Application of the Remuneration Policy

The chart below illustrates the remuneration that would be paid to the CEO in the first year of operation of the amended Remuneration Policy. Each of the bars is broken down to show how the total under each scenario is made up of fixed elements of remuneration and variable remuneration.

CEO (£000's)



The scenarios in the graph are as follows:

Element	Minimum performance	On-Target performance	Maximum performance	Maximum performance with 50% share price growth
Fixed elements of remuneration	The base salary is the salary on appointment. The benefits are estimated for the CEO and exclude one-off relocation allowances. The pension contribution is equal to 4% of base salary.			
Annual bonus	0% of maximum opportunity	50% of maximum opportunity	100% of maximum opportunity	100% of maximum opportunity
Long-Term Incentive Plan	0% of maximum opportunity	62.5% of maximum opportunity	100% of maximum opportunity	100% of maximum opportunity plus 50% share price growth

As the CFO is currently within his notice period we have provided illustrations for the CEO only.

Future Remuneration Policy – Non-Executive Directors

The Non-Executive Directors have entered into letters of appointment with JD which are terminable by the Non-Executive Director or JD on not less than three months notice. The letters of appointment are available for viewing at JD's registered office during normal business hours, and prior to and at the General Meeting.

The Non-Executive Directors will only receive payment until the date their appointment ends and no compensation is payable on termination. Under the terms of JD's Articles of Association, all Non-Executive Directors are subject to annual re-election by shareholders.

The table below sets out the key elements of the Remuneration Policy for Non-Executive Directors:

Element and how it supports our short and long-term strategic objectives	Operation	Maximum opportunity	Performance conditions and assessment
Non-Executive Director Fees Provides a market competitive level of fees to reflect the time commitment and contributions that are expected from the Non-Executive Directors.	The Board as a whole is responsible for setting the remuneration of the Non-Executive Directors, other than the Chair whose remuneration is determined by the Committee. Non-Executive Directors are paid a base fee in cash. Additional fees may be paid for additional responsibilities such as acting as Senior Independent Director or for membership or chairing sub-committees of the Board. The Non-Executive Directors do not participate in JD's incentive arrangements and no pension contributions are made in respect of them. Reasonable travel and subsistence expenses may be paid or reimbursed by JD and the Non-Executive Directors are eligible for staff discount.	The fees paid to Non-Executive Directors will normally be reviewed annually, but the Committee reserves the right to review fees on a discretionary basis if it believes an adjustment is required to reflect market rates, scope of responsibilities or performance. There is no prescribed maximum increase, but in general the level of fee increase for the Non-Executive Directors will be set taking account of any change in responsibility and the general rise in salaries across the UK workforce.	None.

Approach to Recruitment Remuneration

In the event that a new Executive Director or Non-Executive Director was to be appointed, remuneration would be determined consistent with the Policy table, paying no more than necessary. The table below sets out the elements of remuneration that would be considered for the appointment of a new Executive Director.

Remuneration element	Policy and operation
Fixed pay (base salary, benefits and pension)	– In line with the Remuneration Policy, base salaries, benefits and pension would be set to provide a competitive fixed level of remuneration in order to attract and retain Executive Directors of the necessary calibre to execute JD's strategy and deliver shareholder value.
Annual bonus	– New Executive Director appointments will be eligible to participate in the annual bonus plan with an annual award of up to 200% of salary, operated in line with the Remuneration Policy.
LTIP	– New Executive Director appointments will be eligible to participate in the LTIP with an annual grant of up to 200% of salary, operated in line with the Remuneration Policy.
Buy-out awards	– If it were necessary to attract the right candidate, due consideration would be given to making awards necessary to compensate for forfeited awards in a previous employment. – In making any such award, the Committee will take into account any performance conditions attached to the forfeited awards, the form in which they were granted and the timeframe of the forfeited awards. – The value of any such award will be capped to be no higher on recruitment than the forfeited awards and will not be pensionable nor count for the purposes of calculating bonus and LTIP awards. – Any such award would be in addition to the normal bonus and LTIP awards set out in the Policy table.
Relocation costs	– Where appropriate, JD will offer to pay reasonable relocation expenses.
One-off recruitment award	– The Remuneration Committee retains the ability to grant a one-off share award that ordinarily would be subject to performance conditions of up to 200% of salary in addition to normal LTIP award in exceptional recruitment circumstances.

In respect of an internal promotion to the Board, any commitments made before the promotion will continue to be honoured even if they would otherwise be inconsistent with the Remuneration Policy prevailing when the commitment is fulfilled.

Service Contracts for Executive Directors

The period of notice required in the service contracts is 12 months by the Executive Director and JD.

The service contracts and letters of appointment are available for inspection by shareholders in advance of and at the forthcoming General Meeting, and during normal business hours at JD's registered office address.

There are no further obligations which could give rise to a remuneration or loss of office payment other than those set out in the remuneration policy table, the policy on payments for loss of office and change of control.

Payments for Loss of Office

When assessing whether payments will be made in respect of loss of office, the Committee will take into account individual circumstances including the reason for the loss of office, JD and individual performance up to the loss of office and any contractual obligations of both parties.

Contractual Payments

In the event of early termination, JD may make a termination payment not exceeding one year's salary.

In the event of gross misconduct, JD may terminate the service contract of an Executive Director immediately and with no liability to make further payments other than in respect of amounts accrued at the date of termination.

The current Executive Director service contracts permit JD to put an Executive Director on garden leave for some or all of the duration of the notice period.

JD will honour any commitments in respect of leavers prior to the date of this Remuneration Policy coming into force.

Variable Pay

The treatment of variable pay for leavers will depend on whether or not they are classified as a Good Leaver under JD's incentive plans. A Good Leaver is defined as leaving due to the following reasons:

- Ill-health.
- Injury.
- Redundancy.
- Disability.
- Sale of the employing entity out of JD.

For other leavers, the Committee will take into account individual circumstances, contractual terms, circumstances of the termination and the commercial interests of JD to determine whether or not to treat a leaver as a Good Leaver.

The table below sets out the treatment of variable pay in the event of a loss of office.

Remuneration element	Treatment for Good Leaver	Treatment for Other Leaver	Remuneration Committee Discretion
Annual bonus	– Eligible for a bonus paid, taking into account performance. – Any bonus paid would be subject to pro-rating for time served as an Executive Director during the year. – Normally, a portion of any bonus earned would be deferred into shares for three years, consistent with the treatment in the Policy table.	– No eligibility for bonus.	– It is at the discretion of the Committee as to whether departing Directors would be paid a bonus. In exercising its discretion on determining the amount payable and the form of payment to an Executive Director on termination of employment, the Board would consider each instance on an individual basis, taking account of factors such as performance and circumstances of the termination. – When determining whether a bonus or any other payment should be made to a departing Director, the Committee will ensure that no 'reward for failure' is made.
Deferred bonus shares	– Deferred bonus shares continue and vest in full at their original vesting date, with the exception of in the case of death, whereby shares vest immediately.	– Deferred bonus shares lapse on cessation of employment.	– The Committee may allow deferred bonus awards to vest as reasonably practicable on cessation of employment in exceptional circumstances, such as ill-health. – The Committee may apply time pro-rating for Good Leavers.
LTIP	– LTIP awards continue to vest at their original vesting date, subject to satisfaction of the relevant performance conditions. – In the event of death, LTIP awards will normally vest immediately. The number of awards vesting will be determined by the Committee taking into account performance as at the date of cessation. – The number of awards vesting will be reduced to reflect the proportion of the vesting period that has elapsed at the date of cessation of employment.	– LTIP awards lapse on the date of cessation of employment.	– The Committee may allow LTIP awards to vest as soon as reasonably practicable on cessation of employment in exceptional circumstances, such as ill-health.

Payments in the Event of a Change of Control

The treatment of each element of remuneration under a change of control is set out in the table below.

Remuneration element	Remuneration Policy and operation
Annual bonus (cash)	– An annual bonus may be paid subject to time pro-rating (unless the Committee determines otherwise) and performance to the date of the change of control.
Annual bonus (deferred shares)	– Any outstanding deferred shares will ordinarily vest in full at the date of change of control (other than in respect of an internal reorganisation).
LTIP	– LTIP awards will vest subject to time pro-rating and performance at the date of change of control (other than in respect of an internal reorganisation). The Committee has discretion to disapply time pro-rating.

In line with market practice, the Committee retains discretion relating to operating and administering the Annual Bonus and LTIP. This discretion includes:

- timing of awards and payments;
- size of awards, within the overall limits disclosed in the policy table;
- determination of vesting;
- ability to override formulaic outcomes;
- treatment of awards in the case of change of control or restructuring;
- treatment of leavers within the rules of the plan, and the policy on payments for loss of office; and
- adjustments needed in certain circumstances, for example, a rights issue, corporate restructuring or special interim dividend.

While performance conditions will generally remain unchanged once set, the Committee has the usual discretions to amend the measures, weightings and targets where the original conditions would cease to operate as intended.

Any such changes would be explained in the subsequent annual Directors' Remuneration Report and, if appropriate, be the subject of consultation with JD's major shareholders. Consistent with best practice, the LTIP rules also provide that any such amendment must not make, in the view of the Committee, the amended condition materially less difficult to satisfy than the original condition was intended to be before such event occurred.

Statement of Employment Conditions Elsewhere in JD

Remuneration arrangements are determined throughout JD based on the same principle that reward should be achieved for delivery of JD's business strategy and should be competitive within the market to attract and retain high calibre talent, without paying more than is necessary.

Senior Leadership below Board level with a significant ability to influence JD's results may participate in an annual bonus plan and a long-term incentive plan which reward both performance and loyalty and are designed to retain and motivate.

The Committee considers pay and employment conditions across JD when reviewing the remuneration of the Executive Directors and other senior employees. In particular, the Committee considers the range of base pay increases across JD when determining the increases to award to the Executive Directors, but has not reviewed any remuneration comparison measurements when setting the Remuneration Policy.

While the Company has not specifically consulted with employees when determining the Remuneration Policy, the Committee has obtained the views of the workforce on issues such as remuneration via the various workforce forums led by JD's HR business partners and attended by Senior Leadership. Such views have been communicated, as appropriate, to the Committee and the Board via the monthly Board reporting process. The workforce committee, formed of employee representatives, has provided further insights into JD's engagement practices which have been fully considered by the Committee and the Board. Changes which have been implemented as a result of these include:

- The introduction of an employee welfare committee.
- Global campaign for diversity and inclusion.
- Employee recognition competition with Anthony Joshua.

Consideration of Shareholder Views

The Committee takes the views of shareholders seriously and these views are taken into account in shaping remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy and the Committee welcomes an open dialogue with its shareholders on all aspects of remuneration.

The Committee consulted its major shareholders prior to proposing this Remuneration Policy, and a summary of the key themes from the feedback received is set out below:

- A desire for the remuneration structure to retain key individuals;
- Support for taking a simplified, share-based structure which provides greater alignment with shareholders;
- A desire to ensure that future incentive outcomes appropriately reflect performance;
- Preference for removal of the duplication of measures in the annual bonus and LTIP;
- Support for introducing relative performance measures and focusing on financial metrics; and
- A desire for better overall governance of Executive remuneration and greater transparency.

The Committee is grateful for the time taken to consider the Committee proposals and provide feedback. At the end of the consultation, the majority of shareholders consulted indicated they were supportive of this Remuneration Policy.

Annual report on remuneration

The sections of this report subject to audit have been highlighted.

Single figure table (audited)

(£'000)		Salary and fees (£'000)	Benefits (£'000)[4]	Pension (£'000)	Annual bonus (£'000)[5]	LTIP (£'000)[6]	Other (£'000)[7]	Total fixed pay (£'000)	Total variable pay (£'000)	Total (£'000)
Executive Directors										
Régis Schultz[1]	2022/23	406	325	–	–	–	2,173	731	2,173	2,904
	2021/22	–	–	–	–	–	–	–	–	–
Neil Greenhalgh[2]	2022/23	603	11	23	649	649	–	637	1,298	1,935
	2021/22	333	12	23	367	600	–	368	967	1,335
Peter Cowgill[3]	2022/23	295	1	–	407	–	–	296	407	703
	2021/22	863	3	–	1,553	–	–	866	1,553	2,419
Served as an Executive and Non-Executive Director										
Kath Smith[8,10]	2022/23	590	–	–	–	–	–	590	–	590
	2021/22	58	–	–	–	–	–	58	–	58
Non-Executive Directors										
Andrew Higginson	2022/23	268	–	–	–	–	–	268	–	268
	2021/22	–	–	–	–	–	–	–	–	–
Andy Long	2022/23	17	–	–	–	–	–	17	–	17
	2021/22	–	–	–	–	–	–	–	–	–
Bert Hoyt	2022/23	74	–	–	–	–	–	74	–	74
	2021/22	25	–	–	–	–	–	25	–	25
Helen Ashton[9,10]	2022/23	284	–	–	–	–	–	284	–	284
	2021/22	17	–	–	–	–	–	17	–	17
Mahbobeh Sabetnia	2022/23	64	–	–	–	–	–	64	–	64
	2021/22	10	–	–	–	–	–	10	–	10
Suzi Williams[11]	2022/23	55	–	–	–	–	–	55	–	55
	2021/22	–	–	–	–	–	–	–	–	–

Notes
1. Régis Schultz was appointed to the Board as CEO on 5 September 2022 on a base salary of £990,000 and therefore the amounts disclosed are in respect of the period he served as a Director. He is entitled to receive a pension contribution of up to 4% of salary however in view of recent changes to the pensions regime in the UK the amounts in respect of the financial period ending 28 January 2023 have not yet been determined.
2. As disclosed in last year's Directors' Remuneration Report, Neil Greenhalgh was entitled to a responsibility allowance of £250,000 per annum to reflect the enhanced responsibilities and duties of the role during the period of transition following the separation of the Chair and Chief Executive Officer roles.
3. Peter Cowgill stepped down from the Board and his role as Executive Chair on 25 May 2022. The amounts disclosed above are in respect of the period he served as a Director.
4. Benefits include a car allowance and private medical and health insurance. The amounts for Régis include a disturbance allowance of £60,000 per annum and a one-off relocation allowance of £300,000 agreed on appointment as part of a transitional international relocation package from Dubai to the UK to assist with additional costs as he transitions into his new role.
5. The figures for bonuses represent payments as determined by the Remuneration Committee for the Executive Directors based on the Company's performance during each financial period. Details of (a) how the annual performance bonus for the Executive Directors was determined; and (b) the timing of bonus payments are set out below. As set out in the Chair's statement, Régis Schultz did not receive a bonus in respect of the financial period ending 28 January 2023.
6. The LTIP awards granted in April 2020 vest subject to performance conditions measured over a three year financial period to 28 January 2023. As a result of Profit Before Tax and Adjusted items and share price growth, the award vested at 216.2% of salary. This performance outcome corresponds to a total cash value of £648,544 for Neil Greenhalgh.
7. Régis received a buyout award delivered wholly in shares in respect of the cash annual bonus he forfeited from his previous employer on commencement of employment with the Group. Further details of this award are set out on page 148.
8. Kath Smith was appointed interim CEO on 25 May 2022 and continued to serve as an interim CEO until 6 October 2022 to allow for a period of transition with Régis who was appointed on 5 September 2022. During this period, Kath was not eligible to participate in the 2022/23 bonus and did not receive an award under the LTIP. As interim CEO, Kath was entitled to a salary equivalent to £1,200,000 p.a.
9. Helen Ashton was appointed interim Chair of the Board on 25 May 2022 and served as Chair until Andrew Higginson was appointed Chair of the Board on 11 July 2022. As interim Chair, Helen was entitled to fees equivalent to £425,000 p.a.
10. As disclosed in last year's Directors' Remuneration Report, it was agreed that additional fees would be paid to Kath Smith and Helen Ashton in recognition of the complexity of additional responsibilities and the additional time commitment undertaken as part of the Governance Committee which was commissioned to fully review and improve the Group's corporate governance, risk and controls processes. The amounts paid in respect of this workload, which extend beyond the normal responsibilities of Non-Executive Directors, are included in the amounts above.
11. Suzi Williams was appointed to the Board on 16 May 2022.

Determination of 2022/23 Bonus (audited)

Neil Greenhalgh and Peter Cowgill had the opportunity to earn a bonus of 200% of salary. As noted in the Chair's statement, Régis Schultz was not entitled to a bonus during the period. Similarly, as the interim CEO, Kath Smith was not eligible for a bonus, as disclosed in last year's Directors' Remuneration Report.

Performance metric	Weighting	Threshold (25%)	Target (50%)	Maximum (100%)	Actual outcome	Actual outcome (% of maximum)	Achievement (% of maximum bonus earned)
Profit Before Tax and Adjusted items	80%	£900m	£950m	£1,025m	£991.4m	77.6%	62%

The Committee established threshold and maximum performance levels considering internal budgets and analysts' consensus forecasts and did not adjust targets during the period. The approach taken to assessing financial performance against this measure was based on a straight-line outcome between 25% for threshold performance, 50% for target performance and 100% achievement for maximum performance.

Performance metric	Weighting	Criteria	Actual performance	Actual outcome (% of maximum)	Achievement (% of maximum bonus earned)
People	10%	Focused on succession planning and development of people within the Group.	Executive team executed the long awaited organisational restructure reducing spans and layers smoothly and efficiently. This new structure will shorten reporting lines, accelerating decision-making, and increasing efficiency. Noting also that culture and momentum were maintained through a challenging period, the committee judged this to be excellent performance.	100%	10%
Governance	10%	Focused on the strengthening and delivery of corporate governance controls and processes.	Some improvements have been made to corporate governance processes however the Remuneration Committee judged that operational governance, whilst significantly improved, is still some way short of Board requirements and expectations and therefore the target has not been achieved.	0%	0%

Taking into account the financial and non-financial performance, the annual bonus achievement was as set out below.

Performance metric	Achievement (% of maximum)	**2022/23 annual bonus payment**[1]
Neil Greenhalgh	72%	£648,720
Peter Cowgill	72%	£406,658

Notes
1. The annual bonus payment for the former Executive Chair is pro-rated to reflect the period of 30 January 2022 to 25 May 2022.

The Committee is satisfied that the annual bonus payments to Executive Directors are a fair reflection of corporate and individual performance during the period, and did not use any discretion in determining the outcomes above.

LTIP Awards with Performance Period Ending 2022/23 (audited)

The LTIP payments that Neil Greenhalgh became entitled to during the period were granted under the Executive Director LTIP in April 2020 in respect of performance during the three financial periods to 28 January 2023. Neil Greenhalgh's awards were subject to the following performance targets relating to the Group's Profit Before Tax and Adjusted items (66.7%) and share price movements (33.3%).

The Profit Before Tax and Adjusted items element of this award, which makes up two thirds of the award is structured as follows:

- Baseline Profit Before Tax and Adjusted items required for threshold vesting: £460.7 million.
- For each additional £5 million increment of Profit Before Tax and Adjusted items achieved over this baseline an additional 1.1% of the PBT portion of the award vests.

The total vesting of the award is then calculated as follows:

- The total vesting of the Profit Before Tax and Adjusted items portion and the share price portion are added together.
- If this total is above 250% of salary, then the vesting is capped at this maximum level.

The table below sets out the performance against the Profit Before Tax and Adjusted items and share price targets for the 2020 LTIP award:

Profit Before Tax and Adjusted items growth element

Base award (% of salary)	Baseline Profit Before Tax and Adjusted items	Actual Profit Before Tax and Adjusted items performance	Additional £5 million Profit Before Tax and Adjusted items increments achieved above Baseline	Additional % of salary awarded for each £5 million Profit Before Tax and Adjusted items increment achieved above baseline	Outcome (% of salary)
66.7%	£460.7m	£991.4m	106	1.10%	183.4%

Share Price Element

Base award (% of salary)	Share price growth over the performance	Portion of share price element vesting
33.3%	-2%	32.8%

1. Based on the closing middle market quotation of price of £1.644 on 1 February 2020 and £1.616 on 28 January 2023.

Performance condition	Vesting level (% of salary)	Total vesting (% of salary)	Above 250% of salary cap?	Outcome (% of cap)
Growth in Profit Before Tax and Adjusted items	183.4%	216.2%	No	86.5%
Share Price	32.8%			

The actual growth in Profit Before Tax and Adjusted items was between threshold and maximum over the course of the performance period. Taking into account share price over the performance period, Neil Greenhalgh's LTIP award vested at 216.2% of salary as at time of the award following the sign off of the 2022/23 audited accounts.

Director	Base award (% of salary)	Vested award (% of salary)	Total value
Neil Greenhalgh	100%	216.2%	£648,544

Scheme Interests Awarded During the Period (audited)

Reflecting the significant changes to the composition of the Board during the period and the Directors' Remuneration Policy review, the Committee did not grant any LTIP awards during the period.

As disclosed in the Chair's statement, Régis Schultz was granted an award of shares as part of his recruitment as CEO in respect of the cash annual bonus he forfeited from his previous employer upon commencement of employment with JD.

Executive Director	Type of award	Number of shares awarded
Régis Schultz	Ordinary shares	996,066

As explained in the RNS announcement published on 13 January 2023, the buyout award has been delivered in shares (after application of tax and social security) in order to give Régis Schultz a stake in the business and align with the interests of shareholders.

Employment terminated other than as a "Good Leaver"[1] prior to date	Proportion of buyout award forfeited
1 September 2023	100%
1 September 2024	75%
1 September 2025	50%
1 September 2026	25%

1. The definition of a "Good Leaver" is as set out in the Directors' Remuneration Policy on page 143.

Arrangements for Departing Directors (audited)

Former Executive Chair

As disclosed in last year's Annual Report, Peter Cowgill stepped down from the Board and his role as Executive Chair on 25 May 2022. The Committee together with the Board reached an agreement with Peter in respect of his departure from the business, as set out in the RNS announcement published on 21 September 2022.

Salary, pension and benefits

During his 12 month notice period to 25 May 2023, he continues to receive his contractual entitlement to salary and benefits. This amounts to £909,000, of which £303,000 relates to the financial period ending January 2024.

Annual bonus
In recognition of the period served during the period to 25 May 2022, the Committee determined that Peter would be eligible for an annual bonus subject to the achievement of the performance conditions. Further detail is set out on page 147.

LTIP
As disclosed in last year's Annual Report, all of Peter's in-flight LTIP awards lapsed on cessation.

Other Arrangements
Recognising the need to align the commercial interests of both the Group and Peter, and cognisant of the very limited provisions within his service contract, it was agreed to impose a new enhanced set of restrictive covenants. These valuable covenants prevent Peter from working for, or advising, any of the Group's competitors and soliciting any of its employees for a period of two years. In respect of these covenants, Peter will receive £3,500,000 spread over two years, of which £729,167 was paid in the financial period ending 28 January 2023. The Committee, together with the Board, firmly believes that this arrangement is in the best interests of the business and its shareholders, of which several indicated their support during the consultation process held during late 2022.

Directors' Shareholding and Share Interests (audited)
The interests of the Directors who served during the period and persons closely associated with them are shown below:

Director	Ordinary shares	Unvested and subject to performance conditions	Unvested and not subject to performance conditions[2]	Vested but unexercised	Total interests at 28 January 2023
Executive Directors					
Peter Cowgill[1]	**9,714,670**	–	–	–	**9,714,670**
Neil Greenhalgh	**10,000**	**10,645**	–	–	**20,645**
Régis Schultz	**996,066**	–	–	–	**996,066**
Served as an Executive and Non-Executive Director					
Kath Smith	–	–	–	–	–
Non-Executive Directors					
Andrew Higginson	**458,646**	–	–	–	**458,646**
Andy Long	**25,000**	–	–	–	**25,000**
Bert Hoyt	–	–	–	–	–
Helen Ashton	–	–	–	–	–
Mahbobeh Sabetnia	–	–	–	–	–
Suzi Williams	–	–	–	–	–

Notes
1. No options were exercised by the Directors during the period to 28 January 2023.
2. Refers to any awards granted under the deferred annual bonus scheme.
3. The figures for Peter Cowgill have been disclosed as at the date he stepped down from the Board on 25 May 2022.
4. On 17 February 2023, Suzi Williams purchased 27,579 ordinary shares. There have been no other changes to the share interests above since 28 January 2023 to the date of this report.

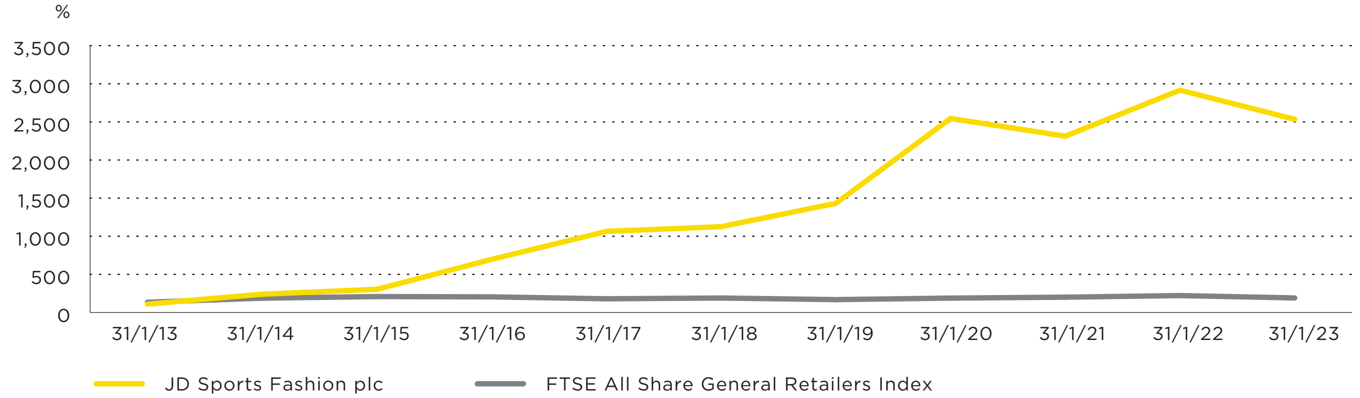
Directors' Share Ownership Guidelines (audited)
This table sets out the Executive Directors' shareholding requirements and actual share ownership levels:

Director	Shareholding requirement (% of salary)[1]	Shareholding (% of salary)[2]	Shareholding requirement met?
Neil Greenhalgh	200%	4%	No
Régis Schultz	200%	163%	No
Peter Cowgill[3]	N/A	N/A	N/A

Notes
1. Executive Directors are expected to retain at least half of LTIP and deferred bonus awards on vesting if the shareholding requirement of 200% of salary is not met. For these purposes, holdings of Ordinary Shares will be treated as including unvested deferred annual bonus awards, all vested but unexercised awards, or awards unvested but after the performance period and in the holding period.
2. Shareholding as a percentage of salary has been calculated based on the share price on 28 January 2023 of £1.616.
3. At the point Peter Cowgill stepped down from the Board, there was no shareholding requirement in place.

Total Shareholder Return

The following graph shows the Total Shareholder Return ('TSR') of the Group in comparison to the FTSE All Share General Retailers Index over the past ten years. The Committee considers the FTSE All Share General Retailers Index a relevant index for total shareholder return comparison disclosure required under the Regulations as the index represents the broad range of UK quoted retailers. TSR is calculated for each financial year-end relative to the base date of 31 January 2013 by taking the percentage change of the market price over the relevant period, reinvesting any dividends at the ex-dividend rate.



CEO's Remuneration Over Past Ten years

The total remuneration figures for the former Executive Chair/CEO during each of the last ten financial periods are shown in the table below. The total remuneration figure includes the annual bonus based on that year's performance and the LTIP award based on three-year performance periods ending in the relevant financial period. The annual bonus pay-out and LTIP vesting level as a percentage of the maximum opportunity are also shown for each of these years.

	Peter Cowgill										Kath Smith	Régis Schultz
Remuneration of Executive Chair / CEO	Jan 2014	Jan 2015	Jan 2016	Jan 2017	Jan 2018	Jan 2019	Jan 2020	Jan 2021	Jan 2022	**Jan 2023[1]**	**Jan 2023[1]**	**Jan 2023**
Total remuneration (£m)	3.1	2.0	2.7	2.8	2.3	2.6	5.6	5.0	2.4	**0.7**	**0.4**	**2.9**
Annual bonus (% of maximum)	50%	50%	100%	100%	100%	100%	100%	75%	90%	**72%**	**n/a**	**n/a**
LTIP vesting (% of maximum)	n/a	n/a[2]	n/a[2]	100%	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**

Notes
1. The annual bonus payment for the former Executive Chair is prorated to reflect the period of 30 January to 25 May 2022. The amount included for Kath Smith is the amount paid in respect of the period she served as interim CEO.
2. LTIP vesting is n/a for certain years as the former Executive Chair / interim CEO were not awarded an LTIP.

Percentage Change in Remuneration of Directors Compared with Employees

The table below shows the percentage change in the Executive and Non-Executive Directors' salary, benefits and annual bonus between financial periods. This has been compared to the respective percentage changes in UK Head Office employees for the Company, being deemed by the Board as the most appropriate comparator group as they are remunerated in the most comparable way within the Group.

	Salary/fees			Benefits			Bonus		
	2020 to 2021	2021 to 2022	2022 to 2023	2020 to 2021	2021 to 2022	2022 to 2023	2020 to 2021	2021 to 2022	2022 to 2023
Executive Directors									
Régis Schultz	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Neil Greenhalgh[1]	-3.5%	+19.8%	+81.1%	0%	0%	-9.7%	0%	+22.3%	+76.8%
Peter Cowgill[1]	-18.8%	+23.1%	-65.8%	+3.0%	+4.0%	-66.7%	-25.0%	+19.9%	-73.8%
Served as an Executive and Non-Executive Director									
Kath Smith	+12.5%	+28.9%	+917.8%	0%	0%	0%	0%	0%	0%
Non-Executive Directors									
Andrew Higginson	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andy Long	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bert Hoyt	N/A	N/A	+23.2%	N/A	N/A	N/A	N/A	N/A	N/A
Helen Ashton	N/A	N/A	+305.9%	N/A	N/A	N/A	N/A	N/A	N/A
Mahbobeh Sabetnia	N/A	N/A	+7.2%	N/A	N/A	N/A	N/A	N/A	N/A
Suzi Williams	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wider workforce									
Average employee – UK Head Office based	+1.3%	+16.8%	+14.9%	-18.9%	-0.7%	-7.7%	+4.5%	+37.2%	+31.3%

Notes
1. The variation in salary and bonus for the former Executive Chair, and salary for the CFO, represents a restoration of salary to a pre-COVID-19 level and the bonus paid to the former Executive Chair remains below that of the 2019/20 year.
2. The changes for Neil Greenhalgh, Kath Smith and Helen Ashton reflect changes to roles and remits during the financial period. Kath Smith served as interim CEO from 25 May 2022 until 5 September 2022 and Helen Ashton was appointed interim Chair of the Board on 25 May 2022 and served as Chair until 11 July 2022.
3. As Bert Hoyt, Helen Ashton and Mahbobeh Sabetnia joined during 2021, we have calculated the percentage change using the annual fees assuming they had been appointed for the whole period.

Pay Ratio Information in Relation to the Total Remuneration of the Chief Executive Officer

The table below compares the total remuneration of the former Executive Chair, Interim CEO and CEO for the respective periods served as CEO during the period (as included in the single figure table on page 146) to the remuneration of the 25th, 50th and 75th percentile of our UK employees.

Period	Methodology	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2022/23	**Option B**	**360:1**	**160:1**	**141:1**
2021/22	Option B	351:1	191:1	110:1
2020/21	Option B	251:1	183:1	140:1
2019/20	Option B	348:1	310:1	304:1

We have used Option B in the legislation to identify the 25th, 50th and 75th percentile UK employees. This has utilised the most recent data from our UK gender pay gap reporting for April 2022.

Under Option B of The Companies (Miscellaneous Reporting) Regulations 2018, the latest available gender pay gap data (i.e. from April 2022) was used to identify the best equivalent for three Group UK employees whose hourly rates of pay are at the 25th, 50th and 75th percentiles for the Group.

The Committee is comfortable that this approach provides a fair representation of the Chief Executive to employee pay ratios and is appropriate in comparison to alternative methods, balancing the need for statistical accuracy with internal operational resource constraints.

A full-time equivalent total pay and benefits figure was then calculated for each of these employees, consistent with the methodology used to calculate the CEO's remuneration. This was also sense checked against a sample of employees with hourly pay rates either side of the identified individuals to ensure that the appropriate representative employee is selected. The pay ratios outlined above were then calculated as the ratio of the CEO's single figure to the total pay and benefits of each of these employees.

The table below sets out the salary and total pay and benefits for the three quartile point employees:

	25th percentile		50th percentile		75th percentile	
	Salary	Total pay and benefits	Salary	Total pay and benefits	Salary	Total pay and benefits
2022/23	£11,240	£11,240	£25,261	£25,330	£28,453	£28,825

The Committee considers that the median pay ratio is consistent with the relative roles and responsibilities of the Chief Executive and the identified employees.

The CEO's remuneration package is weighted towards variable pay (including the annual bonus and LTIP) due to the nature of the role. This also means that the ratio is likely to fluctuate depending on the outcomes of incentive plans in each period (as illustrated by the ratios to date).

The Committee also recognises that, due to the nature of the Company's business and the ways in which we employ our staff, the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, as well as differences in employment and remuneration models between companies, the ratios reported above may not be comparable to those reported by other companies.

Relative Importance of Spend on Pay

The following table sets out the amounts paid in share buybacks and dividends, and total remuneration paid to all employees:

Payouts	2022/23 (£'m)	2021/22 (£'m)	Change (%)
Dividends	24.8	14.9	+66.4%
Share buybacks	–	–	0%
Total employee remuneration[1]	1,330.3	1,142.0	+16.5%

Notes
1. Total employee remuneration includes wages and salaries, social security costs, pension costs and other employed staff costs.

Implementation of Policy for 2023/24

Key feature	Implementation in 2023/24
Base salary	
– Normally reviewed annually. – The Committee considers a range of factors when determining salaries, including pay increases throughout the Group, responsibilities of the role, individual performance, and market data.	– The CEO's salary has been increased by 6% to £1,049,400, effective from 1st April 2023. – As the CFO is currently under notice, he is not entitled to receive a salary increase and therefore his salary of £450,000 remains in place.
Pensions	
– Pension contributions are paid only in respect of base salary. – The Executive Directors' pension is set in line with the pension level received by the majority of the employee population.	– The CEO and CFO maximum pension contribution is 4% (in line with the wider workforce).
Annual bonus	
– Maximum opportunity of 200% of salary for the CEO and the CFO. – No more than one third of the annual bonus is linked to non-financial measures. The Committee considers various non-financial performance measures such as strategic measures. – Malus and clawback provisions apply.	– For 2023/24, the maximum bonus opportunity for the CEO is 200% of salary. – As the CFO is currently under notice, he will not be entitled to participate in the 2023/24 annual bonus. – The performance measures for the 2023/24 annual bonus are as follows: – Group Profit Before Tax (50%) – Group Revenue (15%) – Group Cash Flow (15%) – Group Engagement (10%) – Group Net Promoter Score (10%) – The performance targets will be set following the usual process, considering internal and consensus forecasts and the key strategic priorities for the Group in 2023/24. – The performance targets are considered commercially sensitive and will therefore be disclosed in next year's report. – The Remuneration Committee has discretion to amend the formulaic outcome under the annual bonus to ensure that outcomes are reflective of business performance, including, but not limited to, assessing whether there has been sufficient progress on delivering the governance transformation programme.

Key feature	Implementation in 2023/24
Deferred annual bonus	
- 50% of the annual bonus deferred is deferred into shares. - Typically vesting after three years, normally subject to continued employment. - Malus and clawback provisions apply.	- No further performance conditions apply.
Long Term Incentive Plan	
- Awards typically granted as nil-cost options. - The LTIP allows for awards with a maximum value of 200% of base salary. - Performance is measured over three years. - Malus and clawback provisions apply. - Awards are subject to an additional two-year holding period following the end of the three-year performance period.	- For 2023/24, the maximum LTIP opportunity for the CEO will be 200% of salary. - The Remuneration Committee intends to adopt both EPS and strategic metrics (which is likely to include an ESG metric). Further details of the metrics and targets will be disclosed at the time of grant.

Non-Executive Directors' Fees

Following a market benchmarking exercise undertaken as part of the broader review of remuneration during the period, it was determined that the fees for the Chair and Non-Executive Directors are as set out below, effective from 1 December 2022.

Position	Fees
Chair of the Board fee	£480,000
Basic Non-Executive Director fee	£71,000
Additional fees:	
Senior Independent Director fee	£20,000
Chair of Audit and Remuneration Committees	£20,000
Member of Board Committee (Audit or Remuneration)	£7,500

Remuneration Committee Roles and Membership

The current composition of the Remuneration Committee and details of the changes to the composition during the financial period are detailed on page 122. The Committee met five times during the period under review and details of attendance at the Committee meetings is set out on page 120. The key activities of the Remuneration Committee undertaken during the period are set out below.

Month	Principal activity
April	- Review of bonus and other incentivisation arrangements in relation to Executive Directors and members of senior leadership.
May	- Consideration of pay packages for interim CEO and Non-Executive Chair.
June	- Consideration of remuneration package for the incoming Chair and CEO and the terms of the compensation for loss of office of the former Executive Chair.
October	- Review of the Committee's terms of reference. - Review of the existing Directors' Remuneration Policy and finalisation of the proposed Directors' Remuneration Policy put forward at December General Meeting. - Consideration of shareholder feedback and AGM voting outcomes.

The Committee assists the Board in determining the Group's policy on Executive Directors' remuneration and determines the specific remuneration packages for Senior Executives, including the Executive Directors, on behalf of the Board. Neil Greenhalgh, the Chief Financial Officer, and Régis Schultz, the Chief Executive Officer, have assisted the Committee when requested with regards to matters concerning key Executives below Board level.

Members of senior leadership, including the Group People Director and the independent advisor to the Committee are invited to attend meetings where appropriate. The Group Company Secretary and General Counsel is the secretary to the Committee. Attendees are not involved in any decisions and are not present in any discussions involving their own remuneration.

External Advisors

The Committee can obtain independent and objective advice at the Company's expense where they consider it appropriate and in order to perform their duties. During the period, PwC advised on market practice, corporate governance and regulations, incentive plan design and target-setting, recruitment, and other matters that the Committee was considering.

PwC is a member of the Remuneration Consultants Group and a signatory to its Code of Conduct and the Committee is therefore satisfied that the advice PwC provided was objective and independent. PwC's total fees for remuneration-related advice in 2022/23 were £99,875 excluding VAT. PwC charged its fees on a time and expenses basis.

Engagement with Shareholders and Shareholder Voting
The Directors' Annual Report on Remuneration and Directors' Remuneration Policy were each subject to a shareholder vote at the AGM and General Meeting held on 22 July 2022 and 13 December 2022 respectively, the results of which were as follows:

	For	Against	Withheld
Approval of Remuneration Report	3,143,856,578	1,204,859,786	7,780,164
	(72.29%)	(27.71%)	
Approval of Remuneration Policy	4,283,648,627	33,577,063	19,750
	(99.22%)	(0.78%)	

The Remuneration Committee were cognisant of the voting outcome in respect of the 2021/22 Directors' Remuneration Report. As stated in the Chair's statement, the Remuneration Committee led by our newly appointed Remuneration Committee Chair, Suzi Williams, subsequently engaged with shareholders to better understand their views.

The primary concern raised related to the incentive structure and the significant emphasis on cash, particularly in the context of diluting the efficacy of applying clawback. Reflecting on shareholder and proxy body feedback and reviewing the existing Directors' Remuneration Policy ('Policy') and the Company's remuneration practices over the past few years, the Committee determined that material changes to the Policy were necessary to move towards best practice and ensure full compliance with the UK Corporate Governance Code.

Accordingly, the Committee developed a market standard Policy that is fit for purpose for a FTSE 100 business, as set out earlier in the report.

Illustrating the Committee's commitment to improving corporate governance in respect of remuneration at the earliest opportunity and following shareholder consultation, the Policy was put forward ahead of the usual timescales at a General Meeting on 13 December 2022. As set out above, the Policy was approved by shareholders with 99.22% votes in favour based on an 83.7% turnout.

The Board is grateful to those shareholders who took part in the engagement process and values the feedback provided. The Company will continue to engage with its largest shareholders on Executive remuneration going forward.

Engagement with the Wider Workforce
As set out in the Directors' Remuneration Policy, the Committee engaged with the wider workforce on various topics during the period.

In addition to this, the Board undertook a review of the current approach to employee engagement, including on remuneration. Following this review, the Board appointed Kath Smith as a designated Non-Executive Director responsible for workforce engagement.

Kath continues to review The Quarterly Your Voice Report, the anonymous feedback platform now used across the business and also helped review the first Global employee survey in November 2022, which was commissioned by Régis and implemented by the People Team, the results of which were recently shared with the Board. This will become a regular part of how we monitor and improve workplace culture, and will form part of their bonus targets for key individuals.

In addition, following the period end, Kath launched the first Global Engagement Forum Focus Group, providing an opportunity for colleagues across Asia Pacific, Europe, UK and North America to bring their views and experiences of the workforce into the Boardroom by having these closed and confidential focus groups with the Group Workforce Engagement Non-Executive Director. Several more groups are planned with feedback to the Board scheduled for early Summer.

On behalf of the Remuneration Committee

Suzi Williams
Chair of the Remuneration Committee

22 May 2023

Statement of Directors' Responsibilities

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 Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, 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 Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable, relevant and reliable.
- For the Group financial statements, state whether they have been prepared in accordance with and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union UK-adopted international accounting standards.
- For the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements.
- Assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with the Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the Transparency Directive European Single Electronic Format ('TD ESEF') Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

Responsibility Statement of the Directors in Respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report and Directors' Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. This responsibility statement was approved by the Board of Directors on 22 May 2023 and is signed on its behalf by:

Régis Schultz
Chief Executive Officer

22 May 2023

Independent Auditor's report

to the members of JD Sports Fashion Plc

1. Our Opinion Is Unmodified

In our opinion:

- the financial statements of JD Sports Fashion Plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 28 January 2023, and of the Group's profit for the 52 week period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What Our Opinion Covers

We have audited the Group and Parent Company financial statements of JD Sports Fashion Plc ('the Company') for the 52 week period ended 28 January 2023 (FY23) included in the Annual Report, which comprise:

Group	Parent Company (JD Sports Fashion Plc)
The Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows. Notes 1 to 36 to the Group financial statements, including the accounting policies in note 1 to the Consolidated Financial Statements.	The Company Balance Sheet and the Company Statement of Changes in Equity. Notes C1 to C24 to the Parent Company financial statements, including the accounting policies in note C1 to the Company Financial Statements.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit & Risk Committee ('ARC').

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview Of Our Audit

		Key Audit Matters	Vs FY22	Item
Factors Driving Our View Of Risks	During FY23 the Group started to demonstrate significant improvements in both Corporate Governance and the overarching control environment under which the Group operates. The various improvement work streams are ongoing into FY24. As such our risk assessment considered both areas where improvements were made in FY23 alongside the potential impact of FY22 control deficiencies which were yet to be fully remediated by the Group. The changes identified had the following impact on our overall assessment of risk: - Group materiality has been increased such that it now represents 4.0% (FY22 3.5%) of Group normalised profit before tax. Performance materiality for the Group and Parent Company has been increased to 65% of materiality (FY22: 50%). - Following the changes to the governance and culture of the Group we have removed key audit matters (KAMs) associated with management override of controls and the existence, accuracy and presentation of accruals. Additionally following the completion of a number of legal cases in FY23 we no longer identify a KAM relating to the completeness and presentation of provisions and contingent liabilities. - Our response to the identification of the management override of controls key audit matter in FY22 included, in part, increasing the number of components in scope for Group audit purposes. Following the removal of this KAM we have identified fewer individually financially significant components, with 3 (2022: 9) of the Group's 98 (2022: 87) reporting components, subjected to full scope audit for group purposes. - We have identified the valuation of the Genesis put and call options as a Key Audit Matter for FY23 for both the Group and the Parent Company. This is due to the number of estimates involved in the valuation, the complexity in determining the appropriate valuation methodology, and the overall quantum of the liability. The valuation of the put and call options were not identified as a Key Audit Matter in FY22 given the efforts of the engagement team were directed towards other areas of heightened risk in FY22 as described above. - Our audit approach continued to be predominantly focused on substantive testing rather than seeking to test the effectiveness of controls given identified deficiencies in the wider control environment.	Valuation of Genesis Topco put and call option (Group and Parent Company)	+	4.1

Audit Committee Interaction

During the year, the ARC met 7 times. KPMG are invited to attend all ARC meetings and are provided with an opportunity to meet with the ARC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the ARC in section 4, including matters that required particular judgement for each.

The matters included in the Audit & Risk Committee Report on page 126 to 131 are materially consistent with our observations of those meetings.

Our Independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

Apart from the matter noted below, we have not performed any non-audit services during the 52 week period ended 28 January 2023 or subsequently which are prohibited by the FRC Ethical Standard.

During 2023, we identified that a KPMG member firm had provided preparation of local GAAP financial statements and foreign language translation services over the years ending in 2018 to 2023 to a group entity, not in scope for the group audit. The services, which have been terminated, were administrative in nature and did not involve any management decision-making or bookkeeping. The work in each case had no direct or indirect effect on JD Sports Fashion Plc's consolidated financial statements.

In our professional judgement, we confirm that based on our assessment of the breach, our integrity and objectivity as auditor has not been compromised and we believe that an objective, reasonable and informed third party would conclude that the provision of this service would not impair our integrity or objectivity for any of the impacted financial years. The ARC has concurred with this view.

We were first appointed as auditor by the shareholders for the year ended 31 March 1996, prior to the company becoming a public interest entity. The period of total uninterrupted engagement is for 27 financial periods as a public interest entity, and 28 periods in total.

The Group engagement partner is required to rotate every 5 years. These are the first set of the Group's financial statements signed by Michael Froom. The financial period ended 28 January 2023 is our final year as the Group's auditor.

The average tenure of partners responsible for component audits as set out in section 7 below is 3 years, with the shortest being 1 and the longest being 5.

Total audit fee	£5.3m
Audit related fees (including interim review)	£0.2m
Other services	£0.02m
Non-audit fee as a % of total audit and audit related fee %	0.02:1
Date first appointed	31 March 1996
Uninterrupted audit tenure	28 years
Tenure of Group engagement partner	1 year
Average tenure of component signing partners	3 years

Materiality
(Item 6 Below)

The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

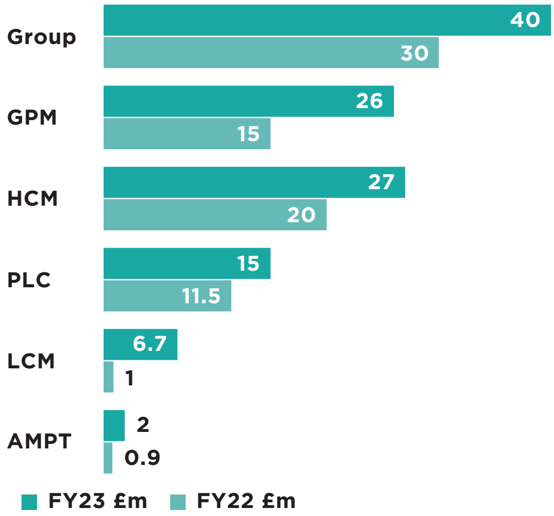
We have determined overall materiality for the Group financial statements as a whole at £40m (FY22: £30m) and for the Parent Company financial statements at £15m (FY22: £11.5m).

Materiality for the Group financial statements as a whole was set at £40.0m (FY22: £30.0m), determined with reference to a benchmark of Group normalised profit before tax (PBT).

We normalised PBT to add back the impairment of non-current assets of £137.2m, divestment and restructuring costs of £129.6m, the release of deferred consideration of £12.5m and the movement in fair value of put and call options of £296.2m, (2022: normalised to exclude the DTLR insurance settlement receivable of £16.6m and the movement in fair value of Genesis and ISRG put option of £290.3m) totalling £550.5m (note 4). We adjusted for these items because they do not represent the normal continuing operations of the Group.

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company normalised profit before tax, of which it represents 3.4% (FY22: 3.5%).

Materiality levels used in our audit



Group	Group Materiality
GPM	Group Performance Materiality
HCM	Highest Component Materiality
PLC	Parent Company Materiality
LCM	Lowest Component Materiality
AMPT	Audit Misstatement Posting Threshold

Group Scope
(Item 7 Below)

We have performed risk assessment and planning procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, the type of procedures to be performed at these components and the extent of involvement required from our component auditors around the world.

Of the Group's 98 (2022: 87) reporting components, we subjected 3 (2022: 9) to full scope audit for group purposes and, 6 (2022: 2) components to specified risk-focused audit procedures over revenue, cash and journals and nil (2022: 1) components to specified risk-focused procedures over revenue, cash, journals and inventory.

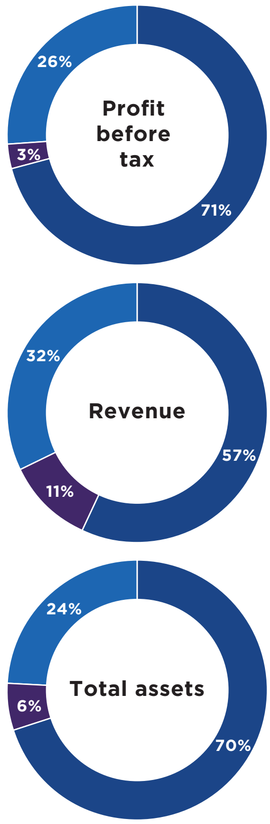
The components within the scope of our work accounted for the percentages illustrated opposite.

In addition, we have performed Group level analysis on the remaining components to determine whether further risks of material misstatement exist in those components.

We consider the scope of our audit, as communicated to the ARC, to be an appropriate basis for our audit opinion.

- Full scope audits
- Specified risk-focused audit procedures
- Remaining components

Coverage of Group financial statements



The Impact Of Climate Change On Our Audit	In planning our audit, we have considered the potential impact of risks arising from climate change on the Group's business and its financial statements. Further information on the Group's commitments is provided in the Group's Task Force for Climate-Related Financial Disclosures ('TCFD') recommended disclosures on pages 64 to 71. As part of our audit we have performed a risk assessment, including making enquiries of management, reading board meeting minutes and applying our knowledge of the Group and sector in which it operates to understand the extent of the potential impact of climate change risk on the Group's financial statements. Taking into account the nature of the business and the extent of the headroom in impairment testing, we have not assessed climate related risk to be significant to our audit this year. There was no impact on our key audit matters. We have read the Group's TCFD in the front half of the Annual Report and considered consistency with the financial statements and our audit knowledge.

3. Going Concern, Viability And Principal Risks And Uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Going Concern

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and the Parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and the Parent Company's available financial resources and metrics relevant to debt covenants over this period were:

- Significant business continuity event adversely impacting one of the Group's main distribution centres and peak trading;
- A significant cyber attack impacting the UK stock management system resulting in the Group's UK and European stores being unable to trade for a period of one month.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the Director's sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

Our procedures included:

- Critically assessing assumptions in the base case and downside scenarios relevant to liquidity and covenant metrics, in particular by comparing to economic forecasts, approved budgets and our knowledge of the Group and the sector in which it operates;
- Assessing whether downside scenarios applied mutually consistent and severe assumptions in aggregate, using our assessment of the possible range of each key assumption and our knowledge of inter-dependencies;
- We compared past budgets to actual results to assess the Directors' track record of budgeting accurately.
- We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks, dependencies and related sensitivities.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of preparation without any material uncertainty for the Group and Parent Company to be acceptable. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- The related statement under the Listing Rules set out on page 43 is materially consistent with the financial statements and our audit knowledge.

Disclosures Of Emerging And Principal Risks And Longer-Term Viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Viability Reporting on page 42 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the principal risks disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability statement set out on page 43 under the Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key Audit Matters

What We Mean

Key Audit Matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Valuation Of The Genesis Put And Call Options (Group And Parent Company)

Financial Statement Elements	FY23	FY22		Our assessment of risk vs FY22	Our results
Put and Call Option (Group)	**£801.1m**	£520.3m	+	The valuation of the put and call option has been identified as a Key Audit Matter in FY23 given the level of relative effort of the engagement team	**FY23: Acceptable** FY22: Acceptable
Put and Call Option (Parent)	**£158.4m**	£270.8m (as restated)			

Description of the Key Audit Matter

Subjective estimate

In growing its US business further through the acquisition of Shoe Palace, the Group granted previous owners with a continuing non-controlling interest in the wider Genesis business with options allowing the previous owners to sell their interest to the Group (a put option) at a future date. The Group also has the opportunity to buy the previous owners' interest via a call option, on near identical terms as the put option. IFRS requires these option contracts to be valued and accounted for and there is judgement as to how the instrument is presented.

Changes in the assumptions and estimates used to value the put and call options would have a significant effect on the Group and Parent Company's put and call option balances.

There are a number of key assumptions and estimates involved in determining the value of the put and call liability. These key assumptions are highly judgemental and include forecast EBITDA, as affected by assumptions over revenue growth, gross margin and operating costs.

The variables within the forecasted future performance also include increased estimation uncertainty due to the uncertainty of the unwind of the US fiscal stimulus from FY22 and the impact this may have on consumer spending.

The effect of these matters is that, as part of our risk assessment, we determined that valuation of the put and call options has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 23) disclose the sensitivity estimated by the Group. The financial statements (note C14) disclose the sensitivity estimated by the Company.

As described in the financial statements note C24, the Parent Company has recognised a prior year restatement in respect of the fair value of the put and call options.

Our response to the risk

- We did not seek to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures to address both the risk and the prior year restatement included:

- **Our valuation expertise:** Using our own valuation specialists to assess the appropriateness and accuracy of the valuation methodology applied. This included an independent recalculation of the put and call option.
- **Our sector experience:** Critically assessing key assumptions used, in particular those relating to revenue growth, gross margin and operating costs through inquiry with management, our own knowledge of the business and by considering externally derived data in relation to key inputs such as projected economic growth.
- **Sensitivity analysis:** Performing sensitivity analysis on the key assumptions noted above.
- **Assessing transparency:** Assessing whether the Group and Parent Company's disclosures about the sensitivity of the outcome of the valuation to changes in key assumptions are appropriate.
- **Assessment of accounting policies:** Critically assessing the appropriateness of the Group and Parent Company accounting policies.

Communications with JD Sports Fashion Plc's Audit & Risk Committee

Our discussions with and reporting to the Audit & Risk Committee included:

- Our approach and conclusions on the appropriateness of the valuation methodology, assumptions used and adequacy of the related disclosures.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

- Auditor judgement is required to assess both the suitability of the valuation methodology adopted by the Directors and whether the overall estimate, taking into account key discount rate, revenue growth, gross margin and operating cost assumptions, falls within the acceptable range.

Our results

We found the valuation of the Genesis put and call options to be acceptable (2022: Acceptable).

Further information in the Annual Report and Accounts: See the Audit & Risk Committee Report on page 129 for details on how the ARC considered Valuation of the Genesis Put and Call Options as an area of significant attention, page 228-229 for the accounting policy on Valuation of the Genesis Put and Call Options and page 228 to 232/note 23 for the financial disclosures.

Changes to key audit matters

Management override of controls

We continue to perform procedures over management override of controls. However, following changes to the governance of the Group, resulting in the removal of the dominance of a small number of Executive Directors, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

Existence, accuracy and presentation of accruals

We continue to perform procedures over the existence, accuracy and presentation of accruals. However, following the changes to the governance and culture of the Group, as described above with reference to the risk of management override of controls, coupled with a reduction in judgements within the balance, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

Completeness and presentation of provisions and contingent liabilities

We continue to perform procedures over the completeness and presentation of provisions and contingent liabilities. However, following the completion of a number of legal cases and inquires that were ongoing at the time of the FY22 audit, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

Valuation of the separately identifiable tradename intangible recognised as part of the DTLR Villa acquisition

The valuation of the separately identifiable tradename intangible asset recognised as part of the DTLR Villa business combination accounting is no longer a significant risk or a KAM in the current year.

5. Our Ability To Detect Irregularities, And Our Response

Fraud – Identifying And Responding To Risks Of Material Misstatement Due To Fraud

Fraud Risk Assessment	To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included: – Enquiring of Directors, the ARC and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud. – Reading Board, Remuneration Committee, Nominations Committee and ARC meeting minutes. – Considering remuneration incentive schemes and performance targets for management and Directors including the profit target for management remuneration. – Using analytical procedures to identify any unusual or unexpected relationships. – Involving our forensic specialists in our risk assessment to assist us in identifying key fraud risks. This included attending the Risk Assessment and Planning Discussion, holding a discussion with the engagement partner and engagement quality control reviewer, and assisting with designing relevant audit procedures to respond to the identified fraud risks. They also attended meetings with both Executive and Non-Executive Directors and external advisors and assisted with certain procedures including shadowing investigations ongoing during the course of our audit.
Risk Communications	We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.
Fraud Risks	As required by auditing standards, we performed procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited perceived pressure on management to achieve targets, limited opportunity to commit fraud and no material judgements or estimation involved in the balance. We did not identify any additional fraud risks.

Laws And Regulations – Identifying And Responding To Risks Of Material Misstatement Relating To Compliance With Laws And Regulations

Laws And Regulations Risk Assessment	We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence, and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.
Risk Communications	We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.
Direct Laws Context And Link To Audit	The potential effect of these laws and regulations on the financial statements varies considerably. The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
Most Significant Indirect Law/Regulation Areas	The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: laws and regulations of various bodies that regulate the Group's activities including the Competition and Market Authority ('CMA'), the Financial Conduct Authority ('FCA') (in respect of the provision of consumer credit) and the Information Commissioners Office ('ICO'). Further we identified the following areas of laws and regulations: health and safety laws, data protection laws, competition law, market abuse regulation, bribery and corruption requirements, advertising standards, employment law and certain aspects of company legislation recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Actual Or Suspected Breaches Discussed With Arc	We discussed with the ARC the following matters related to actual or suspected breaches of laws or regulations and considered any implications for our audit. 1. Known anticompetitive behaviour in relation to football club replica kit and the resulting CMA investigation in note C22 for Rangers FC which was settled on 27 September 2022 and note 34 for Leicester City Football Club. 2. The breach of the CMA's hold separate order in respect of the Footasylum acquisition by the Group which has since been divested by the Group on 5 August 2022 as discussed in note 12. 3. The personal data breach under GDPR legislation due to a cyber incident which resulted in unauthorised access to a system that contained customer data as discussed in note 34. For the matters described above we assessed the disclosures against our understanding obtained from inspection of legal correspondence and the outcome of legal inquiries we conducted. Additionally, we involved forensic and cyber specialists to shadow ongoing investigations in respect of the regulatory matters. We discussed with the ARC other matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit.

Context

Context Of The Ability Of The Audit To Detect Fraud Or Breaches Of Law Or Regulation	Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. Our Determination Of Materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£40.0m

(FY22: £30.0m)

Materiality For The Group Financial Statements As A Whole

What we mean
A quantitative reference for the purpose of planning and performing our audit.

Basis for determining materiality and judgements applied
Materiality for the Group financial statements as a whole was set at £40.0m (FY22: £30.0m), determined with reference to a benchmark of Group normalised profit before tax (PBT).

We normalised PBT to add back the impairment of non-current assets of £137.2m, divestment and restructuring costs of £129.6m, the release of deferred consideration of £12.5m and the movement in fair value of put and call options of £296.2m, (2022: normalised to exclude the DTLR insurance settlement receivable of £16.6m and the movement in fair value of Genesis put and call options and ISRG put options of £290.3m) of £550.5m (note 4). We adjusted for these items because they do not represent the normal continuing operations of the Group.

Our Group materiality of £40.0m was determined by applying a percentage to Group normalised PBT. When using a benchmark of normalised PBT to determine overall materiality, KPMG's approach for listed entities considers a guideline range of 3% – 5% of the measure. In setting overall Group materiality, we applied a percentage of 4.0% (FY22: 3.5%) to the benchmark. The increased % applied to the benchmark is driven by the removal of the KAM associated with management override of controls, for which part of our response in FY22 was to reduce materiality as a percentage of the benchmark for the Group financial statements as a whole.

Materiality for the Parent Company financial statements as a whole was set at £15.0m (FY22: £11.5m), determined with reference to a benchmark of the Parent Company's normalised PBT, of which it represents 3.4% (FY22: 3.5%).

£26.0m

(FY22: £15.0m)

Performance Materiality

What we mean
Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Basis for determining performance materiality and judgements applied
We have considered performance materiality at a level of 65% (FY22: 50%) of materiality for the Group financial statements as a whole to be appropriate.

The Parent Company performance materiality was set at £9.75m (FY22: £5.8m), which equates to 65% (FY22: 50%) of materiality for the Parent Company financial statements as a whole.

We applied this percentage in our determination of performance materiality based on the level of identified misstatements and control deficiencies during the prior period.

£2.0m

(FY22: £0.9m)

Audit Misstatement Posting Threshold

What we mean
This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to JD Sports Fashion Plc's ARC.

Basis for determining the audit misstatement posting threshold and judgements applied
We set our audit misstatement posting threshold at 5% (FY22: 3%) of our materiality for the Group financial statements. We also report to the ARC any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £40m (FY22: £30m) compares as follows to the main financial statement caption amounts:

	Total Group Revenue		Group profit before tax		Total Group Assets	
	FY23	FY22	**FY23**	FY22	**FY23**	FY22
Financial statement Caption	**£10,125m**	£8,563m	**£441m**	£654m	**£8,025m**	£7,069m
Group Materiality as % of caption	**0.40%**	0.35%	**9.1%**	4.6%	**0.50%**	0.43%

7. The Scope Of Our Audit

Group Scope

What we mean

How the Group audit team determined the procedures to be performed across the Group.

The Group has 98 (2022: 87) reporting components. In order to determine the work performed at the reporting component level, we identified those components which we considered to be of individual financial significance, those which were significant due to risk and those remaining components on which we required procedures to be performed to provide us with the evidence we required in order to conclude on the Group financial statements as a whole.

We determined individually financially significant components as those contributing at least 5% (2022: 3%) of Group revenue or 4.32% (2022: 4%) of Group PBT. We selected revenue and profit before tax because these are the most representative of the relative size of the components. We identified 3 (2022: 9) components as individually financially significant components and performed full scope audits on these components.

In addition, to enable us to obtain sufficient appropriate audit evidence for the Group financial statements as a whole we selected 6 (2022: 3) components on which to perform procedures. Of these components, we performed specific risk-focused audit procedures over revenue, cash and journals on 6 components (2022: 2) and specific risk-focused procedures over revenue, cash, journals and inventory on nil components (2022: 1).

The components within the scope of our work accounted for the following percentages of the Group's results, with the prior year comparatives indicated in brackets:

Scope	Number of components	Range of materiality applied	Group revenue	Total profits and losses that made up group profit before tax	Group total assets
Full scope audit	3 (2022: 9)	£15m – £27m (2022: £1m to £20m)	56.9% (2022: 75.3%)	71.3% (2022: 88.6%)	70.4% (2022: 78.8%)
Specified audit procedures	6 (2022: 3)	£6.7m – £17m (2022: £8m to £10m)	11.2% (2022: 7.1%)	3.4% (2022: 1.9%)	5.9% (2022: 4.3%)

Our response to the identification of the management override of controls key audit matter in FY22 included, in part, increasing the number of components in scope for Group audit purposes. For the reasons described in section 4 we no longer identify a KAM in this area and as such the removal of this KAM is the primary reason that we have identified fewer individually financially significant components.

The remaining 31.9% (2022: 17.6%) of total Group revenue, 25.3% (2022: 11.4%) of total profits and losses that made up Group profit before tax and 23.7% (2022: 21.2%) of total Group assets is represented by 89 (2022: 75) reporting components, none of which individually represented more than 3.2% (2022: 3%) of any of total Group revenue, total profits and losses that made up Group profit before tax or total Group assets. For these components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The work on 3 of the 9 components (2022: 6 of the 12 components) was performed by component auditors and the rest, including the audit of the Parent Company, was performed by the group team. The group team performed procedures on the items excluded from normalised group PBT.

The group team has also performed audit procedures on the following areas of behalf of the components:

- Understanding of the Groups control environment, risk assessment procedures and monitoring of internal controls
- The valuation of consolidated goodwill and intangibles arising on acquisitions
- Lease accounting under IFRS 16

These items were audited by the Group team because they are areas that are co-ordinated by Group management. The Group team communicated the results of these procedures to the component teams.

The scope of the audit work performed was predominately substantive as we did not rely upon the Group's internal control over financial reporting.

Group Audit Team Oversight	What we mean The extent of the Group audit team's involvement in component audits.
	The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materiality's, which ranged from £27m to £6.7m (2022: £20m to £1m), having regard to the mix of size and risk profile of the Group across the components. The work on 6 of the 9 components (2022: 6 of the 12 components) was performed by component auditors and the rest, including the audit of the Parent Company, was performed by the Group team. The Group team visited 1 (2022: 1) component location in the United States to assess the audit risk and strategy. Further, the group team attended video and telephone conference meetings with 6 (2022: 6) component teams from Spain, US, France, Australia and Poland to assess the audit risk and strategy. At this visit and these meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

8. Other Information In The Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All Other Information

Our responsibility	Our reporting
Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.	Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic Report And Directors' Report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

Our responsibility	Our reporting
We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.	In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate Governance Disclosures

Our responsibility	Our reporting
We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and: - the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; - the section of the annual report describing the work of the ARC, including the significant issues that the ARC considered in relation to the financial statements, and how these issues were addressed; and - the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.	Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.
We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.	We have nothing to report in this respect.

Other Matters On Which We Are Required To Report By Exception

Our responsibility

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Our reporting

We have nothing to report in these respects.

9. Respective Responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 155, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent 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 they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

10. The Purpose Of Our Audit Work And To Whom We Owe Our Responsibilities

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.

Michael Froom (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square,
Manchester,
M2 3AE
23 May 2023

Consolidated Income Statement

For the 52 weeks ended 28 January 2023

	Note	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Revenue		**10,125.0**	8,563.0
Cost of sales		**(5,285.3)**	(4,355.0)
Gross profit		**4,839.7**	4,208.0
Selling and distribution expenses		**(3,315.6)**	(2,808.1)
Administrative expenses – normal		**(497.3)**	(413.4)
Administrative expenses – adjusted items	4	**(550.5)**	(292.5)
Administrative expenses – total		**(1,047.8)**	(705.9)
Sales commission		**6.5**	10.6
Share of profit of equity-accounted investees		**4.9**	3.2
Other operating income		**22.1**	13.4
Operating profit before financing		**509.8**	721.2
Operating profit before financial and adjusted items		**1,060.3**	1,013.7
Financial income	7	**8.4**	1.4
Financial expenses	8	**(77.3)**	(67.9)
Net financial expense		**(68.9)**	(66.5)
Profit before tax and adjusted items		**991.4**	947.2
Adjusted items	4	**(550.5)**	(292.5)
Profit before tax	3	**440.9**	654.7
Income tax expense	9	**(214.2)**	(195.1)
Profit for the period		**226.7**	459.6
Attributable to equity holders of the parent		**142.5**	369.7
Attributable to non-controlling interest	27	**84.2**	89.9
Basic earnings per ordinary share	10	**2.76p**	7.17p
Diluted earnings per ordinary share	10	**2.76p**	7.17p

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 28 January 2023

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Profit for the period	**226.7**	459.6
Other comprehensive income:		
Items that may be classified subsequently to the Consolidated Income Statement:		
Exchange differences on translation of foreign operations	**129.9**	(34.9)
Total other comprehensive income for the period	**129.9**	(34.9)
Total comprehensive income and expense for the period (net of income tax)	**356.6**	424.7
Attributable to equity holders of the parent	**238.4**	357.3
Attributable to non-controlling interest	**118.2**	67.4

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 28 January 2023

	Note	**As at 28 January 2023 £m**	As at 29 January 2022 £m
Assets			
Intangible assets	13	**1,459.4**	1,473.6
Property, plant and equipment	14	**875.6**	688.5
Right-of-use assets	15	**2,137.0**	2,032.6
Investments in associates and joint ventures	16	**38.8**	56.2
Other assets	17	**56.9**	57.0
Loans to associates and joint ventures	32	**7.6**	–
Forward contract asset		**0.8**	2.5
Deferred tax assets	25	**12.9**	81.7
Total non-current assets		**4,589.0**	4,392.1
Inventories	18	**1,466.4**	989.4
Right of return assets		**15.2**	12.5
Trade and other receivables	19	**248.6**	202.9
Income tax receivables		**–**	0.6
Assets held-for-sale	33	**123.0**	157.1
Cash and cash equivalents	20	**1,582.5**	1,314.0
Total current assets		**3,435.7**	2,676.5
Total assets		**8,024.7**	7,068.6
Liabilities			
Interest-bearing loans and borrowings	21	**(75.2)**	(72.6)
Lease liabilities	15	**(423.8)**	(379.0)
Trade and other payables	23	**(1,471.2)**	(1,279.5)
Liabilities directly associated with assets held-for-sale	33	**(165.6)**	(142.6)
Provisions	24	**(9.7)**	(13.2)
Income tax liabilities		**(17.5)**	–
Total current liabilities		**(2,163.0)**	(1,886.9)
Interest-bearing loans and borrowings	21	**(38.0)**	(55.5)
Lease liabilities	15	**(1,915.4)**	(1,863.9)
Other payables	23	**(102.4)**	(10.6)
Put and call option liabilities	23	**(1,061.2)**	(764.8)
Provisions	24	**(21.1)**	(19.9)
Deferred tax liabilities	25	**(90.2)**	(127.4)
Total non-current liabilities		**(3,228.3)**	(2,842.1)
Total liabilities		**(5,391.3)**	(4,729.0)
Total assets less total liabilities		**2,633.4**	2,339.6
Capital and reserves			
Issued ordinary share capital	26	**2.5**	2.5
Share premium	26	**467.5**	467.5
Retained earnings		**2,011.4**	1,910.6
Other reserves		**(361.9)**	(454.6)
Total equity attributable to equity holders of the parent		**2,119.5**	1,926.0
Non-controlling interest	27	**513.9**	413.6
Total equity		**2,633.4**	2,339.6

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 22 May 2023 and were signed on its behalf by:

Régis Schultz
Director

Registered number: 1888425

Consolidated Statement of Changes in Equity

For the 52 weeks ended 28 January 2023

	Ordinary share capital £m	Share premium £m	Retained earnings £m	Other equity £m	Share-based payment reserve £m	Foreign currency translation reserve £m	**Total equity attributable to equity holders of the parent £m**	Non-controlling interest £m	**Total equity £m**
Balance at 30 January 2021	**2.4**	**11.7**	**1,560.8**	**(308.4)**	**–**	**(27.8)**	**1,238.7**	**257.7**	**1,496.4**
Profit for the period	–	–	369.7	–	–	–	**369.7**	89.9	**459.6**
Other comprehensive income:									
Exchange differences on translation of foreign operations	–	–	–	–	–	(12.4)	**(12.4)**	(22.5)	**(34.9)**
Total other comprehensive income	–	–	–	–	–	(12.4)	**(12.4)**	(22.5)	**(34.9)**
Total comprehensive income for the period	–	–	369.7	–	–	(12.4)	**357.3**	67.4	**424.7**
Dividends to equity holders	–	–	(14.9)	–	–	–	**(14.9)**	(1.8)	**(16.7)**
Put and call options held with non-controlling interests	–	–	–	(106.1)	–	–	**(106.1)**	–	**(106.1)**
Share capital issued	0.1	455.8	–	–	–	–	**455.9**	–	**455.9**
Acquisition of non-controlling interest	–	–	0.4	–	–	–	**0.4**	(0.5)	**(0.1)**
Divestment of non-controlling interest	–	–	(5.4)	–	–	–	**(5.4)**	48.0	**42.6**
Non-controlling interest arising on acquisition	–	–	–	–	–	–	**–**	42.8	**42.8**
Share-based payment charge	–	–	–	–	0.1	–	**0.1**	–	**0.1**
Balance at 29 January 2022	**2.5**	**467.5**	**1,910.6**	**(414.5)**	**0.1**	**(40.2)**	**1,926.0**	**413.6**	**2,339.6**
Profit for the period	–	–	142.5	–	–	–	**142.5**	84.2	**226.7**
Other comprehensive income:									
Exchange differences on translation of foreign operations	–	–	–	–	–	95.9	**95.9**	34.0	**129.9**
Total other comprehensive income	–	–	–	–	–	95.9	**95.9**	34.0	**129.9**
Total comprehensive income for the period	–	–	142.5	–	–	95.9	**238.4**	118.2	**356.6**
Dividends to equity holders	–	–	(24.8)	–	–	–	**(24.8)**	(2.8)	**(27.6)**
Put and call options held with non-controlling interests	–	–	–	(19.1)	–	–	**(19.1)**	–	**(19.1)**
Divestment of put options held by non-controlling interests	–	–	–	4.5	–	–	**4.5**	–	**4.5**
Lapsed put options held by non-controlling interests	–	–	–	11.2	–	–	**11.2**	–	**11.2**
Acquisition of non-controlling interest	–	–	(16.9)	–	–	–	**(16.9)**	(16.4)	**(33.3)**
Divestment of non-controlling interest	–	–	–	–	–	–	**–**	(0.3)	**(0.3)**
Non-controlling interest arising on acquisition	–	–	–	–	–	–	**–**	1.6	**1.6**
Share-based payment charge	–	–	–	–	0.2	–	**0.2**	–	**0.2**
Balance at 28 January 2023	**2.5**	**467.5**	**2,011.4**	**(417.9)**	**0.3**	**55.7**	**2,119.5**	**513.9**	**2,633.4**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the 52 weeks ended 28 January 2023

	Note	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Cash flows from operating activities			
Profit for the period		**226.7**	459.6
Income tax expense	9	**214.2**	195.1
Financial expenses	8	**77.3**	67.9
Financial income	7	**(8.4)**	(1.4)
Depreciation and amortisation of non-current assets	3	**633.2**	579.9
Foreign exchange losses/(gains) on monetary assets and liabilities		**2.5**	(2.1)
Impairment of other intangibles and non-current assets	3	**3.4**	13.2
Loss on disposal of non-current assets	3	**5.1**	3.5
Other adjusted items	4	**407.3**	287.0
Impairment of goodwill and fascia names	3, 4	**117.6**	–
Impairment of investments in associates and joint ventures	3, 4	**19.6**	–
Impairment of other non-current assets	3, 4	**6.0**	5.5
Share of profit of equity-accounted investees (net of tax)	16	**(4.9)**	(3.2)
Increase in inventories		**(501.3)**	(31.8)
Increase in trade and other receivables		**(42.2)**	(69.3)
Increase in trade and other payables		**177.1**	69.8
Interest paid	8	**(8.4)**	(8.4)
Lease interest	8, 15	**(68.9)**	(59.5)
Income taxes paid		**(174.4)**	(244.1)
Net cash from operating activities		**1,081.5**	1,261.7
Cash flows from investing activities			
Interest received	7	**8.4**	1.4
Proceeds from sale of non-current assets		**11.5**	7.8
Investment in software	13	**(19.9)**	(14.9)
Acquisition of property, plant and equipment	14	**(326.6)**	(227.3)
Acquisition of non-current other assets	17	**(12.8)**	(5.7)
Drawdown of lease liabilities	31	**7.5**	5.4
Dividends received from equity-accounted investees	16	**3.4**	6.9
Cash consideration of disposals (net of cash disposed)	12	**59.6**	–
Deferred consideration paid		**(29.2)**	–
Investment in associates and joint ventures	16	**(2.8)**	(57.2)
Acquisition of subsidiaries (net of cash acquired)	11	**(20.0)**	(559.3)
Net cash used in investing activities		**(320.9)**	(842.9)
Cash flows from financing activities			
Repayment of interest-bearing loans and borrowings		**(37.4)**	(513.3)
Drawdown of interest-bearing loans and borrowings		**15.5**	303.7
Repayment of lease liabilities	15, 31	**(400.5)**	(356.2)
Proceeds received from issue of shares		**–**	455.9
Divestment of non-controlling interests		**0.1**	43.1
Acquisition of non-controlling interests		**(29.3)**	(0.1)
Equity dividends paid	28	**(24.8)**	(14.9)
Dividends paid to non-controlling interests in subsidiaries		**(2.8)**	(1.8)
Net cash used in financing activities		**(479.2)**	(83.6)
Net increase in cash and cash equivalents	31	**281.4**	335.2
Cash and cash equivalents at the beginning of the period	31	**1,280.4**	948.7
Foreign exchange losses on cash and cash equivalents	31	**(12.9)**	(3.5)
Cash and cash equivalents at the end of the period	31	**1,548.9**	1,280.4

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

1. Basis of Preparation

General Information
JD Sports Fashion Plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. The financial statements for the 52 week period ended 28 January 2023 represent those of the Company and its subsidiaries (together referred to as the 'Group'). The financial statements were authorised for issue by the Board of Directors on 22 May 2023.

Basis of Preparation
These Group financial statements were prepared in accordance with UK-adopted International Accounting Standards.

The financial statements are presented in Pounds Sterling, rounded to the nearest tenth of a million. The financial statements have been prepared under the historical cost convention, as modified for financial assets and liabilities (including derivative instruments) at fair value through the Consolidated Income Statement and also put and call options held by the non-controlling interests.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and have been applied consistently by all Group entities. The Group has changed the presentation of certain items for the financial period ended 28 January 2023 by disaggregating elements of the Consolidated Income Statement and Consolidated Statement of Financial Position. The primary aim of this was to separate significant items and / or to facilitate the cross-referencing to other disclosures within the financial statements. This includes, but is not limited to, the share of profit of equity-accounted investees in the Consolidated Income Statement and the put and call option liabilities and investments in associates and joint ventures in the Consolidated Statement of Financial Position.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 12 to 111. In addition, details of financial instruments and exposures to interest rate, foreign currency, credit and liquidity risks are outlined in Note 22.

Going Concern
The Directors have prepared the Group and the Company financial statements on a going concern basis for the following reasons:

At 28 January 2023, the Group had net cash balances of £1,469.3 million (29 January 2022: £1,185.9 million) with available committed UK borrowing facilities of £700 million (29 January 2022: £700 million) of which £nil (29 January 2022: £nil) has been drawn down and US facilities of approximately $300 million of which $nil was drawn down (29 January 2022: $nil). These facilities are subject to certain covenants. With a UK facility of £700 million available up to 6 November 2026 and a US facility of approximately $300 million available up until 24 September 2026, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Group had net cash balances of £1,127.2 million and £nil drawn down on the facilities as at 5 May 2023.

The Directors have prepared cash flow forecasts for the Group covering a period of at least 12 months from the date of approval of the Group and Company financial statements, including specific consideration of a range of impacts that could arise from geopolitical tensions and the actual and potential impact on inflationary cost pressures. These forecasts indicate that the Group and Company will be able to operate within the level of its agreed facilities and covenant compliance. A reverse stress test has also been performed on these forecasts, which demonstrates that a reduction in revenue of 50% is required for the Group to run out of cash and be fully drawn down on the available facilities. This is not considered to be plausible.

For the purposes of Going Concern Reporting, the Directors have prepared severe but plausible downside scenarios which cover the same period as the base case, including specific consideration of a range of impacts that could arise from a significant business continuity event adversely impacting one of the Group's main Distribution Centres and peak trading. Further, the Directors have modelled the impact of a significant cyber-attack resulting in a significant proportion of the Group's stores being unable to trade for a period of one month, impacting the peak trading period of December 2023.

As part of this analysis, mitigating actions within the Group's control, should these severe but plausible scenarios occur, have also been considered, including reductions in capital expenditure, discretionary spend and dividends. The Directors have also considered the impact on the base case of the post balance sheet event buy or sell notice re Iberian Sports Retail Group S.L. as disclosed in Note 35.

These forecast cash flows in the severe but plausible downside scenario indicate that there remains sufficient headroom for the Group to operate within the committed facilities and to comply with all relevant banking covenants during the forecast period.

The Directors have considered all of the factors noted above and are confident that the Group and the Company has adequate resources to continue to meet all liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

1. Basis of Preparation continued

Basis of Consolidation

I. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the equity attributable to holders of the parent. Non-controlling interests consist of the amount of those interests at the date that control commences and the attributable share of changes in equity subsequent to that date.

II. Associates and Joint Ventures

The Group's interests in equity-accounted investees comprise interests in associates and interests in joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control over the financial and operating policies based on a contractual arrangement.

Interests in associates and joint ventures are accounted for using the equity method and are initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

III. Transactions Eliminated on Consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

IV. Employee Benefit Trust

An Employee Benefit Trust is operated by the Group and Company which is considered to be a special purpose entity in which the substance of the relationship is that of control by the Group in order that the Group may benefit from its control. The assets held by the trust are consolidated into the Group.

Changes in Ownership Interest Without a Loss of Control

In accordance with IFRS 10 'Consolidated Financial Statements', upon a change in ownership interest in a subsidiary without a loss of control, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent. Acquisitions or disposals of non-controlling interests are therefore accounted for as transactions with owners in their capacity as owners and no goodwill is recognised as a result of such transactions.

Alternative Performance Measures

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by International Accounting Standards ('IAS') in conformity with the requirements of the Companies Act 2006 and in accordance with UK-adopted International Accounting Standards. These alternative performance measures may not be directly comparable with other companies' alternative performance measures and the Directors do not intend these to be a substitute for, or superior to, IFRS measures. The Directors believe that these alternative performance measures assist in providing additional useful information on the trading performance of the Group.

Alternative Performance Measures are also used to enhance the comparability of information between reporting periods, by accounting for adjusted items. Adjusted items are disclosed separately when they are considered unusual in nature and not reflective of the trading performance and profitability of the Group. The separate reporting of adjusted items, which are presented as adjusted within the relevant category in the Consolidated Income Statement, helps provide an indication of the Group's trading performance. An explanation as to why items have been classified as adjusted is given in Note 4. Further information can be found in the Alternative Performance Measures section on page 48.

Adoption of New and Revised Standards

The following amendments to accounting standards and interpretations, issued by the International Accounting Standards Board ('IASB'), have been adopted for the first time by the Group in the period with no significant impact on the consolidated results or financial position:

- Amendments to IFRS 3 'Business Combinations'.
- Amendments to IAS 16 'Property, Plant and Equipment'.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.
- Amendments to IFRS 9 'Financial Instruments'.

Other

The Group continues to monitor the potential impact of other new standards and interpretations which may be endorsed and require adoption by the Group in future reporting periods. The Group does not consider that any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the financial statements.

1. Basis of Preparation continued

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with adopted IFRSs 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 estimates and judgements disclosed below are those which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities. All other accounting estimates and judgements are disclosed within the relevant accounting policy in the notes to the financial statements.

Change in Critical Accounting Estimate – Material Put and Call Options (Genesis Put and Call Option £801.1 million, ISRG Put Option £138.6 million and MIG Put and Call Option £52.4 million)

Put and call options are in place over all of the remaining non-controlling interest shareholding in these subsidiaries and these options are required to be measured at the present value of the exercise price and this is reassessed at each period end.

Previous Accounting Estimate

In previous financial periods, the Group estimated the present value of the exercise price of the put and call options using Board approved forecasts multiplied by an earnings multiple. The option formula and multiple are stated in the option agreements with the exception of the ISRG option which does not have a multiple stated in the agreement. In the absence of a specified formula or multiple, the Group estimated this based on current evidence in the Mergers & Acquisitions market and our past experience of multiples paid for similar businesses. These forecast cash flows were discounted using a discount rate reflecting the current market assessment of the time value of money and any specific risk premiums relevant to the individual businesses involved. These discount rates were considered to be equivalent to the rates a market participant would use.

Current Accounting Estimate

For the 52 week period ended 28 January 2023, a change in the accounting estimation methodology was introduced using a third-party valuation expert to independently determine the present value of the exercise price of the material put and call options. The revised approach uses a Monte-Carlo simulation model applying a geometric Brownian motion to project the share price and arithmetic Brownian motion for the projection of EBITDA. This was considered to be a more suitable method of valuation given how material the put and call options are in terms of value and the Directors consider that this statistical based approach better accounts for the variability in assumptions and risk. Previously, the Group used a singular forecast model whereby the risk was dealt with via the discount rate premia. The Monte-Carlo model is considered to be more sophisticated in its simulation of historical and forecast data and earnings volatility to assess potential impacts across a wide range of future scenarios. See Note 23 for the full accounting policy.

Change in Accounting Estimate

The change in accounting estimate has resulted in an increase to the total put and call option liability for the three material put and call options in relation to Genesis, MIG and ISRG of £170.6 million compared to the total put and call option liability calculated using the previous accounting estimate of £890.6 million as at 28 January 2023. The Group considers that the change in accounting estimate was a result of a modification in estimating techniques, rather than a change in policy and therefore is accounted for prospectively, in accordance with IAS 8.

Other Accounting Judgements

Groups of Cash-Generating Units ('Group CGUs')

The cash-generating units used to monitor goodwill and test it for impairment are the store portfolios and individual businesses. The cash-generating units are referred to throughout the Annual Report as Group CGUs. Online sales channels are included at a Group CGU level rather than allocating to individual stores as these cashflows are not considered to be independent with no reasonable basis of allocation. Corporate assets that contribute to the future cash flows of more than one Group CGU are allocated to each Group CGU on a pro-rata basis based on forecast turnover. This allocation method has been applied consistently.

Other Accounting Estimates

Impairment of Goodwill and Other Intangible Assets

Goodwill is allocated to the groups of cash-generating units ('Group CGUs'), that are expected to benefit from the synergies of the business combination from which goodwill arose, being portfolios of stores or individual businesses. Other intangible assets arising on acquisition, such as fascia names, brand names and customer relationships are also allocated to the Group CGUs. The recoverable amount, including the portion of the corporate assets, is compared with the carrying amount of the Group CGU including goodwill. The recoverable amount of an asset or Group CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or Group CGU.

1. Basis of Preparation continued

Other Accounting Estimates continued

Impairment of Goodwill and Other Intangible Assets continued

See page 202 for further information regarding the impairment of goodwill recognised during the period ended 28 January 2023. Pages 206 to 208 of Note 13 also include further disclosure on the carrying value of the Group CGUs, a review of the key assumptions used and the sensitivity analysis performed.

Impairment of Brand Licences

At each reporting date, the Group reviews the carrying amounts of its brand licences to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognised within administrative expenses in the Consolidated Income Statement. The recoverable amount of brand licences is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the relevant asset until the licence expiry date and the choice of a suitable discount rate in order to calculate the present value.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of price discounts and sales related taxes.

Goods Sold Through Retail Stores and Trading Websites

In the case of goods sold through retail stores and trading websites, revenue is recognised when goods are sold and the title has passed, less provision for returns. A separate right of return asset is recognised on the face of the Consolidated Statement of Financial Position which represents the right to recover product from the customer. Accumulated experience is used to estimate and provide for such returns at the time of the sale. The refund liability due to customers on return of their goods is recognised in a separate refund liability category. Retail sales are typically paid by cash, debit card or credit card.

- For online sales, title is deemed to have passed when the goods are delivered to the customer.
- For online click and collect orders, where the customer pays online but collects in store, title is deemed to have passed when the goods are collected by the customer.
- For reserve and collect orders, where the customer reserves online but pays at the point of collection from the store, the title is deemed to have passed when the goods are collected by the customer.

During the 52 week period ended 28 January 2023, management reviewed its accounting for the delivery income relating to online sales. Consequently, in the current period, £64.7 million of delivery income relating to online sales has been shown as revenue. In the prior period, the delivery income of £69.1 million was included within selling and distribution expenses (as a credit). The prior period has not been restated as the amount of the delivery income was not considered to be material.

Wholesale Revenue

Wholesale revenue is recognised when goods are dispatched and the title and control over a product have passed to the customer. In some instances, goods are sold with a right of return. Where wholesale goods are sold with a right of return, a provision is made to estimate the expected level of returns based on accumulated experience and historical rates. A separate right of return asset is recognised on the face of the Consolidated Statement of Financial Position which represents the right to recover product from the customer. The refund liability due to customers on return of their goods is recognised in a separate refund liability category. Wholesale sales are either settled by cash received in advance of the goods being dispatched or made on agreed credit terms.

Subscription and Joining Fee Revenue

Revenue from the sale of fitness and leisure club memberships is recognised in the period the membership relates to. Where there are specific obligations attached to joining fees, the income related to this is recognised in the period in which membership commences since the performance obligation attached to that income is satisfied in that period. Where there are no specific performance obligations attached to joining fees, these are recognised over time, on a straight-line basis over the expected duration of the membership. For new club openings, memberships are sold and joining fees are collected in the period before the new club is opened. Membership income received in advance of the club opening is deferred until the club is open and then recognised on an accruals basis over the related membership period.

Discount Card Revenue

Income from the sale of annual discount cards is accounted for on a systematic basis over the estimated life of the card. The life of the card is estimated by using the profile of the spend on these cards.

Gift Cards

The initial sale of a gift card is treated as an exchange of tender with the revenue recognised when the cards are redeemed by the customer. Revenue from gift card breakage is recognised when the likelihood of the customer utilising the gift card becomes remote.

1. Basis of Preparation continued

Other Accounting Policies

Sales Commission

Sales commission is presented separately in the Consolidated Income Statement and is received in relation to products advertised on Group trading websites where the goods are delivered to the customer directly by the third-party supplier.

Provisions to Write Inventories Down to Net Realisable Value

The Group makes provisions for obsolescence, mark downs and shrinkage based on historical experience, 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.

Government Support

Government support is recognised in the Consolidated Financial Statements when it can be reliably measured, which the Group considers to be on receipt. In accordance with IAS 20 'Government Grants', £nil furlough income was received by the Group's UK subsidiaries during the 52 week period ended 28 January 2023 (52 week period ended 29 January 2022: £24.4 million) and £nil income was received by the Group's international subsidiaries (2022: £7.5 million).

Income received in the previous period has been shown as a deduction from employed staff costs. Further, £nil rates relief was received by the Group's UK subsidiaries during the 52 week period ended 28 January 2023 (2022: £31.0 million). Rates relief received in the previous period has been shown as a deduction from selling and distribution costs. During the period, the Group's international subsidiaries received £3.9 million of government support in relation to rent charges (2022: £nil) which has been recognised within other operating income. During the 52 week period ended 28 January 2023, the Group repaid the £24.4 million of furlough income that it received from the UK Government in the 52 week period ended 29 January 2022. The repayment was accrued for as at 29 January 2022 and was shown as an expense within employed staff costs.

Valuation of Rolling Leases

In applying IFRS 16 'Leases', the Group has applied judgement to determine the lease term for certain lease contracts in which the Group is a lessee that either have no specified end date, or where the Group continues to occupy the property despite the contractual lease end date having passed. In determining the lease term, the Group takes into consideration its commercial strategy on a store by store basis and the future intentions of the Group regarding the duration of continuing occupation of the property. For lease contracts falling into these parameters, the associated lease liability is calculated at the present value of the minimum lease payments over the estimated lease term, discounted at the Group's incremental cost of borrowing. A corresponding right-of-use asset is also recognised.

Share-Based Payments

The Executive Directors receive an element of remuneration in the form of share-based payments. Share-based payments are measured at fair value at the grant date which is determined by the share price on that date. The cost of share-based payments is recognised as an expense, together with a corresponding increase in equity, on a straight-line basis over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. Further information is available in the Directors' Remuneration Report on page 148 and Note 5.

An Employee Benefit Trust ('EBT') has been established to facilitate the acquisition of ordinary shares to fund share awards made to employees. The assets and liabilities of the EBT have been included in the Group and Company accounts. The assets of the EBT are held separately from those of the Company. The Group Consolidated Statement of Comprehensive Income does not recognise gains or losses on purchases or sales of own shares. The cost of shares acquired by the EBT is recognised within equity. The Trustee of the EBT has agreed to waive its rights to any and all dividends paid.

Assets Held-for-Sale and Disposals

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets or investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in the Consolidated Income Statement. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated. On disposal the balances are derecognised and the profit or loss on disposal is recognised in the Consolidated Income Statement as an adjusted item.

Supplier Rebates

Supplier rebates include promotion cost contributions and marketing initiative support and are recognised in the Consolidated Financial Statements when they are contractually agreed with the supplier and can be reliably measured. Such rebates typically relate to the launch of such initiatives and therefore rebate income is typically recognised across the period in which launch costs are recognised. Contributions towards store fixtures are recognised by way of a reduction in the related capital expenditure and therefore spread across the period in which the underlying assets are depreciated. Other rebates are agreed with suppliers retrospectively once specific targets have been achieved and recognised after the end of the relevant supplier's financial year. Rebates are recognised within administrative expenses to the extent that the rebates relate to costs similarly recognised within administrative expenses.

1. Basis of Preparation continued

Provisions and Contingent Liabilities

The activities of the Group are overseen by a number of regulators around the world and, whilst the Group strives to ensure full compliance with all its regulatory obligations, periodic reviews are inevitable which may result in a financial penalty. If the risk of a financial penalty arising from one of these reviews is more than remote but not probable or cannot be measured reliably then the Group will disclose this matter as a contingent liability. If the risk of a financial penalty is considered probable and can be measured reliably then the Group would make a provision for this matter.

Climate Change

In preparing the Consolidated Financial Statements, the Group has considered the potential impact of climate change, primarily focusing on the non-current assets within the Consolidated Statement of Financial Position:

- The property, plant and equipment and right-of-use assets have relatively short useful lives and those longer-life assets such as warehouses and head offices are in locations that the Group would not expect to be physically impacted by climate change. Further, the assets of the Group are geographically spread, reducing the risk further.
- The Group assess the intangible assets for indicators of impairment on an annual basis. As part of this assessment, the forecast cash flows include capital expenditure budgets in relation to climate-related investments such as solar or building management systems.
- The Group's investments in joint ventures and associates comprise our equity investments. These businesses operate in the same sector as the Group and have a similar asset profile. There are no indicators of a specific climate-related material risk in relation to the investment in these businesses.
- The other non-current assets were also reviewed and no risk was identified.

In conclusion, there has been no material impact on the financial statements, judgements or estimates as a result of climate change. Our Task Force on Climate-related Financial Disclosures ('TCFD') section on page 64 provides further detail about how the Group identifies, assesses and manages climate-related risks and opportunities.

2. Segmental Analysis

IFRS 8 'Operating Segments' requires the Group's segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker to allocate resources to the segments and to assess their performance. The Chief Operating Decision Maker is considered to be the Chief Executive Officer of JD Sports Fashion Plc. Information reported to the Chief Operating Decision Maker is focused on the nature of the businesses within the Group. The Group's operating and reportable segments under IFRS 8 are Sports Fashion and Outdoor. In accordance with IFRS 8.12, we have aggregated several operating segments with similar economic characteristics into a larger Sports Fashion operating segment and concluded that, in doing so, the aggregation is still consistent with the core principles of IFRS 8.

When aggregating the operating segments into the larger Sports Fashion operating segment, we have primarily taken into consideration:

- IFRS 8.12.a the nature of products or services;
- IFRS 8.12.c type or class of customer; and
- IFRS 8.12.d the methods used to distribute their products.

The entities included in the Sports Fashion operating segment have similar characteristics as well-established, leading retailers or wholesalers of footwear, apparel and accessories from a mix of international sports fashion brands and private labels. When determining what to include within the Sports Fashion segment, we have considered that the fascias all target a similar demographic in terms of both age range and an aspiration to achieve a certain style, whether the product is to be used for lifestyle wear or active sports participation. The entities typically have similar economic characteristics in terms of sales metrics, long-term average gross margins, levels of capital investment and operating cash flows. The Outdoor segment differs from the Sports Fashion segment in that Outdoor is focused on retailing specialist apparel, footwear and technical products for outdoor pursuits. Further, the Outdoor segment typically appeals to an older and/or family-oriented demographic as compared with the younger and more style-focused demographic targeted by the Sports Fashion businesses.

The Chief Operating Decision Maker receives and reviews segmental operating profit. Certain central administrative costs including Group Directors' salaries are included within the Group's Sports Fashion result. This is consistent with the results as reported to the Chief Operating Decision Maker.

IFRS 8 requires disclosure of information regarding revenue from major customers. The majority of the Group's revenue is derived from the retail of a wide range of apparel, footwear and accessories to the general public. As such, the disclosure of revenues from major customers is not appropriate.

The Board considers that certain items are cross-divisional in nature and cannot be allocated between the segments on a meaningful basis. Certain net funding costs are treated as unallocated, reflecting the nature of the Group's syndicated borrowing facilities. The eliminations remove intercompany transactions and balances between different segments which primarily relate to the net drawdown of long-term loans and short-term working capital funding provided by JD Sports Fashion Plc (within Sports Fashion) to other companies in the Group, and intercompany trading between companies in different segments. Inter-segment transactions are undertaken in the ordinary course of business on arm's length terms.

2. Segmental Analysis continued

Information regarding the Group's reportable operating segments for the 52 weeks to 28 January 2023 is shown below:

Income statement	Sports Fashion £m	Outdoor £m	Unallocated £m	Total £m
Gross revenue	9,560.9	564.1	–	**10,125.0**
Inter-segment revenue	(0.3)	0.3	–	**–**
Revenue	9,560.6	564.4	–	**10,125.0**
Gross profit %	48.1%	42.2%	–	**47.8%**
Operating profit before adjusted items	1,043.5	16.8	–	**1,060.3**
Adjusted items	(510.7)	(39.8)	–	**(550.5)**
Operating profit/(loss)	532.8	(23.0)	–	**509.8**
Financial income	–	–	8.4	**8.4**
Financial expenses	(66.1)	(2.8)	(8.4)	**(77.3)**
Profit/(loss) before tax	466.7	(25.8)	–	**440.9**
Income tax expense				**(214.2)**
Profit for the period				**226.7**

Total assets and liabilities	Sports Fashion £m	Outdoor £m	Eliminations £m	Total £m
Total assets	7,756.2	462.1	(193.6)	**8,024.7**
Total liabilities	(5,185.2)	(399.7)	193.6	**(5,391.3)**
Total segment net assets	2,571.0	62.4	–	**2,633.4**

Other segment information	Sports Fashion £m	Outdoor £m	Total £m
Capital expenditure:			
Software development	19.9	–	**19.9**
Brand licences	78.4	–	**78.4**
Property, plant and equipment	305.6	21.0	**326.6**
Right-of-use assets	372.8	35.6	**408.4**
Non-current other assets	12.8	–	**12.8**
Depreciation, amortisation and impairments:			
Amortisation of intangible assets	71.6	4.4	**76.0**
Depreciation of property, plant and equipment	154.1	7.9	**162.0**
Depreciation of right-of-use assets	372.2	23.0	**395.2**
Impairment of non-current assets (adjusted items)	83.8	39.8	**123.6**
Impairment of investment in associates and joint ventures (adjusted items)	19.6	–	**19.6**
Impairment of non-current assets (non-adjusted items)	3.4	–	**3.4**

2. Segmental Analysis continued

The comparative segmental results for the 52 weeks to 29 January 2022 are shown below:

Income statement	Sports Fashion £m	Outdoor £m	Unallocated £m	**Total £m**
Gross revenue	8,049.7	513.3	–	**8,563.0**
Inter-segment revenue	(0.1)	0.1	–	**–**
Revenue	8,049.6	513.4	–	**8,563.0**
Gross profit %	49.5%	43.9%	–	**49.1%**
Operating profit before adjusted items	985.5	28.2	–	**1,013.7**
Adjusted items	(292.5)	–	–	**(292.5)**
Operating profit	693.0	28.2	–	**721.2**
Financial income	–	–	1.4	**1.4**
Financial expenses	(57.2)	(2.3)	(8.4)	**(67.9)**
Profit/(loss) before tax	635.8	25.9	(7.0)	**654.7**
Income tax expense				**(195.1)**
Profit for the period				**459.6**

Total assets and liabilities	Sports Fashion (restated) £m	Outdoor (restated) £m	Unallocated (1) (restated) £m	Eliminations £m	**Total £m**
Total assets	6,762.6	422.0	–	(116.0)	**7,068.6**
Total liabilities	(4,517.8)	(327.2)	–	116.0	**(4,729.0)**
Total segment net assets	2,244.8	94.8	–	–	**2,339.6**

(1) Certain prior period amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations. A presentational adjustment was made between Unallocated, Sports Fashion and Outdoor, with amounts reported in the 2022 financial statements previously designated as Unallocated now designated to either Sports Fashion or Outdoor. These items were a deferred tax asset of £81.7 million, a deferred tax liability of £127.4 million and an income tax receivable of £0.6 million.

Other segment information	Sports Fashion £m	Outdoor £m	**Total £m**
Capital expenditure:			
Software development	14.9	–	**14.9**
Brand licences	5.2	–	**5.2**
Property, plant and equipment	221.8	5.5	**227.3**
Right-of-use assets	467.6	54.4	**522.0**
Non-current other assets	5.7	–	**5.7**
Depreciation, amortisation and impairments:			
Amortisation of intangible assets	59.4	4.0	**63.4**
Depreciation of property, plant and equipment	149.3	8.9	**158.2**
Amortisation of non-current other assets	0.1	–	**0.1**
Depreciation of right-of-use assets	341.6	16.6	**358.2**
Impairment of non-current assets (adjusted items)	5.5	–	**5.5**
Impairment of non-current assets (non-adjusted items)	12.0	1.2	**13.2**

2. Segmental Analysis continued

Geographical Information

The Group's operations are located in the UK, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Israel, Italy, Latvia, Lithuania, Malaysia, the Netherlands, New Zealand, Poland, Portugal, the Republic of Ireland ('ROI'), Romania, Serbia, Singapore, Slovakia, Slovenia, South Korea, Spain and the Canary Islands, Sweden, Thailand, the UAE and the US.

The following table provides analysis of the Group's revenue by geographical market, irrespective of the origin of the goods/services:

Revenue	**52 weeks to 28 January 2023 £m**	52 weeks to 29 January 2022 £m
UK & ROI	**3,826.7**	3,578.5
Europe	**2,659.9**	2,046.7
North America	**3,150.1**	2,609.2
Rest of world	**488.3**	328.6
	10,125.0	8,563.0

The revenue from any individual country, with the exception of the UK and US, is not more than 10% of the Group's total revenue.

Revenue by channel

Revenue	**52 weeks to 28 January 2023 £m**	52 weeks to 29 January 2022 £m
Retail stores	**7,345.6**	5,668.5
Multichannel	**2,460.8**	2,623.1
Other (1)	**318.6**	271.4
	10,125.0	8,563.0

(1) Other relates to revenue from leisure club memberships and wholesale.

Revenue by product type

Revenue	**52 weeks to 28 January 2023 £m**	52 weeks to 29 January 2022 £m
Footwear	**5,471.4**	4,590.4
Apparel	**3,560.6**	3,199.9
Accessories	**629.6**	540.6
Other (2)	**463.4**	232.1
	10,125.0	8,563.0

(2) Other relates to revenue from sales of outdoor living equipment, delivery income and revenue from leisure club memberships.

The following is an analysis of the carrying amount of segmental non-current assets by the geographical area in which the assets are located.

Non-current assets	**52 weeks to 28 January 2023 £m**	52 weeks to 29 January 2022 restated(3) £m
UK & ROI	**1,222.2**	1,239.8
Europe	**1,449.5**	1,348.1
North America	**1,758.8**	1,643.6
Rest of world	**158.5**	160.6
	4,589.0	4,392.1

(3) Certain prior period amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations. A presentational adjustment was made between Unallocated and the geographical areas listed above with the deferred tax asset of £81.7 million reported in the 2022 financial statements previously designated as Unallocated now designated to the appropriate geographical area.

3. Profit Before Tax

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Profit before tax is stated after charging:		
Auditor's remuneration:		
Audit of these financial statements (KPMG LLP)(1)	**4.0**	2.2
Amounts receivable by the Company's Auditor (KPMG LLP) and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	**2.2**	2.1
Interim review	**0.2**	0.1
Depreciation and amortisation of non-current assets:		
Depreciation of property, plant and equipment	**162.0**	158.2
Depreciation of right-of-use assets	**395.2**	358.2
Amortisation of intangible assets	**76.0**	63.4
Amortisation of non-current other assets – owned	**–**	0.1
Impairments of non-current assets:		
Property, plant and equipment (adjusted items)	**1.4**	2.5
Property, plant and equipment (non-adjusted items)	**0.1**	4.8
Right-of-use assets (adjusted items)	**4.5**	–
Right-of-use assets (non-adjusted items)	**0.3**	3.1
Goodwill and fascia names (adjusted items)	**117.6**	–
Goodwill and fascia names (non-adjusted items)	**–**	2.4
Other intangible assets (adjusted items)	**0.1**	–
Other intangible assets (non-adjusted items)	**–**	2.9
Non-current other assets (adjusted items)	**–**	3.0
Non-current other assets (non-adjusted items)	**3.0**	–
Impairment of investment in joint ventures and associates (adjusted)	**19.6**	–
Loss on disposal of non-current assets (unadjusted)	**5.1**	3.5
Rentals payable under non-cancellable operating leases for:		
Land and buildings – variable lease payments(2)	**91.3**	86.6
Land and buildings – short-term and low-value leases(2)	**3.4**	5.2
Plant and equipment – short-term and low-value leases(2)	**0.4**	4.3
Other charges:		
Movement in the present value of put and call option liabilities	**296.2**	292.7
Movement in the fair value of forward contracts	**32.2**	–
Foreign exchange loss recognised	**3.7**	–
Provision related to CMA investigation into the sale of the Rangers FC branded replica football shirts	**–**	2.0
The penalty decision issued by the CMA in relation to a breach of the Interim Order imposed as part of the CMA's review of the Group's acquisition of Footasylum Ltd	**–**	4.7
Profit before tax is stated after crediting:		
Sales commission received	**6.5**	10.6
Share of profit of equity-accounted investees	**4.9**	3.2
Other operating income	**22.1**	13.4
Movement in the fair value of forward contracts	**–**	37.0
Foreign exchange gain recognised	**–**	11.6

(1) The £3.9 million current period audit fee includes £0.7 million of prior period fees that were agreed after the financial statements for the period ended 29 January 2022 were signed. The auditor's remuneration in the period ended 29 January 2022 also included £1.6 million for the additional work performed in relation to the matters outlined in the 2021/22 Audit & Risk Committee report commencing on page 108 of the 2021/22 Annual Report and Accounts.

In addition to the above, fees of £0.2 million (2022: £0.1 million) were incurred and paid to KPMG LLP by Pentland Group Limited in relation to the non-coterminous audit of the Group for the purpose of inclusion in its consolidated financial statements for the 12 month period to December 2022. Further, fees of £32,000 (2022: £10,000) were incurred and paid to KPMG LLP for non-audit services.

(2) Since transition to IFRS 16 on 2 February 2019, only lease rentals in relation to variable lease payments, low-value assets or short-term leases have been charged to the Consolidated Income Statement. The variable lease payments shown above relate to turnover rents which are impacted by changes in sales at certain stores where the lease includes an element of turnover rent.

4. Adjusted Items

For the financial period ended 28 January 2023, the Group has used the term 'adjusted items' as opposed to 'exceptional items' as used in previous financial periods and the definitions of adjusted items have also been updated. These updates are intended to provide greater clarity over what is classified as an adjusted item and, by being more specific in terms of defining adjusted items, results in the provision of more relevant information with greater comparability between financial periods.

The Group exercises judgement in assessing whether items should be classified as adjusted items. This assessment covers the nature of the item, cause of occurrence and scale of impact of that item on the reported performance. In determining whether an item should be presented as adjusted items, the Group considers items which are significant because of either their size or their nature. In order for an item to be presented as adjusted items, it should typically meet at least one of the following criteria:

- Impairments of intangible assets and investments recognised on acquisition.
- It is unusual in nature or outside the normal course of business (for example, the movement in the present value of put and call options).
- Items directly incurred as a result of either an acquisition or a divestment, or arising from a major business change or restructuring programme.

The separate reporting of items, which are presented as adjusted items within the relevant category in the Consolidated Income Statement, helps provide an indication of the Group's trading performance in the normal course of business. The tax impact of these adjusted items is shown in Notes 9 and 10.

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Impairments of intangible assets and investments (1)	**137.2**	–
Items that are unusual in nature or outside the normal course of business:		
Movement in present value of put and call options (2)	**296.2**	292.7
Insurance settlement for DTLR (3)	**–**	(16.6)
Items as a result of acquisitions, divestments, major business changes or restructuring:		
Divestment and restructuring (4)	**129.6**	16.4
Deferred consideration release (5)	**(12.5)**	–
Administrative expenses – adjusted items	**550.5**	292.5

(1) The impairment in the current period primarily relates to the impairment of goodwill and fascia name arising on the acquisition of Deporvillage (£24.7 million), Hairburst (£21.6 million), Leisure Lakes (£21.1 million), Wheelbase (£18.7 million), Bodytone (£12.4 million), Missy Empire (£10.2 million), Livestock (£7.1 million), Wellgosh (£1.0 million), Oi Polloi (£0.7 million) and Philip Browne (£0.1 million). In addition there is an impairment charge for the investment in Gym King of £19.6 million.

(2) Movement in the present value of the liabilities in respect of put and call options which are remeasured at each reporting date (£295.0 million, see Note 23), comprising Genesis Topco Inc charge of £280.8 million (2022: charge of £258.7 million), Iberian Sports Retail Group charge of £19.6 million (2022: charge of £31.6 million), Marketing Investment Group S.A: charge of £0.5 million (2022: charge of £1.7 million) and a credit of £5.9 million (2022: charge of £0.7 million) in relation to the other put and call options held by non-controlling interests. Also included is a charge of £1.2 million relating to an element of put and call option agreements that have been treated as a long term employee benefit under IAS 19 (see Note 6 for further details).

(3) Insurance settlement proceeds in the prior period related to a pre-acquisition claim for business interruption by DTLR Villa LLC. As the claim was a contingent asset at the date of acquisition, this was not recognised in the assets acquired in the fair value table in Note 11.

(4) The divestment and restructuring charge relates to the divestment of UK-based non-core fashion business assets (£106.7 million, see Note 12) and Footasylum (£14.8 million, see Note 12) plus the closure costs associated with JD's announced withdrawal from the South Korean market in the current period (£8.1 million, being business restructuring costs of £2.1 million and a charge of £6.0 million in relation to the impairment of non-current assets). (2022: The impact of the restructuring of Spodis SA in the prior period, including a charge of £5.5 million in relation to the impairment of tangible assets and business restructuring costs of £10.9 million).

(5) Acquisition related release of contingent consideration for Leisure Lakes (£10.5 million) and Total Swimming Holdings Limited (£2.0 million).

5. Remuneration of Directors

JD Sports Fashion Plc LTIP 2021

The Executive Directors' Remuneration Policy, approved at the Annual General Meeting on 1 July 2021, states that the Long-term Incentive Plan ('LTIP') awards will be a hybrid of cash and share awards. On 20 October 2021, the Executive Directors were granted awards under the JD Sports Fashion Plc LTIP 2021 as follows:

Executive Director	**Number of shares granted**	Share price at the grant date (p)
Peter Cowgill	**409,275**	210.8
Neil Greenhalgh	**53,225**	210.8

On 20 October 2021, Peter Cowgill was granted 81,855 shares and Neil Greenhalgh was granted 10,645 shares. The number of shares disclosed in the table above have been restated to reflect the 5:1 share sub-division effective 30 November 2021. These options were due to vest on the fifth anniversary of the grant date. The total expense recognised in the financial period ended 29 January 2022 arising from equity-settled share-based payment transactions was £0.1 million.

Following his departure, as announced on 25 May 2022, the LTIP award for Peter Cowgill lapsed on cessation in accordance with the Directors' Remuneration Policy. The share-based payments were treated as a forfeiture because the service period vesting condition had not been met and accordingly £0.1 million of expense was reversed.

5. Remuneration of Directors continued

Régis Schultz – Buyout Award

As disclosed in an RNS announcement published on 13 January 2023, it was determined that Régis Schultz would receive a buyout award in respect of the cash annual bonus he forfeited from his previous employer on commencement of his employment with the Group. The gross value of the award was £2.2 million and, in line with the Group's Remuneration Policy, the net value of £1.1 million (after the application of tax and social security) was delivered in shares in order to give Régis Schultz a stake in the business and align with the interests of shareholders.

Under IFRS 2, the grant date is defined as 'the date at which the entity and another party (including an employee) agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.' In accordance with IFRS 2, the Board determined that the grant date was 5 September 2022, granting 996,066 shares based on the share price at this date of £1.144 per share. The net shares are subject to continued employment and vest evenly over the four year period following the grant date. Accordingly, the share-based payment expense has been spread evenly over the four year service period, recognising £0.2 million in the 52 week period ended 28 January 2023.

Other

The remuneration of the Executive Directors also includes provision for future LTIP cash payments of £0.6 million (2022: £0.6 million). Further information on Directors' emoluments is shown in the Directors' Remuneration Report on pages 132 to 154.

In the opinion of the Board, the key management as defined under revised IAS 24 'Related Party Disclosures' for the period ended 28 January 2023 and 29 January 2022 was the Executive and Non-Executive Directors. Page 115 of the Directors' Report provides the details of the Directors who served during the financial period. Included in the Strategy section on page 32 are details of the revised organisational structure which was announced after the financial period ended 28 January 2023. This Senior Leadership team will be responsible for planning, directing and controlling the activities of the Group to implement the future strategy announced at the Capital Markets Day on 2 February 2023. This Senior Leadership team will be considered to be key management for the period ending 3 February 2024 and will be disclosed as such in the Annual Report and Accounts for that period.

During the period there was one (2022: one) Director within the defined contribution pension scheme. Full disclosure of the Directors' remuneration is given in the Directors' Remuneration Report on page 132 to 154.

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Directors' emoluments:		
As Non-Executive Directors	**0.8**	0.2
As Executive Directors	**6.1**	3.8
Pension contributions	**–**	–
	6.9	4.0

6. Staff Numbers and Costs

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

	52 weeks to 28 January 2023 Number	52 weeks to 29 January 2022 Number
Sales and distribution	**71,744**	65,127
Administration	**3,405**	2,704
Total average staff employed	**75,149**	67,831
Full-time equivalents	**51,297**	44,488

The aggregate payroll costs of these persons were as follows:

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Wages and salaries	**1,156.1**	1,007.8
Social security costs	**135.5**	107.6
Pension costs	**20.1**	16.8
Other employed staff costs	**18.6**	9.8
	1,330.3	1,142.0

6. Staff Numbers and Costs continued

In addition to the £1,330.3 million of staff costs analysed above, a £1.2 million charge is included within adjusted items (Note 4) relating to the present value movement on put and call options in place as a result of the acquisition of Total Swimming Holdings Limited and the restructure of GymNation (see Note 11). Due to certain leaver clauses, an element of the put and call option is subject to continued service and has therefore been treated as a long-term employee benefit in accordance with IAS 19 'Employee Benefits' and treated as remuneration albeit recognised within adjusted items. The expense will be spread over an eight year service period for Total Swimming Holdings Limited and a three year period for GymNation.

7. Financial Income

Financial income comprises interest receivable on funds invested. Financial income is recognised in the Consolidated Income Statement on an effective interest method.

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Bank interest	**7.1**	1.4
Other interest	**1.3**	–
Financial income	**8.4**	1.4

8. Financial Expenses

Financial expenses comprise interest payable on interest-bearing loans and borrowings. Financial expenses are recognised in the Consolidated Income Statement on an effective interest method.

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
On bank loans and overdrafts	**5.5**	5.6
Amortisation of facility fees	**1.4**	1.4
Lease interest	**68.9**	59.5
Other interest	**1.5**	1.4
Financial expenses	**77.3**	67.9

9. Income Tax Expense

The total tax charge included in the Group Income Statement consists of current and deferred tax.

Current Income Tax

Current tax is the expected tax payable on taxable income for the financial period, using the applicable enacted tax rates in each relevant jurisdiction. Tax expense is recognised in the Group Income Statement except to the extent it relates to items recognised in the Group Statement of Comprehensive Income/(Loss) or directly in the Group Statement of Changes in Equity, in which case it is recognised in the relevant statement, respectively.

Deferred Tax

Deferred tax is accounted for using the balance sheet liability method, by providing for temporary differences that arise between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- Goodwill not deductible for tax purposes.
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profit.
- Differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the Group Income Statement, except when it relates to items charged or credited directly to the Group Statement of Changes in Equity or the Group Statement of Comprehensive Income/(Loss), in which case the deferred tax is recognised in the relevant statement, respectively.

Deferred tax assets are reviewed at each reporting date. In considering their recoverability, the Group assesses the likelihood of them being recovered within a reasonably foreseeable timeframe and considers the future expected profit profile and business model of each relevant company or country, together with any legislative restrictions on use. This approach is consistent with that adopted for the assessment of other financial statement items such as fascia names. The estimates take account of the inherent uncertainties constraining the expected level of profit in some territories and any associated climate related risks identified on page 64. Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and the intention is to settle these on a net basis.

9. Income Tax Expense continued

Deferred Tax continued

Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that the Group will be required to settle that tax. Measurement is dependent on management's expectation of the outcome of decisions by tax authorities in the various tax jurisdictions in which the Group operates. This is assessed on a case-by-case basis using in-house tax experts, professional firms and previous experience. Refer to Taxation on page 47 of the Strategic Report.

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Current tax		
UK corporation tax at 19.0% (2022: 19.0%)	**198.9**	220.0
Adjustment relating to prior periods	**(6.5)**	(7.3)
Total current tax charge	**192.4**	212.7
Deferred tax		
Deferred tax (origination and reversal of temporary differences)	**14.1**	(12.9)
Adjustment relating to prior periods	**7.7**	(4.7)
Total deferred tax charge/(credit)	**21.8**	(17.6)
Income tax expense	**214.2**	195.1

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Profit before tax multiplied by the standard rate of corporation tax 19.0% (2022: 19.0%)	**83.8**	124.4
Effects of:		
Expenses not deductible(1)	**23.5**	5.3
Put and call option movement not deductible(2)	**56.0**	55.7
Depreciation and impairment of non-qualifying non-current assets (including brand names arising on consolidation)(3)	**1.2**	2.9
Non-qualifying profit on sale of fixed assets (4)	**(0.2)**	–
Recognition of previously unrecognised tax losses(5)	**(4.0)**	(7.1)
Non-taxable income(6)	**(4.0)**	(1.1)
Effect of tax rates in foreign jurisdictions(7)	**14.9**	10.5
Research and development tax credits and other allowances8)	**(10.4)**	(3.2)
Over/(under) provided in prior periods(9)	**1.1**	(12.0)
Other differences in tax rate(10)	**3.7**	(4.4)
Non-qualifying impairment of goodwill on consolidation(11)	**24.4**	0.4
Change in unrecognised temporary differences(12)	**7.2**	5.9
Other taxes due(13)	**17.0**	17.8
Income tax expense	**214.2**	195.1

(1) Certain legal and professional fees, together with the losses incurred on the divestment of non-core businesses in the current period, are not deductible for tax purposes.
(2) The movement in the put and call options per Note 23 are non-deductible for corporate tax.
(3) The depreciation adjustment relates to UK assets which do not qualify for capital allowances.
(4) The profit relates to the sale of a property which is not subject to UK corporation tax.
(5) Following a return to profitability of certain Group subsidiaries, brought forward losses have been utilised in the period and a deferred tax asset recognised in respect of any remaining losses.
(6) The release of deferred consideration which no longer falls due and profits arising in overseas branches which are subject to taxation in the jurisdiction in which they trade rather than the UK.
(7) A significant proportion of the Group's profits arise in the US, Australia and Europe which attract a higher rate of corporate income tax than the UK rate of 19%.
(8) The UK capital allowance super-deduction initiative has provided an additional 30% relief on qualifying expenditure during the period. In addition, R&D and general business tax credits have been claimed in the UK, US, Spain and Poland.
(9) The prior period adjustment reflects net current and deferred tax movements between Group reporting provisions and submitted returns.
(10) The adjustment reflects the difference between the deferred tax rate and corporate income tax rate. This adjusting item is primarily driven by the UK, where deferred tax is provided at 25% (see Note 25) but the corporate income tax rate remains at 19%. The UK corporate income tax rate will increase to 25% with effect from April 2023.
(11) The impairment of goodwill on consolidation and investments in associates are non-deductible for corporate income tax purposes and does not attract deferred tax.
(12) The adjustment represents losses created in the period for which no deferred tax asset has been recognised, due to a lack of certainty over future taxable profits arising (see Note 25).
(13) Other taxes due are primarily in respect of US state taxes but also includes local taxes payable in other overseas jurisdictions.

The expected annual impact of the increase in the UK tax rate (from mainstream 19% to 25%) from 1 April 2023 on the Group effective tax rate is 3.6%.

10. Earnings Per Ordinary Share

Basic and Adjusted Earnings Per Ordinary Share

On 3 February 2021, JD Sports Fashion Plc completed the placing of new ordinary shares in the capital of the Company. A total of 58,393,989 new ordinary shares were issued, increasing the total ordinary shares in issue to 1,031,627,149. The shares were placed at an issue price of 795 pence per share with a par value of 0.25 pence leading to share capital of £0.1 million and share premium of £455.8 million being recognised on issue (this is net of £8.3 million of costs incurred).

Following an ordinary resolution on 30 November 2021, a share split occurred whereby five ordinary shares were issued for each ordinary share. In accordance with IAS 33, the number of shares outstanding before the event was adjusted in the comparative 52 week period ended 29 January 2022 for the proportionate change, as if the event had occurred at the beginning of the earliest period presented.

On 20 December 2022, JD Sports Fashion Plc completed the placing of new ordinary shares in the capital of the Company. A total of 25,000,000 new ordinary shares were issued at par, increasing the total ordinary shares in issue to 5,183,135,745.

The calculation of basic earnings per ordinary share at 28 January 2023 is based on the profit for the period attributable to equity holders of the parent of £142.5 million (2022: £369.7 million) and a weighted average number of ordinary shares outstanding during the 52 week period ended 28 January 2023 of 5,158,497,877 (2022: 5,158,135,745).

Adjusted earnings per ordinary share have been based on the profit for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of certain adjusted items. The Directors consider that this gives a more useful measure of the trading performance and profitability of the Group.

	52 weeks to 28 January 2023 millions	52 weeks to 29 January 2022 millions
Issued ordinary shares at beginning of period	**5,158.1**	4,866.2
Ordinary shares issued on 3 February 2021	**–**	291.9
Ordinary shares issued on 20 December 2022	**25.0**	–
Issued ordinary shares at end of period	**5,183.1**	5,158.1

	Note	**52 weeks to 28 January 2023 £m**	52 weeks to 29 January 2022 £m
Profit for the period attributable to equity holders of the parent		**142.5**	369.7
Adjusted items	4	**550.5**	292.5
Tax relating to adjusted items		**(2.4)**	0.3
Profit for the period attributable to equity holders of the parent excluding adjusted items		**690.6**	662.5
Adjusted basic earnings per ordinary share		**13.39p**	12.84p
Basic earnings per ordinary share		**2.76p**	7.17p

	52 weeks to 28 January 2023 millions	52 weeks to 29 January 2022 millions
Weighted average number of ordinary shares at beginning of period	**5,158.1**	4,866.2
Effect of ordinary shares issued on 3 February 2021	**–**	291.9
Effect of ordinary shares issued on 20 December 2022[1]	**2.8**	–
Effect of ordinary shares held by the JD Sports Employee Benefit Trust as treasury shares[1]	**(2.4)**	–
Weighted average number of ordinary shares at end of period (basic)	**5,158.5**	5,158.1

(1) On 20 December 2022, a total of 25,000,000 ordinary shares of 0.05 pence each were issued at par. The shares were delivered to the JD Sports Employee Benefit Trust ('Trust') and were issued, in part to satisfy a buyout award due to Régis Schultz, the Group's Chief Executive Officer with an effective date of 5 September 2022 (see Note 5). The remainder of the new shares shall be held by the Trust in connection with the Long-Term Incentive Plan 2022.

10. Earnings Per Ordinary Share continued

Diluted Earnings Per Ordinary Share

Diluted earnings per ordinary share is 2.76p (2022: 7.17p). Diluted adjusted earnings per share is 13.39p (2022: 12.84p).

The calculation of diluted earnings per ordinary share at 28 January 2023 is based on the profit for the period attributable to equity holders of the parent of £142.5 million (2022: £369.7 million) and a weighted average number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares calculated as follows:

	52 weeks to 28 January 2023 millions	52 weeks to 29 January 2022 millions
Weighted average number of ordinary shares at beginning of period (diluted)	**5,158.2**	4,866.2
Effect of ordinary shares issued on 3 February 2021	**–**	291.9
Effect of shares granted on 20 October 2021 under the LTIP 2021 (see Note 5)	**–**	0.1
Effect of ordinary shares issued on 20 December 2022[1]	**2.8**	–
Effect of ordinary shares held by the JD Sports Employee Benefit Trust as treasury shares[1]	**(2.4)**	–
Weighted average number of ordinary shares at end of period (diluted)	**5,158.6**	5,158.2

(1) On 20 December 2022, a total of 25,000,000 ordinary shares of 0.05 pence each were issued at par. The shares were delivered to the JD Sports Employee Benefit Trust ('Trust') and were issued, in part to satisfy a buyout award due to Régis Schultz, the Group's Chief Executive Officer with an effective date of 5 September 2022 (see Note 5). The remainder of the new shares shall be held by the Trust in connection with the Long-Term Incentive Plan 2022.

11. Acquisitions

Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect the returns through its power over the entity.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment, however, any resulting impairment will not be tax deductible. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Consolidated Income Statement.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and the settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the Consolidated Income Statement.

The valuation techniques used for measuring the fair value of material assets acquired are as follows:

- Assembled workforce – In accordance with IAS 38, the assembled workforce is not recognised as a separate intangible asset but is subsumed within goodwill. The assembled workforce is valued using the cost savings method which estimates the costs saved by the acquirer from purchasing the asset vs. building or developing the asset internally.
- Intangible assets (computer software) – The cost approach is used which reflects the amount that would be required to currently replace the service capacity of an asset (often referred to as current replacement cost).
- Intangible assets (fascia names and brand names) – The relief from royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the intangible assets being owned.
- Inventories – The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to sell the inventories.
- Leases – A right-of-use asset and lease liability are recognised, measured as if the acquired lease were a new lease at the date of acquisition. The fair value of the acquired leases is estimated by comparing the annual rent to a normalised rent level based on a market-oriented occupancy rate. The difference is calculated over the remaining lease term and discounted at the estimated pre-tax discount rate, adjusting the value of the right-of-use asset recognised under IFRS 16 'Leases'. The lease liability recognised is measured at the present value of the remaining lease payments, using a discount rate determined in accordance with IFRS 16 at the date of acquisition.
- Owned property – The cost approach considers the cost to replace the existing property, less accrued depreciation, plus the fair value of the land. The value of the properties is derived by adding the estimated value of the land to the cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation.
- Property, plant and equipment – The depreciated replacement cost new valuation approach is utilised, reflecting adjustments for physical deterioration as well as functional and economic obsolescence.
- Customer relationships – The excess earnings method is used to value these intangible assets on acquisition. This method considers the use of other assets in the generation of the projected cash flows of a specific asset to isolate the economic benefit generated by the subject intangible asset. The contribution of other assets, such as fixed assets, working capital, workforce, and other intangible assets, to overall cash flows is estimated through contributory asset 'capital charges'. The latter adjustment is made to separate the value of the particular intangible asset from the portion of the purchase price that has already been allocated to the net tangible assets and other intangible assets employed. Therefore, the value of the intangible asset is the present value of the after-tax cash flows potentially attributable to it, net of the return on fair value attributable to tangible and other intangible assets.

11. Acquisitions continued

Current Period Acquisitions – Non-Significant Acquisitions

	Fair values acquired £m
Acquiree's net assets at acquisition date:	
Intangible assets	6.6
Property, plant and equipment	19.3
Right-of-use assets	9.2
Inventories	0.4
Cash and cash equivalents	1.1
Trade and other receivables	3.3
Trade and other payables	(11.6)
Bank loans and overdrafts	(3.8)
Deferred tax liability	(3.7)
Lease liabilities	(6.7)
Provisions	(0.5)
Net identifiable assets	13.6
Non-controlling interest (various)	(1.6)
Goodwill on acquisition	12.6
Consideration – satisfied in cash	21.1
Consideration – deferred	3.5
Total consideration	**24.6**

Total Swimming Holdings Ltd

On 27 May 2022, JD Sports Fashion Plc completed, via its existing subsidiary JD Sports Gyms Limited, the acquisition of 60% of the issued share capital of Total Swimming Holdings Limited for an initial cash consideration of £11.1 million. Total Swimming Holdings was founded by former Olympic swimmers Steve Parry, Rebecca Adlington and Adrian Turner to make swimming more accessible and includes Swim!, the first multi-site operator of dedicated children's 'learn to swim' centres in the UK. The acquisition provides a broadening of the Group's leisure interests, which now includes gyms and pools.

Additional deferred contingent consideration of up to £4.0 million was payable if certain targets and performance criteria are achieved. The fair value of the contingent consideration as at the acquisition date was determined to be £3.5 million. During the financial period ended 28 January 2023, one of the performance criteria for receiving the deferred consideration was not met. Since this was as a result of a post-acquisition event, the release of £2.0 million of contingent consideration was taken through the Consolidated Income Statement (Note 4). The fair value of the remaining contingent consideration as at 28 January 2023 was determined to be £1.4 million.

Put and call options, to enable future exit opportunities for the management team, have also been agreed and become exercisable from 2026 onwards. We assessed the substance of the put and call option agreement, taking into account the management leaver terms, and concluded that an element of the future option payment is linked to continued future service and will be expensed on a straight-line basis over the service period. A valuation of the remaining put and call option liability has been performed using an earnings multiple, a suitable discount rate and Board approved forecasts, and the initial liability of £9.2 million has been recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options is required to be estimated at each accounting period date (see Note 23).

Included within the fair value of the net identifiable assets on acquisition is an intangible asset of £5.5 million representing the fascia names acquired on acquisition and £1.1 million representing the customer relationships. The Board believes that the excess of consideration paid over net assets on acquisition of £12.4 million is best considered as goodwill on acquisition representing the market position of the business, the assembled workforce and the potential future growth opportunities from opening new sites under the Swim! concept. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made.

Included in the 52 week period ended 28 January 2023 is revenue of £15.4 million and a profit before tax of £0.1 million in respect of Total Swimming Holdings.

Other Acquisitions

During the period, the Group made two other acquisitions which were not material. The acquiree's net assets at acquisition related to these acquisitions are also included in the fair value table above.

Full Period Impact of Acquisitions

Had the acquisitions of the entities acquired been effected at 30 January 2022, the revenue and profit before tax of the Group for the 52 week period to 28 January 2023 would have been £10.1 billion and £227.1 million respectively.

11. Acquisitions continued

Acquisition Costs

Acquisition related costs amounting to £0.1 million have been excluded from the consideration transferred and have been recognised as an expense in the period, within administrative expenses in the Consolidated Income Statement.

Acquisition of Non-Controlling Interest

JD Sports Fashion Korea Inc

On 6 September 2022, JD Sports Fashion Plc ('JD') acquired the remaining 50% of the issued share capital in its existing subsidiary JD Sports Fashion Korea Inc for a cash consideration of 26.1 billion KRW (£16.4 million). The Group now owns 100% of the issued share capital of JD Sports Fashion Korea Inc. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the acquisition on 6 September 2022 does not result in a change of control, this has been accounted for as an equity transaction.

After the period ended 28 January 2023, the Group announced that JD would be withdrawing from the South Korean market (see Note 4 for details of the provision for closure costs).

Deporvillage S.L.

On 14 October 2022, Iberian Sports Retail Group S.L. ('ISRG'), the Group's existing intermediate holding company in Spain, acquired a further 18% of the issued share capital in its existing subsidiary Deporvillage S.L. for a cash consideration of €14.8 million (£12.9 million) and deferred consideration of €5.0 million (£4.3 million) subject to the non-controlling interests abiding by certain non-compete obligations. 50% of the deferred consideration is due within one year of the completion date of 14 October 2022 with the remaining 50% due on the second anniversary of the completion date. ISRG now owns 98% of the issued share capital and the Group now owns an effective shareholding of 49% of the issued share capital of Deporvillage S.L. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the acquisition on 14 October 2022 does not result in a change of control, this has been accounted for as an equity transaction.

Prior Period – Significant Acquisitions

Acquisitions are considered, and presented as, significant in terms of total consideration, the size of the store base and/or geographical reach.

DTLR Villa LLC

Initial acquisition

On 17 March 2021, JD acquired 100% of the issued share capital of DTLR Villa LLC ('DTLR'), via a wholly owned intermediate holding company in the US. Total cash consideration was £305.2 million, split between £117.9 million debt funding and £187.3 million equity funding.

DTLR is based in Baltimore, Maryland and is a hyper-local athletic footwear and apparel streetwear retailer operating from 247 stores across 19 states on acquisition. The acquisition of DTLR, with its differentiated consumer proposition, enhances the Group's neighbourhood presence in the North and East of the US.

The existing DTLR management team has also reinvested a portion of its proceeds back into DTLR in exchange for a new minority stake of 1.5%. Put and call options, to enable future exit opportunities for the management team, have also been agreed and become exercisable after a minimum period of three years from the date of acquisition. In the prior period, a valuation of the put and call option liability was performed using an earnings multiple, a suitable discount rate and approved forecasts, and the initial liability of £4.2 million was recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options is required to be estimated at each accounting period date (see Note 23).

Included within the fair value of the net identifiable assets on acquisition is an intangible asset of £101.6 million representing the DTLR fascia name and an intangible asset of £3.8 million representing the customer relationships arising from the loyalty scheme in place. The Board believes that the excess of consideration paid over net assets on acquisition of £212.0 million is best considered as goodwill on acquisition representing future operating synergies. The goodwill calculation is summarised on the next page. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made.

Subsequent intra-group transfer

On 2 July 2021, JD completed the transfer of the intermediate holding company and DTLR to Genesis Topco Inc ('Genesis'), which is an existing 80% subsidiary based in the US and Parent Company of the sub-group which contains Finish Line Inc. and the Shoe Palace Corporation. It was always the intention for DTLR to be part of the Genesis sub-group, but the requirement for speed and certainty of execution on the original transaction meant that it was more appropriate for the Group to initially acquire DTLR directly. This transfer to Genesis now brings all of the Group's businesses in the US into one sub-group, which enhances the future operational collaboration. However, as the parent to Genesis, JD will continue to make strategic decisions regarding the Company's future. The consideration payable by Genesis to JD in relation to the transfer was the same as the total consideration paid by JD on the original acquisition.

By virtue of the fact that JD only owns 80% of Genesis, JD effectively disposed of a proportion of its investment in DTLR to the four Mersho Brothers ('the Mershos') who, with their 20% aggregate shareholding in Genesis, are jointly a related party of JD. In order to maintain their shareholding in Genesis at the current level, the Mershos invested their pro-rata element of the equity consideration of $52.0 million into Genesis. This transfer has taken place on an arm's length basis and reflects the net assets acquired as at the original acquisition date of 17 March 2021.

11. Acquisitions continued

Prior Period – Significant Acquisitions continued

DTLR Villa LLC continued

	Book value £m	Measurement adjustments £m	Fair value at 17 March 2021 £m
Acquiree's net assets at acquisition date:			
Intangible assets	43.7	62.9	**106.6**
Property, plant and equipment	53.7	(4.4)	**49.3**
Non-current other assets	0.5	(0.2)	**0.3**
Right-of-use assets	–	139.9	**139.9**
Inventories	40.3	–	**40.3**
Cash and cash equivalents	95.2	–	**95.2**
Trade and other receivables	7.6	(3.3)	**4.3**
Income tax asset	0.4	–	**0.4**
Trade and other payables	(37.6)	(0.9)	**(38.5)**
Bank loans and overdrafts	(140.2)	–	**(140.2)**
Deferred tax liability	(3.3)	(21.2)	**(24.5)**
Lease liabilities	(11.8)	(128.1)	**(139.9)**
Net identifiable assets	**48.5**	**44.7**	**93.2**
Goodwill on acquisition			**212.0**
Total consideration			**305.2**

Included in the 52 week period ended 29 January 2022 was revenue of £382.8 million and a profit before tax of £63.9 million in respect of DTLR.

Marketing Investment Group S.A.

On 30 April 2021, JD Sports Fashion Plc acquired 60% of the issued share capital of Marketing Investment Group S.A. ('MIG') for total consideration of £66.0 million. Total consideration comprises cash consideration of £63.6 million and £2.4 million of deferred consideration that was subject to customary closing conditions and has been paid in February 2023.

MIG operated 410 stores on acquisition along with the associated trading websites in nine countries in Central and Eastern Europe. The acquisition of MIG provided the platform to develop the JD fascia in Central and Eastern Europe. The MIG team has been instrumental in the opening of JD stores in Eastern Europe with JD stores now in Poland, Romania, Lithuania and Hungary.

Put and call options to enable future exit opportunities for the 40% shareholders have also been agreed and become exercisable after the 52 week period ending January 2025. In the prior period, a valuation of the put and call option liability was performed using an earnings multiple, a suitable discount rate and approved forecasts, and the initial liability of £50.2 million was recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options is required to be estimated at each accounting period date (see Note 23).

Included within the fair value of the net identifiable assets on acquisition is an intangible asset of £25.1 million representing the Sizeer fascia name and an intangible asset of £4.1 million representing the 50 Style fascia name. The Board believes that the excess of consideration paid over net assets on acquisition of £41.4 million is best considered as goodwill on acquisition representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made. The goodwill calculation is summarised on the next page.

11. Acquisitions continued

Prior Period – Significant Acquisitions continued

Marketing Investment Group S.A. continued

	Book value £m	Measurement adjustments £m	**Fair value at 30 April 2021 £m**
Acquiree's net assets at acquisition date:			
Intangible assets	2.6	29.2	**31.8**
Property, plant and equipment	16.6	–	**16.6**
Other non-current assets	1.1	–	**1.1**
Right-of-use assets	–	66.2	**66.2**
Inventories	69.1	(1.9)	**67.2**
Cash and cash equivalents	6.5	–	**6.5**
Trade and other receivables	4.9	1.1	**6.0**
Income tax asset	0.1	–	**0.1**
Trade and other payables	(58.6)	1.7	**(56.9)**
Bank loans and overdrafts	(27.0)	–	**(27.0)**
Deferred tax asset/(liability)	1.0	(5.5)	**(4.5)**
Lease liabilities	–	(66.2)	**(66.2)**
Net identifiable assets	**16.3**	**24.6**	**40.9**
Non-controlling interest (40%)	(6.5)	(9.8)	**(16.3)**
Goodwill on acquisition			**41.4**
Consideration – satisfied in cash			**63.6**
Consideration – deferred (paid February 2023)			**2.4**
Total consideration			**66.0**

Included in the 52 week period ended 29 January 2022 was revenue of £175.0 million and a profit before tax of £6.0 million in respect of MIG.

Deporvillage S.L.

On 25 June 2021, Iberian Sports Retail Group S.L. ('ISRG'), the Group's existing intermediate holding company in Spain, exchanged contracts on the conditional acquisition of Deporvillage S.L. ('Deporvillage'), which is based in Manresa, Catalonia. ISRG is a leading operator in the sporting goods market across Iberia through its Sprinter and Sport Zone fascias with the acquisition of Deporvillage, an online retailer of specialist sports equipment with country specific websites in six European countries, giving additional depth and expertise in the key categories of cycling, running and outdoor. The transaction was subject to certain conditions, principally relating to anti-trust clearance, with formal completion taking place on 3 August 2021. Total maximum cash consideration for the acquisition of an initial 80% holding was £119.6 million of which a maximum of £34.5 million was deferred and will be paid contingent on achieving certain future performance criteria. As at the date of the acquisition and at 29 January 2022, the fair value of the contingent consideration was determined to be £19.0 million which was subsequently paid in July 2022.

Put and call options to enable future exit opportunities for the 20% shareholders were also agreed and became exercisable from 2024 onwards. In the prior period, a valuation of the put and call option liability was performed using an earnings multiple, a suitable discount rate and approved forecasts, and the initial liability of £11.2 million was recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options was required to be estimated at each accounting period date (see Note 23). During the period ended 28 January 2023, these put and call options lapsed as a result of a further acquisition of 18% of the issued share capital of Deporvillage by ISRG. Revised put and call options over the remaining 2% are now held by the non-controlling interest shareholders (refer to the Acquisition of Non-Controlling Interest section in Note 11).

Included within the fair value of the net identifiable assets on acquisition is an intangible asset of £38.8 million representing the Deporvillage online fascia name and an intangible asset of £8.7 million representing the fair value of the customer base. The Board believes that the excess of consideration paid over net assets on acquisition of £70.4 million is best considered as goodwill on acquisition representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made. The goodwill calculation is summarised on the next page. An impairment charge of £24.7 million has been recognised during the period ended 28 January 2023 against the intangibles recorded on acquisition (see Note 13).

Included in the 52 week period ended 29 January 2022 was revenue of £67.8 million and a profit before tax of £2.5 million in respect of Deporvillage.

11. Acquisitions continued

Prior Period – Significant Acquisitions continued

Deporvillage S.L. continued

	Book value £m	Measurement adjustments £m	Fair value at 3 August 2021 £m
Acquiree's net assets at acquisition date:			
Intangible assets	0.9	48.4	**49.3**
Property, plant and equipment	0.3	–	**0.3**
Right-of-use assets	–	1.1	**1.1**
Inventories	28.6	–	**28.6**
Cash and cash equivalents	2.4	–	**2.4**
Trade and other receivables	4.7	–	**4.7**
Trade and other payables	(29.3)	–	**(29.3)**
Bank loans and overdrafts	(1.3)	–	**(1.3)**
Income tax liability	(1.0)	–	**(1.0)**
Deferred tax asset/(liability)	0.6	(12.1)	**(11.5)**
Lease liabilities	–	(1.1)	**(1.1)**
Net identifiable assets	**5.9**	**36.3**	**42.2**
Non-controlling interest (20%)	(1.2)	(7.3)	**(8.5)**
Goodwill on acquisition			**70.4**
Consideration – satisfied in cash			**85.1**
Consideration – deferred (paid July 2022)			**19.0**
Total consideration			**104.1**

Cosmos Sport S.A.

On 21 October 2021, the Group acquired 80% of the issued share capital of Cosmos Sport S.A. ('Cosmos') for cash consideration of £65.0 million. At acquisition Cosmos operated 58 stores in Greece and three in Cyprus under a variety of retail banners and associated trading websites. The two main fascias are Cosmos, which is the core fascia of the business and has an elevated sporting goods and lifestyle proposition, and Sneaker 10, which has a more premium footwear offer.

Put and call options to enable future exit opportunities for the 20% shareholders have also been agreed and become exercisable from 2025 onwards. In the prior period, a valuation of the put and call option liability was performed using an earnings multiple, a suitable discount rate and approved forecasts, and the initial liability of £10.0 million was recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options is required to be estimated at each accounting period date (see Note 23).

Included within the fair value of the net identifiable assets on acquisition is an intangible asset of £9.1 million representing the Cosmos fascia name and an intangible asset of £4.2 million representing the Sneaker 10 fascia name. The Board believes that the excess of consideration paid over net assets on acquisition of £39.5 million is best considered as goodwill on acquisition representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made. The goodwill calculation is summarised on the next page.

Included in the 52 week period ended 29 January 2022 was revenue of £26.0 million and a profit before tax of £0.9 million in respect of Cosmos.

11. Acquisitions continued

Prior Period – Significant Acquisitions continued

Cosmos Sport S.A. continued

	Book value £m	Measurement adjustments £m	Fair value at 21 October 2021 £m
Acquiree's net assets at acquisition date:			
Intangible assets	–	13.3	13.3
Property, plant and equipment	14.0	–	14.0
Non-current other assets	1.0	–	1.0
Right-of-use assets	–	38.2	38.2
Inventories	24.3	–	24.3
Cash and cash equivalents	13.2	–	13.2
Trade and other receivables	5.7	–	5.7
Income tax asset	0.3	–	0.3
Trade and other payables	(27.9)	–	(27.9)
Bank loans and overdrafts	(8.5)	–	(8.5)
Deferred tax liability	(0.3)	(3.2)	(3.5)
Lease liabilities	–	(38.2)	(38.2)
Net identifiable assets	**21.8**	**10.1**	**31.9**
Non-controlling interest (20%)	(4.4)	(2.0)	(6.4)
Goodwill on acquisition			39.5
Total consideration			**65.0**

Prior Period – Other Acquisitions

The aggregate impact of the other acquisitions in the prior period is as follows with further details provided in the narrative on pages 197 to 199:

	Fair values acquired £m
Acquiree's net assets at acquisition date:	
Intangible assets	34.4
Property, plant and equipment	8.5
Right-of-use assets	26.3
Non-current other assets	0.2
Inventories	31.6
Cash and cash equivalents	35.3
Trade and other receivables	9.6
Trade and other payables	(24.5)
Bank loans and overdrafts	(6.2)
Income tax liabilities	(4.4)
Deferred tax liabilities	(6.6)
Lease liabilities	(26.3)
Net identifiable assets	**77.9**
Non-controlling interest (various)	(11.6)
Goodwill on acquisition	126.7
Consideration – satisfied in cash	174.3
Consideration – deferred	18.7
Total consideration	**193.0**

11. Acquisitions continued

Prior Period – Other Acquisitions continued

80s Casual Classics Limited

On 2 March 2021, JD Sports Fashion Plc acquired 70% of the issued share capital of 80s Casual Classics Limited ('80s CC') for cash consideration of £15.4 million. 80s CC is predominantly an online retailer of retro and original clothing from brands such as adidas and Sergio Tacchini, inspired by the British subculture of the '70s, '80s and '90s. The acquisition included put and call options over the remaining 30% of shares, exercisable in annual tranches after a minimum period of three years.

Included within the fair value of the net identifiable assets on acquisition is an intangible asset of £1.0 million representing the 80s CC fascia name. The Board believes that the excess of consideration paid over net assets on acquisition of £9.0 million is best considered as goodwill representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made.

Included in the 52 week period ended 29 January 2022 was revenue of £13.0 million and a profit before tax of £3.9 million in respect of 80s Casual Classics.

Uggbugg Fashion Limited

On 18 June 2021, JD Sports Fashion Plc acquired 51% of the issued share capital of Uggbugg Fashion Limited, including a wholly owned subsidiary, Missy Empire Limited (together 'Missy Empire'), for initial cash consideration of £11.7 million. Additional consideration of up to £2.2 million was payable if certain performance criteria were achieved. The fair value of the contingent consideration as at the acquisition date and as at 29 January 2022 was determined to be £nil.

Included within the fair value of the net identifiable assets on acquisition was an intangible asset of £0.9 million representing the Missy Empire fascia name. At the date of acquisition, the Board believed that the excess of consideration paid over net assets on acquisition of £9.6 million was best considered as goodwill on acquisition representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made. An impairment charge of £10.2 million has been recognised during the period ended 28 January 2023 against the intangibles recorded on acquisition (see Note 13).

Put and call options over 9% of the remaining 49% shareholding were also agreed at acquisition and became exercisable after the 52 week period ending January 2025. In the prior period, a valuation of these put and call options was performed using an earnings multiple, a suitable discount rate and approved forecasts, and an initial liability of £1.4 million was recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options was required to be estimated at each accounting period date (see Note 23). On 16 December 2022, the Group announced its plan to simplify its fashion branded offer and as a result disposed of Uggbugg Fashion Limited including its subsidiary Missy Empire Limited (see Note 12). As a result of the disposal, these put and call options lapsed and are no longer exercisable.

Included in the 52 week period ended 29 January 2022 was revenue of £6.2 million and a break even result in respect of Missy Empire.

The Watch Shop Holdings Limited and Watch Shop Logistics Ltd

On 18 June 2021, JD Sports Fashion Plc acquired 100% of the issued share capital of The Watch Shop Holdings Limited and Watch Shop Logistics Ltd (together 'WatchShop') via a wholly owned intermediate holding company. Total cash consideration paid was £26.2 million. Contingent consideration was payable subject to certain criteria being met. The fair value of the contingent consideration as at the acquisition date and as at 29 January 2022 was determined to be £nil.

WatchShop is an online retailer of designer fashion watches from brands such as Armani, Michael Kors and Hugo Boss. Included within the fair value of the net identifiable assets on acquisition was an intangible asset of £2.5 million representing the WatchShop fascia name. At the date of acquisition, the Board believed that the excess of consideration paid over net assets on acquisition of £10.6 million was best considered as goodwill on acquisition representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made.

On 16 December 2022, the Group announced its plan to simplify its fashion branded offer and as a result disposed of The Watch Shop Holdings Limited including its subsidiary Watch Shop Logistics Limited (see Note 12).

Included in the 52 week period ended 29 January 2022 was revenue of £19.2 million and a loss before tax of £0.7 million in respect of WatchShop.

Bodytone International Sport S.L.

On 3 August 2021, ISRG, the Group's existing intermediate holding company in Spain, acquired 50.1% of the issued share capital of Bodytone International Sport S.L. ('Bodytone') for initial cash consideration of £8.9 million. Additional consideration of up to £3.1 million was payable if certain performance criteria were achieved and the fair value of this contingent consideration as at the acquisition date and as at 29 January 2022 was determined to be £2.9 million. This was subsequently paid in November 2022.

11. Acquisitions continued

Prior Period – Other Acquisitions continued

Bodytone International Sport S.L. continued

Based in Murcia in Spain, Bodytone manufactures and distributes professional fitness equipment with a presence in over 40 countries worldwide. ISRG believes that the acquisition of Bodytone will enhance its product categories and improve its specialised sporting goods offer. Included within the fair value of the net identifiable assets on acquisition was an intangible asset of £4.9 million representing the Bodytone name. The Board believed that the excess of consideration paid over net assets on acquisition of £8.8 million was best considered as goodwill on acquisition representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made. An impairment charge of £12.4 million has been recognised during the period ended 28 January 2023 against the intangibles recorded on acquisition (see Note 13).

Put and call options over the remaining 49.9% shareholding were also agreed and become exercisable in tranches from 2024 onwards. In the prior period, a valuation of the put and call option liability was performed using an earnings multiple, a suitable discount rate and approved forecasts, and the initial liability of £11.3 million was recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options is required to be estimated at each accounting period date (see Note 23).

Included in the 52 week period ended 29 January 2022 was revenue of £7.5 million and a profit before tax of £1.0 million in respect of Bodytone.

Hairburst Holding Group Limited

On 17 September 2021, JD Sports Fashion Plc acquired 75% of the issued share capital of Hairburst Holding Group Limited, including three wholly owned subsidiaries (together 'Hairburst') for cash consideration of £26.2 million.

Hairburst retails own label haircare products and vitamins via a direct to consumer website and as a wholesaler both in the UK and internationally. Included within the fair value of the net identifiable assets on acquisition was an intangible asset of £6.6 million representing the Hairburst name. The Board believed that the excess of consideration paid over net assets on acquisition of £18.1 million is best considered as goodwill on acquisition representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made. An impairment charge £21.6 million has been recognised during the period ended 28 January 2023 against the intangibles recorded on acquisition (see Note 13).

Put and call options over the remaining 25% shareholding were agreed and become exercisable in tranches from 2025 onwards. In the prior period, a valuation of the put and call liability was performed using an earnings multiple, a suitable discount rate and approved forecasts, and the initial liability of £8.4 million was recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options is required to be estimated at each accounting period date (see Note 23).

Included in the 52 week period ended 29 January 2022 was revenue of £6.3 million and a profit before tax of £0.1 million in respect of Hairburst.

Wheelbase Lakeland Limited

On 3 June 2021, JD Sports Fashion Plc exchanged contracts on the conditional acquisition of 77.5% of the issued share capital of Wheelbase Lakeland Limited ('Wheelbase'). Completion of the acquisition was subject to obtaining consent for the change in control from the Financial Conduct Authority. This was obtained and the acquisition subsequently completed on 30 September 2021 and the cash consideration paid was £22.2 million.

Operating from three stores on acquisition and a trading website, Wheelbase is firmly established as one of the premier cycling retailers in the UK, and the product offering centres on premium cycles and accessories from key brands such as Cube, Cannondale, Trek and Specialized. Included within the fair value of the net identifiable assets on acquisition was an intangible asset of £1.4 million representing the Wheelbase fascia name. The Board believed that the excess of consideration paid over net assets on acquisition of £18.7 million was best considered as goodwill on acquisition representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made. An impairment charge of £18.7 million has been recognised during the period ended 28 January 2023 against the intangibles recorded on acquisition (see Note 13).

Put and call options over the remaining 22.5% shareholding were agreed and become exercisable in tranches from 2025 onwards. In the prior period, a valuation of the put and call liability was performed using an earnings multiple, a suitable discount rate and approved forecasts, and the initial liability of £4.0 million was recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options is required to be estimated at each accounting period date (see Note 23).

Included in the 52 week period ended 29 January 2022 was revenue of £4.0 million and a profit before tax of £0.2 million in respect of Wheelbase.

11. Acquisitions continued

Prior Period – Other Acquisitions continued

XLR8 Sports Limited

On 19 November 2021, JD Sports Fashion Plc acquired 100% of XLR8 Sports Limited trading as Leisure Lakes Bikes ('Leisure Lakes') for initial cash consideration of £25.6 million plus additional consideration up to a maximum of £15.0 million if certain performance criteria are achieved. The fair value of this contingent consideration as at the acquisition date and as at 29 January 2022 was determined to be £11.2 million. During the 52 week period ended 28 January 2023, £0.7 million of the contingent consideration was paid. The fair value of the contingent consideration as at 28 January 2023 was determined to be £nil and the remaining contingent consideration of £10.5 million was released to the Consolidated Income Statement (see Note 4).

Operating from 10 stores and a trading website, Leisure Lakes is considered to be one of the leading omnichannel retailers of bicycles and bicycle parts, equipment, clothing and accessories, and is a key partner for most of the major brands including Trek, Cube and Specialized. Included within the fair value of the net identifiable assets on acquisition was an intangible asset of £2.5 million representing the Leisure Lakes fascia name. The Board believed that the excess of consideration paid over net assets on acquisition of £25.9 million was best considered as goodwill on acquisition representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made. An impairment charge of £21.1 million has been recognised during the period ended 28 January 2023 against the intangibles recorded on acquisition (see Note 13).

Included in the 52 week period ended 29 January 2022 was revenue of £4.4 million and a loss before tax of £0.3 million in respect of Leisure Lakes.

GymNation

On 24 December 2021, the Group's existing subsidiary JD Sports Gyms Limited ('JD Gyms') acquired 100% of GymNation Limited and its 100% owned subsidiary GymNation LLC (together 'GymNation') for cash consideration of $42.2 million (£31.4 million) and deferred consideration of $6.1 million (£4.5 million). The deferred consideration was initially measured at fair value and subsequently remeasured to fair value at each reporting date until settled. The fair value of deferred consideration recognised at 29 January 2022 was $6.6 million (£4.9 million). The maximum amount of the future payment was £75 million.

On 20 July 2022, a restructure of the GymNation sub-group was completed, resulting in the incorporation of GymNation Holding Limited. GymNation Holding Limited has acquired 100% of the shares in GymNation LLC using monies loaned from JD Gyms and GymNation founder management. The proceeds of the sale of the business by GymNation Limited were transferred back to the Group and GymNation Limited is in the process of being wound down. As a result, the deferred consideration recognised as at 29 January 2022 was replaced with a put and call option liability and JD Gyms has diluted its share in GymNation and now holds a 78.2% share of GymNation Holding Limited, with founder management holding 21.8%. The put and call options, to enable future exit opportunities for the management team, become exercisable from 2025 onwards. We assessed the substance of the put and call option agreement, taking into account the management leaver terms, and concluded that an element of the future option payment is linked to continued future service and will be expensed on a straight-line basis over the service period. In the prior period, a valuation of the remaining put and call option liability was performed using an earnings multiple, a suitable discount rate and approved forecasts, and the initial liability of £8.9 million was recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options is required to be estimated at each accounting period date (see Note 23).

At acquisition, GymNation was a chain of seven gyms in the United Arab Emirates ('UAE') (six in Dubai and one Abu Dhabi). Included within the fair value of the net identifiable assets on acquisition was an intangible asset of £7.9 million representing the GymNation fascia name. The Board believes that the excess of consideration paid over net assets on acquisition of £21.8 million is best considered as goodwill on acquisition representing future operating synergies. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made.

Included in the 52 week period ended 29 January 2022 was revenue of £1.3 million and a profit before tax of £0.2 million in respect of GymNation.

Other Prior Period Acquisitions

During the period, the Group made one other small acquisition. This transaction was not material.

Full Period Impact of Prior Period Acquisitions

Had the acquisitions of the entities listed above been effected at 31 January 2021, the revenue and profit before tax of the Group for the 52 week period to 29 January 2022 would have been £8.9 billion and £666.1 million respectively.

Prior Period Acquisition Costs

Acquisition-related costs amounting to £7.9 million have been excluded from the consideration transferred and were recognised as an expense in the prior period, within administrative expenses in the Consolidated Income Statement.

12. Divestments

Footasylum

On 5 August 2022, the Group disposed of its 100% equity interest in Footasylum and its associated subsidiaries to Aurelius Group for a cash consideration of £37.5 million. The subsidiary was classified as held-for-sale in the 2022 Consolidated Financial Statements (see Note 33). The consideration was received fully in cash in 2022. At the date of disposal, the carrying amounts of Footasylum's net assets were as follows:

	£m
Intangible assets	6.7
Property, plant and equipment	27.0
Right-of-use assets	79.1
Deferred tax assets	0.2
Total non-current assets	**113.0**
Inventories	36.4
Trade and other receivables	24.9
Cash and cash equivalents	6.0
Total current assets	**67.3**
Trade and other payables	(24.7)
Other tax and social security	(3.7)
Accruals and deferred income	(19.1)
Borrowings	(3.5)
Lease liabilities	(15.6)
Income tax liabilities	(1.0)
Total current liabilities	**(67.6)**
Accruals and deferred income	(5.6)
Lease liabilities	(59.8)
Total non-current liabilities	**(65.4)**
Total assets less total liabilities	**47.3**
Total consideration received in cash	37.5
Net assets disposed of	**(47.3)**
Costs to sell	(5.0)
Loss on disposal	**(14.8)**
Total consideration received in cash	**37.5**
Cash and cash equivalents disposed of	(6.0)
Net cash received	**31.5**

In the 26 weeks to 30 July 2022, an impairment of £8.5 million was recognised in order to present the Footasylum assets held-for-sale at the lower of carrying value and fair value less costs to sell in accordance with IFRS 5. A further £6.3 million loss has been recognised following the reversal of £8.3 million of right-of-use assets depreciation in order to cease depreciating these assets at the point of classification as held-for-sale in accordance with IFRS 5 and the release of a £2.0 million provision for costs to sell that is no longer required. This resulted in a higher loss on disposal of the assets of £14.8 million when compared to the impairment of £8.5 million recognised in the 26 week period ended 30 July 2022.

Other non-core fashion businesses

On 16 December 2022, the Group announced its plan to significantly simplify its fashion branded offer through the divestment of 15 UK-based non-core fashion businesses ('Divested Businesses') to Frasers Group Plc ('Frasers'), for cash consideration of £44.5 million, in order to focus more fully on the opportunities across the rest of the Group, in particular the international and digital expansion of the Group's core premium Sports Fashion fascias.

Completion on the acquisition of shares in eight of the Divested Businesses, and on the acquisition of all of the debt owing to JD by the Divested Businesses, took place immediately on exchange. The initial eight divested businesses were:

- Base Childrenswear Limited (80% equity interest);
- Dantra Limited (75% equity interest);
- PG2019 Limited (100% equity interest);
- Prevu Studio Limited (100% equity interest);
- Nicholas Deakins Limited (100% equity interest);
- Uggbugg Fashion Limited – including its subsidiary Missy Empire Limited (51% equity interest);
- Clothingsites Holdings Limited – including its subsidiaries Clothingsites.co.uk Limited and Old Brown Bag Clothing Limited (100% equity interest); and
- WHCO Limited – including its subsidiaries The Watch Shop Holdings Limited and Watch Shop Logistics Limited (100% equity interest).

12. Divestments continued

Other non-core fashion businesses continued

The consideration was received fully in cash during the period. At the date of disposal, the carrying amounts of the initial eight divested businesses net assets were as follows:

	£m
Intangible assets	22.6
Property, plant and equipment	3.9
Right-of-use assets	6.5
Total non-current assets	**33.0**
Inventories	29.8
Trade and other receivables	8.5
Cash and cash equivalents	16.4
Total current assets	**54.7**
Trade and other payables	(19.7)
Provisions	(0.1)
Borrowings	(11.6)
Lease liabilities	(7.4)
Income tax liabilities	(0.3)
Total current liabilities	**(39.1)**
Other payables and accrued expenses	(1.5)
Total non-current liabilities	**(1.5)**
Total assets less total liabilities	**47.1**
Total consideration received in cash	44.5
Intercompany debt	(86.0)
Net assets disposed of	(47.1)
Costs to sell	(0.6)
Impairment of assets held-for-sale (Note 33)	(17.5)
Loss on disposal	**(106.7)**
Total consideration received in cash	**44.5**
Cash and cash equivalents disposed of	(16.4)
Net cash received	**28.1**

The assets and liabilities of the remaining seven Divested Businesses were classified as held-for-sale at 28 January 2023 (see Note 33). Subsequent to the period end, on 7 February 2023, the Group completed the disposal of five of these Divested Businesses:

- Tessuti Group Limited (100% equity interest) – including its subsidiaries Tessuti Limited (87.5% equity interest), Tessuti (Ireland) Limited (87.5% equity interest), Tessuti Retail Limited (100% equity interest) and Prima Designer Limited (100% equity interest);
- Choice Limited (87.5% equity interest) – including its subsidiary Choice 33 Limited (87.5% equity interest);
- Giulio Limited (87.5% equity interest) – including its subsidiaries Giulio Fashion Limited (87.5% equity interest) and Giulio Woman Limited (87.5% equity interest);
- R.D. Scott Limited (100% equity interest); and
- Catchbest Limited (80% equity interest).

Rascal Clothing Limited ('Rascal') was withdrawn from the transaction with Frasers as one of the founders exercised a pre-emption right agreed as part of the Group's acquisition of Rascal on 5 February 2019. The divestment of 75% equity interest in Rascal completed on 6 February 2023.

On 2 March 2023, the Group completed the disposal of 80% equity interest in Topgrade Sportswear Holdings Limited (including Topgrade Sportswear Limited and GetTheLabel.com Limited), the final entity outstanding as part of the Frasers transaction.

Impairment Review of Divested Businesses

As at 29 January 2022, the Divested Businesses were still a key part of the Group's strategy and, as part of our annual impairment review procedures, the Group concluded that the assets of these businesses were not impaired. The step change in the Group's strategy occurred in the second half of 2022/23 following a strategic review by the incoming Chief Executive Officer. The Directors have therefore concluded that the assessment completed for the period ended 29 January 2022 remains appropriate.

12. Divestments continued

Divestment of other non-controlling interests

During the period ended 28 February 2023, JD Sports Fashion Plc divested 5% of Kukri Sports Limited and 10% of JD Canary Islands Sports SL as a result of options exercised by non-controlling interests in the subsidiaries. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiaries. As the divestment does not result in a change of control, this has been accounted for as an equity transaction.

13. Intangible Assets

Acquisitions

The acquisitions of intangible assets in the current period principally relate to the acquisition of Total Swimming Holdings Limited alongside some smaller acquisitions. Further details, including the fair value of the assets acquired, are provided in Note 11.

Amortisation

Included within the amortisation charge for the period ended 28 January 2023 is accelerated amortisation of £0.1 million (2022: £0.4 million) following a review of the useful economic life of certain items of capitalised software development.

Impairment

The impairment in the current period relates to the goodwill and fascia values arising on the acquisition of the following Group CGUs. The impairment charges per Group CGU, the carrying value of the Group CGU and the recoverable amount has been detailed below:

	Carrying value of Group CGU[1] 2023 £m	Recoverable amount[2] £m	**Total impairment charge £m**
Bodytone	31.4	19.0	**12.4**
Deporvillage	142.5	117.8	**24.7**
Hairburst	32.6	11.0	**21.6**
Leisure Lakes	36.0	14.9	**21.1**
Missy Empire[3]	21.0	10.8	**10.2**
Wheelbase	28.9	10.2	**18.7**
Livestock	15.1	8.0	**7.1**
Other	5.4	3.6	**1.8**
As at 28 January 2023	**312.9**	**195.3**	**117.6**

(1) The carrying value is stated before the impairment was booked.
(2) The recoverable amount of these Group CGUs was estimated based on their value in use, using discounted cashflows.
(3) The impairment Missy Empire was charged in the first half of the financial period. At the time of this assessment the carrying value was £21.0 million with a recoverable value of £10.8 million. This business has subsequently been disposed of on 16 December 2022, see Note 12 for further details.

The impairment charge in the current period is as a result of lower than anticipated trading results in the period since acquisition with specific sector challenges in cycling and gym equipment. Further, following a strategic review by the incoming Chief Executive Officer during the period, there has been a change in strategic direction and several of these businesses are no longer a focal point for the Group.

The impairment in the prior period was recognised against the goodwill arising on the acquisition of Rascal Clothing Limited and Bernard Esher Limited. An impairment charge of £2.2 million was recognised against the goodwill included in the carrying value of the Rascal Clothing Limited Group CGU of £5.6 million (recoverable amount £2.4 million) and an impairment charge of £0.2 million against the goodwill included in the carrying value of the Bernard Esher Limited Group CGU of £0.4 million (recoverable amount £nil).

13. Intangible Assets continued

Intangible Assets with Finite Lives

Brand Licences

Brand licences are recognised when the Group enters into a licensing agreement with a brand to licence their products in return for royalty payments across the term of the contract. On entering into the contract, the licence is assigned a cost based on the discounted contractual minimum royalty payments across the licence term. The cost of the licence is then simultaneously recognised as an intangible asset for the use of the brand licence and a liability for the royalty payments due. Brand licences are stated at cost less accumulated amortisation and impairment losses. Amortisation of brand licences is charged to the Consolidated Income Statement within cost of sales over the term to the licence expiry on a straight-line basis. The remaining useful economic lives of brand licences as at 28 January 2023 range over a period of three months to nine years (2022: 15 months to 10 years).

At each reporting date, the Group reviews the carrying amounts of its brand licences to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognised within administrative expenses in the Consolidated Income Statement.

The recoverable amount of brand licences is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the relevant asset until the licence expiry date and the choice of a suitable discount rate in order to calculate the present value.

Customer Relationships

Customer relationships acquired as part of a business combination are stated at fair value as at the acquisition date less accumulated amortisation and impairment losses. Amortisation of customer relationships is charged to the Consolidated Income Statement within administrative expenses over the estimated useful life of one to five years on a straight-line basis. Customer relationships are allocated to Group CGUs and tested annually for impairment and whenever there is an indication that these may be impaired. The Group CGUs are either the store portfolios or individual businesses acquired (including online sales channels) and the recoverable amount is determined based on value-in-use calculations. Corporate assets that contribute to the future cash flows of more than one Group CGU are allocated to each Group CGU on a pro-rata basis based on forecast turnover. This allocation method has been applied consistently. The recoverable amount, including the portion of the corporate assets, is compared with the carrying amount of the Group CGU including goodwill.

Brand Names

Brand names acquired as part of a business combination are stated at fair value as at the acquisition date less accumulated amortisation and impairment losses. Brand names separately acquired are stated at cost less accumulated amortisation and impairment losses. The useful economic life of each purchased brand name is considered to be finite and is typically between five and 10 years. In determining the useful economic life of each brand name, the Board considers the market position of the brands acquired, the nature of the market that the brands operate in, typical product life-cycles of brands and the useful economic lives of similar assets that are used in comparable ways. Brand names are amortised on a straight-line basis over their useful economic lives and the amortisation charge is included within administrative expenses in the Consolidated Income Statement.

Brand names are allocated to Group CGUs and tested annually for impairment and whenever there is an indication that these may be impaired. The Group CGUs are either the store portfolios or individual businesses acquired (including online sales channels) and the recoverable amount is determined based on value-in-use calculations. Corporate assets that contribute to the future cash flows of more than one Group CGU are allocated to each Group CGU on a pro-rata basis based on forecast turnover. This allocation method has been applied consistently. The recoverable amount, including the portion of the corporate assets, is compared with the carrying amount of the Group CGU including goodwill.

Software Development

Software development costs (including website development costs) are capitalised as intangible assets if the technical and commercial feasibility of the project has been demonstrated, the future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably. Costs that do not meet these criteria are expensed as incurred. Software development costs are stated at historic cost, less accumulated amortisation. Capitalised software costs comprise software under the control of the Group.

Software development costs are allocated to Group CGUs and tested annually for impairment and whenever there is an indication that these may be impaired. The Group CGUs are either the store portfolios or individual businesses acquired (including online sales channels) and the recoverable amount is determined based on value-in-use calculations. Corporate assets that contribute to the future cash flows of more than one Group CGU are allocated to each Group CGU on a pro-rata basis based on forecast turnover. This allocation method has been applied consistently. The recoverable amount, including the portion of the corporate assets, is compared with the carrying amount of the Group CGU including goodwill.

Software development costs are all amortised over a period of two to seven years on a straight-line basis and the amortisation charge is included within administrative expenses in the Consolidated Income Statement. Software development includes £nil (2022: £nil) of internally generated software development. Directly attributable software development costs in relation to the configuration and customisation of cloud computing arrangements, including Software-as-a-Service ('SaaS') are only capitalised to the extent they give rise to an asset controlled by the Group. Where control cannot be demonstrated, expenditure in relation to such costs are expensed in the period they are incurred.

13. Intangible Assets continued

Fascia Names

Separately identifiable fascia names acquired are stated at fair value as at the acquisition date less accumulated amortisation and impairment losses. The initial fair value is determined by using a 'royalty relief' method of valuation. This is based on an estimation of future sales and the choice of a suitable royalty and discount rate in order to calculate the present value. This method involves calculating a net present value for each fascia name by discounting the projected future royalties expected using a finite useful economic life for each fascia. The future royalties are estimated by applying a suitable royalty rate to the sales forecast.

Store and online fascia names are considered to have a finite useful economic life. The estimated useful economic lives are as follows:

- Online fascia names 3 to 10 years
- Store fascia names 5 to 10 years

The factors that are considered when determining the useful life of each fascia name are as follows:

- The strength of the respective fascia names in the relevant sector and geographic region where the fascia is located.
- The history of the fascia names and that of similar assets in the relevant retail sectors.
- The commitment of the Group to continue to operate these stores separately for the foreseeable future, including the ongoing investment in new stores and refurbishments.
- The impact of increased competition in the marketplace as a result of reduced barriers to entry and its impact on the useful life of online fascia names.

The remaining useful economic lives of fascia names as at 28 January 2023 range over a period of three to 10 years (2022: four to 10 years).

Fascia names are all amortised over the useful economic life on a straight-line basis and the amortisation charge is included within administrative expenses in the Consolidated Income Statement.

At each reporting date, the Group reviews the carrying amounts of its fascia names to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of these assets is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the Group CGU and the choice of a suitable discount rate in order to calculate the present value. Corporate assets that contribute to the future cash flows of more than one Group CGU are allocated to each Group CGU on a pro-rata basis based on forecast turnover. This allocation method has been applied consistently. Impairment losses are recognised in the Consolidated Income Statement.

Intangible Assets with Indefinite Lives

Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries. The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, the negative goodwill is recognised immediately in the Consolidated Income Statement.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit/loss on disposal.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to Group CGUs and is tested annually for impairment and whenever there is an indication that the goodwill may be impaired. The Group CGUs are either the store portfolios or individual businesses acquired (including online sales channels) and the recoverable amount is determined based on value-in-use calculations. Corporate assets that contribute to the future cash flows of more than one Group CGU are allocated to each Group CGU on a pro-rata basis based on forecast turnover. This allocation method has been applied consistently. The recoverable amount, including the portion of the corporate assets, is compared with the carrying amount of the Group CGU including goodwill.

13. Intangible Assets continued

	Goodwill £m	Brand licences £m	Brand names £m	Fascia names £m	Customer relationships £m	Software development £m	**Total £m**
Cost or valuation							
At 30 January 2021	698.5	15.6	25.9	328.1	–	100.1	**1,168.2**
Additions	–	5.2	–	–	–	14.9	**20.1**
Acquisitions	490.0	1.3	–	212.5	12.6	9.0	**725.4**
Reclassifications	–	–	–	–	–	0.7	**0.7**
Disposals	–	–	–	–	–	(3.6)	**(3.6)**
Transfer to assets held-for-sale (Note 33)	–	–	(3.0)	–	–	(7.5)	**(10.5)**
Exchange differences	(2.6)	–	–	(15.6)	(0.9)	0.1	**(19.0)**
At 29 January 2022	1,185.9	22.1	22.9	525.0	11.7	113.7	**1,881.3**
Additions	–	78.4	–	–	–	19.9	**98.3**
Acquisitions	12.6	–	–	5.5	1.1	–	**19.2**
Reclassifications	–	–	–	–	–	(1.0)	**(1.0)**
Disposals	–	(3.8)	–	–	–	(7.7)	**(11.5)**
Divestments (Note 12)	(55.5)	(0.5)	(0.7)	(41.2)	–	(4.8)	**(102.7)**
Transfer to assets held-for-sale (Note 33)	(9.6)	–	–	(2.7)	–	(0.8)	**(13.1)**
Exchange differences	71.1	–	–	27.7	0.8	2.6	**102.2**
At 28 January 2023	1,204.5	96.2	22.2	514.3	13.6	121.9	**1,972.7**
Amortisation and impairment							
At 30 January 2021	120.2	13.3	15.0	131.9	–	68.1	**348.5**
Charge for the period	–	1.1	1.8	39.5	1.5	19.5	**63.4**
Impairments	2.4	–	0.1	–	–	2.8	**5.3**
Reclassifications	–	–	–	–	–	(1.1)	**(1.1)**
Disposals	–	–	–	–	–	(2.6)	**(2.6)**
Transfer to assets held-for-sale (Note 33)	–	–	(0.8)	–	–	(5.0)	**(5.8)**
At 29 January 2022	122.6	14.4	16.1	171.4	1.5	81.7	**407.7**
Charge for the period	–	8.8	1.2	47.5	2.9	15.6	**76.0**
Impairments	109.2	–	–	8.4	–	0.1	**117.7**
Reclassifications	–	–	–	–	–	0.8	**0.8**
Disposals	–	(2.9)	–	–	–	(7.7)	**(10.6)**
Divestments (Note 12)	(37.7)	(0.3)	(0.2)	(38.5)	–	(1.4)	**(78.1)**
Transfer to assets held-for-sale (Note 33)	(2.2)	–	–	(1.3)	–	(0.4)	**(3.9)**
Exchange differences	–	–	–	2.2	–	1.5	**3.7**
At 28 January 2023	191.9	20.0	17.1	189.7	4.4	90.2	**513.3**
Net book value							
At 28 January 2023	1,012.6	76.2	5.1	324.6	9.2	31.7	**1,459.4**
At 29 January 2022	1,063.3	7.7	6.8	353.6	10.2	32.0	**1,473.6**
At 30 January 2021	578.3	2.3	10.9	196.2	–	32.0	**819.7**

The net book value of divestments detailed in the above table relates to £2.0 million for Footasylum and £22.6 million for the non-core fashion businesses. The total net book value divested in relation to Footasylum is £6.7 million where £4.7 million was disclosed as held-for-sale in the 52 week period ended 29 January 2022.

Disposal of nil net book value assets no longer in use

During the 52 week period ended 28 January 2023, a review of the intangible asset records was carried out to identify fully amortised assets no longer in use by the Group, so the intangible asset balances disclosed above better reflect assets still actively operated by the Group. The result of the review is a disposal of £7.7 million of cost and accumulated amortisation for assets no longer in use. Further review is expected in the next financial period to review the remaining fully amortised assets within the intangible asset records.

13. Intangible Assets continued

The carrying amount of goodwill and fascia name by Group CGU, along with the key assumptions used in the value-in-use calculation, is as follows:

		Basic financial information					
	Segment	**Goodwill 2023 £m**	**Other intangibles(1) 2023 £m**	**Total intangible 2023 £m**	Goodwill 2022 £m	Other intangibles(1) 2022 £m	Total intangible 2022 £m
Bodytone	Sports Fashion	**–**	**0.1**	**0.1**	8.1	4.5	12.6
Cosmos	Sports Fashion	**38.6**	**11.9**	**50.5**	36.6	12.4	49.0
Deporvillage	Sports Fashion	**45.0**	**41.5**	**86.5**	65.2	44.7	109.9
DTLR	Sports Fashion	**220.6**	**88.2**	**308.6**	205.5	93.5	299.0
Finish Line	Sports Fashion	**107.4**	**54.3**	**161.7**	99.6	58.7	158.3
First Sport store portfolio	Sports Fashion	**15.0**	**–**	**15.0**	15.0	–	15.0
Go Outdoors	Outdoor	**–**	**14.5**	**14.5**	–	18.0	18.0
GymNation	Sports Fashion	**21.6**	**6.8**	**28.4**	20.4	7.2	27.6
Hairburst	Sports Fashion	**–**	**2.2**	**2.2**	18.1	6.4	24.5
JD Gyms	Sports Fashion	**14.1**	**–**	**14.1**	14.1	–	14.1
JD Sports Fashion Plc (Company)	Sports Fashion	**–**	**80.6**	**80.6**	–	12.2	12.2
Leisure Lakes	Outdoor	**4.8**	**2.2**	**7.0**	25.9	2.5	28.4
MIG	Sports Fashion	**38.5**	**28.0**	**66.5**	37.5	28.0	65.5
Shoe Palace	Sports Fashion	**433.6**	**89.6**	**523.2**	398.3	92.2	490.5
Sport Zone	Sports Fashion	**17.1**	**8.5**	**25.6**	16.1	8.8	24.9
Total Swimming Group	Sports Fashion	**12.2**	**5.8**	**18.0**	–	–	–
Wheelbase	Outdoor	**–**	**1.2**	**1.2**	18.7	1.4	20.1
Other	Sports Fashion & Outdoor	**44.1**	**11.4**	**55.5**	84.2	19.8	104.0
		1,012.6	**446.8**	**1,459.4**	1,063.3	410.3	1,473.6

(1) Other intangibles includes Brand licences, Brand names, Customer relationships, Fascia names and Software development.
(2) Intangible assets in the table above include an increase of £98.5 million in relation to exchange rate fluctuations (2022: £19.0 million decrease).

13. Intangible Assets continued

Impairment model assumptions used

	Segment	Short-term growth rate(1) 2023	Short-term growth rate(1) 2022	Long-term growth rate(2) 2023	Long-term growth rate(2) 2022	Margin rate	Pre-tax discount rate(3) 2023	Pre-tax discount rate(3) 2022
Bodytone	Sports Fashion	13.6%	–	3.0%	–	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	12.0%	–
Cosmos	Sports Fashion	3.6%	–	3.0%	–	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	13.6%	–
Deporvillage	Sports Fashion	8.5%	–	3.0%	–	Increase by 5% in the short term(4) to reflect improvements in distribution and changes in product strategy	11.8%	–
DTLR	Sports Fashion	4.1%	–	2.0%	–	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	12.8%	–
Finish Line	Sports Fashion	1.0%	1.4%	1.0%	1.0%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	13.2%	14.2%
First Sport store portfolio	Sports Fashion	4.5%	1.0%	3.0%	1.0%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	11.0%	9.0%
Go Outdoors	Outdoor	4.1%	4.1%	2.0%	2.0%	Increase by 2% in the short term(4) to reflect improvements in distribution and changes in product strategy	16.3%	20.4%
GymNation	Sports Fashion	3.2%	–	1.0%	–	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	12.2%	–
Hairburst	Sports Fashion	2.7%	–	2.0%	–	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	15.1%	–
JD Gyms	Sports Fashion	1.4%	3.0%	1.0%	3.0%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	14.4%	10.2%
Leisure Lakes	Outdoor	6.3%	–	2.0%	–	Increase by 3.7% in the short term(4) to reflect improvements in distribution and changes in product strategy	14.6%	–
MIG	Sports Fashion	6.2%	–	2.5%	–	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	12.6%	–
Shoe Palace	Sports Fashion	6.3%	4.0%	3.0%	3.0%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	12.6%	15.1%
Sport Zone	Sports Fashion	2.7%	4.8%	2.0%	2.0%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024	12.0%	12.5%
Total Swimming Group	Sports Fashion	22.6%	–	2.0%	–	Increase by 6% in the short term(4) to reflect changes in business strategy	15.0%	–
Wheelbase	Outdoor	14.2%	–	2.0%	–	Increase by 2% in the short term(4) to reflect changes in business strategy	14.4%	–
Other	Sports Fashion & Outdoor	1% – 5%	1.0% -3.0%	1% – 5%	1.0% -3.0%	A range of gross margin assumptions, from broadly consistent and movements of -2% to +2.5% in the short-term(4) to reflect historic margin movements and changes in strategy for stock and merchandising	11.0% -16.0%	8.9% –18.1%

(1) The short-term revenue growth rate is the Board approved average annual growth rate for the four year period following the 53 week period ending 3 February 2024 financial period currently underway.

(2) The long-term revenue growth rate is the rate used thereafter, which is an estimate of the growth based on past experience within the Group taking account of economic growth forecasts for the relevant sector and geography.

(3) The discount rate applied is a pre-tax measure based on the historical industry average weighted average cost of capital, with a possible debt leverage of 15% at a market interest rate of 7%. The discount rate applied reflects any specific risk premiums relevant to the Group CGU. The impact of the right-of-use asset funding under IFRS 16 has been taken into consideration and factored into the calculation of the discount rate. These discount rates are considered to be equivalent to the rates a market participant would use.

(4) The short-term margin rate is the average annual margin growth rate for the four year period compared to the approved Budget for the 53 week period ending 3 February 2024 currently underway.

13. Intangible Assets continued

The cash flow projections used in the value-in-use calculations are all based on actual operating results, together with financial forecasts and strategy plans approved by the Board covering a five year period.

Sensitivity Analysis

A sensitivity analysis has been performed on the base case assumptions used for assessing the goodwill and other intangibles.

The Board has considered the possibility of each business achieving less revenue and gross profit % than forecast. Whilst any reduction in revenue would be partially offset by a reduction in revenue-related costs, the Board would also take actions to mitigate the loss of gross profit by reducing other costs. With regard to the assessment of value-in-use of all Group CGUs with headroom, the Board believes that there are no reasonably possible changes in any of the key assumptions which would cause the carrying value of the unit to materially exceed its recoverable amount and we do not consider this to be a critical estimate. The Board do not consider there to be a reasonably possible change in any of the key assumptions in the Group CGUs with impairment charges that would materially increase the impairment recognised in the period.

Sensitivity analysis has been disclosed for the Group CGUs that were most sensitive to a change in a key assumption for further clarity to the reader. The table below shows the amount of headroom for the selected Group CGUs, as well as the current assumption used and the revised assumption which would be required to eliminate the headroom with other assumptions held constant. The Board considers the revised assumptions to be reasonably possible for MIG but not for Cosmos.

		Short-term growth rate		Long-term growth rate		Pre-tax discount rate	
Group CGUs	Headroom £m	% Used	Revised %	% Used	Revised %	% Used	Revised %
Cosmos	31.7	3.6%	-9.7%	3.0%	-1.9%	13.6%	17.3%
MIG	3.9	6.2%	5.5%	2.5%	2.2%	12.6%	12.8%

Go Outdoors

A reduction in the assumed short-term growth rate from 4.1% to 1.6% could eliminate the headroom and cause the carrying value of the Group CGU to exceed its recoverable amount. Given this reasonably possible change could result in the elimination of the headroom available in the impairment model, it was not considered appropriate to reverse the impairments recognised in respect of Go Outdoors in previous years.

Finish Line

As announced at the Capital Markets Event on 2 February 2023, it is the Board's intention to accelerate the roll out of the JD fascia in North America with a target to deliver an additional 500 to 600 JD stores over the next five years. These new stores will come from both new stores and the conversion of the remaining standalone Finish Line stores. However, it remains our intention to retain the Finish Line name as a concession in the Macy's department stores with a product offer which is more focused on families. As at 28 January 2023, the net carrying value of the Finish Line fascia name was £42.0 million with a remaining useful life of 5.5 years. As this aligns with the announced timeframe for potential conversion, we are comfortable that the remaining useful life of 5.5 years remains appropriate at this time but we will keep this under review should the rollout plan accelerate in the future.

14. Property, Plant and Equipment

Owned Assets

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

Depreciation

Depreciation is charged to the Consolidated Income Statement over the estimated useful life of each part of an item of property, plant and equipment. The estimated useful economic lives are as follows:

– Freehold land	– not depreciated
– Warehouse	– 15–25 years on a straight-line basis
– Long leasehold and freehold properties	– 2% per annum on a straight-line basis
– Improvements to short leasehold properties	– life of lease on a straight-line basis
– Computer equipment	– 3–4 years on a straight-line basis
– Fixtures and fittings	– 5–7 years, or length of lease if shorter, on a straight-line basis
– Motor vehicles	– 25% per annum on a reducing balance basis

Disposals

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss either within other income or other expenses.

Impairment of Property, Plant and Equipment and Non-Current Other Assets

Property, plant and equipment and non-current other assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of an asset or a cash-generating unit is not recoverable. A cash-generating unit in these circumstances is an individual store ('Store CGU'). Judgement is required as to whether online sales (and associated costs) could be attributed to stores for the purposes of impairment testing when calculating the value-in-use of each store CGU and, as such, the Group does not include these items in the calculation of the value-in-use of each store CGU. The recoverable amount is the greater of the fair value less costs to sell and value-in-use. Impairment losses recognised in prior periods are assessed at each reporting period date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would be held (net of depreciation) if no impairment had been realised.

The discount rate applied in the value-in-use calculations is a pre-tax measure based on the historical industry average weighted average cost of capital, with a possible debt leverage of 15% at a market interest rate of 7%. The discount rate applied reflects any specific risk premiums relevant to the Store CGU. These discount rates are considered to be equivalent to the rates a market participant would use.

Impairment charges of £1.5 million (2022: £7.3 million) relate to all classes of property, plant and equipment in Store CGUs which are loss making and where it is considered that the position cannot be recovered as a result of a continuing deterioration in the performance of the particular store. The loss is based on the specific revenue streams and costs attributable to the Store CGU. Assets in impaired Store CGUs are written down to their recoverable amount which is calculated as the greater of the fair value less costs to sell and value-in-use.

Included within the depreciation charge for the period ended 28 January 2023 is accelerated depreciation of £2.0 million (2022: £9.7 million) following a review of the useful economic life of certain items of property, plant and equipment and assets capitalised.

14. Property, Plant and Equipment continued

	Freehold land, long leasehold and freehold properties £m	Improvements to short leasehold properties £m	Assets under construction £m	Fixtures and fittings £m	Computer equipment £m	Motor vehicles £m	**Total £m**
Cost							
At 30 January 2021	60.2	143.0	5.2	762.8	91.1	1.5	**1,063.8**
Additions	9.8	43.0	19.8	132.0	21.6	1.1	**227.3**
Disposals	(0.4)	(5.8)	–	(20.5)	(2.5)	(0.3)	**(29.5)**
Reclassifications	0.8	3.4	(10.7)	37.8	1.4	1.0	**33.7**
Acquisitions	0.1	45.6	4.0	34.7	3.0	1.3	**88.7**
Exchange differences	–	0.1	–	(10.6)	0.4	–	**(10.1)**
Transfer to assets held-for-sale (Note 33)	–	(0.3)	(1.9)	(30.6)	(5.6)	(0.7)	**(39.1)**
At 29 January 2022	70.5	229.0	16.4	905.6	109.4	3.9	**1,334.8**
Additions	5.6	65.7	24.9	202.4	27.0	1.0	**326.6**
Disposals	(4.5)	(32.7)	(0.4)	(102.6)	(41.8)	(0.7)	**(182.7)**
Divestments (Note 12)	(1.3)	(0.1)	1.3	(6.3)	(2.0)	(0.1)	**(8.5)**
Reclassifications	12.0	4.7	(19.5)	(9.1)	4.7	2.9	**(4.3)**
Acquisitions	15.5	0.4	–	3.3	0.1	–	**19.3**
Exchange differences	1.1	14.1	1.1	24.7	2.0	0.2	**43.2**
Transfer to assets held-for-sale (Note 33)	(2.5)	(3.6)	–	(26.9)	(2.1)	(0.1)	**(35.2)**
At 28 January 2023	96.4	277.5	23.8	991.1	97.3	7.1	**1,493.2**
Depreciation and impairment							
At 30 January 2021	9.9	44.0	–	384.8	60.1	1.0	**499.8**
Charge for the period	1.7	34.6	–	105.4	15.7	0.8	**158.2**
Disposals	–	(4.5)	–	(16.9)	(2.4)	(0.2)	**(24.0)**
Reclassifications	1.2	(4.6)	–	18.9	1.3	0.1	**16.9**
Impairments	0.3	0.3	–	6.1	0.6	–	**7.3**
Exchange differences	–	0.1	–	1.7	0.2	–	**2.0**
Transfer to assets held-for-sale (Note 33)	–	(0.2)	–	(10.9)	(2.5)	(0.3)	**(13.9)**
At 29 January 2022	13.1	69.7	–	489.1	73.0	1.4	**646.3**
Charge for the period	4.1	36.4	–	105.2	15.1	1.2	**162.0**
Disposals	(1.9)	(27.2)	–	(99.4)	(41.4)	(0.7)	**(170.6)**
Reclassifications	4.3	0.7	–	(14.1)	(1.2)	1.8	**(8.5)**
Divestments (Note 12)	(0.6)	(0.1)	–	(1.5)	(0.6)	–	**(2.8)**
Impairments	–	1.3	–	0.2	–	–	**1.5**
Exchange differences	0.3	4.2	–	2.2	0.9	0.1	**7.7**
Transfer to assets held-for-sale (Note 33)	(1.8)	(1.4)	–	(13.4)	(1.4)	–	**(18.0)**
At 28 January 2023	17.5	83.6	–	468.3	44.4	3.8	**617.6**
Net book value							
At 28 January 2023	78.9	193.9	23.8	522.8	52.9	3.3	**875.6**
At 29 January 2022	57.4	159.3	16.4	416.5	36.4	2.5	**688.5**
At 30 January 2021	50.3	99.0	5.2	378.0	31.0	0.5	**564.0**

The net book value of divestments detailed in the above table relates to £1.8 million for Footasylum and £3.9 million for the non-core fashion businesses. The total net book value divested in relation to Footasylum is £27.0 million where £25.2 million was disclosed as held-for-sale in the 52 week period ended 29 January 2022.

Disposal of nil net book value assets no longer in use

During the 52 week period ended 28 January 2023, a review of the fixed asset records was carried out to identify fully depreciated assets no longer in use by the Group, so the fixed asset balances disclosed above better reflect assets still actively operated by the Group. The result of the review is a disposal of £136.4 million of cost and accumulated depreciation for assets no longer in use. Further review is expected in the next financial period to review the remaining fully depreciated assets within the fixed asset records.

15. Leases

Accounting Policy

The Group leases assets which consist of properties, vehicles and equipment. The most significant leases in size for the Group are its retail stores, offices and warehouses. Some leases include an option to renew the lease for an additional number of years after the end of the non-cancellable period. Some leases provide for additional rent payments that are based on changes in local price indices.

The Group assesses whether a contract is, or contains a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the following criteria apply:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, the decision about how and for what purpose the asset is used is predetermined. The Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception, or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 3 February 2019, as this was the transition date.

As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. Lease liabilities are measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate for the relevant subsidiary in which the lease represents a contractual commitment. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. A right-of-use asset's useful economic life is determined on the same basis as for land and buildings recognised in property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the rate implicit in the lease. If the rate implicit in the lease is not readily available, then payments are discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

15. Leases continued

Accounting Policy continued

As a Lessee continued

Where revised lease terms involve a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, then these changes are accounted for as a lease modification. Any revised consideration and/or revised lease length are taken into account in a remeasurement calculation that includes a revised discount rate at the effective date of the modification of terms. The revised discount rate is determined as the lessee's incremental borrowing rate at the effective date of the modification.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

The Group has also applied judgement to determine the lease term for some lease contracts in which it is a lessee that either have no specified end date, or where the Group continues to occupy the property despite the contractual lease end date having passed. In determining the lease term, the Group takes into consideration its commercial strategy on a store by store basis and the future intentions of the Group regarding the duration of continuing occupation of the property.

The Group presents right-of-use assets that do not meet the definition of investment property separately on the face of the Consolidated Statement of Financial Position. The Group presents lease liabilities separately within the Consolidated Statement of Financial Position.

Short-term Leases and Leases of Low-value Assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

The Group sub-leases a small number of properties. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease. If not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The Group as a Lessee

The Group leases many assets, including land and buildings, vehicles, machinery and IT equipment. Information about leases for which the Group is a lessee is presented below.

The carrying amount of the right-of-use asset is as follows:

	2023 £m	2022 £m
Right-of-use assets	**2,137.0**	2,032.6

15. Leases continued

Right-of-use Assets

	Property £m	Plant & vehicles £m	Total £m
Cost			
At 30 January 2021	2,340.4	15.7	**2,356.1**
Additions	520.2	1.8	**522.0**
Additions – on acquisition	271.6	0.1	**271.7**
Transfer to assets held-for-sale (Note 33)	(125.0)	(1.5)	**(126.5)**
Disposals	(42.8)	(6.0)	**(48.8)**
Remeasurement adjustments	2.0	16.1	**18.1**
Reclassifications	(1.7)	(16.0)	**(17.7)**
Foreign exchange retranslation	(55.1)	–	**(55.1)**
At 29 January 2022	2,909.6	10.2	**2,919.8**
Additions	393.8	14.6	**408.4**
Additions – on acquisition	13.1	–	**13.1**
Transfer to assets held-for-sale (Note 33)	(40.5)	(0.2)	**(40.7)**
Disposals	(38.3)	(1.0)	**(39.3)**
Divestments (Note 12)	(8.8)	(0.2)	**(9.0)**
Remeasurement adjustments	54.2	(0.2)	**54.0**
Reclassifications	5.3	–	**5.3**
Foreign exchange retranslation	134.6	–	**134.6**
At 28 January 2023	3,423.0	23.2	**3,446.2**
Depreciation and impairment			
At 30 January 2021	597.6	6.1	**603.7**
Depreciation charge for the period	355.5	2.7	**358.2**
Transfer to assets held-for-sale (Note 33)	(47.2)	(0.8)	**(48.0)**
Depreciation on disposals	(14.3)	(1.3)	**(15.6)**
Impairment	3.1	–	**3.1**
Foreign exchange retranslation	(14.2)	–	**(14.2)**
At 29 January 2022	880.5	6.7	**887.2**
Depreciation charge for the period	389.6	5.6	**395.2**
Transfer to assets held-for-sale (Note 33)	(9.8)	(0.1)	**(9.9)**
Depreciation on disposals	(6.8)	(0.4)	**(7.2)**
Divestments (Note 12)	(1.9)	–	**(1.9)**
Impairment	4.8	–	**4.8**
Foreign exchange retranslation	41.0	–	**41.0**
At 28 January 2023	1,297.4	11.8	**1,309.2**
Net book value			
At 28 January 2023	**2,125.6**	**11.4**	**2,137.0**
At 29 January 2022	2,029.1	3.5	**2,032.6**
At 30 January 2021	1,742.8	9.6	**1,752.4**

Lease modifications have been accounted for by remeasuring the right-of-use asset and corresponding lease liability for any change in lease length and total consideration, recalculating using a revised discount rate of the lessee's incremental borrowing rate at the effective date of the modification. Other remeasurement adjustments to the right-of-use asset predominantly relate to deferred income and rolling leases. Valuation of the Group's rolling leases as at 28 January 2023 is £49.3 million (2022: £37.1 million).

The net book value of divestments detailed in the above table relate to £0.6 million for Footasylum and £6.5 million for non-core fashion businesses. The total net book value divested in relation to Footasylum is £79.1 million where £78.5 million was disclosed as held-for-sale in the 52 week period ended 29 January 2022.

During the 52 week period ended 28 January 2023, management reviewed the accounting for the transition to IFRS 16. It was identified that, at the point of transition, property accruals were overstated which resulted in an understatement of the right-of-use asset being recognised. The impact is not considered to be material to users of the financial statements and as such, has been corrected in the current period resulting in an increase to right-of-use assets of £17.1 million and a release to the Consolidated Income Statement.

15. Leases continued

Right-of-use Assets continued

Impairment of Right-of-use Assets

For impairment testing purposes, the Group has determined that each store is a separate Store CGU. Each Store CGU is tested for impairment at the balance sheet date if any indicators of impairment have been identified.

Right-of-use assets have been tested for impairment by comparing the carrying amount of each Store CGU with its recoverable amount determined from value-in-use calculations.

The value-in-use of each Store CGU has been calculated using discounted cash flows derived from the Group's latest Board approved budget, taking into account the projected impact of future sales growth, and reflects historic performance and knowledge of the current market, together with the Group's views on the future achievable growth. Cash flows beyond the budget period are extrapolated using growth rates appropriate to each store's location. Cash flows have been included for the remaining lease life for the specific store.

The key assumptions on which the forecast cash flows of the Store CGUs are based include revenue and the pre-tax discount rates. Other assumptions in the model relate to gross margin, cost inflation and longer-term growth rates.

The pre-tax discount rates are derived from the Group's weighted average cost of capital, which has been calculated using the capital asset pricing model, the inputs of which include the risk-free rate, equity risk premium, Group size premium and a risk adjustment (beta).

Where the value-in-use was less than the carrying value of the Store CGU, an impairment of property, plant and equipment and right-of-use assets was recorded. The Group has recognised an impairment charge of £4.8 million (2022: £3.1 million) to right-of-use assets as a result of impairment testing.

Lease Liabilities

The Group presents lease liabilities separately within the Consolidated Statement of Financial Position. The carrying amount of the lease liability as at 28 January 2023 is shown below, along with a maturity analysis of contractual undiscounted cash flows to which the Group is committed. As at 28 January 2023, the weighted average discount rate applied to the lease portfolio of the Group is 3.2% (2022: 2.8%).

	2023 £m	2022 £m
Maturity analysis – contractual undiscounted cash flows		
Within one year	**466.3**	409.6
Later than one year and not later than two years	**409.8**	385.4
Later than two years and not later than three years	**354.4**	332.4
Later than three years and not later than four years	**307.3**	284.3
Later than four years and not later than five years	**255.3**	241.1
After five years	**845.1**	823.7
Total undiscounted lease liabilities	**2,638.2**	2,476.5

	2023 £m	2022 £m
Current	**423.8**	379.0
Non-current	**1,915.4**	1,863.9
Lease liabilities included in the Consolidated Statement of Financial Position	**2,339.2**	2,242.9

Lease liabilities held at 28 January 2023 are stated after reclassifying £32.1 million (2022: £82.0 million) of lease liabilities to liabilities held-for-sale – see Note 33.

15. Leases continued

Amounts recognised in the Consolidated Statement of Cash Flows and their categorisation are below:

		52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Repayments of principal portion of lease liability	(Cash flows from financing activities)	**400.5**	356.2
Interest on lease liabilities	(Cash flows from operating activities)	**68.9**	59.5
Expenses relating to short-term leases and low-value leases	(Net operating costs)	**3.8**	9.5
Variable lease payments	(Net operating costs)	**91.3**	86.6
Total cash outflow for leases		**564.5**	511.8

Amounts recognised in profit or loss:

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Interest on lease liabilities	**68.9**	59.5
Variable lease payments not included in the measurement of lease liabilities	**91.3**	86.6
Income from subleasing right-of-use assets	**(1.3)**	(0.5)
Expenses relating to short-term leases and low-value leases	**3.8**	9.5

Property Leases

The Group leases buildings for its office space, retail stores and warehouses. These leases typically run for a period of four years. Some leases include an option to renew the lease for an additional number of years after the end of the non-cancellable period. Some require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor.

Some properties leased by the Group provide for additional rent payments that are based on changes in local price indices or sales that the Group makes at the leased store in the period. In respect of contracts linked to store sales, initial recognition of the lease liability is measured at the present value of the minimum lease payments specified in the contract excluding the element linked to sales, since the variable element of these payments is not based on an index or rate. Where the variable element of the payments is based on an index or rate, initial and subsequent measurement of the lease liability includes these index linked payments.

The Group subleases some of its properties under operating leases.

Other Leases

The Group leases vehicles and equipment (including IT equipment) with lease terms of three to five years. Leases of equipment are of low-value items, therefore the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The Group as a Lessor

The Group leases out residential and office properties. The Group has classified these leases as operating leases, because they do not transfer substantially all the risk and rewards incidental to the ownership of the assets. Lease income from lease contracts in which the Group acts as a lessor amounted to £1.3 million (2022: £0.5 million).

16. Investments in Associates and Joint Ventures

	2023 £m	2022 £m
Interest in associates	**28.1**	28.2
Interest in joint venture	**10.7**	28.0
	38.8	56.2

	Associates £m	Joint ventures £m	Total £m
Net book value			
At 1 February 2021	2.7	–	**2.7**
Additions	29.6	27.6	**57.2**
Share of profit	2.8	0.4	**3.2**
Dividends received	(6.9)	–	**(6.9)**
At 29 January 2022	28.2	28.0	**56.2**
Additions	–	2.8	**2.8**
Disposals[1]	(2.1)	–	**(2.1)**
Impairments	–	(19.6)	**(19.6)**
Share of profit	3.8	1.1	**4.9**
Dividends received	(1.8)	(1.6)	**(3.4)**
At 28 January 2023	28.1	10.7	**38.8**

(1) On 6 January 2023 the Group sold its 40% investment in The Couture Club (including its 75% owned subsidiary, Il Sarto Milano Limited) and on 25 January 2023, the Group sold its 25% holding in Mallet Footwear Limited.

Accounting Policy

The Group's interests in equity-accounted investees comprise interests in associates and interests in joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control over the financial and operating policies.

Interests in associates and joint ventures are accounted for using the equity method and are initially recognised at cost. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions and balances with associates and joint ventures are undertaken on an arm's length basis. Outstanding balances are unsecured (unless otherwise stated) and will be settled in cash.

Associates

The Group has an equity interest in a number of associates including an interest in Applied Nutrition Limited ('Applied Nutrition'). On 7 May 2021, the Group acquired a 32% ownership interest in, and has significant influence over, Applied Nutrition, a manufacturer and wholesaler of sports nutrition products. The following table summarises the financial information of Applied Nutrition and reconciles the summarised financial information to the carrying amount of the Group's interest in Applied Nutrition:

	2023 £m	2022 £m
Non-current assets	**1.0**	0.7
Current assets	**24.3**	15.7
Current liabilities	**(6.1)**	(6.3)
Non-current liabilities	**–**	(0.7)
Net assets (100%)	**19.2**	9.4
Group's share of net assets (32%)	**6.1**	3.0
Elimination of unrealised profit on downstream sales	**–**	–
Goodwill and other intangibles	**22.0**	21.9
Carrying amount of interest in associate	**28.1**	24.9
Revenue	**45.7**	21.7
Profit and total comprehensive income (100%)	**10.1**	4.3
Group's share of total comprehensive income (32%)	**3.2**	1.4
Dividends received by the Group	**–**	6.0

16. Investments in Associates and Joint Ventures continued

Joint Ventures

The Group has an equity interest in a number of joint ventures, including an interest in Gym King (Holdings) Limited and its subsidiaries (together 'Gym King'). On 10 May 2021, the Group acquired a 40% ownership in and has joint control over Gym King, an athleisure brand and one of the Group's suppliers. The Group determined there was joint control following a review of the shareholders' agreement which requires consent from all shareholders when directing the relevant activities of Gym King. The following table summarises the financial information of Gym King and reconciles the summarised financial information to the carrying amount of the Group's interest in Gym King:

	2023 £m	2022 £m
Non-current assets	**0.3**	0.2
Current assets	**11.0**	13.6
Current liabilities	**(3.2)**	(4.6)
Non-current liabilities	**–**	–
Net assets (100%)	**8.1**	9.2
Group's share of net assets (40%)	**3.3**	3.7
Elimination of unrealised profit on downstream sales	**–**	–
Goodwill and other intangibles[1]	**0.3**	19.5
Carrying amount of interest in joint venture	**3.6**	23.2
Revenue	**24.1**	21.4
Profit and total comprehensive income (100%)	**(0.5)**	1.2
Group's share of total comprehensive income (40%)	**–**	0.5
Dividends received by the Group	**0.4**	–

(1) During the 52 week period ended 28 January 2023 the Group impaired its investment in Gym King (Holdings) Limited by £19.6 million to its fair value less costs to sell. Refer to Note 4 for further detail.

17. Non-current Other Assets

Key Money

Monies paid in certain countries to give access to retail locations are capitalised within non-current assets. Key money is stated at historic cost less impairment losses. These assets are not depreciated as past experience has shown that the key money is recoverable on disposal of a retail location and is deemed to have an indefinite useful economic life but will be impaired if evidence exists that the market value is less than the historic cost. Gains/losses on key money from the subsequent disposal of these retail locations are recognised in the Consolidated Income Statement. Within Key Money are amounts due within one year of £nil (2022: £nil).

Deposits

Money paid in certain countries as deposits to store landlords as protection against non-payment of rent is capitalised within non-current assets. Deposits are assessed for recoverability on leased stores on a practical basis and a provision for the impairment of these deposits is established when there is objective evidence that the landlord will not repay the deposit in full. Within Deposits are amounts due within one year of £8.8 million (2022: £6.3 million).

	Key Money £m	Deposits £m	**Total £m**
Cost			
At 30 January 2021	23.5	41.1	**64.6**
Additions	0.3	5.4	**5.7**
Disposals	(0.2)	(6.6)	**(6.8)**
Acquisitions	0.1	2.6	**2.7**
Reclassifications	(0.8)	(0.4)	**(1.2)**
Exchange differences	–	(3.9)	**(3.9)**
At 29 January 2022	22.9	38.2	**61.1**
Additions	0.1	12.7	**12.8**
Disposals	–	(1.8)	**(1.8)**
Reclassifications	(8.5)	–	**(8.5)**
Exchange differences	(0.9)	0.2	**(0.7)**
At 28 January 2023	13.6	49.3	**62.9**
Depreciation and impairment			
At 30 January 2021	1.3	0.1	**1.4**
Charge for period	0.1	–	**0.1**
Disposals	(0.2)	–	**(0.2)**
Reclassifications	(0.2)	–	**(0.2)**
Impairments	3.0	–	**3.0**
At 29 January 2022	4.0	0.1	**4.1**
Reclassifications	(0.8)	–	**(0.8)**
Impairments	3.0	–	**3.0**
Exchange differences	(0.3)	–	**(0.3)**
At 28 January 2023	5.9	0.1	**6.0**
Net book value			
At 28 January 2023	7.7	49.2	**56.9**
At 29 January 2022	18.9	38.1	**57.0**
At 30 January 2021	22.2	41.0	**63.2**

18. Inventories

Inventories 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. An element of supplier rebates is deferred into inventory and released on a straight-line basis over the six-month period following the financial period end as the related inventory is sold.

	2023 £m	2022 £m
Finished goods and goods for resale	**1,466.4**	989.4

The cost of inventories recognised as expenses and included in cost of sales for the 52 weeks ended 28 January 2023 was £5,285.3 million (2022: £4,355.0 million).

Included within inventories is £2.4 million of deferred supplier rebates (2022: £2.4 million).

At the period end, net inventories of £52.7 million (2022: £27.0 million) were transferred to assets held-for-sale. Further information is provided in Note 33.

The Group had £73.5 million (2022: £91.5 million) of stock provisions at the end of the period. Movement on this provision is shown below:

	£m
At 30 January 2021	**89.0**
Created	31.5
Released	(14.8)
Utilised	(23.3)
Other	8.9
Foreign exchange	0.2
At 29 January 2022	**91.5**
Created	42.3
Released	(4.4)
Utilised	(43.8)
Divested	(1.0)
Transferred to held-for-sale	(7.0)
Other	(1.2)
Foreign exchange	(2.9)
At 28 January 2023	**73.5**

19. Trade and Other Receivables

Credit Risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The trade receivables balances are typically held by the wholesale businesses within the Group. Each subsidiary establishes a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group review includes financial statements, credit agency information and industry information. Each subsidiary limits its credit exposure by setting payment periods and, in certain circumstances, these are approved by Group management.

Customers are monitored by taking into account their credit characteristics: whether they are a wholesale or retail customer, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

Expected Credit Loss Assessment

Each subsidiary within the Group allocates each exposure to a credit risk grade based on the data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and available press information about customers) and by applying experienced credit judgement.

An allowance matrix is used to measure the expected credit losses ('ECLs') of trade receivables from smaller customers, which comprise a large number of small balances. Loss rates are based on actual credit loss experience over the past five years, factoring in other information such as current conditions, age of the customer relationship and the view of the economic conditions over the expected lives of the receivables.

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost and measures the loss allowances at an amount equal to the lifetime ECLs for trade receivables.

19. Trade and Other Receivables continued

	2023 £m	2022 £m
Current assets		
Trade receivables	**62.4**	56.6
Other receivables	**61.9**	33.7
Prepayments and accrued income	**124.3**	112.6
	248.6	202.9

A summary of the Group's exposure to credit risk for trade receivables is as follows:

	2023			2022		
	Gross £m	**Provision £m**	**Net £m**	Gross £m	Provision £m	Net £m
Not past due	**42.5**	**(0.2)**	**42.3**	44.0	(0.2)	43.8
Past due 0–30 days	**11.8**	**(0.1)**	**11.7**	6.3	(0.1)	6.2
Past due 31–60 days	**3.4**	**(0.1)**	**3.3**	2.5	(0.1)	2.4
More than 60 days past due	**6.9**	**(1.8)**	**5.1**	5.9	(1.7)	4.2
	64.6	**(2.2)**	**62.4**	58.7	(2.1)	56.6

At 28 January 2023, the exposure to credit risk for trade receivables by geographic region was as follows:

	As at 28 January 2023 Total £m	As at 29 January 2022 Total £m
UK & ROI	**23.1**	22.4
Europe	**28.0**	24.7
North America	**2.5**	5.5
Rest of world	**11.0**	6.1
Total	**64.6**	58.7

At 28 January 2023, the exposure to credit risk for trade receivables by type of counterparty was as follows:

	As at 29 January 2023 Total £m	As at 29 January 2022 Total £m
Wholesale customers	**22.5**	30.3
Retail customers	**13.0**	9.3
Other[(1)]	**29.1**	19.1
Total	**64.6**	58.7

(1) Other includes amounts owed by associates and joint ventures of £2.9 million (see Note 32) (2022: £0.2 million), supplier rebates of £2.5 million (2022: £3.2 million), amounts owed by suppliers for contributions towards marketing and promotion costs of £3.2 million (2022: £nil), amounts owed by Macy's relating to Finish Line sales made in Macy's stores and online of £3.9 million (2022: £2.4 million) and amounts owed relating to liquidated stock of £1.2 million (2022: £2.2 million).

At 28 January 2023, the carrying amount of the receivable due from the Group's most significant customer was £5.7 million (2022: £5.6 million).

19. Trade and Other Receivables continued

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 28 January 2023:

As at 28 January 2023	Weighted average loss rate £m	Gross carrying amount £m	Loss allowance £m	Credit impaired £m
Not past due	0.5%	42.5	(0.2)	–
Past due 0–30 days	0.8%	11.8	(0.1)	–
Past due 31–60 days	2.9%	3.4	(0.1)	–
Past due 61–90 days	4.8%	2.1	(0.1)	–
More than 90 days past due	35.4%	4.8	(1.7)	–
Total	**3.4%**	**64.6**	**(2.2)**	**–**

Movement on this provision is shown below:

	£m
At 30 January 2021	**1.3**
Created	1.3
Released	(0.5)
At 29 January 2022	**2.1**
Created	1.8
Released	(0.3)
Utilised	(0.7)
Reclassified	(0.6)
Foreign exchange	(0.1)
At 28 January 2023	**2.2**

The other classes within trade and other receivables do not contain impaired assets.

20. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, uncleared credit card receipts and call deposits with an original maturity of approximately three months or less. Cash equivalents also includes money market funds that are readily available on demand and no significant changes are expected in the fund balances. Cash equivalents are held for the purposes of meeting the Group's short term liquidity needs. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows, as these are used as an integral part of the Group's cash management.

	2023 £m	2022 £m
Cash at bank and in hand	1,582.5	1,314.0

21. Interest-bearing Loans and Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Following the initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Consolidated Income Statement over the period of the borrowings on an effective interest basis.

	2023 £m	2022 £m
Current liabilities		
Bank loans and overdrafts	75.2	72.6
Non-current liabilities		
Bank loans	38.0	55.5

The following provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate risk, see Note 22.

21. Interest-bearing Loans and Borrowings continued

Bank Facilities

As at 28 January 2023, the Group had a syndicated committed £700 million bank facility expiring on 6 November 2026, which was extended in the financial period, for a period of two years with no changes to existing terms (previous expiry 6 November 2024). The Group is subject to covenants on Net Worth, Net Debt Leverage and a Fixed Charge Cover. Under this facility, a maximum of 15 draw downs can be outstanding at any time, with draw downs made for a period of one, two, three or six months, with interest currently payable at a rate of SONIA (Sterling Overnight Index Average) plus a margin of 0.9% (2022: SONIA plus a margin of 0.9%). The arrangement and underwriting fee payable on the facility is 1.0% and the commitment fee on the undrawn element of the facility is 35% of the applicable margin rate.

Following the financial crisis, the reform and replacement of benchmark interest rates such as GBP LIBOR and other interbank offered rates ('IBORs') became a priority for global regulators. LIBOR fixings relevant to the Group were no longer representative after 31 December 2021, which created a requirement for the Group's contracts which referenced LIBOR to use an alternative benchmark rate. The Group's most significant risk exposure affected by these LIBOR changes relates to its syndicated committed bank facility. The reference rate for borrowings made under this facility was amended to SONIA from 22 December 2021. As at 28 January 2023, this facility encompassed cross guarantees between the Company, Blacks Outdoor Retail Limited, JD Sports Fashion SRL (Italy), Go Outdoors Retail Limited, The Finish Line Inc, The Finish Line USA Inc, Genesis Holdings Inc, Genesis Topco Inc, Shoe Palace Corporation, Terminus Bidco Inc, DTLR Villa LLC, Genesis Finco Limited, Spodis SA, JD Sports Fashion Aus Pty, JD Sports Fashion (Ireland) Limited, Focus Brands Limited and Focus International Limited.

At 28 January 2023, £nil was drawn down on this facility (2022: £nil).

The Group's second principal bank facility is a syndicated Asset Based Lending Facility in the US, which has a maximum revolving advance amount of approximately $300 million and expires on 24 September 2026 (2022: $300 million). At 28 January 2023, $nil was drawn down on this facility (2022: $nil).

Bank Loans and Overdrafts

The bank loans and overdrafts attract interest rates ranging from 0.3% to 8.3%. The overdrafts are repayable on demand and the bank loans are repayable over periods between three and 58 months. Included within bank loans and overdrafts are bank loans of £79.6 million (2022: £94.5 million) and overdrafts of £33.6 million (2022: £33.6 million). The maturity of the bank loans and overdrafts is as follows:

	2023 £m	2022 £m
Within one year	**75.2**	72.6
Between one and five years	**38.0**	53.4
Due in more than five years	**–**	2.1
	113.2	128.1

22. Financial Instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a 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, is cancelled or expires.

Financial Assets

The Group's financial assets are non-derivative and derivative financial assets. The non-derivative assets have fixed or determinable payments that are not quoted in an active market. The Group's financial assets comprise 'Trade receivables' and 'Cash and cash equivalents' in the Consolidated Statement of Financial Position.

Cash and cash equivalents comprise short-term cash deposits with major clearing banks earning floating rates of interest based upon bank base rates or rates linked to SONIA and EURIBOR (Euro Interbank Offered Rate).

The currency profile of cash and cash equivalents is shown below:

	2023 £m	2022 £m
Cash and cash equivalents	**1,582.5**	1,314.0
Sterling	**750.7**	497.0
Euros	**387.0**	330.3
US Dollars	**295.7**	402.5
Australian Dollars	**81.4**	37.7
Malaysian Ringgit	**11.8**	10.2
Swedish Krona	**11.7**	0.7
Danish Krone	**7.6**	5.7
Singapore Dollars	**3.7**	7.5
Other	**32.9**	22.4
Total	**1,582.5**	1,314.0

The currency profile of trade receivables is shown below:

	2023 £m	2022 £m
Trade receivables	**62.4**	56.6
Sterling	**24.5**	22.5
Euros	**21.2**	19.4
US Dollars	**11.8**	9.0
Other	**4.9**	5.7
Total	**62.4**	56.6

22. Financial Instruments continued

Financial Liabilities

The Group's financial liabilities are all categorised as other financial liabilities. Other financial liabilities, with the exception of foreign exchange forward contracts and put and call option liabilities, are measured at amortised cost. The Group's other financial liabilities comprise 'Interest-bearing loans and borrowings' and 'Trade payables'.

The currency profile of interest-bearing loans and borrowings is shown below:

	2023 £m	2022 £m
Interest-bearing loans and borrowings	**113.2**	128.1
Sterling	**5.8**	5.8
Euros	**89.5**	100.3
Polish Zloty	**8.9**	20.2
US Dollars	**4.7**	–
Other	**4.3**	1.8
Total	**113.2**	128.1

The currency profile of trade payables is shown below:

	2023 £m	2022 £m
Trade payables	**723.7**	526.6
Sterling	**228.8**	206.4
Euros	**199.4**	136.3
US Dollars	**217.9**	130.4
Australian Dollars	**20.3**	14.5
Polish Zloty	**31.0**	25.6
Canadian Dollars	**8.8**	3.3
Other	**17.5**	10.1
Total	**723.7**	526.6

Risk Management

The Group's operations expose it to a variety of financial risks that include the effects of changes in exchange rates, interest rates, credit risk and its liquidity position. The Group manages these risks through the use of derivative instruments, which are reviewed on a regular basis. Derivative instruments are not entered into for speculative purposes. There are no concentrations of risk in the period to 28 January 2023 (29 January 2022: None).

Interest Rate Risk

The Group finances its operations by a mixture of equity and bank borrowings. The Group's borrowings are at floating rates, partially hedged by floating rate interest on deposits, reflecting the seasonality of its cash flows. Interest rate risk therefore arises from bank borrowings. Interest rate hedging has not been put in place on the current facilities.

The Directors continue to be mindful of the potential volatility in base rates, but at present do not consider a long-term interest rate hedge to be necessary given the inherent short-term nature of both the revolving credit facility and asset based lending facility. This position is reviewed regularly, along with the level of facility required.

The Group has potential bank floating rate financial liabilities on the £700 million syndicated committed facility and the $300 million Asset Based Lending facility together with overdraft facilities in subsidiary companies (see Note 21). At 28 January 2023, £nil was drawn down from the £700 million committed facility or the $300 million Asset Based Lending facility (2022: $nil). Drawdowns under these facilities bear an interest rate of SONIA plus a margin of 0.9% (2022: SONIA plus a margin of 0.9%).

A change of 1.0% in the average interest rates during the period, applied to the Group's floating interest rate loans and borrowings as at the reporting date, would change profit before tax by £0.3 million (2022: £0.2 million) and would change equity by £0.3 million (2022: £0.2 million). The calculation is based on any floating interest rate loans and borrowings drawn down at the period end date. Calculations are performed on the same basis as the prior period and assume that all other variables remain unchanged.

22. Financial Instruments continued

Foreign Currency Risk

Foreign Currency Translation

Transactions denominated in foreign currencies are translated into Sterling at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange at the reporting date. Exchange differences in monetary items are recognised in the Consolidated Income Statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

On consolidation, the assets and liabilities of the Group's overseas operations are translated into Sterling at the rate of exchange at the reporting date. Income and expenses are translated at the average exchange rate for the accounting period. Foreign currency differences are recognised in Other Comprehensive Income and are presented in the foreign currency translation reserve.

Derivative Financial Instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are accounted for as trading instruments and are recognised initially at fair value and remeasured at each period end. The gain or loss on remeasurement to fair value is recognised immediately in the Consolidated Income Statement. The fair value is the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Hedging of Monetary Assets and Liabilities

Where a derivative financial instrument is used to hedge the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the Consolidated Income Statement.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Pound Sterling. The currencies giving rise to this risk are the Euro and US Dollar, with sales made in Euros and purchases made in both Euros and US Dollars (principal exposure). To protect its foreign currency position, the Group sets a buying rate in each country for the purchase of goods in US Dollars at the start of the buying season (typically six to nine months before the product actually starts to appear in the stores) and then enters into a number of local currency/US Dollar contracts whereby the minimum exchange rate on the purchase of Dollars is guaranteed.

As at 28 January 2023, options have been entered into to protect approximately 89% of the US Dollar trading requirement for the period to January 2024. The balance of any US Dollar requirement for the period will be satisfied at spot rates.

As at 28 January 2023, the fair value of these instruments was a net liability of £15.9 million (2022: net asset of £16.3 million). £10.9 million is due within one year and the remaining £5.0 million is due between one and two years (split as £0.8 million non-current asset and £5.8 million non-current liabilities). A loss of £32.2 million (2022: gain of £37.0 million) has been recognised in cost of sales within the Consolidated Income Statement for the change in fair value of these instruments.

We have considered the credit risk of the Group's and counterparty's credit risk and this is not expected to have a material effect on the valuation of these options.

The Group has considered the impact of a 10.0% strengthening or weakening of Sterling relative to the following currencies as at the reporting date. The reduction to profit before tax illustrates the impact on monetary assets and liabilities held in other currencies than the Group's presentational currency of Sterling. The reduction in equity illustrates the impact of the translation of the Group's subsidiaries whose functional currencies are different to the Group's presentational currency of sterling plus the impact on monetary assets and liabilities held in other currencies than the Group's presentational currency of Sterling.

A 10.0% strengthening would have reduced profit before tax and equity as follows:

	Profit before tax		Equity	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Euros	**4.7**	2.8	**43.7**	32.7
US Dollars	**2.0**	17.9	**141.4**	126.5
Australian Dollars	**2.0**	0.7	**6.5**	2.8
Other	**2.1**	0.7	**6.1**	3.2
	10.8	22.1	**197.7**	165.2

22. Financial Instruments continued

Foreign Currency Risk continued

Hedging of Monetary Assets and Liabilities continued

A 10.0% weakening of Sterling relative to the following currencies as at the reporting date would have increased profit before tax and equity as follows:

	Profit before tax		Equity	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Euros	**5.8**	3.5	**53.4**	40.0
US Dollars	**2.5**	21.9	**172.8**	154.6
Australian Dollars	**2.4**	0.9	**8.0**	3.5
Other	**2.6**	0.8	**7.9**	3.9
	13.3	27.1	**242.1**	202.0

Calculations are performed on the same basis as the prior period and the method assumes that all other variables remain unchanged.

Credit Risk

Credit risk arises from the possibility of customers and counterparties failing to meet their obligations to the Group. Investments of cash surpluses, borrowings and derivative instruments are made through major clearing banks, which must meet minimum credit ratings as required by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and a provision is made for impairment where amounts are not thought to be recoverable (see Note 19). At the reporting date there were no significant concentrations of credit risk and receivables which are not impaired are believed to be recoverable.

The Group considers its maximum exposure to credit risk to be equivalent to total trade and other receivables (excluding prepayments and accrued income) of £124.3 million (2022: £90.3 million) and cash and cash equivalents of £1,582.5 million (2022: £1,314.0 million).

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages its cash and borrowing requirement to minimise net interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of the business.

The forecast cash and borrowing profile of the Group is monitored on an ongoing basis, to ensure that adequate headroom remains under committed borrowing facilities. Management aims to ensure there is headroom of at least £200 million in relation to the £700 million syndicated committed facility and $75 million in relation to the $300 million Asset Based Lending Facility in the US. The Board reviews 13 week and annual cash flow forecasts each month. See Note 21 for the overdraft facilities available to the Group. The commitment fee on these facilities is 0.35% (2022: 0.35%).

Further, the Board regularly reviews the current financial position and performance and assesses the future prospects of the Group. As part of this assessment the Board reviews the Group's income and expenditure projections, cash flows and other key financial ratios along with the potential impact of, and challenges presented by, the principal risks outlined on pages 34 to 43. The Group's strategy along with the factors likely to affect the development, performance and position of the businesses are detailed throughout the Strategic Report on pages 12 to 111. In accordance with the requirements of the UK Corporate Governance Code, the Board has assessed the viability of the Group for a period of three years to 31 January 2026. See pages 42 and 43 for the Group's Going Concern and Viability Statement.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	2023 £m	0–3 months £m	3–12 months £m	1–2 years £m	2–5 years £m	> 5 years £m
Non-derivative financial instruments						
Bank loans and overdrafts	**113.2**	47.2	28.0	18.4	19.6	–
Trade and other payables	**1,323.7**	876.9	446.8	–	–	–
Lease liabilities	**2,638.2**	116.6	349.7	409.8	917.0	845.1
Derivative financial instruments						
Put and call options(1)	**1,233.8**	–	7.4	102.8	843.1	280.5
Forward contracts	**30.4**	18.6	6.0	5.8	–	–
	5,339.3	1,059.3	837.9	536.8	1,779.7	1,125.6

(1) An assumption has been made in relation to put and call options that the payment will be made between three and six months after the option has been exercised due to the time required to complete all of the required steps in each agreement and finalise the legal agreements.

22. Financial Instruments continued

Fair Values

The fair values together with the carrying amounts shown in the Statement of Financial Position as at 28 January 2023 are as follows:

	Note	Carrying amount 2023 £m	Fair value 2023 £m
Trade and other receivables	19	**124.3**	**124.3**
Cash and cash equivalents	20	**1,582.5**	**1,582.5**
Interest-bearing loans and borrowings – current	21	**(75.2)**	**(75.2)**
Interest-bearing loans and borrowings – non-current	21	**(38.0)**	**(29.1)**
Trade and other payables – current		**(1,323.7)**	**(1,323.7)**
Trade and other payables – non-current		**(89.3)**	**(89.3)**
		(180.6)	**(189.5)**
Unrecognised losses			**(8.9)**

In the consolidated accounts the synthetic forward is measured at the present value of the exercise price.

The comparatives at 29 January 2022 are as follows:

	Note	Carrying amount 2022 £m	Fair value 2022 £m
Trade and other receivables	19	90.3	90.3
Cash and cash equivalents	20	1,314.0	1,314.0
Interest-bearing loans and borrowings – current	21	(72.6)	(72.6)
Interest-bearing loans and borrowings – non-current	21	(55.5)	(43.5)
Trade and other payables – current		(1,147.1)	(1,147.1)
Trade and other payables – non-current		(8.6)	(8.6)
		(120.5)	(132.5)
Unrecognised gains			12.0

In the opinion of the Board, the fair value of the Group's current financial assets and liabilities as at 28 January 2023 and 29 January 2022 are not considered to be materially different to that of the book value. On this basis, the fair value hierarchy reflects the carrying values. In respect of the Group's non-current financial assets and liabilities as at 28 January 2023 and 29 January 2022, the fair value has been calculated using a pre-tax discount rate of 9.2% (2022: 8.4%) which reflects the current market assessments of the time value of money and the specific risks applicable to the liability.

Estimation of Fair Values

For trade and other receivables/payables, the notional amount is deemed to reflect the fair value.

Fair Value Hierarchy

As at 28 January 2023, the Group held non-hedged foreign exchange forward contracts which were carried at fair value on the Consolidated Statement of Financial Position. With reference to the put and call options, in the consolidated accounts the synthetic forward is measured at the present value of the exercise price.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instrument by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

22. Financial Instruments continued

Fair Value Hierarchy continued

At 28 January 2023	Fair value £m	Level 1 £m	Level 2 £m	Level 3 £m
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**14.5**	–	14.5	–
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**(30.4)**	–	(30.4)	–
Other financial liabilities				
Interest-bearing loans and borrowings – current	**(75.2)**	–	(75.2)	–
Interest-bearing loans and borrowings – non-current	**(38.0)**	–	(38.0)	–
Put and call options held by non-controlling interests	**(1,061.2)**	–	–	(1,061.2)

At 29 January 2022	Fair value £m	Level 1 £m	Level 2 £m	Level 3 £m
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**21.3**	–	21.3	–
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**(5.0)**	–	(5.0)	–
Other financial liabilities				
Interest-bearing loans and borrowings – current	**(72.6)**	–	(72.6)	–
Interest-bearing loans and borrowings – non-current	**(55.5)**	–	(55.5)	–
Put and call options held by non-controlling interests	**(764.7)**	–	–	(764.7)

23. Trade and Other Payables

Trade and other payables are non-interest-bearing and are stated at their cost.

	2023 £m	2022 £m
Current liabilities		
Trade payables	**723.7**	526.6
Other payables and accrued expenses	**572.6**	594.8
Refund liabilities	**30.8**	27.2
Other tax and social security costs	**144.1**	130.9
	1,471.2	1,279.5
Non-current liabilities		
Put and call option liabilities	**1,061.2**	764.8
Other payables and accrued expenses	**102.4**	10.6
	1,163.6	775.4

Other Payables and Accrued Expenses

In December 2021, the Company signed a contract with ABG Reebok LLC to license the Reebok brand in various territories. The agreement became effective during the 52 week period ended 28 January 2023. As a result, the Company has recognised an intangible asset for the use of the brand on the Balance Sheet and a liability for the discounted contractual minimum royalty payments under the initial 10 year term of £73.1 million.

Put and Call Options

Put and call options are in place over all or part of the remaining non-controlling interest shareholding in various subsidiaries. These put and call options are accounted for using the present access method. The Group recognises put and call options over non-controlling interests in its subsidiary undertakings as a liability in the Consolidated Statement of Financial Position at the present value of the estimated exercise price of the put and call option.

23. Trade and Other Payables continued

Put and Call Options continued

Material Put and Call Options (Genesis Put and Call Option £801.1m (2022: £520.3m), ISRG Put Option £138.6m (2022: £119.0m) and MIG Put and Call Option £52.4 million (2022: £51.9m))

Put and call options are entered into simultaneously, in contemplation of each other and are documented within a single agreement with the same counterparty in respect of each minority shareholding. The terms of the put and call are identical in respect of the valuation mechanic and the period on which EBITDA, cash and net debt are derived and therefore the underlying asset and risk associated to the put and call are considered to be the same. The only distinguishable difference between the put and the call, other than the party choosing to initiate the option, is the timing of the option window. There is usually a short period of time between the put option window commencing and the call option window commencing. For example, in the case of the Genesis put and call option agreement, the put option window is a 30 day period commencing 30 calendar days after the end of the relevant financial period and the call option window is a 30 day period commencing 30 calendar days after the end of the put period. This distinction is made principally for administrative purposes, to prevent any confusion that might otherwise arise from the simultaneous exercise of both a put and a call. Accordingly, the Group has assessed that the put and call options are to be accounted for as a single unit of account. The Group has used a third-party valuation expert to estimate the present value of the Group's material put and call option liabilities using a Monte-Carlo simulation model, applying a geometric Brownian motion to project the share price and arithmetic Brownian motion for the projection of EBITDA. The option formula and multiple are usually stated in the option agreement; however, in the absence of a specified formula or multiple, we would estimate this based on current evidence in the Mergers & Acquisitions market and our past experience of multiples paid for similar businesses.

Inputs to the Monte-Carlo simulation models

The Group has used Board approved forecasts for the financial period ended 3 February 2024 and then applied growth assumptions to estimate profit and cash flow forecasts for future periods. The option formula and multiple are stated in the option agreements with the exception of the ISRG option which does not have a multiple stated in the agreement. In the absence of a specified formula or multiple, we would estimate this based on current evidence in the Mergers & Acquisitions market and our past experience of multiples paid for similar businesses. The range of multiples used across the put and call options at 28 January 2023 is 6.35–9.0.

The key inputs to the Monte-Carlo simulation models are:

- The EBITDA forecasts and growth assumptions for future periods including forecasted net cash/debt and forecast capital expenditure, working capital movements and taxation.
- The Equity Value and the EBITDA of Genesis are modelled as correlated stochastic processes whereby the Equity Value is projected using a Geometric Brownian Motion. Its drift is estimated from a market-observable risk-free rate and its volatility is estimated from comparable companies. The EBITDA is projected using an Arithmetic Brownian Motion. Its drift for each time period is estimated from forecast EBITDA and its standard deviation is estimated from historical EBITDA data. The correlation between the EBITDA and the Equity Value processes is estimated by using historical data for the Company.
- EBITDA volatility is estimated based on historical EBITDA data for the entity over which the option is held.
- Risk-free discount rate. These discount rates are considered to be equivalent to the rates a market participant would use.

The share price and EBITDA are then simulated for the period from the valuation date (28 January 2023) up to the exercise dates, giving projected share price and EBITDA for each of the relevant exercise dates as stated in the option agreement. The option purchase price is then calculated using the simulated EBITDA and forecast net cash/debt. The option exercise price is then discounted using a risk-free discount rate and each result is then averaged across a large number of simulated paths.

Other Options

The present value of the exercise price of the put and call options is estimated using Board approved forecasts multiplied by an earnings multiple. The option formula and multiple are stated in the option agreement. The range of multiples used across the put and call options at 28 January 2023 is 4.0–10.0. The forecast cash flows are discounted using a discount rate reflecting the current market assessment of the time value of money and any specific risk premiums relevant to the individual businesses involved. These discount rates are considered to be equivalent to the rates a market participant would use. Upon initial recognition of put and call options a corresponding entry is made to Other Equity, and for subsequent changes on remeasurement of the liability the corresponding entry is made to Adjusted Items in the Consolidated Income Statement.

Other options relating to the 52 week period ended 28 January 2023 total £69.1 million (29 January 2022: £73.5 million): Cosmos Sport £8.1 million (2022: £10.9 million), Deporvillage S.L. £0.9 million (2022: £11.7 million), JDSF Holdings (Canada) Inc. £11.6 million (2022: £0.1 million), Other £48.5m (2022: £50.8 million).

23. Trade and Other Payables continued

Put and Call Options continued

	Iberian Sports Retail Group ('ISRG') £m	Genesis Topco Inc ('Genesis') £m	Marketing Investment Group S.A. ('MIG') £m	Other £m	**Total Liability £m**
At 29 January 2022	119.0	520.3	51.9	73.5	**764.7**
Acquisitions	–	–	–	19.1	**19.1**
Options lapsed during the period	–	–	–	(11.2)	**(11.2)**
Disposals	–	–	–	(6.4)	**(6.4)**
Increase in the present value of the existing option liability	19.6	280.8	0.5	(5.9)	**295.0**
At 28 January 2023	**138.6**	**801.1**	**52.4**	**69.1**	**1,061.2**

Sensitivity Analysis – ISRG Put Option

Sensitivity analysis was performed over the key variable inputs to the valuation of the ISRG put option. The key variable inputs were determined to be the discount rate and Board approved forecasts. 1% was determined to be a reasonably possible change for the discount rate and the EBITDA included in the approved cash flow forecasts. The results were as follows:

- A discount rate increase of 1% would result in a reduction to the put option liability of £1.7 million.
- A discount rate reduction of 1% would result in an increase to the put option liability of £1.7 million.
- An increase of 1% to the forecast EBITDA would result in an increase in the put option liability of £2.2 million.
- A decrease of 1% to the forecast EBITDA would result in a reduction to the put option liability of £2.2 million.

Sensitivity Analysis – Genesis Put and Call Option

Sensitivity analysis was performed over the key variable inputs to the valuation of the Genesis put and call option. The key variable inputs were determined to be the discount rate and Board approved forecasts. 1% was determined to be a reasonably possible change for the discount rate and the EBITDA included in the approved cash flow forecasts. The results were as follows:

- A discount rate increase of 1% would result in a reduction to the put and call option liability of £29.0 million.
- A discount rate reduction of 1% would result in an increase to the put and call option liability of £30.2 million.
- An increase of 1% to the forecast EBITDA would result in an increase in the put and call option liability of £6.2 million.
- A decrease of 1% to the forecast EBITDA would result in a reduction to the put and call option liability of £6.2 million.

The Directors are satisfied that the forecast cash flows utilised in the measurement model are appropriate as they are based on Board approved forecasts for stores which were legally committed as at the balance sheet date, growth assumptions derived from discussions with key management and Board approved capital expenditure budgets for store openings in the financial period ending 3 February 2024. Delivery of the group's longer-term growth ambitions and strategy in respect of the US market, announced recently post-year end at the Capital Markets Event, are dependent on further sites being identified, approved and opened, the timings and specifics of which are more difficult to forecast reliably. The Group has provided it's third-party valuation expert with indicative plans that align to its strategic ambition and which assume additional appropriate sites can be identified and opened in the next five years. The resultant valuation, using the same Monte Carlo approach, shows an increase on the put and call option liability of £255 million.

Sensitivity Analysis – MIG Put and Call Option

Sensitivity analysis was performed over the key variable inputs to the valuation of the MIG put and call option. The key variable inputs were determined to be the discount rate and Board approved forecasts. 1% was determined to be a reasonably possible change for the discount rate and the EBITDA included in the approved cash flow forecasts. The results were as follows:

- A discount rate increase of 1% would result in a reduction to the put and call option liability of £1.4 million.
- A discount rate reduction of 1% would result in an increase to the put and call option liability of £1.4 million.
- An increase of 1% to the forecast EBITDA would result in an increase in the put and call option liability of £0.5 million.
- A decrease of 1% to the forecast EBITDA would result in a reduction to the put and call option liability of £0.5 million.

23. Trade and Other Payables continued

Put and Call Options continued

Option Details

Company	Options in existence	Exercise periods	Methodology	Maximum price	Short-term EBITDA growth assumptions	Discount rate applied	Recognised as a liability **At 28 January 2023 £m**	At 29 January 2022 £m
Iberian Sports Retail Group	First put option whereby JD Sports Fashion Plc may be required to acquire 70% of the option holder's 20% holding of the issued share capital of Iberian Sports Retail Group. Second put option whereby JD Sports Fashion Plc may be required to acquire 30% of the option holder's 20% holding of the issued share capital of Iberian Sports Retail Group in three tranches of 10%.	The first put option is exercisable for a period of 30 days following the approval of the audited financial statements of Iberian Sports Retail Group for the 52 week period ended 28 January 2023. The second put option is exercisable after at least one year has lapsed since the first put option was exercised. The 30% option, in three separate tranches of 10%, need not be exercised in consecutive years.	The option price is calculated based on the equity value plus the outstanding loans or financing provided by the option holder with unpaid interest accrued.	The option price shall not exceed £332 million.	6.6%	12.0%	**138.6**	119.0
Genesis Topco Inc	Put option whereby JD Sports Fashion Plc may be required to acquire the remaining 20% of the issued share capital of Genesis Topco Inc in four equal tranches with the ability to roll over a tranche that has not previously been subject to the exercise of a put option.	The put options are exercisable within 30 calendar days after the determination of the final put/call value for the fiscal year, and following the approval of the audited financial statements for the preceding fiscal year which should be made available no later than 120 days after the end of each fiscal year. The first put period will occur after the determination of the put/call value for the 52 week period ending on 1 February 2025.	The option price is calculated based on a multiple of earnings before interest, tax, depreciation and amortisation for the relevant financial period, less post-closing cash and debt.	The option price shall not exceed £1.2 billion.	2.6%	3.8%	**801.1**	520.3

23. Trade and Other Payables continued

Put and Call Options continued

Option Details continued

Company	Options in existence	Exercise periods	Methodology	Maximum price	Short-term EBITDA growth assumptions	Discount rate applied	Recognised as a liability At 28 January 2023 £m	At 29 January 2022 £m
Marketing Investment Group S.A.	Put option whereby JD Sports Fashion Plc may be required to acquire the remaining 40% of the issued share capital of Marketing Investment Group S.A. in two equal tranches with the ability to roll over a tranche that has not previously been subject to the exercise of a put option.	The put options are exercisable one month after the shareholders meeting in any given year after the determination of the put option value for the financial year. The first put period will occur after the financial statements for the 52 week period ending 31 January 2025 are approved. The second put option is exercisable after the financial statements for the 52 week period ending 31 January 2026 are approved. If an option is not exercised, it may be exercised in any year within the 15 years following the acquisition date of 30 April 2021. Only one tranche may be exercised in any one year.	The option price is calculated based on a multiple of earnings before interest, tax, depreciation and amortisation for the relevant financial period, less net debt and any working capital adjustments.	The option price shall not exceed £309.8 million.	3.3%	3.0%	**52.4**	51.9
Other put and call option liabilities							**69.1**	73.5
Total liability							**1,061.2**	764.7

24. Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the obligation can be estimated reliably.

Property Provision

Within the property provision, management has provided for expected dilapidations on stores and warehouses. This provision covers expected dilapidation costs for any lease considered onerous, any related to stores recently closed, stores which are planned to close or are at risk of closure and those under contract but not currently in use. Management maintains all properties to a high standard and carries out repairs whenever necessary during the Group's tenure. Therefore if there is no risk of closure any provision would be minimal and management does not consider it necessary to hold dilapidation provisions for these properties.

Other Provisions

Other provisions comprises various other trade provisions and legal costs. The provisions are estimated based on accumulated experience, supplier communication and management approved forecasts.

Onerous Contract Provision

Within the onerous contract provision, management has provided against the minimum contractual cost for the remaining term on a non-cancellable logistics services contract for the Azambuja warehouse in Portugal within the Sport Zone division. The provision will be unwound over the remaining seven year period ending 30 September 2030.

	Property provision £m	Other provisions £m	Onerous contract provision £m	**Total £m**
Balance at 30 January 2021	–	–	5.8	**5.8**
Provisions reclassified from accruals	11.2	14.2	–	**25.4**
Provisions released during the period	(2.0)	(6.7)	(0.7)	**(9.4)**
Provisions created during the period	9.4	5.0	–	**14.4**
Provisions utilised during the period	(0.4)	(2.7)	–	**(3.1)**
Balance at 29 January 2022	18.2	9.8	5.1	**33.1**
Provisions reclassified from accruals	0.9	–	–	**0.9**
Provisions acquired in the period	0.5	–	–	**0.5**
Provisions transferred to held-for-sale (Note 33)	(0.4)	–	–	**(0.4)**
Provisions divested in the period (Note 12)	(0.1)	–	–	**(0.1)**
Provisions released during the period	(1.5)	(5.0)	(0.8)	**(7.3)**
Provisions created during the period	4.5	1.8	–	**6.3**
Provisions utilised during the period	(0.7)	(1.5)	–	**(2.2)**
Balance at 28 January 2023	**21.4**	**5.1**	**4.3**	**30.8**

Provisions have been analysed between current and non-current as follows:

	2023 £m	2022 £m
Current	**9.7**	13.2
Non-current (within 10 years)	**21.1**	19.9
	30.8	33.1

25. Deferred Tax Assets and Liabilities

Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2023 £m	Assets 2022 £m	**Liabilities 2023 £m**	Liabilities 2022 £m	**Net 2023 £m**	Net 2022 £m
Property, plant and equipment	**2.1**	19.6	**(57.9)**	(29.4)	**(55.8)**	(9.8)
Employee benefits	**13.1**	–	**–**	–	**13.1**	–
Property	**31.0**	–	**(0.4)**	–	**30.6**	–
Specific trade provisions	**12.3**	–	**–**	–	**12.3**	–
Tax losses	**5.0**	6.5	**–**	–	**5.0**	6.5
Fascia names	**–**	–	**(85.0)**	(97.6)	**(85.0)**	(97.6)
Other temporary differences	**2.6**	55.6	**(0.1)**	(0.4)	**2.5**	55.2
Tax assets/(liabilities)	**66.1**	81.7	**(143.4)**	(127.4)	**(77.3)**	(45.7)

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. In accordance with IAS 12, UK deferred tax has been recognised at the enacted 25% at the balance sheet date. Deferred tax is recognised at the local enacted rate for overseas territories.

Movement in Deferred Tax During the Period

	Property, plant and equipment £m	Employee benefits £m	Property £m	Specific trade provisions £m	Tax losses £m	Fascia names £m	Other £m	**Total £m**
Balance at 30 January 2021	2.7	–	–	–	1.7	(37.4)	18.6	**(14.4)**
Recognised on acquisition	(0.5)	–	–	–	–	(50.2)	(1.5)	**(52.2)**
Recognised in income	(6.7)	–	–	–	4.8	(0.8)	20.3	**17.6**
Reclassification	(5.3)	–	–	–	–	(12.2)	17.5	**–**
Foreign exchange movements	–	–	–	–	–	3.0	0.3	**3.3**
Balance at 29 January 2022	(9.8)	–	–	–	6.5	(97.6)	55.2	**(45.7)**
Recognised on acquisition	(0.2)	(0.1)	(1.9)	–	0.3	(2.3)	0.5	**(3.7)**
Recognised in income	(34.4)	(2.1)	4.1	(3.1)	(1.9)	16.3	(0.7)	**(21.8)**
Reclassification [(1)]	(9.3)	15.2	27.9	15.5	0.2	2.9	(52.4)	**–**
Foreign exchange movements	(2.1)	0.1	0.5	(0.1)	(0.1)	(4.3)	(0.1)	**(6.1)**
Balance at 28 January 2023	**(55.8)**	**13.1**	**30.6**	**12.3**	**5.0**	**(85.0)**	**2.5**	**(77.3)**

(1) For greater transparency, the number of categories has been increased. This includes a restatement of the opening allocation.

- Property, plant and equipment includes balances in relation to IFRS 16 timing differences.
- Employee benefits includes bonus and pension provisions.
- Property includes balances related to stepped rent provisions, dilapidation provisions and other property related costs.
- Specific trade provisions includes balances related to stock provisions and other trading expense accruals.

As at 28 January 2023, the Group had no recognised deferred income tax liability (2022: £nil) in respect of taxes that would be payable on the unremitted earnings of certain overseas subsidiaries. At this date, the unrecognised gross temporary differences in respect of overseas subsidiaries was £933.9 million (2022: £689.2 million). Deferred tax is not provided on these differences as:

i) No withholding tax is due under domestic tax legislation or the relevant tax treaty with the UK; or,

ii) Withholding is recoverable in the UK; and/or

iii) Management has the ability to control any future reversal and does not consider such a reversal to be probable.

Tax Losses Carried Forward

To assess the recoverability of potential deferred tax assets arising on carry forward tax losses, both the historic profitability of the entity and the forecast financial performance for the next financial period are reviewed. Consideration is given to the reasons behind the historic losses i.e. whether they arose due to one off events, such as the lockdown of stores due to COVID restrictions, or long-term factors, such as initial organic growth in a new jurisdiction.

Where forecasts reflect a return to profitability, the key drivers are challenged and assessed. If there is sufficient evidence that it is 'more likely than not' that future taxable profits will exist against which unused tax losses may be offset, a deferred tax asset will be recognised.

25. Deferred Tax Assets and Liabilities continued

Tax Losses Carried Forward continued

These assets have arisen in the following Group subsidiaries:

The Group has recognised deferred tax assets on gross losses of £19.5 million (2022: £27.4 million) as outlined in the table below.

	Gross amount 2023 £m	Tax effected 2023 £m	Gross amount 2022 £m	Tax effected 2022 £m
Tax losses expiring:				
Within 10 years	–	–	13.5	2.8
More than 10 years	0.1	–	–	–
Available indefinitely	19.4	5.0	13.9	3.7
	19.5	5.0	27.4	6.5

These assets have arisen in the following Group subsidiaries:

Recognised tax losses (gross)	2023 £m	2022 £m
JD Sports Fashion BV	11.7	–
SDSR – Sports Division SR, S.A	–	13.5
Spodis SA	–	7.4
Sport Zone Canaries SL	3.4	–
Sports Unlimited Retail BV	–	4.5
Swim Sports Company Limited	2.1	–
Other	2.3	2.0
	19.5	27.4

Tax Losses for Which No Deferred Tax Asset Has Been Recognised

In line with its accounting policy, deferred tax assets have not been recognised on losses of £89.1 million (2022: £88.1 million) as there is uncertainty over the timing of their utilisation. These losses are outlined in the table below.

Tax losses for which no deferred tax asset has been recognised	Gross amount 2023 £m	Tax effected 2023 £m	Gross amount 2022 £m	Tax effected 2022 £m
Tax losses expiring:				
Within 10 years	16.4	3.4	14.5	2.9
More than 10 years	17.3	4.3	8.1	1.8
Available indefinitely	55.4	21.6	65.5	17.7
	89.1	29.3	88.1	22.4

These losses have arisen in the following Group subsidiaries:

	2023 £m	2022 £m
JD Size GmbH	4.9	3.9
JD Sports (Thailand) Limited	4.2	3.9
JD Sports Fashion AT GmbH	6.4	5.6
JD Sports Fashion BV	–	11.8
JD Sports Fashion Finland Oy	3.7	3.5
JD Sports Fashion Germany GmbH	–	20.8
JD Sports Fashion Korea Inc	14.1	12.2
JD Sports Fashion Sweden AB	8.4	6.2
JDSF Retail (Canada) Inc	11.3	2.9
Sports Unlimited Retail BV	26.0	8.1
Tiso Group Limited and its subsidiaries	3.0	2.7
Other	7.1	6.5
	89.1	88.1

25. Deferred Tax Assets and Liabilities continued

Other considerations

The Group has been closely monitoring the development of the OECD's 'Two Pillar Solution to Address the Tax Challenges arising from the Digitalisation of the Economy' ('Pillar 2 rules').

The proposed rules have made significant progress during the year with some jurisdictions (including the UK and EU) formally announcing that the rules will be implemented for accounting periods beginning on or after 31 December 2023.

The first accounting period these new rules will apply to the Group will be the period ending 1 February 2025. Other key territories for the Group, including the US and Australia have yet to announce whether they will formally adopt the rules.

The proposed rules are complex with four interacting mechanisms, the final legislation for which is still not available. However, the intention is to ensure a standard global minimum rate of corporate tax of 15%.

The Group operates globally across multiple tax jurisdictions, including territories where the statutory rate of corporation tax is below 15%. These include the Republic of Ireland, Andorra, Bulgaria, Hungary, Cyprus, Bosnia and Herzegovina and the UAE. All Group entities operating in these territories are trading and engaged in either Sports Fashion retail or the operation of gyms and fitness centres.

Tax incentives, such as R&D tax credits, are available to the Group in the UK, US, Spain and Portugal. The level of claims made in each of these territories is immaterial and would not reduce the effective rate of tax below the minimum 15% level.

Given the rules are not yet final, it is not possible to carry out a full assessment of the potential impact on the future tax charge of the Group, however, this is not expected to be material.

The implementation of the Pillar 2 rules will have implications for tax accounting and tax disclosures. The IASB have recently confirmed a temporary exemption from the requirement to account for deferred tax assets and liabilities related to the implementation of the Pillar 2 rules. As such, the future impact of the Pillar 2 rules, once implemented, will be limited to current tax only.

26. Capital and Reserves

Issued Ordinary Share Capital

On 20 December 2022, JD Sports Fashion Plc completed the placing of new ordinary shares in the capital of the Company. A total of 25,000,000 new Ordinary shares were issued, increasing the total ordinary shares in issue to 5,183,135,745.

The total number of authorised ordinary shares was 6,240 million (2022: 6,215 million) with a par value of 0.05 pence per share (2022: 0.05 pence per share). All issued shares are fully paid.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, share premium and retained earnings.

It is the Board's policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The processes for managing the Group's capital levels are that the Board regularly monitors the net cash/debt in the business, the working capital requirements and forecast cash flows. Based on this analysis, the Board determines the appropriate return to equity holders while ensuring sufficient capital is retained in the business to meet its strategic objectives.

Full disclosure on the rights attached to shares is provided in the Directors' Report on page 115.

	Number of ordinary shares millions	Ordinary share capital £m	Share premium £m
At 29 January 2022	5,158	2.5	467.5
Shares issued on 20 December 2022	25	–	–
At 28 January 2023	**5,183**	**2.5**	**467.5**

26. Capital and Reserves continued

Net Debt to Capital Ratio

There were no changes to the Group's approach to capital management during the period. The Board monitors capital using a net debt to equity ratio calculated as follows:

	2023 £m	2022 £m
Net debt (Note 31)	**869.9**	1,057.0
Capital:		
Net debt (as above)	**869.9**	1,057.0
Equity (calculated as 5,183.1 million shares in issue multiplied by 161.6 pence per share (2022: 5,158.1 million shares in issue multiplied by 188.3 pence per share)) (1)	**8,375.9**	9,712.7
Total capital	**9,245.8**	10,769.7
Net debt to capital ratio	**9.4%**	9.8%

(1) Share prices taken as at 28 January 2023 and 29 January 2022 respectively.

Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Other Equity

Put and call option reserve

Put and call options held by non-controlling interests are accounted for using the present access method. Upon initial recognition of the put or call option liability a corresponding entry is made to Other Equity, and for subsequent changes on remeasurement of the liability the corresponding entry is made to Adjusted Items in the Consolidated Income Statement.

Share-based payment reserve

As at 28 January 2023 53,225 ordinary shares (2022: 462,500 ordinary shares) were granted under the JD Sports Fashion Plc Long-term Incentive Plan 2021. Following the departure of Peter Cowgill on 25 May 2022, his LTIP award of 409,275 shares lapsed on cessation in accordance with the Directors' Remuneration Policy (see Note 5 Remuneration of Directors).

As at 28 January 2023, 996,066 ordinary shares were granted to Régis Schultz (see Note 5 Remuneration of Directors).

The market value of shares as at 28 January 2023 was 161.6 pence per share (2022: 188.3 pence per share).

27. Non-Controlling Interests

The following disclosure provides summarised financial information for investments that have non-controlling interests ('NCI'). NCI is initially measured at the proportionate interest in identifiable net assets of the acquiree. The table below provides a list of the subsidiaries which include NCI at 28 January 2023 and 29 January 2022:

	Country of incorporation	NCI at 28 January 2023 %	NCI at 29 January 2022 %	Net income/(loss) attributable to NCI for 52 weeks ending 28 January 2023 £m	NCI at 28 January 2023 £m	Net income/(loss) attributable to NCI for 52 weeks ending 29 January 2022 £m	NCI at 29 January 2022 £m
Name of subsidiary:							
Genesis Topco Inc	US	**20.0%**	20.0%	**46.1**	**343.5**	45.4	271.2
Iberian Sports Retail Group SL	Spain/ Portugal/ Canaries	**49.99%**	49.99%	**29.6**	**123.8**	32.9	108.6
Marketing Investment Group S.A.	Poland	**40.0%**	40.0%	**3.4**	**21.5**	3.6	18.4
Other	Various(1)	**1.5%-40%**	1.5%-50%	**5.1**	**25.1**	8.0	15.4
				84.2	**513.9**	89.9	413.6

(1) Other includes subsidiaries incorporated in the UK, Canada, Cyprus, Germany, Greece, India, Malaysia and the US.

For recently acquired non-wholly owned subsidiaries, further details are provided in Note 11.

27. Non-Controlling Interests continued

The following table summarises the information relating to each of the Group's subsidiaries that have material NCI.

Summarised Statement of Financial Position	**Genesis Topco Inc (sub-group) 2023 £m**	Genesis Topco Inc (sub-group) 2022 £m	**Iberian Sports Retail Group SL 2023 £m**	Iberian Sports Retail Group SL 2022 £m	**Marketing Investment Group S.A. 2023 £m**	Marketing Investment Group S.A. 2022 £m
Current assets	**799.7**	437.6	**357.6**	284.2	**84.1**	63.3
Non-current assets	**1,765.4**	1,610.8	**690.7**	626.4	**99.7**	75.1
Total assets	**2,565.1**	2,048.4	**1,048.3**	910.6	**183.8**	138.4
Current liabilities	**(513.6)**	(376.8)	**(411.6)**	(348.4)	**(94.3)**	(69.9)
Non-current liabilities	**(527.8)**	(495.3)	**(408.4)**	(413.4)	**(57.4)**	(51.4)
Net assets	**1,523.7**	1,176.3	**228.3**	148.8	**32.1**	17.1

Summarised results of operations	**Genesis Topco Inc (sub-group) 52 weeks to 28 January 2023 £m**	Genesis Topco Inc (sub-group) 52 weeks to 29 January 2022 £m	**Iberian Sports Retail Group SL 52 weeks to 28 January 2023 £m**	Iberian Sports Retail Group SL 52 weeks to 29 January 2022 £m	**Marketing Investment Group S.A. 52 weeks to 28 January 2023 £m**	Marketing Investment Group S.A. 39 week period to 29 January 2022 £m
Revenue	**3,068.5**	2,576.7	**1,152.5**	920.6	**260.7**	175.0
Profit for the period, net of tax	**267.1**	266.2	**63.0**	50.1	**8.4**	7.1

Summarised Statement of Cash Flows	**Genesis Topco Inc (sub-group) 52 weeks to 28 January 2023 £m**	Genesis Topco Inc (sub-group) 52 weeks to 29 January 2022 £m	**Iberian Sports Retail Group SL 52 weeks to 28 January 2023 £m**	Iberian Sports Retail Group SL 52 weeks to 29 January 2022 £m	**Marketing Investment Group S.A. 52 weeks to 28 January 2023 £m**	Marketing Investment Group S.A. 39 week period to 29 January 2022 £m
Net cash provided by operating activities	**285.5**	436.3	**154.4**	136.3	**30.9**	12.4
Net cash used in investing activities	**(108.9)**	(277.2)	**(77.1)**	(121.9)	**(11.9)**	(2.7)
Net cash used in financing activities (1)	**(107.9)**	(92.5)	**(89.2)**	(42.5)	**(18.0)**	(11.5)
Cash and cash equivalents:						
At the beginning of the period presented	**191.4**	124.8	**131.0**	159.1	**5.0**	6.8
At the end of the period	**260.1**	191.4	**119.1**	131.0	**6.0**	5.0

(1) Repayment of lease liabilities have been reclassified from 'Net cash provided by operating activities' for the 52 weeks to 29 January 2022 and 39 week period to 29 January 2022.

28. Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group and Company financial statements in the period in which it is approved.

After the reporting date the following dividend was proposed by the Directors and will be payable to all shareholders on the register at 4 August 2023. The dividends were not provided for at the reporting date.

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
0.67 pence per ordinary share (2022: 0.35 pence)	**34.6**	18.1

Dividends on Issued Ordinary Share Capital

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Final dividend of 0.35 pence (2022: 0.29 pence) per qualifying ordinary share paid in respect of prior period, but not recognised as a liability in that period	**18.1**	14.9
Interim dividend of 0.13 pence (2022: nil pence) per qualifying ordinary share paid in respect of current period	**6.7**	–
	24.8	14.9

29. Commitments

As at 28 January 2023, the Group had entered into contracts to purchase property, plant and equipment as follows:

	2023 £m	2022 £m
Contracted	**29.0**	30.2

30. Pension Schemes

The Group operates defined contribution pension schemes, the assets of which are held separately from those of the Group in independently administered funds. Obligations for contributions to the defined contribution schemes are recognised as an expense in the Consolidated Income Statement when incurred.

The pension charge for the period represents contributions payable by the Group of £20.1 million (2022: £16.8 million) in respect of employees. Disclosure of the pension contributions payable in respect of the Directors is included in the Directors' Remuneration Report. The amount owed to the schemes at the period end was £6.1 million (2022: £3.1 million).

31. Analysis of Net Debt

Net debt consists of cash and cash equivalents together with other borrowings from bank loans and overdrafts, other loans, loan notes, lease liabilities and similar hire purchase contracts.

	At 29 January 2022 £m	On acquisition of subsidiaries £m	Cash flow £m	Non-cash movements £m	**At 28 January 2023 £m**
Cash at bank and in hand	1,314.0	1.1	280.3	(12.9)	**1,582.5**
Overdrafts	(33.6)	–	–	–	**(33.6)**
Cash and cash equivalents	1,280.4	1.1	280.3	(12.9)	**1,548.9**
Interest-bearing loans and borrowings:					
Bank loans	(94.5)	(3.8)	21.9	(3.2)	**(79.6)**
Net cash/(financial debt) before lease liabilities	1,185.9	(2.7)	302.2	(16.1)	**1,469.3**
Lease liabilities	(2,242.9)	(6.7)	393.0	(482.6)	**(2,339.2)**
Net (debt)/cash	(1,057.0)	(9.4)	695.2	(498.7)	**(869.9)**

32. Related Party Transactions and Balances

Transactions and balances with each category of related parties during the period are shown below. Outstanding balances are unsecured (unless otherwise stated) and will be settled in cash.

Transactions with Related Parties who are not Members of the Group

Pentland Group Limited

During the financial period, Pentland Group Limited owned 51.6% (2022: 51.9%) of the issued ordinary share capital of JD Sports Fashion Plc. The Group made purchases of inventory from Pentland Group Limited in the period and the Group also sold inventory to Pentland Group Limited. The Group also paid royalty costs to Pentland Group Limited for the use of a brand.

During the period, the Group entered into the following transactions with Pentland Group Limited:

	Income from related parties 2023 £m	**Expenditure with related parties 2023 £m**	Income from related parties 2022 £m	Expenditure with related parties 2022 £m
Sale of inventory	**1.2**	**–**	1.3	–
Purchase of inventory	**–**	**(43.3)**	–	(48.7)
Royalty costs	**–**	**(4.0)**	–	(6.2)
Marketing costs	**–**	**(0.4)**	–	(0.9)
Dividends paid	**–**	**(12.8)**	–	(7.7)

At the end of the period, the following balances were outstanding with Pentland Group Limited:

	Amounts owed by related parties 2023 £m	**Amounts owed to related parties 2023 £m**	Amounts owed by related parties 2022 £m	Amounts owed to related parties 2022 £m
Trade receivables/(payables)	**0.4**	**(4.9)**	0.2	(2.5)

Associates and Joint Ventures

During the period, the Group entered into the following transactions with its associates and joint ventures:

	Income from related parties 2023 £m	**Expenditure with related parties 2023 £m**	Income from related parties 2022 £m	Expenditure with related parties 2022 £m
Sale of inventory	**0.1**	**–**	–	–
Purchase of inventory	**–**	**(12.4)**	–	(12.5)
Recharge of expenses	**2.6**	**–**		
Dividends and distributions received	**3.4**	**–**	6.9	–

32. Related Party Transactions and Balances continued

Transactions with Related Parties who are not Members of the Group continued

Associates and Joint Ventures continued

At the end of the period, the Group had the following balances outstanding with its associates and joint ventures:

	Amounts owed by related parties 2023 £m	Amounts owed to related parties 2023 £m	Amounts owed by related parties 2022 £m	Amounts owed to related parties 2022 £m
Trade receivables	**2.9**	**–**	0.2	–
Loans receivable in less than 1 year	**0.2**	**–**	–	–
Loans receivable in more than 1 year	**7.6**	**–**	–	–
Trade payables	**–**	**(1.0)**	–	(0.3)

Other receivables from associates and joint ventures relate to costs incurred by the Group on behalf of these entities, which have then been recharged. The loan receivable in less than one year of £0.2 million (2022: £nil) is presented within other receivables within current assets.

Directors

Other than the remuneration of Directors as shown in Note 5 and in the Directors' Remuneration Report on pages 132 to 154 there have been no other transactions with Directors in the period (2022: nil).

In the 52 week period ended 29 January 2022, the Group accrued £25,000 of invoices from Cowgill Holloway Business Recovery LLP in respect of professional fees, which were paid after the 52 week period ended 29 January 2022. At that time, Peter Cowgill was indirectly a member of this Limited Liability Partnership through his membership of Cowgill Holloway LLP, which is then a member of Cowgill Holloway Business Recovery LLP. Peter Cowgill did not participate in any profit share arrangement relating to either Cowgill Holloway LLP or Cowgill Holloway Business Recovery LLP. In addition, Cowgill Holloway LLP (including member firms of Cowgill Holloway LLP) acted on behalf of certain vendors where the Group has ultimately completed an acquisition. Where this has occurred, there have been no monetary payments between the Group and Cowgill Holloway LLP (including its member firms). Peter Cowgill ceased to be a Director of JD Sports Fashion Plc on 25 May 2022.

33. Held-for-sale

Footasylum

Transaction History

On 18 February 2019, JD Sports Fashion Plc acquired 19,579,964 Footasylum Plc shares at prices between 50 pence and 75 pence per share, representing 18.7% of the issued ordinary share capital.

On 18 March 2019, in conjunction with the Board of Footasylum Plc, JD Sports Fashion Plc announced the terms of an offer to be made for the remaining 81.3% of the ordinary share capital of Footasylum at a price of 82.5 pence per ordinary share. This offer was declared unconditional in all respects on 12 April 2019 with acceptances received for a total of 78,176,481 shares representing a further 74.8% of the issued ordinary share capital. On 26 April 2019, the first bulk transfer was made to acquire an additional 80.5 million shares (in addition to the 19.5 million already owned). The formal process to acquire the remaining Footasylum shares (including the dissenting shareholders) was completed on 4 June 2019. Footasylum was delisted on 16 May 2019 and converted from an unlisted Plc to a private company on 19 September 2019.

Hold Separate Order and Consolidation

On 17 May 2019, JD Sports Fashion Plc received a 'hold separate' enforcement order from the CMA regarding the Footasylum acquisition.

In accordance with IFRS 10 'Consolidated Financial Statements', an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Whilst this transaction was being reviewed by the CMA, the Directors of JD Sports Fashion Plc assessed whether the Group had control over Footasylum and could therefore consolidate the results of Footasylum. In making their judgement, the Directors considered that there was a simultaneous exchange and completion on the transaction and completion was not conditional on the outcome of the CMA review. The risks and rewards ultimately rested with JD Sports Fashion Plc as legal owner and there would be no pass through to the former shareholders. This evidences that the Group had exposure, or rights, to variable returns from its involvement with the investee. Further, the Group had the power of veto over strategic decision making. After careful consideration, the Directors concluded that the consolidation of Footasylum into the Group financial statements from the date of acquisition was appropriate and this was disclosed as a critical accounting judgement in the accounting policies.

33. Held-for-sale continued

Held-for-sale

On 4 November 2021, the final ruling from the CMA was to prohibit the Group's acquisition of Footasylum. The final CMA undertakings were issued on 14 January 2022 which was effectively the start date for the Footasylum sale process. Footasylum was classified as held-for-sale as at 29 January 2022 as:

- the carrying amount of Footasylum was expected to be recovered through the sale transaction;
- it was available for sale in its present condition;
- the Group had committed to sell Footasylum and this sale plan had been initiated;
- Footasylum was being actively marketed at a price that was reasonable in relation to its fair value; and
- there was an expectation that the sale process would be completed within 12 months of the classification as held-for-sale.

Assets and Liabilities of Footasylum held-for-sale

As at 29 January 2022 and prior to disposal, Footasylum was stated at the lower of its carrying value (excluding cash and cash equivalents) and fair value less costs to sell in accordance with IFRS 5. Cash and cash equivalents as at 29 January 2022 of £27.2 million were presented within the Group's cash and cash equivalents (Note 20).

	As at 28 January 2023 £m	As at 29 January 2022 £m
Intangible assets	**–**	4.7
Property, plant and equipment	**–**	25.2
Deferred tax assets	**–**	0.2
Right-of-use assets	**–**	78.5
Inventories	**–**	27.0
Trade and other receivables	**–**	21.5
Assets held-for-sale	**–**	157.1
Trade and other payables	**–**	(57.5)
Lease liabilities	**–**	(82.0)
Income tax liability	**–**	(2.9)
Deferred tax liability	**–**	(0.2)
Liabilities held-for-sale	**–**	(142.6)

On 29 July 2022, JD Sports Fashion Plc exchanged contracts to sell Footasylum and its associated subsidiaries to Aurelius Group for cash consideration of £37.5 million. The transaction subsequently completed on 5 August 2022. See Note 12 for further details.

Non-Core Fashion Businesses

On 16 December 2022, the Group announced its plan to significantly simplify its fashion branded offer through the divestment of 15 UK-based non-core fashion businesses to Frasers Group Plc in order to focus more fully on the opportunities across the rest of the Group, in particular the international and digital expansion of the Group's core premium Sports Fashion fascias.

At 28 January 2023, the sale of seven of the 15 businesses had not completed and therefore were held-for-sale as at 28 January 2023. In addition, the Group agreed to the sale of Source Lab to its non-controlling interest prior to the financial period ended 28 January 2023 and this completed on 28 February 2023. Therefore this business also was held-for-sale as at 28 January 2023.

The businesses have been classified as held-for-sale as at 28 January 2023 as:

- the carrying amount of the non-core fashion businesses will be recovered through the sale transaction;
- the Group has committed to sell the businesses and this sale plan has been initiated; and
- there is an expectation that the sale process would be completed within 12 months of the classification as held-for-sale.

Discontinued Operations

The presentation of an operation as a discontinued operation is limited to a component of an entity that either has been disposed of or is classified as held-for-sale, and:

- represents a separate major line of business or geographic area of operations; and
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations, or is a subsidiary acquired exclusively with a view to resale.

The businesses disposed of during the period are subject to individual plans and can be distinguished operationally and for financial reporting purposes. However, the Group has other subsidiaries and operations within the Sports Fashion segment in the UK, and therefore these disposals do not represent a separate major line of business or geographic area for the Group. The disposal of these entities should not be classified as discontinued operations but the Group is required to disclose the impact of the disposal (see Note 12).

33. Held-for-sale continued

Assets and Liabilities of Non-Core Fashion Businesses Held-for-Sale

As at 28 January 2023, the non-core fashion businesses and Source Lab were held at the lower of carrying value or fair value less costs to sell (excluding cash and cash equivalents). A reconciliation is provided in the table below. Cash and cash equivalents as at 28 January 2023 of £74.5 million have been presented within the Group's cash and cash equivalents (Note 20) in accordance with IFRS 5.

	Non-core fashion businesses £m	Source Lab £m	**As at 28 January 2023 £m**
Intangible assets	9.2	–	**9.2**
Property, plant and equipment	17.1	0.1	**17.2**
Inventories	51.9	0.8	**52.7**
Trade and other receivables	11.9	1.2	**13.1**
Right-of-use assets	30.8	–	**30.8**
Assets held-for-sale	120.9	2.1	**123.0**
Trade and other payables	(131.7)	(1.4)	**(133.1)**
Provisions	(0.4)	–	**(0.4)**
Lease liabilities	(32.1)	–	**(32.1)**
Liabilities held-for-sale	(164.2)	(1.4)	**(165.6)**

Reconciliation to lower of fair value less costs to sell or carrying value	Non-core fashion businesses £m	Source Lab £m	**As at 28 January 2023 £m**
Net (liabilities)/assets held-for-sale	(43.3)	0.7	**(42.6)**
Cash and cash equivalents	72.2	2.3	**74.5**
Intercompany liabilities currently eliminating on consolidation	(8.4)	(1.5)	**(9.9)**
Impairment to lower of fair value less costs to sell (Note 12)	(17.5)	–	**(17.5)**
Cash consideration due to be received on completion	3.0	1.5	**4.5**

34. Contingent Liabilities

The activities of the Group are overseen by a number of regulators around the world and, whilst the Group strives to ensure full compliance with all its regulatory obligations, periodic reviews are inevitable which may result in a financial penalty. If the risk of a financial penalty arising from one of these reviews is more than remote but not probable or cannot be measured reliably then the Group will disclose this matter as a contingent liability. If the risk of a financial penalty is considered probable and can be measured reliably then the Group would make a provision for this matter.

CMA Investigation

On 23 September 2021, the CMA launched an investigation under section 25 of the Competition Act 1998 into suspected breaches of competition law by Leicester City Football Club Limited and JD Sports Fashion Plc, together with their affiliates. The Group continues to co-operate fully with the CMA.

The CMA has not issued a statement of objections or an infringement decision to any party under investigation. Therefore, at this stage, it is not possible to determine with sufficient certainty that a liability will ultimately arise. The CMA has indicated that it will publish a further update in June 2023.

ICO Investigation

On 30 January 2023, the Group announced that it had been the target of a cyber incident which resulted in the unauthorised access to a system that contained customer data relating to some online orders placed between November 2018 and October 2020. Whilst the affected data was limited, the Group took the necessary immediate steps to investigate and respond to the incident, including working with leading cyber security experts. The Group also engaged with the relevant authorities, including the UK's Information Commissioner's Office ('ICO'), as appropriate.

The ICO have now formally advised that they will not be taking any enforcement action in respect of this incident although they have highlighted several areas where they believe JD needs to demonstrate improvement. The Group is committed to addressing these recommendations at pace. At this stage, no other regulatory body has indicated that it intends to take any enforcement action although the Group is aware that not all of the relevant regulators have concluded their investigations. The Group will continue to co-operate fully with the relevant global regulatory bodies, including the ICO, on all appropriate matters.

35. Post Balance Sheet Events

Acquisitions and Divestments

Proposed acquisition of Group Courir

On 8 May 2023, the Group entered into exclusive negotiations with the owners of Groupe Courir S.A.S ('Courir') with regards to the potential future acquisition of 100% of the issued share capital of Courir for an enterprise value of €520 million ('Transaction'). In accordance with French law, Courir management will now commence consultation processes with its relevant employee representative bodies prior to being able to enter into a binding sale and purchase agreement for the Transaction. The Transaction will need to be notified to the European Commission in accordance with European Union Law. Completion of the acquisition is therefore conditional on receipt of merger control approval. Given the potential timings associated with the consultation and competition assessment processes, completion of the Transaction would not be expected before the second half of 2023. After deducting net debt of €195 million, the amount payable at completion, subject to certain adjustments, would be €325 million which would be funded through available cash resources. The net debt of €195 million in Courir principally constitutes existing funding lines of approximately €210 million which would be refinanced at completion.

Based in France, Courir is a leading player in the European sports footwear and apparel sector with 313 stores bannered as Courir across six countries in Europe. In addition, there are a further 36 stores which trade under franchise agreements as Courir in North West Africa, Middle East and French overseas territories. Further, there are two stores which trade as Naked in Denmark which is an elevated female sneaker business. At the Group's recent Capital Markets Event, we emphasised the importance of 'Complementary Concepts' to leverage our existing premium concepts, including JD. This proposed acquisition is in line with that growth strategy as Courir operates stores with a primary focus on a female consumer. The senior management team and operational infrastructure of Courir would be retained and it is the intention that Courir would maintain its identity and would run autonomously from JD's French operations. Leveraging Courir's extensive knowledge in managing female oriented stores would significantly broaden the capabilities and global opportunities across the Group.

For the 52 week period ended 31 December 2022, Courir had consolidated revenues of €609.8 million which included €100.3 million from the combination of the sale of product on a commission basis to the affiliates and other commission income from franchisees, a profit before interest and tax of €47.4 million and gross assets of €678.4 million.

Buy or Sell Notice re Iberian Sports Retail Group, S.L. ('ISRG')

Following the receipt of a formal buy / sell notice from Balaiko Firaja Invest, S.L. and Sonae Holdings, S.A. (together the 'Minority Parties'), who collectively hold 49.98% of Iberian Sports Retail Group, S.L. ('ISRG'), the Group is now engaged in formal discussions with the Minority Parties with regards to the future ownership structure of ISRG, including the JD shareholding held by ISRG. There are three possible outcomes from this process although it is expected to be later in the summer before there is clarity as to which outcome will be progressed by the parties:

- The Group acquires the 49.98% holding in ISRG currently held by the Minority Parties.
- The Minority parties acquire the Group's 50.02% holding in ISRG and the Group simultaneously acquires the Minority parties interest in JD across Iberia. This would result in the divestment of the Sprinter, Sport Zone, Deporvillage and Bodytone businesses in Iberia together with the Sprinter, Aktiesport and Perry Sport businesses in the Netherlands. Based on the indicative values for this outcome, there are no indicators of impairment in respect of either the Group's investment in ISRG or its subsidiaries, or the net assets included on consolidation in the financial statements of the Group as at 28 January 2023
- No change to existing shareholdings.

Divestment of Non-Core Fashion Businesses

Subsequent to the financial period ended 28 January 2023, the Group completed the sale of eight non-core businesses as follows:

- On 6 February 2023, the Group completed the sale of Rascal Clothing Limited for cash consideration of £1 million. Following the exercise of a pre-emption right by one of the founders, the sale of Rascal Clothing Limited was removed from the Frasers transaction and instead sold to the founder.
- On 7 February 2023, the Group formally completed the divestment of Tessuti (including Xile), Scotts, Choice, Giulio and Cricket to Frasers Group Plc as per the terms of the transaction agreed on 16 December 2022.
- On 28 February 2023, the Group completed the divestment of Source Lab Limited to its non-controlling shareholder.
- On 2 March 2023, the Group formally completed the divestment of Topgrade to Frasers Group Plc as per the terms of the transaction agreed on 16 December 2022.

Details of the sale of the seven businesses to Frasers Group Plc which exchanged on 16 December 2022 are provided in Note 12 – Divestments. The assets and liabilities of these entities were classified as held-for-sale as at the financial period end along with Source Lab Limited which was sold to its non-controlling shareholder after the financial period end (see Note 33).

35. Post Balance Sheet Events continued

Other Acquisitions and Divestments

Further, the Group has also completed the following, subsequent to the financial period end:

- On 9 March 2023, the Group completed the divestment of Woodlandslove Limited to Frasers Group Plc as a result of a separate agreement to the sale of the businesses agreed on 16 December 2022.
- The Group has completed the acquisition of the remaining 40% shareholding of Tiso Group Limited (and its subsidiaries) and the remaining 20% shareholding of JD Sports Fashion Germany GmbH. The Group now owns 100% of these entities. The Group has also completed the acquisition of an additional 1% of the share capital of JD Sports Gyms Limited. The Group now owns 95% of JD Sports Gyms Limited. These transactions were not material.

Appointment of Non-Executive Directors

On 9 March 2023, the Group appointed Ian Dyson as a Non-Executive Director. Ian will join the Audit & Risk Committee and the Remuneration Committee. In addition, Angela Luger, formerly CEO of N Brown Group Plc and Darren Shapland, currently Chair of Topps Tiles Plc will join the Board as of 1 June 2023. Angela will join the Remuneration Committee and Darren will join the Audit & Risk Committee, with effect from the date of their appointment.

36. Subsidiary Undertakings (including Joint Ventures and Associates)

The following companies were the subsidiary undertakings of JD Sports Fashion Plc at 28 January 2023:

Name of subsidiary	Place of registration	Registered address	Nature of business and operation	Ownership and voting rights interest
2Squared Agency Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Distributor of fashion apparel and accessories	100%
24Sevenbikes Ltd	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
80s Casual Classics Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of fashion apparel and footwear	70%
A Number of Names Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Wholesale of clothing and footwear	100%
ActivInstinct Holdings Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
ActivInstinct Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Aghoco 1966 Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Allsports.co.uk Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Alpine Bikes Limited*	UK	41 Commercial Street, Leith, Edinburgh, EH6 6JD	Dormant company	60%
Alpine Group (Scotland) Limited*	UK	41 Commercial Street, Leith, Edinburgh, EH6 6JD	Intermediate holding company	60%
Applied Nutrition Limited[A]	UK	2 Acornfield Road, Knowsley Industrial Park, Liverpool, L33 7UG	Manufacture of other food products	32%
Ark Fashion Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Aspecto Holdings Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Aspecto Trading Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Athleisure Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
BASS (UK) Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Provide swimming lessons in partnership with private gyms	56%
Becky Adlington Group Holdings Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	56%
Becky Adlington Training Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Training academy used to provide swimming teachers for the Group	56%
Bernard Esher Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of premium women's fashion apparel and footwear	80%
Blacks Outdoor Retail Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of outdoor footwear, apparel and equipment	100%

36. Subsidiary Undertakings (including Joint Ventures and Associates) continued

Name of subsidiary	Place of registration	Registered address	Nature of business and operation	Ownership and voting rights interest
Blue Retail Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Bodytone International Sport S.L.*	Spain	Calle Legón, 180 – 30500, Molina de Segura, Murcia (Spain)	Manufacture and distribute professional fitness equipment	25%**
Brand Stable Ltd^	UK	Atlantic House, 65 Jeddo Road, London, W12 9ED	Online own label women's fashion retailer	49%
Caplan Land & Estates Commercial Properties Limited	UK	398 Ecclesall Road, Sheffield, South Yorkshire, S11 8PJ	Letting and operating of owned or leased real estate	100%
Capso Holdings Limited*	Isle of Man	33–37 Athol Street, Isle of Man, IM1 1LB	Intermediate holding company	100%
Catchbest Limited#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retail of clothing in a specialised store	80%
Champion Retail Limited*	ROI	3 Burlington Road, Dublin 4, D04RD68, Republic of Ireland	Retailer of sports and leisure goods	100%
Champion Sports (Holdings) Unlimited*	ROI	3 Burlington Road, Dublin 4, D04RD68, Republic of Ireland	Dormant company	100%
Champion Sports Group Limited*	ROI	3 Burlington Road, Dublin 4, D04RD68, Republic of Ireland	Intermediate holding company	100%
Champion Sports Ireland*	ROI	3 Burlington Road, Dublin 4, D04RD68, Republic of Ireland	Retailer of sports and leisure goods	100%
Champion Sports Newco Limited*	ROI	3 Burlington Road, Dublin 4, D04RD68, Republic of Ireland	Dormant company	100%
Choice 33 Limited*#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	88%
Choice Limited*#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of fashion apparel and footwear	88%
Cloggs Online Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Cosmos Sport Commercial, Hotel and Tourism Société Anonyme	Greece	148, 62 Martiron Ave. 71303, Kaminia, Heraklion, Crete, Greece	Retailer of sports inspired footwear and apparel	80%
Cosmossport Trading (Cyprus) Limited*	Cyprus	11 Michail Paridi, 1095, Nicosia, Cyprus	Retailer of sports inspired footwear and apparel	80%
Dallas D&K Corporation*	US	1300 Mercedes Drive, Hanover, MD 21076	Athletic footwear and apparel streetwear retailer	79%
Deporvillage S.L.	Spain	Plaça de la Ciencia 1 Local 4, Edifici Impuls, Manresa, 08240, Barcelona	Retailer of sports and leisure goods	49%**
DTLR Holding Inc*	US	1300 Mercedes Drive, Hanover, MD 21076	Intermediate holding company	79%
DTLR Villa LLC*	US	1300 Mercedes Drive, Hanover, MD 21076	Athletic footwear and apparel streetwear retailer	79%
DTLR, Inc*	US	1300 Mercedes Drive, Hanover, MD 21076	Athletic footwear and apparel streetwear retailer	79%
Duffer of St George Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Licensor of a fashion brand	100%
Exclusive Footwear Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	90%
First Sport Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Focus Brands Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
Focus Equipment Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Focus Group Holdings Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
Focus International Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Distributor of sports apparel and footwear	100%
Focus International NL B.V.*	Netherlands	Danzigerkade 9 A, 1013AP Amsterdam, the Netherlands	Distributor of sports apparel and footwear	100%

36. Subsidiary Undertakings (including Joint Ventures and Associates) continued

Name of subsidiary	Place of registration	Registered address	Nature of business and operation	Ownership and voting rights interest
Focus Italy S.pa.*	Italy	Viale Majno Luigi 17/A, 20122 Milano, Italy	Distributor of sports apparel and footwear	100%
Focus Sports & Leisure International Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Footpatrol London 2002 Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Frank Harrison Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	68%
Genesis Finco Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
Genesis Holdings Inc*	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Intermediate holding company	80%
Genesis Topco Inc	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Intermediate holding company	80%
George Fisher Holdings Limited*	UK	41 Commercial Street, Edinburgh, EH6 6JD	Intermediate holding company	60%
George Fisher Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of outdoor footwear, apparel and equipment	60%
GetTheLabel.com Limited*#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	80%
Giulio Fashion Limited*#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	88%
Giulio Limited*#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of premium fashion apparel and footwear	88%
Giulio Woman Limited*#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	88%
Go Outdoors Equestrian Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Go Outdoors Retail Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of outdoor leisure equipment and apparel	100%
Graham Tiso Limited*	UK	41 Commercial Street, Leith, Edinburgh, EH6 6JD	Retailer of outdoor footwear, apparel and equipment	60%
GymNation Holding Ltd*	UAE	24th Floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, UAE	Intermediate holding company	74%
GymNation Limited*	British Virgin Islands	Craigmuir Chambers, Road Town, Tortola VG1110, British Virgin Islands	Intermediate holding company	94%
GymNation LLC*	UAE	M Floor, ETA Star Building, Near Time Square Centre, Al Quoz 1, Sheikh Zayed Road, Dubai, UAE	Operator of fitness centres	74%
Hair Burst Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of hair vitamins and growth products	75%
Hairburst Holding Group Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	75%
Helium Miracle 311 Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	94%
Henleys Clothing Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Hip (Birmingham) Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Hip Store Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of premium men's fashion apparel and footwear	100%
Iberian Sports Retail Group SL	Spain	Polígono Industrial de las Atalayas, Avenida Euro, N2, Alicante 03114	Intermediate holding company	50.01%
Infinities Retail Group Holdings Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%

36. Subsidiary Undertakings (including Joint Ventures and Associates) continued

Name of subsidiary	Place of registration	Registered address	Nature of business and operation	Ownership and voting rights interest
Infinities Retail Group Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Altrincham Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Birkenhead Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Blackburn Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Bradford Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Bury Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Chesterfield Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Denton Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Derby Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Stockport Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Stoke Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
IRG Warrington Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
J D Sports Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Jandernama SL	Spain	Polígono Industrial de las Atalayas, Avenida Euro, N2, Alicante 03114	Intermediate holding company	100%
JD Canary Islands Sports SL*	Spain	Polígono Industrial de las Atalayas, Avenida Euro, N2, Alicante 03114	Retailer of sports inspired footwear and apparel	59%
JD Newco 2 Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
JD Size GmbH	Germany	Neusser Straße 93, 50670 Cologne	Retailer of sports inspired footwear and apparel	100%
JD Spain Sports Fashion 2010 SL*	Spain	Polígono Industrial de las Atalayas, Avenida Euro, N2, Alicante 03114	Retailer of sports inspired footwear and apparel	65%
JD Sports (Thailand) Limited*	Thailand	Room No. TT04 No. 1106 Sukhumvit Road, Phrakhanong Sub-district, Klongtoey District, Bangkok	Retailer of sports inspired footwear and apparel	80%
JD Sports Active Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
JD Sports Fashion (France) SAS	France	96 R Du Pont Rompu, 59200 Tourcoing	Intermediate holding company	100%
JD Sports Fashion AT GmbH	Austria	Wallnerstraße 1, 3. Stock, 1010 Vienna, Austria	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion Aus Pty*	Australia	Level 12, 338 Pitt Street, Sydney, NSW, 2000	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion Belgium B.V.	Belgium	Wiegstraat 21, 2000 Antwerpen	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion B.V.	Netherlands	Oosteinderweg 247 B 1432 AT Aalsmeer	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion Denmark APS	Denmark	c/o Harbour House, Sundkrogsgade 21, 2100 Copenhagen	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion Finland OY	Finland	c/o Intertrust Finland Oy, Lautatarhankatu 6, 00580, Helsinki	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion Germany GmbH	Germany	Neusser Strasse 93, 50670 Cologne	Retailer of sports inspired footwear and apparel	80%

36. Subsidiary Undertakings (including Joint Ventures and Associates) continued

Name of subsidiary	Place of registration	Registered address	Nature of business and operation	Ownership and voting rights interest
JD Sports Fashion Holdings Aus Pty	Australia	Level 12, 338 Pitt Street, Sydney, NSW, 2000	Intermediate holding company	100%
JD Sports Fashion India LLP	India	B-808 The Platina, Gachibawli, Hyderabad, Telangana, India – 500032	Outsourced multichannel operations	100%
JD Sports Fashion Israel Ltd*J	Israel	HaMelacha 8 Holon, Israel, Zip code: 5881504	Retailer of sports inspired footwear and apparel	60%
JD Sports Fashion Israel (2021) Limited Partnership*J	Israel	HaMelacha 8 Holon, Israel, Zip code: 5881504	Retailer of sports inspired footwear and apparel	60%
JD Sports Fashion Korea Inc	Korea	6F Yoonik Bldg. 430 Eonju-ro, Gangnam-gu, Seoul	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion NZ Pty Limited*	New Zealand	Anderson Lloyd, Level 12 Otago House, Cnr Moray Place & Princes Street, Dunedin, 9016, NZ	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion PTE LTD*	Singapore	190 Middle Road, 14-05, Fortune Centre, Singapore, 188979	Retailer of sports inspired footwear and apparel	80%
JD Sports Fashion SDN BHD	Malaysia	Suite D23, 2nd Floor, Plaza Pekeliling, No. 2, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia	Retailer of sports inspired footwear and apparel	80%
JD Sports Fashion SRL	Italy	Via Alessandro Manzoni n. 38. Milano, 20121, Italy	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion Sweden AB	Sweden	C/o Intertrust CN (Sweden) AB, PO Box 16285, 103 25 Stockholm, Sweden	Retailer of sports inspired footwear and apparel	100%
JD Sports Gyms Acquisitions Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	94%
JD Sports Gyms Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Operator of fitness centres	94%
JDSF Holdings (Canada) Inc	Canada	1200 Waterfront Centre, 200 Burrard Street, Vancouver BC V6C 3L6	Intermediate holding company	80%
JDSF Retail (Canada) Inc	Canada	1200 Waterfront Centre, 200 Burrard Street, Vancouver BC V6C 3L6	Retailer of sports inspired footwear and apparel	88%
JMH Cosmetics Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Other business support service	75%
John David Sports Fashion (Ireland) Limited	Ireland	3 Burlington Road, Dublin 4, D04RD68, Republic of Ireland	Retailer of sports inspired footwear and apparel	100%
Kukri (Asia) Limited*	Hong Kong	Unit 4, 27th Floor, Global Trade Square, 21 Wong Chuk Hang Road, Hong Kong	Distributor of sports apparel and accessories	75%
Kukri (HK) Limited*	Hong Kong	Unit 4, 27th Floor, Global Trade Square, 21 Wong Chuk Hang Road, Hong Kong	Dormant company	75%
Kukri Australia Pty Limited*	Australia	BDO (QLD) Pty Ltd, Level 10, 12 Creek Street, Brisbane QLD, 4000	Distributor of sports apparel and accessories	75%
Kukri Events Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	75%
Kukri GB Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Distributor and retailer of sports apparel and accessories	75%
Kukri NZ Limited*	New Zealand	Unit 2, 45 The Boulevard, Te Rapa Park, Hamilton	Distributor of sports apparel and accessories	56%
Kukri PTE Limited*	Singapore	10 Anson Road, 19–15 International Plaza, Singapore 079903	Distributor of sports apparel and accessories	75%
Kukri Shanghai Limited*	Shanghai	Room 221-225, No. 2 Building, No.38 Debao Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, 200131, China	Distributor of sports apparel and accessories	75%

36. Subsidiary Undertakings (including Joint Ventures and Associates) continued

Name of subsidiary	Place of registration	Registered address	Nature of business and operation	Ownership and voting rights interest
Kukri Sports Canada Inc*	Canada	106–1533 Broadway St, Port Coquitlam, British Columbia, V3C 6P3	Distributor of sports apparel and accessories	56%
Kukri Sports Ireland Limited*	Ireland	3 Burlington Road, Dublin 4, D04RD68, Republic of Ireland	Distributor of sports apparel and accessories	75%
Kukri Sports Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	75%
Kukri Sports Middle East JLT*	UAE	Lakeview Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates	Distributor of sports apparel and accessories	75%
Land and Estates Commercial Properties (Coatbridge) Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Letting and operating of owned or leased real estate	100%
Land & Estates Commercial Properties Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Letting and operating of owned or leased real estate	100%
Mainline Menswear Holdings Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	80%
Mainline Menswear Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of premium men's fashion apparel and footwear	80%
Marathon Sports Limited*	ROI	3 Burlington Road, Dublin 4, D04RD68, Republic of Ireland	Dormant company	100%
Marketing Investment Group BH društvo sa ograničenom odgovornošću*	Bosnia and Herzegovina	Sarajevo-Centar, Sarajevo, Kotromanića br. 48	Retailer of sports inspired footwear and apparel	60%
Marketing Investment Group Bulgaria EOOD*	Bulgaria	53A Nikola Y. Vaptsarov Blvd., 1407 Promishlena zona Hladilnika, Sofia	Retailer of sports inspired footwear and apparel	60%
Marketing Investment Group CR d.o.o. za trgovinu*	Croatia	Zagreb (City of Zagreb) Horvatova ulica 80A	Retailer of sports inspired footwear and apparel	60%
Marketing Investment Group Czech s.r.o.*	Czech Republic	Jakubská 647/2, Staré Město, 110 00, Praha	Retailer of sports inspired footwear and apparel	60%
Marketing Investment Group Estonia OÜ*	Estonia	Harju maakond, Tallinn, Kesklinna linnaosa, Narva mnt 5, 10117	Retailer of sports inspired footwear and apparel	60%
Marketing Investment Group Hungary Korlátolt Felelősségű Társaság*	Hungary	Horvát u. 14-24 4.em.2, Budapest, 1027	Retailer of sports inspired footwear and apparel	60%
Marketing Investment Group S.A.	Poland	ul. Prof. Michała Życzkowskiego 10, 31-864 Kraków	Retailer of sports inspired footwear and apparel	60%
Marketing Investment Group SL, prodaja športne opreme in oblačil, d.o.o.*	Slovenia	Tržaška cesta 515, 1351 Brezovica pri Ljubljani	Retailer of sports inspired footwear and apparel	60%
Marketing Investment Group Slovakia s. r. o.*	Slovakia	Michalská 7, 811 03 Bratislava	Retailer of sports inspired footwear and apparel	60%
Marketing Investment Group SR doo Belgrade*	Serbia	Belgrade, Bulevar Mihajla Pupina 165G, Belgrade-New Belgrade, New Belgrade, 11000 Belgrade, Serbia	Retailer of sports inspired footwear and apparel	60%
Marshall Artist Holdings Limited[J]	UK	97 Alderley Road, Wilmslow, England, SK9 1PT	Intermediate holding company	25%
MIG Marketing Investment Group Austria GmbH*	Austria	Mahlerstraße 13/1B, 1010 Vienna	Retailer of sports inspired footwear and apparel	60%
MIG Marketing Investment Group GmbH*	Germany	Dr. Hans-Lebach-Str. 2, 15537 Erkner	Retailer of sports inspired footwear and apparel	60%
MIG Marketing Investment Group RO SRL*	Romania	Calea Floreasca 169, Corp P1, Etaj 3, Camera 10, Bucuresti 077190	Retailer of sports inspired footwear and apparel	60%
MIG Wholesale spółka z o.o.*	Poland	ul. Prof. Michała Życzkowskiego 10, 31-864	Wholesale of clothing and footwear	60%
Millets Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Modern Casuals Ltd	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	70%

36. Subsidiary Undertakings (including Joint Ventures and Associates) continued

Name of subsidiary	Place of registration	Registered address	Nature of business and operation	Ownership and voting rights interest
Mrblancteeth Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of teeth whitening products	75%
myBox Spolka z.o.o*	Poland	Logistyczna 9, 26-060 Chęciny, Poland	Provide comprehensive support for logistics processes	60%
Nanny State Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Naylor's Equestrian LLP*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of equestrian equipment	100%
NiceKicks Holdings LLC*	US	755 Jarvis Drive, Morgan Hill, CA 95037	Retailer of athletic footwear and streetwear apparel	80%
Oi-Polloi Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retail sale of clothing in specialised stores	80%
Onepointfive Ventures Limited*	Canada	1200 Waterfront Centre, 200 Burrard Street, Vancouver BC V6C 3L6	Retailer of fashion apparel and footwear	80%
OneTrueSaxon Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Open Fashion Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
PCPONE*	ROI	3 Burlington Road, Dublin 4, D04RD68, Republic of Ireland	Intermediate holding company	100%
Peter Werth Limited*	UK	Suite 20, 196 Rose Street, Edinburgh, Midlothian, EH2 4AT	Dormant company	100%
Pink Soda Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
Premium Fashion Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Prima Designer Limited*#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
PT JD Sports Fashion[J]	Indonesia	Erajaya Plaza, Jalan Bandengan Selatan Number 19-20, Kel. Pekojan, Kec. Tambora, Adm. City of West Jakarta, DKI Jakarta Province, 11240	Retailer of sports inspired footwear and apparel	51%
PT JD Sports Fashion Distribution[J]	Indonesia	Erajaya Plaza, Jalan Bandengan Selatan Number 19-20, Kel. Pekojan, Kec. Tambora, Adm. City of West Jakarta, DKI Jakarta Province, 11240	Retailer of sports inspired footwear and apparel	49%
R.D. Scott Limited#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of fashion apparel and footwear	100%
Rascal Clothing Ltd#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of fashion apparel and footwear	75%
SDSR – Sports Division SR, S.A*	Portugal	Rua Joao Mendoça, nº 505, Matosinhos Freguesia, São Mamede de Infesta e Senhora da Hora, 4464 503 Matosinhos, Portugal	Retailer of sports and leisure goods	50%**
SEA Sports Fashion SDN. BHD.	Malaysia	Level 19-01, Block B, Plaza Zurich, No. 12, Jalan Gelenggang, Bukit Damansara, 50490 Kuala Lumpur	Retailer of sports inspired footwear and apparel	60%
Shanghai Go Outdoors Ltd	Shanghai	Room 1104 11th Floor Ordos Aili Mansion, Lane 777 Taolin Road, Pudong, Shanghai, 200135 China	Distributor of sports apparel and accessories	100%
Shoe Palace Corporation*	US	755 Jarvis Drive, Morgan Hill, CA 95037	Retailer of athletic footwear and streetwear apparel	80%
SIA Marketing Investment Group Latvia*	Latvia	Rīga, Lienes iela 1-3, LV-1009	Retailer of sports inspired footwear and apparel	60%
Size? Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of sports inspired footwear and apparel	100%

36. Subsidiary Undertakings (including Joint Ventures and Associates) continued

Name of subsidiary	Place of registration	Registered address	Nature of business and operation	Ownership and voting rights interest
Sneaker Villa Inc*	US	1300 Mercedes Drive, Hanover, MD 21076	Athletic footwear and apparel streetwear retailer	79%
Sonneti Fashions Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Source Lab Limited#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Design and distributor of sportswear	85%
South South East Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
Spikes Holding LLC*	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Dormant company	80%
Spodis SA*	France	96 Rue Du Pont Rompu, 59200 Tourcoing, France	Retailer of sports and leisure goods	100%
Sport Zone Canarias (SL)*	Spain	Avenida el Paso, 10, 1º, Edificio Multiusos, Polígono Industrial Los Majuelos, La Laguna 38201, Santa Cruz de Tenerife, Spain	Retailer of sports and leisure goods	30%**
Sportiberica – Sociedade de Arigos de Desporto S.A.	Portugal	Avenida das Indústrias, n.º 63, Agualva do Cacém, Sintra, Portugal	Retailer of sports and leisure goods	65%
Sports Unlimited Retail BV*	Netherlands	Oosteinderweg 247 B 1432 AT Aalsmeer, The Netherlands	Retailer of sports and leisure goods	50%
Sprinter Megacentros Del Deporte SLU*	Spain	Polígono Industrial de las Atalayas, Avenida Euro, N2, Alicante 03114, Spain	Retailer of sports and leisure goods	50%
Sprinter Pirineos SLU*	Andorra	Avenida del Través, 31. Edifici Santa Catarina, Baixos. AD 400 La Massana, Andorra	Retailer of sports and leisure goods	50%
Squirrel Sports Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	75%
Swim Sports Company Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Operator of purpose built learn to swim centres	54%
Swimgroupholdings Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	56%
Terminus Bidco, Inc.*	US	251 Little Falls Drive, Wilmington, DE 19808	Intermediate holding company	80%
Tessuti (Ireland) Limited*#	ROI	3 Burlington Road, Dublin 4, Dublin, Republic of Ireland	Retailer of fashion apparel and footwear	88%
Tessuti Group Limited#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
Tessuti Limited*#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of fashion apparel and footwear	88%
Tessuti Retail Limited*#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
The Alpine Group Limited*	UK	41 Commercial Street, Leith, Edinburgh, EH6 6JD	Intermediate holding company	60%
The Finish Line Distribution, Inc*	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Retailer of sports and leisure inspired goods	80%
The Finish Line MA, Inc*	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Dormant company	80%
The Finish Line Puerto Rico, Inc*	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Retailer of sports and leisure inspired goods	80%
The Finish Line Transportation, Inc*	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Retailer of sports and leisure inspired goods	80%
The Finish Line USA, Inc*	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Retailer of sports and leisure inspired goods	80%
The Finish Line, Inc*	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Intermediate holding company	80%
The Gym King (Holdings) Limited[J]	UK	Unit 6 Temple Point Bullerthorpe Lane, Colton, Leeds, West Yorkshire, LS15 9JL	Intermediate holding company	40%

36. Subsidiary Undertakings (including Joint Ventures and Associates) continued

Name of subsidiary	Place of registration	Registered address	Nature of business and operation	Ownership and voting rights interest
The Gym King GmbH*J	Germany	Adlerstraße 34, 90403 Nürnberg	Online retailer and wholesaler of sports inspired apparel	40%
The Gym King IE Limited*J	UK	Unit 6 Temple Point Bullerthorpe Lane, Colton, Leeds, West Yorkshire, LS15 9JL	Dormant company	40%
The Gym King Limited*J	UK	Unit 6 Temple Point Bullerthorpe Lane, Colton, Leeds, West Yorkshire, LS15 9JL	Online retailer and wholesaler of sports inspired apparel	40%
The Gym King Wholesale Limited*J	UK	Unit 6 Temple Point Bullerthorpe Lane, Colton, Leeds, West Yorkshire, LS15 9JL	Dormant company	40%
The John David Group Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
The Orange House Co (Northern) Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Build and refurbish swimming pools	34%
Tiso Group Limited	UK	41 Commercial Street, Leith, Edinburgh, EH6 6JD	Intermediate holding company	60%
Topgrade Sportswear Holdings Limited#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	80%
Topgrade Sportswear Limited*#	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of sports inspired footwear and apparel	80%
Total Swimming Academies Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Provide swimming lessons in partnership with schools and hotels	56%
Total Swimming Group Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	56%
Total Swimming Holdings Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	56%
Total Swimming Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Build and refurbish swimming pools	56%
UAB Marketing Investment Group Lietuva*	Lithuania	Gvazdikų g. 170, LT-10247 Vilnius	Retailer of fashion apparel and footwear	60%
Ultimate Outdoors Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Varsity Kit Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Weaver's Door Ltd	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Wellgosh Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of fashion apparel and footwear	100%
Wheelbase Lakeland Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retail sale of sports goods, fishing gear, camping goods, boats and bicycles	78%
Woodlandslove Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of fashion apparel and footwear	80%
X4L Gyms Limited*	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Operator of fitness centres	94%
XLR8 Sports Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retail sale of bicycles	100%

* Indirect holding of the Company.
** Indirect holding of <50%. The following are entities owned by ISRG, and ISRG's ownership and voting rights interest is presented in brackets: Bodytone International Sport S.L. (50.1%), Deporvillage S.L. (98%), SDSR – Sports Division SR, S.A (100%), Sprinter Megacentros Del Deporte SLU (94%), Sport Zone Canarias S.L. (60%). JD is deemed to control ISRG via its shareholding (50.01%) and Board of Director / Chair appointments, and subsequently deemed to control these subsidiaries via its control of ISRG.
\# Entities marked as held-for-sale as at 28 January 2023.
A Associated undertaking.
J Joint venture.

Company Balance Sheet

As at 28 January 2023

	Note	As at 28 January 2023 £m	As at 29 January 2022 - restated £m
Assets			
Intangible assets	C5	**96.5**	28.2
Property, plant and equipment	C6	**194.6**	137.5
Right-of-use assets	C7	**417.3**	445.2
Investment property	C8	**14.8**	14.8
Investments in subsidiaries	C9	**809.3**	947.0
Investments in associates and joint ventures	C9	**38.8**	55.9
Trade and other receivables	C11	**550.2**	512.2
Deferred tax assets	C15	**–**	5.8
Total non-current assets		**2,121.5**	2,146.6
Inventories	C10	**241.2**	192.4
Right of return assets		**2.8**	6.1
Trade and other receivables	C11	**210.2**	160.2
Income tax recoverable		**8.6**	–
Assets held-for-sale	C9, C7	**3.5**	–
Cash and cash equivalents	C12	**680.6**	572.2
Total current assets		**1,146.9**	930.9
Total assets		**3,268.4**	3,077.5
Liabilities			
Creditors: amounts falling due within one year	C13	**(467.4)**	(465.3)
Lease liabilities	C7	**(75.3)**	(73.3)
Liabilities directly associated with assets held-for-sale	C7	**(0.5)**	–
Provisions	C22	**(2.4)**	(8.9)
Income tax liabilities		**–**	(0.9)
Total current liabilities		**(545.6)**	(548.4)
Creditors: amounts falling due after more than one year	C14	**(253.0)**	(310.3)
Lease liabilities	C7	**(382.9)**	(428.1)
Provisions	C22	**(10.6)**	(10.9)
Deferred tax liabilities	C15	**(12.5)**	–
Total non-current liabilities		**(659.0)**	(749.3)
Total liabilities		**(1,204.6)**	(1,297.7)
Total assets less total liabilities		**2,063.8**	1,779.8
Capital and reserves			
Issued ordinary share capital	C16	**2.6**	2.6
Share premium	C16	**467.5**	467.5
Share-based payment reserve	C16	**0.3**	0.1
Retained earnings		**1,593.4**	1,309.6
Total equity		**2,063.8**	1,779.8

The profit for the period in the accounts of the Company is £308.6 million (2022 (restated): £59.2 million). Please refer to Note C24 for further details of the restatement.

The Company has taken advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes. The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 22 May 2023 and were signed on its behalf by:

Régis Schultz
Director
Registered number: 1888425

Company Statement of Changes in Equity

For the 52 weeks ended 28 January 2023

	Ordinary share capital £m	Share premium £m	Share-based payments reserve £m	Retained earnings - restated (1) £m	**Total equity £m**
Balance at 30 January 2021	2.4	11.7	–	1,265.3	**1,279.4**
Profit for the period - restated (1)	–	–	–	59.2	**59.2**
Total comprehensive income for the period - restated (1)	–	–	–	59.2	**59.2**
Dividends to equity holders	–	–	–	(14.9)	**(14.9)**
Share-based payment charge	–	–	0.1	–	**0.1**
Issue of share capital	0.2	455.8	–	–	**456.0**
Balance at 29 January 2022 - restated (1)	2.6	467.5	0.1	1,309.6	**1,779.8**

	Ordinary share capital £m	Share premium £m	Share-based payments reserve £m	Retained earnings - restated (1) £m	**Total equity £m**
Balance at 29 January 2022	2.6	467.5	0.1	1,613.4	**2,083.6**
Effect of the prior period restatement (1)	–	–	–	(303.8)	**(303.8)**
Balance at 29 January 2022 - restated (1)	2.6	467.5	0.1	1,309.6	**1,779.8**
Profit for the period	–	–	–	308.6	**308.6**
Total comprehensive income for the period	–	–	–	308.6	**308.6**
Dividends to equity holders	–	–	–	(24.8)	**(24.8)**
Share-based payment charge	–	–	0.2	–	**0.2**
Balance at 28 January 2023	2.6	467.5	0.3	1,593.4	**2,063.8**

(1) Please refer to Note C24 for further details of the restatement.

The accompanying notes form part of these financial statements.

Notes to the Company Financial Statements

C1. Basis of Preparation

The Parent Company financial statements of JD Sports Fashion Plc have been prepared in accordance with UK-adopted international accounting standards, including FRS 101 Reduced Disclosure Framework, and as applied in accordance with the provisions of the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of UK-adopted International Accounting Standards ('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.

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;
- comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- 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 advantage of the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IAS 36 'Impairment of Assets' in respect of the impairment of goodwill and indefinite life intangible assets;
- certain disclosures required by IFRS 15 'Revenue from Contracts with Customers' in respect of disaggregation of revenue and performance obligations;
- certain disclosures required by IFRS 16 'Leases' in respect of the Company acting as a lessor;
- certain disclosures required by IFRS 3 'Business Combinations' in respect of business combinations undertaken by the Company; and
- certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: 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 have been prepared on a going concern basis under the historical cost convention except as disclosed in the accounting policies in Note 1 of the Group financial statements. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity are the same for the Company as they are for the Group. For further details, see page 176 and 177 in the Group financial statements.

C2. Directors' Remuneration

The remuneration of Executive Directors for both the Company and Group are disclosed in Note 5 of the Group financial statements.

C3. Auditor's Remuneration

Fees payable to the Company's Auditor for the audit of the Company and Group financial statements are disclosed in Note 3 of the Group financial statements.

C4. Staff Numbers and Costs

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

	52 weeks to 28 January 2023 Number	52 weeks to 29 January 2022 Number
Sales and distribution	**17,757**	16,800
Administration	**983**	661
	18,740	17,461
Full-time equivalents	**12,385**	11,239

The aggregate payroll costs of these persons were as follows:

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Wages and salaries	**321.8**	266.3
Social security costs	**24.6**	19.3
Pension costs	**5.0**	3.9
Other employed staff costs	**1.0**	0.2
	352.4	289.7

C5. Intangible Assets

Goodwill in the Company comprises the goodwill on acquisition of First Sport (£15.0 million) and Allsports (£0.9 million).

Brand licences in the Company comprise all brand licences included in the Group table (Note 13) within the Sports Fashion segment, with the exclusion of the Lotto and Umbro brand licences, which are held within Marketing Investment Group S.A. Brand licences are stated at cost less accumulated amortisation and impairment losses.

Brand names in the Company comprise all brand names included in the Group table (Note 13) within the Sports Fashion segment, with the exclusion of the Duffer brand name, which is included within Duffer of St George Limited, and the Doone brand name, which is included in the Sport Zone group.

The Company holds an agreement with ABG Reebok LLC to license the Reebok brand in various territories. This came into force during the period and is also included in the Group table (Note 13).

Included within the amortisation charge for the period ended 28 January 2023 is accelerated amortisation of £0.1 million (2022: £0.4 million) following a review of the useful economic life of certain items of software development capitalised.

	Goodwill £m	Brand licences £m	Brand names £m	Software development £m	**Total £m**
Cost or valuation					
At 29 January 2022	19.9	20.7	7.4	46.5	**94.5**
Additions	–	76.2	–	4.7	**80.9**
Disposals	–	(3.7)	–	(7.7)	**(11.4)**
At 28 January 2023	19.9	93.2	7.4	43.5	**164.0**
Amortisation and impairment					
At 29 January 2022	4.0	14.0	7.4	40.9	**66.3**
Charge for the period	–	8.2	–	3.6	**11.8**
Released on disposal	–	(2.9)	–	(7.7)	**(10.6)**
At 28 January 2023	4.0	19.3	7.4	36.8	**67.5**
Net book value					
At 28 January 2023	15.9	73.9	–	6.7	**96.5**
At 29 January 2022	15.9	6.7	–	5.6	**28.2**

Disposal of nil net book value assets no longer in use

During the 52 week period ended 28 January 2023, a review of the fixed asset records was carried out to identify fully depreciated assets no longer in use by the Company, so the fixed asset balances disclosed above better reflect assets still actively operated by the Company. The result of the review is a disposal of £7.7 million of cost and accumulated depreciation for assets no longer in use. Further review is expected in the next financial period to review the remaining fully depreciated assets within the fixed asset records.

C6. Property, Plant and Equipment

Included within the depreciation charge for the period ended 28 January 2023 is accelerated depreciation of £1.6 million (2022: £6.7 million) following a review of the useful economic life of certain items of property, plant and equipment and assets capitalised.

	Land and buildings £m	Improvements to short leasehold properties £m	Computer equipment £m	Fixtures and fittings £m	Motor vehicles £m	**Total £m**
Cost						
At 29 January 2022	13.0	22.0	58.8	312.9	0.1	**406.8**
Additions	3.5	1.6	13.4	69.7	–	**88.2**
Disposals	–	(18.9)	(39.6)	(84.7)	–	**(143.2)**
Transfers from other Group companies	–	–	–	0.2	–	**0.2**
Reclassifications to other asset categories	–	(0.4)	–	–	–	**(0.4)**
At 28 January 2023	16.5	4.3	32.6	298.1	0.1	**351.6**
Depreciation and impairment						
At 29 January 2022	3.7	17.4	50.5	197.6	0.1	**269.3**
Charge for period	0.2	1.5	5.5	22.4	–	**29.6**
Disposals	–	(18.6)	(39.6)	(83.7)	–	**(141.9)**
At 28 January 2023	3.9	0.3	16.4	136.3	0.1	**157.0**
Net book value						
At 28 January 2023	12.6	4.0	16.2	161.8	–	**194.6**
At 29 January 2022	9.3	4.6	8.3	115.3	–	**137.5**

Disposal of nil net book value assets no longer in use

During the 52 week period ended 28 January 2023, a review of the fixed asset records was carried out to identify fully depreciated assets no longer in use by the Company, so the fixed asset balances disclosed above better reflect assets still actively operated by the Company. The result of the review is a disposal of £136.4 million of cost and accumulated depreciation for assets no longer in use. Further review is expected in the next financial period to review the remaining fully depreciated assets within the fixed asset records.

C7. Leases

The Company has adopted the same accounting policies as the Group in respect of IFRS 16 'Leases'. Details of the accounting policies applied can be found in Note 1 to the Group financial statements on page 178 and Note 15 to the Group financial statements on page 211 and 212.

The Company leases assets including land and buildings, vehicles, machinery and IT equipment. Information about leases for which the Company is a lessee is presented below.

Right-of-Use Assets

	Property £m	Vehicles and equipment £m	**Total £m**
Cost			
At 29 January 2022	648.7	3.0	**651.7**
Additions	40.3	3.5	**43.8**
Reclass to held-for-sale	(0.5)	–	**(0.5)**
Disposals	(13.8)	–	**(13.8)**
Remeasurement adjustments	9.4	–	**9.4**
At 28 January 2023	684.1	6.5	**690.6**
Depreciation and impairment			
At 29 January 2022	204.2	2.3	**206.5**
Depreciation charge for the period	65.7	1.8	**67.5**
Disposals	(0.7)	–	**(0.7)**
At 28 January 2023	269.2	4.1	**273.3**
Net book value			
At 28 January 2023	414.9	2.4	**417.3**
At 29 January 2022	444.5	0.7	**445.2**

C7. Leases continued

Lease Liabilities

	As at 28 January 2023 £m	As at 29 January 2022 £m
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**76.5**	79.7
One to five years	**230.9**	252.6
More than five years	**186.1**	224.7
Total undiscounted lease liabilities	**493.5**	557.0
Lease liabilities included in the Statement of Financial Position		
Current	**75.3**	73.3
Non-current	**382.9**	428.1
Total	**458.2**	501.4

Lease liabilities held at 28 January 2023 are stated after reclassifying £0.5 million (2022: £nil) of lease liabilities to liabilities held-for-sale. These are liabilities related to store leases held by JD Sports Fashion Plc, which have been sold as part of the disposals analysed in Note 12 of the Group financial statements. As at 28 January 2023, the weighted average discount rate applied to the lease portfolio of the Company was 3.1% (2022: 2.7%).

During the 52 week period ended 28 January 2023, management reviewed the accounting for the transition to IFRS 16. It was identified that, at the point of transition, property accruals were overstated which resulted in an understatement of the right-of-use asset being recognised. The impact is not considered to be material to users of the financial statements and as such, has been corrected in the current period resulting in an increase to right-of-use assets of £17.1 million and a release to the profit and loss account.

Amounts Recognised in Profit or Loss

	52 weeks to 28 January 2023 £m	52 weeks to 29 January 2022 £m
Interest on lease liabilities	**12.2**	12.6
Variable lease payments not included in the measurement of lease liabilities	**0.3**	8.7
Income from sub-leasing right-of-use assets	**(0.1)**	(0.1)
Expenses relating to short-term leases and low-value leases	**0.5**	0.3

The variable lease payments not included in the measurement of lease liabilities of £0.3 million (2022: £8.7 million) is net of the release of a historic accrual no longer required of £13.3 million during the financial period ended 28 January 2023 (2022: £nil).

C8. Investment Property

Investment property, which is property held to earn rentals, is stated at cost less accumulated depreciation and impairment losses. Investment property is depreciated over a period of 50 years on a straight-line basis, with the exception of freehold land, which is not depreciated. The Company has elected not to revalue investment property annually but to disclose the fair value below. An external valuation to determine the fair value is prepared every three years by persons having the appropriate professional experience. When an external valuation is not prepared, an annual assessment is conducted using internal expertise.

	£m
Cost	
At 29 January 2022	16.5
Reclassifications from other asset categories	0.4
At 28 January 2023	**16.9**
Depreciation and impairment	
At 29 January 2022	1.7
Charge for the period	0.4
At 28 January 2023	**2.1**
Net book value	
At 28 January 2023	**14.8**
At 29 January 2022	14.8

The investment properties brought forward relate to two properties leased to Go Outdoors Retail Limited (£7.8 million and £3.9 million), a property leased to Focus Brands Limited (£4.2 million) and a property leased to Kukri Sports Limited (£0.6 million).

C8. Investment Property continued

These properties remain investment properties from the Company perspective as at 28 January 2023. Based on an external valuation prepared as at 31 December 2021, the fair value of the investment properties leased to Focus Brands Limited and Kukri Sports Limited as at that date was £5.8 million. Properties in relation to Go Outdoors Retail Limited were deemed to be held at fair value at £11.7 million as at 28 January 2023, given these were recently acquired during the financial period ended 29 January 2022. A three year external valuation cycle is deemed appropriate by the Directors.

The rental income from investment properties, recognised in the Company accounts, is £1.1 million (2022: £0.6 million). Management does not consider the investment properties to be impaired as the future rental income supports the carrying value.

C9. Investments in Subsidiaries, Associates and Joint Ventures

In the Company's accounts, all investments in subsidiary undertakings, associates and joint ventures are stated at cost less provisions for impairment losses. A list of subsidiaries is disclosed in Note 36 of the Group financial statements.

Investments in subsidiaries

	£m
Cost	
At 29 January 2022	1,038.7
Additions (see note below)	30.7
Disposals (see note below)	(105.4)
Reclassed to assets held-for-sale	(6.0)
At 28 January 2023	**958.0**
Impairment	
At 29 January 2022	91.7
Impairments	95.9
Released on disposal	(35.9)
Reclassed to assets held-for-sale	(3.0)
At 28 January 2023	**148.7**
Net book value	
At 28 January 2023	**809.3**
At 29 January 2022	947.0

The additions to investments comprise of the following (unless otherwise stated, the investment is 100% owned):

	£m
JD Sports Fashion Korea Inc	16.4
Caplan Land & Estates Commercial Properties Limited	10.0
JD Sports Fashion Sweden AB	4.3
Total additions	**30.7**

The disposals of investments comprise of the following (unless otherwise stated, the investment was 100% owned):

	£m
Footasylum Limited	(85.9)
Uggbugg Fashion Limited (51%)	(11.7)
Dantra Limited (75%)	(6.3)
Nicholas Deakins Limited	(1.4)
Other	(0.1)
Total disposals	**(105.4)**

C9. Investments in Subsidiaries, Associates and Joint Ventures continued

The impairments of investments comprise of the following (unless otherwise stated, the investment was 100% owned):

	£m
JD Sports Fashion Korea Inc (1)	31.4
XLR8 Sports Limited (2)	21.8
Hair Burst Limited (75%) (2)	19.1
Wheelbase Lakeland Limited (77.5%) (2)	11.6
Catchbest Limited (80%) (1)	3.2
R.D. Scott Limited (1)	3.0
Other	5.8
Total impairment charge	**95.9**

(1) As at 29 January 2022, these businesses were still a key part of the Group's strategy and, as part of our annual impairment review procedures, the Company concluded that the assets of these businesses were not impaired. The step change in the Group's strategy occurred in the second half of 2022/23 following a strategic review by the incoming Chief Executive Officer. The Directors have therefore concluded that the assessment completed for the period ended 29 January 2022 remains appropriate.

(2) The impairment related to these investments is due to lower than anticipated trading post acquisition and specific sector challenges.

Investments held in Topgrade Sportswear Holdings Limited including its subsidiaries (Topgrade Sportswear Limited and GetTheLabel.com Limited) and Rascal Clothing Limited were transferred to assets held-for-sale in the period, as an agreement for sale was in place as at 28 January 2023. The investments were held at a cost of £2.4 million and £3.6 million less impairment provisions against the investments in these companies of £0.4 million and £2.6 million respectively. The investments in these companies were held at fair value less costs to sell being the lower of carrying value and fair value less costs to sell in accordance with IFRS 5. Subsequent to the financial period end, the divestment of Rascal Clothing Limited completed on 6 February 2023 and Topgrade Sportswear Holdings Limited and its subsidiaries on 2 March 2023 (see Note 35 of the Group financial statements).

Investments in Associates and Joint Ventures

	Associates £m	Joint ventures £m	**Total £m**
Cost and net book value			
At 29 January 2022	27.9	28.0	**55.9**
Additions	–	2.8	**2.8**
Disposals	(2.0)	–	**(2.0)**
Impairments	–	(19.6)	**(19.6)**
Share of profit	4.0	1.1	**5.1**
Dividends	(1.8)	(1.6)	**(3.4)**
At 28 January 2023	28.1	10.7	**38.8**

Details of the amounts included in the table above are disclosed in Note 16 of the Group financial statements. Investments in associates and joint ventures in the Company comprise all those included in the Group table (Note 16), with the exclusion of the investment in The Couture Club Limited (£0.1 million), which was held by 2Squared Agency Limited but was disposed of by the Group during the period.

C10. Inventories

	As at 28 January 2023 £m	As at 29 January 2022 £m
Finished goods and goods for resale	**241.2**	192.4

The Company has £24.9 million (2022: £22.5 million) of inventory provisions at the end of the period. Cost of inventories includes a net charge of £14.5 million (2022: £7.6 million) in relation to net provisions recognised against inventories. £12.1 million of the inventory provision was utilised during the period against the write down of inventory (2022: £9.2 million). There were no reversals of inventory write downs in either the current or prior period.

Included within inventories is £2.4 million of deferred supplier rebates (2022: £2.4 million).

C11. Trade and Other Receivables

	As at 28 January 2023 £m	As at 29 January 2022 £m
Current assets		
Trade receivables	**19.2**	5.9
Other receivables	**16.5**	21.8
Prepayments and accrued income	**35.9**	30.9
Amounts owed by other Group companies	**138.6**	101.6
	210.2	160.2

	As at 28 January 2023 £m	As at 29 January 2022 £m
Non-current assets		
Amounts owed by other Group companies	**549.4**	509.7
Forward contract assets	**0.8**	2.5
	550.2	512.2

The Directors have assessed and concluded at the reporting date that a portion of receivables due from other Group companies is expected to be realised in more than 12 months from the date of the Statement of Financial Position. As such, the assets have been categorised accordingly.

A summary of the Company's exposure to credit risk for trade receivables is as follows:

	2023			2022		
	Gross £m	**Provision £m**	**Net £m**	Gross £m	Provision £m	Net £m
Not past due	**14.2**	**–**	**14.2**	4.0	–	4.0
Past due 0–30 days	**1.9**	**–**	**1.9**	0.7	–	0.7
Past due 31–60 days	**0.7**	**–**	**0.7**	0.6	–	0.6
Past 60 days	**2.7**	**(0.3)**	**2.4**	0.9	(0.3)	0.6
	19.5	**(0.3)**	**19.2**	6.2	(0.3)	5.9

At 28 January 2023, the exposure to credit risk for trade receivables by geographic region was as follows:

Trade receivables	As at 28 January 2023 £m	As at 29 January 2022 £m
UK	**15.4**	4.2
Europe	**1.1**	1.2
Rest of world	**3.0**	0.8
Total	**19.5**	6.2

At 28 January 2023, the exposure to credit risk for trade receivables by type of counterparty was as follows:

Trade receivables	As at 28 January 2023 £m	As at 29 January 2022 £m
Supplier rebates	**2.5**	3.2
Amounts owed by associates and joint ventures	**2.8**	0.2
Other [(1)]	**14.2**	2.8
Total	**19.5**	6.2

(1) Other includes amounts owed by suppliers for contributions towards marketing and promotion costs of £3.2 million (2022: £nil).

At 28 January 2023, the receivable due from the Company's most significant customer was £2.2 million (2022: £0.4 million).

C11. Trade and Other Receivables continued

A summary of the Company's exposure to credit risk for trade receivables is as follows:

As at 28 January 2023	Weighted average loss rate %	Gross carrying amount £m	Loss allowance £m	Credit impaired £m
Not past due	–	14.2	–	–
Past due 0–30 days	–	1.9	–	–
Past due 31–60 days	–	0.7	–	–
Past due 61–90 days	–	0.2	–	–
More than 90 days past due	12.0%	2.5	(0.3)	–
Total	**1.5%**	**19.5**	**(0.3)**	**–**

As at 29 January 2022	Weighted average loss rate %	Gross carrying amount £m	Loss allowance £m	Credit impaired £m
Not past due	–	4.0	–	–
Past due 0–30 days	–	0.7	–	–
Past due 31–60 days	–	0.6	–	–
Past due 61–90 days	–	0.6	–	–
More than 90 days past due	100%	0.3	(0.3)	–
Total	4.8%	6.2	(0.3)	–

Movement on this provision is shown below:

	£m
At 29 January 2022	0.3
Created	–
At 28 January 2023	**0.3**

Amounts Owed by Other Group Companies

The amounts owed by other Group companies are presented net of a provision of £87.5 million (2022: £76.8 million) against the balances outstanding at the end of the period. The other classes within trade and other receivables do not contain impaired assets. A summary of the Company's exposure to credit risk for receivables due from other Group companies is as follows:

As at 28 January 2023	Weighted average loss rate %	Gross carrying amount £m	Loss allowance £m	Credit impaired £m
Repayable on demand (current)	–	138.6	–	–
Repayable on demand (non-current)	13.7%	636.9	(87.5)	–
Total	**11.3%**	**775.5**	**(87.5)**	**–**

As at 29 January 2022	Weighted average loss rate %	Gross carrying amount £m	Loss allowance £m	Credit impaired £m
Repayable on demand (current)	–	101.6	–	–
Repayable on demand (non-current)	13.1%	586.5	(76.8)	–
Total	11.2%	688.1	(76.8)	–

C12. Financial Instruments

Financial Assets

The currency profile of cash and cash equivalents is shown below:

	As at 28 January 2023 £m	As at 29 January 2022 £m
Cash and cash equivalents	**680.6**	572.2
Sterling	**577.0**	340.3
Euros	**43.0**	18.0
US Dollars	**18.6**	200.1
Australian Dollars	**20.9**	7.6
Swedish Krona	**11.7**	0.7
Other	**9.4**	5.5
	680.6	572.2

Credit Risk

The Company has provided guarantees on working capital and other banking facilities entered into by Spodis SA (€1.6 million), JD Sports Fashion Israel (2021) Limited Partnership (ILS 26.1 million) and Kukri Sports Limited and Kukri GB Limited (£1.0 million). In addition, the syndicated committed £700 million bank facility, which was in place as at 28 January 2023, encompassed cross guarantees between the Company, Blacks Outdoor Retail Limited, Go Outdoors Retail Limited, The Finish Line Inc, The Finish Line USA Inc, Genesis Holdings Inc, Genesis Topco Inc, Shoe Place Corporation, Terminus Bidco Inc, DTLR Villa LLC, Genesis Finco Limited, Focus Brands Limited, Focus International Limited, Spodis SA, JD Sports Fashion SRL, John David Sports Fashion (Ireland) Limited and JD Sports Fashion Aus Pty to the extent to which any of these companies were overdrawn. As at 28 January 2023, these facilities were drawn down by £nil (2022: £nil).

Fair Values

The fair values together with the carrying amounts shown in the Balance Sheet as at 28 January 2023 are as follows:

	Note	Carrying amount 2023 £m	Fair value 2023 £m
Trade and other receivables	C11	**723.7**	**723.7**
Cash and cash equivalents		**680.6**	**680.6**
Trade and other creditors – current		**(402.0)**	**(402.0)**
Trade and other creditors – non-current		**(90.0)**	**(90.0)**
		912.3	**912.3**
Unrecognised gains		**–**	**–**

Fair Value Hierarchy

For information on Company balances which are categorised at the same level as for the Group, see Note 22 of the Group financial statements. In the consolidated financial statements, the synthetic forward is measured at the present value of the exercise price whereas in the Parent Company financial statements it is measured at the fair value of the synthetic forward. In addition, investment property held in the Company of £14.8 million (2022: £14.8 million) is categorised as Level 3 within the fair value hierarchy.

C13. Creditors: Amounts Falling Due Within One Year

	As at 28 January 2023 £m	As at 29 January 2022 £m
Trade creditors	**199.1**	163.0
Other creditors and accrued expenses	**197.4**	234.4
Refund liabilities	**5.5**	11.8
Other tax and social security costs	**20.7**	22.4
Amounts payable to other Group companies	**44.7**	33.7
	467.4	465.3

C14. Creditors: Amounts Falling Due After More Than One Year

	As at 28 January 2023 £m	As at 29 January 2022 (restated) £m
Other creditors and accrued expenses	**90.0**	6.5
Put and call option liability	**163.0**	303.8
	253.0	310.3

In December 2021, the Company signed a contract with ABG Reebok LLC to license the Reebok brand in various territories. The agreement became effective during the 52 week period ended 28 January 2023. As a result, the Company has recognised an intangible asset for the use of the brand on the Balance Sheet and a liability for the discounted contractual minimum royalty payments under the initial 10 year term of £73.1 million.

Put and Call Option Liability

Certain of the put and call options described in Note 23 to the Group financial statements are held by the Company, including the Material Put and Call options. The put and call options are required to be fair valued at each accounting period date in the Company solus accounts. The Company has used a third-party valuation expert to estimate the fair value of the options using a Monte-Carlo simulation model, applying a geometric Brownian motion to project the share price and arithmetic Brownian motion for the projection of EBITDA. The option formula and multiple are usually stated in the put and call option agreement; however, in the absence of a specified formula or multiple, we would estimate this based on current evidence in the Mergers & Acquisitions market and our past experience of multiples paid for similar businesses. The Group's accounting policy for the put and call options is further described in Note 23, however, the accounting treatment of the options differs between the Group and Parent Company accounts for the following reasons:

- The put and call options are contracts resulting in the Parent Company having the right or obligation to purchase remaining shares from non-controlling interests in partly-owned subsidiaries and are therefore accounted for as a derivative at fair value. The Group does not recognise the fair value of the put and call instrument because, upon exercise, the Group would effectively be purchasing its own equity in its subsidiary entity from the non-controlling interests, so instead it reflects the present value of the obligation.

The Company considers that the put and call agreements are a single instrument and accordingly accounts for these as such, as explained in Note 23 to the Group Financial Statements.

Genesis Options

Sensitivity analysis was performed over the key variable inputs to the valuation of the Genesis put and the call options. The key variable inputs were determined to be the discount rate and approved forecasts. 1% was determined to be a reasonably possible change for the discount rate and 1% was determined to be a reasonably possible change to the EBITDA included in the approved cash flow forecasts. The results were as follows:

- A discount rate increase of 1% would result in a reduction to the fair value of the option instrument of £29.0 million.
- A discount rate reduction of 1% would result in an increase in the fair value of the option instrument of £30.2 million.
- An increase or decrease of 1% to the forecast EBITDA would result in an increase or decrease in the fair value of the option instrument of £6.2 million.

The Directors are satisfied that the forecast cash flows utilised in the measurement model are appropriate as they are based on Board approved forecasts for stores which were legally committed as at the balance sheet date, growth assumptions derived from discussions with key management and Board approved capital expenditure budgets for store openings in the financial period ending 3 February 2024. Delivery of the Group's longer-term growth ambitions and strategy in respect of the US market, announced recently post-year end at the Capital Markets Event, are dependent on further sites being identified, approved and opened, the timings and specifics of which are more difficult to forecast accurately. The Group has provided it's third-party valuation expert with indicative plans that align to its strategic ambition and which assume additional appropriate sites can be identified and opened in the next five years. The resultant valuation, using the same Monte Carlo approach, shows an increase in the fair value of the option instrument of £220.5 million.

MIG Options

Sensitivity analysis was performed over the key variable inputs to the valuation of the MIG put and the call options. The key variable inputs were determined to be the discount rate and approved forecasts. 1% was determined to be a reasonably possible change for the discount rate and 1% was determined to be a reasonably possible change to the EBITDA included in the approved cash flow forecasts. The results were as follows:

- A discount rate increase of 1% would result in a reduction to the fair value of the option instrument of £1.4 million.
- A discount rate reduction of 1% would result in an increase in the fair value of the option instrument of £1.4 million.
- An increase or decrease of 1% to the forecast EBITDA would result in an increase or decrease in the fair value of the option instrument of £0.5 million.

C15. Deferred Tax Assets and Liabilities

Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2023 £m	Assets 2022 £m	**Liabilities 2023 £m**	Liabilities 2022 £m	**Net 2023 £m**	Net 2022 £m
Property, plant and equipment	**–**	1.8	**(16.6)**	–	**(16.6)**	1.8
Employee benefits	**4.1**	4.0	**–**	–	**4.1**	4.0
Tax assets/(liabilities)	**4.1**	5.8	**(16.6)**	–	**(12.5)**	5.8

Movement in Deferred Tax during the Period

	Property, plant and equipment £m	Employee benefits £m	**Total £m**
Balance at 30 January 2021	1.1	2.3	**3.4**
Recognised in income	0.7	1.7	**2.4**
Balance at 29 January 2022	1.8	4.0	**5.8**
Recognised in income	(18.4)	0.1	**(18.3)**
Balance at 28 January 2023	**(16.6)**	**4.1**	**(12.5)**

The Financial Bill 2021 included an increase to the UK corporation tax rate to 25% from 19% from 1 April 2023 for certain companies. This increase was substantially enacted on 24 May 2021. Under IAS 12, deferred tax is required to be calculated using rates that have been substantively enacted at the balance sheet date. Consequently, the deferred tax asset and liability have been calculated based on a rate of 25%.

C16. Capital

Issued ordinary share capital, share premium and the share-based payment reserve for both the Company and Group are disclosed in Note 26 of the Group financial statements.

C17. Dividends

After the reporting date, the dividend proposed by both the Company and Group Directors is disclosed in Note 28 of the Group financial statements.

C18. Commitments

As at 28 January 2023, the Company had entered into contracts to purchase property, plant and equipment as follows:

	As at 28 January 2023 £m	As at 29 January 2022 £m
Contracted	**–**	8.2

C19. Related Party Transactions and Balances

Transactions and balances with each category of related parties during the period are shown below. Outstanding balances are unsecured (unless otherwise stated) and will be settled in cash.

Transactions with Related Parties Who Are Not Members of the Group

Pentland Group Limited

During the period, the Company entered into the following transactions with Pentland Group Limited:

	Income from related parties 2023 £m	**Expenditure with related parties 2023 £m**	Income from related parties 2022 £m	Expenditure with related parties 2022 £m
Sale/(purchase) of inventory	**0.1**	**(15.9)**	–	(18.1)
Marketing costs	**–**	**–**	0.1	–
Other income	**–**	**–**	–	(0.1)
Dividends paid	**–**	**(12.8)**	–	(7.7)

At the end of the period, the Company had the following balances outstanding with Pentland Group Limited:

	Amounts owed by related parties 2023 £m	**Amounts owed to related parties 2023 £m**	Amounts owed by related parties 2022 £m	Amounts owed to related parties 2022 £m
Trade receivables/(payables)	**0.1**	**(0.5)**	0.1	(0.3)

C19. Related Party Transactions and Balances continued

Associates and Joint Ventures

During the period, the Company entered into the following transactions with its associates and joint ventures:

	Income from related parties 2023 £m	Expenditure with related parties 2023 £m	Income from related parties 2022 £m	Expenditure with related parties 2022 £m
Purchase of inventory	–	(6.2)	–	(5.1)
Recharge of expenses	2.6	–	–	–
Dividends and distributions received	3.5	–	6.9	–

At the end of the period, the Company had the following balances outstanding with its associates and joint ventures:

	Amounts owed by related parties 2023 £m	Amounts owed to related parties 2023 £m	Amounts owed by related parties 2022 £m	Amounts owed to related parties 2022 £m
Trade receivables	2.8	–	0.2	–
Trade payables	–	(0.7)	–	(0.1)

Trade receivables from associates and joint ventures relate to costs incurred by the Company on behalf of these entities, which have then been recharged.

In the 52 week period ended 29 January 2022, the Group accrued £25,000 of invoices from Cowgill Holloway Business Recovery LLP in respect of professional fees, which were paid after the 29 January 2022. At that time, Peter Cowgill was indirectly a member of this Limited Liability Partnership through his membership of Cowgill Holloway LLP, which is then a member of Cowgill Holloway Business Recovery LLP. Peter Cowgill did not participate in any profit share arrangement relating to either Cowgill Holloway LLP or Cowgill Holloway Business Recovery LLP. In addition, Cowgill Holloway LLP (including member firms of Cowgill Holloway LLP) acted on behalf of certain vendors where the Group has ultimately completed an acquisition. Where this has occurred, there has been no monetary payments between the Group and Cowgill Holloway LLP (including its member firms). Peter Cowgill ceased to be a Director of JD Sports Fashion Plc on 25 May 2022.

Transactions with Related Parties Who Are Members of the Group

Subsidiaries

In the disclosure that follows, the Company has applied the exemptions available under FRS 101 in respect of transactions with wholly owned subsidiaries.

Loans represent historic intercompany balances and initial investments in subsidiary undertakings. For subsidiaries with a non-controlling interest, these long-term loans attract interest at the UK base rate plus an applicable margin.

Other intercompany balances and trade receivables/payables relate to:

- the sale and purchase of stock between the Company and its subsidiaries on arm's length terms;
- the charge for the use of the JD IP; and
- recharges for administrative overhead and distribution costs.

Other intercompany balances are settled a month in arrears. These balances do not accrue interest. In certain circumstances where the subsidiaries have not repaid these balances, they have been reclassified to long-term loans, and therefore accrue interest as applicable.

During the period, the Company entered into the following transactions with subsidiaries not wholly owned:

	Income from related parties 2023 £m	Expenditure with related parties 2023 £m	Income from related parties 2022 £m	Expenditure with related parties 2022 £m
Sale/(purchase) of inventory	98.4	(0.6)	96.0	(0.9)
Interest receivable	8.7	–	3.8	–
Dividend income received	8.4	–	9.0	–
Rental income	0.1	–	0.1	–
IP licence fee	45.7	–	38.3	–
Management charge receivable	4.8	–	3.5	–

C19. Related Party Transactions and Balances continued

At the end of the period, the Company had the following balances outstanding with subsidiaries not wholly owned:

	Amounts owed by related parties 2023 £m	**Amounts owed to related parties 2023 £m**	Amounts owed by related parties 2022 £m	Amounts owed to related parties 2022 £m
Non-trading loan receivable	**76.0**	**–**	85.9	–
Non-trading loan receivable (interest-bearing)	**165.9**	**–**	142.4	–
Trade receivables	**29.4**	**–**	26.4	–
Other intercompany balances	**0.1**	**(13.3)**	0.1	(0.1)
Income tax group relief	**–**	**(3.7)**	8.0	–

C20. Contingent Liabilities

The activities of the Company are overseen by a number of regulators and, whilst the Company strives to ensure full compliance with all its regulatory obligations, periodic reviews are inevitable which may result in a financial penalty. If the risk of a financial penalty arising from one of these reviews is more than remote but not probable or cannot be measured reliably then the Company will disclose this matter as a contingent liability. If the risk of a financial penalty is considered probable and can be measured reliably then the Company would make a provision for this matter.

Guarantees
Where the Company enters into contracts to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

The Company has provided the following guarantees:

- Guarantee on the working capital facilities and bonds and guarantees in Spodis SA of €1.6 million (2022: €1.6 million).
- Guarantee on the working capital facilities in Kukri Sports Limited and Kukri GB Limited of £1.0 million (2022: £1.0 million).
- Guarantee on the working capital facilities in JD Sports Fashion Israel (2021) Partnership of ILS 26.1 million (2022: ILS nil).
- Guarantee on rental commitments for JD Sports Fashion BV in relation to warehouse rental costs. The total value of the remaining commitments at 28 January 2023 was £40.1 million (2022: £37.1 million).
- Guarantee on rental commitments for Go Outdoors Retail Limited in relation to warehouse rental costs. The total value of the remaining commitments at 28 January 2023 was £21.8 million (2022: £nil).
- Guarantee on overdraft facility with Lloyds for Tiso Limited of £5.7 million (2022: £5.7 million).

C21. Ultimate Parent Company

The immediate parent undertaking is Pentland Group Limited, a company registered in England and Wales. R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group Holdings Limited (a company registered in Jersey). 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 2022. 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. 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.

C22. Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the obligation can be estimated reliably.

Property Provision
Within the property provision, management has provided for expected dilapidations on stores and warehouses. This provision covers expected dilapidation costs for any lease considered onerous, any related to stores recently closed, stores which are planned to close or at risk of closure and those under contract but not currently in use. Management maintains all properties to a high standard and carries out repairs whenever necessary during JD's tenure. Therefore, if there is no risk of closure, any provision would be minimal and management does not consider it necessary to hold dilapidations for these properties.

C22. Provisions continued

Other Provision

Included in other provisions as at 29 January 2022 is £2.0 million in respect of the CMA's investigation into the sale of Rangers FC branded replica football shirts. This provision represents the liability payable in respect of this matter, including associated legal costs. On 27 September 2022, the CMA issued its final decision and, in doing so, fined the Company £1.5 million. The remaining balance in other provisions is made up of various other trade provisions and legal costs. The provisions are estimated based on accumulated experience, supplier communication and management approved forecasts.

	Property provision £m	Other provision £m	Total £m
Balance at 29 January 2022	10.9	8.9	19.8
Provisions released during the period	–	(4.2)	(4.2)
Provisions utilised during the period	(0.3)	(2.3)	(2.6)
Balance at 28 January 2023	**10.6**	**2.4**	**13.0**

Provisions have been analysed between current and non-current as follows:

	As at 28 January 2023 £m	As at 29 January 2022 £m
Current	**2.4**	8.9
Non-current	**10.6**	10.9
	13.0	19.8

C23. Post Balance Sheet Events

Please refer to Note 35 in the Group financial statements for disclosure of the post Balance Sheet events impacting JD Sports Fashion Plc.

C24. Prior Period Adjustment

Restatement of Comparatives

During the financial period ended 28 January 2023, the Directors reviewed the accounting for put and call options held by the Group and noted these instruments were held by JD Sports Fashion Plc itself. In previous financial periods, the put and call options were omitted from the Company financial statements. Accordingly, the Directors have restated comparative amounts at 29 January 2022 to recognise the fair value of the put and call options, together with a charge for the fair value movement through the 2022 profit for the period. There was no effect on amounts as at 30 January 2021.

The following table summarises the impact on the Company's summarised financial statements:

Summarised Company Balance Sheet

	As at 29 January 2022 (as reported) £m	Adjustments £m	As restated £m
Total non-current assets	**2,146.6**	–	2,146.6
Total current assets	**930.9**	–	930.9
Total assets	**3,077.5**	–	3,077.5
Total current liabilities	**(548.4)**	–	(548.4)
Creditors: Amounts falling due after more than one year	**(6.5)**	(303.8)	(310.3)
Provisions	**(10.9)**	–	(10.9)
Lease liabilities	**(428.1)**	–	(428.1)
Total non-current liabilities	**(445.5)**	(303.8)	(749.3)
Total liabilities	**(993.9)**	(303.8)	(1,297.7)
Total assets less total liabilities	**2,083.6**	(303.8)	1,779.8
Issued ordinary share capital	**2.6**	–	2.6
Share premium	**467.5**	–	467.5
Share-based payment reserve	**0.1**	–	0.1
Retained earnings	**1,613.4**	(303.8)	1,309.6
Total equity	**2,083.6**	(303.8)	1,779.8

Company Statement of Changes in Equity

	As at 29 January 2022 (as reported) £m	Adjustments £m	As restated £m
Issued ordinary share capital	**2.6**	–	2.6
Share premium	**467.5**	–	467.5
Share-based payment reserve	**0.1**	–	0.1
Retained earnings – Balance as at 30 January 2021	**1,265.3**	–	1,265.3
Retained earnings – Profit for the period	**363.0**	(303.8)	59.2
Retained earnings - Dividends to equity holders	**(14.9)**	–	(14.9)
Total equity	**2,083.6**	(303.8)	1,779.8

Financial Calendar

Annual General Meeting	27 June 2023
Period End (53 Weeks)	3 February 2024

Shareholder Information

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Auditor
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Manchester M2 3AE

Five Year Record (unaudited)

	52 weeks to 2 February 2019 £m	52 weeks to 1 February 2020 £m[4]	52 weeks to 30 January 2021 £m	52 weeks to 29 January 2022 £m	**52 weeks to 28 January 2023 £m**
Revenue	4,717.8	6,110.8	6,167.3	8,563.0	**10,125.0**
Cost of sales	(2,474.5)	(3,236.0)	(3,205.7)	(4,355.0)	**(5,285.3)**
Gross profit	2,243.3	2,874.8	2,961.6	4,208.0	**4,839.7**
Selling and distribution expenses	(1,632.9)	(2,020.2)	(2,126.4)	(2,808.1)	**(3,315.6)**
Administrative expenses – normal	(253.6)	(348.6)	(381.2)	(413.4)	**(497.3)**
Administrative expenses – adjusted items	(15.3)	(90.3)	(97.3)	(292.5)	**(550.5)**
Administrative expenses - total	(268.9)	(438.9)	(478.5)	(705.9)	**(1,047.8)**
Other operating income	4.7	10.9	28.3	27.2	**33.5**
Operating profit	346.2	426.6	385.0	721.2	**509.8**
Operating profit before adjusted items	361.5	516.9	482.3	1,013.7	**1,060.3**
Adjusted items	(15.3)	(90.3)	(97.3)	(292.5)	**(550.5)**
Operating profit before financing	346.2	426.6	385.0	721.2	**509.8**
Financial income	1.2	1.7	1.5	1.4	**8.4**
Financial expenses	(7.5)	(79.8)	(62.5)	(67.9)	**(77.3)**
Profit before tax and adjusted items	355.2	438.8	421.3	947.2	**991.4**
Adjusted items	(15.3)	(90.3)	(97.3)	(292.5)	**(550.5)**
Profit before tax	339.9	348.5	324.0	654.7	**440.9**
Income tax expense	(75.7)	(97.8)	(94.8)	(195.1)	**(214.2)**
Profit for the period	264.2	250.7	229.2	459.6	**226.7**
Attributable to equity holders of the parent	261.8	246.1	224.3	369.7	**142.5**
Attributable to non-controlling interest	2.4	4.6	4.9	89.9	**84.2**
Basic earnings per ordinary share[1]	5.38p	5.06p	4.61p	7.17p	**2.76p**
Adjusted basic earnings per ordinary share[1][2]	5.69p	6.85p	6.44p	12.84p	**13.39p**
Dividends per ordinary share[1][3]	0.34p	0.06p	0.29p	0.35p	**0.80p**

(1) Basic and adjusted earnings per ordinary share and dividends per ordinary share have been adjusted to reflect the share sub-division effective 30 November 2021, as if the event had occurred at the beginning of the earliest period presented.
(2) Adjusted basic earnings per ordinary share is based on earnings excluding the post-tax effect of certain adjusted items (see Note 10).
(3) Represents dividends declared for the period. Under IFRS, dividends are only accrued when approved.
(4) 52 weeks to 1 February 2020 reflects the application of IFRS 16 'Leases' for the first time, impacting operating profit and financial expenses.

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