JD Sports Fashion Plc
Annual Report & Accounts 2024

DELIVERING ON OUR STRATEGY

OUR VISION

CONNECT GLOBALLY.
INSPIRE LOCALLY.
EMPOWER INDIVIDUALLY.

JD IS A MOST-LOVED BRAND THAT SEEKS TO INSPIRE THE EMERGING GENERATION OF GLOBALLY-MINDED CONSUMERS THROUGH A CONNECTION TO THE UNIVERSAL CULTURES OF SPORT, MUSIC AND FASHION.

WHO WE ARE

THE JD GROUP IS THE LEADING GLOBAL OMNICHANNEL RETAILER OF SPORTS FASHION BRANDS, PROVIDING CUSTOMERS WITH THE PRODUCTS THEY MOST WANT ACROSS FOOTWEAR AND APPAREL FROM ESTABLISHED AND NEW PREMIUM BRANDS.

Founded in 1981 with a single store in Bury, Greater Manchester, England by John Wardle and David Makin, the JD Group has grown to over 3,000 stores worldwide today. It is focused on four strategic pillars: JD Brand First to deliver further global expansion of the JD brand; leveraging Complementary Concepts such as its US community brands; moving Beyond Physical Retail by creating a lifestyle ecosystem of relevant products and services; and, doing its best for our People, Partners and Communities.

CONTENTS

PERFORMANCE SUMMARY

REVENUE[1*]

£10,397.2M

+2.7%

OPERATING PROFIT

£927.2M

+15.0%

PROFIT BEFORE TAX AND ADJUSTING ITEMS

£917.2M

-7.5%

PROFIT BEFORE TAX

£811.2M

+66.7%

OPERATING MARGIN BEFORE ADJUSTING ITEMS[1*]

9.4%

-111BPS

BASIC EARNINGS PER SHARE

10.45P

+186.3%

1 FY24 is a 53-week year to 3 February 2024. The comparative period is 52 weeks to 28 January 2023. To aid comparability, these results and percentage changes are presented on an unaudited 52-week basis.

Throughout the Annual Report '*' indicates an instance of a term defined and explained in the Alternative Performance Measures section on page 253 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 adjusting items is included in Note 4 of the Consolidated Financial Statements on page 160.

STRATEGIC HIGHLIGHTS

JD BRAND FIRST

No. of JD stores opened

216

COMPLEMENTARY CONCEPTS

Combined DTLR/Palace LFL sales growth*

7.3%

BEYOND PHYSICAL RETAIL

Active JD STATUS loyalty customers in US

5.1M

PEOPLE, PARTNERS AND COMMUNITIES

CDP grade for 'Climate Change'

A-

AT A GLANCE

FOCUSED NUMBER OF NATIONAL AND INTERNATIONAL BRANDS LED BY THE JD BRAND

Total number of stores

3,317

PREMIUM SPORTS FASHION

Number of stores

2,047

OTHER FASCIAS

Number of stores

1,027

OUTDOOR

Number of stores

243

UK/ROI

Country	Stores
UK	432
ROI	24
Total	**456**

NORTH AMERICA

Country	Stores
US	1,241
Canada	28
Total	**1,269**

EUROPE

Country	Stores
Spain/Canaries	321
Poland	275
France	129
Portugal	110
Germany	86
Greece	76
Italy	72
Romania	40
Netherlands	29
Belgium	16
Lithuania	16
Slovakia	14
Czech Republic	12
Cyprus	10

Country	Stores
Hungary	9
Croatia	7
Serbia	7
Austria	5
Finland	5
Latvia	5
Denmark	4
Slovenia	4
Sweden	4
Bulgaria	3
Bosnia & Herzegovina	1
Total	**1,260**

ASIA PACIFIC

Country	Stores
Australia	55
Malaysia	18
Thailand	8
New Zealand	4
Singapore	4
Total	**89**

In addition, we operated stores in two additional countries, Israel and Indonesia, via joint venture agreements.

Total countries

36

THE LEADING GLOBAL SPORTS FASHION RETAILER

CULTURE AND VALUES

COMPETITIVE

Our 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.

ENTREPRENEURIAL

The Group has a strong track record of revenue growth, profit optimisation and international expansion. We have built-in flexibility in our business model which enables us to capitalise on the fast pace of consumer trends and take every opportunity to succeed.

COMMITTED

The Group is committed to protecting the long-term interests of its shareholders while balancing and promoting the interests of its other key stakeholders, including colleagues, customers and brand partners.

ETHICAL

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

TEAM ORIENTATED

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 passionate people working together across all levels of the organisation. We also make sure we have fun and celebrate when we do succeed.

INVESTMENT CASE

01

GLOBAL SPORTSWEAR MARKET IN LONG-TERM STRUCTURAL GROWTH

It is forecasted that the value of the global sportswear market will grow 6.6% per annum over the next 5-7 years as consumers continue to switch from more formal clothing to lifestyle apparel and footwear.

6.6%

Sportswear market value growth per annum

Source: Euromonitor International Limited, Apparel & Footwear 2024 edition, retail value RSP incl. sales tax, US$, year-on-year exchange rate, current terms

02

JD IS THE GLOBAL LEADER OF THE PREMIUM SPORTS FASHION CATEGORY

Sports fashion is driving the overall growth of the market and, within this category, JD is the clear global market leader in a fragmented premium sports fashion retailing market. It is best positioned to capture a growing share of this market over the coming years from both same store and new store growth.

3.4%

Global market share

See page 34 in the KPI section for the market share calculation

03

AN ATTRACTIVE ROUTE TO MARKET FOR THE MAJOR SPORTSWEAR BRANDS

Our scale, growth and both global and local distribution are attractive to the major sportswear brands. We have very strong relationships with all key brand partners including Nike Inc., adidas, The North Face and New Balance, and benefit from a relatively high level of exclusive products. We are Nike's no.1 global partner.

76%

Share of JD revenue from the world's top 10 brands (excluding Anta and Li Ning)

Source: Euromonitor International Limited, Apparel & Footwear 2024 edition, retail value RSP incl. sales tax, US$, year-on-year exchange rate, current terms

04

STRONG CONSUMER PROPOSITION, FOCUSED ON BRAND-CONSCIOUS YOUNG ADULTS

The JD brand is laser-focused on the 16-24 year olds consumer group. This group makes up 50-65% of our customer base, they are extremely brand conscious and they continue to view sportswear as their first choice for spending discretionary income.

50-65%

Share of customer base of 16-24 year olds

Source: Company survey conducted by third party October - November 2022

05

A CLEAR FIVE-YEAR STRATEGIC PLAN

Launched in February 2023, our strategic plan is clearly defined through four key pillars - **JD Brand First, Complementary Concepts, Beyond Physical Retail and People, Partners and Communities**.

Financial targets include opening 200-250 new JD stores every year and achieving double-digit revenue growth, double-digit market share in key markets and a double-digit group operating margin.

200-250

Our target to open new JD stores each year

06

HIGHLY CASH GENERATIVE WITH A STRONG BALANCE SHEET

We generate significant cash from operations each year and net cash before lease liabilities* was £1.0billion at the end of the period. This balance sheet strength positions us strongly to invest capital into our organic growth and finance potential acquisition opportunities.

£1.0BN

Net cash before lease liabilities*

WORKING HARD BEHIND THE SCENES

Andrew Higginson
Chair

During my first full year as Chair of the Group I've seen the team deliver great progress across a number of fronts, in a more challenging trading environment that we have been used to in recent years (Covid 19 apart). We have continued to build the foundations of a more sustainable business of this scale (people, systems, processes and controls) and have undertaken a number of crucial corporate transactions that will underpin the long-term success of the Group, in particular, gaining full control of our businesses in Iberia and Central Europe.

"I AM CONFIDENT OF A STRONG FULL YEAR FINANCIAL OUTCOME AND GOOD STRATEGIC AND OPERATIONAL PROGRESS. WE WILL NEXT REPORT AT OUR Q225 TRADING UPDATE IN AUGUST."

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All are in line with our strategy, aimed at building a business that can continue to grow, and provide attractive returns for shareholders.

While significant progress has been made in developing a control environment appropriate for a Group of our scale, there remain significant deficiencies at Group level that have made the year-end process particularly difficult. These were highlighted, and to a degree compounded, by the extra demands required by the on-boarding of new Auditors. I would like to thank our new CFO, Dominic Platt, and our new Auditors, Deloitte, for the exceptional levels of extra work that have been required to complete and sign off our year-end accounts. With additional resource and a clear plan to invest in new systems, we expect next year's process to be materially easier, but establishing a Group finance function of the right capability is likely to be more than a one-year project.

We have strengthened both the Board and the Senior Management team with strong hires across both areas including three new Non-Executive Board members, a new Chief Financial Officer ('CFO') and a number of strong Senior Management hires such as a new General Counsel, a new head of our Iberian business and a new Investor Relations Director, to name but a few. These hires will help the delivery of the five-year strategic plan set out at the start of the financial year by our Chief Executive Officer ('CEO'), Régis Schultz.

Our brand relationships are strong and we have had another busy year of corporate activity as we simplified and aligned the Group with the acquisitions of the non-controllable interests in Germany, Iberia and Eastern Europe, and further non-core disposals.

Finally, as we have been growing into an increasingly global business, we felt it appropriate to relook at the corporate broking support we received. As a result of a thorough process, we appointed Bank of America to replace Investec as one of our corporate brokers, working alongside Peel Hunt, from the start of the new financial year.

Tougher trading than expected during the peak season led us to bring forward our January trading update as it became clear after Christmas that we were not going to meet the previous profit guidance and therefore external profit expectations for the year. The business has since been reset, on a number of levels, and we believe short-term expectations are now much more realistic and deliverable. I believe our five-year strategic plan remains fit for purpose and is the right blueprint for capturing the Group's significant long-term growth opportunities which we are very focused on achieving.

Financial Summary

The financial year for the 52 weeks to 27 January 2024 once again delivered good revenue growth, but profit fell short of our expectations. It was very much a year of two halves, performance-wise. The first half delivered like-for-like (LFL) sales growth* of 8% and organic sales growth* of 12% with Profit before tax and adjusting items* broadly in line with the previous half year. By the end of the year, LFL sales growth* was 4% and organic sales growth* was 9% as our customers responded to less product 'newness' in the market during the peak trading period of Black Friday to the New Year, and turned more cautious and began looking for bargains in the marketplace through the last quarter of the year. Disappointingly, and partly in response to slower market growth, the market became more promotional as a result, particularly during the peak trading period, which meant we either missed out on sales where we chose not to compete on price, as in the UK, or we missed out on margin where we did compete on price, as in North America and Europe.

Overall, for the 53-week period, revenue was £10.5 billion, up 4.1% on the previous year, and Profit before tax was £811.2 million, up 66.7% on the prior period, reflecting the much reduced level of adjusting items. Profit before tax and adjusting Items* for the 53-week period before this was £917.2 million, down 7.5% on the previous year. This ended up being a disappointing outcome for the group, but in a consumer cyclical sector such as ours, there will be times occasionally when trading slows and profitability falls. In my view, this is a temporary situation and with our strong brand proposition, significant cash balances and healthy brand relationships, we will be at the forefront of the recovery in sports fashion and will continue to benefit in the long term from the ongoing structural growth in the sector.

Board Developments

Dominic Platt joined the Group and the Board in early October as our new CFO. Dominic's previous roles include CFO of BGL Group, owners of Compare the Market, Group Finance Director and Managing Director of International Businesses at Darty PLC, and various roles during his time at Cable and Wireless. Dominic is also an independent non-executive Director ('NED') at N Brown Group Plc. Dominic replaced Neil Greenhalgh, who made a significant contribution to the Group since he joined in 2004 and particularly once he became CFO in 2018. The Board thanks Neil for his time at the Group and wishes him every success in his future endeavours.

During the first half of the year, we strengthened the Board further by appointing three new NEDs. Ian Dyson, Darren Shapland and Angela Luger bring to the Board years of consumer and PLC experience as both NEDs and Executive Directors. Ian and Darren have brought specific relevance to the Audit & Risk Committee, supporting the Chair, Helen Ashton, while Angela has taken on the new role of Chair of the ESG Committee.

Corporate Activity

It has been another busy year of corporate activity as we have focused on simplifying the Group and ensuring all businesses within the Group align fully with the strategic vision, laid out by our CEO at the beginning the financial year.

At the start of the year, we completed the disposal of a number of non-core UK fashion brands to the Frasers Group including Tessuti, Scotts and Cricket. Then in May 2023, we announced the acquisition of the 20% non-controllable interest ('NCI') in our German business and the potential future acquisition of Courir, a leading player in the European sports footwear and apparel sector with over 300 stores across six countries. Twelve months on, we are still waiting for clearance to complete this acquisition, which is extremely frustrating, but we remain confident that, once within the Group, Courir will be an important addition to our Complementary Concepts segment.

On the other European NCIs, we announced our intention to acquire the Iberian Sports Retail Group ('ISRG') NCI in May 2023 and completed the acquisition in October 2023. Since then we have been busy divesting and closing non-core businesses, earmarking 40-50 stores for conversion to the JD brand and strengthening the Sporting Goods business. We then completed the acquisition of the MIG NCI in January 2024 and have already appointed a new board, improved the organisational structure and agreed a new development plan, all very much with our JD Brand First strategy in mind.

In July 2023, we announced our first franchise agreement with GMG in the Middle East. The ambition is to open up to 50 JD stores across the region over the next 10 years as we start to extend the reach and awareness of the JD brand into new territories at a lower risk level than through company-owned stores or joint ventures.

Governance Update

The project put in place to overhaul and strengthen corporate governance at the Group completed on time at the end of the financial year and ongoing initiatives in this area are now considered part of our normal day-to-day activities.

Many people have gone above and beyond over the last two years on the journey to bring the Group's governance towards a level of control expected of a leading UK-listed company, but I would like to thank Helen Ashton in particular for maintaining the impetus and progress of the project through the year. The audit process this year has gone as well as we hoped given the scale of change within the business and two fresh pairs of eyes from our new auditors, Deloitte (after over 25 years with KPMG) and our new CFO. These material changes have all taken place against a background of previous governance weakness. While the time taken to complete the year end process was longer than ideal, we agreed that the time was needed given the circumstances.

People

In what ended up being a tougher year than we had expected initially, our 90,000 colleagues across the Group, from Bury to Berlin and from Baltimore to Brisbane, adapted and adjusted to ensure we got the most out of the year that we could. On behalf of the Board, I would like to thank them for their efforts and achievements through the year and I retain the utmost confidence in their ability and work ethic to help get the Group back on the growth trajectory it has been used to.

Dividends

The Board proposes paying a final dividend of 0.60p (2023: 0.67p), bringing the total proposed dividend for the 53-weeks to 3 February 2024 to 0.90p (2023: 0.80p) per ordinary share. This payout maintains the 1/3:2/3 split guided to at the interim results. Subject to shareholder approval at our AGM on 4 July 2024, the proposed final dividend will be paid on 12 July 2024 to all shareholders on the register at 14 June 2024.

Outlook

Trading through the first quarter has been in line with what we were expecting. Global macro-economic and geo-political headwinds remain while elevated market promotional activity and tough comparatives with the previous year have combined to create quite a challenging trading environment. However, as the big summer sporting events kick in, innovation pipelines start to improve and the comparatives with the previous year ease, I am confident of a strong full year financial outcome and good strategic and operational progress. We will next report at our August Q225 trading update.

Andrew Higginson
Chair

STRATEGIC PROGRESS IN A CHALLENGING MARKET

Régis Schultz
Chief Executive Officer

I am confident that the global sportswear market, and in particular, the athleisure space within it, has many years of structural growth ahead of it, with favourable trends like casualisation and active lifestyles continuing. Euromonitor[1] is forecasting that the sportswear market will achieve value growth of 6.6% per year from 2023 to 2028, on average. This would take the total value of the market from $396bn in 2023 to $544bn in 2028. We believe that through our growing brand presence, our industry-leading buying and merchandising team, our powerful brand partner relationships and both our strong balance sheet and cash generation capability, we will outperform the market and deliver double digit market shares in all our key markets.

"IN THE PERIOD, WE ONCE AGAIN OUTPERFORMED A CHALLENGING AND VOLATILE MARKET WITH ORGANIC SALES GROWTH* OF 9%, BROADLY IN LINE WITH OUR OBJECTIVE TO DELIVER DOUBLE DIGIT GROWTH, AND ORGANIC SALES GROWTH* IN PREMIUM SPORTS FASHION OF 11% AHEAD OF OUR OBJECTIVE."

In the period, we once again outperformed a challenging and volatile market with organic sales growth* of 9%, broadly in line with our objective to deliver double digit growth, and organic sales growth* in Premium Sports Fashion of 11%, ahead of our objective. Our financial strength was highlighted by the investment in opening over 200 new JD stores in the period, in line with our plans, and the proposed acquisitions of Courir, announced in May 2023, and Hibbett, Inc. ('Hibbett'), announced after the period end in April 2024.

We achieved good progress in the first year of our five-year strategic plan across the four pillars of JD Brand First, Complementary Concepts, Beyond Physical Retail and People, Partners and Communities. Our drive to deliver this plan is unrelenting, exhibited most recently with the proposed acquisition of Hibbett in the key North American market. Hibbett will be one of our Complementary Concepts in North America, alongside Shoe Palace and DTLR, supporting the nationwide, mall-led growth opportunity in the US for the JD brand, with more regionalised growth in local communities. We are excited by the opportunities Hibbett will bring to our North America business.

We again made significant investments in our people, our governance and our control environment to ensure we have a strong platform for long-term growth: we've invested over £70m in our people through levelling up and increasing pay across our workforce, in addition to minimum and living wage increases; we are strengthening our cyber security and improving the quality of our operating systems platform; and we are ensuring we have a more efficient supply chain, reflecting the changing global business mix, both by geography and by sales channel. These investments are the right choices for the business but have weighed on profit progression in the period.

"WE AGAIN MADE SIGNIFICANT INVESTMENTS IN OUR PEOPLE, OUR GOVERNANCE AND OUR CONTROL ENVIRONMENT TO ENSURE WE HAVE A STRONG PLATFORM FOR LONG-TERM GROWTH."

>200

New JD stores opened in the year

£70M

Invested in people in addition to national and minimum wage increases

1. Source: Euromonitor International Limited, Apparel & Footwear 2024 edition, retail value RSP incl sales tax, US$, year on year exchange rate, current terms.

Performance
In the 52 weeks to 27 January 2024, we achieved revenue* of £10,397.2m, 2.7% up on the comparative 52-week period, in what ended up being a very challenging market. In constant currency, sales growth* was 2.9%. Revenue growth* was impacted negatively by disposals made during the period. Like-for-like ('LFL') sales growth* was 3.8% and there was a 5.2% benefit from new stores, leading to organic sales growth* of 9.0%. This organic sales growth* exceeded estimated market value growth[1] of 6.3% in the period, meaning we outperformed the market organically and we increased our share of the global sportswear market by 10 basis points to 3.4%.

Region[2] – From a geographical point of view, all regions grew revenue in the period other than the UK, which was impacted principally by non-core divestments made over the last two years. UK and ROI revenue declined 8.3% to £3,510.2m. Europe revenue increased 16.3% to £3,093.5m, North America revenue increased 8.4% to £3,413.5m and Asia Pacific revenue increased 7.5% to £524.8m. Growth in our newer markets has resulted in a better business balance geographically with the UK and ROI generating 33% of revenue, North America 33%, Europe 29% and Asia Pacific 5%.

"OUR RETAIL STORES GREW REVENUE BY 8.9% TO £7,956.6M WITH OUR ONLINE CHANNEL DECLINING BY 7.6% TO £2,350.3M, REFLECTING THE CONTINUED SHIFT BACK TO PRE-PANDEMIC ONLINE PARTICIPATION AND OUR INVESTMENT IN STORES."

Channel[2] - Our retail stores grew revenue by 8.9% to £7,956.6m with our online channel declining by 7.6% to £2,350.3m, reflecting the continued shift back to pre-pandemic online participation and our investment in stores. As a result, stores now represent 76% of our revenue and online is 22%, with other, mainly gym memberships, outdoor living equipment and some wholesale revenue, at 2%. With our focus on customer satisfaction, we are increasingly channel agnostic, meaning we don't mind where a sale is made - bought in store, bought online and delivered to home, or bought online and delivered to store.

Category[2] - Footwear continued to perform strongly with revenue growth of 8.2% to £5,920.4m, while apparel revenue, impacted by the milder Autumn/Winter weather, declined 4.3% to £3,408.4m. Accessories revenue grew by 6.4% to £669.5m while other revenue, which includes outdoor living equipment, delivery income and gym memberships, grew 17.3% to £543.7m. This means we continue to build a good mix of products delivering a 'head-to-toe' shopping opportunity with footwear at 56%, apparel at 32% and accessories at 6% of revenue.

We ended the period with 3,317 stores worldwide, 73 fewer than at the start of the period, due mainly to the divestment of non-core businesses in the UK, our planned withdrawal from South Korea and the bankruptcy of the SUR business in the Netherlands, where 72 stores closed.

Gross margin was 48.0%, down slightly on the prior period, with a positive mix benefit from the strong organic sales growth* of the JD brand offsetting broadly the impact from the elevated market promotional environment we experienced mainly in Q4, specifically through the peak trading period in December.

Operating costs before adjusting items* were 5.1% up on the prior period as we accelerated our operating cost investment in people, systems, supply chain and new store rollouts. In addition to the strong growth in minimum and living wages across a number of our markets, we invested £70m in our people, including removing age banding in the UK, and we are seeing the benefits of this investment through more productive teams and lower colleague turnover in our stores. Further, there were costs associated with investments we are making in stores, distribution centres ('DC') and systems in anticipation of generating the benefits from higher sales and a more efficient supply chain. As a result of these investments, operating profit before adjusting items* was down 8.1% to £973.9m and the operating margin before adjusting items* was 9.4%, down from 10.5% in the prior period.

Profit before tax and adjusting items* was £912.4, down 8.0%, and in line with the revised guidance given in January, which was on a 53-week basis. This was lower than we anticipated at the half year due to lower revenue in the second half of the period combined with continued cost investment for future growth. Profit before tax for the 53-week period to 3 February 2024 was up 66.7% to £811.2m due to a lower level of adjusting items* compared to the prior period.

Adjusted basic earnings per share* was 12.14p, 9.3% lower than the prior period due to lower profit before tax and adjusting items* and the increase in the adjusted effective tax rate*. Offset partially by an in-year benefit to adjusted basic earnings per share* from the buying out of the non-controlling interests ('NCI') in ISRG and MIG.

At the end of the period, we had net cash before lease liabilities* on our balance sheet of £1,032.0m. This reflects a cash outflow in the period of £437.3m, due mainly to Mergers and Acquisitions expenditure of £611.0m following the acquisitions of the ISRG and MIG NCIs and an increase in cash capital expenditure of £180.4m as we stepped up our store opening programme and continued to invest in strengthening our operational efficiency.

Reflecting the Group's performance, our continued strong operating cash generation and the Board's confidence in our long-term growth strategy and prospects, the Board is proposing a final dividend of 0.6p per ordinary share. This maintains the 1/3:2/3 split between the interim and proposed final dividend that was guided to at our half-year results. This proposed final dividend takes the proposed total dividend for the period to 0.9p per ordinary share, an increase of 12.5% on the prior period. The proposed final dividend will be paid on 12 July 2024 to all shareholders on the register at 14 June 2024.

2 The analysis of sales performance and breakdown by region, channel and category is on a 53-week basis, including the benefit of the 53rd week.

STRATEGY UPDATE

OUR VISION IS TO BE THE LEADING, GLOBAL SPORTS FASHION POWERHOUSE.

Our five-year strategic plan, launched at our Capital Markets Day in February 2023, is the roadmap to achieving this vision. The plan has four key strategic pillars: -

01 BRAND FIRST

Increasing the JD store footprint globally

02 COMPLEMENTARY CONCEPTS

Strengthening our complementary sports fashion offers

03 BEYOND PHYSICAL RETAIL

Building a stronger platform for long-term growth

04 PEOPLE, PARTNERS AND COMMUNITIES

Being the best for our people, our partners and our communities

We have made good progress on all key elements of our five-year plan to become the leading, global sports fashion powerhouse retailer. In the period, we opened over 200 new JD stores across 23 countries; our other US fascias performed well and continue to give us reach across the US, the world's biggest sportswear market; we launched our JD STATUS loyalty programme in the UK; we opened our new DC in Europe; and we moved closer to rolling out our new Group HR Information System ('HRIS').

We remain focused on delivering our 'triple-double' of double-digit sales growth[3], double-digit operating margin[3] and double-digit market shares in our key markets over the course of the plan. In respect of our target for double-digit sales growth[3], we made a good start in the first year, delivering organic sales growth* of 9.0% in what ended up being a challenging and volatile market. With the positive impact from the proposed acquisitions of Courir and Hibbett to come, we remain confident of achieving this target. On operating margin*, our target is to reach and maintain a double-digit operating margin[3] within the course of the plan. The operating margin* was lower this period than in the base period, reflecting the necessary investment in our operating platforms for long-term growth.

3 Sales growth is measured using organic sales growth and operating margin is measured using operating margin before adjusting items. These terms are defined in the Alternative Performance Measures section from page 253.

JD Brand First

The JD brand is our priority and we have three growth pillars for our JD Brand First strategy; accelerating the opening of, and conversion to, JD stores in North America; accelerating the opening of, and conversion to, JD stores in Europe; and expanding the JD brand further by entering new markets through either acquisition or franchise. There is significant 'white space' for the JD brand to grow in North America, Europe and Asia Pacific. Accordingly, we anticipate the JD store opening programme will contribute around 5%pts of new space each year through the course of the five-year strategic plan.

This financial period saw an acceleration of our JD store opening programme. In total, we added 216 new JD stores in the period, constituting 157 new stores and 59 conversions from other brands, mainly Finish Line in the US, as planned.

We opened in 23 countries across all our key markets and launched the brand in three new markets - Croatia, Cyprus and Slovakia - which took the total number of countries with a JD store to 30 around the world. Return on investment for our JD store opening programme remained ahead of expectations with an average payback of less than three years and new JD store uplifts are more than 20% ahead of expectations.

There continues to be good momentum in North America where we converted 57 Finish Line stores to the JD fascia and we opened a further 40 new JD stores across the US and Canada. New locations for the JD brand included the Aventura mall near Miami, the third largest in the US, the American Dream mall in New Jersey, the Fashion Show mall in Las Vegas and at Laval in Montreal, Canada.

In Europe, we opened 84 new JD stores, including the stores we acquired from Conbipel in Italy and the majority of the ex-GAP stores we acquired in and around Paris. We opened our first stores in Croatia, Cyprus and Slovakia, and we also opened new stores in European cities such as Athens, Bucharest and Vienna.

After the period end, we opened our new flagship store on the Champs Elysees ahead of the 2024 Paris Olympics, which will help to grow global awareness of the JD brand. During the period, we acquired the NCIs in Iberia via ISRG and Central/Eastern Europe via MIG, which will strengthen our foothold in these geographies and accelerate our European expansion of the JD brand. We have identified between 40 and 50 stores for conversion to JD from within the ISRG and MIG businesses and we expect to complete these conversions over the course of the next 24 months.

In UK/ROI, the main strategic focus continues to be on improving locations or store size in existing cities and towns. During the period, we opened 21 new stores and closed 13, therefore growing our store portfolio by a net eight stores. Highlights included the relocation and upsizing of the Birmingham Bullring store and new stores in Coventry and Bedford. After the period end, we opened our new flagship store at Stratford in London.

In Asia Pacific, we opened 14 new JD stores but closed 13, including 12 due to our strategic withdrawal from South Korea. We opened new stores in cities such as Auckland, Bangkok and Kuala Lumpur and we finalised the acquisition of our NCIs interests in south east Asia, which is helping us accelerate the growth of the JD brand in these markets.

In addition to 'own store' growth, in July we signed our first franchise agreement in the Middle East with Gulf Marketing Group ('GMG'). This agreement has an initial target of 50 franchised JD stores by 2028 across UAE, Saudi Arabia and Egypt. After the period end, the first store was opened in Bahrain. Also after the period end, we signed our second franchise agreement, this time in South Africa, with The Foschini Group and we are targetting over 40 franchised stores for this region over the next five years.

Importance of Complementary Concepts
Our Complementary Concepts allow us to widen our customer base and sharpen our customer focus. We have four key pillars within this element of our strategy: growing our community brands within North America; acquiring Courir to develop a new, complementary sports fashion offer; optimising the profitability of the ISRG and MIG businesses within Europe; and divesting non-core fascias within the Group. In addition, we leverage our complementary brands at the top of our brand pyramid, such as Size? and Footpatrol, by providing an environment for seeding new product ideas, launching exclusive ranges and introducing new brands to the Group.

The US market is segmented between malls and neighbourhoods. While the JD brand is focused on malls, our neighbourhood community fascias of Shoe Palace and DTLR ensure that the Group also has a strong community proposition as well. During the period, we opened 14 new stores across these fascias in the US, but closed 10 as we improved the overall strength of the store portfolio. In the new financial year, we plan to accelerate the opening programme to around 30 new community stores.

The acquisition of Courir has proved to be a lengthy process and it remains subject to review by the European Commission. Once the process is concluded, Courir will add a new dimension to our brand portfolio with its stronger female product range and customer base. This will not only complement our existing proposition in Europe but also provide learnings to the JD brand and other brands within the Group.

We simplified the Group further through the acquisition of the NCIs in ISRG and MIG in the period. This allowed us to accelerate our store conversion plans in these markets, as well as placing the loss-making SUR business into bankruptcy. We continued to reduce our portfolio of businesses through the disposals of brands such as Focus, GymNation and Hairburst. Following the NCI buyouts, we will improve the profitability of both ISRG and MIG by optimising the organisational structures and more closely integrating these businesses into the Group.

After the period end, we announced the proposed acquisition of Hibbett, Inc. for £878m. Hibbett is located in Birmingham, Alabama, it has 1,169 stores across its Hibbett and City Gear retail fascias, and it has strong relationships with the key brand partners in North America. This acquisition is in line with our strategic priorities and it is an important transaction for our strategic and financial development. Strategically, Hibbett will strengthen our Complementary Concepts division, enhance our North America presence and provide a stronger platform for the future organic growth of the Group in the region. Financially, it accelerates our North America growth plans and will be earnings enhancing from the first full year post-acquisition. Before completion, which we anticipate will be in the second half of 2024, the transaction will need Hibbett stockholder approval and US anti-trust clearance.

JD Beyond Physical Retail
Having expanded both our physical and digital channels successfully in recent years, we are now focusing on creating a single omnichannel experience. We are agnostic about which channel a sale is made in. The technology investments we are making, including loyalty, will make our proposition more omnichannel and give us a better single view of the customer. We believe that JD, as a brand, is trusted by consumers and this relationship can be developed further to create a lifestyle ecosystem of relevant products and services.

There are five areas of focus: replatforming our websites; strengthening our cyber security; developing our omnichannel proposition further; developing our loyalty programme; and improving the efficiency and effectiveness of our supply chain.

We are planning to go live in FY25 with our replatformed websites, starting with Italy as our proposed first go-live market. For all companies, cyber-crime is a growing global threat and we continue to invest in our cyber security. We have recruited a Chief Information Security Officer to lead our cyber programme.

Our click and collect trial in France is providing learnings for the future and we had over 100 stores live by the period end. We are now building out a roadmap for future click and collect markets in Europe.

Our JD STATUS loyalty programme in the US now has 5.1m active members and, following a successful trial, we rolled out JD STATUS across the UK during the period. By the period end, we had 800k app downloads in the UK, of which 75-80% were active users. The average transaction value of JD STATUS members in the UK is over 40% higher than non-members. Members of JD STATUS and Nike Connected will soon start to benefit from improved targetting of offers and other benefits as the two programmes improve their connectivity going forward, and we will launch JD STATUS into European markets during the new financial year.

We continued to make progress on our UK/European supply chain optimisation with the Heerlen DC opening manually for selected brand partners and own brand. Going forward, we will automate Heerlen, enabling it to serve as the logistics hub for the Group across Continental Europe.

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

We are currently focused on: improving our people systems functionality; creating a target organisation for future growth and people development; developing our key partner programmes; and continuing to make a positive contribution to the communities where we operate.

Our people are at the heart of our business. We are investing in a new global HRIS which will ensure a more seamless HR experience for our people. We will start going live with the new system in 2024. We have invested £70m in our people in the period, through the removal of age wage banding in the UK, improved bonus and conditions for UK store managers and salary increases. As well as these investments, there have also been mandatory minimum and living wage increases. This helps to ensure we recruit and retain the best talent. In the UK, following this investment, we have seen a significant reduction in colleague turnover.

We strengthened our global leadership team with the hiring of Dominic Platt as the Group's new Chief Financial Officer ('CFO') and Dominic has made a strong contribution to the Group in his first few months.

Our commitment to our community is showcased through our ongoing partnership with the JD Foundation and various community support programmes across the regions, such as the Shoe Palace 'Believe to Achieve' programme. The JD Foundation strategy is evolving to focus on social mobility, building stronger youth communities and transforming young people's lives through opportunities, engagement and social change. 60% of our employees are under 25 and 87% are under 35.

We are very proud of our ongoing climate achievements which include: achieving an 'A-' 'Climate Change' grade, ahead of the UK retail sector average, from the Carbon Disclosure Project ('CDP') for the fourth successive year; achieving a 'B' grade for CDP Water Security, also ahead of the UK retail sector average; sourcing 95% of cotton for our private label products via the 'Better Cotton' initiative; and retaining our 'Zero Waste to Landfill' accreditation at our largest UK and European distribution and office locations.

Régis Schultz
Chief Executive Officer

3 June 2024

GROWING SECTOR

CHALLENGING BACKDROP

The backdrop to industry performance in 2023 was a challenging one. There were economic headwinds including persistent inflation, particularly in staples such as grocery, and heightened geo-political risk in Eastern Europe, the Middle East and in Asia. These factors helped to slow consumer demand, which led to a build up of inventory and subsequently an increase in the level of promotional activity, particularly during the peak trading season towards the end of the year. Additionally, the largest global brand partners are going through a resetting process which has led to less appealing product ranges for the global consumer.

We expect these challenging conditions to continue in 2024, particularly in the first half of the year.

As the year progresses, a combination of global and regional sporting events, such the Paris Olympics and the European Football Championships, improving product pipelines from the brand partners, lower inflation and interest rates in major markets, and easier comparatives, should lead to improving sector trading in the second half of 2024 and into 2025.

Each of our major markets - North America, the UK, Europe and Asia-Pacific - will have their own set of challenges on top of global factors and we assume that volatility will continue going forward. In that context, the Group will be agile and responsive to different trends, maintain strategic flexibility and target its investment in future growth accordingly.

3.1%

ESTIMATED GLOBAL GDP GROWTH

Source: World Economic Outlook

GROWING SECTOR

We are a global market leader in sports fashion, which is a large subset of the global sportswear market. According to Euromonitor, the global sportswear market has grown its retail sales value by $123bn since 2015 at a rate of 4.8% per annum, despite this period including three years of disruption caused by the global pandemic. In 2023, growth was estimated to be 6.3%, notwithstanding the challenging geo-political and economic backdrop. Supportive trends such as the casualisation of footwear and apparel, and the move to participating in sports that are easier to pick up, require less commitment and are more sociable, are likely to support future growth. Euromonitor estimates that annual growth over the next five years will be 6.6% per annum, which would take the market size up by $148bn to $544bn.

Most of our sales are generated by footwear and apparel and both categories are expected to deliver attractive growth going forward.

Footwear, which represents 42% of the market, is expected to grow at 7.0% per annum over the next five years, while apparel, with a 58% share, is expected to grow at 6.3% per annum. While footwear is anticipated to grow slightly faster than apparel, in Sports Fashion, we believe that apparel will become an increasingly important element of the sportswear mix as consumers look increasingly to dress from 'head-to-toe'.

The Group's share of the global market is 3.4% which means we have significant, long-term global headroom for growth.

6.6%

2023-2028 ESTIMATED ANNUAL GLOBAL SPORTSWEAR VALUE GROWTH

Source: Euromonitor International Limited, Apparel & Footwear 2024 edition, retail value RSP incl sales tax, US$, year on year exchange rate, current terms

CHANNEL AGNOSTIC

A key part of our strategy is to open new JD stores across the globe with a target of between 200 and 250 stores per year. This will be supplemented by a franchise rollout of the JD brand in territories where we prefer to utilise local market experience to operate our stores. This store expansion will be the biggest contributor to our global organic sales growth* over the course of our current five-year strategic plan.

The increase in stores means our online channel will continue to see its revenue share reduce but we look increasingly at our two sales channels as one 'omnichannel'. As we go forward, we will be more agnostic about where a sale is made within our brand ecosystem.

In the future, we will develop seamless customer fulfilment across both channels, including click and collect and both ship from store and return to store, while we will use the JD STATUS loyalty programme, which was in the US and the UK by the year end, with plans to rollout into Europe through FY25, to develop our customer knowledge, reduce the cost of customer acquisition and drive new revenue streams.

The development of our omnichannel will be an integral part of our long-term growth plan.

>40%

INCREASE IN AVERAGE ORDER VALUE*, UK JD STATUS LOYALTY CUSTOMERS

*** AUGUST 2023 – FEBRUARY 2024**

Source: Company

BRAND POWER

As a multi-brand retailer, over 90% of what we sell is from multi-national sportswear companies such as Nike, adidas and VF Corporation. When we choose how to apportion shelf space in our stores and digital space on our digital channels, we listen to what the customer is telling us. If a brand is losing share, we will reduce space and vice-versa. In this way, we are able to hedge against the volatility of brand popularity using our agility and ability to nurture and develop the faster growing brands at any point in time.

Data suggests that the largest brands in the global sportswear market have grown their market share over the last 10 years. According to Euromonitor, the top 10 brands increased their share from 31% in 2014 to 39% in 2021. This was helped by the growth in Anta and Li Ning in China but without them, top 10 share was still up 6%pts in that time. Over the last two years though, the top 10 brands have seen their market share relatively unchanged. Looking at the top two brands, Nike and adidas, their combined share in 2023 was 1.5%pts higher than it was in 2014.

With a strengthened product innovation pipeline ahead from Nike and adidas looking to recover recent lost share, and with most major brand owners looking to have a more balanced focus between direct-to-consumer and wholesale, in terms of route-to-market, it is our view that the largest brands will continue to be the main drivers of industry growth over the next few years.

39%

TOP 10 BRANDS VALUE SHARE OF GLOBAL SPORTSWEAR MARKET 2023

Source: Euromonitor International Limited, Apparel & Footwear 2024 edition, retail value RSP incl sales tax, US$, year on year exchange rate, current terms

HOW WE CREATE VALUE

CORE COMMERCIAL ACTIVITIES:

We are in a unique position as the only global lifestyle retailer in a sector continuing to benefit from long-term and sustainable structural growth.

PARTNERING

Critical to our success are the strong and profitable relationships we have with our global brand partners, driven by our brand presentation in store, our protection of brand equity through a high full price mix and our ongoing investment in future growth.

RETAILING

With 76% of revenue generated from store sales, we provide our customers with an enjoyable and rewarding in-store experience, by creating a welcoming and high energy environment, delivering customer service excellence and regularly converting customer interactions into sales.

JD Group

PROPERTY SOURCING

To deliver on our five-year plan, our property team will identify and secure the most attractive locations for new JD stores in over 30 countries across the world in order to grow our JD brand by over 200 new stores per year.

BUYING & MERCHANDISING

We have highly experienced and agile teams that analyse the latest consumer trends, select the right amount of product for each market, negotiate with brand partners and determine the look and feel of instore presentation for maximum profitability.

OUR FOUNDATIONS:

CUSTOMERS

Our core customer is 16-24 and exhibits very consistent lifestyle shopping habits in all our key markets, enabling us to have a very focused brand proposition. >

PEOPLE

We employ 90,000 people worldwide and the majority are of a similar age group to our core customers and have a similar interest in sports fashion. >

WHERE WE CREATE VALUE:

GLOBAL OMNICHANNEL

Offline v Online

Our revenue is split 76% in store, 22% online and 2% other. Online share varies by region with the UK highest at 28% and Europe lowest at 17%. Online peaked during the global pandemic but has fallen back to pre-pandemic levels since then. Its share of our sales is reducing as we grow our store base but we are increasingly agnostic about which channel our customers use to buy from us. The rollout of our loyalty programme, JD Status, will accelerate the creation of a global JD ecosystem for our customers.

GLOBAL SALES MIX

Footwear v Apparel

Our revenue is split 56% footwear, 32% apparel, 6% accessories and 6% other. Apparel share varies by region with the UK highest at 47% and North America lowest at 14%. We believe it is important to have a good mix of footwear and apparel in our business in order to maintain our enviable proposition as a leading global sports fashion retailer. By selling both, we can satisfy customer demand for a 'head-to-toe' outfit, create more reasons to visit our sales channels and increase the average order value of each shopping occasion.

WHO WE CREATE VALUE FOR:

OUR OWNERS

Our focus is on creating value through delivering consistent, long-term revenue and profit growth which will increase the valuation of our shares over time for our shareholders.

OUR BRAND PARTNERS

Giving our brand partners the opportunity to share in our long-term growth and to ensure their brand equity is protected through maintaining a high full price mix and merchandising their products to a high standard.

OUR PEOPLE

We aim to provide a rewarding and fun experience for our people, wherever they are working for JD around the world, with strong training and development support and a range of career opportunities within the Group.

OUR COMMUNITIES

With over 3,000 stores worldwide in over 30 countries across four continents, we have the opportunity to give back to our communities through employing local people and by getting involved in local community initiatives through both local initiatives and via the JD Foundation.

OUR CUSTOMERS

Ensuring we offer the most sought after products across sports fashion at a fair price whenever a customer looks to spend money within our sales channels.

TECHNOLOGY

We are replatforming our system architecture to facilitate the development of a global, interactive omnichannel experience for our customers. >

FINANCIAL

Our balance sheet is strong with a healthy net cash position to give us the opportunity to invest and acquire to capture a larger share of long-term sector growth. >

GOVERNANCE

Over the last 18 months, we have upgraded the governance and controls of the Group, to protect our stakeholders and to ensure we do business the right way. >

OUR STRATEGY

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 PROGRESS AGAINST OUR FOUR STRATEGIC PILLARS DESIGNED TO SHAPE OUR FOCUS ACROSS THE BUSINESS. OUR OVERALL AIM IS TO BECOME THE LEADING GLOBAL SPORTS FASHION POWERHOUSE.

01 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, conversions and franchising.

02 COMPLEMENTARY CONCEPTS

Strengthening our Complementary Concepts' sports fashion offer and community brands in the US, enhancing the Group's sporting goods offer across Europe and sharpening our Outdoor proposition.

03 BEYOND PHYSICAL RETAIL

Strengthening our systems, cyber security and investing in the optimisation of our supply chain.

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.

04 PEOPLE, PARTNERS AND 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.

01 BRAND FIRST

New JD stores in North America

97

New JD stores in Europe

86

Growing the JD brand store footprint
The key element of the JD Brand First strategy is the global roll-out of the JD fascia. In the year, the global property team was tasked with accelerating the pace of this roll-out in FY24 to ensure we opened at least 200 new JD stores. To achieve this, the team needed to move quickly to source both new team members and identify additional sites that could be opened. All of this in an environment where capital discipline on investment returns was to be maintained. At the year end, the 200 target had been achieved and the overall payback on investment was comfortably better than the three-year appraisal hurdle rate.

FIRST IN THE WORLD AND PUTTING OUR CORE BRAND FIRST

Total new JD stores

216

Our Ambition
JD is a world class retail fascia where a constantly evolving sports and fashion superior 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 in the Year
Our focus is on three growth pillars: accelerating the opening and conversion of JD stores in North America; accelerating the opening and conversion of JD stores in Europe; and expanding further by entering new markets through acquisition or franchise.

During the year, we opened 216 new JD stores, with the majority being opened across North America and Europe. We launched the JD brand in three new countries - Croatia, Cyprus and Slovakia - taking the total number of countries with a JD store to 30 at the year end. A breakdown of our store movements can be seen on page 43, as part of the CFO's review. In all our key markets, returns were ahead of our targets as the JD store expansion plan continues to create value for shareholders. We also advanced our franchise strategy for the JD brand, with agreements signed in the Middle East and South Africa. The first franchised store in the Middle East will open in May 2024.

Future Value Creation
We will continue to roll-out the JD brand across our key regions of North America and Europe, supplemented by additional new JD stores in the UK, Asia Pacific and via our developing franchise programme in other, less developed, markets. Following the ISRG and MIG buy-outs, we will be converting their best stores in Iberia and Eastern Europe over the next 18-24 months. Discipline on capital investment returns remains a core tenet of our JD expansion strategy and every potential new store has to pass significant scrutiny, including at Board level, to receive capital. We believe the quality of a finished JD store, once opened, is another area where we create competitive advantage and further value for shareholders.

02 COMPLEMENTARY CONCEPTS

New complementary stores in North America

24

New complementary stores in Europe

37

Taking control of ISRG and MIG

A key part of our Complementary Concepts strategy in the year was buying out the non-controlling interests ('NCI') in ISRG and MIG. This both simplified the Group further and gave us the platform to strengthen our Complementary Concepts segment. By taking 100% control of these businesses, we were able to identify, and schedule into our investment plan for FY25 and FY26, a number of sites that could be converted into the JD fascia, benefitting the Group overall. At the same time, we have strengthened and aligned the management teams in both businesses. As a result, by the year end, we had started to improve the efficiency and effectiveness of these businesses with an expected improvement in profitability going forward.

CAPTURE A WIDER CUSTOMER BASE AND SHARPEN OUR PORTFOLIO FOCUS

Our Ambition
JD's proposition is capable of operating at scale in multiple markets. However, our ambition is to have complementary fascias which leverage the JD concept, so we can target a growing share of the structural sector growth going forward, without diluting the JD brand proposition. For example, customer demographics in the United States are different to Europe and so our neighbourhood fascias of Shoe Palace, based on the US West Coast, and DTLR, based on the US East Coast, ensure that the Group has a proposition for consumers across all communities. In addition, in the UK, 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.

Progress in the Year
Our focus is on four key pillars: growing our community brands within North America; working towards the successful acquisition of Courir to develop a new, complementary sports fashion offer; optimising the profitability of the ISRG and MIG businesses within Europe; and divesting non-core fascias within the Group.

During the year, we opened 14 new stores across Shoe Palace and DTLR within North America. The proposed acquisition of Courir is still being discussed between the European competition authorities and the Group. We remain confident of reaching a resolution during the new financial year and we are 'business-ready' for completion, once we receive the necessary clearance. We simplified the Group further through the acquisition of the non-controlling interests in ISRG and MIG in the year, putting the loss-making Sports Unlimited Retail ('SUR'), ISRG's Dutch subsidiary business, into bankruptcy and continuing to reduce our portfolio of businesses through the disposals of Focus and Kukri.

Future Value Creation
We will increase the number of new store openings within our North American community businesses going forward, with around 30 new Shoe Palace and DTLR stores opening in the new financial year. We will also improve the profitability and efficiency of the ISRG and MIG businesses now that we have 100% control of both businesses.

Total new complementary stores

61

03 BEYOND PHYSICAL RETAIL

No. of JD STATUS accounts created

800K

No. of stores on Click & Collect trial

>100

Launch of JD STATUS in the UK

Following the success of our initial trial across 10 stores in the North West of England, we rolled out the JD STATUS loyalty scheme across the UK in October 2023. The scheme enables customers to 'earn' and 'burn' 'JD Cash'. In just four months of the financial year, there were over 700,000 member accounts created with over one million purchases, accounting for 16% of our sales value in that time. There were also four million app sessions in total by the year end. The average transaction value of a loyalty member in store is over 40% higher than a non-loyalty customer. As a result of this UK success, we plan to roll-out the scheme to 4-5 new territories in Europe in H2 FY25.

EXTEND THROUGH A LIFESTYLE ECOSYSTEM INCLUDING LOYALTY AND OMNICHANNEL

Average order value increase (loyalty vs non-loyalty)

>40%

Our Ambition
Having expanded both our physical and digital channels successfully in recent years, we are now focusing on creating a single omnichannel as we become increasingly agnostic about which channel a sale is made in as we develop a single view of the customer. We 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. We also want to strengthen the platform on which we will operate and grow, which means strengthening our systems architecture and our supply chain.

Progress in the Year
Our focus is on five key pillars: replatforming our websites; strengthening our cyber security; executing an omnichannel master plan; developing our loyalty programme; and improving the efficiency and effectiveness of our supply chain.

Cyber crime is a growing global threat and we have recruited a Chief Information Security Officer ('CISO') to lead our cyber defence. Our click and collect trial in France is providing material learnings for the future and we had over 100 stores live by the year end. We trialled successfully, and then rolled out, our JD STATUS loyalty programme in the UK. By the year end, we had 800k app downloads, of which 75-80% were active users. The average transaction value of JD STATUS members is over 40% higher than that of non-members. We continued to make progress on our UK/European supply chain optimisation, with the Heerlen DC opening manually for selected brand partners and own brands.

Future Value Creation
We are planning to start going live in 2024 with replatformed websites, and we have initiated a two-year cyber capability improvement programme. We are building a roadmap for future click and collect markets, while on loyalty, we will begin linking JD STATUS and Nike Connected and launching STATUS into European markets. Both Heerlen and Morgan Hill will move towards being fully automated in FY25, and we will resolve our current optimisation challenges within our UK supply chain.

04 PEOPLE, PARTNERS AND COMMUNITIES

Colleague voices heard in Global Engagement Survey

60,000

Engaging our colleagues, improving our communities
More than 60% of our colleagues are under the age of 25. The bond between our colleagues and customers is part of our Group DNA. Accordingly, we place people and communities at the centre of our business.

Our colleagues are more engaged with the Group than ever before, with over 60,000 (representing 38 countries) sharing their thoughts and opinions with us via our Global Engagement Survey – over 10,000 more than last year.

The Group makes a real difference to the communities of our colleagues and customers via the JD Foundation. Recent local initiatives via the JD Foundation include the fantastic 'from the community and for the community' basketball coaching session supported by our Shoe Palace business.

The Group will continue to support colleague and community development initiatives, health and wellness programs, whilst taking positive action to support underrepresented voices.

BEST FOR OUR PEOPLE, BEST FOR OUR PARTNERS, BEST FOR OUR COMMUNITIES

Our Ambition
We want to provide our colleagues with the best opportunities to develop their individual careers and to support them in achieving their ambitions, to be the best partner for the brands and the best partner for the communities where we operate. 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 in the Year
Our focus is on four key pillars: improving our people systems functionality; creating a target organisation for future growth and people development; developing our key partner programmes; and continuing to make a positive contribution to the communities where we operate.

We have made good progress on the roll-out of a new and improved Group Human Resources Information System ('HRIS') with 'go live' starting during 2024, and we are continuing to improve the efficiency of our organisational structure to best align with the Group's growth and internationalisation. We continue to be a strong advocate for social mobility - 61% of our employees are under 25 and 87% are under 35 - with a flourishing apprenticeship programme and we have regular outreach programmes with our local communities including through the JD Foundation. For further JD Foundation initiatives, please see pages 83 and 84. The Group is the partner of choice for many international brands who consider our premium fascias to be a natural home for their latest ranges and freshest styles. We are a global partner of choice for Nike and we will start to link JD STATUS and Nike Connected in 2024.

Future Value Creation
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 56 to 85 provides further details about our future ESG strategy. 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 fascias.

Colleague share under 25

61%

MEASURING OUR PERFORMANCE

FINANCIAL

Revenue[1]* £m

£10,397.2M

Definition
Sale of products to consumers excluding value added and other sales-related taxes, and other revenues including gym subscriptions and wholesaling.

Rationale
Revenue* is the fundamental driver of stakeholder value creation and reflects the strength of our brand and the success of our business model.

Performance
Revenue* increased by 2.7% in FY24, driven by organic sales growth* of 9.0%.

Key Associated Risks
- Strategic
- Logistics & Merchandising
- People
- Property
- Retail Operations

Link to Our Strategy

Operating margin before adjusting items[1]* %

9.4%

Definition
Operating profit before adjusting items* as a percentage of revenue*.

Rationale
Operating margin before adjusting items* reflects our ability to convert revenue* into profit. This measure is a key element of our five-year plan in which we are aiming to achieve and maintain a margin of 10% during the course of the plan.

Performance
Operating margin before adjusting items* declined 111bps to 9.4% as operational investments into future growth increased faster than revenue*.

Key Associated Risks
- Strategic
- Logistics & Merchandising
- Technology
- Financial
- Retail Operations

Link to Our Strategy

Profit before tax and adjusting items[1]* £m

£912.4M

Definition
Profit before tax and adjusting items*.

Rationale
Profit before tax and adjusting items* highlights our profitability excluding adjusting items* but after our net financial expense which includes both debt and lease financing.

Performance
Profit before tax and adjusting items* was 8.0% lower than last year as operational investments into future growth increased faster than revenue*, more than offsetting lower net financial expense.

Key Associated Risks
- Strategic
- Legal & Regulatory
- Financial
- Retail Operations

Link to Our Strategy

1. These Key Performance Indicators (KPIs) are presented on an unaudited 52 week basis to aid comparability. Further information including a reconciliation to statutory measures is included in the Alternative Performance Measures section on pages 253 to 259.

'*' Indicates the use of a term defined and explained in the Alternative Performance Measures section on pages 253 to 259 along with a reconciliation to statutory measures. Further information regarding adjusting items is provided in note 1 to the financial statements from page 150.

Adjusted Basic EPS* p

12.14P

Definition
Profit attributable to equity holders of the parent excluding adjusting items* and the tax relating to these items, divided by the average number of ordinary shares in issue through the year.

Rationale
Adjusted Basic EPS* represents the earnings, before adjusting items*, for each share owned and is often used to value the Group as the denominator of the Price to Earnings valuation methodology. This is the basis of a key measure within the Board and Senior Management incentive programme.

Performance
Adjusted Basic EPS* was 12.14p, 9.3% lower than last year as a result of lower profit before tax and adjusting items* and a higher number of average shares in issue following a share placing in December 2022. Partially offsetting these factors was an adjusted basic EPS* benefit from buying out the non-controlling interests in ISRG and MIG.

Key Associated Risks
- Strategic
- Legal & Regulatory
- Financial
- Retail Operations

Link to Our Strategy

Net cashflow before dividends, acquisitions and disposals[2]* £m

£215.9M

Definition
The amount of cash available after working capital, interest, tax and capital expenditure.

Rationale
Net cashflow before dividends, acquisitions and disposals[2]* indicates the level of cash available for Mergers and Acquisitions activity and dividend payments.

Performance
Net cashflow before dividends, acquisitions and disposals[2]* was £215.9m, down from £314.3m in the previous year. This was driven mainly by the year-on-year increase in capital expenditure of £180.4m.

Key Associated Risks
- Strategic
- Technology
- Financial
- Property
- Retail Operations

Link to Our Strategy

Strategic key:

JD BRAND FIRST

COMPLEMENTARY CONCEPTS

BEYOND PHYSICAL RETAIL

PEOPLE, PARTNERS AND COMMUNITIES

2. This KPI has been introduced in the period. A prior period comparative has been included to aid comparability.

NON-FINANCIAL

Number of JD stores

1,254

Definition
The number of stores across our global footprint that are branded JD, including franchised stores.

Rationale
JD Brand First is the primary strategic pillar of our five-year strategy plan and increasing the number of JD-branded stores is a key element of this pillar.

Performance
We increased the net number of JD stores by 181 in FY24. The majority of these openings were across our Europe and North America regions. Included in the 216 JD stores opened, were 57 conversions from Finish Line in North America.

Key Associated Risks
- Strategic
- Legal & Regulatory
- Financial
- Property
- Retail Operations

Link to Our Strategy

Share of global sportswear market %

3.41%

Definition
Sportswear sales, gross of sales taxes and at constant currency, to align with the basis used by the recognised industry data provider[3], as a percentage as a percentage of the global sportswear market value for the nearest annual period obtained from that provider. Judgement is applied by management in determining which businesses are considered sportswear businesses with the Sports Fashion segment. This judgement has been applied consistently across the periods presented.

Rationale
A growing market share indicates the strength of our relative performance with the subsequent theoretical improvement in our Company valuation.

Performance
We increased our share by 10 bps in FY24.

Key Associated Risks
- Strategic
- Property
- Retail Operations

Link to Our Strategy

Apparel mix %

32.3%

Definition
Group revenue* from apparel as a percentage of total Group revenue*.

Rationale
We believe that our growing apparel mix is a key point of differentiation vs. our peer set and improves our ability to offer a full 'head-to-toe' sports fashion offer.

Performance
In FY24, the apparel mix reduced by 3%pts following a slower Q4 apparel sales performance.

Key Associated Risks
- Strategic
- Logistics & Merchandising
- ESG
- Retail Operations

Link to Our Strategy

3. Source: Euromonitor International Limited, Apparel & Footwear 2024 edition, retail value RSP incl sales tax, US$, year on year exchange rate, current terms.

CONTINUED FINANCIAL STRENGTH

"REVENUE* FOR THE GROUP INCREASED 2.7% TO £10,397.2M WHILE OPERATING PROFIT BEFORE ADJUSTING ITEMS* WAS £973.9M, DOWN 8.1%. NET CASH BEFORE LEASE LIABILITIES OF £1,032.0M HIGHLIGHTS THE CONTINUED FINANCIAL STRENGTH OF THE GROUP"

Dominic Platt
Chief Financial Officer

FY24 is a 53-week period ended 3 February 2024.

A number of prior period adjustments have been identified during the course of the audit that has led to a restatement of the comparative period. For more details on prior period adjustments see Note 39 to the Consolidated Financial Statements. These findings reinforce the need to continue our programme to improve the effectiveness of our internal controls over financial reporting.

The comparative period is 52 weeks to 28 January 2023. To aid comparability, the headline results, associated commentary and percentage changes are presented on an unaudited 52-week basis unless otherwise stated.

Financial Performance

		FY24 exclude		FY23 (restated)[1]	
£m	53 weeks	53rd week*	52 weeks*	52 weeks	Change
Revenue	10,542.0	(144.8)	**10,397.2**	**10,125.0**	**2.7%**
Gross profit	5,048.0	(61.7)	**4,986.3**	**4,877.6**	2.2%
Gross margin	47.9%	42.6%	**48.0%**	**48.2%**	**(20)bps**
Operating costs before adjusting items*	(4,068.1)	55.7	**(4,012.4)**	**(3,817.3)**	5.1%
Operating profit before adjusting items*	979.9	(6.0)	**973.9**	**1,060.3**	**(8.1)%**
Operating margin before adjusting items*	9.3%	-	**9.4%**	**10.5%**	(111)bps
Net financial expense and impairment loss on financial assets before adjusting items*	(62.7)	1.2	**(61.5)**	**(68.9)**	(10.7)%
Profit before tax and adjusting items*	917.2	(4.8)	**912.4**	**991.4**	**(8.0)%**
Adjusting items*	(106.0)		**(106.0)**	**(504.7)**	
Profit before tax	811.2	(4.8)	**806.4**	**486.7**	**65.7%**

Throughout this Annual Report,'*' indicates the use of alternative performance measures. Please refer to pages 253 to 259 for further information including reconciliations to statutory measures.

1. A prior period adjustment of £37.9m has been recorded impacting the classification of marketing income from Operating costs before adjusting items* to Gross profit. This has increased Gross margin by 40bps compared to the prior period reported figure. Further details are included in Note 39 to the Consolidated Financial Statements which also explain a net £45.8m increase to prior period reported adjusting items and profit before tax.

Consolidated Income statement

Revenue*

Revenue* for the Group increased 2.7% to £10,397.2m (2023: £10,125.0m). Sales growth* in constant currency was 2.9%.

Organic sales growth* was 9.0% and this comprised 3.8% like-for-like (LFL) sales growth* and 5.2% sales growth from net new space and store conversions, which is not LFL period-on-period (non-LFL*).

The remaining difference between organic sales growth of 9.0% and sales growth in constant currency of 2.9% is the impact of disposals.

Gross Margin

Total gross margin was down slightly at 48.0% (2023: 48.2%). The increase in JD fascias driving a higher proportion of sales through our store channel, as opposed to online, and the higher gross margin from the JD fascia growth, offset largely the impact of elevated market promotional activity, particularly during peak trading.

Operating Profit Before Adjusting Items*

Operating profit before adjusting items* was £973.9m, being 8.1% down on the previous period. The operating margin before adjusting items* was 9.4%, down 111bps on the previous period. Overall, operating costs before adjusting items* grew 5.1% to £4,012.4m driven by selling & distribution expenses of £3,573.1m, up 6.5%, as we continued to invest in our operating platforms for future, long-term growth. This included operating cost investment in our people, our supply chain (including some double running costs in the period in new distribution centres) our systems and new stores.

A breakdown of operating costs before adjusting items* can be seen in the table below.

£m	52 weeks to 27 January 2024*	52 weeks to 28 January 2023 Restated[1]	Change
Selling and distribution expenses	(3,573.1)	(3,353.5)	6.5%
Administrative expenses	(476.9)	(497.3)	(4.1)%
Share of profits of equity-accounted investees	7.5	4.9	53.1%
Other operating income	30.1	28.6	5.2%
Operating costs before adjusting items*	**(4,012.4)**	**(3,817.3)**	**5.1%**

1. A prior period adjustment of £37.9m has been recorded impacting the classification of marketing income from operating costs before adjusting items* to gross profit.

Net financial expense and impairment loss on financial assets* (53-week basis)

Net financial expense and impairment loss on financial assets before adjusting items* in the period was £62.7m, which is £6.2m lower than the prior period. Financial income rose by £30.8m compared with the prior period due to higher interest rates earned on our cash balances. Financial expenses before adjusting items increased by £24.6.m to £101.9m, the majority of which is lease liabilities expense under IFRS16 with the increase due mainly to the change in the mix of our property portfolio during the period, as we opened 249 high quality new stores and disposed of 322 non-core stores.

Profit Before Tax and Adjusting Items*

Profit before tax and adjusting items* for the 53 weeks to 3 February 2024 was £917.2m. For the 52 weeks to 27 January 2024, profit before tax and adjusting items* was £912.4m, which was 8.0% behind the previous period.

Adjusting Items

Adjusting items* for the 53 weeks to 3 February 2024 was a net charge of £106.0m (2023: net charge of £504.7m), as detailed in the table below.

£m	53 weeks to 3 February 2024	52 weeks to 28 January 2023 Restated[1]
Impairment of tangible and intangible assets and investments	39.2	137.2
Acquisition related costs: Courir	10.8	-
Loss on divestments and restructuring of group companies: principally sale of non-core fashion businesses	38.3	129.6
Gain arising on deconsolidation: ISRG Group - SUR bankruptcy	(36.1)	-
Deferred consideration charge / (release)	0.5	(12.5)
Adjusting items within administrative expenses	**52.7**	**254.3**
Impairment of loans not recoverable: ISRG Group - SUR bankruptcy	57.9	-
Put and call options: movement in present value of put and call options	(5.5)	250.4
Impairment of loans not recoverable from non-consolidated joint venture	0.9	-
Adjusting items within net financial expense	**53.3**	**250.4**
Adjusting items*	**106.0**	**504.7**

1 Please refer to Note 39 for further details of the restatement

The impairment of tangible and intangible assets and investments in the current period relates to the impairment of goodwill, fascia name and assets arising on the acquisition of Swim! (£19.9m), goodwill impairment prior to the divestment of GymNation (£7.9m), goodwill impairments of the Go Outdoors fascia (£9.8m) and impairment of the goodwill and fascia names on three non-material acquisitions (£1.6m).

Acquisition-related costs of £10.8m are in respect of the Courir acquisition which remains subject to review by the European Commission and, as at the date of this report, has not been concluded.

The Group incurred £38.3m of loss on divestments and restructuring of group companies. Following the Group's announcement in December 2022 to simplify its non-core fashion offering, the group has incurred losses on divestments of £31.4m. The most significant of these was Focus (£23.5m). Restructuring costs of £6.9m was incurred across certain businesses.

Costs were incurred during the period following the acquisition of the 49.99% non-controlling interests (NCI) in Iberian Sports Retail Group (ISRG). These costs enabled the expansion of the JD brand across Iberia to be accelerated and improve the operating efficiency of this business. In addition, a strategic review of the ISRG business was undertaken, which resulted in the decision to declare Sports Unlimited Retail ('SUR'), ISRG's Dutch subsidiary, bankrupt. This resulted in ISRG incurring net costs of £21.8m, being the impairment of loans not recoverable (£57.9m) and a subsequent gain arising on the deconsolidation of SUR from ISRG (£36.1m). The remaining £0.9m relates to other impairments.

The £5.5m credit in the present value of the put and call options reflects changes in the present value of the future buyouts of NCIs and comprises primarily Genesis Topco Inc (£19.3m credit) and Cosmos (£5.7m charge). The credit on Genesis is driven by revised EBITDA projections for the business reflecting trading in the 53-week period. In addition, there was a credit of £3.9m in respect of the put option liability for ISRG and a £16.3m charge was incurred during the 26-week period ended 30 July 2023 in respect of the put option valuation of Marketing Investment Group S.A (MIG). The NCIs in ISRG and MIG were acquired during the second half of the accounting period (see Note 24b). There are further, smaller movements on other put and call options that total a credit of £6.9m.

Operating Profit

On a 53-week basis, the operating profit is £927.2m (2023: £806.0m), which is an increase of 15.0%. This is due to the reduction in adjusting items* charged within administrative expenses due to lower impairments of intangible assets and investments, and lower losses on disposal of Group companies.

Profit Before Tax

On a 53-week basis, the Profit before tax is £811.2m (2023: £486.7m). The increase of £324.5m versus the prior period is due primarily to the reduction in adjusting items of £398.7m, resulting mostly from the impact of movement in present value of put and call options between periods, and the loss on disposal of Group companies recorded in the prior period and the reduced level of impairment charges compared to the prior period.

Income Tax Expense

The income tax expense for the 53-week period was £206.2m (2023: £216.6m). The effective tax rate fell from 44.0% to 25.4% due primarily to the movement in the value of the put and call valuations in the two periods. The £5.5m credit in the current period is non-taxable and the £250.4m charge in the prior period was not tax deductible.

The income tax expense before adjusting items* for the 53-week period was £224.6m (2023: £216.6m). The adjusted effective tax rate* rose from 21.8% to 24.5% due to the UK's mainstream corporation tax rate increasing from 19% to 25% on 1 April 2023.

Profits Attributable to Non-Controlling Interests

The charge relating to NCIs fell £18.0m from £84.2m in FY23 to £66.2m in FY24. This was due to the impact from the buyout of the 49.99% NCI in ISRG and the buyout of the 40% NCI in MIG during the period. The only material NCI left in the Group is the 20.0% in Genesis Topco Inc.

Earnings per share

On a statutory basis, basic and diluted earnings per ordinary share grew from 3.65p to 10.45p due to significantly lower adjusting items in the 53-week period.

Adjusted basic earnings per ordinary share* fell 9.3% from 13.39p to 12.14p due to lower profits in the 53-week period, reflecting the reduced profit before tax and adjusting items* and the increase in the effective tax rate before adjusting items*, offset partially by the benefit of the acquisition of the NCIs in ISRG and MIG.

Segmental Report

£m/52 weeks*	Total	Sports Fashion	Outdoor	Change Total	Change Sports Fashion	Change Outdoor
Revenue	**10,397.2**	**9,844.8**	**552.4**	**2.7%**	**3.0%**	**(2.1)%**
Gross profit	4,986.3	4,752.1	234.2	2.2%	2.5%	(2.2)%
Gross profit margin	**48.0%**	**48.3%**	**42.4%**	**(20)bps**	**(20)bps**	**flat**
Operating costs before adjusting items*	(4,012.4)	(3,771.1)	(241.3)	5.1%	4.9%	8.2%
Operating profit before adjusting items*	**973.9**	**981.0**	**(7.1)**	**(8.1)%**	**(6.0)%**	**n/a**
Operating margin before adjusting items*	9.4%	10.0%	(1.3)%	(111)bps	(95)bps	(420)bps
Net financial expense and impairment loss on financial assets before adjusting items*	(61.5)	(57.6)	(3.9)	(10.7)%	(11.8)%	8.3%
Profit before tax and adjusting items*	**912.4**	**923.4**	**(11.0)**	**(8.0)%**	**(5.7)%**	**n/a**
Number of stores	**3,317**	**3,074**	**243**	**(2.2)%**	**(2.1)%**	**(3.2)%**

A performance summary of the different sub-segments in the Group can be seen in the table below.

£m/52 weeks	Revenue* FY24	Revenue* FY23	Revenue* Change	Operating profit before adjusting items* FY24	Operating profit before adjusting items* FY23	Operating profit before adjusting items* Change
UK/ROI	2,661.0	2,597.6	2.4%	340.4	369.5	(7.9)%
Europe	1,759.7	1,385.8	26.9%	69.3	102.2	(32.2)%
North America	3,069.0	2,845.6	7.9%	317.1	340.2	(6.8)%
Asia Pacific	481.7	430.9	11.8%	69.2	66.6	4.0%
Premium Sports Fashion Total	**7,971.4**	**7,259.9**	**9.8%**	**796.0**	**878.5**	**(9.4)%**
Other Fascias	1,625.4	1,983.0	(18.0)%	136.6	135.5	0.8%
Other Businesses	248.0	317.8	(22.0)%	48.4	30.0	61.1%
Sports Fashion Total	**9,844.8**	**9,560.7**	**3.0%**	**981.0**	**1,044.0**	**(6.0)%**
Outdoor	**552.4**	**564.3**	**(2.1)%**	**(7.1)**	**16.3**	**n/a**
Total	**10,397.2**	**10,125.0**	**2.7%**	**973.9**	**1,060.3**	**8.1%**

"OUR SPORTS FASHION SEGMENT GENERATED 94.7% OF GROUP REVENUE IN FY24. ON A 52-WEEK BASIS*, REVENUE FOR THIS SEGMENT WAS UP 3.0% TO £9,844.7M, AND UP 3.2% IN CONSTANT CURRENCY."

Sports Fashion

Our Sports Fashion segment generated 94.7% of Group revenue in FY24. On a 52-week basis*, revenue for this segment was up 3.0% to £9,844.8m with sales growth* of 3.2% in constant currency. LFL sales growth* was 4.2% and organic sales growth* was 9.7%. Gross margin was 48.3%, compared to 48.5% in the prior period. Operating costs before adjusting items* increased 4.9% to £3,771.1m, as we continued to invest for future growth, leading to operating profit before adjusting items* being down 6.0% and an operating margin before adjusting items* down 90bps to 10.0%. Profit before tax and adjusting items* was £923.3m, 5.7% down on the previous period.

There were 3,074 stores at the end of the period, compared to 3,139 at the end of the prior period, an overall reduction of 65 stores.

Premium Sports Fashion

Premium Sports Fashion generated 81.0% of Sports Fashion revenue in FY24. On a 52-week basis*, revenue was £7,971.4m, up 9.8% on the previous period, and sales growth* of 10.6% in constant currency. LFL sales growth* was 4.4% and organic sales growth* was 10.9%. Operating profit before adjusting items* was down 9.4%, partly as a result of this sub-segment bearing the majority of the investment costs for future growth.

UK/ROI – Premium Sports Fashion retail fascias grew revenue by 2.4% to £2,661.0m on a 52-week basis with 2.3% sales growth* in constant currency. LFL sales growth* was 0.5% and organic sales growth* was 2.3%. Operating profit before adjusting items* in Premium Sports Fashion was down 7.9% to £340.4m due partly to the UK elements of our increased investment in our people, our supply chain (including some double running costs in FY24 in new distribution centres) and our systems.

Europe – Premium Sports Fashion Revenue on a 52-week basis* grew 27.0% to £1,759.7m with 25.3% sales growth* in constant currency. LFL sales growth* was 10.5% and organic sales growth* was 25.3%. All major European countries saw strong organic sales growth* with Italy, Portugal and Spain leading the way. The conversion of 19 Conbipel stores in Italy to the JD brand helped to drive the strong sales growth in the period. These conversions are trading well and helped make Italy the fastest growing market for the JD brand in Europe. Operating profit before adjusting items* was £69.3m, down 32.2%, driven both by a reduction in gross margin following the elevated promotional activity, especially over the peak trading period, and operating costs that rose ahead of revenue growth as we invested in growth. In addition, there were pre-opening costs associated with the acquired Gap and Conbipel stores in France and Italy respectively, and there were also additional supply chain costs (including some double running costs in FY24 in new distribution centres).

North America – Our market-leading proposition and continued sales outperformance in North America is built upon larger and better-invested stores, a broader sales mix and compelling brand partner relationships. Premium Sports Fashion revenue on a 52-week basis* was up 7.9% to £3,069.0m with 9.7% sales growth* in constant currency. LFL sales growth* was 3.9% and organic sales growth* was 9.7%. All our North American fascias – JD/Finish Line, DTLR and Shoe Palace – achieved strong organic sales growth* of at least 7%. North America operating profit before adjusting items* ended the period at £317.1m, down 6.8%, driven by weaker gross margins reflecting the more promotional peak trading season and investment in our future growth.

Asia Pacific – Premium Sports Fashion revenue on a 52-week basis* in Asia Pacific grew by 11.8% to £481.7m with 17.9% sales growth* in constant currency. LFL sales growth* was 12.5% and organic sales growth* was 24.4% with all countries in strong growth. Operating profit before adjusting items* was up 4.0% to £69.2m with strong sales growth and good cost control offsetting a lower gross margin year-on-year.

Other Fascias

Due primarily to the divestment of non-core fashion businesses in the UK and the closing of the SUR business in the Netherlands, as we simplify and strengthen the Group, revenue on a 52-week basis* in our other fascias was down 18.0% to £1,625.4m with a 19.1% sales decline* in constant currency. LFL sales growth* was 3.6% and organic sales growth* was 4.1%.

Europe, which represents 76% of Other Fascias, achieved revenue growth on a 52-week basis* of 4.8% with sales growth* of 2.0% in constant currency. LFL sales growth* was 3.5% and organic sales growth* was 4.7%, led by Cosmos in Greece with growth of 22.2%.

Operating profit before adjusting items* for Other Fascias was up 0.8% to £136.6m, driven by the disposal of the loss-making SUR business.

Other Businesses

Revenue on a 52-week basis* decreased 22.0% to £248.0m due to the divestment of non-core businesses such as Topgrade, Source Lab and Focus partially offset by the growth in JD Gyms. In the period, we continued to roll out the JD Gyms fascia, expanding our market-leading, premium low-cost gyms business further across the UK. After opening eight new gyms in the period, including our first in Northern Ireland, the Group operated from 85 sites in the UK. We plan to maintain the momentum of our organic rollout in the future and plan to open a further eight gyms in FY25. The non-core divestments, and the subsequent increased contribution from the profitable JD Gyms, meant operating profit before adjusting items* increased 61.1% to £48.4m.

Outdoor

Revenue on a 52-week basis* was £552.4m, which was 2.1% down on the previous period. LFL sales* were down 2.6%, while organic sales* were down 2.1%.

Trading was impacted in the first half of the year by slower camping sales and in the second half of the year by unseasonably mild weather which affected sales of winter apparel and accessories.

Gross margin was in line with the previous period at 42.4% but the slightly lower sales, combined with additional labour, warehousing and freight costs through the period, led to a small operating loss before adjusting items* of £7.1m.

We acquired the remaining shares in Tiso Group Limited from the founding family, making the business 100% Group owned. To enhance our customer service and efficiency further, we opened a dedicated B2C e-commerce fulfilment centre at Trafford Park, enabling the existing large Distribution Centre in Cheshire to focus solely on store replenishment. We also converted a Blacks store to 'George Fisher' to test a more premium outdoor offer and we have seen encouraging initial trading.

Cashflow Statement

A summary cashflow showing how the change in cash and cash equivalents(1) is calculated, can be seen in the table below.

£m	53 weeks to 3 February 2024	52 weeks to 28 January 2023
Profit before tax	**811.2**	**486.7**
Add back impairments of tangible, intangible assets and investments	39.2	137.2
Add back non-cash other adjusting items	69.2	367.5
Depreciation and amortisation of non-current assets	664.1	633.2
Change in working capital	(197.0)	(398.6)
Repayment of lease liabilities	(400.0)	(393.0)
Capital expenditure	(539.7)	(359.3)
Income taxes paid	(208.6)	(174.4)
Other	(22.5)	15.0
Net cashflow before dividends, acquisitions and disposals*	**215.9**	**314.3**
Acquisition of NCI and cash consideration of disposals	(611.0)	(21.6)
Equity dividends paid	(50.1)	(24.8)
Dividends paid to NCI in subsidiaries net of dividends received	(2.1)	0.6
Change in net cash and cash equivalents including foreign exchange losses[1]	**(447.3)**	**268.5**
Cash and cash equivalents(1) at start of the period	**1,548.9**	**1,280.4**
Cash and cash equivalents(1) at end of the period	**1,101.6**	**1,548.9**

1 Cash and cash equivalents equates to the cash and cash equivalents presented in the Consolidated Statement of Cash Flows, as reconciled in Note 33 of the Consolidated Financial Statements.

Profit before tax was £811.2m (2023: £486.7m). The increase of £324.5m on the prior period was due primarily to the reduction in adjusting items of £398.7m, resulting from the impact of movement in the present value of put and call options between periods, the loss on disposal of group companies recorded in the prior period and the reduced level of impairment charges compared to the prior period.

These drivers of increased profit before tax are all non-cash charges and so there are fewer non-cash adjustments for this period compared to the previous period.

Total depreciation and amortisation for 53 weeks was £664.1m, up £30.9m or 4.9%, on the previous period, reflecting our increased investment programme. £19.0m of the increase came from an increase in depreciation on property, plant and equipment and £14.9m from an increase in depreciation on right-of-use assets. Amortisation of intangibles reduced by £3.0m.

There was an increase in working capital of £197.0m in the period. This was due to an increase in inventory of £196.2m due to stock build ahead of new store openings in the US JD business and slightly elevated levels of inventory following the peak trading season.

Lease liability repayments increased 1.8% to £400.0m, as we continued to improve the quality of our overall portfolio.

Capital expenditure in the period was £539.7m, up £180.4m on the previous period. The increase was driven by the step up in new store openings in support of our strategic plan to increase the number of JD brand fascias around the world by over 1,200 by the end of FY28. Investment in new stores and gyms was £308.5m, or 57% of the total capital investment. The other major areas of investment were in our supply chain (£151.5m). as we developed new distribution centre capacity in the UK and Europe, and in further systems development (£79.7m).

We intend to maintain this level of capital investment in FY25 in line with our strategic plan.

£m	53 weeks to 3 February 2024	52 weeks to 28 January 2023
Investment in physical retail fascias & gyms	£308.5m	£213.4m
Investment in logistics infrastructure	£151.5m	£80.8m
Investment in technology & other	£79.7m	£65.1m
Capital expenditure	**£539.7m**	**£359.3m**

As a result, net cashflow before dividends, acquisitions and disposals was £215.9m in the period, compared to £314.3m in the previous period, with the reduction primarily related to the increase in capital expenditure.

Acquisition of NCIs was £611.0m, as we bought out the NCIs in ISRG and MIG. In addition, there was a net cash outflow from the continuation of our non-core divestment programme of £54.1m, comprising disposals proceeds of £56.0m and cash transferred on sale of £110.1m. There was also a deferred consideration paid of £5.1m.

Dividend payments more than doubled to £50.1m.

As a result, the change in net cash and cash equivalents including foreign exchange losses in the period was an outflow of £447.3m. Despite this reduction, we retained a strong balance sheet as our closing cash and cash equivalents and bank overdrafts balance was £1,101.6m.

Acquisitions and Disposals
Our delivered Mergers and Acquisitions strategy in the period was focused on business simplification through acquiring NCIs and divesting of non-core businesses, facilitating the growth of both the JD brand and complementary concepts, in line with JD's strategic pillars. We also entered into an agreement to acquire Groupe Courir during the period, which would strengthen Complementary Concepts within the Group.

Iberian Sports Retail Group (ISRG)
We acquired the 49.99% NCI in ISRG in October 2023 from Balaiko Firaja Invest, S.L. and Sonae Holdings, S.A. for a total cash consideration of €500.1m to accelerate the expansion of the JD brand across Iberia and to improve the operating efficiency of the business.

At the time of the acquisition, ISRG operated over 460 stores across the JD, Sprinter, Sport Zone, Aktiesport, Perry Sport and Deporvillage fascias. Under 100% JD ownership, we have continued to deliver against the simplification plans through (i) the bankruptcy of Sports Unlimited Retail B.V ('SUR'), which operated Aktiesport, Perry Sport and Sprinter fascias in the Netherlands, in December 2023, following several years of accumulated losses and financial difficulty and (ii) post the period end, the disposal of ISRG's 50.1% shareholding in Bodytone and purchase of the minority interests in Sport Zone Canarias SL and JD Canary Islands Sports SL, taking full control of our continued development in the territory.

Marketing Investment Group (MIG)
Similar to ISRG, we acquired the 40% NCI in MIG to accelerate the expansion of the JD brand across Central and Eastern Europe and to improve the operating efficiency of the business. At 30 December 2023, MIG operated over 400 stores across 13 countries, including 23 JD stores.

Groupe Courir ('Courir')
Following approval from the Courir employee works council, we entered into a Share Purchase Agreement in June 2023 to acquire Courir, which has over 300 stores across six European countries under the Courir and NAKED fascias. This acquisition remains subject to review by the European Commission and at the period end had not concluded.

In addition to the above, we have also concluded two further acquisitions of NCIs, delivering against our JD First strategic pillar which is at the heart of our five-year growth plan, which include:

- **JD Sports Fashion Germany GmbH (JD Germany).** In April 2023, we concluded an acquisition of the 20% NCI in our JD Germany business.
- **JD Sports Fashion SDN BHD (JD Malaysia).** In August 2023, we concluded an acquisition of the 20% NCI in our JD Malaysia business.

Also, in line with our strategic plan, we have continued to divest non-core businesses. During the period, this included the disposals of various non-core UK fashion brands including Focus (February/March 2023), Hairburst Group (July 2023) and GymNation (November 2023), among others.

Dividend and Capital Allocation Priorities
The Board recognises that the Group is cash generative and is committed to further enhancing returns to shareholders.

In terms of capital allocation, our main priorities are to invest organically in our business to drive our growth strategy, supported by a strategic approach to M&A. These significant investments include our ongoing capital expenditure plans, recent cash outlays such as the NCI buyouts at ISRG and MIG, and future cash outlays such as the proposed Courir and Hibbett acquisitions (see post balance sheet event note below for further details) and then, further out, future costs associated with the potential acquisition of the NCI in North America.

Dividend payments sit alongside maintaining a strong balance sheet and these significant investments that we are making as we execute our strategy.

Consequently, the Board is proposing to increase the total dividend per share for the period to 0.9p (2023: 0.8p). This results in a recommended final dividend per share of 0.6p, reflecting a one-third/two-thirds split between the interim and the final dividend, keeping the payment split in line with the phasing of profit generated in the period.

Consolidated Statement of Financial Position

Total assets were broadly in line with the previous period end at £8,046.2m (2023: £8,110.6m).

In terms of our assets, the main material line-item movements on the balance sheet in the period were property, plant and equipment, which increased £276.3m to £1,151.9m as a result of investment in stores, supply chain, and systems. Inventory increased by £126.3m to £1,592.7m due to stock build ahead of new store openings in the US JD business.

In terms of our liabilities, the main movement was a reduction of £294.9m in our put and call option liabilities to £809.8m as a result of completing the minority interest buyouts in the year of ISRG and MIG, and a £37.5m reduction in the put and call option liability of Genesis TopCo Inc. The reduction in liability on Genesis is driven by revised EBITDA projections for the business reflecting trading in the 53-week period.

Cash and Cash Equivalents Including Foreign Exchange Losses and Net Cash Before Lease Liabilities*

Cash and cash equivalents including foreign exchange losses were £447.3m lower at £1,101.6m reflecting primarily the acquisition of the NCIs in ISRG and MIG.

Net cash before lease liabilities* reduced by £437.3m, to £1,032.0m, as a result of the lower cash balances. Our interest-bearing loans and borrowings remained low at £129.5m, £16.3m higher than the prior period.

Prior Period Adjustments

A number of prior period adjustments have been identified during the course of the external audit. These non-cash adjustments primarily relate to the treatment of put and call arrangements, IFRS 16 lease accounting, the classification of supplier rebates, foreign currency translation of goodwill and fascia names and the treatment of assets held for sale. For further details see Note 15 of this announcement and Note 39 to the Consolidated Financial Statements. The control findings and recommendations from the external auditor are being incorporated into our on-going programme to significantly improve the effectiveness of our internal controls over financial reporting.

Post-Balance Sheet Events

On 7 March 2024, ISRG disposed of its 50.1% shareholding in Bodytone International Sport SL. The shares were sold back to founder management.

On 8 March 2024, we signed a franchise agreement with Foschini Retail Group (Pty) Limited to open over 40 franchised JD stores in South Africa over the next five years.

On 18 March 2024, JD Gyms acquired the trade and assets of four 'Simply Gym' sites from Bay Leisure Limited. The sites will be converted to JD Gyms under a phased conversion programme in the coming months. In the meantime, they will continue to trade under the Simply Gym banner with the support of the existing management team.

On 8 April 2024, JD Spain Sports Fashion 2010 SL acquired the remaining 10% shareholding in JD Canary Islands Sports SL and Sports Division SR, S.A. (Sport Zone Portugal) acquired the remaining 40% shareholding in Sport Zone Canarias (SL).

On 23 April 2024, we announced the proposed acquisition of Hibbett, Inc. (Hibbett) for $1,083m (£878m). Hibbett is located in Birmingham, Alabama and it has 1,169 stores across its Hibbett and City Gear retail fascias. This acquisition is in line with our strategic priorities and it is an important step for our strategic and financial development. Strategically, it will strengthen our Complementary Concepts division, enhancing our North America presence and providing a stronger platform for the future organic growth of the Group in the region. Financially, it accelerates our North America growth plans and will be earnings enhancing in the first full year following acquisition. The proposed acquisition will be funded through a combination of existing US cash resources of $300 million and a $1,000m extension to our existing bank facilities. Before completion, which we anticipate will be in the second half of 2024, the transaction requires Hibbett stockholder approval and US anti-trust clearance.

Store Portfolio

We have continued to invest in growing the JD fascia across our key markets, while also reducing the number of non-JD stores as we simplify the business and pursue our JD Brand First strategy.

In Premium Sports Fashion, we opened 207 new stores, of which 181 were the JD fascia. This excludes internal transfers between fascias. In addition, we opened the following fascias: eleven Shoe Palace; nine Finish Line; three DTLR; two Size and one Livestock. We also closed 86 stores, of which 34 were the JD fascia, including 12 in South Korea where we exited the market completely. Having opened the period with 1,922 stores, of which 1,073 were the JD fascia, we ended the period with 2,047 stores, of which 1,254 were the JD fascia.

In Other Fascias, we opened 37 stores mainly spread across the Cosmos and Sprinter within ISRG and in MIG. We closed 149 stores and disposed of 74 stores. Approximately half of the closures were from SUR, which was put into bankruptcy in early December 2023, while the rest were spread across the ISRG and MIG businesses, as well as Macy's concessions in the US. Early in the period, we disposed of 66 UK stores with the majority coming from the Tessuti fascia as part of the wider disposal of fashion fascias, and we disposed of eight Sea Sports Fashion stores in South Korea as part of our exit from that market.

In Outdoor, we opened five stores but closed 13, with the majority of closures coming from the Blacks fascia. We also converted 12 Blacks stores into the Go Outdoors Express fascia.

In addition, the Group now has 19 JD stores operating under joint venture arrangements with partners in Indonesia and Israel.

After opening eight gyms in the period, the Group now has 85 gyms in its principal UK market.

In terms of our store trading footprint, we added a net 180,000 sq.ft of retail trading space in the period. This constituted 614,000 sq.ft of trading space added in Premium Sports Fashion and 82,000sq.ft of trading space added in Outdoor, less 516,000 sq.ft of trading space removed from Other Fascias. As a result, our overall trading footprint per store grew from 4,010 sq.ft at the start of the period to 4,153 sq.ft at the period end, an increase of 3.6%.

A summary of the store movements in the period is as follows: -

No. of stores		Opening	New stores	Closures	Disposals	Transfers	Closing
Premium Sports Fashion	UK/ROI	444	21	(13)	0	2	454
	Europe	435	84	(9)	0	2	512
	North America	955	88	(51)	0	0	992
	Asia Pacific	88	14	(13)	0	0	89
	Total	**1,922**	**207**	**(86)**	**0**	**4**	**2,047**
Other Fascias	UK/ROI	70	0	0	(66)	(2)	2
	Europe	850	37	(137)	0	(2)	748
	North America	289	0	(12)	0	0	277
	Asia Pacific	8	0	0	(8)	0	0
	Total	**1,217**	**37**	**(149)**	**(74)**	**(4)**	**1,027**
Sports Fashion	**Total**	**3,139**	**244**	**(235)**	**(74)**	**0**	**3,074**
Outdoor		**251**	**5**	**(13)**	**0**	**0**	**243**
Group	**Total**	**3,390**	**249**	**(248)**	**(74)**	**0**	**3,317**

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, as part of the Executive Risk Committee, are tasked with managing risk on a day-to-day basis and are supported by operationalised risk management as required. Additionally, the Board operates the following features of risk management and internal controls:

- A well-defined organisational structure;
- A suite of policies and procedures: These are designed to communicate expectations and set standards in key areas such as Health & Safety, Information Security, Whistleblowing and Competition law;
- Identification and monitoring of the business risks facing the Group, including: 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;
- Preparation of 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 annual 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; and
- 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.

An experienced Group Head of Assurance joined JD during the year with a remit to develop both Internal Audit and Enterprise Risk Management capability. In the past 12 months, the Board has approved a new Risk Management Framework ('RMF'). As part of this framework, a quarterly Executive Risk Committee has been established to review and act upon risk information. The new RMF provides a standardised basis for identifying, assessing and managing enterprise level risks. It also contains risk appetite statements which have been approved by the Board and are referenced within each key risk area in further detail on pages 46 to 53. These statements underpin the Board's commitment to managing risk effectively. 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.

Refer to the Audit & Risk Committee section on page 112 for the assessment of the effectiveness of internal controls.

Whilst we have not seen corporate governance changes being delivered via legislation, the FRC has prioritised revisions to the UK Corporate Governance Code in one significant area - Internal Controls. Our internal controls programme continues to progress with a near term focus on internal controls over financial reporting and IT controls. Work of the Internal Controls team currently extends to:

- Group-wide internal controls over the financial reporting framework. The framework seeks to ensure consistency and reliability in financial reporting across the organisation.
- Our entity-level controls, aligned to the COSO framework, which are currently being assessed and strengthened.
- Associated IT controls over financial reporting systems.
- Potential sources of material fraud and whether appropriate controls are in place.
- Consideration of future developments in internal controls including the identification of the group's material controls over reporting, operational and compliance risks.

The Board is aware that as a number of these activities, such as risk management and the Internal Controls Programme, are in a relatively early phase of implementation, there will be a continued need for investment and focus as the programmes become fully embedded and mature over time.

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.

Developing Risks

ESG Risks

Improving the climate-impacting performance of the Group has been an integral part of our business plan over the past five years. Our increased global scale necessitated a step-change in performance, owing to both external pressures (regulation) and the increased financial benefits achievable via 'good business practice', such as capital investment in assets that reduce increases from and exposure to increased costs from energy, taxation and compliance.

The Group uses globally recognised third party disclosure systems such as the Carbon Disclosure Project ('CDP') to provide a benchmark comparison of our ESG performance, including assessment of risks, and appropriate metrics and targets. The Group has scored above our sector peer group (via the CDP) for four consecutive years, contributing to increased brand trust in our sustainability credentials.

Our Task Force on Climate-related Financial Disclosures ('TCFD') disclosure aids the quantifying and impact assessment of strategic climate-related risks. The Group incorporates climate-related risks within our regular financial planning activities, and via our ESG Management Committee, which reports to the Group ESG Committee (chaired by Angela Luger, Non-Executive Director).

Understanding, assessing and measuring ESG risks supports our efforts to mitigate and manage accordingly, benefiting both the Group and the local environments in which we operate.

Consumer Habits
As fashion and product trends evolve, it is vital for the Group to remain relevant to new and existing customers. We aim to be at the forefront of product offering, visual merchandising, and retail theatre. Alongside physical retail, we will maintain a strong social media presence and work with those influencers who are attractive to our target audience.

Cyber Risk/Data Breach
During the period, the business has continued to encounter cyber-related threats, experiencing some limited local disruption. Whilst our systems and controls seek to minimise the impact of this as far as possible, cyber-attacks and specifically the method of delivery are evolving. The likelihood of the business being subject to a more sustained or disruptive cyber-attack appears to be increasing significantly.

Distribution Centres and Logistics
Our distribution centre network is vital in supporting store replenishment and online order fulfilment. As the business grows internationally, this network and the ability to support growth efficiently may come under pressure, resulting in product shortages or sub-optimal costs per unit. Our network is undergoing major enhancement, with our European DC at Heerlen becoming operational during the year. A DC strategy meeting is also held monthly with key executives, and we continue to review all sites and logistics partners to ensure effective operations and value for money are being obtained.

Expansion Risk
The Group continues to deliver on the growth strategy, including organic expansion in existing territories as well as new locations. Corporate transactions entered into, for example Courir, also need to deliver the required return on investment or achieve desired synergies and wider objectives. In this way, the business avoids potential negative impacts on financial performance and knock-on impacts on the share price, or loss of trust from shareholders.

If the Group decides to enter into further corporate transactions, this may change our debt profile, requiring increased focus on headroom, interest cover and banking covenants. This is historically a lower risk area for the Group.

Care must be taken to ensure that 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.

Key Risk Areas

During the year, the Audit & Risk Committee reviewed the Key Risk Areas ('KRAs') for the Group. These are determined by reference to the sector and markets we operate in, our overall business model and our strategic aims. Following this review, nine KRAs have been identified which drive the overall structure of risk identification, assessment and management. Each KRA has an Executive owner, who has day-to-day responsibility for managing risks within the defined risk appetite, agreeing controls and mitigations, and Key Risk Indicators ('KRIs') to support monitoring and reporting.

The nine KRAs are set out below.

Key Risk Areas

STRATEGIC	LOGISTICS & MERCHANDISING	TECHNOLOGY
LEGAL & REGULATORY	FINANCIAL	ESG & SUSTAINABILITY
PEOPLE	PROPERTY	RETAIL OPERATIONS

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

The following table outlines the Group's risk appetite statements and principal and emerging risks across our nine Key Risk Areas. We have highlighted any change in perceived risk exposure in 2023/24, the mitigation activities undertaken and links to our strategy. The table only includes those risks that the Group has identified as principal risks.

STRATEGIC

We monitor consumer, brand, competitor and market trends to ensure our strategy remains relevant for our consumers. The delivery of our strategy requires a high volume of organic and inorganic change which may not be effective. To minimise this, we plan implementation so we can manage resources and assess results, reworking this if required to limit our exposure.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2023/24 before Mitigating Activities (No change)	**Link to Our Strategy**
Key Suppliers & Brands The retail fascias are heavily dependent on third-party brands and these brands themselves and their products 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. Brands may opt to discount certain lines via their Direct to Consumer (DTC) channels, which could have a knock-on effect on our revenue and margins.	The Group regularly engages with its key suppliers with the aim of continuing to receive the exclusive, differentiated footwear and apparel which our consumers 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 relevant.
Change in Risk Exposure 2023/24 before Mitigating Activities (No change)	**Link to Our Strategy**
Acquisition, Integration & Expansion Risk 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. All acquisitions go through a robust Board approval process, which includes a thorough review of acquisition proposals, business cases and extensive due diligence from specialist advisors. Integration plans for acquisitions are developed and monitored by our Group Transformation team.
Change in Risk Exposure 2023/24 before Mitigating Activities (No change)	**Link to Our Strategy**
Market Risk As with other retailers and distributors, the demand for the Group's products is influenced by several economic factors. These economic factors are impacted by events outside of the Group's control, for example, global conflicts and the ongoing cost-of-living crisis. We also consider the risk that the Group fails to keep pace with changes in consumer habits and fashion trends, or the brand is no longer perceived as 'premium' – which may result in a downturn in sales.	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. The Group is also diversified by nature of the global markets in which we operate. The Group monitors trends in the athleisure market through specialised fascias and wider market developments.

LOGISTICS & MERCHANDISING

We aim to maintain and manage capacity in our infrastructure and systems to ensure we operate safely and efficiently. We can withstand severe stress and can respond rapidly to material incidents. We aim to manage our supply chains to ensure we get our inventory to where our customers need it, while managing the risk of obsolescence through accurate planning.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2023/24 before Mitigating Activities	**Link to Our Strategy**
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 core businesses 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 sell at full value.	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. Our terminal stock mix (Products identified as slow moving) and stock obsolescence provisions remain low in the context of Group sales.
Change in Risk Exposure 2023/24 before Mitigating Activities	**Link to Our Strategy**
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 project is underway to develop and centrally co-ordinate local business continuity plans for our Distribution Centres, major office and technology sites. 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.

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

TECHNOLOGY

We aim to manage our technical environment so that we do not have a material operational, financial or reputational exposure as a result of internal or third-party failures or information security breaches. We endeavour to maintain a controlled data environment to prevent data exposure, financial impact or reputational damage as a result of internal or third-party failures in how we gather, use and protect our and our customers' data.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2023/24 before Mitigating Activities (No change in risk exposure)	**Link to Our Strategy**
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. We apply procurement and legal processes that ensure our service level agreements with vendors are appropriate for the business needs. We also have an ongoing programme to improve our IT control environment. Material IT services for the Group are hosted in enterprise-grade data centres with high availability and reliability at the core of their design. In addition, there are backup and disaster recovery capabilities in place which are tested periodically throughout the period.
Change in Risk Exposure 2023/24 before Mitigating Activities (Increased risk exposure)	**Link to Our Strategy**
Cyber Security Cyber-crime is becoming more sophisticated, with the risk increasing across all markets, and the Group has experienced some limited local disruption as a result of cyber-crime in the past year. 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 increased our investment in strategic partners and technology to protect the business. 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.

LEGAL & REGULATORY

We recognise that as a global business which also operates through different business models (including joint ventures and franchising), the Group has a complex and evolving legal and regulatory landscape. We will not accept business practices which may put our strategy at risk from a compliance perspective. As a Group, we have appropriate processes and procedures to prevent, monitor and identify non-compliance with applicable laws and regulations.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2023/24 before Mitigating Activities ↔	**Link to Our Strategy**
Data Protection Compliance The Group's rapid growth and strategy place 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 has a Data Protection Officer to advise the business, monitor compliance and to provide training. The Group has a continuous improvement plan to review requirements, address issues, respond to incidents and support the strategy.
Change in Risk Exposure 2023/24 before Mitigating Activities ↔	**Link to Our Strategy**
Regulatory & Compliance The Group operates in a fast-paced retail environment which is subject to legislation, codes of practice, guidance and standards in each territory in which the Group operates. 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 of laws and fines.	The Group's Legal Compliance team 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. The Board-led governance reform programme noted in the 2023 Report has been completed.
Change in Risk Exposure 2023/24 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 has in-house competition law expertise and invests in external specialist competition law advice from well-respected competition law advisors as required. The Group has appropriate 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. The Group's growth strategy is informed by its consideration of the merger and acquisition rules in the territories in which it operates.

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

FINANCIAL

We will not accept risks that threaten our financial stability. Our RMFs ensure that we have appropriate processes and controls in place to minimise the occurrence of fraud, inaccurate financial reporting, and financial exposures. We aim to optimise spend with third-party suppliers, using only what services are needed, managing performance to deliver value.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2023/24 before Mitigating Activities (No change)	**Link to Our Strategy**
Foreign Exchange The Group is exposed to economic impacts due to the global reach of the Group, given potential movement in the foreign exchange rates from macro-economic and geo-political events. Transactional exposure can also occur from the global operations of the business via incurring costs and making investments in several currencies. In addition, translation exposure may arise due to the consolidation of global currencies to Sterling for the purposes of Group financial reporting.	Our European supply chain strategy has reduced the transactional exposure in 2023/24. Our European Distribution Centres are increasingly sourcing goods in Euros which creates a natural hedge. Surplus Euros are used to fund store developments across Europe, thus alleviating the need for local third-party financing. The Group enters into foreign currency forward contracts and currency options where appropriate, including hedging the anticipated US Dollar requirements for the following financial period. We do not hedge translation exposures.
Change in Risk Exposure 2023/24 before Mitigating Activities (No change)	**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 adopts a low-risk approach to tax planning and does not engage in artificial tax arrangements. The Group does not use tax havens to manage taxes and has a zero-tolerance approach to tax evasion. 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. 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 in which it operates and under global transfer pricing principles. The Group identifies, evaluates, manages and monitors tax risks on a regular basis through a combination of in-house resource across the Group and the use of third-party advisors.
Change in Risk Exposure 2023/24 before Mitigating Activities (No change)	**Link to Our Strategy**
Inaccurate Reporting Due to Fraud or Error While the Group has a number of policies and procedures in place to mitigate the risk of inaccurate reporting due to fraud or error, the number of entities and the geographic spread of the Group's operations in addition to the extent of manual processing, both when recording transactions and at the Group level, combined with the IT deficiencies, increase the risk of suspicious incidences or inaccurate reporting going undetected.	The Group has a well-established profit protection function which lays out clear policies and processes to manage store and operational fraud risks. The Group put a Corporate Governance transformation programme ('CGTP') in place in 2021 and has made good progress in enhancing the governance framework (see page 107). As part of this programme, the Group has continued to make progress in improving the overall financial and IT control environment across the Group. For instance, in the last year, the Group has reviewed its suite of entity-level controls, and has undertaken a fraud risk assessment and emplaced action plans to address identified gaps. Whilst progress has been made in the year, the Group is in the early stages of its controls improvement journey. The ICFR programme commenced in 2022 and will span multiple years. The Group's focus next year will extend to improving the Group's IT controls, increasing automation and reducing manual intervention into processes and controls, both locally and at the Group level, and strengthening management review controls, particularly in areas of complex, technical accounting. Further detail is set out on pages 111 to 115 of the Audit & Risk Committee Report.

ESG & SUSTAINABILITY

We source responsibly from countries and partners that have acceptable working practices and adopt our sustainability and ethical principles, aiming to keep our customers safe at all times. We recognise our responsibility as a major enterprise and engage with our colleagues, community and other stakeholders.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2023/24 before Mitigating Activities ↔	**Link to Our Strategy**
Climate Strategy and Disclosures and Targets Financial and reputational ESG risks present within our business, are summarised as follows: - Failure to achieve climate-related targets may expose the Group to future increases in taxation and energy costs. - Not meeting regulatory requirements or complying with new standards (e.g. 'Green Claims Code') may result in public criticism and financial penalties. - If the Group's comparative environmental performance falls behind that of our sector peers, our brands and customers may reduce their trust in the Group. - Our primarily non-European and North American supply chain is at a greater risk of medium to long-term exposure to physical, transitional and financial risks related to climate change.	The Group has fully adopted the TCFD framework to disclose transitional risks, physical risks and opportunities under review. See our TCFD statement on pages 60 to 69 for full details of climate change risk, opportunities and mitigating actions. Climate-related target performance is communicated to the ESG Committee for review and feedback. Investment in energy-reduction infrastructure and reporting has continued during the period, reducing the potential impact of future taxation changes arising from missed climate targets. Regular meetings with our largest suppliers of branded products cover material ESG matters including climate change targets and progression on circular economy-related issues. We continue to request detailed carbon emissions data from our leading brands as the Group seeks to achieve its Scope 1, Scope 2 and Scope 3 emissions reduction targets as part of both our forecast pathway to Net Zero and our efforts to reduce exposure to future climate-related taxation increases. Full details of climate change risk, opportunities and mitigating actions are provided via our TCFD statement on pages 60 to 69. The Group's ESG Committee is responsible for determining ESG related strategy, risk assessment and monitoring regulation preparation and compliance. The Group uses global, third party disclosure frameworks such as the CDP to benchmark its performance, in addition to monitoring feedback from ESG ratings bodies such as MSCI and Sustainalytics.
Change in Risk Exposure 2023/24 before Mitigating Activities ↔	**Link to Our Strategy**
Human Rights in the Supply Chain Failure to uphold the rights of people working in our private label supply chains could result in criticism by the media and/or 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). Our private label suppliers are required to adhere to the Group's Ethical Code of Practice, providing assurance that workers producing our products do so in safe and fair conditions. The Group uses third-party accredited auditors to assess the factories used for private label products. Existing and potential new factories are assessed prior to inclusion within our private label sourcing strategy. Compliance in our private label supply chain is monitored by the Group's Head of Sustainability and Ethics, and reported to the ESG Management Committee and subsequently the ESG Committee.
Change in Risk Exposure 2023/24 before Mitigating Activities ↔	**Link to Our Strategy**
Reliance on Non-UK Manufacturers As is common within our sector, the majority of products that we sell are manufactured in and imported from territories outside of our key European and North American locations. The risk of human rights violations is increased (vs. domestic sourcing), owing to variable standards in territory-specific labour laws and working practices.	Our major brand suppliers are globally recognised entities required to publish their respective Supply Chain Codes of Conduct and factory lists. The Group ESG team 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.

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

PEOPLE

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. We have processes in place to ensure the development, wellbeing and welfare of our colleagues, with culture and behaviours that underpin retention and act as a key tool in recruitment. We aim to operate with integrity and always within legislative guidance.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2023/24 before Mitigating Activities (Reduced risk exposure)	**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.	The Group offers competitive reward packages for all colleagues. 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 several senior-level management positions during the year. For further details please refer to the Nominations Committee Report on page 110.
Change in Risk Exposure 2023/24 before Mitigating Activities (No change in risk exposure)	**Link to Our Strategy**
Talent Risk 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 2023/24 before Mitigating Activities (No change in risk exposure)	**Link to Our Strategy**
Diversity, Equity and 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.	Our Greenhouse applicant tracking system provides a transparent process and ensures 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.

RETAIL PROPERTY

The development and expansion of our store portfolio is carefully considered against performance standards, and we do not accept sub-premium store locations or stores which fail to meet contribution targets. We aim to conduct our business activities in a way which minimises the risk of harm to our employees, customers and other stakeholders.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2023/24 before Mitigating Activities ↔	**Link to Our Strategy**
Ability to Scale In-line with Growth Agenda Over the next five years, the Group has committed to increase the global footprint of JD stores, including significant organic growth alongside upsizing and relocating existing locations. The use of sub-optimal store locations could result in lower contribution and longer payback of capital expenditure*. .	A comprehensive pipeline of store opportunities is maintained by our Property team. The Group Property Board signs off on all potential store locations aligned to a defined set of success metrics. Performance is closely monitored via a monthly new store performance report including clarity and oversight of capex spend on a weekly basis. Our fundamental methodology for site selection has been tested over several years and is well defined, intelligence led and consistently applied. Any delays to store openings are escalated to Senior Management.
Change in Risk Exposure 2023/24 before Mitigating Activities ↔	**Link to Our Strategy**
Retail Leases 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 brick 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. 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.

RETAIL OPERATIONS

The Group sets the standard for visual merchandising, retail theatre, customer service and digital integration. We accept that on occasion, in the normal course of business, our customer experience may fall short of expectations. However, we will not consider or accept business practices that could put our brand or customers' trust in jeopardy.

Risk and Impact	Mitigating Activities
Change in Risk Exposure 2022/23 before Mitigating Activities ↔	**Link to Our Strategy**
Consumer Habits & Customer Experience As market and fashion trends evolve, it is vital for the Group to remain relevant to new and existing customers. A failure to provide the right experience for customers may impact on our sales across key demographic ranges.	During the year we launched the 'JD STATUS' App to drive engagement and reward customers with 'JD Cash' and offers based on spend across retail and digital channels. The Group continues to invest in store refurbishment, visual merchandising, retail theatre, customer service and digital integration to enhance the consumer's in store retail experience. JD provides customers with the latest exclusive products and builds a strong consumer connection via our premium proposition. We work hard to remain the partner of choice for many international brands and JD is home for the latest ranges and styles. In terms of customer experience, we operate a wide range of digital, store and social touchpoints, and carefully monitor feedback and the success of our service. Executive Management receives weekly reports on customer feedback to stay abreast of consumer sentiment. Social media operates within strict guidelines for marketing and consumer engagement.

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 page 44 to 55.

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 1 to 93.

Viability Reporting

In accordance with the requirements of the UK Corporate Governance Code, a period of three years has been selected which enables the Directors to confirm that from the date of approval of the financial statements on 31 May 2024, the Directors have considered a period of at least 12 months for Going Concern Purposes and 36 months for the assessment of Long-Term Viability. A period of 36 months 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 36-month 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.

Our committed UK and US bank facilities are available until 6 November 2026 and 24 September 2026 respectively, whilst this is within our viability period we expect these to be refinanced.

Whilst all 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 sales or demand due to 'shock' significant business continuity events affecting peak trading relating to:
   a) cyber-attacks (impacting our key order processing system and resulting in the Group's stores being unable to trade for a period); or
   b) business continuity events affecting the Group's main Distribution Centres.
2. 'Slow burn' scenarios relating to:
   a) business interruption impacting the availability of stock, from one of our key Sports Fashion suppliers; or
   b) long-term declines in consumer demand.

The Board has evaluated the impact of these risks 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 5% like-for-like from June 2024 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 like-for-like sales* further to 7.5%.

A reverse stress test has also been performed, which assumes a reduction in revenue of 17% like-for-like sales* across all business units from June 2024 would be required for the Group to run out of cash and be fully drawn down on the available facilities/to breach a covenant within a 36-month period. This is not considered to be plausible.

The Directors have also considered a range of impacts that could arise from geo-political tensions and the actual and potential impact on supply chains and inflationary cost pressures. 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 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 period of the assessment.

Going Concern

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

At 3 February 2024, the Group had a cash and cash equivalents balances of £1,101.6 million (28 January 2023 (restated): £1,548.9 million), see note 33, with available committed UK borrowing facilities of £700 million (28 January 2023: £700 million) of which £nil (28 January 2023: £Nil) has been drawn down and is available up to 6 November 2026 and US facilities of approximately $300 million of which $13.0 million was drawn down (28 January 2023: $Nil) and is available up until 24 September 2026.

These facilities are subject to certain covenants, please refer to Note 22 for further details of the covenants. The Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

On 23 April 2024, the Group entered into a binding agreement to acquire 100% of the outstanding share capital of Hibbett, Inc., a company listed on the Nasdaq, for a price of $87.50 per share in cash, implying an equity value of $1,083 million (£878 million) and an enterprise value of $1,109 million (£899 million).

The Group expects to fund the total consideration payable, and refinance Hibbett, Inc.'s existing debt, through a combination of existing US cash resources of $300 million and a $1,000 million extension to the Group's existing bank facilities. This remains subject to antitrust review by the relevant US authorities.

Within the period, the Group announced the proposed acquisition of 100% of the issued share capital of Groupe Courir S.A.S ('Courir') for an enterprise value of €520 million, which will be funded through a combination of the groups existing cash reserves and an extension to the Group's existing bank facilities. This remains subject to review by the European Commission.

These have been considered as part of the going concern review.

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 geo-political 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.

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. A 5% reduction in like-for-like sales* for the whole year has been considered, in addition to a range of reasonably plausible downside scenarios considered for the purposes of viability reporting. This has considered the specific consideration of a significant business continuity event adversely impacting one of the Group's main Distribution Centres across the Q4 peak trading period; a significant cyber-attack resulting in a significant proportion of the Group's stores being unable to trade for period of one month, impacting the peak trading period of December 2024; a severe but plausible reduction in the allocation of stock, or business interruption impacting the availability of stock, from one of our key Sports Fashion suppliers. The Directors have also considered the impact on the base case and severe but plausible downside scenarios, of the acquisition activity recently announced in respect of the proposed acquisitions of Groupe Courir S.A.S and Hibbett, Inc..

The forecast cash flows reflecting the above 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. Furthermore, mitigating actions within the Group's control could be taken, should these severe but plausible scenarios occur, including reductions in capital expenditure*, discretionary spend and dividends.

A reverse stress test has also been performed on the base forecasts which indicates that a combination of the above severe but plausible scenarios all occurring at the same time would be required for the Group to run out of cash and be fully drawn down on the available facilities or to breach a covenant before consideration of mitigating actions. This is not considered to be a plausible scenario, as the combination of all scenarios simultaneously is considered to be exceptionally remote.

The Directors have considered all of the factors noted above and are confident that the Group 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.

Dominic Platt
Chief Financial Officer

3 June 2024

FOCUSED ON THE FUTURE

ESG INDEX

"I AM VERY PROUD TO SHARE OUR DISCLOSURES FOR A PERIOD IN WHICH THE GROUP RETAINED ITS PROVEN SECTOR-LEADING ESG PERFORMANCE VIA CONTINUED INVESTMENT IN BOTH PEOPLE AND PLANET."

Angela Luger
Chair of the ESG Committee

As a business, it is important to give consideration to the United Nations Guiding Principles on Business and Human Rights. This gives focus and priority to the alignment of our business with the United Nations Sustainable Development Goals (SDGs) most relevant to our business operations.

Throughout the Annual Report '*' indicates an instance of a term defined and explained in the Alternative Performance Measures section on page 253 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 160.

HIGHLIGHTS

60,386

Colleagues responded to our Global Engagement Survey. 10,000 more than the previous year

62.9%

Promotions - of those responding to the Engagement Survey question 'I have been promoted in my role', 62.9% were under 30

A & A-

CDP grades received for 'Supplier Engagement' and 'Climate Change'

76.3%

Of our roles (globally) are held by colleagues under the age of 30

4,500+

Colleagues attended 300 sessions throughout 30 days of development and beyond

£7.5M+

Change donated by the JD Foundation since 2015

The Group is proud that our ESG 'point of difference' remains our people. We believe that the close relationship between our colleague and customer demographics is a source of real competitive advantage.

Our 2023 Global Engagement Survey responses identified that our UK colleagues:

- Bring us strength through diversity. Over 40% of respondents identified as ethnic groups other than 'white' (vs. 2021 UK census figure of 19.3%)
- Represent the next generation of workforce. Over 50% of colleagues are under 25 - almost five times higher than the UK census average (11.3%) for employed persons under 25
- Are on a positive social mobility journey via JD Group employment. 22.0% of UK survey respondents were eligible for free school meals.

The Group embraces its responsibility to our colleagues and customers, via our key 'People, Partners and Communities' strategic pillar. In support of the strategy, we are proud of our proven ability to meet and exceed our environmental targets, and to evidence our contribution to the societies and economies in which we participate.

The natural environment is being exploited faster than it can be replenished. Accordingly, transparent disclosures of climate-related risks and sustainability performance remain a key part of our business planning.

This reporting period has seen the Group retain recognition of sector-leading disclosure, most notably evidenced by the Group achieving CDP 'A-' rating for Climate Change, and 'A' for Supplier Engagement, both for the fourth year in a row.

We are proud to present our ESG disclosures in a reporting period that has seen the Group retain recognition (via disclosure scores) of ahead-of-sector performance, as evidenced by the Group achieving 'A-' rating for Climate Change and 'B' for Water Security from the CDP.

ENVIRONMENTAL

Key Facts

- The Group retained its 'A-' rating for Climate Change grade from the CDP for the fourth successive year, surpassing our sector average by two grades.
- The Group achieved a 'B' grade for Water Security, two grades above our sector average.
- Our Private Label Team exceeded documented targets by sourcing 95% of our cotton via the 'Better Cotton initiative'.
- The Group retained 'Zero Waste to Landfill' accreditation at our four largest UK and European distribution and office locations.

See pages 70 to 78

SOCIAL

Key Facts

- Our '30 Days of Development and Beyond' programme delivered upskilling sessions from our internal teams via live webinars.
- Our DE&I partner 'Inclusive Employers' provided specialist training on neurodiversity in the workplace.
- As part of our commitment to the 'Helping people grow' initiative, we created ongoing opportunities to assist young people in building their careers.
- The JD Foundation has raised over £7.5 million since it was founded in October 2015. See page **83** for more information on the JD Foundation and its activities.

See pages 79 to 82

GOVERNANCE

Key Facts

The Board made significant enhancements to its corporate governance transformation programme ('CGTP'), including:

- Board composition and succession
- Our Group strategy and purpose, including the culture and values that the Group embodies to drive its growth. See pages 6 to 7 for details.
- Updated Long-Term Incentive Plan ('LTIP') metrics to include ESG related targets.
- Improved structure of our ESG governance. We listened to investor feedback, and added an ESG Committee, a sub-Committee of the Plc Board, led by a Non-Executive Director.
- Restructured our previous ESG body to a management Committee, reporting to the Board sub-Committee.

See pages 104 to 108

OVERVIEW AND GOVERNANCE

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

We have an ESG Committee chaired by Angela Luger (Independent Non-Executive Director) that governs our global, Group-wide approach to sustainability, including the critical topics of: People, Partners and Communities strategy, climate change, sustainable sourcing and the circular economy. This is supported by the ESG Management Committee, responsible for delivery leads of ESG strategy within the Group.

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

The Group engages with and supports many ESG-related standards disclosure organisations. Our key development partners for environmental and social based initiatives are:

- JD Foundation (see page 83) which evidences our commitment to working with disadvantaged young people in the UK.
- Pennies, the leading microdonation charity, with whom we have collected £799,000 up to January 2024 through the JD Foundation.
- Neighbourly, our partner platform for distribution of JD Foundation funds to local causes making a positive impact in our communities.
- WRAP Textiles 2030, the UK's leading voluntary initiative, via which we commit to carbon and water footprint reduction targets.

Responsibilities of the ESG Committee:

- Ensuring that our Management Committee ESG activities support the People, Partners and Communities strategic pillar.
- Overseeing delivery of critical ESG performance metrics by the responsible business divisions.
- Provision of oversight of Group ESG strategy, goals, policies, procedures, performance and disclosures.
- Consider and review the Group's external sustainability and ESG ratings and accreditations.
- Monitor current trends and developments to identify emerging risks and key ESG developments relevant to our People, Partners and Communities.
- Review existing policy commitments and (as required) recommend new policy implementation.

Responsibilities of the ESG Management Committee include:

- Assessing and managing Group ESG strategy, including short to long-term climate risk scenario planning.
- Delivery of critical ESG performance metrics.
- Review of our TCFD statement, including all climate scenario risks, mitigatory activities and opportunities.
- Reviewing potential investment and acquisition plans from an ESG perspective.
- Engaging (via our Committee Chair) with the ESG Committee on ESG strategy on a quarterly basis.
- Ensuring that our ESG strategy aligns with the United Nations Sustainable Development Goals ('UN SDGs') most relevant to our People, Partners and Communities.
- Supporting our people and supplier partners via personal, social and environmental welfare learning and development.
- Supporting our customers by ensuring that our teams provide accurate environmental information n and claims for the products we sell.
- Holding our largest brand partners to account for their environmental performance – from carbon emissions reduction targets to biodiversity support and on matters such as the Green Claims Code (and global equivalents).

Background – Third-party Brands and Private Label Products

As an omnichannel retailer of branded sports fashion, the majority (presently 85%) of our sales are from globally recognised third-party brand partners including Nike, adidas, New Balance, Puma and The North Face.

The balance of our product sales are from our quality private label brands, including McKenzie, Daily SZN and Technicals.

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

High-quality materials help to create durable footwear and apparel products. Quality branded products represent the more sustainable side of the fashion sector. Product life-cycle is extended by re-use, re-sale and donation. Branded goods retain their financial or implied value for a longer period than non-branded goods.

Representatives from our ESG Management Committee undertake regular engagement sessions with our largest third-party brands, monitoring their progress towards sustainable products and published targets.

The Group shares our climate change and sustainable targets with brands, and communicates how our brands contribute to the Group reducing its and our brands' collective environmental impact.

We also work with our largest brand partners to deliver programmes in support of our 'People, Partners and Communities' strategy. JD supported Nike with its, 'Football Beyond Borders' project, helping young people from disadvantaged areas through school by using football to build skills.

Newly-built community facilities have been supported by ambassadors including Phil Foden and Ella Toone, helping to provide opportunities for the next generation.

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

- They supply, or are progressing towards, disclosing detailed emissions data to support publicly stated targets
- Long-term renewable energy investment plans are disclosed for key manufacturing territories
- Product or material sustainability claims made are verifiable, and clearly understood by our customers.

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

Brand	UN Fashion Charter	ZDHC equivalent	CDP Climate	Water Advocacy	Animal Welfare Policies	Human rights Policy	Clean by Design
Nike	✓	✓	✓	✓	✓	✓	✓
adidas	✓	✓	✓	✓	✓	✓	ND*
Puma	✓	✓	✓	✓	✓	✓	✓
The North Face (VF Corporation)	✓	✓	✓	✓	✓	✓	✓
New Balance	✓	✓	✓	✓	✓	✓	✓

* ND- not disclosed

The above diagram illustrates the initiatives our top five brands participate in, highlighting their focus on ESG management.

TCFD

Index of TCFD recommended disclosures

Listing rule 9.8.6R Compliance Statement

The Group has complied with all of the requirements of LR 9.8.6R by including climate-related financial disclosures in this section (and additional information, as referenced within) consistent with the TCFD recommendations.

Disclosures and Standards

The Group TCFD response features supplementary information references to TCFD aligned disclosures and standards including:

- Carbon Disclosure Project 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.
- Science Based Targets initiative. The Group's approved emissions reduction targets are referenced. These targets are validated by the Science Based Targets initiative, which is also aligned to TCFD principles.

Climate Scenario Analysis

In support of TCFD requirement 2c, the Group's modelled impacts refer to transition risks and are quoted based on a 1.5°C pathway aligned to the Paris Ambition and the Group's stated targets (including SBTi), and a 3°C pathway aligned to the current warming pathway.

The Group continues to prioritise the financial impact of strategic climate-related risks within our regular financial planning activities, but acknowledges the largely assumption-based nature of climate-related modelling that exists within our sector.

Owing to a lack of standardised financial assessments of climate-risk by our key brands (and in corresponding sourcing territories), we have quoted the financial value at risk as being below our substantive risk level, which is set at above 4% of Profit Before Tax and Adjusting Items* (against plan).

The climate scenario analysis uses the following time horizons:

Short-term 1-2 years

Medium-term 3-8 years

Long-term 8-20 years.

Short-term is used to reflect both foreseeable regulatory requirements. Risks and opportunities categorised as medium or long-term are not applicable to the short-term time horizon, unless otherwise stated within TCFD section 2.c.

Medium-term category risk time horizons incorporate the average lease durations of our physical retail stores (and related climate impacts).

Long-term time horizons apply to our very limited number of long-term leases, and also to factors that cannot yet be fully financially modelled owing to changing risk parameters. These include potential changes in the manufacturing locations of products.

TCFD 1):

1. GOVERNANCE

Disclose the organisation's governance around climate-related risks and opportunities

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

Climate change is identified as a several climate related principal risks to the business and is incorporated into the Group's ESG risk management processes.

The Group's priority climate-related risks are listed within the Principal Risks section.

The ESG Committee holds overall responsibility for communicating risk management oversight relating to climate and biodiversity disclosures. The ESG Committee also reviews metric performance multiple times per year.

The Board retains oversight of key risks and opportunities within monthly meetings, and via the monthly climate update, including Science Based Target progress, and Net Zero pathway.

The Board comprises of 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 reduction targets vs. the Group's published Science Based Targets.

The ESG Management Committee considers, reviews and approves implementation of measures to mitigate climate-related risks (including those associated with existing and emerging regulatory requirements).

Risks are assessed against the timelines outlined on the previous page.

In-year Progress
Establishment of a new ESG structure, comprising the ESG Committee, led by Angela Luger, an Independent Non-Executive Director and an ESG Management Committee led by the Group Procurement and Sustainability Director.

Implementation of climate-related targets within the Executive and Leadership teams' remuneration.

Capital expenditure* budgets approved for climate-related investments including solar, LEDs and building energy management systems.

Emerging regulatory requirements — ESG Committee and Board briefed on the impact and implementation of the Corporate Sustainability Reporting Directive ('CSRD'), via monthly Board reports.

ESG IN ACTION

Environmental, social and governance matters are important to all of us. It is our responsibility to ensure that as a business we limit our negative impacts on the planet and those that live in it.

COMMITMENTS

The Group is committed to ensuring that we achieve our global targets whilst evidencing transparency in our ambition to the 1.5°C pathway.

BUSINESS ENGAGEMENT

It is important to engage external parties and stakeholders on key initiatives and projects to achieve the Company goals.

COMMUNICATION

Ensure a consistent and clear reporting process to provide a high level of transparency across the Group and to all stakeholders.

INDUSTRY BENCHMARKING

Monitor our performance in line with that of our sector peers and major brand partners. Focus on improvement and continually moving forward.

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

The ESG Committee is responsible for overseeing the implementation of, and delivery against risk management measures relating to climate, biodiversity and people-based disclosures, undertaken via a top-down assessment of risks and opportunities.

The ESG Management Committee reports to the Board.

The ESG Management Committee is responsible for the assessment, management and communication of principal risks, regulatory requirements and environment-related investment opportunities to colleagues, customers and investors. See pictorial representation on page 66.

ESG issues are presented to the Board via a monthly ESG climate summary submitted by the ESG Management Committee Chair. The report incorporates assessments of key climate risks, issues and opportunities, including financial planning.

The ESG Management Committee implements regulatory requirements and manages current and developing climate-related risks.

ESG Committee members are listed on page 116, with the Committee chaired by Angela Luger, Independent Non-Executive Director. Profiles of ESG Committee members can be found at www.jdplc.com/esg

The ESG Management Committee, is chaired by the Group Procurement and Sustainability Director. Management Committee representatives are the Chief People Officer, Head of Sustainability and Ethics, General Counsel and Company Secretary (Global), General Counsel (North America), Head of Own Brand, and the Director of Investor Relations.

In-year Progress

ESG Committee established, with Terms of Reference in place and an Independent Non-Executive Director appointed as Chair.

Executive members are now incentivised by newly-created ESG metrics within their Long-Term Incentive Plan.

ESG Management Committee completed assessment of climate-related risks and opportunities via scheduled reviews.

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

Engagement of strategic suppliers (major brands and private label) continued on a scheduled basis, focusing on carbon emissions reduction, biodiversity and circular economy initiatives.

The Group implemented ESG 'Key Risk Indicators' as requested by the Audit and Risk Committee ('ARC'). The Committee identify risks associated with ESG across the business. Current mitigation is documented with an action plan for mitigation and monitored and updated by the relevant stakeholder.

An internal audit on ESG disclosures was completed during the period, with a 'green' (pass) score awarded.

Rankings

We have achieved the following external benchmarks:

Sustainalytics:

ESG INDUSTRY TOP RATED

MSCI:

A RATED

FT: Europe's Climate Leaders:

TOP 500 FOR 3 CONSECUTIVE YEARS

TCFD 2):

2. STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material

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 (1-2 years), medium-term (3-8 years) and long-term (8-20 years). Climate-related risks are included within our Principal Risk section.

Short-term risks and opportunities are set on business activities over which we have direct operational control[1] - setting emissions reduction targets, and providing climate-related disclosures to assess Group performance against both sector peers and major brand partners.

Short-term climate objectives include infrastructure investment for owned (or long-term leased) facilities, Distribution Centres and offices.

The Group continues to pursue medium-term opportunities presented by circular economy initiatives - cost efficiencies of asset re-use, and pre-emptive actions relating to packaging and end-of-life stock.

Circular economy 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 the availability of renewable energy in key third-party and private label sourcing territories. Such planning is essential to achieve our Net Zero emissions pathway year of 2043.

Transition and adaption risks 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.

In-year Progress

Several climate-related principal risks supported are scored within the 2023 CDP report:

- 'A-' grade awarded for Climate Change in February 2024.
- 'Water Security' grade (including biodiversity measures) 'B' for the period, surpassing our sector average by two grades.

Engagement with the British Retail Consortium ('BRC') and DEFRA ensures that the Group is well-placed to mitigate risks and maximise opportunities relating to Extended Producer Responsibility ('EPR') regulations.

Within the period, the Procurement team engaged with landlords on the feasibility of solar projects on leased sites, supporting our carbon reduction targets.

The Group engaged JD and The Outdoor Group private label supply chains to identify additional climate-related risks and measure mitigatory measures at sourcing territory level.

The climate-related risk (including physical risks) are not expected to materially differ within the sourcing territories used by the Group, owing to relatively common supply chain conditions within low-cost sourcing locations. Accordingly, no further disaggregation of risks has been disclosed.

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.

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 exposed to substantive risk (defined as being greater than 4% of Profit Before Tax and Adjusting Items*, against plan) relating to climate risks, including physical risks from the changing climate.

The vast majority of our assets (retail stores) are 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.

Our assessment of climate-related risks and opportunities is informed by participation within (and feedback from) bodies such as the Science Based Targets initiative ('SBTi') and RE100. Each disclosure requires evidence of strategy and financial planning.

The Group used the more ambitious 1.5°C scenario for its Science Based Targets, demonstrating the breadth of our climate risk assessment. Climate-related risks have a direct (but not substantive) 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, capital initiatives and compliance to energy building regulations (e.g. energy efficiency and asset replacement). These 'direct costs' are incorporated into our standard financial planning assessments.

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.

Impact of Climate-related Risk Assessment
Continued capital investment in energy reduction assets, including solar technology, building energy management systems, LED, and an Electric Vehicle salary sacrifice scheme.

We continue to assess potential acquisitions from a climate related perspective via the Environmental team on behalf of the ESG Committee.

The Group expanded the use of carbon pricing on renewable investment projects using Carbon Capture and Storage ('CCS') £ per tCO_2e market price metric. A weighting uplift for certain procurement sourcing projects was also utilised ranging from 0 to 3% of costs submitted.

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 51.

The Group has approved Science Based Targets based upon the 1.5°C scenario. Examples of 1.5°C 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.

We have SBT based on a 1.5°C scenario and have completed climate scenario analysis in mid-2023, which includes 1.5°C to 2.0°C and 3.0°C scenarios.

The Group strategy has considered the 1.5°C to 2.0°C, and 3.0°C scenarios, including the transition to a low-carbon economy consistent with a 2.0°C or lower scenario.

The Group considers that its climate strategy is resilient to climate-related risks and opportunities, including physical-climate-related risks. Accordingly, the Group strategy remains approved/ unchanged based upon the low level of risk identified during the period.

The Group plans to conduct a detailed review of its scenario analysis in 2026, within the recommended three-year timeframe. This will allow the Group to reassess physical and climate-related risks at the end of the current short-term time parameter (1-2 year) and reassess risks and opportunities accordingly.

In-year Progress
Delivered TCFD requirements by completing our climate scenario analysis in 2023. Two scenarios were analysed, a best case (1.5°C - 2.0°C) and a worst case (>3.0°C) scenario.

We examined two climate scenarios against short, medium and long-term time frames for our analysis, to align to our long-term SBTi and Net Zero trajectory.

Worked with brand partners to identify the potential impact of regulatory changes e.g. the French Extended Producer Responsibility ('EPR') scheme.

Climate-related scenario	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Scenario 1	1.5°C- 2.0°C	Climate scenario analysis conducted. Parameters of the climate scenario are based around RCP2.6. Analytical choices – time horizons chosen were short term (1-2 years), medium-term (3-8 years), long-term (8-20 years).
Scenario 2	> 3.0°C	Climate scenario analysis conducted. Parameters of the climate scenario are based around RCP 6 3.0°C- 3.5°C. Analytical choices – time horizons chosen were short-term (1-2 years), medium-term (3-8 years), long-term (8-20 years).

Climate scenario high level analysis

Risk Category	Risk and time parameter	Impact	Mitigation/Business Response
Physical	Raw material availability and price medium-term (3-8 years) long-term (8-20 years).	Increased severity of extreme weather events is likely to affect the possibility of growing cotton in many regions. Price and availability of raw materials, e.g. cotton, impacted by extreme weather. This would affect in-season delivery of product into our business. Unmitigated annual impact level: Below substantive threshold of 4% of Profit Before Tax and Adjusting Items* (against plan).	Major brands may choose to relocate key sourcing territories for raw material sourcing and manufacture. Financial mitigation: Pass the increased costs to the consumer, as per likely sector-wide approach.
Physical	Insurance short-term (1-2 years), medium-term	Potential increases in insurance premiums with climate change impacts and risk factors with the rise of carbon reduction technology. Rain, storms, fire and floods can all impact our sites' operations. Unmitigated annual impact level: Below 4% substantive threshold.	Financial mitigation: Continue with shorter-term leases, enable site location changes as required. Conclusion: Appropriate mitigation.
Physical	Increase in precipitation patterns, water scarcity and extreme variability in weather patterns medium-term long-term	Climate change will increasingly impact access to freshwater in certain regions, with consequences on production. If sea levels rise, it will have a significant impact on ports and other coastal infrastructure in the long term. Many aspects of the global supply chain could be affected, which would likely culminate in significant financial impact to producers and distributors.	Financial mitigation: Major brands may choose to relocate key sourcing territories for raw material sourcing and manufacture. Work closely with suppliers to review alternative options for supply and logistics. Collaborate with private label manufacturing supply chain on water conservation and re-use in production.
Transition	Policy Risk medium-term	Increased future carbon pricing via various country carbon pricing mechanisms (fossil fuel taxes). Potential increased costs of raw materials via our suppliers. Unmitigated annual impact level: Below 4% substantive threshold. Proposed levy (France) on 'fast fashion' products sold of up to €10 per individual item of clothing by 2030. Unmitigated annual impact level: Below 4% substantive threshold.	Financial mitigation: Our supply chain which forms the largest part of our scope 3 emissions, carbon pricing will encourage investment and innovation in clean technology to decarbonise their operations across developed countries. Transition to green energy supply and reducing our energy emissions as per our carbon reduction roadmap (Scope 1 and 2 emissions). Proposed regulations unclear as to 'fast fashion' definition. However, if applicable to the Group, our plan (post-sourcing mitigation attempts) would be to pass any potential remaining costs to the customer via unit price increases. Conclusion: Appropriate Mitigation.
Transition	Enhanced non-financial/emissions reporting and disclosure obligations short-term medium-term	Enhanced reporting obligations for JD include known forthcoming directives, such as CSRD (European requirement, but requires disclosures at Group level). Extended Producer Responsibility ('EPR') schemes (existing, and future) within Europe require enhanced disclosures. This may require investment people and services cost investment from our brands to ensure compliance. Brands unable to evidence compliance may receive additional taxation costs. Unmitigated annual impact level: Below 4% substantive threshold.	Financial mitigation: Appropriate resource planning by JD Group Sustainability team, and minor (<£100k)investment in environmental reporting system(s) Mitigate EPR cost risk via greater environmental data sharing from with brands. Brands may need to source alternative materials with (for example) higher recycled content % versus current specifications. JD to engage with brands on brand EPR data submission via scheduled reviews. Conclusion: Appropriate mitigation.
Transition	Transition to low carbon production/ low emission technology medium-term	Increased technology costs to support the transition to a low-carbon economy and meet Net Zero targets such as increased energy efficiency, better energy consumption monitoring, energy generation and product demand forecasting. Unmitigated annual impact level: Below 4% substantive threshold.	Financial mitigation Work closely with brands and leading industry bodies to reduce risk of system or technology obsolescence and higher costs. Conclusion: Appropriate mitigation.
Transition	Increased energy, water and carbon costs medium-term	Demand for energy is likely to increase, alongside increases in prices for energy and water in certain regions. This may impact production and logistics costs.	Implement carbon reduction programmes to reduce demand on energy and water usage. Understand the low-carbon efficiency operations in the manufacturing supply chain to effect reductions.

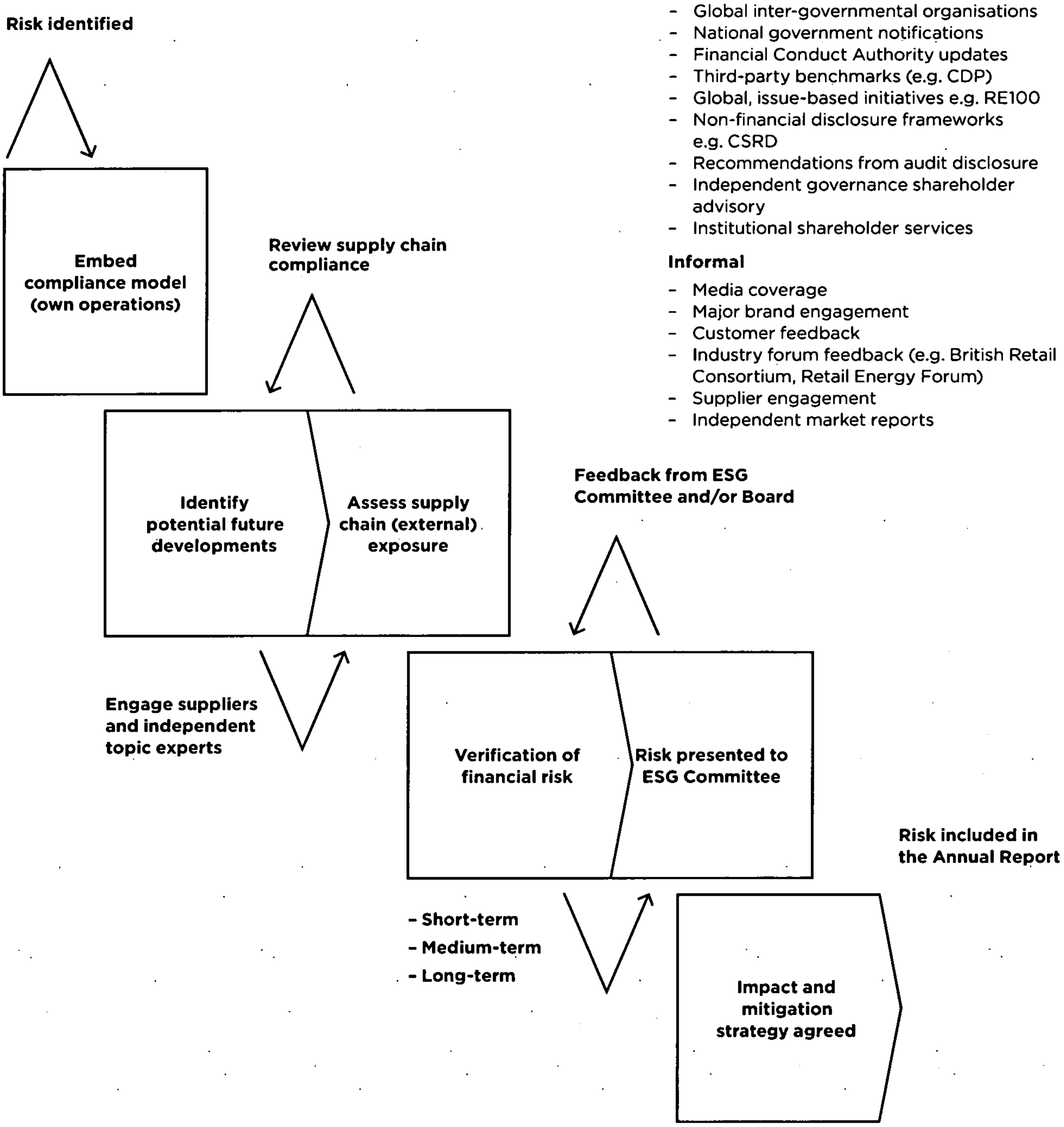
TCFD 3):
3. RISK MANAGEMENT

Describe how the organisation identifies, assesses and manages climate-related risks.

ESG risk identification – sources:

Formal
- International non-governmental organisations (e.g. United Nations)
- Global inter-governmental organisations
- National government notifications
- Financial Conduct Authority updates
- Third-party benchmarks (e.g. CDP)
- Global, issue-based initiatives e.g. RE100
- Non-financial disclosure frameworks e.g. CSRD
- Recommendations from audit disclosure
- Independent governance shareholder advisory
- Institutional shareholder services

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



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

As outlined in Strategy (A), our assessment of ESG-related risks and opportunities, categorises each as short (1-2 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 takes a 'bottom-up' approach to identifying climate risks (both regulatory and physical). Examples of climate risk analysis measures include the performance of scenario analysis at Group level, based on our current key sourcing locations.

Annual performance objectives include climate risk monitoring and reporting to the ESG Management 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 escalated to the ESG Committee.

In-year Progress
Climate-related risks updated after a post-COP28 impact assessment that included direct engagement with our private label supply chain through risk assessment analysis and environmental audits.

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

Group submissions to established disclosure grading systems for Climate Change, Water Security and Forestry contained extensive detail on climate-related risk identification and assessment.

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

A summary of our climate-related risk management process is provided on page 66.

The Principal Risks section page 51 includes the risk and impacts associated with Climate Strategy and Disclosures.

Climate-related risks (contributing to Emerging Risks) are identified and reported by the ESG Management Committee and incorporated into business planning processes.

For validated non-financial risks (e.g. minor reputational impacts) we develop a strategy to comply, manage or mitigate the risk(s). The ESG Management Committee is notified as appropriate, with high-level risks included in monthly Board reports and notified to the ESG Committee.

For high-level risks, the relevant ESG Management Committee team member engages stakeholders facing the greatest risk impact.

High-level risks may include 'reactive' political measures such as quickly-executed tax increases on high-carbon imports, which could impact medium to long-term profit.

In-year Progress
Multiple periodic updates on the status of climate-related risks under management provided via monthly ESG updates within Board reports.

The Group continued to manage physical climate-risks based on sourcing territories and factory locations. Supplier climate-change performance and preparation was assessed via our Environmental Management Programme. Assessment of supply chain risk provides the Group with adequate time to identify and assess alternative, lower-risk sourcing locations.

The Group commenced its Energy Efficiency Directive ('EED') audit work across Europe.

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

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 66 explains our risk identification and management process.

In-year Progress
Improvements identified within the new Risk Management Framework incorporated into our approach to managing climate-related risks.

JD and Outdoor wet processing sites (private label manufacturing) assessed and graded against climate-related risks. 41% of factories use a dye house with one or more green energy sources. 47% of dye houses evaluated are graded at 'Good' and 'Leadership' levels.

2024/25 Plans
Extension of our externally recognised, highly-rated ESG risk management strategy to the Group's international businesses.

The Sustainability team continues to expand private label supplier risk assessments beyond Tier 1, to encompass and understand risk and transitions to sustainable practices, including renewables, in the manufacturing process. These evaluations are in progress across the wider Group.

TCFD 4):

4. METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

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

The principal risks for ESG & Sustainability page 51 include failure to achieve climate-related targets and/or regulatory requirements, and the reputational impact of environmental performance falling behind that of sector peers.

The metric used to assess progress vs. our targets is the Group's total emissions reduction for each emissions Scope, and renewable energy use, including GHG efficiency ratio (based on our Market based emissions with a metric of $kgCO_2e$ per sqm) across all our property types.

Group progress vs. SBTi targets is disclosed to the Board on a monthly basis via forecast emissions reductions. Emissions data is also submitted to the SBTi for periodic updates.

Renewable energy progress is submitted within our Annual Report to our Board (annual basis) and submitted to the RE100 initiative.

For the comparative environmental performance risk identified, the metrics used by the Group are comparative grades issued by international environmental disclosure systems.

In-year Progress
Renewable energy of 100% for direct operational controlled stores within the UK, Ireland and Western Europe.

The Group has expanded its use of carbon pricing with the adoption of the Carbon Capture and Storage ('CCS') £80* per tCO_2e market price metric into new investment projects enabling improved risk and opportunity assessment.

* as of March 2023.

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

See data on page 73. 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 (across all our property types).

A Group Scope 3 emissions breakdown is disclosed on page 70, with references made to the Group's reliance on major third-party brands to achieve its Scope 3 emissions reduction targets.

In-year Progress
Compliant GHG emissions disclosures.

Third-party verification of Scope 1, 2, and 3 emissions, incorporating calculation of data and compliant to ISO 14064-3 reporting standards, was completed by Lucideon CICS.

Scope 3 emissions verification completed for 'purchased goods and services' and 'business travel' categories (over 91% of our total emissions).

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

Targets:

1) Demonstrate emissions reduction progress vs. SBTi approved emissions reduction targets (Scope 1 and Scope 2 verified in 2021, Scope 3 in 2022), using a 2019/20 base year.

Measured via SBTi targets to:

- Reduce absolute Scope 1 and 2 GHG emissions by 67.2% by 2035/36
- Reduce absolute Scope 3 GHG emissions from 'purchased goods and services' by 67.2% by 2035/36. Given our growth relevant to acquisitions, our baseline will be re-calculated in 2024 as it no longer reflects our current position.

2) Demonstrate increased renewable energy usage (to contribute to emissions reduction targets).

Measured via RE100 renewable target of 100% of renewable energy sourced for UK and Western Europe by 2022, and 100% global usage by 2025.

3) Demonstrate benchmark environmental performance vs. sector.

Measured via the CDP Climate Change rating, with documented Executive bonus criteria score of 'B' - one grade above sector average.

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

Retained 'Zero waste to landfill' accreditation at our largest operated facility, UK and European offices. Achieved accreditation for our new Derby Distribution Centre (UK).

This table summarises our key metrics and targets for the completed financial year.

Metrics and Targets

Target	Deadline	Position as of Feb 2024	Measure	Principal Risk Supported
SBTi | Scope 1 and 2 emissions reduction by 67.2%	2036	Cumulative 36% reduction in emissions (2023: Cumulative 28% reduction) On track against target and Net Zero by 2043	LFL basis vs. 2019 baseline year	Climate Strategy and Disclosures and Targets - Financial
RE100 Pledge	2025	100% in Europe, (2023: 100% renewable use) 69% globally (2023: 62% globally) We have implemented a plan and remain on track to meet our target	Renewable electricity for operationally controlled sites	Climate Strategy and Disclosures and Targets - Financial
CDP score vs. sector	Annual	'A-' grade for Climate Change (2 grades above sector performance) 'B' grade for Water Security (2 grades above sector performance)	Our grade vs. sector average To achieve rating of at least B for Climate Change ('CDP') in the final financial year of the performance period	Climate Strategy and Disclosures and Targets - Reputational

Target	Deadline	Progress achieved as of Feb 2024	Measure
73% achievement of Employee Engagement Score	2026	79%	% of colleagues completing the Global Engagement Survey
400 apprenticeships	2026	205	Total cumulative live apprentices in the UK since 2023
JD UP to positively impact over 10,000 young people	2026	0	Number of young people attending JD UP immersive careers event

Target	Deadline	Progress achieved as of Feb 2024	Measure
Transparency of Tier 1 suppliers of finished goods	2024	83%	Disclosure via Plc website https://www.jdplc.com/esg/modern-slavery/group-transparency-map-private-label
Better Cotton: to reach 98% conversion	2026	95% (equates to 3,629 tonnes)	Percentage Better Cotton measure
Conversion of main material (polyester) in Private Labels (JD and Outdoors only)		Outdoors: 47% recycled polyester (404 tonnes) JD: 11% recycled polyester (189 tonnes)	Percentages by weight of recycled polyester supplier metrics disclosure
Outdoor footwear leather accreditation		All leather sources are LWG accredited for The Outdoor Group	Achieved gold accreditations of Tanneries
Environmental Management Programme (EMP)*	2028	33%	Evaluation of manufacturing supply chains across the Group to measure transitions to sustainable practices, including renewable energy

* The Group subsidiaries included in this disclosure: JD, Outdoor, ISRG, MIG, Cosmos and Shoe Palace.

CLIMATE CHANGE

CLIMATE CHANGE – HEADLINE ACHIEVEMENTS

- Achieved, for the fourth year running, the Leadership grade of 'A-' in the CDP Climate Change assessment (February 2024), and awarded 'A' rating for 'Supplier Engagement'.
- 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°C scenario.
- The Group was awarded a 'Zero Waste to Landfill' accreditation at four core locations, including our New Derby Distribution Centre.
- Completed on-site solar installations across multiple stores, and at our European Distribution Centre in Heerlen, Netherlands in November 2023.
- Delivered our accredited #IAMSUSTAINABLE training programme across a total 20 territories, adding new region-specific content and adjusting language to maximise colleague engagement.

A

SUPPLIER ENGAGEMENT AWARD

16,000+

Colleagues completed #IAMSUSTAINABLE training.

CLIMATE CHANGE – REPORTING AND COMPLIANCE

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

1) Scope 1 and Scope 2 - which covers instances where the Group has '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 - which covers the operations and activities of our supply chain, including manufacture of products and our non-merchandise suppliers. At the Group:

- Purchased goods and services (86.5%) are our largest Scope 3 contributor.
- We continue to monitor and encourage emissions reduction progress from our strategic suppliers.
- The highest level of emissions reductions need to be achieved at the raw material and manufacturing stages for our 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.

This table provides detail on projects and performance in line with our key metrics and targets.

Environmental Objectives and Progress

Environmental objective	2024-2026 Objective	2023/24 Progress
Carbon reductions >projects	Completion of non-LED conversion ('EU')	LED investments - 42 retro store conversions completed
	Investment in solar technology (where feasible) for UK and European sites	Solar panel investment programme completed at the Netherlands and Outdoors Distribution Centre Two GO Outdoor stores solar systems installed
	Expand BEMS to UK/Europe	BEMS technology now across 592 stores
	Completion of energy monitoring system in Germany. Target: Belgium conversion	Commenced energy monitoring system into Germany. France now live
	EV solutions project: Increase EV charge points on current sites	Completion of vehicle charging point infrastructure at the Netherlands Distribution Centre Implementation of EV salary sacrifice scheme for eligible colleagues
	Trial commercial EV logistics	EV truck live at Middlewich Distribution Centre as of Jan 2024
	Improve energy monitoring to identify reduction opportunities. Gas energy monitoring on UK estate	Trial in scope on UK sites. JD Gyms 1st phase. GO Outdoors 2nd phase (2024)
Carbon reduction >procurement	RE100 target: 100% renewable energy implementation across operationally controlled sites	100% renewable usage for Western Europe Consultation complete for alternative green renewable sourcing methods on leased properties US green energy solution agreed and in progress
Sustainability >education and engagement	Green Claims Code Training	Content created Key departments identified for roll-out Summer 2024
	Digital Passport implementation	Onboarded 47% of Tier 1 factories
	Undertake customer surveys to identify 'perception vs. reality' gaps on sustainability issues, whilst identifying potential new revenue streams	Achieved two Developed questionnaires, one which will target the UK and Spanish consumer. The second one is tailored specifically for the Outdoor consumer
Verification and reporting - Climate Change (carbon) and water	Outperform our sector score across established Climate Change and Water Security surveys	Achieved 'A-' grade on Climate and 'B' grade on Water Security two grades above our overall sector performance
	Enhance verification to support future financial standards	Third-party verification: Scope 1 and 2 emissions completed to ISO 14064-3 reporting standards Scope 3 emissions. Goods for resale and travel categories verification completed
	Completion of EED Phase 3 requirements in Europe	EED and Energy Savings Opportunity Scheme ('ESOS') underway in UK and in scope EU territories
Resource management- Circular economy	Retain and expand 'Zero Waste to Landfill' accreditation. Maintain landfill diversion >99% (UK only)	Retained 'Zero waste to landfill' accreditation at Head Office and our largest UK/European DCs. Derby DC received accreditation in December 2023 99.3% diversion from landfill
	Expand take-back and recycling capability via our 'Recycling Recovery Unit' solution at our Kingsway UK Distribution Centre	'Recycling Recovery Unit' solution live in our Kingsway UK Distribution Centre. Streams include: - Over 228,000 totes repaired, re-used and recycled - 73 tonnes of hangers re-used and recycled - Over 3,700 radios and security solutions repaired and re-used
	Engage the wider Group on specific outputs from the WRAP Textiles 2030 initiative	Focus groups established: 'Circular Economy in Business' - Implementation of the take-back scheme within JD Outdoor business 'Raw Material & Processing' - The continued implementation of the 'Cleaner in Production Programme' 'Consumer Behaviour' - 2nd phase survey to include JD, Outdoor and ISRG consumers
Packaging Removal and reduction	Remove and/or reduce paper used within our operations	A reduction in till receipt length has saved 21.5 tonnes of paper, equating to 517 trees. 5,181 tonnes of card in our UK direct operations was recycled on-site

GREENHOUSE GAS EMISSIONS

Environmental - Greenhouse Gas ('GHG') Emissions Data

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

- The Group engaged the services of a leading third-party certification body to verify Greenhouse Gas ('GHG') submissions (in accordance with ISO 14064-3 standards). Accordingly the Group can report the fully verified figures below were 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.

Reporting boundaries for 2023/24 (aggregated facilities under operational control) include the UK, Australia, Austria, Belgium, Bulgaria, Canada, Czech Republic, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Israel, The Republic of Ireland, Indonesia, Italy, Latvia, Lithuania, the Netherlands, Malaysia, New Zealand, Poland, Portugal, Romania, Serbia, Singapore, Slovakia, Slovenia, Spain, Sweden, Thailand and the US.

- The Group divested Rascal Clothing Limited, Catchbest Ltd, Guilio Fashion Ltd, Choice Ltd, Tessuti Group, Source Lab Ltd, Topgrade Sportswear Limited, Woodlands Ltd, 80s Casual Classics Ltd, Kukri Sports Limited and Focus Brands Limited.
- In accordance with GHG dual reporting protocol, we disclosed both market and location-based emissions for purchased electricity in 2022/23 and 2023/24.
- Scope 3 emissions data has been enhanced by combining spend and activity-data approach, using EPA and Exiobase emissions factors for spend-data approach, and UK government conversion factor guidance for activity-based approach. 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, but are reassessed every 5 years
- Within the period, we completed Scope 1 and 2 emissions 2022/23 verification and Scope 3 across the emissions categories of 'purchased goods and services' to ISO 14064-3 reporting standards.
- 2023/24 figures (below) have been updated to reflect the versions used within the Group's 2023 disclosure submissions. Lucideon CICS performed verification to ISO 14064-3 reporting standards.
- Whilst not a mandatory disclosure, the Group remains committed to presenting data appertaining to energy usage and carbon footprint.
- Sales-related increases in consumption do not reflect the Group's verifiable success in reducing energy use on a like-for-like basis.

Within the UK and Republic of Ireland, the equivalent 2022/23 energy usage was: Electricity 109,027,355 kWh, 14,613,056 kWh Natural Gas and 123,640,411 kWh Total energy use.

As required under UK SECR legislation, the Group applies an intensity factor to GHG emissions expressed in $kgCO_2e$ per sqm. 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 2022/23 were 4.7 (UK and ROI), 49.9 (International) and 31.2 (Total).
- Increased consumption in our brown territories and emissions factors, contributed to the changes seen in the international intensity-metric.
- 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 renewable data presently include Eastern and Southern European acquisitions including MIG, Cosmos and sites where operational control is restricted (e.g. landlord-managed energy supplies).
- SUR went into bankruptcy in December 2023 this has been included in the GHG Inventory but is excluded from the green energy target in Europe.

KPI: Emissions by Source	2023/24 Tonnes CO_2e Equivalent	2022/23 Tonnes CO_2e Equivalent
Scope 1 (Purchased fuels)	7,353	7,741
Scope 2 (Electricity) Location based	70,474	74,076
Scope 2 (Electricity) Market based	44,159	43,029
Scope 3 (All emissions)	5,938,711	5,572,806

KPI: Emissions by Source	2024 (UK & ROI)[1]	2024 (International)	2024 (Total)
Energy Usage - Electricity (kWh)	101,212,669	163,258,407	264,471,076
Energy Usage - Natural Gas (kWh)	17,368,642	13,690,862	31,059,504
Total Energy Use (kWh)	118,581,311	176,949,269	295,530,580
Carbon Emissions Location based (Tonnes CO_2e)	21,227	49,247	70,474
Carbon Emissions Market based (Tonnes CO_2e)	2,383	41,776	44,159
Intensity metric: Market based emissions ($kgCO_2e/m^2$)	3.8	51.6	30.7

1 We consider UK & ROI to be materially aligned to UK and Offshore

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.

By consolidating our manufacturing supply chain, the Group has been able to accelerate positive environmental change with 'post Tier 1' supply chain partners, (Tier 3) with each reduction in emissions and water usage benefiting local communities and ecosystems.

The next phase of our private label strategy is 'Cleaner in Production', incorporating additional, extensive risk assessments on the 2nd Tier of the supply chain is underway in November 2023, 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), benefiting 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
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 their published statistics (annual reports and other key public disclosures).

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

- Joining and continuing to support Better Cotton. Since 2020, our sourcing changes across the Group has saved over 5.1 billion litres of water vs. previous cotton sourcing practices.
- Committing to the WRAP Textiles 2030 water reduction target of an additional 30% vs. 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 initiative ensures that licensed cotton farms and farmers adopt management plans to conserve and enhance biodiversity.

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

In the US business, 100 employees undertook a project to plant 200 trees in Indianapolis where our corporate Head Office is located. Employees donated $44,447 towards this partnership. This was matched by the JD Finish Line Foundation to a total of $88,895.

During early 2024, UK Distribution Centre Management team in collaboration with Rochdale Council, the local community and over 60 colleagues volunteered to plant 300+ trees on an area close to the DC.

In 2023, the ISRG Group based in Spain planted 3,529 trees in Ávila, which was devastated by forest fires in 2021.

Highlights on Private Label
The JD and Outdoor private labels demonstrated progress via:

- Increasing the use of recycled polyester and using a weight metric, converted 593 tonnes from virgin polyester to recycled.
- Continuing the sourcing of cotton through the Better Cotton initiative, has enabled further farmer training on water reduction and economic irrigation, whilst ensuring payment of fair wages to farm workers.
- Improved transparency of the supply chain on our Outdoor private label footwear to include Tanneries. 100% are LWG 'Gold' rated.

Better Cotton Initiative

JD, The Outdoor Group, ISRG and a Group subsidiary Focus International[1] are proud members of Better Cotton. Better Cotton trains farmers to use water efficiently, care for soil health and natural habitats, whilst reducing the use of harmful pesticides.

As a Group, we are committed to supporting Better Cotton within our private label manufacturing. 95% of our cotton in the UK private label production is now sourced through the programme.

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 water irrigation, pesticides, or synthetic fertiliser) Time period from 1st Feb 2023 – 31st Jan 2024

1 Focus International was divested on the 24 January 2024, data relates to 2023.

Product Governance – Private Label Manufacturing

Cleaner in Production
The private label Environmental Management Programme ('EMP') will be enhanced via our 'Cleaner In Production' initiative. JD, our Outdoor businesses and a Group subsidiary (Focus International[1]) engaged 546 factory sites and c.200 mills. Key areas of the programme include water, energy and emissions reductions, further enhancing the progress already achieved in wet processing units.

By identifying opportunities to reduce carbon emissions, water and chemical impacts, 'Cleaner in Production' represents the next phase of the EMP.

'Cleaner in Production' is envisaged to be a five year+ programme, working to improve our ability to design out waste and reduce the 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.

Our Environmental 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.

Product Governance – Zero Discharge of Hazardous Chemicals ('ZDHC')
The Group is predominantly a supplier of third-party brands. Over 5%* 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) refer to our product testing matrix, providing additional support via our nominated third-party specialist supplier (Intertek). 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. This encompasses both seasonal due diligence audits, and random RSL sampling tests undertaken by our third-party testing specialist.

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 included assessing challenges such as microfibre shedding for our most common fabrics. Our testing results have so far been successful, evidencing very low shedding properties in 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 enabling awareness and compliance with regulatory, legislative and scientific developments.

Identifying and removing potential product safety risks at design stage, ensures the achievement of 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).

1 Focus International was divested on 24 January 2024, data relates to 2023.

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, but we need to ensure it is without compromising product quality or performance.

Raw Material Sourcing: Cotton
Our support for WRAP Textiles 2030 aided prioritisation of sustainable raw material sourcing.

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.

In 2023, 3,273 tonnes of cotton were sourced via the 'Better Cotton' initiative.

Conversion of Plastic Transit Bags from Virgin Material
To date over 16 million garment bags (equivalent to 184 tonnes) across JD and The Outdoor Group have been manufactured from post-industrial waste, which are made from 100% recycled content, and are fully recyclable via domestic recycling facilities.

Conversion of Disposable Swing Tickets to Recycled Card/Paper.
Substituting the virgin card and paper of the garment hang tags and barcodes to a fully recycled alternative equates to over 33 tonnes.

Material Focus: Recycled Polyester
JD and The Outdoor Group are working to convert virgin polyester to recycled where it is commercially viable and does not impact the durability of the product.

593 tonnes (by weight) of recycled polyester has been converted from virgin polyester in 2023.

To reduce the end-of-life impact of recycled or virgin polyester, our UK 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.

For Spring/Summer 2024, our swim shorts programme will be manufactured with fully recycled poly outer fabric/mesh lining/drawcord.

This equates to a total of over 255,000 units. Sustainable components 100% polyester – outer fabric 100% polyester – inner mesh brief 100% polyester – drawcord.

3,273 TONNES

of Better Cotton sourced

184 TONNES

Conversion of Plastic Transit Bags

33 TONNES

Conversion of Swing Tickets and Card to recycled.

593 TONNES

of recycled polyester has been converted from Virgin polyester in 2023.

Material Focus: Elastane
The production of elastane is energy intensive, and as part of our Cleaner In Production Programme, we are working with our factories to take measures to reduce their energy consumption and improve their water efficiencies.

Lowering water usage and carbon emissions are among the highest priorities.

The Private Label team is working to reduce the percentage content of elastane where it is essential and removing it where it is not required.

Our core brand McKenzie has introduced a poly stretch filament yarn to replace the need for elastane in its main range polyester scuba T-shirts.

In 2023, over 182,000 Tshirts produced were elastane free.

This equates to 2.4 tonnes of elastane eliminated from the T-shirts.

Focus on Coatings
Durability is an important factor of outdoor products, and we consider the entire product lifecycle of each piece when converting to sustainable materials.

Within the Outdoor Apparel categories, water proofing and coating are key to outdoor product durability, but can contain Perfluorochemicals (PFC) .

These are persistent organic pollutants found to be harmful to the environment, with a negative impact on biodiversity.

PFCs are used in a variety of products to create water resistance finish. Our Outdoor business has successfully addressed this risk and 98% of the apparel range is now PFC-free.

Focusing on the transition to more sustainable materials, the OEX Tirran waterproof jacket is made from over 60% renewably sourced material: Teflon EcoElite DWR which is a high-performing substitute and does not compromise the durability of the product.

Other product updates include trialling new technologies on our OEX technical tees. Polygiene® is a technology that makes products stay fresh for longer, reducing the need for washing, which saves water and energy whilst further improving durability.

Outdoor Private Label Packaging
With specific focus on camping equipment, our Outdoor team reduced packaging across a large volume of products, with key achievements including:

- Removal of all non-essential plastic packaging
- Swing ticket booklets have been reduced and UV coatings and laminates removed, making it easier to recycle
- Card used is now made from recycled alternatives
- 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

Circular economy
Keeping Products and Materials in Use
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 illustrated in the diagram.

Guidance/Policy 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 and Diversity Policy
- Animal Welfare Policy
- Chemical Management Policy
- Product Governance Policy
- Green Logistics Policy
- Group Environmental Policy

These policies can be found here: https://www.jdplc.com/esg

ESG SOCIAL

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 itself with professionalism, honesty and integrity whilst working with our suppliers and third-parties to ensure our high ethical standards are maintained.

Audit Compliance
Factories used by the Group are audited by accredited third-party specialist assessors.

The percentage of factories within the audit cycle pending audits is 9.95%.

Audit cycles and statuses change due to low levels of expenditure or the operating period represented within the first year of the partnership (*these factories had been successfully pre-qualified) and out-of-date audits being rebooked.

In accordance with our Environmental Management Programme, we require transparency of the supply chain, the factory, the mill and the dye house. We are currently working towards identifying the spinning mills. Once the JD and Outdoor Group are completed, this will be undertaken in all areas of the Group who manufacture their own branded products.

These sites, within scope, are undergoing assessment of their environmental impact and are graded according to their progress on minimising the impact of their operations on the environment and local communities.

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 on Tier 1 sites. 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.

Compliance is undertaken using our "Identify" "Act" and "Resolve" method.

All non compliances are grouped into a root cause category and then identified according to severity.

The below chart indicates three root cause categories and shows the open and closed progress as an example.

ACT & RESOLVE

	Living Wages paid			Freedom of association			No excessive hours		
	Total	OPEN	CLOSED	Total	OPEN	CLOSED	Total	OPEN	CLOSED
CRITICAL ISSUES %	0.88	50	50	0	NA	NA	6.53	68.75	31.25
MAJOR ISSUES %	85.96	91.84	8.16	21.05	75	25	90.20	33.94	66.06
MINOR ISSUES %	13.16	46.67	53.33	78.95	35.24	64.76	3.27	50	50

ISSUE TYPE CLOSURES

ETHICAL SOURCING

Transparency of the supply chain is critical for the protection of our workers and enables us to build closer partnerships with our sourcing suppliers and embed our values.

Establishing a core stable supply chain builds better economies of scale within our private label business and it is important to achieve full transparency and identify key hotspots.

It is important for the Group to focus its activities on developing and improving worker conditions and to support the commitment of compliance to our Ethical Code of Practice by all our suppliers.

Through these closer partnerships, we will work to implement our policies and initiatives with our suppliers to improve their standards and work towards improving conditions for all workers directly and indirectly.

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 and in accordance with the International Labour Organisation ('ILO') standards.

Group Sourcing of Product
In our last reporting period, we achieved an audit percentage of 86.65% against our target of +85.0%.

Our main sourcing regions continue to be Asia, India, Turkey and Pakistan.

The chart above illustrates the sourcing value (Sterling) by country for all entities that source private label products.

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

We continue to engage and embed policies into acquisition businesses, working towards reaching our private label best practice standard across our collective supply chains.

Supporting Workers in the Supply Chain
The Group recognises that garment workers are predominantly a low wage sector.

Working towards paying a living wage provides economic benefits 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.

Recognising that implementing living wages across manufacturing countries is a long-term objective. The Group commenced its evaluation of supplier factory workers' earnings across the private label Tier 1 supply chain in 2021.

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)

However, as national minimum wages increase, the gap between basic wages and living wages grows wider. The challenge is for factories to meet these increases.

ESG PEOPLE

Introduction
Our people are the cornerstone of our success, enabling everything we do. Across our stores, offices and Distribution Centres worldwide, we have extraordinarily talented colleagues who collaborate daily to provide the best experience for our customers. The introduction of the 'People, Partners and Community' strategic pillar, reinforces our recognition of our people as the lifeblood of our business and their crucial role in our ongoing success.

Wellbeing
We have continued to invest in our Wellbeing strategy over the past year to provide a workplace where colleagues can be the absolute best version of themselves.

Our Wellbeing strategy for 2023/24 has been focused on consistent messaging and action across the Group. While our commitment to our colleagues has always been evident, this year saw unprecedented alignment across the globe, as we identified four pillars of colleague Wellbeing (Financial, Physical, Social and Mental). These have aided our teams in ensuring they have the appropriate resources and training materials for colleagues worldwide.

This year, we expanded our Employee Assistance Programme ('EAP') ensuring that our colleagues all over the world have 24/7 access to a wide range of wellbeing resources and services. The EAP also includes a tool enabling colleagues to establish their Wellbeing score in line with JD Group's four pillars, helping them to identify areas in which they can improve their Wellbeing.

Our established Wellbeing Network, which includes trained Welfare Champions across UK, EMEA and Asia, has continued to grow, with expansion into North America, providing a global network. Our Welfare Champions are trained in key areas such as Modern Slavery, Building Resilience, Mental Health and Suicide Prevention Support.

Diversity, Equity and Inclusion
At JD, we're proud of our diverse global team and our Diversity, Equity and Inclusion ('DEI') strategy is designed to foster understanding among our colleagues, the world we inhabit and the customers we serve. 2023 saw us partner with Inclusive Employers, equipping us with additional resources and exclusive webinars, which are shared throughout the Company to further educate our global team.

We provide toolkits to our teams during DEI events and religious festivals, aiding our managers and colleagues in navigating an increasingly diverse society. These toolkits equip them with the necessary information to involve and understand each other, reinforcing the sense of belonging within the JD Family. This is evident in our annual Global Engagement Survey, with over 80% of colleagues agreeing with the statement "I can be myself at work".

We take pride in our people's achievements and provide platforms for individuals to share their stories of success, promoting dialogue, understanding and opportunities.

In the US, our Community Voices series, now in its third year, continues to amplify and fund minoritised communities. Notable guests such as the NBA's Robert Covington and Katy Perry have participated in this Instagram-based series, discussing issues and initiatives that resonate with underrepresented communities across the USA.

In the UK, we proudly partnered with the 10,000 Black Interns Foundation in 2023 and have now extended this partnership to support 10,000 Able Interns Foundation in 2024.

As founding members of Diversity in Retail ('DiR'), we take our public commitment to DEI and representation in the sector seriously. We are excited to participate in several DiR initiatives, with colleagues engaging with courses such as the Ethnic Future Leaders, Ethnic Senior Leaders, and Women's Leaders programmes.

2024 will see us continue our reverse mentoring commitment, encouraging business leaders to gain insights into different lived experiences and ensuring that at all levels we challenge ourselves and continue to grow. Our CEO along with experienced Directors have already established mentoring relationships with internal and external junior to mid-level colleagues and external partners as part of this initiative.

Throughout the year, we run regular internal campaigns in line with our culture calendar, with the aim to educate colleagues and share experiences. This global approach has seen us recognise events such as National Inclusion Week, International Women's Day, Black History Month and National Logistics Day. Wherever possible, the JD Foundation will align with these activities and provide support with donations to great causes such as Pride Sports, Cardiac Risk in the Young and The Prince's Trust.

Engagement and Communications
We are actively engaging with our colleagues, responding to the heightened levels of communication within the organisation. Our Global Engagement Survey witnessed over 60,000 responses, an increase of 9% from 2022. Along with our regular Colleague Engagement Forums, this has allowed our teams to shape the Group's approach towards our policies, procedures and business culture.

Throughout the year, our Global CEO has been directly communicating with our global teams, hosting live Town Hall events online. These events, attended by thousands of colleagues, provide important updates from our Global CEO on the business's direction and offer a platform for Q&A sessions which address the pressing topics within all our teams.

This year, we further committed to enhancing communication between the Board and colleagues, where our Senior Independent Non-Executive Director chairs the Workforce Engagement Committee. This provides an additional outlet for colleagues to be heard and for their ideas and suggestions to shape the future of the business, which encourages transparency and collaboration.

In our 2023 Global Engagement Survey we asked colleagues to describe working for the business in three words. The most used words were:

FUN, FAST PACED AND CHALLENGING

These words sum up our culture perfectly and the energy our colleagues share with our consumer.

We continue to issue regular communications via our monthly internal magazine, and in 2023, the JD Group colleague podcast celebrated its first anniversary.

Our LinkedIn channel continues to grow, showcasing our exceptional teams and their contributions, both professionally and within the broader community. Our LinkedIn account saw over 40% increase in followers in 2023 and our "Life" page was highlighted by the platform as an exemplary model for other businesses.

We continuously offer development to our colleagues within their roles and enhance their experience in the workplace.

This year saw the launch of our Global Whistleblowing platform, providing colleagues with a confidential service where they can report any concerns.

Talent and Development
We take immense pride in our colleagues and are committed to providing them with the necessary resources and materials to facilitate their personal and professional growth. Our development roadmaps consolidate our extensive range of development modules and programmes into a user-friendly map that outlines learning requirements from entry-level positions to Executive roles.

In 2023, our JD Exclusive programme, designed for colleagues at Senior Management level, successfully completed its first cycle. This nine-month programme focuses on strengthening leadership resilience and aligns with our succession strategy.

We have also created a more flexible, engaging and tailored Learning & Development experience for colleagues, thus improving productivity, efficiency and opportunities amongst our teams.

Our 2022 Global Engagement Survey revealed a strong desire among our colleagues to enhance their knowledge and skills. In response to this, we hosted a global event in September 2023, titled '30 Days of Learning and Beyond'. This event, conducted both online and on-site, covered topics from our entire Learning & Development catalogue and saw participation from global colleagues across 320+ sessions, and equipped colleagues to continue their personal development journey.

Attracting and retaining top-tier talent remains our focus.

Community Engagement
As our presence and reputation expand, so does our commitment to the communities we serve. The JD Foundation and JD Finishline Foundation have been instrumental in arranging charitable donations, while our People teams have been increasingly active in organising community events to effect change and make a difference.

This commitment has manifested in numerous global volunteering events. Our teams have been proactive in visiting local schools to provide careers advice, participating in environmental initiatives and organising product giveaways. They are driven by a desire to contribute positively to their communities. The JD Foundation strategy for 2024 will see us build on the connection our colleagues have with their local communities, as we actively encourage colleagues to nominate local causes close to their hearts and stores, for one-off grants ranging from £1,000 to £5,000.

In October 2023, the Group formed an official partnership with The Prince's Trust. We are already supporting exciting programmes and initiatives such as Get Into Retail, Get Hired with JD, and Get Started in Boxing with Nicola Adams. As part of our ongoing commitment, JD Foundation will sponsor The Prince's Trust Community Impact Award for the next three years, recognising young individuals who have made significant contributions to their communities.

Internationally, our Community Brands in the US, including Shoe Palace and DTLR, regularly organise events in the most needed areas. These 'business as usual' activities contribute to their communities. Community Give Backs across the US, often featuring appearances from NFL and NBA stars, inspire young people and illuminate the path to success after education.

This year, our participation in the #HatsOnForMind initiative raised an impressive £186,000 for the mental health charity MIND by selling hats in our Outdoor stores. We are participating in the campaign again next year, with the hope of raising even more funds.

Our Mission

THE JD FOUNDATION WAS FOUNDED IN 2015 AND HAS BEEN DEDICATED TO CREATING REAL CHANGE AND SUPPORTING YOUNG PEOPLE

Over

£7.5M

Raised since October 2015

Over

£5.0M

Donated since October 2015

24

Charity partners

£1.7M

Raised by sales of the JD duffle bag (Feb 2023 - Jan 2024)

£799,000

In-store donations raised towards the Together We Can project (Oct 2021 - Jan 2024)

The JD Foundation (the 'Foundation') is a registered charity in the UK founded by the JD Group in October 2015.

JD 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 optional customer donations at the point of sale within UK Group-wide stores as well as activities that are undertaken by colleagues within the Group.

During 2023, The JD Foundation underwent a complete re-brand, with focus around its vision, mission, values and impact.

As the official charity of JD Sports, we believe, more than ever, that The JD Foundation has an important part to play in developing consumer connection and offering opportunities to young people whilst supporting the communities within which they live, work and grow.

What does the future look like?

During the 2024 financial year, we continued to support our 24 charity partners, in line with our agreements with them.

We also used this time to review our processes, and to understand exactly how our money can have the most impact, helping young people to achieve their unlimited potential.

Whilst our official launch isn't until 2024, we have redeveloped our approach, upskilled our workforce and developed a framework that will allow us to have more purpose than ever.

Our workforce continued to provide 1-to-1 mentoring alongside a number of charity partners, we continued to engage large numbers of young people through our JD UP initiative and we remained committed to key events including the Christmas Toy Appeal.

2023/24 Overview

Our new partnership with The Prince's Trust has gone from strength to strength, allowing us to test a new approach to supporting those most in need around employability, skills and their pathways into work. We ran our Get Into, Get Hired and Get Started programmes which provided around 100 young people with direct access to colleagues within our business and a chance to develop new skills. A number being employed as a direct result of this partnership.

Alongside this, the development of our JD UP programme saw us take our 'Follow The Dunk' employability session to HideOut Youth Zone, which was an interactive, high-energy deep dive into the hidden careers behind the scenes at JD Sports, working with colleagues from design to social and from marketing to distribution, who told their stories to young people.

We launched our first People On Demand Podcast in partnership with one of our beneficiaries, who took the lead role in interviewing our JD Foundation Charity Manager and the original Podcast Host about the future, and then hosted a screening premiere for young people to get a first glance alongside music, popcorn and a huge product giveaway.

Our new three-year strategy has now been signed off by the Board of Trustees and is steadily coming to life.

Our external key focus is to connect our consumers to our brand in authentic ways, supporting them as they grow and offering opportunities for them to move forwards.

STRATEGY SPOTLIGHT

Our New Focus

The new JD Foundation strategy is focused on **Community & Opportunity.**

Grant Giving

THE JD FOUNDATION HAS DONATED £1,000,000+ TO LOCAL CHARITIES, DURING FY 23/24.

We want to support our communities by providing grants to charities and voluntary organisations who align with our vision. To drive colleague engagement, we want all of these charities to be nominated by our colleagues so we're able to better understand and support local issues based on nominations from the people who live and work in the communities we serve.

Charity Partners

OVER THE NEXT THREE YEARS, THE JD FOUNDATION WILL DEVELOP HIGH IMPACT PARTNERSHIPS ACROSS THE UK WITH CHARITIES THAT ALIGN WITH OUR VISION.

The JD Foundation will support a number of charity partners across the UK, with a focus on our key retail areas. We want to partner with charities who can build high-impact programmes that allow young people to achieve their unlimited potential. All of these funds will come from the sale of JD duffle bags across our UK stores.

The JD Foundation and the JD Group are reinventing our approach to careers, and we're taking schools along with us.

We believe that, as a brand that lives and breathes young people, we have a duty to provide opportunities and real routes into work, careers and skill development.

JD UP will see us working with schools, colleges and other educational establishments to inspire young people, raise awareness of early careers and connect young people to our colleagues.

The JD Foundation is also focusing on a number of key strategic partnerships, including our new partnership with The Princes' Trust which is taking a new approach to ensuring we're providing opportunities for all, including those who are most hard-to-reach.

Charitable Donation of Plastic Bag Levy Income

The Group voluntarily donates 100% of the income net of VAT arising from the sale of our iconic JD duffle bags to the JD Foundation, which is a significant income source for the charity, allowing it to develop initiatives and support causes that will allow young people to achieve their unlimited potential.

Where local governments allow, this is also the process in place across EU territories, and will eventually be rolled out across all of our territories, globally, to allow us to give back to our communities.

The Group does not offset any production or 'administrative' costs.

Every penny donated from JD Group to the JD Foundation is spent on building an organisation that will provide opportunities to our communities for years to come.

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 86 to 91.

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 and Strategy	**20-31**
	Principal Risks	**44-55**
	Viability Statement	**54**
	Going Concern	**55**
	Activities of the Board	**105-108**
Interests of employees	Our People	**81**
	Diversity, Equity and Inclusion	**81**
	Engagement and Communication	**82**
	Culture	**105**
Fostering business relationships with suppliers, customers and others	Chair's Statement	**10-11**
	Chief Financial Officer's Statement	**35-55**
	Stakeholder Engagement	**86-91**
Impact of operations on the community and the environment	TCFD	**60-69**
	Sustainability	**92-93**
Maintaining high standards of business conduct	Culture	**6-7**
	Whistleblowing Policy	**108**
	Anti-Bribery and Corruption Policy	**108**
	Modern Slavery Statement	**79**
Acting fairly between members	Shareholder and Voting Rights Stakeholder Engagement - Shareholders	**89-101**

Board Awareness

Each Director is aware of their Director's duties in respect of the Section 172 Statement.

↓

Board Engagement

Our Board directly and indirectly engages with our stakeholders. See pages 86 to 91 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.

CUSTOMERS

Key Considerations

There continues 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 too.

How We Have Engaged

1. JD launched its omnichannel loyalty scheme, JD STATUS, in EMEA. The scheme, which enables customers to 'Earn' and 'Burn' 'JD Cash' was initially piloted in 10 stores around Manchester in August 2023. Following a successful test period, the scheme was rolled out fully in October 2023 to all stores across England, Scotland and Wales. Northern Ireland followed in December 2023, along with further online capabilities for app customers. In addition to launching the JD STATUS scheme in the US, JD now has 9 million active members, and over 40% of their revenue comes from member sales.

   In H2 FY25, we plan to roll-out to four to five new EMEA territories and continue to add new functions and features for customers. We also plan to collaborate with other brands using the scheme to drive engagement further.

2. The 'Global Voice of the Customer' project was initiated in 2023 with the following mission statement: "To deliver a global customer insight tool that tracks the voice of all JD customers around the world". Through this tool, customer feedback is captured through a number of touchpoints for retail and digital customers and is analysed to improve the customer experience, share best practice and utilise our pool of global expertise.

3. The Customer Service team is working on a unification of resources and systems to deliver an excellent customer experience for all JD customers across the globe. In pursuit of this, the Customer Service team is utilising AI Support, self-serve development and first contact resolution tools, which collectively have resulted in an improved and more efficient service for our customers.

   In addition to the current touchpoints, in the future, we aim to utilise AI to analyse social media feedback and customer review websites.

4. In September 2022, we engaged with Nike to become its first European retail partner for its Connected loyalty programme, enabling our customers to access an integrated rewards programme by linking their JD and Nike membership accounts via the JD app. Through the partnership, customers are rewarded by gaining access to competitions, events and member-exclusive products. Initially, connections were only available via the JD app. In March 2023, they were also rolled out to UK web/mobile platforms. In August 2023, we extended the partnership to four further territories; France, Germany, the Netherlands and Spain via the JD app, with web/mobile activation in these countries following in February 2024. Discussions are underway for plans to launch in North America in 2024.

How the Board Took Account of the Engagement

The Head of Customer Care reports to the Chief Financial Officer, Dominic Platt. 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 Services 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.

Impact of Engagement

1. We have seen a phenomenal response from our customers and store staff to JD STATUS. Less than four months since the UK roll-out, we ended FY24 with over 700,000 member accounts being created. Across all 380+ stores, £1 million of purchases at an average 11.7% mix were from JD STATUS members, and they accounted for 16.4% of sales value. The average transaction value of a loyalty member instore is over 40% higher than a non-loyalty customer.
2. Since going live with the 'Global Voice of the Customer'nn project in October 2023, we have received 250,000 pieces of feedback direct from our customers. This feedback provides insight into our customers' experience and enthusiasm for the JD offering and allows us to focus on improvements. The benefits of analysing this data are reflected in a reduction in customers reaching out to the Customer Service Team. In FY24, we have seen a reduction in customers reaching out of 22%, or 1.2 million. External Customer Experience Metrics have also reflected these improvements, with a Trust Pilot score increase of 9% for JD UK.
3. At the end of FY24, there were 171,630 Nike/JD Connected customers. These customers have generated over £16.9 million in Nike product sales. Of this total, £500,000 was from member-only products, either via early or exclusive access. Our global efforts to enhance the relevance of Nike's Connected product offer continue, with the aim of increasing its appeal to JD consumers. We are working towards ensuring that the products allocated to Connected are more attractive to the wider consumer base. Our ongoing talks with Nike are focused on securing a greater range of popular products that will appeal to JD consumers across the globe.

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, our Global Engagement Survey received 60,386 responses, achieving a 79% response rate, with responses from colleagues across 38 countries. To ensure transparency, the results of this survey were later shared with all colleagues by Régis Schultz, Group CEO, and Emma Chevreau, People Experience and Talent Acquisition Director, in a live Town Hall event.

Our 'Your Voice' Colleague Engagement Network has continued to develop during the year. There are regular meetings and feedback sessions throughout the period. Our Chief Executive Officer and Group People Director co-chair sessions throughout the year which provide an opportunity for ideas to turn into actions very quickly. In addition to encouraging two-way dialogue, our Senior Leadership team spends time in stores connecting with and learning from colleagues. All colleagues from the boardroom to the shopfloor are involved in our internal colleague communications and participate regularly 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

Our colleagues know we value their opinion. Our improved wellbeing offering across the world is a direct result of the feedback we have received from our Global Engagement Survey and Colleague Engagement Forums.

Our network of engagement channels ensures our colleagues have a voice during key moments such as Pride Month, International Women's Day and Inclusion Week. We consult colleagues when putting on DEI activities across the business, using our colleagues' personal stories.

These channels have also resulted in the introduction of incentives and competitions in our stores, as well as special treats arranged for events such as Halloween and Peak Trade.

Our Head Office Campus project is also underway, informed by feedback generated from colleagues across all channels.

Our internal Podcast series offers colleagues the opportunity to get to know our Senior Leaders. This, along with our LinkedIn channel, Town Halls and digital colleague magazine, keeps teams informed and included in the direction of the business.

How the Board Took Account of the Engagement

In addition to the active participation of Board members in engagement initiatives such as our Town Halls, Colleague Engagement Forums and events on our engagement calendar, the results of our surveys have been integrated into the planning and strategy of all departments at a senior level.

Our four strategic pillars were also established this year to simplify our objectives, helping colleagues to understand our core mission.

Our Senior Independent Director responsible for Workforce Engagement, Kath Smith, plays an active role in championing our workforce, meeting with colleagues face-to face and online to ensure global representation, whilst actively getting involved in events. Kath is responsible for updating the Board on engagement activities that take place throughout the year and is our colleagues' voice in the boardroom.

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 Independent Non-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 creation.

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 CGPT.
- A Capital Markets Day 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:

- Appointment of an Investor Relations Director.
- Further investment into the CGPT including investment in the Company Secretarial team.

How the Board Took Account of the Engagement

- 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 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 those people working within our private label supply chains. Our Ethical Code of Practice follows the principles of the International Labour Organization ('ILO') and assessments and audits are carried out prior to onboarding suppliers to our brands across the Group. Full transparency on factory location and audit status, enables our Compliance team to engage in progressive improvement on a continual basis . Close collaboration and continual assessment ensures that fundamental health and safety measures are in place and that the monitoring and safeguarding of the basic human rights of those workers are paramount to the operations of the supply chain in order to comply with the programme.

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 are manufactured 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, is 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 were pleased to have become Nike's first European retail partner for its Connected loyalty programme, enabling our consumers to access an integrated rewards programme by linking their JD and Nike membership accounts via the JD app.
- Our sustainability teams are invited to sustainability conferences held by the brands to work on solutions together and to 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 page 80.
- The engagement with suppliers ensures that 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 loyalty programme highlights JD's and Nike's ability to provide a compelling and differentiated proposition both in store 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-to-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. These discussions are minuted through the usual Board minute process. Programmes such as Nike Connected partnership 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 a successful global business, we take our commitment to the communities we serve very seriously.

That's why our strategy focuses on JD's reputation as an inspirational and aspirational brand in terms of our social responsibility as well as our product.

The number of territories in which we operate helps us to make real change across the world, whilst recognising, appreciating and celebrating the differences across regions.

How We Have Engaged

Our commitment to communities is now embedded into our strategy, as part of our 'Best for People, Partners and Communities' and 'Complementary Concepts' pillars.

Our complementary brands DTLR and Shoe Palace are intrinsically linked to their local communities, with product giveaways to local schools and support for regional charity events on the East and West Coast of the US.

In the UK, 2023/24 saw the Group lay the foundations for the acceleration of our promotion of social mobility, a subject the business has always been passionate about. Immersive careers events for up to 5,000 young people in 2024/25 will see us bring the ethos of the Group to schools on a whole new level. With representatives of a broad range of our teams demonstrating the different career pathways offered by JD, the young people in our communities will be offered the opportunity to connect with JD Group on an unprecedented scale.

The JD Foundation will also see a strong focus on both community and opportunity by asking our colleagues to get directly involved with the selection of our charity partners and beneficiaries. Pennies donations to our Together We Can campaign have enabled the JD Foundation to donate over £750,000 to charities benefiting women and girls in the UK and internationally. We are focused on increasing the sense of connection between our customers, colleagues and communities.

Similarly, the JD Finish Line Foundation in the US established a new core mission this year focusing on community impact.

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: the 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

- The impact of our charitable work in the community can be assessed in both the short and long term. Short-term impacts include product giveaways, such as a co-ordinated Christmas giveaway across numerous territories in the Group, including our businesses in the UK, US and Greece.
- We continue to feed the aspirations of our communities with events such as Get Started With Boxing in the UK, and the appearance of sporting stars at our initiatives in the UK and the US.
- Further to our scheduled community work, our team in Greece received a special award this year for its response to the humanitarian crisis caused by the floods in Thessaly.
- Our Group Chair was appointed Chair of the British Retail Consortium (BRC) in September 2023, further strengthening our commitment to providing a voice to the retail sector
- The installation of solar technology at our Middlewich and Heerlen DCs re-emphasises our commitment to long-term, sustainable energy.
- The JD Finishline Foundation issued significant grants of $10,000+ to 53 causes across the US throughout 2023.

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.
- A number of our Senior Leaders (including our CEO) are involved in reverse mentoring initiatives, giving them a direct connection with the challenges facing young people in our communities.
- 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.

Non-Financial and Sustainability Information Statement

The statements below reflect our commitment to, and management of, employees, communities, the environment, human rights, anti-bribery and anti-corruption in the last 12 months, as required by sections 414CA and 414CB of the Companies Act 2006.

Our business model can be found on pages 20 to 21.

Reporting Requirement	Relevant policies, documents, or reports that set out our approach	Sections within the Annual Report to read more about the outcomes and related non-financial KPIs of Our Commitment
Employees	- Whistleblowing Policy - Code of Practice - Ethical Code of Practice - Equality and Diversity Policy	- CEO Review, on page 12 to 17 - Stakeholder Engagement, on pages 86 to 91 - Purpose, Culture and Values, on pages 6 to 7 - Section 172 Statement, on pages 85 to 93 - Board Diversity Tenure and Experience, on page 106 to 107 - s414C(8)c Companies Act 2006 Diversity Disclosures, on page 107 - ESG - People, on pages 81 to 82 - Our Strategy, on pages 22 to 23 - Nominations Committee Report, on pages 109 to 110 - Remuneration Committee Report, on pages 117 to 130
Environmental Matters	- Product Governance Policy - Environmental, Social and Governance Report 2021 - Additional Information - TCFD - JD Group Environmental Policy - ESG Report 2024	- ESG, on pages 56 to 84 - Section 172 Statement, on pages 85 to 91 - TCFD, on pages 60 to 69 - ESG Committee Report, on page 116 - Climate-related ('CR') financial disclosures: (a) CR governance arrangements, on page 61; (b) how CR risks and opportunities are identified, assessed and managed, on pages 58 and 62 to 65; (c) how processes for identifying, assessing and managing CR risks are integrated within the Group's overall RMF, on pages 62 to 65; (d) description of (i) principal CR risks and opportunities, on page 62 and (ii) time periods to which these are assessed, on page 63; (e) actual and potential impacts of the principal CR risks and opportunities on the business model and strategy, on page 64; (f) resilience of the business model and strategy, taking into consideration different CR scenarios, on page 64; (g) targets used to manage CR risks and realise CR opportunities and performance against targets, on page 68; (h) KPIs used to assess progress against targets and calculations on which these are based, on page 69.

Reporting Requirement	Relevant policies, documents, or reports that set out our approach	Sections within the Annual Report to read more about the outcomes and related non-financial KPIs of Our Commitment
Communities And Social Matters	- Gender Pay Gap Reports - Code of Practice - ESG Report 2024	- Section 172 Statement, on pages 85 to 91 - Stakeholder Engagement, on pages 86 to 91 - ESG, on pages 56 to 84 - ESG Committee Report, on page 116
Human Rights	- Modern Slavery Statement - Code of Practice - Migrant Worker Policy - Code of Practice Auditing Standards	- Stakeholder Engagement, on page 92 - ESG, on pages 56 to 84 - ESG Committee Report, on page 116
Anti-Bribery And Anti-Corruption	- Anti-Corruption and Bribery Policy	- Audit & Risk Committee Report, on page 115
Principal Risks	- Code of practice - Group RMF	- Principal Risks, on pages 44 to 55 - TCFD Risk Management, on pages 66 to 67
Non-Financial KPIs		- Section 172 Statement - Non-Financial KPIs, on page 34 - TCFD Metrics and Targets, on pages 68 to 69

The Strategic Report has been approved by the Board of Directors and is signed on its behalf by:

Signed by:
Dominic Platt
4394D6C6DA8C494...

Dominic Platt
Chief financial Officer

3 June 2024

GOVERNANCE AT A GLANCE

Section 1: Board Leadership and Company Purpose

A. Effective and entrepreneurial Board to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

B. Purpose, values and strategy with alignment to culture.

C. Resources for the Company to meet its objectives and measure performance.
Controls framework for management and assessment of risks.

D. Effective engagement with shareholders and stakeholders.

E. Consistency of workforce policies and practices to support long-term sustainable success.

- **Chair's Statement**	p10 to p11
- **Strategic Report**	p1 to p93
- **Board engagement with key stakeholders**	p86 to p91
- **Shareholder engagement**	p89 and p105
- **Audit & Risk Committee report**	p111 to p115
- **Conflicts of interest**	p105
- **Chair's Introduction to Governance**	p95

Section 2: Division of Responsibilities

F. Leadership of Board by Chair.

G. Board composition and responsibilities.

H. Role of Non-Executive Directors.

I. Company Secretary, policies, processes, information, time and resources.

- **Board composition**	p104 to p108
- **Key roles and responsibilities**	p104 and p108
- **General qualifications required of all Directors**	p96 to p97
- **Information and training**	p106 and p114

Section 3: Composition, Succession and Evaluation

J. Board appointments and succession plans for Board and Senior Management and promotion of diversity.

K. Skills, experience and knowledge of Board and length of service of Board as a whole.

L. Annual evaluation of Board and Directors and demonstration of whether each Director continues to contribute effectively.

- **Board appointments and succession planning**	p101 and p106
- **Diversity, tenure and experience**	p96 to p97 and p106 to p107
- **Board, Committee and Director performance evaluation**	p95, p108 and p112
- **Nominations Committee Report**	p109 to p110

Section 4: Audit, Risk and Internal Control – Contains Information Required for DTR 7.2.5

M. Independence and effectiveness of internal and external audit functions and integrity of financial and narrative statements.

N. Fair, balanced and understandable assessment of the Company's position and prospects.

O. Risk management and internal control framework and principal risks the Company is willing to take to achieve its long-term objectives.

- **Audit & Risk Committee Report**	p111 to p115
- **Strategic Report – Risk management, principal risks**	p44 to p55
- **Fair, balanced and understandable Annual Report**	p100, p112 and p115
- **Going concern basis of accounting**	p55 and p150
- **Viability Statement**	p54

Section 5: Remuneration

P. Remuneration policies and practices to support strategy and promote long-term sustainable success with Executive remuneration aligned to Company purpose and value.

Q. Procedure for Executive remuneration, Director and Senior Management remuneration.

R. Authorisation of remuneration outcomes.

- **Directors' Remuneration Report**	p117 to p130

"THE BOARD HAS SPENT SIGNIFICANT TIME AND INVESTMENT IN ENHANCING THE CORPORATE GOVERNANCE ARRANGEMENTS OF THE GROUP"

Andrew Higginson
Independent Non-Executive Chair

ON BEHALF OF THE BOARD, I AM PLEASED TO INTRODUCE OUR CORPORATE GOVERNANCE REPORT FOR THE 2024 ANNUAL REPORT AND ACCOUNTS.

As advised in last year's Annual Report and Accounts, the Board has spent significant time and investment in enhancing the corporate governance arrangements of the Group to great success.

Details of our compliance with the 2018 UK Corporate Governance Code (the 'Code') throughout the period is detailed on the page overleaf and in our Corporate Governance Report.

Corporate Governance Transformation Programme ('CGTP')

External consultants, BDO, who carried out the initial scoping report on corporate governance arrangements in the Group, were invited to report on progress against the action plan to the Board. As a result of the significant progress made, the CGTP has now been closed. I would like to thank Helen Ashton for her leadership of the Corporate Governance Steering Committee, which oversaw the implementation of this project.

Despite the success of the Programme, work to improve the Group's governance structures is ongoing, as highlighted in the Audit and Risk Committee Report on pages 111 to 115.

Board Changes

The Board has welcomed three new Independent Non-Executive Directors during the course of the financial year; Ian Dyson, Angela Luger and Darren Shapland. Each of the new appointees brings a wealth of experience, in particular in retail and public company exposure, which complements the Board's existing skills and knowledge.

In addition, Neil Greenhalgh informed the Board of his intention to step down from the role of CFO, and as a result of this, Dominic Platt was appointed in October 2023. Dominic brings strong international and public company expertise and has been a great addition to the Board.

The new Board members have settled in well and this was commented in on our recent external Board evaluation.

Following year end, Mahbobeh Sabetnia informed me of her intention not to stand for re-election at the AGM in July 2024. I would like to thank her for her contribution to the Board and the Remuneration Committee. I will report on the search for a new Non-Executive Director to replace Mahbobeh in the next Annual Report.

Board Evaluation

As Chair of the Board, I am responsible for providing leadership to ensure the operation of an effective Board. In accordance with the Code, we conduct annual evaluations on the effectiveness of the Board and its Committees, and this year we undertook an external Board evaluation facilitated by Russell Reynolds. This evaluation consisted of a combination of interviews and questionnaires to formulate its opinion. Overall, I am pleased to report that the Board and its Committees are operating effectively. Russell Reynolds has presented its recommendations to the Board and an action plan has been developed to implement this. We confirm that Russell Reynolds has had no other existing connections with the Group or any individual Director during the period.

UK Corporate Governance Code Changes

The Board has noted the changes to the Code and, with support from the Company Secretary, is working to ensure adherence to these changes. The 2024 UK Corporate Governance Code will apply to the first accounting period commencing after 1 January 2025, which will be the FY26 report.

Annual General Meeting

Our AGM will be held on 4 July 2024. Full details of the meeting arrangements and the resolutions to be proposed to shareholders can be found in the Notice of AGM which will be made available on our website. The outcome of the resolutions put to the AGM, including results of the poll, will be published on the London Stock Exchange's and the Company's websites once the AGM has concluded.

I hope you find the information contained within the Corporate Governance Report and the rest of the Annual Report and Accounts helpful and informative.

Andrew Higginson
Independent Non-Executive Chair

3 June 2024

OUR EXPERIENCED TEAM

AN EXPERIENCED TEAM DELIVERING OUR STRATEGIC VISION

Régis Schultz
Chief Executive Officer

Committee: E
Appointed: 1 September 2022

Experience: Régis 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.

External Appointments: None.

Andrew Higginson
Independent Non-Executive Chair

Committee: N
Appointed: 8 July 2022

Experience: Andy is a highly experienced and proven retailer and Chair with over 33 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.

External 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. He is Chair of the retail industry's trade body, the British Retail Consortium.

Committees key:

- N Nominations Committee
- A Audit & Risk Committee
- R Remuneration Committee
- D Disclosure Committee
- E ESG Committee
- ○ Committee Chair

Other Directors who served during the year:

Neil Greenhalgh served on the Board in the role of CFO until October 2023.

Mahbobeh Sabetnia
Non-Executive Director and Consumer Duty Director

Committee: R
Appointed: 29 November 2021

Experience: 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.

External Appointments: None.

Suzi Williams
Non-Executive Director

Committee: R N
Appointed: 16 May 2022

Experience: Suzi is a customer-driven leader and brings skills from 25 years in international FMCG, consumer and TMT businesses. She held senior leadership roles at Procter & Gamble Europe, Orange, KPMG Consulting, Capital Radio and BBC Studios, and in a decade as Chief Brand & Marketing Officer at BT plc, she was part of the team who reinvented the business, and ran BT's successful London 2012 Olympic & Paralympic sponsorship, leading to the launch of BT Sport.

External Appointments: Suzi is currently Nominations Chair on the Board of Telecom plus plc (FTSE 250) and Chairs both the Nominations and Remuneration Committees at Zegona Communications plc.

Andy Long
Non-Executive Director

Appointed: 6 May 2021

Experience: 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 to 2022.

External Appointments: Executive Director at Pentland Group.

Dominic Platt
Chief Financial Officer

Committee: D

Appointed: 4 October 2023

Experience: Dominic was the former 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, where he was Group Finance Director and Managing Director of International Businesses, 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.

External Appointments: Dominic is an Independent Non-Executive Director at N Brown Group Plc and a Fellow of the Chartered Institute of Management Accountants.

Kath Smith
Senior Independent Director and Non-Executive Workforce Engagement Director

Committee: A N E

Appointed: 13 May 2019

Experience: Kath was appointed to the Board as a Non-Executive Director in May 2019 and became Senior Independent Director and Designated NED in 2022.

Kath has 40 years UK and international business experience in the consumer and retail markets building world-leading brands including Mars and Guinness. She is widely recognised as a leading figure in the sports, athletic leisure and outdoor sectors.

Previous notable appointments include adidas Managing Director (UK and ROI), Managing Director/ Senior Vice President North Europe and VP Sales EMEA and subsequently General Manager and Vice President EMEA for The North Face (VF Corporation).

External Appointments:
Chair, Montirex Ltd.

Helen Ashton
Non-Executive Director

Committee: A D N R

Appointed: 15 November 2021

Experience: 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.

External Appointments: None.

Bert Hoyt
Non-Executive Director

Committee: N R

Appointed: 8 September 2021

Experience: 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 spending 22 years at Nike in various roles ranging from Brand Marketing, VP EMEA Commerce, VP & GM Germany, Austria and Switzerland and VP & GM Global Football, Bert spent 10 years at Puma, six of them as General Manager for Puma International.

External Appointments: JD Sports Fashion Plc is currently Bert's only Plc Board appointment. Bert holds a select number of private company Board and advisory roles.

Ian Dyson
Non-Executive Director

Committee: A R

Appointed: 9 March 2023

Experience: 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.

External Appointments:
Chair of Currys plc.

Angela Luger
Non-Executive Director

Committee: E R

Appointed: 1 June 2023

Experience: 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. She has held previous Non-Executive roles at Distribuidora Internacional de Alimentacion S.A., Manchester Airports Group Ltd, New Look Ltd and was Chair of The Paint Shed Ltd. During her extensive career, Angela has held positions at Cadbury's, Coca Cola, Mars and Asda. She has acted as Managing Director at Debenhams and CEO at The Original Factory Shop and N Brown Group PLC.

External Appointments: Angela is a Non-Executive Director of Jet2 plc and is also the Senior Independent Director at Portmeirion Group Plc, where she also chairs the Nomination Committee. Angela is also a Trustee of the micro-donations charity, the Pennies Foundation.

Darren Shapland
Non-Executive Director

Committee: A E

Appointed: 1 June 2023

Experience: Darren Shapland has extensive experience in retail and consumer businesses over the past 35 years as both an Executive and Non-Executive Director. In recent years he has held a variety of Non-Executive Chair and Audit Chair roles in FTSE 250 and FTSE 100 businesses including Poundland plc, Ferguson plc and Ladbrokes plc. In addition he has Chaired a number of private equity and venture capital backed businesses. In his executive career Darren was CEO for Carpetright having previously been CFO of a number of large retailers including Sainsburys plc, Carpetright plc, Superdrug (Kingfisher plc) and a number of divisions of The Burton Group plc.

External Appointments: Darren is currently Chair of a number of venture capital/privately owned businesses.

Theresa Casey
General Counsel & Company Secretary

Committee: E D

Appointed: 11 April 2023

Experience: Theresa joined the Group in April 2023. Previously, Theresa was General Counsel at the Open Banking Implementation Entity, having served as General Counsel and Company Secretary at N Brown Group Plc for 7 years.

Senior Leadership Team

THE GROUP'S ORGANISATIONAL STRUCTURE WILL HELP TO LAY THE FOUNDATIONS FOR FUTURE SUCCESS.

Heads of Centres of Excellence

Dominic Platt
Chief Financial Officer

Experience: See page 97 for detail on Dominic Platt's experience.

Sherilyn Paterson
Chief Operations Officer

Experience: Sherilyn joined the business in 2012 and has overseen the growth and development of the JD Group in the last decade, from Merchandising to all aspects of Operations.

Sherilyn has more than 30 years of experience in building teams and delivering results in the Sports Fashion and Outdoor sectors, and is transformative and commercially driven.

She sets commercial and inclusive goals for the 4,500+ colleagues in supply globally.

Nigel Keen
Chief Property Development Director

Experience: 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
Chief People Officer

Experience: 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 as well as overseeing and executing the People strategy for the Group's 70,000+ colleagues worldwide.

Arianne Parisi
Group Digital Director

Experience: Arianne joined the JD Group through the acquisition of Finish Line in 2018. She has since led the North American digital business for multiple JD fascias, including the launch and scale of Jdsports.com in the US.

In 2023 Arianne joined the Global Leadership team, supporting the Group in its ambition to achieve a customer-centric digital and omnichannel strategy.

Theresa Casey
General Counsel & Company Secretary

Experience: See page 97 for detail on Theresa Casey's experience.

Jetan Chowk
Chief Transformation Officer

Experience: Jetan joined the Group in 2022 as Chief Transformation Officer. 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.

Business Units

Michael Armstrong
JD Global
Managing Director

Experience: 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

Experience: George is a visionary entrepreneur with over 30 years of experience in the retail industry. As one of the original founders of Shoe Palace, he played an instrumental role in establishing the brand as a powerhouse in the footwear market. Under his leadership, Shoe Palace grew from a single store to a 170-door chain on the West Coast, solidifying its reputation as the number one Nike Inc. city specialty retailer.

Lee Bagnall
Outdoor
Managing Director

Experience: Lee has spent his career in retail with DIY and Furniture retailers such Wickes, B&Q and Bensons before joining as Chief Operating Officer at private equity backed Go Outdoors. Lee helped the business to grow from 6 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

Experience: 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 over 25 years, having developed and overseen the success of over 150 facilities for both major Plcs and numerous private ventures.

Directors' Report

Chief Executive Officer

Régis Schultz
Chief Executive Officer

Pages 100 to 103 (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 115. A summary of the Directors' responsibilities in respect of the Annual Report and Financial Accounts is set out on page 131.

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 1 to 93 contains:

- A fair review of the business.
- A description of the principal risks and uncertainties facing the Group.
- A 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 104 to 108) 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 have been approved by the Board and are set out on pages 1 to 93 and 100 to 103, 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 23 within the financial statements. The information included in Note 23 is incorporated into the Directors' Report and is deemed to form part of this Directors' Report.

Share Capital

As at 3 February 2024, the Company's issued share capital was £2,591,568 comprising 5,183,135,745 shares of £0.0005 each. There have been no changes to the Company's issued share capital during the financial year.

Share Allotment Authority

The Directors were granted authority at the 2023 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 £32,318 (which represented approximately 1.25% of the Company's issued ordinary share capital as at 22 May 2023). This authority is scheduled to lapse at the 2024 AGM. At the 2024 AGM, shareholders will be asked to grant a new allotment authority.

At the 2023 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 £32,318 (which represented approximately 1.25% of the Company's issued ordinary share capital). A new special resolution will be proposed at the 2024 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 to be paid out of profits available for such purposes. Details of the final dividend proposed are provided in the Dividends and Earnings per Share sections on pages 11 and 37, respectively.

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 (FCA). 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 3 February 2024, 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
Fidelity Investments (Boston)	165,009,078	3.2

As at the latest date prior to the publication of this report, the Company had received one notification from Fidelity Investments (Boston) that as at 30 April it had increased its shareholding to 5.25%, holding 272,065,657 shares.

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 pages 96 to 97. The following appointments and resignations occurred during the financial period:

- Ian Dyson appointed as Non-Executive Director on 9 March 2023.
- Angela Luger appointed as Non-Executive Director on 1 June 2023.
- Darren Shapland appointed as Non-Executive Director on 1 June 2023.
- Dominic Platt appointed as Chief Financial Officer on 4 October 2023.
- Neil James Greenhalgh resigned as Director on 3 October 2023.

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 125. 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 2024 AGM, save for Mahbobeh Sabetnia, 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 81 to 82 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.

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 ('SID'), in her role as the Workforce Engagement Non-Executive Director provided a meaningful two-way dialogue between the Board and its colleagues. The Workforce Engagement Non-Executive Director attended 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 Chief People Officer.

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 117 to 130.

Further details on how Employee Engagement is taken into account in the principal decision-making process are set out in the Stakeholder Engagement section on page 88.

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 81.

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 86 to 91.

Post Balance Sheet Events

Details of post balance sheet events are provided in Note 37 of the financial statements.

Future Developments

Future developments are discussed throughout the Strategic Report on pages 1 to 93.

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 3 February 2024, 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 73. This information is incorporated into this Directors' Report by reference and is deemed to form part of it.

Auditor

As set out on page 115, at the 2023 Annual General Meeting, the Board recommended to shareholders the appointment of Deloitte LLP as the Group's new External Auditor, to replace KPMG LLP. The proposed resolution was approved, and Deloitte are now operating in post. Deloitte will be recommended for re-appointment as the Company's auditor at the upcoming Annual General Meeting.

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 4 July 2024 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

Signed by:
Regis Schultz
67942D405CFC422...

Régis Schultz
Chief Executive Officer

3 June 2024

Corporate Governance Report

Chair

Andrew Higginson
Independent Non-Executive Chair

On behalf of the Board, I am pleased to present our Corporate Governance Report for FY23/24. The Board promotes the principles set out in the UK Corporate Governance Code 2018 as issued by the Financial Reporting Council ('FRC') (the 'Code') and this report sets out how the Company has applied the main principles set out in the Code, referring to relevant provisions of the Code, where appropriate.

The full Code can be found on the FRC website (www.frc.org.uk). The Directors consider that throughout the period under review and to the date of this report, the Company has fully complied with all Code provisions.

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 eight 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 106.

The Board delegates certain powers to Board Committees. There are five 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 at www.jdplc.com (save for the Disclosure Committee Terms of Reference).

The Board acknowledges that over half of its members, excluding the Chair, must be independent. All Non-Executive Directors, with the exception of Andy Long, were considered independent by the Board upon appointment and following assessment by the Board.

Board of Directors

The Board comprises **10** Non-Executive Directors and **2** Executive Directors who set the strategy and oversee progress against strategic objectives to promote the long-term sustainable success of the Company.

Nominations Committee

The Nominations 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.

Audit & Risk Committee

The Audit & Risk Committee assists the Board in discharging its responsibilities, including assessing the integrity of financial reporting, ensuring the independence and effectiveness of external and internal audit functions and controls and reviewing the Company's annual and half-yearly financial statements. As well as this, the Committee makes recommendations on the appointment, re-appointment and removal of the Auditor, monitors the independence of the Auditor, reviews the objectivity and effectiveness of the audit process, reviews the scope of audit and non-audit work undertaken by the Auditor and provides oversight of the RMF and risk strategy.

Remuneration Committee

The Remuneration Committee's principal duties are to determine the overall Group remuneration policy and to consider remuneration packages for Executive Directors and Senior Management. Further, the Committee also reviews the terms of Executive Director service contracts as may be required from time to time and the terms of any performance-related and/or long-term incentive schemes operated by the Group and awards thereunder.

Disclosure Committee

The Disclosure Committee monitors compliance with the Company's systems and procedures as regards to the identification, assessment and disclosure of inside information. The Committee reviews the steps taken to ensure the accurate disclosure of any announcement, reviews and advises generally on the scope and content of disclosure by the Company. The Committee also decides 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 the nature and timing of any obligatory announcement to the market.

ESG Committee

The ESG Committee is responsible for determining ESG-related strategy, corporate risk assessments and monitoring ESG performance across the Group.

Senior Leadership Team

The Senior Leadership team, consisting of heads of centres of excellence and heads of business units, plays a crucial role in executing the strategy set by the Board and leading the day-to-day operations of the Group.

Board Activities

Some of the key activities the Board has covered in the past year include:

Strategy

- Discussing Strategy Day feedback
- Approving the acquisition of entities to promote the Group's strategic vision
- Approving the disposals of assets and minority shareholder stakes in non-complementary brands
- Approving the Group's future strategy and monitoring progress against this through the year

Stakeholder Issues

- Approving the Annual Report
- Reviewing the half-year review and results
- Regularly discussing Investor Relations reports
- Approving or recommending the payment of dividends
- Signing off on Annual General Meeting resolutions
- Reviewing the Global Engagement Survey results

Culture

- As part of the CGTP, Kath Smith, Senior Independent Director, in her role as the Workforce Engagement Non-Executive Director, provided a meaningful two-way dialogue with the Board
- Attending and engaging 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 Chief People Officer
- Including 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 108
- Through the Global Engagement Surveys
- More information on engagement with employees can be found in our Section 172 statement on pages 85 and 88

Operational

- Considering a report on the new loyalty scheme
- Receiving updates on a range of topics such as ESG, litigation, governance, competition and health and safety
- Monitoring financial performance against budget
- Assessing key supplier agreements

Governance

- Oversight of the outputs from the CGTP
- Appointing new Executive and Non-Executive Directors
- Oversight of outputs from sub-Committees to the Board
- Reviewing and considering the outcomes from the external Board evaluation
- Approving corporate policies
- Regularly reviewing Committee Terms of Reference

Andy Long is not considered independent as his seat on the Board is as a shareholder representative.

The Chair was considered to be independent on appointment.

Shareholder Engagement

The Board is committed to open and transparent dialogue with shareholders. The Chair, Senior Independent Director and other Non-Executive Directors are available to meet with major shareholders on request. The Group ensures that it communicates the information that its investors require through Regulatory News Announcements, press releases and the Annual Report and Accounts. During the year, the Board engaged with shareholders following some votes against the re-election of Mahbobeh Sabetnia at the 2023 AGM to understand the rationale for this. The Board takes seriously its responsibilities to represent the interests of shareholders and to uphold the highest standards of corporate governance.

Our AGM, to be held on 4 July 2024, will provide an opportunity for further engagement, for the Chair to explain the Company's progress and, alongside other members of the Board, to answer any questions.

Conflicts of Interest

The Articles of Association give the Board power to authorise matters that give rise to actual or potential conflicts. The Company has policies and procedures in place for identifying, disclosing, evaluating and managing conflicts of interest so that Board decisions are not compromised by a conflicted Director. Directors have a continuing duty to ensure the Board is updated on any changes to these conflicts. The Company Secretary maintains a register of conflicts, the Board evaluates all disclosures and considers the potential for conflicts before deciding whether or not to accept the conflict. The register of conflicts is reviewed annually and approved by the Board. Further information on conflicts of interest is available in the Nominations Committee Report on pages 109 to 110.

Focus for 2024/25

Our key focus for 2024/25 is to continue with the good progress made as part of the CGTP with a particular focus on embedding these changes and enhancing the culture and values which the Company embodies.

Attendance at Board and Committee Meetings

53 week period ended 3 February 2024	Board Meetings	Remuneration Committee	Audit & Risk Committee	Nominations Committee	ESG Committee
Andrew Higginson	8/8	-	-	4/4	-
Régis Schultz	8/8	-	-	-	1/1
Neil Greenhalgh[1]	5/5	-	-	-	-
Dominic Platt[2]	3/3	-	-	-	-
Kath Smith	8/8	-	5/5	4/4	1/1
Andy Long	8/8	-	-	-	-
Bert Hoyt[3]	7/8	3/4	-	3/4	-
Helen Ashton	8/8	4/4	5/5	4/4	-
Mahbobeh Sabetnia	8/8	4/4	-	-	-
Suzi Williams	8/8	4/4	-	4/4	-
Ian Dyson[4]	7/7	3/3	5/5	-	-
Darren Shapland[5]	5/5	-	3/3	-	1/1
Angela Luger[6]	5/5	3/3	-	-	1/1

1. Neil Greenhalgh resigned from the Board in October 2023.
2. Dominic Platt was appointed to the Board on 4 October 2023. He has attended all Board meetings since his appointment.
3. Bert was unable to attend one Board meeting, one Remuneration Committee meeting and one Nominations Committee meeting due to a clash with an unavoidable prior commitment.
4. Ian Dyson was appointed to the Board on 9 March 2023. He has attended all Board meetings since his appointment.
5. Darren Shapland was appointed to the Board on 1 June 2023. He has attended all Board meetings since his appointment.
6. Angela Luger was appointed to the Board on 1 June 2023. She has attended all Board meetings since her appointment.

Composition and Succession

Board Changes During the Year

A number of changes have occurred throughout the year.

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. In April 2023, the Board was pleased to announce the appointments of Angela Luger and Darren Shapland as Non-Executive Directors. Angela and Darren officially joined the Board in June 2023.

The Group completed its search for a new Chief Financial Officer in May 2023 and were pleased to announce the official appointment of Dominic Platt as CFO in October 2023. Further detail regarding the recruitment process for all Board members is available in the Nominations Committee report on pages 109 and 110.

Neil Greenhalgh stepped down as CFO in October 2023, remaining involved with the Group as a consultant until January 2024. The Board would like to thank Neil for his contribution to the Group during his tenure.

Board Composition

The Board is made up of two Executive Directors, 10 Non-Executive Directors and the Chair. All of the Non-Executive Directors except for Andy Long were considered to be independent on appointment and are still considered to be independent as at the date of this report. Andy Long is not considered to be independent given his role as an Executive Director at Pentland Group.

In accordance with the UK Corporate Governance Code, all directors will submit themselves for re-election at the 2024 AGM, with the exception of Mahbobeh Sabetnia. Mahbobeh will be stepping down from the Board at the 2024 AGM.

Skills, Experience, Training and Tenure

A summary of the Board skills and experience and Board tenure is provided on the diagrams on this page. Further information regarding Board members' experience and qualifications is also detailed in the Board bios on pages 96 and 97. In addition to the skills the Directors bring to the Board, ongoing and tailored training is provided as necessary to provide oversight and broaden knowledge of the Group and the matters affecting it.

Diversity

The Board recognises the importance of diversity, including gender, at all levels of the Company as well as on the Board. The Company is committed to equal opportunities and increasing diversity across our operations in terms of relevant skills, experience, ethnicity and gender. The Board now comprises six male Directors and five female Directors. The Board continues to consider how diversity can be enhanced through the Board and the Senior Leadership team and across the Group generally. Our Equality and Diversity Policy applies to the Board and Committees. We currently have 41.7% female diversity at Board level and 36.3% at Senior Leadership team level. Kath Smith holds the position of SID. With the exception of the Nominations Committee, all other Board sub-Committees are chaired by women. One Director on the Board is from an ethnic minority background. As at year end, the Board met all three targets on board diversity set out in LR 9.8.6(9).

Table for Reporting on Gender Identity[3]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of Executive Management[1]	Percentage of Executive Management[1]
Men	7	58.3	3	7	63.6
Women	5	41.7	1	4	36.4
Not specified/prefer not to say	0	0	0	0	0

Table for Reporting on Ethnic Background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of Executive Management[1]	Percentage of Executive Management[1]
White British or other White (including minority White groups)	11	91.7	4	10	90.9
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	0	0	0	1	9.1
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group, including Arab	1	8.3	0	0	0
Not specified/prefer not to say	0	0	0	0	0

Table for Reporting on Gender Identity – Senior Managers

	Number of Senior Managers[2]	Percentage of Senior Managers[2]
Men	61	73
Women	23	27
Not specified/prefer not to say	0	0

Table for Reporting on Gender Identity – All Employees

	Number of employees	Percentage of Senior Managers[2]
Men	39,566	47.2
Women	42,300	50.4
Not specified/prefer not to say	1,986	2.4

1. Executive Management is defined as the members of the JD Sports Fashion Plc Senior Leadership team as outlined on pages 98 and 99.
2. Senior managers are defined as employees who have responsibility for planning, directing or controlling the activities of the entity or a strategically significant part of it. The Group has determined this includes employees who are at CEO -1 and CEO -2 level excluding administrative employees.
3. The data used here was gathered from members of the Board, Executive Management, Senior Management and employees from across the business via self-reporting methods.

Corporate Governance Transformation Programme

The CGTP was established in June 2022 by the Audit & Risk Committee Chair to consolidate and track a number of workstreams the Group had started to address shortfalls against the 2018 UK Corporate Governance Code. The Programme reported to a Steering Committee which included the Chair of the Audit & Risk Committee, Group CEO, Group CFO, and Group General Counsel & Company Secretary. The Committee met twice a month to review progress across each of the following workstreams:

- FCA Regulatory Compliance
- Risk Management and Internal Controls
- MAR Compliance
- Anti-trust Compliance

Refer to the Audit & Risk Committee report in the 2022 and 2023 Annual Reports for detail on each workstream.

The Steering Committee held its final meeting in January 2024 to close the programme and hand over next steps to the Executive team.

Division of Responsibilities

Chair	a)	Leadership of the Board and ensuring its effectiveness on all aspects of its role
	b)	To chair and set the agenda of all meetings of the Board
	c)	To promote a culture of openness and debate, by facilitating the effective contribution of Non-Executive Directors
	d)	To communicate with shareholders and other stakeholders
CEO	a)	Responsible for the day-to-day management of the businesses of the Group in accordance with such policies and directions as the Board of the Company may determine from time to time
	b)	To manage the Group's operations, including the development of strategic plans
	c)	To develop and maintain good, open and transparent regulatory relationships
	d)	To provide effective leadership of Senior Management of the Group in the day-to-day running of the Group's business and oversight of Executive meetings
SID	a)	To step into the role of the Chair, in the Chair's absence
	b)	To act as a sounding board for the Chair and to serve as an intermediary for the other Directors
	c)	To ensure that the Chair and Group Chief Executive Officer comply with the policy on division of responsibilities
	d)	To be available to shareholders if they have concerns that cannot be or have not been addressed, or are inappropriate to be addressed through the usual channels of the Chair, the Chief Executive Officer or the Chief Financial Officer

Succession Planning

The Board has developed succession planning through the year, now that all Board and Senior Leadership team positions are filled. Our Equality and Diversity Policy is embedded in our approach to recruitment at all levels, including the Board. The Nominations Committee oversees succession planning and further details are available as part of the Nominations Committee report on pages 109 to 110.

The Board considers that all Directors are able to devote sufficient time to their duties as Directors of the Company and assesses their other time commitments in line with this expectation. This view was supported by the external Board evaluation undertaken by Russell Reynolds.

Division of Responsibilities

There is a clear division of responsibility between the running of the Board by Andy Higginson and the running of the Group's business by Régis Schultz. The table above sets out the policy on the division of responsibilities of the Board during FY23/24.

Diversity

The Nominations Committee understands the positive impact that diversity has on decision making and, as such, considers the diversity of the Board and its Committees when making recommendations about the appointment or removal of Board and Committee members. The Group's Equality and Diversity Policy applies to these appointments as it does to all Group roles.

Board and Committee Support

The Company has systems in place to ensure the Board is supplied with appropriate and timely information that helps Board members discharge their duties. We utilise a fully encrypted electronic Board portal to distribute Board and Committee papers, which also enables the efficient distribution of business updates and other resources to the Board. Board members may request additional information or variations to regular reporting as required.

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 Deputy Company Secretary assists. All Directors also have access to the advice and services of the Company Secretary, who is a fully admitted solicitor and attends all Board and Committee meetings. Directors are also able to take independent legal and professional advice when they believe it is necessary to do so.

Board Evaluation

In line with Provision 21 of the Code, an external Board evaluation facilitated by Russell Reynolds was undertaken during FY23/24. Russell Reynolds has no other existing connection to the Group or any individual Directors. The outcome from the evaluation of the Board and its Committees was reviewed with the Chair and considered by the Board. The overall view was that the Board remains effective, and an action plan has been developed by the Chair that is being progressed.

The report conducted by Russell Reynolds advised that the Board was slightly larger than the average FTSE 100 board. The Board considered this and noted that the inclusion of Andy Long as a shareholder representative on the Board explains the larger number of NEDs on the Board. Russell Reynolds also made suggestions relating to Board composition and experience that are currently being reviewed. They advised that in-depth sessions on items such as long-term vision and strategic options would help to elevate discussion at the Board, which has been taken into consideration when developing the Board forward agenda.

The report confirms a number of positive aspects of Board management such as effective chairship, appropriate Committee structure and positive Board dynamics.

Policies

The Company is committed to conducting business with integrity and in a respectful, honest and ethical manner. Our Whistleblowing Policy encourages employees to raise concerns where they observe or suspect misconduct. The Anti-Corruption and Bribery Policy reminds employees of our zero-tolerance approach to bribery and corruption and supports our systems to counter bribery.

Our policies are reviewed annually by the Board and can be found on our corporate website at: https://www.jdplc.com/esg/governance/our-policies.

This report was approved by the Board and signed on its behalf by:

Andrew Higginson
Independent Non-Executive Chair

3 June 2024

Nominations Committee Report

Chair

Andrew Higginson
Chair of the Nominations Committee

Committee members:

Helen Ashton

Bert Hoyt

Suzi Williams

Kath Smith

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.

The financial period ended 3 February 2024 has resulted in a number of changes to the composition of the Board. Ian Dyson, Angela Luger and Darren Shapland joined the Board as Independent Non-Executive Directors in the first half of the financial period and Dominic Platt joined as Chief Financial Officer in October 2023. Neil Greenhalgh also stepped down from the Board in October 2023. As Independent 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 and the composition of the current Board and the contribution the new Board members have made so far.

Nominations Committee members as at 3 February 2024	Meetings attended
Andrew Higginson (Chair)	4/4
Helen Ashton	4/4
Bert Hoyt[1]	3/4
Suzi Williams	4/4
Kath Smith	4/4

1 Bert missed one meeting due to a clash with an unavoidable prior commitment. He liaised with the Chair prior to the meeting to ensure his feedback could be noted.

Committee Membership

The Committee is chaired by me, and Helen Ashton, Bert Hoyt, Suzi Williams and Kath Smith serve as members of the Committee. 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. The Chair of the Board chairs the Committee except when the Committee is dealing with the appointment of a successor to the Chair of the Board.

Responsibilities

The Committee's main responsibilities include:

- regularly reviewing the structure, size and composition of the Board and making recommendations to the Board with regard to any changes;
- giving full consideration to succession planning for Directors and Senior Management and overseeing a diverse pipeline for succession;
- keeping the leadership needs of the Group under review with a view to ensuring the continued ability of the Group to compete effectively in the market; and
- identifying and nominating, for the approval of the Board, candidates to fill Board and Senior Management vacancies when they arise.

The Committee's duties and responsibilities are set out in its Terms of Reference, which are reviewed annually. These are available on the corporate website.

Meetings

The Committee held three scheduled meetings during the financial year and the table overleaf provides details of members' attendance at those meetings. At the invitation of the Chair of the Committee, other regular attendees, who can withdraw as necessary, were in attendance at some or all of the meetings. These attendees included the Chief Executive Officer, Chief Financial Officer, Group General Counsel & Company Secretary, and the Deputy Company Secretary.

Board and Committee Activities 2023/2024

Non-Executive Director Recruitment
The following Board changes took place during the year and were supported by the Nominations Committee:

- 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 gained extensive experience in retail and consumer businesses over the past 35 years as both an Executive and Non-Executive Director. Angela and Darren officially joined the Board in June 2023.

External search consultants Spencer Stuart were engaged with the process of appointing Non-Executive Directors during the period. Spencer Stuart have no connection to the Group or any individual Directors.

As announced on 2 May 2024, Mahbobeh Sabetnia has informed the Board of her intent not to stand for re-election at the forthcoming AGM. The Committee has therefore commenced a process to find a replacement for Mahbobeh and will update on this when a suitable replacement has been identified.

As with all Director recruitment, the Committee will be mindful of diversity when selecting a replacement.

CFO Recruitment
The Group completed its search for a new Chief Financial Officer in May 2023 and was pleased to announce the official appointment of Dominic Platt as CFO in October 2023. Dominic brings a wealth of experience to his role at the Group. Dominic was previously CFO of BGL Group, one of the UK's leading digital distributors of financial services and owner of Compare the Market. Prior to his position at BGL, he 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.

Succession Planning
Now that all Board and Senior Leadership team posts have been filled, the Committee has turned its attention to succession planning, focusing on the role of Chair, CEO, SID and the senior leadership team. Work on this is ongoing, however, the Committee is confident that a sufficient interim plan exists for key Board roles.

The skills chart shown on page 106 and the evaluation processes referred to on page 108 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 the Group's Senior Leadership team embed into their new roles.

Diversity, Equity and Inclusion
Our Equality and Diversity Policy is embedded in our approach to recruitment at all levels, including the Board. The policy is that all employees are treated fairly and equally regardless of age, disability, gender identity, 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.

Focus for 2024/25

Our key focus for 2024/25 is to monitor the progress against the external Board evaluation action plan and continue to develop succession planning for both the Board and the Senior Leadership team.

Andrew Higginson
Chair of the Nominations Committee

3 June 2024

"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."

Audit & Risk Committee Report

Chair,

Helen Ashton
Chair of the Audit & Risk Committee

Committee members:

Kath Smith

Ian Dyson

Darren Shapland

The last 12 months has seen continued focus on improving the Group's governance position under the stewardship of the Audit & Risk Committee. As a result of that progress in the year we were able to conclude the work of the Corporate Governance Transformation Programme, our ambitious, wide-ranging, Board-led governance reform programme, and hand over the work of the Programme to the business to implement the recommendations.

Board developments have been supported by significant investment in governance, some progression towads enhanced internal control and regulatory oversight and reporting.

Whilst there has been significant progress in building Board structures and internal expertise across the related parts of the business, it is acknowledged that there is significantly more to do, as described in this report. This will be a multi-year programme and will continue to require investment in appropriate resources, IT systems and governance.

This investment and the continued delivery of a programme to further improve our Governance and Compliance 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.

Role of the Committee

The Committee's main responsibilities include:

- monitoring the Group's financial reporting process and the integrity of the financial statements, and any significant financial reporting judgements;
- reviewing and challenging the adequacy and effectiveness of the Group's internal financial controls (that is, the systems established to identify, assess, manage and monitor financial risks) and the Group's internal control and risk management systems;
- reviewing the objectivity and effectiveness of the audit process and reviewing the scope of the audit and non-audit work undertaken by the External Auditor;
- evaluating and challenging the External Auditor's role, work and effectiveness;
- monitoring the work of the recently established Internal Audit function including reviewing the planned activities and receiving reports from the Group Head of Assurance; and
- overseeing compliance with applicable legal and regulatory requirements, including monitoring ethics and compliance risks.

The Committee's duties and responsibilities are set out in its Terms of Reference, which are reviewed annually. These are available on the Group's website.

Membership

The Committee is made up of a minimum of four members', each an Independent Non-Executive Director. The Chair of the Board is not a member of the Committee but may attend its meetings by invitation. For the purposes of the UK Corporate Governance Code 2018 (the 'Code'), the Chair of the Committee, Helen Ashton, qualifies as a person with recent and relevant financial experience. The Committee as a whole has deep competence relevant to the sectors in which the Group operates.

Full details of the skills and experience of the Committee members can be found on pages 96 to 97.

Audit & Risk Committee members as at 3 February 2024[1]	Meetings attended
Helen Ashton	5/5
Kath Smith	5/5
Ian Dyson	5/5
Darren Shapland[2]	3/3

1. Detail on attendance at Audit & Risk Committee meetings during the period is on page 106.
2. Darren Shapland was appointed 1 June 2023. Following his appointment, there were 3 committee meetings which he attended.

Meetings

The Committee meets at least three times a year, to coincide with key dates in the financial reporting and audit cycle, and otherwise as the Chair requires. To enable it to carry out its responsibilities, the Committee has an annual rolling agenda which is maintained by the Company Secretary, and regularly reviewed in conjunction with the Chair of the Committee. This ensures that the agenda for each meeting aligns with both the financial reporting and audit cycle, as well as particular matters arising throughout the year considered appropriate by the Committee for its scrutiny. The Company Secretary also maintains a tracker of actions arising from meetings. At the next scheduled Board meeting, the Chair of the Committee reports formally to the Board on the proceedings of the Committee, including how it has discharged its responsibilities. The Committee held five scheduled meetings during FY 2023/24 and the table on page 106 provides details of members' attendance at those meetings.

At the invitation of the Chair of the Committee, other regular attendees, who can withdraw as necessary, joined some or all of the meetings: the External Auditor, the Chair of the Board, the Chief Executive Officer, the Chief Financial

Officer, the General Counsel & Company Secretary, the Group Head of Assurance, the Chief Information Security Officer (CISO) and the Deputy Company Secretary. The Committee held regular private meetings with the External Auditor and the Group Head of Assurance during the year.

Committee evaluation

During the course of the year an external board evaluation was conducted by Russell Reynolds. Further detail on this can be found on page 95. The effectiveness of the Committee was assessed as part of this evaluation and was found to be operating effectively.

Key activities of the Committee during the year

- Monitored the effectiveness of the financial reporting process, including review of the Company's annual and half-yearly reports and preliminary announcements alongside reports from management and the External Auditor.
- Considered and reported to the Board on significant financial reporting issues and judgements contained in them, and submitted recommendations and proposals to ensure the integrity of the financial reporting process.
- Considered the nature and cause of the prior period adjustments identified in the Group and Company accounts (see page 113).
- Reviewed the clarity and completeness of disclosures in the financial reports and statements and considered whether the disclosures made were set properly in context.
- Reviewed all material information presented with the financial statements, such as the Strategic report, Directors' report and the Corporate Governance statement (in so far as it relates to the audit).
- Reviewed the assessment of going concern and the viability statement in respect of these financial statements.
- Concluded that these Annual Reports and Accounts when taken as a whole were fair, balanced and understandable and provided sufficient information to enable the reader to assess the Group's position and performance.

Internal controls and risk management

- Kept under review the adequacy and effectiveness of the Group's internal financial controls (that is, the systems established to identify, assess, manage and monitor financial risk and risk management systems.
- Received regular reports on any control deficiencies identified, including in relation to the prior period adjustments referred to above, and considered the adequacy of management's response to identified deficiencies including mitigation actions taken and the implementation of longer-term control improvements.
- Oversaw the Group's progress in improving the effectiveness of Internal Control over Financial Reporting (ICFR) as part of the Corporate Governance Transformation Programme. Further information regarding this control improvement plan is included in the Financial Reporting Controls section later in the report.
- Considered reports from the External Auditor on progress and the results of the External Auditor's testing of controls as part of the External Auditor's work.
- Reviewed the adequacy and security of the Group's Speak Up policy arrangements whereby staff and contractors of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and monitored any incidences of reports made under the policy.
- Considered reports from the CISO in relation to cyber incidents that occurred in the year (see page 45) including considering the adequacy of the proposed response and related cyber security plan.
- Reviewed and approved the Group's tax strategy and tax policy.
- Oversaw the Group's progress in improving the effectiveness of ICFR as part of the Governance Transformation Programme.
- Monitored compliance with the UK Corporate Governance Code including outputs from the Corporate Governance Steering Committee.
- Received updates regarding the implementation of the new Risk Management Framework (see page 44) and considered the appropriateness of the identified principal risks and uncertainties (see pages 44- 55).

Internal audit

- Reviewed and approved the annual schedule of work of the Internal Audit function.
- Approved the Internal Audit Charter.
- Received reports on the results of the Internal Auditor's work on a periodic basis and received reports addressed to the Committee from the Internal Auditor.
- Monitored and reviewed the effectiveness of the work of the Internal Audit function including the capacity within the function.

External audit

- Following the appointment of Deloitte, monitored the onboarding of the External Auditor and the transition from the previous Auditor.
- Oversaw the relationship with the External Auditor, including agreeing remuneration, terms of engagement and scope of, and plan for, annual and interim audits.
- Monitored the audit of the Company and consolidated financial statements ensuring an effective and high-quality audit was conducted.
- Assessed the External Auditor's independence and objectivity and the effectiveness of the external audit process.
- Ensured co-ordination with the activities of the Internal Audit function and evaluated the risks to the quality and effectiveness of the financial reporting process in light of the Auditor's communications with the Committee.
- Reviewed, and oversaw the application of, the Group's formal policy on the provision of non-audit services by the External Auditor as described further from page 132.

Governance

- Conducted an annual review of the Committee's Terms of Reference.
- Reviewed the outcomes of an external evaluation of the Committee's performance to ensure it is operating at maximum effectiveness.
- Compiled a report describing the roles and responsibilities of the Committee and the actions taken by the Committee to discharge these responsibilities for inclusion in the Annual Report and Accounts.

Significant financial reporting matters and judgements

The Committee considered the following significant issues during the year. As part of these considerations, the Committee received updates from management and sought assurance from the internal and external auditors. The Committee was satisfied with how each of the significant issues discussed were addressed.

Area of Focus	Actions taken
Liabilities in respect of the Put and Call Options The accuracy of the calculation of the measurement of liabilities in respect of put options and earnouts	The Committee considered management's calculations of the measurement of liabilities in respect of put and call option agreements and payments due to non-controlling interests (earnout agreements), including the forecasts, growth rates and discount rates used in these calculations. The prior period adjustments in relation to put and call options (as set out in Note 39 to the Consolidated Financial Statements) and their root cause were also reviewed by the Committee. The Committee reviewed the disclosures made in Note 1 of the Consolidated Financial Statements in relation to key sources of estimation uncertainty in this regard. The Committee was satisfied that liabilities for potential future earnout payments had been accounted for appropriately and that the disclosures made under IAS 1 "Presentation of Financial Statements" were appropriate. For further information, see Note 24 to the Consolidated Financial Statements.
Goodwill, Intangibles, and Store Impairments Estimates and judgements in relation to goodwill impairment testing	The Committee reviewed and challenged management's impairment testing of goodwill, intangibles, and the Group's portfolio of store cash-generating units. The Committee considered the key assumptions and methodologies for both value in use models and fair value measurements to conclude on the appropriateness of the impairment losses recognised. This included challenging projected cash flows, discount rates and considering the uncertainties arising from a macroeconomic downturn, higher levels of operating cost inflation and climate change. The Committee also reviewed the impairment disclosures, including sensitivities. For further information, see Note 13 and 14 to the financial statements.
Going Concern and Viability The going concern assessment and viability statement	The Committee undertook a detailed review of the financial liquidity of the business over the twelve months from the date of the accounts and the formal viability assessment period of five years taking into account cash flows, current levels of debt and the availability of future finance. The viability assessment was discussed by the Committee in January 2024 and scenarios to be stress-tested through the business's corporate plan were agreed. The outcomes of scenarios, stress-tests and further enquiries were discussed and concluded in May 2024. See Going Concern and Viability Statement on pages 54 to 55.
IFRS 16 'Leases' Accounting for the Group's lease arrangements under IFRS 16	The Group has over 3,000 leases which are accounted for under IFRS 16 'Leases'. The Group's components still report their results to the Group under IAS 17, the previously applicable accounting standard. IFRS 16 overlay adjustments are manually posted in the consolidation in order to reverse the legacy accounting and record right of use assets and lease liabilities as required by IFRS 16. This process is complex given the number of leases. The Committee has reviewed the nature of the overlay adjustments and the process management adopts to ensure the IAS 17 accounting has been appropriately eliminated. The Committee also reviewed the prior period adjustment relating to leases that should have been recognised in prior periods and is satisfied the disclosure of the nature of the adjustment is appropriate. For further information, see Note 39 to the Consolidated Financial Statements.
Alternative Performance Measures The Group uses Alternative Performance Measures (APMs) and includes additional disclosures, including reconciliations to statutory measures	The Committee considers it important to take account of both the statutory measures and the APMs when reviewing these financial statements. In particular, adjusting items excluded from Operating Profit and Profit before Tax were reviewed by the Committee and it is satisfied that the presentation of these items is clear, applied consistently across years and that the level of disclosure is appropriate. The total adjusting items charge this year was £106.0m (2023: £504.7m). Adjusting items are detailed on page 160. The most significant items relate to impairment of non-financial assets and income recognised in relation to the movement in present value of the put and call option liability. The Committee gave particular attention to ensure the Group's APMs are not presented in ways that give them greater prominence than amounts stemming from the financial statements; that specific, tailored explanations for the inclusion of individual APMs are provided; and that APMs are reconciled to the most directly reconcilable line items. See note 4, Adjusting items, and page 253, APMs.
Prior Period Adjustments The Group has identified a number of prior period adjustments impacting both the Group and Company Financial statements	The Committee considered the nature and cause of the prior period adjustments that have been identified during the course of the external audit, further details of which are set out in Notes 39 and C24 to the financial statements. The Committee considered the quantum of each of the adjustments relative to materiality and considered the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", concluding the adjustments relate to material matters which has required retrospective restatement of both the Group and Parent Company financial statements. The Committee is satisfied that the disclosures in Notes 39 and C24 explain the reason for the adjustments and the impact on previously reported profit and net assets. The control findings and recommendations from the external auditor are being incorporated into our on-going work with the objective of significantly improving the effectiveness of our internal controls over financial reporting.

Key Developments During the Year

The Board established a Corporate Governance Transformation Programme Steering Committee in June 2021 to oversee the enhancement of our Governance, Compliance, Risk Management and Internal Controls. As Chair of that Committee, I am pleased to report that the conclusion of the Programme, and transition into business as usual following an 18 month project. External assurance was undertaken by the Committee to provide confidence in the progress of the Programme. Further detail regarding the corporate governance arrangements for the Group can be found from page 94.

Whilst good progress has been made through the formal programmes, there is still further work underway in a number of areas which will continue to be monitored by the Audit & Risk Committee. Progress has been made on Risk Management with the implementation of a new Risk Management Framework and a quarterly Executive Risk Committee, and a review of our Key Risk Areas and Risk Appetites, further details of which can be found on page 45. On ICFR, I am pleased to report that progress has been made to address the majority of the prioritised deficiencies over the current year, however, the Committee continues to monitor progress and hold management to account on ensuring this work and related work on IT controls is completed and fully transitioned to business as usual.

Whilst progress has been made in the year, in line with the multi-year programme, further work is needed to embed robust controls into the Group and ensure they operate effectively throughout the year as part of a controls culture.

Key to this is ensuring the Group Finance team is sufficiently resourced and has the necessary technical skills and financial experience. The Group Finance function is evolving and a number of key appointments have been made in the year (including a new Group CFO and Group Finance Director). Beyond these appointments, it will take time to establish a Group Finance team of the right size and experience for a Group of our scale. Building the size and capability of the Group Finance team is a key priority for the new Group CFO and Group FD in FY25 and will be a continued area of focus for the Audit & Risk Committee.

The Committee will continue to focus on both Risk Management and ICFR, and I will report back on progress in the next Annual Report.

Given the importance of cyber security to the Group, the Committee has received a cyber security update at each meeting, including updates on specific cyber incidents that occurred in the year, noting the progress that has been made since the appointment of the new CISO. The Committee has also undertaken training and scheduled a deep dive to enhance knowledge in this area.

The Committee has considered in detail the approach to Going Concern and Viability and ensured that this is consistent with the Group's risk management. It has also scrutinised the scenario modelling, and plausibility of the assumptions used.

During the course of the year, the overall strength of the team surrounding Audit & Risk matters within the Group has increased. The Committee has been strengthened by the addition of Darren Shapland and Ian Dyson, who both bring deep financial experience outlined in their biographies on page 97. Dominic Platt and Theresa Casey, in their roles as CFO and General Counsel & Company Secretary respectively, have enhanced capability at executive level. Additional roles have been created in areas such as corporate governance, data protection, cyber security, risk management, and internal audit to build on the work that has been undertaken and ensure current standards can be both maintained and improved upon. The newly created internal audit function has enhanced the operation of the Committee and provided additional assurance.

The Audit & Risk Committee has also worked closely with the newly formed ESG Committee to ensure activities are complementary.

During the year we have also welcomed Deloitte as our new auditor. They have spent significant time in this transitionary year understanding the Group and providing a fresh perspective on our internal controls, risk management environment and financial reporting. Their findings are being incorporated into our ongoing work to enhance our internal control and risk management, and their review of financial reporting has resulted in a number of prior period adjustments (see Key Audit Matters on pages 134 - 138).

The associated findings and other control recommendations are being incorporated into our on-going ICFR work to improve the effectiveness of our internal control environment.

Assessment of the effectiveness of the group's system of internal controls and risk management.

As outlined on page 44, the Group has established a framework for risk management and is in the process of embedding this across our operations. The Board, in conjunction with management, is responsible for deciding risk appetite and how best to manage and mitigate risk. The Audit and Risk Committee has delegated authority from the Board to monitor and evaluate the effectiveness of the internal controls relied on for risk mitigation.

Financial reporting controls

As previously communicated, a Corporate Governance Transformation Programme has led work to improve the effectiveness of our ICFR, including in IT general controls. The following are the key activities undertaken by the ICFR programme, under the oversight of the Audit and Risk Committee:

- Development of process and control mapping documentation covering 80% of the Group's businesses.
- Establishment of clear accountability for the operation and remediation of controls at both Group and regional levels.
- Training and upskilling of our finance and operational teams over control operations.
- Rollout of a global digital tool to manage the ICFR framework and track remediation progress.
- Automation of the revenue recording process in the UK to decrease manual intervention and reduce the risk profile.

As a result of the progress in the year, and investments in our teams, the work of the programme has been handed over to business-as-usual activity.

The ICFR programme in the last year has focused predominantly on embedding a consistent control framework across the Group in our key financial business processes and remediating the priority control deficiencies identified.

Further work is focused on the following areas:

- Ensuring there is a robust framework of controls to address deficiencies across the IT landscape, including both general IT controls and cyber security controls.
- Improvement of management review controls, particularly where significant reliance is placed on complex calculations and judgement and estimates.
- Reduction in manual interventions in finance systems and processes to enhance controls over our consolidation and journal processes for example. This is expected to require investment in new IT systems.
- Simplify and standardise policies across the Group.

Non-financial controls

The Committee also assessed the effectiveness of operational, compliance and non-financial controls through review and challenge of the following during the year:

- Deep dives into cyber incidents and ensuring lessons learned were embedded across the organisation.
- Reviewed the adequacy of the Group's Speak Up policy arrangements whereby staff and contractors of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other more general matters.
- Considered reports from the External Auditor on progress and the results of their testing of controls.
- Approved and monitored the Group's tax strategy.
- Monitored compliance with the UK Corporate Governance Code including outputs from the Corporate Governance Transformation Programme steering committee.
- Considered the progress made around the development of entity-level controls, including actions plans to strengthen and improve controls.
- Reviewed the outputs of the Group's first annual fraud risk assessment, the adequacy of mitigating controls and plans to strengthen weak fraud controls.

These evaluations were supported by the Group CFO, Group CISO, Group Head of Assurance, Deputy Company Secretary, Head of Regulatory & Compliance and Head of Internal Controls.

Conclusions and next steps

The Committee does recognise that the internal control environment requires ongoing improvements and the ICFR work will continue for a further 2-3 years as further investment in systems and building the capabilities and experience of the teams is required. The progress made by the business in developing a controls culture and implementing the ICFR programme continues to be a key focus area for the Audit Committee. The results of the ongoing investment in systems and capability and the ICFR programme will also be important to improving the timeliness of our close process, in particular our year end reporting, and also as the organisation prepares for enhanced disclosures under the new UK Corporate Governance Code.

The Audit and Risk Committee will continue to support management and review development progress with particular focus on:

- Understanding how controls are being embedded sustainably throughout the organisation, particularly IT controls.
- Reviewing the progress being made to remediate known control deficiencies.
- Obtaining assurance from management on the effectiveness of controls.
- Understanding the work being done to enhance the culture around controls and ensure it has the right priority in the organisation.
- The development work on material controls to support enhanced disclosures as set out in Provision 29 of the new UK Corporate Governance Code
- Completion of the entity-level control (ELC) identification and development that started in FY24 and ensuring consistency of ELCs across the group.
- Understanding the integration plan for acquisitions planned for FY25 including ensuring that effective controls and standardised policies and processes are implemented.

Internal Audit

The Group's Internal Audit function, which is in a development phase, will further improve as the team continues to be embedded. It provides independent assurance to the Board on the Group's risk management and internal control framework, has regularly provided input into Committee meetings. The Group Head of Assurance has direct access to, and regular meetings with, the Chair of the Committee, and attends all meetings of the Committee. A private meeting of the Committee and the Group Head of Assurance was held during the year to provide an opportunity for feedback without the Executive Directors present.

In addition, the Internal Audit function has unrestricted access to employees and documentation across the Group to enable it to perform its duties. There are also arrangements in place to enable the function to commission the support of technical experts and other additional support as required. During the year, the Committee monitored progress of the Internal Audit function against the Internal Audit Plan and ensured that the function had sufficient resource to carry out its duties effectively. The Committee approved the Internal Audit Charter and the Internal Audit Annual Plan, which was formulated via a comprehensive risk assessment involving senior management. During the year, the Committee received reports on the outcomes of the Internal Audit function's work, and the Committee closely monitored management's response to actions identified in the reports. The Committee is satisfied that the Internal Audit function has continued to perform effectively during the year.

External Audit

As advised in last year's Annual Report & Accounts, the Audit and Risk Committee carried out a competitive tender process and as a result, recommended to the Board that Deloitte be appointed as External Auditor to the Company. The recommendation was made free from third party influence and no restrictive contractual clause has been imposed on the Company. Following the passing of an ordinary resolution by Shareholders at the 2023 Annual General Meeting of the Company, Deloitte was appointed to act as External Auditor for the financial year ended 3 February 2024. The audit partner is Jane Boardman. KPMG therefore stood down as External Auditor at that time and an audit transition plan was enacted to ensure an effective transition to Deloitte.

The Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

During the year, the Committee assessed the quality and effectiveness of the Auditor, having particular regard to:

- the External Auditor's understanding and insights into the Group's business;
- the External Auditor's approach to key areas of judgement, the extent of challenge and the quality of reporting;
- the quality of controls in place to deliver the audit and how the agreed audit plan was delivered;
- the External Auditor's independence and objectivity;
- the safeguards put in place by the Committee and the External Auditor to avoid any compromise of the independence and objectivity of the External Auditor;
- management's feedback on the External Auditor; and
- private sessions with the External Auditor without management present.

Following an examination of the above factors, the Committee is satisfied that the audit, as carried out by the External Auditor, is effective and demonstrates appropriate, independent and objective professional scepticism and challenge to management's assumptions.

Non-audit fees

The Committee reviewed the Company's policy on engagement of the External Auditor for the provision of non-audit services.

The non-audit service fees incurred totalled £20k which related to agreed upon procedures in Spain to verify the 2023 and 2022 Annual Packaging Declaration submitted by Deporvillage S.L. to Ecoembalajes España, S.A. for a total fee of £20k for both periods.

This equates to a non-audit to audit fee ratio of 0.1%. We continue to ensure the level of non-audit fees is compliant with the Company's 70% non-audit fee cap rule. The Committee has concluded that the provision of non-audit services has not compromised the External Auditor's independence and objectivity.

Fair, Balanced and Understandable

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 Committee is responsible for reviewing the Group's draft financial statements 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 have been made along with other key matters during the financial period. The Committee reviews reports by the External Auditor on the full-year results. The significant issues considered as a Committee were consistent with those identified by the external auditor.

Anti bribery and corruption

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.

Helen Ashton
Chair of the Audit & Risk Committee

3 June 2024

ESG Committee Report

Angela Luger
Chair of the ESG Committee

Committee members:

Régis Schultz

Kath Smith

Darren Shapland

Theresa Casey

I am pleased to present the first ESG Committee report for JD Sports. The newly formed Committee, whilst in its early stages, has taken steps to define its remit, set out its priorities and establish reporting structures into the ESG Committee. The Committee was set up to reflect the increasing focus on ESG and provide sufficient oversight of the Group's ESG activities and reporting.

For the year ahead, the Committee will be focused on ensuring ESG is embedded within the organisation and that ESG activities complement our existing strategy.

Key responsibilities

The Committee provides oversight for the ESG activities of the Group, performance against the ESG strategic initiatives and ensures the ESG activities complement the wider ESG strategy of the Group. The Board has delegated ownership for oversight of the ESG strategy to the committee. The Committee's full Terms of Reference outlining the full extent of the Committee's roles and responsibilities are available on our corporate website.

The ESG Committee, as a sub committee of the Board, was formed during the financial year and reflects the desires of the Board to ensure ESG is embedded into all the Group's activities.

Committee membership

The Committee is chaired by Angela Luger, an Independent Non-Executive Director. Régis Schultz, Kath Smith, Darren Shapland and Theresa Casey are members of the Committee. All members of the Committee have relevant expertise in ESG. Details of Committee member's attendance can be found in the table below.

At the invitation of the Chair of the Committee, other regular attendees include the PLC Board Chair, Chief People Officer, Chief Financial Officer, Group Procurement and Sustainability Director and the Deputy Company Secretary. Other colleagues within the Group will be invited to the meetings on an ad hoc basis depending on the agenda of the meeting.

ESG Committee Members as at 3 February 2024	Meetings attended
Angela Luger	1/1
Régis Schultz	1/1
Kath Smith	1/1
Darren Shapland	1/1
Theresa Casey	1/1

"FOR THE YEAR AHEAD, THE COMMITTEE WILL BE FOCUSED ON ENSURING ESG IS EMBEDDED WITHIN THE ORGANISATION AND THAT ESG ACTIVITIES COMPLEMENT OUR EXISTING STRATEGY."

Committee activities

As the Committee's first meeting was held in December 2023, much of the activity so far has been establishing the forward agenda for the Committee, establishing appropriate Terms of Reference and setting the remit of the ESG management committee, which will put into practice the work of the ESG Committee.

The ESG management committee, comprising of members of the Group's management team feeds into the ESG Committee and delivers its strategy.

Going forward the Committee is aiming to meet at least three times per year, with a forward agenda ensuring that relevant topics are appropriately scheduled and cover the full scope of items the Committee is responsible for.

The Committee will also undertake appropriate training and site visits where appropriate.

Angela Luger
Chair of the ESG Committee

3 June 2024

Directors' Remuneration Report

Suzi Williams
Chair of the Remuneration Committee

Committee members:

Angela Luger

Bert Hoyt

Helen Ashton

Ian Dyson

Mahbobeh Sabetnia

** Throughout the Directors' Remuneration Report, unless otherwise stated "*" indicates an instance of a metric which has been adjusted for use in incentives, in order to provide a better measurement of underlying performance for remuneration purposes. The metrics are based on Alternative Performance Measures (indicated by "*" throughout the Annual Report) which are defined and reconciled in the Alternative Performance Measures section from page 253 but further adjusted as set out in the footnotes on pages 122 and 123.

Dear Shareholder,

On behalf of the Board and Remuneration Committee ('Committee'), I am delighted to introduce our FY23/24 Remuneration Report — my second since taking the role of Chair of the Committee in September 2022.

The Company continued to undergo a period of rapid growth and change during the year, including further changes to the composition of the Board. We were pleased in particular to welcome Ian Dyson and Angela Luger to the Committee last summer — both of whom bring a wealth of experience to the Group as we continue to pursue our strategic international growth and expansion plans, with strong execution across geographies and fascias.

Commercially, we are pleased to have outperformed a challenging market during the year. When trading conditions at the key period between Black Friday 2023 and the New Year were more challenging than hoped, the strength of the JD brand meant we still delivered strong organic sales growth* of 9% and maintained significant cash balances. However, ultimately economic headwinds and an increased promotional environment did impact profitability. As a result, in spite of positive performance, remuneration outcomes are lower than in prior periods, demonstrating the link between pay and performance under the refreshed Directors' Remuneration Policy (the 'Policy') put in place in December 2022.

Directors' Remuneration Committee members as at 3 February 2024	Meetings attended
Suzi Williams	4/4
Bert Hoyt[1]	3/4
Helen Ashton	4/4
Mahbobeh Sabetnia	4/4
Angela Luger[2]	3/3
Ian Dyson[2]	3/3

1. Bert Hoyt was unavailable due to other unavoidable commitments. He liaised with the Chair prior to the meeting to ensure his feedback was noted.
2. Ian Dyson and Angela Luger joined the Committee in June 2023 and have attended all meetings since then.

It has been another busy year for the Committee, during which we have continued to drive transformation of governance. The following primary items were considered in addition to the business as usual activities:

- Development of the approach to the first grant of Long-Term Incentive Plan ('LTIP') awards under the new Policy which was approved by shareholders at the December 2022 General Meeting. This included rolling out awards across the Senior Management teams in a number of geographies across the globe. This has put us in a position where we now have structures and processes appropriate for the size and complexity of the business and an overall remuneration approach that aligns with long-term shareholder value creation.
- Consideration of the remuneration arrangements for Neil Greenhalgh's departure, including treatment of his outstanding incentive awards. The Committee is grateful for Neil agreeing to work beyond his notice period to support an orderly transition with the new CFO.
- Approval of the remuneration arrangements for Dominic Platt on his appointment as the new Chief Financial Officer ('CFO') with effect from 4 October 2023, including determining an appropriate buy-out award calculated with reference to the value of awards made by his previous employer. Half of this was delivered in shares to give him a stake in the business and align his interests with shareholders.
- The approval of LTIP awards to Senior Managers during FY23/24 to reflect that no LTIP awards were made in FY22/23, and the grant of an LTIP award to Régis Schultz to satisfy a contractual entitlement to make an award shortly after commencing employment.
- Alongside this, the Committee has overseen substantial investment in reward for our broader workforce as we continue to strengthen and develop our employee value proposition.

The Report is set out in the following sections:

Implementation of Revised Policy

The refreshed Policy which we are now operating under, was almost unanimously approved by shareholders in December 2022 and is a huge step for the business, requiring extensive changes to internal remuneration processes and practices. It set a new performance tone and landscape inside the business heading into the new financial year and has led to a new approach to performance conversations with the broader Senior Leadership team.

"ENSURING ALIGNMENT OF REMUNERATION WITH PERFORMANCE AND STAKEHOLDER INTERESTS UNDER THE REFRESHED POLICY."

Performance and Incentive Outcomes for 2023/24

Annual Bonus

On an incentive adjusted basis Profit Before Tax and Adjusting Items** for the year was £936.6 million, Group Revenue** was £10,482.4 million and Free Cash Flow** was £536.4 million. This resulted in an outcome of 0% of maximum under the Profit Before Tax and Adjusting Items** and Free Cash Flow** elements of the annual bonus. The outcome under the Revenue** element was 77% of maximum.

Outcomes for the non-financial metrics were on-target for Net Promoter Score ('NPS') and at threshold for Group Employee engagement.

The overall resulting formulaic annual bonus outcome for the CEO and departing CFO for FY23/24 was c.19% of maximum. The Committee considered the payment of a bonus to the incoming CFO and determined that a bonus award of c12% of maximum is an appropriate reflection of his contribution to business performance in the year. Full details on the outcomes for the year are included on page 122.

LTIP

The LTIP awards granted to Neil Greenhalgh on 20 October 2021 vested in respect of performance over the period ended 3 February 2024. The award was subject to Profit Before Tax and Adjusting Items* performance without further adjustment for remuneration purposes. The overall outcome of this LTIP award was equivalent to 140% of salary. Further detail is provided on pages 122 and 123.

Granting of LTIP Awards

LTIP Awards in Respect of FY22/23

LTIP awards were not granted in FY22/23 as a result of significant changes to the composition of the Board and the Policy review that was ongoing. However, following stabilisation of the Board during FY23/24, and following a detailed programme of work to establish a global share plan for the leadership of the business in line with the refreshed strategy, in October 2023, the Committee determined it was appropriate to make awards to Senior Managers to reflect the awards that would ordinarily have been made in October 2022 on an annual basis.

The Company was also in a position by October 2023 to make a long-term incentive award to the CEO to reflect a contractual commitment given to him on joining that he would also receive an ordinary course annual award in respect of FY22/23, which was to be granted as soon as practicable after he commenced employment. Further detail is provided on page 124.

LTIP Awards in Respect of FY23/24

A key component of our revised Policy is our new Long-Term Incentive Plan, and during FY23/24, the Committee carefully considered the terms of the first award. Further details of this award are provided on page 123.

Executive Director Changes

Departing CFO

As explained in the Regulatory News Service ('RNS') announcement published on 12 October 2022, Neil Greenhalgh informed the Board of his intention to step down from his role as CFO during FY23/24. He has been a key part of the team that delivered tremendous growth in the business, following 20 successful years' tenure with JD. Further details regarding the treatment of Neil's remuneration arrangements can be found on page 124.

New CFO

Dominic Platt was appointed CFO effective from 4 October 2023 following an extensive and rigorous search process. Following a market benchmarking exercise of peer group companies, Dominic was appointed on a base salary of £550,000, along with the opportunity to participate in the annual bonus plan with a maximum opportunity of 200% of salary. Dominic is also entitled to receive annual LTIP awards of 200% of salary. As part of his recruitment, it was agreed that Dominic would receive a buy-out award in respect of the value of awards he forfeited from his previous employer on commencement of employment with the Group. Further details can be found on page 124.

Employee Pay

Recognising the impact that the cost-of-living crisis has on our employees, we delivered on several wider workforce pay initiatives during the period ended 3 February 2024, resulting in a total investment of £44.4 million in pay increases. A proportion of this spend was used to consolidate bonus payments into salary for some junior employees, providing greater certainty of pay when they need it most.

These increases complemented the commitment to our people made by the CEO when he joined the business in October 2022, with £31 million being invested in pay bands for our youngest employees aged below 23 between this period and April 2023. Together with other initiatives, this has resulted in a total investment in pay of £70 million across the Group since October 2022.

As we look forward to FY24/25, the average increase in employee salaries is around 7.14%, with more significant, targeted increases for our frontline retail colleagues.

Approach to Director Pay in 2024/25

The CEO will receive a salary increase of 2.1%, effective from 1 April 2024. This increase was below the average increase of 7.4% for employees at this date.

The bonus plan will again be operated for FY24/25 in line with the Policy, with opportunities of up to 200% of salary being available to Executive Directors. The bonus metrics will continue to be Group Profit Before Tax and Adjusting Items** (50%), Group Revenue** (15%), Group Free Cash Flow** (15%), NPS (10%) and Employee Engagement (10%).

LTIP awards of 200% of salary will also be granted during FY24/25 expected to be in October 2024. The Committee will review the performance measures and targets, ensuring they remain appropriate in light of the business strategy and market practice. Further detail on the measures and targets for the FY24/25 LTIP award will be disclosed at the time of grant.

Committee Terms of Reference

The Committee commissioned a review of its Terms of Reference during the year, with a limited number of minor amendments resulting from this review. 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

3 June 2024

Remuneration Policy

The current Directors' Remuneration Policy was approved by shareholders at the 13 December 2022 General Meeting (with 99.22% of votes in favour). Full details of the Remuneration Policy can be found on pages 137 to 145 of the 2023 Annual Report and Accounts. The Remuneration Committee operated the Policy as intended during the 2023/24 financial year.

Remuneration at a Glance

Remuneration Outcome of the Year

The graph below shows the total remuneration outcomes in respect of 2023/24 for Régis Schultz vs. the illustrative values available under his reward package for the Minimum, On target and Maximum performance scenarios.

As both Dominic Platt and Neil Greenhalgh completed part years during 2023/24, we have not included them in the illustrations.

Shareholding Requirement

The new Policy introduced a formal shareholding requirement for Executive Directors to be built up over a five year period. The graph below sets out the current shareholdings of each Executive Director. Given Régis was appointed in late 2022 and Dominic was appointed in late 2023, both have had limited opportunity to build a holding in JD shares. They will continue to build their shareholding through annual bonus deferral and vesting of LTIP awards in coming years.

1. The figures for Neil Greenhalgh have been disclosed as at the date he stepped down from the Board on 4 October 2023.

2023/2024 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 Adjusting Items**	50%	£988.8m	£1,034.7m	£1,092.9m	£936.6m	0%	0%
Group Revenue**	15%	£10,060.3m	£10,213.2m	£10,717.5m	£10,482.4m	77%	11.5%
Free Cash Flow**	15%	£670.4m	£693.7m	£710.8m	£536.4m	0%	0%
Group Employee Engagement	10%	69%	71%	73%	69%	25%	2.5%
Group Net Promoter Score	10%		See below			50%	5%
Overall achievement							19%

The Employee Engagement score is based on the results of the annual Global Engagement Survey which is run independently by a third party (ETS). Over 60,000 JD colleagues responded to the survey. The resulting score of 69% resulted in a threshold payout under this measure, reflecting the level of change within the business and the challenging economic context within which JD is operating.

Net Promoter Score is a customer satisfaction and loyalty measurement that businesses use to gauge how they are performing and helps businesses improve on service, customer support and delivery. The NPS global system was implemented during the year and therefore the Committee could not set granular targets at the start of the year. Consequently, the Committee made an assessment of performance under the NPS measure at the end of the year based on performance of JD against an international apparel retail index. The assessment was performed in partnership with Qualtrics XM, an established external provider in this area. The FY24 NPS score (determined in December 2023) for JD ranked the business between the median and upper quartile and therefore the Committee judged that an appropriate outcome was at an on-target level. Following implementation, JD is now in a position to set specific NPS targets for FY24/25 based on its own internal performance.

2021 LTIP Outturn

LTIP metric	Proportion of base award	Performance condition weighting	Threshold	Outcome	Achievement (% of salary) following pro-rating
Profit Before Tax and Adjusting items* – cash element	67%	100%	£442.4m	£917.2m	130%
Profit Before Tax and Adjusting items* – share element	33%				10%
Overall achievement					140%

Annual Report on Remuneration

The sections of this report subject to audit have been highlighted.

Single Figure Table – Executive Directors (Audited)

(£'000)		Salary and fees	Benefits[2]	Pension[3]	Annual bonus[4]	LTIP[5]	Other[6]	Total	Total fixed pay	Total variable pay
Régis Schultz	2023/24	1,040	109	42	395	-	-	1,586	1,191	395
	2022/23	406	325	16	-	-	2,173	2,920	747	2,173
Dominic Platt[1]	2023/24	180	21	7	42	-	674	924	208	716
	2022/23	-	-	-	-	-	-	-	-	-
Neil Greenhalgh[1]	2023/24	300	10	12	114	477	-	913	322	591
	2022/23	603	11	23	649	649	-	1,935	637	1,298

Notes
1. Neil Greenhalgh stepped down from the Board and his role as CFO on 4 October 2023, with Dominic Platt being appointed to the Board and the role of CFO effective from the same date. The amounts disclosed above are in respect of the periods they served as Directors.
2. Benefits include a car allowance and private medical and health insurance. The amounts for Régis Schultz and Dominic Platt include a disturbance allowance of £60,000 and £50,000 per annum payable for three years post-appointment.
3. The pension provision for Régis Schultz for the financial year ending 28 January 2023 had not been confirmed as at the reporting date. The amount for the year ending 28 January 2023 (£16,234) has been restated to reflect the amount paid, which is in line with the Policy at 4% of salary.
4. The annual bonus payments in respect of the 53 weeks ending 3 February 2024 for Neil Greenhalgh and Dominic Platt have been pro-rated for the period they were actively working during the year.
5. The LTIP awards granted in April 2021 vest subject to performance conditions measured over a three financial year period to 3 February 2024. As a result of Profit Before Tax and Adjusting Items* performance, and pro-rating for time based on the proportion of the vesting period in service, the cash element of the award will vest at 130% of salary. This performance outcome corresponds to a total cash value of £442,833 for Neil Greenhalgh. Under the share element, 24,335 shares will vest on 20 October 2026. This corresponds to an estimated value of £34,489 based on the average share price of £1.42 over the quarter to 3 February 2024.
6. Dominic Platt received a buy-out award in respect of the awards he forfeited from his previous employer on commencement of employment with the Group. Further details are set out on page 124. In respect of 2022/23, Régis received a buy-out 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 are set out in the 2023 Directors' Remuneration Report.

Single Figure Table – Non-Executive Directors (Audited)

(£'000)		Salary and fees[1]	Benefits[3]	Total[1]
Andrew Higginson	2023/24	480	-	480
	2022/23	268	-	268
Andy Long	2023/24	71	-	71
	2022/23	17	-	17
Kath Smith	2023/24	116	1	117
	2022/23	590	-	590
Angela Luger[2]	2023/24	59	-	59
	2022/23	-	-	-
Bert Hoyt	2023/24	94	1	95
	2022/23	74	-	74
Darren Shapland[2]	2023/24	55	-	55
	2022/23	-	-	-
Ian Dyson[2]	2023/24	77	-	77
	2022/23	-	-	-
Helen Ashton	2023/24	106	1	107
	2022/23	284	-	284
Mahbobeh Sabetnia	2023/24	86	-	86
	2022/23	64	-	64
Suzi Williams	2023/24	98	1	99
	2022/23	55	-	55

Notes
1. The Non-Executive Directors are not entitled to participate in any incentive schemes and thus receive no variable pay.
2. Ian Dyson was appointed to the Board on 9 March 2023, and Angela Luger and Darren Shapland were appointed to the Board on 1 June 2023.
3. Value shown relates to reimbursement of reasonable travelling and other expenses (including any relevant tax) incurred in carrying out their duties.

Salary and Pension for 2023/24 (Audited)

The Executive Directors' salaries were reviewed on 1 April 2023, taking into account wider workforce increases. The Committee determined that Régis Schultz would receive a salary increase of 6% to £1,049,400, below that of the wider workforce which was on average awarded an increase of 11% for retail and 8% for Head Office staff. As Neil Greenhalgh was serving his notice, he did not receive a salary increase. Dominic Platt was appointed during the period on a base salary of £550,000.

As per the Policy, the Executive Directors are entitled to a pension contribution of 4% of salary, aligned with the wider workforce.

Determination of 2023/24 Bonus (Audited)

Régis Schultz, Neil Greenhalgh and Dominic Platt had the opportunity to earn a bonus of 200% of salary. Recognising that Dominic Platt joined in the second half of the year, it was determined that he would be entitled to participate in respect of the financial elements of the annual bonus only. As his primary focus was on delivering the financial performance, it was therefore determined that he would not be entitled to earn any bonus under the non-financial elements given the limited time in role during the year.

The Committee established threshold and maximum performance levels considering internal budgets and analysts' consensus forecasts and did not adjust the targets during the year. The approach taken to assessing financial performance against these measures was based on a straight-line payout between 25% for threshold performance, 50% for target performance and 100% achievement for maximum performance.

The targets and outcomes for the year were as follows:

Performance metric	Weighting	Threshold (25%)	Target (50%)	Maximum (100%)	Actual outcome	Actual outcome (% of maximum)	Achievement (% of maximum bonus earned)
Profit Before Tax and Adjusting Items**1*	50%	£988.8m	£1,034.7m	£1,092.9m	£936.6m	0%	0%
Group Revenue**2	15%	£10,060.3m	£10,213.2m	£10,717.5m	£10,482.4m	77%	11.5%
Free Cash Flow**3	15%	£670.4m	£693.7m	£710.8m	£536.4m	0%	0%
Group Employee Engagement4	10%	69%	71%	73%	69%	25%	2.5%
Group Net Promoter Score5	10%		See below			50%	5%
Total	100%						19.0%

1. This is aligned with the Profit Before Tax and Adjusted Items* KPIs on page 32. Adjustments are then made to align the business outcome with how the targets were calculated and are converted to constant currency, to ensure a fair comparison vs. the targets set at the start of the year.
2. This is aligned with the revenue KPI* on page 32. Adjustments are then made to align the business outcome with how the targets were calculated and are converted to constant currency, to ensure a fair comparison vs. the targets set at the start of the year.
3. Free Cash Flow** is calculated by taking Profit Before Tax and Adjusting Items, and making adjustments for interest paid/ received, depreciation, working capital movements and Capital Expenditure. These adjustments are made under IAS 17 for leases, as opposed to IFRS 16.4.
4. Group Employee Engagement is the output of a survey that measures how engaged our employees feel and their perceptions of the Company.
5. Net Promoter Score is used to measure customer loyalty and satisfaction.

In relation to the employee engagement condition:

The Employee Engagement score is based on the results of the annual Global Engagement Survey which is run independently by a third party (ETS). The resulting score of 69% resulted in a threshold payout under this measure, reflecting the level of change within the business and the challenging economic context within which JD is operating.

In relation to the NPS condition:

The NPS global system was implemented during the year and therefore the Committee could not set granular targets at the start of the year. Therefore, the Committee made an assessment of performance under the NPS measure at the end of the year based on the performance of JD against an international apparel retail index. We did this working in partnership with Qualtrics XM, an established external provider in this area. The FY24 NPS score (determined in December 2023) for JD ranked the business between the median and upper quartile and therefore the Committee judged that an appropriate outcome was at an on-target level. Following implementation, JD is now in a position to set specific NPS targets for FY24/25 based on its own internal performance.

Taking into account the performance, the annual bonus achievement was as set out below.

Executive Director	Achievement (% of maximum)	2023/24 annual bonus earned[1]	Amount delivered in cash (50%)	Amount delivered in shares (50%)
Régis Schultz	19.0%	£395,084	£197,542	£197,542
Neil Greenhalgh	19.0%	£114,022	£57,011	£57,011
Dominic Platt[2]	11.5%	£42,179	£21,090	£21,089

1. Pro-rated to reflect the period actively worked during the year for Neil Greenhalgh (to 4 October 2023) and Dominic Platt (from 4 October 2023 to 3 February 2024).
2. Recognising that Dominic Platt joined in the second half of the year, it was determined that he would be entitled to participate in respect of the financial elements of the annual bonus only. The outcome is therefore based on the financial metrics only.

As per the Policy, 50% of the bonus will be deferred into shares for a three year period, normally subject to continued service.

The Committee is satisfied that the annual bonus earned by the Executive Directors is a fair reflection of corporate and individual performance during the year, and it did not use any discretion in determining the outcomes above.

LTIP Awards with Performance Period Ending 2023/24 (Audited)

Legacy LTIP awards granted to Neil Greenhalgh in 2021 completed their performance period of the three financial years to 3 February 2024. The award is structured as follows:

Award	Award size	Proportion of award	Number of shares granted	Grant date	Vesting date
2021 LTIP award – cash element	100% of salary	67%	n/a	20 October 2021	20 October 2024
2021 LTIP award – share element		33%	53,225[1]		20 October 2026

1. Following the 5 for 1 share split that took effect on 30 November 2021, the number of shares underlying the award granted to Neil Greenhalgh was adjusted to 53,225 (the original number of shares underlying the award was 10,645).

Neil Greenhalgh's cash awards were subject to the following performance targets relating to the Group's Profit Before Tax and Adjusting Items* without further adjustment for remuneration purposes (100%).

The Profit Before Tax and Adjusting Items* condition is structured as follows:

- Baseline Profit Before Tax and Adjusting Items* required for threshold vesting: £442.4 million.
- For each additional £5 million increment of Profit Before Tax and Adjusting Items* achieved above this baseline, an additional 1.65% of the Profit Before Tax and Adjusting Items* portion of the award vests.

The total vesting of the cash award is then calculated as follows:

- The total vesting of the Profit Before Tax and Adjusting Items* portion is determined.
- If this total is above 250% of salary, then the vesting is capped at this maximum level.

The share element is subject to a Profit Before Tax and Adjusting Items* underpin such that if the baseline level is met, 100% of the number of shares would vest (subject to the overall cap on payout of 250% of salary).

The table below sets out the performance against the Profit Before Tax and Adjusting Items* for the 2021 LTIP award:

Element	Base award (% of salary)	Baseline Profit Before Tax and Adjusting Items*	Actual Profit Before Tax and Adjusting Items* performance	Additional £5m Profit Before Tax and Adjusting Items* increments achieved above baseline	Additional % of salary awarded for each £5m Profit Before Tax and Adjusting Items* increments achieved above baseline	Outcome (% of salary)
Cash award	67%	£442.4m	£917.2m	94	1.11%	171%
Share award	33%			N/A	N/A	33%

Performance condition	Vesting level (% of salary)	Above 250% of salary cap?	Total vesting (% of salary)
Growth in Profit Before Tax and Adjusting Items*	204%	No	204%

The actual growth in Profit Before Tax and Adjusting Items* was between threshold and maximum over the course of the performance period. The vested award has been prorated for time based on the proportion of the vesting period in service being the period until 3 February 2024, recognising this is the point at which Neil ceased to be an employee.

Director	Base award (% of salary)	Vested award (% of salary)	Total value
Neil Greenhalgh	100%	140%	£477,322

1. The value of the 24,335 shares due to vest (£34,489) on 20 October 2026 has been estimated using the average closing share price over the final quarter of the 53 weeks ending 3 February 2024 of £1.42. The value of the cash award on vesting is 130% of salary or £442,833.

Scheme Interests Awarded During the Year (Audited)

LTIP Awards in Respect of FY24

Following the introduction of the new Policy, the Committee granted an award under the new LTIP to the Executive Directors, which will vest on 25 October 2026 as follows:

Executive Director	Type of award	Award as % of salary	Face value of awards	Number of shares awarded[1]	Vesting for threshold performance	Performance period
Régis Schultz	Nil-cost option	200%	£2,089,800	1,627,607	25%	3 financial years commencing on 29 January 2023
Dominic Platt	Nil-cost option	200%	£1,100,000	853,043		

1. Based on the share price of £1.2895 on 24 October 2023.

The awards are subject to the following performance conditions:

Performance condition	Threshold (25% of maximum)	Target (50% of maximum)	Maximum (100% of maximum)
FY26 Adjusted Basic Earnings Per Share**[1]	5% p.a. growth (15.50p)	7.5% p.a. growth (16.63p)	10% p.a. growth (17.82p)

1. Adjusted Basic Earnings Per Share** is aligned with the KPI on page 33, except that a constant currency basis will be used to ensure a fair comparison vs. the targets set. Exchange rates to be used in calculating Adjusted Basic Earnings Per Share** are: USD: 1.23, Euro: 1.17.

The LTIP award will also be subject to an ESG underpin such that the vested award will reduce by up to 20% on a 'hit or miss' basis for each of two metrics if ESG performance of the Group is deemed not to be satisfactory over the relevant performance period, based on an assessment by the Committee of the following conditions:

- 10% based on achievement of an Employee Engagement score in the final year of the performance period (based on results expected to be released in December 2025) at least equal to the retail engagement benchmark of 73% as provided by Expert Training Systems (ETS) or other similar external underpin measure as determined by the Committee.
- 10% based on achievement of a Climate Change rating of at least 'B' by the Carbon Disclosure Project (CDP) in the final financial year of the performance period.

As per the Policy, the award is subject to a two-year post-vesting holding period.

Additional Awards in Respect of FY23

As set out in the Chair's letter on page 118, an award of shares was made to Régis Schultz in respect of FY23, which is subject to the achievement of a Profit before Tax and Adjusting Items** underpin that will be measured at the end of a three-year performance period commencing on 30 January 2022. The Profit before Tax and Adjusting Items** in the final year of the performance period must be at least £994.56 million for the award to vest. Subject to meeting this condition, the award will vest on 25 October 2027, which is five years from the point at which the awards would ordinarily have been granted in FY23.

Executive Director	Type of award	Award as % of salary	Face value of awards	Number of shares awarded[1]	Vesting for threshold performance	Performance period
Régis Schultz	Nil-cost option	100%	£990,000	980,100	n/a	3 financial years commencing on 30 January 2022

1. Based on the average closing share price over October 2022 of £1.01.

Buy-out Award

Dominic Platt was granted an award of shares as part of his recruitment as CFO in respect of awards he forfeited from his previous employer upon commencement of employment with JD. The value of the buy-out award was of equivalent value to those awards forfeited.

As explained in the RNS announcement published on 27 October 2023, the buy-out award has been delivered half in the form of cash and half in shares (after application of tax and social security) in order to give Dominic Platt a stake in the business and alignment with the interests of shareholders.

Executive Director	Type of award	Award as % of salary	Face value of awards	Number of shares awarded[1]	Vesting for threshold performance	Performance period
Dominic Platt	Restricted shares	In line with value of awards forfeited from his previous employer	£337,000	138,511	n/a	n/a

1. These are the number of shares after application of tax and social security, based on the share price on 24 October 2023 of £1.2895.

The buy-out has a total face value of £674,000, of which £337,000 was paid in cash and of which £337,000 comprised an award of 138,511 shares (after application of tax and social security) which vest subject to continued service as follows:

Employment terminated other than as a 'Good Leaver'[1] prior to date	Proportion of shares under buyout award forfeited
4 October 2024	100%
4 October 2025	75%
4 October 2026	50%
4 October 2027	25%

1. The definition of a "Good Leaver" is as set out in the Directors' Remuneration Policy on page 143 of the Annual Report and Accounts 2023.

Arrangements for Departing Directors (Audited)

As explained in the Chair's letter on page 118, Neil Greenhalgh informed the Board of his intention to step down from his role as CFO during 2023/24. He has been a key part of the team that has delivered tremendous growth in the business, following 20 successful years' tenure with JD. Recognising the importance and challenge of finding the right CFO candidate for JD, on request from the Board, Neil kindly agreed to continue in the role as long as necessary until a new CFO candidate was secured. Notice periods and other commitments meant that the earliest time that our new CFO Dominic could join the business was in October 2023. At this point, Neil stepped down from the Board, 12 months after initially handing in his notice, and at the request of the Board, agreed to remain fully available as an employee for hand-over matters through to the end of the financial year.

Given his long service and goodwill to JD during the transition period, the Committee determined that it was appropriate for Neil to be treated as a Good Leaver for the purpose of outstanding incentive arrangements.

Salary, Pension and Benefits

Neil continued to receive his contractual entitlement to salary, pension and benefits for the period following him stepping down from the Board on 4 October 2023, but whilst remaining fully available as an employee to support an orderly transition with the new CFO until 3 February 2024. This amounts to £160,953.

Annual Bonus

As set out on page 122, the Committee determined that Neil would be eligible for an annual bonus for the financial year ending 3 February 2024. The amounts paid to Neil in respect of this annual bonus have been disclosed in the single figure table on page 121.

LTIP

As set out above, the Committee determined that Neil would be treated as a Good Leaver in respect of his outstanding LTIP award. The LTIP award has been pro-rated for time based on the period between the grant date and 3 February 2024 (being the point at which Neil ceased to be an employee) as a proportion of the vesting period. The LTIP awards will vest on the relevant normal vesting date.

The value of the awards due to vest following the assessment of performance and time pro-ration in respect of the LTIP award granted on 20 October 2021 have been disclosed in the single figure table on page 121.

No other payments were made to Neil Greenhalgh in connection with him stepping down from the Board.

No payments have been made to past Directors in the year.

Directors' Shareholding and Share Interests (Audited)

The interests of the Directors who served during the year 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 3 February 2024
Executive Directors					
Régis Schultz	1,087,387	2,607,707	-	-	3,695,094
Neil Greenhalgh[3]	10,000	53,225	-	-	63,225
Dominic Platt	138,511	853,043	-	-	991,554
Non-Executive Directors					
Andrew Higginson[4]	504,133	-	-	-	504,133
Andy Long	63,273	-	-	-	63,273
Angela Luger	0	-	-	-	0
Ian Dyson[5]	40,000	-	-	-	40,000
Kath Smith	0	-	-	-	0
Bert Hoyt	0	-	-	-	0
Darren Shapland	0	-	-	-	0
Helen Ashton	0	-	-	-	0
Mahbobeh Sabetnia	0	-	-	-	0
Suzi Williams	27,579	-	-	-	27,579

Notes
1. No options were exercised by the Directors during the year to 3 February 2024.
2. Refers to any awards granted under the deferred annual bonus scheme.
3. The figures for Neil Greenhalgh have been disclosed as at the date he stepped down from the Board on 4 October 2023.
4. 45,487 ordinary shares are held by Andrew Higginson's spouse.
5. All shares are held by Ian Dyson's spouse.
6. There have been no other changes to the share interests above between 3 February 2024 and 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?
Régis Schultz	200%	117%	No
Dominic Platt		28%	No
Neil Greenhalgh[3]		3%	No

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 on a net of tax basis.
2. Shareholding as a percentage of salary has been calculated based on the closing share price on 3 February 2024 of £1.13.
3. The figures for Neil Greenhalgh have been disclosed as at the date he stepped down from the Board on 4 October 2023.

Total Shareholder Return Graph

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 10 years. The Committee considers the FTSE All Share General Retailers Index a relevant index for TSR 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 2014 by taking the percentage change of the market price over the relevant period, reinvesting any dividends at the ex-dividend date.

History of CEO's Remuneration

The total remuneration figures for the individual carrying out the role of CEO during each of the last 10 financial years 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 year. The annual bonus payout 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 CEO	Jan 2015	Jan 2016	Jan 2017	Jan 2018	Jan 2019	Jan 2020	Jan 2021	Jan 2022	Jan 2023[1]	Jan 2023[2]	Jan 2023[2]	Jan 2024
Total remuneration (£m)	2.0	2.7	2.8	2.3	2.6	5.6	5.0	2.4	0.7	0.4	2.9	1.6
Annual bonus (% of maximum)	50%	100%	100%	100%	100%	100%	75%	90%	72%	n/a	n/a	19%
LTIP vesting (% of maximum)	n/a[1]	n/a[1]	100%[1]	n/a	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 pro-rated 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 where individuals were not awarded any LTIP awards that vested based on performance to the relevant year.

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 years. This has been compared to the respective percentage changes for JD Sports Fashion plc employees in line with the requirements of the regulations. As an additional voluntary disclosure, the percentage changes for the UK Head Office employees in the JD and Size? businesses have been provided. The UK Head Office-based employees are 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	2023 to 2024	2020 to 2021	2021 to 2022	2022 to 2023	2023 to 2024	2020 to 2021	2021 to 2022	2022 to 2023	2023 to 2024
Executive Directors												
Régis Schultz	N/A	N/A	N/A	+156.2%	N/A	N/A	N/A	-66.5%	N/A	N/A	N/A	N/A
Neil Greenhalgh	-3.5%	+19.8%	+81.1%	-50.2%	0%	0%	-8.3%	-9.9%	0%	+22.3%	+76.8%	-82.4%
Dominic Platt	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Executive Directors												
Andrew Higginson	NA	N/A	N/A	+79.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andy Long	N/A	N/A	N/A	+317.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bert Hoyt	N/A	N/A	+196.0%	+27.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Helen Ashton	N/A	N/A	+1570.6%	-62.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mahbobeh Sabetnia	N/A	N/A	+540.0%	+34.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kath Smith	+12.5%	+28.9%	+917.2%	-80.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Suzi Williams	N/A	N/A	N/A	+78.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Angela Luger	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Darren Shapland	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ian Dyson	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wider workforce												
Average Employee - JD Sports Fashion plc employees	N/A	+40.5%	+4.5%	+10.3%	N/A	-1.6%	-2.1%	-5.0%	N/A	-40.6%	+25.7%	-49.3%
Average Employee - UK Head Office- based	+1.3%	+14.7%	+2.0%	+9.1%	-23.2%	-3.9%	-3.9%	+5.0%	+0.5%	-37.2%	+37.6%	+18.8%

Notes
1. Some figures for prior periods have been restated, in the case of Directors in line with remuneration reported in the Single Figure Tables.
2. Dominic Platt, Angela Luger, Darren Shapland and Ian Dyson all joined during the year and therefore have no remuneration to compare to in the prior period.
3. The changes for Neil Greenhalgh, Kath Smith and Helen Ashton reflect changes to roles and remits during the 2023 financial year. 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.
4. 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 year.
5. Figures for the change from 2020 to 2021 are not available for all employees of JD Sports Fashion plc due to lack of data availability for this period (this data is available for UK Head Office-based employees).
6. Neil Greenhalgh stepped down from the Board and his role as CFO in October 2023 but continued in employment helping the new CFO transition. The figures reflect remuneration as an Executive Director.

Pay Ratio Information in Relation to the Total Remuneration of the Chief Executive Officer

The table below compares the total remuneration of the individuals carrying out the role of Chief Executive Officer to the remuneration of the 25th, 50th and 75th percentile of our UK employees.

Year	Methodology	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2023/24	**Option B**	**88:1**	**70:1**	**49:1**
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

Under Option B of The Companies (Miscellaneous Reporting) Regulations 2018, the latest available gender pay gap data (i.e. from 6 April 2023) 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 was 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 of 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
2023/24	£17,719	£18,053	£22,271	£ 22,751	£31,667	£ 32,398

The Committee considers that the 50th percentile pay ratio is consistent with the relative roles and responsibilities of the Chief Executive and the identified employee.

The CEO's remuneration package is more highly weighted towards variable pay including the annual bonus and LTIP than that of the workforce due to the nature and demands of the role. This also means that the ratio is likely to fluctuate depending on the outcomes of incentive plans in each year, as illustrated by the ratios to date. The reduction in the ratios for this year is driven by a reduction in the single figure outcome for the CEO in this year compared to the prior period which included the value of his buy-out award. In addition, there has been an increase in the total pay and benefits of the identified employees following the recent investments made into the pay of the wider workforce.

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 buy-backs and dividends, and total remuneration paid to all employees:

Payouts	2023/24 (£ m)	2022/23 (£ m)	Change (%)
Dividends	50.1	24.8	102.0%
Share buy-backs	–	–	0%
Total employee remuneration[1]	1,550.8	1,330.2	16.6%

Notes
1. Total employee remuneration includes wages and salaries, social security costs, pension costs and other employed staff costs.

Implementation of Policy for 2024/25

The table below outlines how we intend to operate the Remuneration Policy in 2024/25.

Key feature	Implementation in 2024/25
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 2.1% to £1,071,400, effective from 1 April 2024 - As the CFO has recently joined the Company, he is not entitled to receive a salary increase and therefore his salary of £550,000 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 up to 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 2024/25, the maximum bonus opportunity for the CEO and CFO is 200% of salary.
	- The performance measures for the 2024/25 annual bonus are as follows:
	  - Group Profit Before Tax and Adjusting Items** (50%)
	  - Group Revenue (15%)
	  - Free 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 2024/25.
	- The performance targets are considered commercially sensitive and will therefore be disclosed in next year's report.
	- The 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 Corporate Governance Transformation Programme.

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 2024/25, the maximum LTIP opportunity for the CEO and CFO will be 200% of salary. - Further details of the metrics and targets will be disclosed at the time of grant, expected to be October 2024.

Non-Executive Directors' Fees

The fees paid to the Chair of the Board and the Non-Executive Directors during the year is set out below. No fee increases are proposed for 2024.

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, Remuneration and ESG Committees	£20,000
Member of Board Committee (Audit, Remuneration, Nomination and ESG)	£7,500
Designated Workforce Engagement Non-Executive Director	£7,500
Designated Customer Duty Non-Executive Director	£7,500

Service Contracts and Letters of Appointment

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 Annual 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, and the policy on payments for loss of office and change of control.

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 Annual 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.

Remuneration Committee Roles and Membership

The current composition of the Committee and details of the changes to the composition during the financial year are detailed on page 117. The Committee met four times on a formal basis during the year under review and details of attendance at the Committee meetings are set out on page 117. The key activities of the Committee undertaken during the year are set out below.

Month	Principal activity
April	- Review of bonus and other incentivisation arrangements in relation to Executive Directors and members of Senior Management. - Consideration of pay packages for CEO and CFO - Finalise targets for 2023/24 annual bonus
June	- Approval of senior management remuneration proposals - Consideration of LTIP awards
September	- Consideration of shareholder feedback and AGM voting outcomes - Finalise LTIP awards to Executive Directors and members of Senior Management, including targets ahead of grant. - Consideration of pay decisions for outgoing CFO
January	- Review of Committee Terms of Reference - Consideration of proxy investor and corporate governance updates - Initial review of bonus outcomes and salary review for Executive Directors and wider workforce

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 former Chief Financial Officer, Régis Schultz, the Chief Executive Officer, and Dominic Platt, the Chief Financial Officer, have assisted the Committee when requested with regards to matters concerning key Executives below Board level.

Members of Senior Management, 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 Advisers

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 year, PwC advised on market practice, corporate governance and regulations, incentive 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 advice on Directors' remuneration to the Committee in 2023/24 were £98,400 excluding VAT. PwC charged its fees on a time and materials basis.

Engagement with Shareholders and Shareholder voting

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 engaged its major shareholders during the year regarding the operation of our new Long-Term Incentive Plan ahead of the first grant of awards in October 2023, in particular discussing the strategic rationale for the performance metrics applied to the awards.

The Directors' Annual Report on Remuneration and Remuneration Policy were each subject to a shareholder vote at the AGM and General Meeting held on 27 June 2023 and 13 December 2022 respectively, the results of which were as follows:

	For	Against	Withheld
Approval of Remuneration Report	4,312,822,587 (98.06%)	85,258,826 (1.94%)	33,177,028
Approval of Remuneration Policy	4,283,648,627 (99.22%)	33,577,063 (0.78%)	19,750

Engagement with the Wider Workforce

As part of her role as designated workforce engagement NED, Kath Smith engaged with the wider workforce on various topics during the year. This included holding two global engagement forums and a live town hall, hosted by Kath. These events covered a wide range of topics including pay & benefits, wellbeing, development and DE&I.

On behalf of the Remuneration Committee

DocuSigned by:

250385730504431...

Suzi Williams
Chair of the Remuneration Committee

3 June 2024

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 financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Responsibility Statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, 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;
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The Annual Report and Consolidated Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 3 June 2024 and is signed on its behalf by:

Régis Schultz
Chief Executive Officer

3 June 2024

Dominic Platt
Chief Financial Officer

3 June 2024

Independent Auditor's Report

to the members of JD Sports Fashion plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of JD Sports Fashion plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 3 February 2024 and of the Group's profit for the 53 weeks then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated statement of financial position and Parent Company balance sheet;
- the consolidated and Parent Company statements of changes in equity;
- the consolidated cash flow statement; and
- the consolidated notes 1 to 39 and Parent Company notes 1 to 24.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group for the 53 weeks are disclosed in note 3 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: - Impact of the internal control environment on our audit approach (Group and Parent Company); - Valuation of the Genesis put and call options (Group and Parent Company); - Manual adjustments required to record revenue from the subledger to the general ledger (Group and Parent Company); and - Accuracy of the Group consolidation – including the IFRS 16 overlay adjustments (Group). Deloitte LLP was appointed as auditor to the Group on 27 June 2023. This is therefore our first year as the Group's auditor. We have designed our audit in light of the deficiencies within the Group's control environment, being a combination of those identified by management and validated through our audit planning procedures, additional control observations we have raised during the course of our work, and the findings of the previous auditor. The nature, extent and timing of our audit procedures have been modified to respond to the pervasive risks arising from the weaknesses in the Group's control environment. More details of the impact that the Group's control environment and associated programme to improve the effectiveness of the Group's internal control over financial reporting (ICFR) have had on our audit approach are set out in the 'impact of the internal control environment on our audit approach' key audit matter below. In addition to the key audit matter regarding the impact of the Group's control environment on our audit approach (which is a new key audit matter in the year), we have identified the valuation of the Genesis put and call options on both the Group and Parent Company Balance Sheets as a key audit matter. This was also reported as a key audit matter by the previous auditor. We have also identified the accuracy of the Group consolidation (including IFRS 16 Group overlay adjustments) and manual adjustments to record revenue from the subledger to the general ledger as key audit matters. These were not identified as key audit matters by the previous auditor in the prior period.
Materiality	The materiality that we used for the Group financial statements was £46m, which was determined on the basis of 5% of adjusted profit before tax as described further on page 139.
Scoping	We focused our Group audit scope primarily on the audit work at 16 components. Seven of these components (JD UK, Go Outdoors, Genesis Holdings (US), JD Spain, Sprinter, JD Australia and JD France) were subject to full scope audit procedures. Specified balances (primarily revenue, inventory and cash and cash equivalents) were subject to audit testing in the other nine components. Together, these components represent the principal business units and account for 91% of the Group's revenue, 95% of the Group's profit before tax, 89% of the Group's adjusted profit before tax and 96% of the Group's net assets.

4. Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining confirmation of the Group's financing facilities, including the nature of facilities, repayment terms and covenants, to determine whether these facilities remain available at year end and subsequently. In performing this assessment, we have considered the impact of the Group's planned acquisitions of Hibbett and Courir in FY25 (as explained further in note 1) on the Group's financing facilities and forecast liquidity;
- assessing the reasonableness of the assumptions used in the three year plan ("medium term financial plan") approved by the Board;
- understanding the process used to prepare the forecasts including obtaining an understanding of relevant controls over management's model;
- reviewing the Group's liquidity forecast and performing sensitivity analysis to assess whether there is sufficient headroom over the going concern period;
- challenging the assumptions used within the Group's going concern model by obtaining third-party and market data and evaluating any differences between this data and the judgements and assumptions used by management;
- evaluating the historical accuracy of forecasts prepared by management;
- considering the mitigating factors and reasonable downside scenarios identified by management in relation to their going concern analysis; and
- assessing the appropriateness of the Group's disclosure concerning the going concern basis of accounting.

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

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Impact of the internal control environment on our audit approach (Group and Parent Company)

Key audit matter description	As discussed in the Audit & Risk Committee Report on pages 111 to 115, the Group implemented a Corporate Governance Transformation Programme in June 2021 which has overseen work to improve the Group's internal control over financial reporting (ICFR), including general IT controls. To date, the ICFR programme has focused predominantly on embedding a consistent control framework in key financial business processes across the Group as well as remediating priority control deficiencies identified, including from observations made by both the previous auditor and matters identified during the current external audit process. The Group is still early in its controls improvement programme and the need for further work remains, particularly in relation to strengthening the technical expertise in the finance team, implementing enhanced management review controls, reducing the complexity of the Group's consolidation process and reducing manual interventions in finance systems and processes. In addition, general IT control deficiencies relating to access and change management controls across a range of financial reporting systems across the Group need to be addressed. A number of prior period adjustments affecting both the Group and Parent Company financial statements have been identified in the year. The prior period adjustments decrease previously reported retained earnings at 30 January 2022 by £82.6m and increase previously reported profit after tax for the 52 weeks ended 29 January 2023 by £45.8m in the Group and increase previously reported retained earnings at 30 January 2022 by £198.0m and decrease previously reported profit after tax for the 52 weeks ended 29 January 2023 by £153.8m in the Parent Company. Both the Group and Parent Company financial statements have been restated in this regard. Details of the prior period adjustments are set out in note 39 for the Group, and C24 for the Parent Company. The prior period adjustments are indicative of the ongoing control issues within the Group, as highlighted above. The control environment will continue to be a significant area of focus for the Audit & Risk Committee in the forthcoming year as discussed in its Report on pages 111 to 115.

How the scope of our audit responded to the key audit matter	We adopted a fully substantive audit approach, with no reliance placed on internal controls. Given the issues identified in this area during the planning phase of our work, we designed our audit from the outset to respond to the deficiencies within the control environment. Consequently, the nature, extent and timing of our audit procedures were designed to address the pervasive risks arising from the deficiencies in the control environment (including IT controls). Specifically: - In response to the deficiencies in the Group's control environment and, given this is our first year as auditor, our audit has been designed to obtain a high level of coverage of the components across the Group. As a result, we have performed full scope audit procedures on 91% of the Group's revenue, 95% of profit before tax, 89% of adjusted profit before tax and 96% of net assets. Full scope audits have been performed on seven components and specified balances were subject to audit testing in another nine components. (See section 7 below for details of our scoping assessment); - We have used a lower performance materiality (being 50% of materiality) than would be ordinarily used, if the control environment had been deemed effective. This increased the volume of substantive testing completed (see section 6 below for our materiality assessment); - We performed additional procedures to identify and address fraud risks, including the involvement of a forensic specialist. Where key audit matters include a risk of fraud, the risks identified and procedures performed are detailed within the key audit matters set out below; - We performed walkthroughs of the Group's key business processes and obtained an understanding of the key controls we identified as a result; - We assessed the control deficiencies identified by management as a result of the ICFR programme and from our understanding of key controls and, where necessary, designed specific audit procedures to mitigate the associated risks. We also held regular meetings with Internal Audit and key members of the JD Controls team throughout the period to understand the progress of management's controls project and consider the implications for our audit; - Senior members of the audit team have performed audit testing directly in the more complex areas of accounting, including: IFRS 16 overlay adjustments and the audit of the Group's consolidation (see 5.4 key audit matter below); and the assessment of and accounting for prior period adjustments; - Increased the levels of review by more senior members of the audit team, and involved a forensic specialist in helping to determine journals with characteristics of audit interest which may be indicative of management override of controls. These characteristics included key word searches, round sum journals, infrequent journal postings and journals to unrelated accounts; - Sample tested journals which we identified as having characteristics of audit interest. The nature of the sampled journals has been understood and evidence obtained to support the accuracy and validity of the underlying transaction and the associated journal. Consolidation journals have been separately tested as discussed in section 5.4 key audit matter below; - We utilised data analytics in our testing, particularly with regards to revenue and inventory where there are large volumes of transactional data. We have performed sample testing on the underlying transactional data used in this analysis in order to assess its completeness and accuracy, given the IT control deficiencies noted above. We have used spreadsheet analysing tools to detect formula errors and other anomalies. We have also engaged modelling specialists to assist us in evaluating the integrity of the consolidation (see 5.4 key audit matter below); - The extended reporting timetable has given us additional time to perform the incremental audit work required. It has also enabled us to use a longer hindsight period to assess the appropriateness of year end judgements; - We challenged management's consideration of each error identified in the period against the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors.' We also challenged management on its process for identifying errors and the completeness of potential adjustments; and - We assessed the disclosures made in the Annual Report and Accounts in relation to both the Group's control environment and the prior period adjustments.
Key observations	Whilst some improvements have been made to the control environment over the year, there are still significant improvements that need to be made in order to improve the accuracy and completeness of the underlying accounting records and reduce the extent of manual processing and manual control activities, which increase the scope for error. The need for further improvement is evidenced through the identification (and subsequent correction) of a number of prior period adjustments. The key areas where management has identified that further work is required to embed a consistent control framework across the Group and remediate the priority control deficiencies are set out on page 114 of the Audit & Risk Committee Report. We appropriately increased the scope of our audit procedures to address the risks identified. The Group Finance function is evolving and, whilst a number of key recruits have been made in the year (including a new Group CFO and Finance Director), it will take time to establish a permanent team of the right size and experience. Building the size and capability of the Group Finance team is a key priority for management in FY25.

5.2. Valuation of Genesis put and call options (the "Genesis Option")(Group and Parent Company)

Key audit matter description	As at 3 February, the net present value of the gross purchase obligation on the Group consolidated balance sheet for the Genesis Option was £736.6 million and the fair value for the Genesis Option recognised on the Parent Company balance sheet was £167.3 million. The Group has granted certain previous owners of its acquired US businesses, who have a continuing non-controlling interest in the wider JD US consolidated business (the 'Genesis business'), with options allowing them to sell their interest to the Group (a put option) in tranches at future dates. 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 as a gross obligation in the Group financial statements (reflecting the expected cost of purchasing the non-controlling interest), whereas they are accounted for as a derivative measured at fair value in the Parent company financial statements (reflecting the extent to which the option is in or out of the money, which is dictated predominantly by the pre-defined EBITDA multiple in the contract). The requirements of IFRS, and the valuation modelling undertaken to arrive at accounting entries, are inherently complex, and the valuation is materially sensitive to inputs which are subject to judgement and/or estimate (notably, the forecast profitability of the Genesis business). The financial statements (note 24 and C14) disclose the sensitivity as estimated by the Group and the Parent Company. Management has engaged a third-party valuations specialist to assist in valuing both the gross obligation and the fair value of the option using a Monte Carlo Simulation model. This is an area where we have directed significant levels of audit resource, including using specialists, and we have therefore identified this as a key audit matter, specifically in relation to the use of the Monte Carlo Simulation valuation model and the key input to that model, being the forecast profitability of the Genesis business (in particular the revenue growth, gross margin and operating cost assumptions). As described in the financial statements notes 24, C14 and the Audit & Risk Committee Report (page 113) the Parent Company has recognised a prior period restatement in respect of the fair value of the Genesis option; this relates to a change in valuation methodology to ensure the cash flows used in the Monte Carlo Simulation model are risk free. As a result of this, the fair value of the Genesis Option in the Parent Company financial statements has been restated by £130m with a corresponding reduction in the Income Statement.
How the scope of our audit responded to the key audit matter	To respond to this key audit matter, we have: - Obtained an understanding of the relevant controls over the valuation and accounting for the Genesis Option; - Read the option agreement between JD Sports and the non-controlling interest shareholders of the Genesis business and assessed and challenged the appropriateness of the accounting for the put and call option based on the terms of the contract; - Challenged the appropriateness of key assumptions used in the valuation model. Specifically, we have challenged the appropriateness of revenue growth assumptions, gross margin and operating costs against industry expectations, historical performance and peers. We have also considered post year-end performance of the Genesis business as part of our assessment of the reasonableness of the business forecasts; - Tested management's historical forecasting accuracy, by comparing previous forecasts against actual performance; - Engaged our valuations specialists to evaluate the Genesis Option valuations, covering both methodology and discount rate applied; - Assessed whether the disclosures in relation to the Genesis Option comply with the requirements of the accounting standards; and - Engaged our valuation specialists in auditing the prior period adjustment in relation to the Genesis Option. We have agreed the inputs to the model used to determine this adjustment to the previous Board approved budgets.
Key observations	Improvements are required over the controls surrounding the accounting for and valuation of the Group's put and call options, including the Genesis Option. We concluded that the valuation of the Genesis Option (as restated for the prior period adjustment) is appropriate in both the Group and Parent Company financial statements.

5.3. Manual adjustments required to record revenue from the subledger to the general ledger (Group and Parent Company)

Key audit matter description	The operational systems used to capture revenue are not interfaced with the general ledger which requires significant manual intervention to record revenue within the financial records. Whist the UK business implemented an automated interface in September 2023, in many components the process to record revenue from the subledger to the general ledger has included manual journals for most of FY24. Revenue transactions are settled via various tender types, principally cash, credit cards and gift cards. These mixed tender types, plus accounting for refunds and transactions related to the Group's customer loyalty programme make the process of recording revenue from the subledger to the general ledger more complicated. We consider that the manual nature of this process gives rise to a risk of material error. Further, given revenue is a key performance measure for the Group, we consider that this is an area of potential fraud risk. As a result of the above factors, this is an area where we have spent a significant amount of audit effort, including the involvement of our data analytics specialists to assist with our audit procedures. Manual adjustments required to record revenue from the sub ledger to the general ledger has therefore been identified as a key audit matter.
How the scope of our audit responded to the key audit matter	To respond to this key audit matter, we have: - Performed a walkthrough over the end-to-end process for recording of revenue from the point of sale through to the general ledger for each of the in-scope components. As part of this, we also obtained an understanding of the controls over the process; and - For all in scope components, with the involvement of our data analytics specialists, we have performed a 100% reconciliation between the point of sales system, the general ledger and bank to test the accuracy and completeness of the recorded revenue balance. Reconciling items have been tested separately by agreeing a sample through to supporting documentation. We have sample tested the underlying data used in the reconciliation. For instance, a sample of point of sales data has been agreed to store receipts. We have also agreed a sample of bank transactions through to third party bank statements.
Key observations	As set out in the Audit & Risk Committee Report on page 114, as part of the on-going ICFR programme, management are in the process of automating the interface between the sub ledger and the general ledger to record revenue. We are satisfied the reconciliation between revenue and cash is appropriate.

5.4 Accuracy of the Group consolidation - including the IFRS 16 overlay adjustments (Group)

Key audit matter description

The Group's consolidation process involves more manual steps than would be typical for an organisation of JD's size and scale and is performed in a legacy IT system called Controller which provides limited transparency as to the mechanics of the consolidation process, for example the calculation of non-controlling interests (NCI).

The manual nature of the consolidation and volume of the consolidation adjustments makes this process complex. There are over 1,000 consolidation journals, of which around 70% are manual. In addition to standard consolidation adjustments (such as to eliminate the Group's investment in subsidiaries), many of the consolidation journals are legacy items (relating to acquisitions, for instance) which are rolled forward each year. IFRS 16 overlay adjustments are also manually posted through the consolidation, since the Group's components still report their results to the Group under IAS 17, the previously applicable standard. These consolidation adjustments thus reverse the IAS 17 accounting performed by the subsidiaries and record the required IFRS 16 accounting entries. The translation of the Group's foreign currency subsidiaries into the Sterling reporting currency at year end is also performed manually.

Given the manual nature of the consolidation, we have identified the mechanical accuracy of the consolidation process as a key audit matter, specifically in relation to the determination of non-controlling interests, foreign currency translation amounts, the validity of legacy consolidation adjustments and the appropriateness of the IFRS 16 overlay adjustments. The accuracy of the Group's consolidation has also been identified as a potential fraud risk due to the level of manual intervention.

How the scope of our audit responded to the key audit matter

To respond to this key audit matter, we have:

- Obtained an understanding of the controls relating to the consolidation process;
- Engaged our data analytics team in rebuilding the consolidation to assess whether the Controller model is arithmetically accurate and whether the consolidation journals reconcile and are complete;
- Compared the nature and type of the consolidation journals in the current year to the consolidation journals in the prior period. Where there are differences in the journals year on year, we challenged management as to whether legacy consolidation adjustments remain appropriate, based on the current Group structure;
- Sample tested the consolidation journals. We have tested the sampled journals by challenging the reason for the adjustment and agreeing the details of the adjustment back to source documents;
- Reperformed the foreign currency translation of the overseas components into Sterling reporting currency and assessed whether the requirements of IAS 21 are being followed. We have agreed the underlying data in the calculation back to source;
- Reperformed the non-controlling interest calculations at the year end and compared our calculation to the Controller balances to assess whether the reported numbers are complete and accurate; and
- Understood the nature of the IFRS 16 overlay adjustments and tested a sample back to source documentation. In addition, we have performed a stand back assessment of the final right of use asset and lease liability reported in the consolidation and tested whether they reconcile with the balances reported in the lease accounting system (Horizon) and determined whether the legacy IAS 17 accounting entries have been properly eliminated.

Key observations

As a result of our audit procedures, we are satisfied the year end consolidation is materially complete and accurate. Through the course of our procedures, incorrect adjustments in relation to legacy consolidation entries affecting goodwill in the Group, and the foreign exchange translation in relation to intercompany amounts in the Parent Company, were identified. In addition, we identified that certain property leases were not being recorded timely by management, thereby understating the right of use asset and lease liability. Given the amounts were material, the prior year amounts have been restated by management. Further details of these adjustments are set out in note 39 and C24.

Management is looking at ways to simplify the consolidation process, which is expected to require investment in new IT systems as part of their ICFR programme to reduce the level of manual intervention. Further details are set out in the Audit Committee report on pages 111 to 115 .

6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	£46m (2023: £40m (as used by the previous auditor))	£22.3m (2023: £15m (as used by the previous auditor))
Basis for determining materiality	5% of adjusted profit before tax. The previous auditor used 4% of adjusted profit before tax. Adjusting items in both the current and prior period related to the impairment of non-current assets and divestment and restructuring costs, the release of deferred consideration and the movement in the fair value of the put and call options. Further details are set out in Note 4 to the accounts.	5% of adjusted profit before tax of the Parent Company. The previous auditor determined materiality in the prior period using 3.4% of adjusted profit before tax of the Parent Company.
Rationale for the benchmark applied	We have determined materiality based on 5% of adjusted profit before tax. The adjusting items relate to impairment charges or restructuring activity associated with the Group's acquisition and disposals. Further information of these items is set out in Note 4. Given the nature of the items, we have excluded these from the profit before tax measure used to determine materiality as they do not represent the normal continuing operations of the Group. This approach is consistent with management's key performance measure used internally to measure the Group's performance and in the Directors' remuneration targets. See page 122 for further details. Our determined materiality represents 0.4% (2023: 0.4%) of the Group's revenue from continuing operations and 1.6% (2023: 1.5%) of net assets.	We have determined materiality on a consistent basis with Group materiality given the Parent Company includes the trade of the JD UK business.

6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	50% (2023: 65%) of Group materiality (as used by the previous auditor)	50% (2023: 65%) of Parent Company materiality (as used by the previous auditor)
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: - our risk assessment, including our assessment of the Group's overall control environment in the light of the number of control deficiencies identified during the current and previous audits (as detailed within the key audit matter above); - the results of the previous years' audits performed by KPMG LLP, including the value and quantum of corrected and uncorrected misstatements in prior periods and our expectation of the likelihood of misstatements recurring in the current period, as a result of the continuing control deficiencies; and - prior period errors identified in the current year.	

6.3 Error reporting threshold

We agreed with the Audit & Risk Committee that we would report to the Committee all audit differences in excess of £2.3m (2023: £2m (as determined by the previous auditor)), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit & Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

Given this is our first year as the Group's auditor and in response to the deficiencies in the Group's control environment (see section 5.1 above), our audit has been designed to obtain a high level of coverage over the components of the Group. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified.

The Group has 75 components. We focused our audit on 16 components. Seven were subject to a full audit (Scope A components) being JD UK, Go Outdoors, Genesis Holdings (US), JD Spain, Sprinter, JD Australia, and JD France. We performed an audit of specified balances (primarily being revenue, inventory, and cash) at a further nine components (Scope B components). The components subject to specified balances testing were Germany, Italy, Holland, MIG, Blacks, Ireland, JD Gyms, Sportszone Portugal and Deporvillage. The extent of our testing on Scope B components was based on our assessment of the risks of material misstatement and the materiality of the Group's operations at these components.

These components represent the principal business units and account for 91% of the Group's revenue, 95% of the Group's profit before tax, 89% of the Group's adjusted profit before tax, and 96% of the Group's net assets. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above.

The previous auditor subjected three components to full scope audit procedures. In addition, six components were subject to specified balances testing focused on revenue, cash and journals. These components accounted for 68% of the Group's revenue, 74% of the Group's profit before tax and 76% of the Group's total assets in the prior period.

Our audit work at the components was executed at levels of component performance materiality applicable to each individual entity which were lower than Group materiality and ranged from £9m to £14m. At the Group level, we also performed audit procedures on centrally held balances including derivatives, leases, put and call options, goodwill and litigations and claims and tested impairment. We also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

Inventory counts were performed by local country Deloitte audit teams all of whom received a briefing by the Group audit team prior to attending the count. All inventory counts were attended in person.

7.2. Our consideration of the control environment
The Group's operations utilise a range of information systems which underpin the financial reporting process. For all of the components that were subject to full scope audits (Scope A), we obtained an understanding of the relevant IT systems for the purpose of our audit work. We identified the main finance systems, inventory systems and in-store transaction processing systems as the key IT systems relevant to our audit.

For the in-scope IT systems, we engaged our IT audit specialists to evaluate the IT systems. A number of IT control deficiencies have been identified during the course of our audit work. The remediation of these controls is part of management's ICFR project, further details of which are set out on page 114.

As a result of these findings (and the other control deficiencies mentioned in Section 5.1 above), we were unable to adopt a controls reliance audit approach. As described by the Audit & Risk Committee in its Report on page 114, management has implemented a controls improvement project to strengthen the Group's control environment. This project commenced in FY22 and remained ongoing at the year end. Accordingly, we designed our audit from the outset to respond to the deficiencies within the control environment. Consequently, the nature, extent and timing of our audit procedures were designed to address the pervasive risks arising from the deficiencies in the control environment (including IT controls). Further details are set out in the 'impact of the internal control environment on our audit approach' key audit matter in section 5.1 above.

7.3. Our consideration of climate-related risks
As highlighted in management's Task Force on Climate Related Financial Disclosures (TCFD) report on pages 60 to 69 and the principal risks on pages 46 to 53, the Group is exposed to the impacts of climate change on its business and operations. The Group has set targets to reduce their scope 1 and 2 emissions, and continues to develop its assessment of the potential impact of climate change including a scope 3 emissions reduction plan. Management considers that the most likely impact on the financial statements will be in relation to its three year plan cash flow forecasts and has included the estimated impact within these forecasts, where appropriate. Whilst at this stage there is significant uncertainty regarding what the long-term impact of climate change initiatives may be, the forecasts reflect management's assessment of their best estimate made in the financial statements as explained in Note 1. As part of our audit procedures, we held discussions with management to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. We completed an independent climate-based risk assessment to consider the potential impact of climate change on the Group's financial statements, including the extent to which climate change considerations have been included in the Group's forecast financial information. We used this to assess the completeness of the Group's identified risks and to develop audit procedures to respond to these risks, in particular as part of our work in relation to impairment and long-term viability. Our procedures were performed with the involvement of our ESG Centre of Excellence and included reading disclosures in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit. We have not been engaged to provide assurance over the accuracy of these disclosures.

7.4 Working with other auditors
The Group audit team issued detailed instructions to the component auditors and visited the component auditors for each of the Scope A components in the US, Spain and Australia and the Scope B component in Poland. The Group operates a Shared Service Centre ("SSC") in the UK which performs the finance function for some of its UK and European entities; this includes the components JD France, Go Outdoors, Blacks and JD Gyms. Given the location of the financial records, the audit work for these components has thus been performed by the Group engagement team (JD France) or the UK component team (Go Outdoors, Blacks and JD Gyms). The audit work in relation to the Parent Company, which forms the UK component, has also been performed directly by the Group audit team.

Dedicated members of the Group audit team are focused on overseeing the role of the component audit teams, ensuring we applied a consistent audit approach to the operations in the Group's UK and international businesses. Audit visits by the Group audit team to the component locations were timed to enable us to be involved during the planning and risk assessment process in addition to the execution of detailed audit procedures. During our visits we attended key meetings with component management and auditors and reviewed and challenged detailed component auditor working papers in the underlying audit files and component reporting. In addition, we attended component audit closing calls and other key meetings with management throughout the 2023/24 audit process. Additionally, the Scope A component audit teams attended a two day in person planning meeting in June 2023 held prior to commencement of our detailed audit work. In addition, they also attended an update meeting (held virtually) in January 2024. Both of these sessions were led by the Group audit team. The purpose of these meetings was to ensure a good level of understanding of the Group's businesses, its core strategy and a thorough discussion of the significant risks and workshops on our planned audit approach. Group management also attended part of the meetings in both June and January to support these planning activities.

8. Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the 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 the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

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

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

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

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

11.1. Identifying and assessing potential risks related to irregularities
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the board on 21 March;
- results of our enquiries of management, internal audit, the directors and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, IT and forensic specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Manual adjustments required to record revenue from subledgers to the general ledger; and
- Accuracy of the Group consolidation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the relevant laws and regulations applicable to the Group (including its components) and the sector it operates in, such as UK Companies Act, Listing Rules and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. We identified the following areas as those most likely to have such an effect: competition and anti-bribery laws, data protection laws, certain aspects of company legislation recognising the regulated nature of the Group's activities, employment law, advertising standards, environmental and health and safety regulations.

11.2. Audit response to risks identified
As a result of performing the above, we identified manual adjustments required to record revenue from subledger to the general ledger, and the accuracy of the Group consolidation as a key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by 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.

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified (set out on page 150);
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate (set out on page 54);
- the directors' statement on fair, balanced and understandable (set out on page 115);
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks (set out on page 100);
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems (set out on page 112); and
- the section describing the work of the Audit & Risk Committee (set out on pages 111 to 115).

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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 are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit & Risk Committee, we were appointed by the Board of Directors on 27 June 2023 to audit the financial statements for the 53 weeks ended 3 February 2024 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is therefore one year.

15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R - DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R - DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R - DTR 4.1.18R

DocuSigned by:

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Jane Boardman FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, UK

3 June 2024

Consolidated Income Statement

For the 53 weeks ended 3 February 2024

		53 weeks to 3 February 2024			Restated(1) 52 weeks to 28 January 2023		
	Note	Profit before adjusting items £m	Adjusting items £m	Profit for the period £m	Profit before adjusting items £m	Adjusting items £m	Profit for the period £m
Revenue	2	10,542.0	-	10,542.0	10,125.0	-	10,125.0
Cost of sales		(5,494.0)	-	(5,494.0)	(5,247.4)	-	(5,247.4)
Gross profit		5,048.0	-	5,048.0	4,877.6	-	4,877.6
Selling and distribution expenses		(3,622.7)	-	(3,622.7)	(3,353.5)	-	(3,353.5)
Administrative expenses	4	(483.5)	(52.7)	(536.2)	(497.3)	(254.3)	(751.6)
Share of profit of equity-accounted investees	3, 17	7.6	-	7.6	4.9	-	4.9
Other operating income	3	30.5	-	30.5	28.6	-	28.6
Operating profit		979.9	(52.7)	927.2	1,060.3	(254.3)	806.0
Finance income	7	39.2	-	39.2	8.4	-	8.4
Finance expenses	4, 8	(101.9)	5.5	(96.4)	(77.3)	(250.4)	(327.7)
Impairment loss on financial assets	4	-	(58.8)	(58.8)	-	-	-
Net financial expense		(62.7)	(53.3)	(116.0)	(68.9)	(250.4)	(319.3)
Profit before tax	3	917.2	(106.0)	811.2	991.4	(504.7)	486.7
Income tax expense	9	(224.6)	18.4	(206.2)	(216.6)	2.4	(214.2)
Profit for the period		692.6	(87.6)	605.0	774.8	(502.3)	272.5
Attributable to equity holders of the parent				538.8			188.3
Attributable to non-controlling interest	28			66.2			84.2
Basic earnings per ordinary share	10			10.45p			3.65p
Diluted earnings per ordinary share	10			10.45p			3.65p

(1) Please refer to Note 39 for further details of the restatements.

Consolidated Statement of Comprehensive Income

For the 53 weeks ended 3 February 2024

	53 weeks to 3 February 2024 £m	Restated(1) 52 weeks to 28 January 2023 £m
Profit for the period	605.0	272.5
Other comprehensive income:		
Items that may be classified subsequently to the Consolidated Income Statement:		
Exchange differences on translation of foreign operations	(31.0)	129.8
Total other comprehensive (expense)/income for the period	(31.0)	129.8
Total comprehensive income for the period (net of income tax)	574.0	402.3
Attributable to equity holders of the parent	512.8	284.1
Attributable to non-controlling interest	61.2	118.2

(1) Please refer to Note 39 for further details of the restatements.

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 3 February 2024

	Note	As at 3 February 2024 £m	Restated[1] As at 28 January 2023 £m	Restated[1] As at 30 January 2022 £m
Non-current assets				
Intangible assets	13	1,429.3	1,500.5	1,514.7
Property, plant and equipment	14	1,151.9	875.6	688.5
Investment properties	15	3.1	-	-
Right-of-use assets	16	2,296.6	2,181.8	2,075.9
Investments in associates and joint ventures	17	43.5	38.8	56.2
Other assets	18	54.3	56.9	57.0
Trade and other receivables	20	0.7	8.4	2.5
Deferred tax assets	26	23.8	12.9	81.7
Total non-current assets		5,003.2	4,674.9	4,476.5
Current assets				
Inventories	19	1,592.7	1,466.4	989.4
Trade and other receivables	20	253.0	263.8	215.4
Income tax receivables		10.8	-	0.6
Cash and cash equivalents	21	1,152.7	1,508.0	1,314.0
Current assets excluding held-for-sale		3,009.2	3,238.2	2,519.4
Assets held-for-sale	35	33.8	197.5	157.1
Total current assets		3,043.0	3,435.7	2,676.5
Total assets		8,046.2	8,110.6	7,153.0
Current liabilities				
Interest-bearing loans and borrowings	22	(92.9)	(75.2)	(72.6)
Lease liabilities	16	(415.9)	(430.1)	(384.6)
Trade and other payables	24	(1,446.1)	(1,471.2)	(1,279.5)
Put and call option liabilities	24	-	(184.4)	(97.1)
Provisions	25	(7.5)	(9.7)	(13.2)
Income tax liabilities		(25.9)	(17.5)	-
Current liabilities excluding held-for-sale		(1,988.3)	(2,188.1)	(1,847.0)
Liabilities held-for-sale	35	(8.2)	(165.6)	(142.6)
Total current liabilities		(1,996.5)	(2,353.7)	(1,989.6)
Non-current liabilities				
Interest-bearing loans and borrowings	22	(36.6)	(38.0)	(55.5)
Lease liabilities	16	(2,068.1)	(1,953.9)	(1,901.6)
Other payables	24	(155.4)	(102.4)	(10.6)
Put and call option liabilities	24	(809.8)	(920.3)	(762.0)
Provisions	25	(21.7)	(21.1)	(19.9)
Deferred tax liabilities	26	(89.7)	(90.2)	(127.4)
Total non-current liabilities		(3,181.3)	(3,125.9)	(2,877.0)
Total liabilities		(5,177.8)	(5,479.6)	(4,866.6)
Net assets		2,868.4	2,631.0	2,286.4
Capital and reserves				
Issued ordinary share capital	27	2.5	2.5	2.5
Share premium	27	467.5	467.5	467.5
Retained earnings		2,213.8	1,974.6	1,828.0
Share based payment reserve	27, 32	2.9	0.3	0.1
Foreign currency translation reserve	27	70.8	96.8	1.0
Put and call option reserve	24,27	(301.3)	(424.6)	(426.3)
Total equity attributable to equity holders of the parent		2,456.2	2,117.1	1,872.8
Non-controlling interest	28	412.2	513.9	413.6
Total equity		2,868.4	2,631.0	2,286.4

(1) Please refer to Note 39 for further details of the restatements.

The accompanying notes form part of these financial statements. These financial statements were approved by the Board of Directors on 3 June 2024 and were signed on its behalf by:

Régis Schultz
Director
Registered number: 1888425

Consolidated Statement of Changes in Equity

For the 53 weeks ended 3 February 2024

	Ordinary share capital £m	Share premium £m	Retained earnings £m	Put and call option reserve £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 2022 (as reported)	**2.5**	**467.5**	**1,910.6**	**(414.5)**	**0.1**	**(40.2)**	**1,926.0**	**413.6**	**2,339.6**
Effect of prior period restatement (Note 39)	-	-	(82.6)	(11.8)	-	41.2	(53.2)	-	(53.2)
Balance at 30 January 2022 (restated[1])	**2.5**	**467.5**	**1,828.0**	**(426.3)**	**0.1**	**1.0**	**1,872.8**	**413.6**	**2,286.4**
Profit for the period (as reported)	-	-	142.5	-	-	-	142.5	84.2	226.7
Prior period restatement (Note 39)	-	-	45.8	-	-	-	45.8	-	45.8
Profit for the period (restated[1])	-	-	188.3	-	-	-	188.3	84.2	272.5
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	-	-	95.8	95.8	34.0	129.8
Total other comprehensive income	-	-	-	-	-	95.8	95.8	34.0	129.8
Total comprehensive income for the period	-	-	188.3	-	-	95.8	284.1	118.2	402.3
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)
Put and call options held with non-controlling interests (restated)[1]	-	-	-	5.1	-	-	5.1	-	5.1
Lapsed and disposed put options held by non-controlling interests	-	-	-	15.7	-	-	15.7	-	15.7
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 (restated[1])	**2.5**	**467.5**	**1,974.6**	**(424.6)**	**0.3**	**96.8**	**2,117.1**	**513.9**	**2,631.0**
Profit for the period	-	-	538.8	-	-	-	538.8	66.2	605.0
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	-	-	(26.0)	(26.0)	(5.0)	(31.0)
Total other comprehensive (loss)	-	-	-	-	-	(26.0)	(26.0)	(5.0)	(31.0)
Total comprehensive income for the period	-	-	538.8	-	-	(26.0)	512.8	61.2	574.0
Dividends to equity holders (Note 29)	-	-	(50.1)	-	-	-	(50.1)	(2.1)	(52.2)
Additions to put and call options held with non-controlling interests (Note 24b)	-	-	-	(428.8)	-	-	(428.8)	-	(428.8)
Lapsed and disposed put options held by non-controlling interests	-	-	129.7	72.0	-	-	201.7	-	201.7
Acquisition of non-controlling interest (Note 11)	-	-	(379.2)	480.1	-	-	100.9	(149.4)	(48.5)
Divestment of non-controlling interest	-	-	-	-	-	-	-	(11.4)	(11.4)
Share-based payment charge	-	-	-	-	2.6	-	2.6	-	2.6
Balance at 3 February 2024	**2.5**	**467.5**	**2,213.8**	**(301.3)**	**2.9**	**70.8**	**2,456.2**	**412.2**	**2,868.4**

(1) Please refer to Note 39 for further details of the restatements.

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the 53 weeks ended 3 February 2024

	Note	53 weeks to 3 February 2024 £m	Restated[1] 52 weeks to 28 January 2023 £m
Cash flows from operating activities			
Profit for the period		605.0	272.5
Adjustments for:			
Income tax expense (non-adjusting)	9	206.2	214.2
Finance expenses (non-adjusting)	8	101.9	77.3
Finance expenses (adjusting)	8	(5.5)	-
Finance income	7	(39.2)	(8.4)
Depreciation and amortisation of non-current assets	3	664.1	633.2
Foreign exchange gains on monetary assets and liabilities		-	2.5
Share based payment charge		2.6	-
Loss on disposal of non-current assets	3	7.6	5.1
(Gain)/loss on FX forward contracts (recorded in Cost of sales)		(16.7)	32.2
Impairment of other intangibles and non-current assets (non-adjusting)	3	21.6	3.4
Impairment of goodwill and fascia names (adjusting)	3, 4	34.9	117.6
Impairment of investments in associates and joint ventures (adjusting)	3, 4	-	19.6
Impairment of other intangibles and non-current assets (adjusting)	3, 4	4.3	6.0
Other non-cash adjusting items		69.2	361.5
Share of profit of equity-accounted investees (net of tax)	17	(7.6)	(4.9)
Profit before working capital changes		1,648.4	1,731.8
Increase in inventories		(196.2)	(501.3)
Increase in trade and other receivables		(35.6)	(49.0)
Increase in trade and other payables		34.7	151.7
Cash generated from operations		1,451.3	1,333.2
Interest paid	8	(17.5)	(8.4)
Lease interest paid	8, 16	(84.4)	(68.9)
Income taxes paid		(208.6)	(174.4)
Net cash from operating activities		1,140.8	1,081.5
Cash flows from investing activities			
Interest received	7	39.2	8.4
Proceeds from sale of non-current assets		11.1	11.5
Acquisition of intangible assets		(29.5)	(19.9)
Acquisition of property, plant and equipment		(500.0)	(326.6)
Acquisition of other non-current assets	18	(10.2)	(12.8)
Drawdown of lease liabilities		-	7.5
Dividends received from equity-accounted investees	17	-	3.4
Cash consideration of disposals (net of cash disposed)	12	(54.1)	59.6
Investment in associates and joint ventures	17	-	(2.8)
Acquisition of subsidiaries (net of cash acquired)	11	-	(20.0)
Net cash used in investing activities		(543.5)	(291.7)
Cash flows from financing activities			
Repayment of interest-bearing loans and borrowings		(124.9)	(37.4)
Drawdown of interest-bearing loans and borrowings		119.1	15.5
Repayment of lease liabilities	16, 33	(400.0)	(400.5)
Divestment of non-controlling interests		-	0.1
Deferred consideration paid		(5.1)	(29.2)
Acquisition of non-controlling interests	11	(551.8)	(29.3)
Equity dividends paid	29	(50.1)	(24.8)
Dividends paid to non-controlling interests in subsidiaries		(2.1)	(2.8)
Net cash used in financing activities		(1,014.9)	(508.4)
Net (decrease)/increase in cash and cash equivalents	33	(417.6)	281.4
Cash and cash equivalents at the beginning of the period (See Note 33) [2]	33	1,548.9	1,280.4
Foreign exchange losses on cash and cash equivalents	33	(29.7)	(12.9)
Cash and cash equivalents at the end of the period (See Note 33) [2]	33	1,101.6	1,548.9

(1) Please refer to Note 39 for further details of the restatement.

(2) Cash and cash equivalents at 28 January 2023 includes £74.5 million within assets held-for-sale (see Note 33 and Note 35). Cash and cash equivalents at 3 February 2024 includes £8.8 million within assets held-for-sale (see Note 33 and Note 35).

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 in the United Kingdom and registered in England and Wales. The financial statements for the 53 week period ended 3 February 2024 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 3 June 2024.

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 on a going concern basis, under the historical cost convention, except for the revaluation of certain financial instruments.

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'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 10 to 93. In addition, details of financial instruments and exposures to interest rate, foreign currency, credit and liquidity risks are outlined in Note 23.

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

At 3 February 2024, the Group had a cash and cash equivalents balance of £1,101.6 million (28 January 2023 (restated): £1,548.9 million), see Note 33, with available committed UK borrowing facilities of £700 million (28 January 2023: £700 million), see note 22, of which £Nil (28 January 2023: £Nil) has been drawn down and is available up to 6 November 2026 and US facilities of approximately $300 million of which $12.5m was drawn down (28 January 2023: $Nil) and is available up until 24 September 2026. There has been no material change in the extent of cash and facilities available since the period end.

These facilities are subject to certain covenants, please refer to Note 22. The Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

On 23 April 2024, the Group entered into a binding agreement to acquire 100% of the outstanding share capital of Hibbett, Inc., a company listed on the Nasdaq Stock Market, for a price of $87.50 per share in cash, implying an equity value of $1,083 million (c. £878 million) and an enterprise value of $1,109 million (£899 million). There has been no material change in the extent of cash and facilities available since the period end.

The Group expects to fund the total consideration payable, and refinance Hibbett, Inc.'s existing debt, through a combination of existing US cash resources of $300 million and a $1,000 million extension to the Group's existing bank facilities which has been committed. This acquisition remains subject to antitrust review by the relevant US authorities.

Within the period, the Group announced the proposed acquisition of 100% of the issued share capital of Groupe Courir S.A.S ('Courir') for an enterprise value of €520 million, which will be funded through a combination of the Group's existing cash reserves and an agreed extension to the Group's existing bank facilities. This acquisition remains subject to review by the European Commission.

These acquisitions have been considered as part of the going concern review.

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 geo-political 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.

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. A 5% reduction in like-for-like sales* for the whole year has been considered, in addition to a range of reasonably plausible downside scenarios considered for the purposes of viability reporting. This has considered the specific consideration of a significant business continuity event adversely impacting one of the Group's main Distribution Centres across the Q4 peak trading period; a significant cyber-attack resulting in a significant proportion of the Group's stores being unable to trade for period of one month, impacting the peak trading period of December 2024; a severe but plausible reduction in the allocation of stock, or business interruption impacting the availability of stock, from one of our key Sports Fashion suppliers. The Directors have also considered the impact on the base case and severe but plausible downside scenarios, of the acquisition activity recently announced in respect of the proposed acquisitions of Groupe Courir S.A.S and Hibbett, Inc..

The forecast cash flows reflecting the above 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. Furthermore, mitigating actions within the Group's control could be taken, should these severe but plausible scenarios occur, including reductions in capital expenditure*, discretionary spend and dividends.

A reverse stress test has also been performed on the base forecasts which indicates that a combination of the above severe but plausible scenarios all occurring at the same time would be required for the Group to run out of cash and be fully drawn down on the available facilities or to breach a covenant before consideration of mitigating actions. This is not considered to be a plausible scenario, as the combination of all scenarios simultaneously is considered to be exceptionally remote.

The Directors have considered all of the factors noted above and are confident that the Group 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. Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 3 February 2024. Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power of the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the Consolidated Income Statement. Any investment retained is recognised at fair value.

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, then subsequently less provision for impairment. 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 and 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 UK-adopted International Financial Reporting 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.

1. Basis of Preparation continued

Alternative Performance Measures continued
For the financial period ended 3 February 2024, the Group has updated the presentation of the Consolidated Income Statement to a three-column format to show adjusting items against the relevant income statement line item. The term 'adjusting items' as opposed to 'adjusted items' that was used in the prior period has been updated as has the definition of adjusting items to include the impairment of loan receivables. These updates are intended to provide disclosure and greater clarity over what is classified as an adjusting item and, by being more specific in terms of defining the adjusting items, results in the provision of more relevant information with greater comparability between financial periods.

Alternative Performance Measures are also used to enhance the comparability of information between reporting periods, by accounting for adjusting items. Adjusting 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 adjusting items, which are presented as adjusting 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 adjusting is given in Note 4. Further information can be found in the Alternative Performance Measures section on pages 253 to 259.

Adoption of New and Revised Standards
The following new standards and amendments became effective for the period ended 3 February 2024. These have no significant impact on the consolidated results or financial position.

- IFRS 17 - Insurance Contracts (effective from 1 January 2023).
- Amendments to IAS 1 - Disclosure of Accounting Policies (effective from 1 January 2023).
- Amendments to IAS 8 - Definition of Accounting Policies (effective from 1 January 2023).
- Amendments to IAS 12 - Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023).
- Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules (effective from 1 January 2023).

The following amendments are in issue but have yet to become effective. These are not expected to have a significant impact on the consolidated results or financial position.

- Amendments to IFRS 10 - Lease Liability in a Sale and Leaseback (effective from 1 January 2024).
- Amendments to IAS 1 - Non-Current Liabilities with Covenants (effective from 1 January 2024).
- Amendments to IFRS 7 and IAS 7 - Supplier Finance Arrangements (effective from 1 January 2024).
- Amendments to IAS 21 - Lack of Exchangeability (effective from 1 January 2025).

IAS 12 Income Taxes
The Group has adopted the amendments to IAS 12, which apply to income taxes arising from tax law enacted, or substantively enacted, to implement the Pillar Two Model Rules published by the OECD.

The amendments include a mandatory temporary exception of the accounting requirement for deferred taxes under IAS 12, such that an entity neither recognises nor discloses information regarding deferred tax assets and liabilities in respect of Pillar Two Model Rules. The Group has adopted this exception.

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.

Accounting Policies
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.

I. 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, meaning the performance obligation of the transaction has been satisfied, less provision for returns. A separate right of return asset is recognised. 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, performance obligations are deemed to be satisfied when the goods are delivered to the customer.
- For online click and collect orders, where the customer pays online but collects in store, performance obligations are deemed to be satisfied 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, performance obligations are deemed to be satisfied when the goods are collected by the customer.

II. Wholesale Revenue
Wholesale revenue is recognised when goods are dispatched, meaning that the performance obligations have been met and control over a product has 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. 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.

1. Basis of Preparation continued

Accounting Policies continued

III. Subscription and Joining Fee Revenue

Revenue from the sale of fitness and leisure club memberships is recognised in the period the membership relates to. This revenue is 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.

IV. 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. The liability relating to gift cards not yet redeemed is included within other payables and accrued expenses.

Other Operating Expenses

Other operating expenses are classified based on their function within the Group. They are classified between selling and distribution and administrative expenses. Selling and distribution expenses include all costs associated with the marketing and distribution of the Group's goods and services. These expenses encompass advertising and promotional activities, all costs relating to stores and warehouses (staff costs, rents and rates, bank and credit card charges, store security, and depreciation and amortisation), online channel sales cost and distribution costs.

Administrative expenses comprise overhead costs that are not directly attributable to specific sales, stores or distribution and warehousing activities. These costs are mostly support function related costs at Head Office and within the operating businesses including finance, human resources, procurement, property, legal and IT, as well as depreciation and amortisation of the assets used by support functions.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle. An element of supplier rebates is deferred into inventory and released on a straight-line basis as the related inventory is sold.

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

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.

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 the day preceding the grant 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 117 and in 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 all of the following criteria is met in line with IFRS 5.

- The carrying amount is expected to be recovered through the sale transaction
- It is available for sale in its present condition
- The Group had committed to sell and this sale plan had been initiated
- It is being actively marketed at a price that is reasonable in relation to its fair value
- There is an expectation that the sale process would be completed within 12 months of the classification as held-for-sale.

Such assets, or disposal groups, are 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 adjusting item.

1. Basis of Preparation continued

Accounting Policies continued

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 as a credit within the Consolidated Income Statement within the period in which they are received. 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.

Climate Change

In preparing the Consolidated Financial Statements, the Group has considered the potential impact of climate change, particularly in the context of the climate-related risks identified in the Task Force on Climate-related Financial Disclosures (TCFD) section as set out on page 60, on its financial performance and position.

There has been no material impact identified on the financial reporting judgements and estimates. In particular, the Group considered the impact of climate change in respect of forecast cash flows for the purposes of impairment assessments of non-current assets, and the useful lives of certain assets. Whilst there is currently little short to medium-term impact expected from climate change, the Directors are aware of the changing nature of risks associated with climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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 and estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Critical Accounting Judgements

The following are critical judgements, apart from those involving estimations (which are presented separately below), that management have made in the process of applying the Group's accounting policies and that have the most effect on the amounts recognised in the Consolidated Group Financial Statements.

Adjusting Items

Management exercises significant judgement in assessing whether items should be classified as adjusting items. This assessment covers the nature of the item, cause of occurrence and/or scale of impact of that item on the reported performance. In determining whether an item should be presented as adjusting, the Group considers items which are significant because of either their size or their nature which management believe would distort an understanding of earnings if not separately presented.

An explanation as to why items have been classified as adjusting is given in Note 4. Further information about metrics that the Group utilise which exclude adjusting items can be found in the Alternative Performance Measures section on pages 253 to 259.

Key Sources of Estimation Uncertainty

The key assumptions about the future, and other key sources of estimation uncertainty at the reporting period end, that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Genesis Put and Call Option

Genesis Put and Call Option agreements that allow the Group's equity partners to require the Group to purchase a non-controlling interest are recorded in the consolidated balance sheet initially at the present value of the redemption amount, in accordance with IAS 32 Financial Instruments: Presentation. On initial recognition, the corresponding amount is recognised against the put and call option reserve. Changes in the measurement of the financial liability due to the unwinding of the discount or changes in the amount that the Group could be required to pay are recognised in the Consolidated Income Statement. If the contract expires without delivery, the carrying amount of the financial liability is reclassified to equity, otherwise the financial liability is derecognised for the amount settled.

The key significant option outstanding as at 3 February 2024 relates to the Group's US sub-group, Genesis. The Genesis put and call liability at 3 February 2024 was £763.5 million (2023 (restated): £782.9 million).

1. Basis of Preparation continued

Accounting Policies continued

Genesis Put and Call Option

The Group uses a third-party valuation expert to independently determine the present value of the exercise price of the Genesis put and call options. The approach uses a Monte-Carlo simulation model applying a geometric Brownian motion to project the share price and an arithmetic Brownian motion for the projection of EBITDA forecasts. See Note 24b for the full accounting policy. The critical estimate used to value the put and call option liability is the EBITDA forecasts and growth assumptions for future periods.

Further information about the sensitivities used can be found in Note 24b.

Future Changes in Application of Accounting Policies

I. Segmental Analysis

As announced in the Group's trading update on 28 March 2024, with effect from the 52 week period ending 1 February 2025, new segmentation will be used for reporting, initially at the Q2 trading update in August 2024 and then for the interim results for the 26 week period ending 3 August 2024.

II. Adjusting Items

In line with the majority of large, UK-listed retail companies, with effect from the 52 week period ending 1 February 2025, the Group will extend its definition of adjusting items to include amortisation of acquired intangibles.

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 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 the type or class of customer
- 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 segments for the 53 weeks to 3 February 2024 is shown below:

Income statement	Sports Fashion £m	Outdoor £m	Unallocated £m	Total £m
Gross revenue	9,982.4	559.6	-	10,542.0
Inter-segment revenue	(0.3)	0.3	-	-
Revenue	9,982.1	559.9	-	10,542.0
Gross profit %	48.4%	42.3%	-	47.9%
Operating profit before adjusting items	987.2	(7.3)	-	979.9
Adjusting items	(42.9)	(9.8)	-	(52.7)
Operating profit/(loss)	944.3	(17.1)	-	927.2
Finance income	-	-	39.2	39.2
Impairment loss on financial assets	(58.8)	-	-	(58.8)
Finance expenses	(96.4)	-	-	(96.4)
Profit/(loss) before tax	789.1	(17.1)	39.2	811.2
Income tax expense	(206.1)	(0.1)	-	(206.2)
Profit/(loss) for the period	583.0	(17.2)	39.2	605.0

Total assets and liabilities	Sports Fashion £m	Outdoor £m	Eliminations £m	Total £m
Total assets	7,815.1	385.0	(153.9)	8,046.2
Total liabilities	(4,986.3)	(345.4)	153.9	(5,177.8)
Total segment net assets	2,828.8	39.6	-	2,868.4

Other segment information	Note	Sports Fashion £m	Outdoor £m	Total £m
Capital expenditure:				
Intangible assets (software development)	13	29.5	-	29.5
Intangible assets (brand licences)	13	73.0	-	73.0
Property, plant and equipment	14	518.9	10.9	529.8
Right-of-use assets	16	582.8	10.0	592.8
Other non-current assets	18	10.2	-	10.2
Depreciation, amortisation and impairments:				
Amortisation of intangible assets	13	68.3	4.7	73.0
Depreciation of property, plant and equipment	14	168.8	9.0	177.8
Depreciation and amortisation of right-of-use assets	16	391.3	22.0	413.3
Impairment of non-current assets (adjusting items)		29.4	9.8	39.2
Impairment of non-current assets (non-adjusting items)		21.6	-	21.6

2. Segmental Analysis continued

The comparative segmental results for the 52 weeks to 28 January 2023 are shown below:

Income statement	Sports Fashion £m	Outdoor £m	Unallocated £m	Restated[1] 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 %	48.5%	43.0%		48.2%
Operating profit before adjusting items	1,043.9	16.4	-	1,060.3
Adjusting items	(214.5)	(39.8)	-	(254.3)
Operating profit/(loss)	829.4	(23.4)	-	806.0
Finance income	-	-	8.4	8.4
Finance expenses	(327.7)	-	-	(327.7)
Profit/(loss) before tax	501.7	(23.4)	8.4	486.7
Income tax expense	(208.9)	(5.3)	-	(214.2)
Profit/(loss) for the period	292.8	(28.7)	8.4	272.5

Total assets and liabilities	Sports Fashion £m	Outdoor £m	Eliminations £m	Restated[1] Total £m
Total assets	7,842.1	462.1	(193.6)	8,110.6
Total liabilities	(5,273.5)	(399.7)	193.6	(5,479.6)
Total segment net assets	2,568.6	62.4	-	2,631.0

Other segment information	Note	Sports Fashion £m	Outdoor £m	Restated[1] Total £m
Capital expenditure:				
Intangible assets (software development)	13	19.9	-	19.9
Intangible assets (brand licences)	13	78.4	-	78.4
Property, plant and equipment	14	305.6	21.0	326.6
Right-of-use assets	16	374.3	35.6	409.9
Other non-current assets	18	12.8	-	12.8
Depreciation, amortisation and impairments:				
Amortisation of intangible assets	13	71.6	4.4	76.0
Depreciation of property, plant and equipment	14	154.1	7.9	162.0
Depreciation of right-of-use assets	16	372.2	23.0	395.2
Impairment of non-current assets (adjusting items)		83.8	39.8	123.6
Impairment of investment in associates and joint ventures (adjusting items)	17	19.6	-	19.6
Impairment of non-current assets (non-adjusting items)		3.4	-	3.4

(1) Please refer to Note 39 for further details of the restatement.

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	53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 £m
UK & ROI	3,510.2	3,826.7
Europe	3,093.5	2,659.9
North America	3,413.5	3,150.1
Rest of world	524.8	488.3
	10,542.0	10,125.0

The revenue from any individual country, with the exception of the UK, US and Spain, is not more than 10% of the Group's total revenue.

Revenue by Channel

Revenue	53 weeks to 3 February 2024 £m	Restated(1) 52 weeks to 28 January 2023 £m
Retail stores	7,956.6	7,306.5
Online	2,350.3	2,543.3
Other(2)	235.1	275.2
	10,542.0	10,125.0

(1) An error has been identified in the prior period disclosure in the classification of these balances. Retail store revenue was overstated by £39.1 million, online was understated by £82.5 million and other was overstated by £43.4 million. These reclassifications have no effect on the overall reported results.

(2) Other relates to revenue from leisure club memberships, wholesale and commission sales.

Revenue by Product Type

Revenue	53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 £m
Footwear	5,920.4	5,471.4
Apparel	3,408.4	3,560.6
Accessories	669.5	629.6
Other(3)	543.7	463.4
	10,542.0	10,125.0

(3) 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	53 weeks to 3 February 2024 £m	Restated(4) 52 weeks to 28 January 2023 £m	Restated(4) 52 weeks to 30 January 2022 £m
UK & ROI	1,254.1	1,239.6	1,252.5
Europe	1,702.5	1,472.8	1,378.2
North America	1,901.7	1,800.6	1,682.5
Rest of world	144.9	161.9	163.3
	5,003.2	4,674.9	4,476.5

(4) Please refer to Note 39 for further details of the restatement.

3. Profit Before Tax

	Note	53 weeks to 3 February 2024 £m	Restated(1) 52 weeks to 28 January 2023 £m
Profit before tax is stated after charging/(crediting):			
Auditor's remuneration:			
Audit of these financial statements (Deloitte LLP / KPMG LLP)(2)		5.0	4.0
Amounts receivable by the Company's Auditor (Deloitte LLP / KPMG LLP) and its associates in respect of:			
Audit of financial statements of subsidiaries of the Company		1.3	2.2
Interim review		-	0.2
Depreciation and amortisation of non-current assets:			
Depreciation of property, plant and equipment	14	177.8	162.0
Depreciation of right-of-use assets	16	413.3	398.4
Amortisation of intangible assets	13	73.0	76.0
Impairments of non-current assets:			
Property, plant and equipment (adjusting items)	14	2.5	-
Property, plant and equipment (non-adjusting items)	14	7.0	1.5
Right-of-use assets (adjusting items)	16	1.8	4.5
Right-of-use assets (non-adjusting items)	16	14.6	0.3
Goodwill and fascia names (adjusting items)	13	34.9	117.6
Other intangible assets (non-adjusting items)	13	-	0.8
Other non-current assets (non-adjusting items)	18	-	3.0
Impairment of investment in joint ventures and associates (adjusting)	17	-	19.6
Loss on disposal of non-current assets (non-adjusting)		7.6	5.1
Impairment loss on financial assets (adjusting)	4	58.8	-
Rentals payable under non-cancellable leases for:			
Land and buildings - variable lease payments(3)	16	104.5	91.3
Land and buildings - short-term leases(3)	16	2.0	3.4
Plant and equipment - short-term leases(3)		-	0.4
Other items:			
Movement in the present value of put and call option liabilities (adjusting)		(5.5)	250.4
Movement in the fair value of forward contracts		(16.7)	32.2
Foreign exchange (gain)/loss recognised		(10.4)	3.7
Share of associate profit and joint ventures		(7.6)	(4.9)
Other operating income(4)		(30.5)	(28.6)

(1) Please refer to Note 39 for further details of the restatement.

(2) The £6.3 million audit fee for the period ended 3 February 2024 represents the costs incurred to the balance sheet date. The total audit fee payable to Deloitte LLP for the audit of the Group's financial statements for the period ended 3 February 2024 is expected to be in the region of £14 million. In addition to this, the Company bears the cost of the audit of the Group for the purpose of inclusion in Pentland's consolidated financial statements for the 13 month period to 31 January 2024. The £4.0 million audit fee for the period ended 28 January 2023 includes £0.7 million of prior period fees paid to KPMG LLP that were agreed after the financial statements for the period ended 29 January 2022 were signed. In addition to the above, fees of £0.2 million were incurred in the period ended 28 January 2023 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 were incurred and paid to KPMG LLP for non-audit services. No further fees were paid to KPMG LLP for the period ended 3 February 2024. Fees of £20,000 were payable to Deloitte LLP in respect of non-audit services for the period ended 3 February 2024.

(3) Since transition to IFRS 16 on 3 February 2019, lease rentals in relation to variable, rolling leases and short-term lease payments 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. Rolling lease payments are in relation to leases where 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.

(4) Other operating income relates to income receivable for online and in-store advertising services, commission income, rental income, sub-lease payments receivable and amounts receivable not in the ordinary course of business.

4. Adjusting items

For the financial period ended 3 February 2024, the Group has updated the presentation of the Consolidated Income Statement to a three-column format to show adjusting items against the relevant income statement line item. The term 'adjusting items', as opposed to 'adjusted items' that was used in the prior financial period, has been updated as has the definition of adjusting items to include the impairment of loan receivables not recoverable. These updates are intended to provide enhanced disclosure and greater clarity over what is classified as an adjusting item and, by being more specific in terms of defining the adjusting items, result 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 adjusting 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 items should be presented as adjusting items, the Group considers items that are significant because of either their size or their nature which management believe would distort an understanding of earnings if not adjusted. In order for an item to be presented as an adjusting item, it should typically meet at least one of the following criteria:

- Impairments of tangible and intangible assets, investments and loan receivables not recoverable
- Unusual in nature or outside the normal course of business (for example, the non-cash movement in the present value of put and call options)
- Items directly incurred as a result of either an acquisition, an anticipated acquisition or a divestment, or arising from a major business change or restructuring programme.

The separate reporting of items, which are presented as adjusting 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 adjusting items is a tax credit of £18.4 million (2023: £2.4 million) as shown in Note 10 and on the face of the Consolidated Income Statement.

	Note	53 weeks to 3 February 2024 £m	Restated[1] 52 weeks to 28 January 2023 £m
Impairments of tangible and intangible assets and investments:			
Impairments of tangible and intangible assets and investments[2]	13, 17	39.2	137.2
Items as a result of acquisitions, divestments, major business changes or restructuring:			
Divestment and restructuring[3]		38.3	129.6
Gain arising on deconsolidation[4]		(36.1)	-
Acquisition-related costs[5]		10.8	-
Deferred consideration charge/(release)[6]		0.5	(12.5)
Administrative expenses – Adjusting items		52.7	254.3
Items that are unusual in nature or outside the normal course of business:			
Movement in present value of put and call options	24b	(5.5)	250.4
Finance expenses – Adjusting items		(5.5)	250.4
Impairments of loan receivables not recoverable[7]		58.8	-
Impairment loss on financial assets – Adjusting items		58.8	-
Adjusting items		106.0	504.7

(1) Please refer to Note 39 for further details of the restatement.
(2) The impairment of tangible and intangible assets and investments in the current period relates to the impairment of goodwill (£12.2 million), fascia name (£3.4 million), right-of-use assets (£2.5 million), and property, plant and equipment (£1.8 million) arising on the acquisition of Total Swimming Holdings Limited. The charge also includes goodwill impairment prior to the divestment of GymNation (£7.9 million), the impairment of the Go Outdoors fascia (£9.8 million) and impairment of the goodwill and fascia names on three non-core businesses (£1.6 million). The impairment in the prior period primarily related to the 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 was an impairment charge for the investment in Gym King of £19.6 million.
(3) During the current period, £31.5 million of divestment costs (2023: £121.5 million) and £6.9 million of restructuring charges (2023: £8.1 million) were incurred.
(4) A net gain of £36.1 million arose following the deconsolidation of Sports Unlimited Retail ('SUR') after the entity entered bankruptcy on 6 December 2023. From this point onwards the entity was no longer under the control of JD Sports Fashion Plc and was deconsolidated (see footnote (7) and Note 12 for further information).
(5) Acquisition-related costs of £10.8 million are in respect of the Groupe Courir acquisition which remains subject to review by the European Commission and hence as at the date of this report, has not been concluded.
(6) In the current period, the £0.5 million is related to acquisition-related deferred consideration. In the prior period, this related to acquisition-related release of contingent consideration for Leisure Lakes (£10.5 million) and Total Swimming Holdings Limited (£2.0 million).
(7) A £57.9 million impairment loss arose on the loan owed by Sports Unlimited Retail to Iberian Sports Retail Group and Sprinter Megacentros del Deporte SLU, at the time the entity entered bankruptcy (see footnote (4)). The remaining £0.9 million relates to other impairments.

5. Remuneration of Directors

Full disclosure of the Directors' remuneration is given in the Directors' Remuneration Report on pages 117 to 130.

	53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 £m
Directors' emoluments:		
As Non-Executive Directors	1.2	0.8
As Executive Directors	3.4	6.1
Pension contributions	-	-
	4.6	6.9

During the period, there was one (2023: one) Director within the defined contribution pension scheme.

Additional information in relation to the remuneration of key management personnel can be found in Note 34.

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:

	53 weeks to 3 February 2024 Number	52 weeks to 28 January 2023 Number
Sales and distribution	75,491	71,744
Administration	4,226	3,405
Total average staff employed	79,717	75,149
Full-time equivalents	53,499	51,297

The aggregate payroll costs of these persons is charged to selling and distribution expenses and administrative expenses lines in the Consolidated Income Statement and is split as follows:

	53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 £m
Wages and salaries	1,352.9	1,156.0
Social security costs	151.9	135.5
Pension costs	23.2	20.1
Share-based payments	2.6	0.1
Other employed staff costs	20.2	18.6
	1,550.8	1,330.3

See Note 32 for details of the share-based payments made in the period.

7. Finance Income

Finance income is recognised in the Consolidated Income Statement on an effective interest method.

	53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 £m
Bank interest	35.8	7.1
Other interest	3.4	1.3
Finance income	39.2	8.4

8. Finance Expenses

Finance expenses comprise of interest payable on interest-bearing loans and borrowings and lease liabilities. The interest expense on borrowings is recognised using the effective interest method. The interest expense on lease liabilities is recognised over the lease periods so as to produce constant periodic rates of interest on the remaining balances of the liabilities.

	Note	53 weeks to 3 February 2024 £m	Restated[1] 52 weeks to 28 January 2023 £m
On bank loans and overdrafts		8.0	5.5
Amortisation of facility fees		1.5	1.4
Interest on lease liabilities	16	84.4	68.9
Movement in the present value of the put and call options (adjusting items)	4	(5.5)	250.4
Other interest		8.0	1.5
Finance expenses		96.4	327.7

(1) Please refer to Note 39 for further details of the restatement.

9. Income Tax Expense

The total tax charge included in the Consolidated 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 Consolidated Income Statement except to the extent it relates to items recognised in the Consolidated Statement of Comprehensive Income or directly in the Consolidated 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 Consolidated Income Statement, except when it relates to items charged or credited directly to the Consolidated Statement of Changes in Equity or the Consolidated Statement of Comprehensive Income, 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, with the recognition period based on the appropriate jurisdictional tax rules. 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 60. 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.

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 advisers and previous experience.

Pillar Two Model Rules

The Group has continued to monitor developments in relation to the OECD's Two Pillar Solution to Address the Tax Challenges arising from the Digitalisation of the Economy ("Pillar Two Model Rules").

The Pillar Two Model Rules have made considerable progress during the year and specific local legislation has been enacted across several territories in which the Group operates. The first accounting period in which these rules will apply to the Group will be the period ending 1 February 2025.

The definition of a 'Group' requires the impact of the Pillar Two Model Rules to be calculated in conjunction with that of Pentland Group Holdings Limited and its subsidiaries ('the Pentland Group'). The Group is working with the Pentland Group to ensure it will be compliant.

The Group has prepared a high-level assessment of the potential impact of the Pillar Two Model Rules on a stand-alone basis using information that was available at the time the Group financial statements were prepared. As the JD Group is the material component of the consolidated Pentland Group position, we would not expect the Pentland Group entities to have a material impact on the conclusion reached below.

The Pillar Two Model Rules assessment was based on the position in the UK. The UK government enacted the Pillar Two Model Rules income taxes legislation on 11 July 2023, with the rules taking effect for accounting periods beginning on or after 1 January 2024. The transitional safe harbour tests within the Pillar Two Model Rules were applied during the assessment, followed by a high-level calculation of any top-up tax for jurisdictions where the safe harbour tests were not met. Under the legislation, JD Sports Fashion Plc will be required to pay top-up tax in the UK on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15%. The principal jurisdictions in which exposures to this tax may exist include Ireland, Cyprus, Hungary and Bulgaria.

Based on the financial forecasts for the period ended 1 February 2025, approximately 1.8% of the Group's annual profits for that period may be subject to a top-up tax. Prior to the application of the Pillar Two Model Rules, the Group would have expected these profits to be taxed at an average effective tax rate of 13.0%. As such, any top-up tax payable under the Pillar Two Model Rules is not expected to have a material impact on the Group's overall income tax charge. The Group continues to assess the impact of the Pillar Two Model Rules income taxes legislation on its future financial performance. It has also applied the temporary exemption issued by the IASB in May 2023 in respect of IAS 12 and has not recognised or disclosed information in respect of deferred tax assets and liabilities relating to Pillar Two Model Rules income taxes.

9. Income Tax Expense continued

	53 weeks to 3 February 2024 £m	Restated[1] 52 weeks to 28 January 2023 £m
Current tax		
UK corporation tax at 24.0% (2023: 19.0%)[2]	221.9	198.9
Adjustment relating to prior periods	(5.8)	(6.5)
Total current tax charge	216.1	192.4
Deferred tax		
Deferred tax (origination and reversal of temporary differences)	(2.5)	14.1
Adjustment relating to prior periods	(7.4)	7.7
Total deferred tax (credit)/charge	(9.9)	21.8
Income tax expense	206.2	214.2

	53 weeks to 3 February 2024 £m	Restated[1] 52 weeks to 28 January 2023 £m
Profit before tax multiplied by the standard rate of corporation tax 24.0%[2] (2023: 19.0%)	194.7	92.5
Effects of:		
Expenses not deductible[3]	31.0	23.2
Put and call option movement not deductible[4]	(3.3)	47.5
Depreciation and impairment of non-qualifying non-current assets[5]	2.1	1.2
Non-qualifying profit on sale of PPE[6]	0.1	(0.2)
Utilisation of previously unrecognised tax losses[7]	(0.9)	(4.0)
Non-taxable income[8]	(21.1)	(4.0)
Effect of tax rates in foreign jurisdictions[9]	(10.3)	14.9
Research and development tax credits and other allowances[10]	(5.2)	(10.4)
Adjustments related to prior periods[11]	(13.2)	1.2
Other differences in tax rate[12]	0.5	3.7
Non-qualifying impairment of goodwill on consolidation[13]	2.2	24.4
Change in unrecognised temporary differences[14]	12.9	7.2
Other taxes due[15]	16.7	17.0
Income tax expense	206.2	214.2

(1) Please refer to Note 39 for further details of the restatement.
(2) The weighted standard rate of corporation tax for the period is 24% as the UK mainstream tax rate was 19% until 31 March 2023, when it increased to 25%.
(3) 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.
(4) The movements in the put and call options per Note 24b are not deductible for tax.
(5) The depreciation adjustment relates to UK assets which are not eligible for capital allowances.
(6) The loss relates to the sale of tangible assets which are not eligible for capital allowances.
(7) 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.
(8) Non-taxable gain on deconsolidation of Sports Unlimited Retail Limited (see Note 4), the receipt of dividends and the release of deferred consideration which no longer falls due.
(9) A proportion of the Group's profits arise outside of the UK and are taxed at the prevailing tax rate. As the UK corporation tax rate has increased from 19% to 25% in the period, the impact of overseas tax rates has reduced.
(10) R&D and general business tax credits have been claimed in the US, Spain and Poland.
(11) The prior period adjustment reflects net current and deferred tax movements between Group reporting provisions and submitted returns.
(12) The adjustment reflects the difference between the deferred tax rate and corporate income tax rate. These differences have reduced as a result of the UK corporate income tax increasing to 25% on 1 April 2023.
(13) The impairment of goodwill on consolidation and investments in associates are non-deductible for corporate income tax purposes and does not attract deferred tax.
(14) 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 26).
(15) Other taxes due are primarily in respect of US state taxes but also include local taxes payable in other overseas jurisdictions.

10. Earnings Per Ordinary Share

Basic and Adjusted Earnings Per Ordinary Share
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 3 February 2024 is based on the profit for the period attributable to equity holders of the parent of £538.8 million (2023: £188.3 million restated[1]) and a weighted average number of ordinary shares outstanding during the 53 week period ended 3 February 2024 of 5,183,135,745 (2023: 5,158,497,877).

There have been no other transactions involving ordinary shares or potential ordinary shares in the period or since the period end date and the date of signing of these financial statements.

Adjusted basic 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 adjusting items. The Directors consider that this gives a more useful measure of the trading performance and profitability of the Group.

	53 weeks to 3 February 2024 millions	52 weeks to 28 January 2023 millions
Issued ordinary shares at beginning of period	5,183.1	5,158.1
Ordinary shares issued on 20 December 2022 [2]	-	25.0
Issued ordinary shares at end of period	5,183.1	5,183.1

	Note	53 weeks to 3 February 2024 £m	Restated[1] 52 weeks to 28 January 2023 £m
Profit for the period attributable to equity holders of the parent		538.8	188.3
Adjusting items	4	106.0	504.7
Tax relating to adjusting items		(18.4)	(2.4)
Profit for the period attributable to equity holders of the parent excluding adjusting items		626.4	690.6
		millions	
Weighted average number of ordinary shares at end of the period (basic)		5,158.2	5,158.1
Dilution - Effect of potentially dilutive share options and awards		0.7	-
Weighted average number of ordinary shares at the end of the period (diluted)		5,158.9	5,158.1
Basic earnings per ordinary share		10.45p	3.65p
Diluted earnings per ordinary share		10.45p	3.65p
Adjusted basic earnings per ordinary share		12.14p	13.39p
Adjusted diluted earnings per ordinary share		12.14p	13.39p

(1) See Note 39 for further details of the restatement.
(2) 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 buy-out award due to Régis Schultz, the Group's Chief Executive Officer with an effective date of 5 September 2022 (see Note 5), of which a proportion of the award became vested in the period ended 3 February 2024 after certain continuous employment requirements were satisfied. In the same period, the remaining shares became dilutive.

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 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.

Business combinations with no change in control
Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. 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 company.

Current Period Acquisitions - Acquisition of Non-Controlling Interests
JD Sports Fashion Germany GmbH
On 25 April 2023, JD Sports Fashion Plc ('JD') acquired the remaining 20% of the issued share capital in its existing subsidiary JD Sports Fashion Germany GmBH ('JD Germany') for a cash consideration of €7.2 million (£6.1 million). At the date of acquisition the Group held a put and call option liability on the remaining 20% which carried a value of £0.4 million (see Note 24). The Group now owns 100% of the issued share capital of JD Germany. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the step-up on 25 April 2023 does not result in a change of control, this has been accounted for as an equity transaction.

JD Sports Fashion SDN BDH
On 30 August 2023, JD Sports Fashion Plc ('JD') acquired the remaining 20% of the issued share capital in its existing subsidiary JD Sports Fashion SDN BDH ('JD Malaysia') for a cash consideration of 195.5 million MYR (£35.5 million). The Group now owns 100% of the issued share capital of JD Malaysia. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the step-up on 30 August 2023 does not result in a change of control, this has been accounted for as an equity transaction.

11. Acquisitions continued

Acquisition of Non-Controlling Interest continued

Iberian Sports Retail Group S.L.

On 10 October 2023, JD Sports Fashion Plc ('JD') acquired the remaining 49.99% of the issued share capital in its existing subsidiary Iberian Sports Retail Group S.L. ('ISRG') for a cash consideration of €500.1 million (£434.6 million). At the date of acquisition the Group held a put and call option liability on the remaining 49.99% which carried a value of £428.8 million (see Note 24). The Group now owns 100% of the issued share capital of ISRG. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the step-up on 10 October 2023 does not result in a change of control, this has been accounted for as an equity transaction.

Marketing Investment Group S.A.

On 21 December 2023, JD Sports Fashion Plc ('JD') acquired the remaining 40% of the issued share capital in its existing subsidiary Marketing Investment Group S. A. ('MIG') for a cash consideration of 343.2 million PLN (£68.7 million). At the date of acquisition the Group held a put and call option liability on the remaining 40% which carried a value of £66.7 million (see Note 24). The Group now owns 100% of the issued share capital of MIG. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the step-up on 21 December 2023 does not result in a change of control, this has been accounted for as an equity transaction.

Other Acquisitions of Non-Controlling Interest

During the period ended 3 February 2024, the Group made four other acquisitions of non-controlling interests which were not material for a cash consideration of £6.9 million.

The table below presents the amounts recognised within retained earnings and non-controlling interest within the statement of changes in equity during the year.

	Retained earnings £m	Non-controlling interest £m	Total £m
Acquisition of non controlling interest:			
ISRG	308.2	126.4	434.6
JD Germany	10.9	(4.8)	6.1
JD Malaysia	32.1	3.4	35.5
MIG	44.0	24.7	68.7
Other	7.2	(0.3)	6.9
	402.4	149.4	551.8

Prior Period Acquisitions - 52 weeks to 28 January 2023

There were no significant acquisitions in the 52 week period ended 28 January 2023. The table below summarises the net assets acquired, consideration paid and goodwill arising on the acquisition in totality across all acquisitions in the period:

	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
	24.6
Consideration - satisfied in cash	21.1
Consideration - deferred	3.5
Total consideration	24.6

11. **Acquisitions** continued

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 provided a broadening of the Group's leisure interests, which now include gyms and pools.

Additional deferred contingent consideration of up to £4.0 million was payable if certain targets and performance criteria were 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 (see Note 4) for the period ended 28 January 2023. The fair value of the remaining contingent consideration as at 3 February 2024 was determined to be £1.4 million.

Included within the fair value of the net identifiable assets on acquisition was 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 was revenue of £15.4 million and a profit before tax of £0.1 million in respect of Total Swimming Holdings Limited.

Other Acquisitions

During the 52 week period to 28 January 2023, the Group made two other acquisitions for total cash consideration of £10 million, 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 during the 52 week period to 28 January 2023 been affected 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.

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 ('JD Korea') for a cash consideration of 26.1 billion KRW (£16.4 million). The Group now owns 100% of the issued share capital of JD Korea. 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.

Deporvillage S.L.

On 14 October 2022, 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. ('Deporvillage') 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 was settled in the 53 week period to 3 February 2024 with the remaining 50% due on the second anniversary of the completion date. ISRG now owns 98% of the issued share capital and at the date of the acquisition, the Group owned an effective shareholding of 49% of the issued share capital of Deporvillage. 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 was accounted for as an equity transaction. Subsequent to the acquisition of the remaining 49.99% of ISRG on 10 October 2023, the Group now owns an effective shareholding of 98% of the issued share capital in Deporvillage.

12. Divestments

On 16 December 2022, the Group announced its plan to significantly simplify its business offering through the divestment of a number of non-core businesses in order to focus more fully on the opportunities across the rest of the Group. As a result, 16 businesses in total were divested for total cash consideration of £18.8m received in the period ended 3 February 2024, with deferred consideration of £2.0m.

The Group completed the divestment of 12 businesses for £14.7m at various dates in the period ended 3 February 2024:

- 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) (divested on 7 February 2023);
- Choice Limited (87.5% equity interest) - including its subsidiary Choice 33 Limited (87.5% equity interest) (divested on 7 February 2023);
- Giulio Limited (87.5% equity interest) - including its subsidiaries Giulio Fashion Limited (87.5% equity interest) and Giulio Woman Limited (87.5% equity interest) (divested on 7 February 2023);
- R.D. Scott Limited (100% equity interest) (divested on 7 February 2023);
- Catchbest Limited (80% equity interest) (divested on 7 February 2023);
- Rascal Clothing Limited (75% equity interest) (divested on 6 February 2023);
- Source Lab Limited (85% equity interest) (divested on 28 February 2023);
- Topgrade Sportswear Holdings Limited including its subsidiaries Topgrade Sportwear Limited and GetTheLabel.com Limited (80% equity interest) (divested on 2 March 2023);
- Woodlandslove Limited (80% equity interest) (divested on 9 March 2023);
- 80s Casual Classics Limited including its subsidiary Modern Casuals Limited (70% equity interest) (divested on 26 May 2023);
- Bernard Esher Limited (80% equity interest) (divested on 4 July 2023); and
- Hairburst Holding Group Limited including its subsidiaries Hair Burst Limited, JMH Cosmetics Limited and Mrblancteeth Limited (75% equity interest) (divested on 24 July 2023).

In addition, on 23 May 2023, the Group disposed of Brand Stable Limited (49% equity interest) a fixed asset investment in a joint venture for cash consideration of £0.5m.

On 2 February 2024, the group sold 0.64% of its holding in Applied Nutrition Limited, while still retaining the Group as an associate, for cash consideration of £1.6m. The consideration was received fully in cash during the period. Costs to sell amounted to £0.3m.

On 30 August 2023, the Group disposed of SEA Sports Fashion SDN BHD (60% equity interest). The total cash consideration was £1.

Additionally, on 20 December 2023, the Group disposed of Kukri Sports Limited (75% equity interest) including its subsidiaries Kukri Asia Limited (100% equity interest), Kukri Sports Middle East JLT (100% equity interest, Kukri GB Limited (100% equity interest), Kukri PTE Limited (100% equity interest), Kukri NZ Limited (75% equity interest), Kukri Events Limited (100% equity interest), Kukri Sports Ireland Limited (100% equity interest), Frank Harrison Limited (90% equity interest), Kukri Sports Canada Inc (75% equity interest), Kukri (HK) Limited (100% equity interest), Kukri Australia Pty Limited (100% equity interest), Kukri (Shanghai) Limited (100% equity interest) and Squirrel Sports Limited (100% equity interest). The total consideration was £2.5m, of which £0.5m was deferred.

12. **Divestments** continued

Of the 16 divested businesses, seven were held-for-sale in the 2023 Consolidated Financial Statements (see Note 35). At the date of disposal, the carrying amounts of the 16 divested businesses' (including one joint venture and part of an associate – see Note 17) net assets were as follows:

	£m
Intangible assets	20.6
Property, plant and equipment	17.1
Right-of-use assets	31.0
Deferred tax assets	0.2
Other non-current assets	0.4
Investments	1.3
Total non-current assets	70.6
Inventories	63.0
Trade and other receivables	19.8
Income tax recoverable	0.1
Cash and cash equivalents	77.7
Total current assets	160.6
Trade and other payables	(174.4)
Provisions	(0.2)
Lease liabilities	(5.4)
Total current liabilities	(180.0)
Deferred tax liabilities	(1.1)
Lease liabilities	(27.6)
Other payables and accrued expenses	(1.2)
Total non-current liabilities	(29.9)
Total assets less total liabilities	21.3
Net assets disposed of	(21.3)
Total consideration received in cash	18.8
Total deferred consideration	2.0
Provision for additional onerous leases	(1.7)
Intercompany debt written off	(7.1)
Loss on disposal	(9.3)
Total consideration received in cash	18.8
Cash and cash equivalents disposed of	(77.7)
Net cash paid	(58.9)

12. Divestments continued

GymNation

On 1 November 2023, the Group disposed of GymNation Holding Ltd (78.2% equity interest) including its subsidiary GymNation LLC. The total consideration was £34.2 million. The net assets of the business were classed as held for sale in the half-year results. At the date of the disposal, the carrying amounts of GymNation's net assets were as follows:

	£m
Intangible assets	19.2
Property, plant and equipment	6.8
Right-of-use assets	19.2
Total non-current assets	**45.2**
Inventories	0.2
Trade and other receivables	2.8
Cash and cash equivalents	11.9
Total current assets	**14.9**
Trade and other payables	(3.2)
Borrowings	(5.0)
Lease liabilities	(2.7)
Total current liabilities	**(10.9)**
Lease liabilities	(18.4)
Other payables and accrued expenses	(1.0)
Total non-current liabilities	**(19.4)**
Total assets less total liabilities	**29.8**
Net assets disposed of	(29.8)
Total consideration received in cash	34.2
Gain on disposal	**4.4**
Total consideration received in cash	**34.2**
Cash and cash equivalents disposed of	(11.9)
Net cash received	**22.3**

12. Divestments continued

Focus Brands Limited

On 24 January 2024, the Group disposed of Focus Brands Limited (100% equity interest) including its subsidiaries Focus Group Holdings Limited (100% equity interest), Focus International Limited (100% equity interest), Focus Sports & Leisure International Limited (100% equity interest), Focus Equipment Limited (100% equity interest), Focus International NL B.V. (100% equity interest) and Focus Italy S.p.a. (100% equity interest). The total consideration was £8 million, of which £5 million was deferred. This decision was made following the half-year announcement; therefore, the net assets were not classed as held for sale. At the date of the disposal, the carrying amounts of Focus Group's net assets were as follows:

	£m
Intangible assets	0.7
Property, plant and equipment	1.4
Right-of-use assets	5.6
Deferred tax assets	0.3
Total non-current assets	8.0
Inventories	12.2
Trade and other receivables	11.2
Income tax recoverable	0.6
Cash and cash equivalents	13.2
Total current assets	37.2
Trade and other payables	(7.9)
Lease liabilities	(1.2)
Total current liabilities	(9.1)
Lease liabilities	(4.6)
Total non-current liabilities	(4.6)
Total assets less total liabilities	31.5
Net assets disposed of	(31.5)
Total consideration received in cash	3.0
Total deferred consideration	5.0
Loss on disposal	(23.5)
Total consideration received in cash	3.0
Cash and cash equivalents disposed of	(13.2)
Net cash paid	(10.2)

12. Divestments continued

Sports Unlimited Retail B.V

On 6 December 2023, the Group made the decision to close the Sports Unlimited Retail B.V ('SUR') business. On this date, the entity was put into bankruptcy and the control over the trade and assets of SUR was transferred to an independent trustee. No consideration was received. The net gain on disposal has been treated as an adjusting item (see Note 4). At the date of the disposal, the carrying amounts of SUR's net liabilities were as follows:

	£m
Property, plant and equipment	15.1
Right-of-use assets	27.9
Total non-current assets	43.0
Inventories	12.6
Trade and other receivables	4.3
Cash and cash equivalents	7.3
Total current assets	24.2
Trade and other payables	(73.5)
Lease liabilities	(10.1)
Total current liabilities	(83.6)
Lease liabilities	(18.0)
Other payables and accrued expenses	(1.7)
Total non-current liabilities	(19.7)
Total assets less total liabilities	(36.1)
Net liabilities disposed of	36.1
Gain on disposal	36.1
Total consideration received in cash	-
Cash and cash equivalents disposed of	(7.3)
Net cash paid	(7.3)

12. Divestments continued

Prior Period 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. 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
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'), 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 disposal of shares in eight of the Divested Businesses, and on the disposal 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)
- 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 ended 28 January 2023. 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 35)	(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

Divestment of Other Non-Controlling Interests

During the period ended 28 January 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

There have been no acquisitions of intangible assets in the current period. In the prior period, the acquisition of intangibles principally related to the acquisition of Total Swimming Holdings Limited ('Swim!') alongside some smaller acquisitions. Further details, including the fair value of the assets acquired, are provided in Note 11.

Impairment

The impairment in the current period relates to the goodwill and fascia values arising on the acquisition of the following groups of CGUs. The impairment charges per groups of CGUs, the carrying value of each group of CGUs and the recoverable amount has been detailed below:

Goodwill - tested for impairments at an operating segment level
For the period ended 3 February 2024

	Carrying value of goodwill[1] £m	Recoverable amount (goodwill) [2] £m	Total impairment charge £m
Allsport[3]	0.8	-	0.8
Gymnation[4]	7.9	-	7.9
Swim![5]	12.2	-	12.2
	20.9	**-**	**20.9**

(1) The carrying value is stated before the impairment was booked.
(2) The recoverable amount of these group of CGUs was estimated based on their value-in-use, using discounted cashflows.
(3) The impairment for Allsport results from the brand no longer being used, as it has been rebranded to JD UK, and therefore the remaining goodwill has been impaired. The Allsport brand is within the premium UK & ROI group of CGUs
(4) The impairment for Gymnation results from the sale of the business in the current year. The Gymnation brand was within the other business group of CGUs.
(5) Goodwill on Swim! is allocated and monitored independently as the business model is different to the rest of the businesses within the Group and there are no synergies that are shared with other businesses. As such, Swim! is tested for impairment separately.

Fascia - tested for impairment at the fascia level
For the period ended 3 February 2024

	Carrying value of fascia[1] £m	Recoverable amount (fascia)[2] £m	Total impairment charge £m
Go Outdoors	8.8	-	8.8
Livestock	0.8	-	0.8
Swim![3]	4.6	1.2	3.4
Wheelbase	1.0	-	1.0
	15.2	**1.2**	**14.0**

(1) The carrying value is stated before the impairment was booked.
(2) The recoverable amount of the Fascia was estimated based on their value in use, using discounted cashflows.
(3) For Swim! the carrying value of the Fascia has been disclosed. The overall carrying value, recoverable amount and impairment of Swim! is £34.1m, £14.2m and £19.9m respectively. The £19.9m relates to £12.2m goodwill impairment, £3.4m fascia impairment. £2.5m PPE impairment and £1.8m right of use asset impairment.

Goodwill and Fascia impairments
For the period ended 28 January 2023

	Carrying value of Group of CGUs[1] £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	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
	312.9	**195.3**	**117.6**

(1) The carrying value is stated before the impairment was booked.
(2) The recoverable amount of the Fascia was estimated based on their value in use, using discounted cashflows.

The impairment tables above have been presented on the updated group of CGU basis for the current period and on the previous basis for the prior period. For the current period, this is on an operating segment level for goodwill and fascia level for fascia intangibles. For the prior period, this has all been presented on a fascia Group of CGU level.

13. Intangible Assets continued

Goodwill and Fascia impairments continued
The impairment charge in the current period is a result of impairment of Gymnation before divestment, negative growth in Outdoor retail stores and lower than anticipated trading results in the period for Livestock and Swim! since acquisition.

Impairment of £117.6 million in the prior period was recognised against the goodwill and fascia intangibles, with the majority arising on the acquisition of Deporvillage, Hairburst, Leisure Lakes and Wheelbase.

Cash-Generating Units
The Group considers each store to be a separate cash-generating unit ('CGU'). Property, plant and equipment, and right-of-use assets are tested for impairment at the CGU level as this is the level at which largely independent cash inflows are generated. Each of the CGUs (stores) operates under a fascia name and makes use of brand licences and therefore CGUs are grouped by fascia name for the purposes of considering fascia name and brand licence impairments.

The Group allocates goodwill at the operating segment level, which represents a group of CGUs for the Group's retail operations. The Group's operating segments are Premium UK & ROI, Premium Europe, Premium North America, Premium Asia Pacific, Outdoor Retail, Other UK & ROI, Other Europe, Other North America and Other Asia Pacific. This has changed from 2023, where goodwill was previously assessed at the fascia level. In the current year, it has been concluded that goodwill should be assessed at the operating segment level as that is where the synergies arising from acquisitions are now expected to be realised. Brand licences and customer relationships have also been allocated to groups of CGUs where each operating segment represents a group of CGUs as that is the level where the benefits from those assets are expected to be derived.

The recoverable amount of each CGU or group of CGUs is the higher of its value-in-use and its fair value less costs of disposal.

Intangible Assets with Finite Lives
Finite Lives, CGUs and Approach to Impairment
Intangible assets with finite lives are tested for impairment only if indicators of impairment exist. At each reporting date, the Group reviews the carrying amounts of its fascia names and brand licences 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 of CGUs and the choice of a suitable discount rate in order to calculate the present value. Impairment losses are recognised within administrative expenditure in the Consolidated Income Statement.

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 3 February 2024 range over a period of four to eight years (2023: three to ten 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.

13. Intangible Assets continued

Brand Licences
Brand licences are recognised when the Group enters into a licensing agreement with a brand to license 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 3 February 2024 range over a period of three months to ten years (2023: three months to nine years). Brand licences are treated as corporate assets and are allocated to each CGU to the lowest level on a reasonable and consistent basis, which is considered to be at the store level. This is split evenly across each store that generates related revenue to approximate the allocation to a CGU.

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 a group of CGUs and tested annually for impairment and whenever there is an indication that these may be impaired. The group of CGUs has been identified to be at a fascia level.

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 ten 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 the 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 a group of CGUs and tested for impairment annually and whenever there is an indication that these may be impaired. Each of the CGUs operates under a fascia, and therefore the CGUs are grouped under the fascia names.

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 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 (2023: £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 is expensed in the period it is incurred.

Intangible Assets with Indefinite Lives
Goodwill
Goodwill and all intangible assets with an indefinite useful life as well as intangible assets not yet brought into use require an annual impairment test. The Group performed its annual impairment test for the periods ending 3 February 2024 and 28 January 2023.

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 an operating segment and is tested annually for impairment and whenever there is an indication that the goodwill may be impaired. The recoverable amount is determined based on value-in-use calculations.

13. Intangible Assets continued

	Restated[1] Goodwill £m	Brand licences £m	Brand names £m	Restated[1] Fascia names £m	Customer relationships £m	Software development £m	Restated Total £m
Cost or valuation							
At 29 January 2022 (as reported)	1,185.9	22.1	22.9	525.0	11.7	113.7	1,881.3
Effect of prior period restatement (Note 39)	34.2	-	-	6.9	-	-	41.1
At 29 January 2022 (restated[1])	1,220.1	22.1	22.9	531.9	11.7	113.7	1,922.4
Additions	-	78.4	-	-	-	19.9	98.3
Acquisitions	12.6	-	-	5.5	1.1	-	19.2
Reclassifications[3]	-	-	-	-	-	(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 35)	(9.6)	-	-	(2.7)	-	(0.8)	(13.1)
Exchange differences	71.1	-	-	27.7	0.8	2.6	102.2
At 28 January 2023 (restated[1])	1,238.7	96.2	22.2	521.2	13.6	121.9	2,013.8
Additions	-	73.0	-	-	-	29.5	102.5
Reclassifications[3]	-	-	-	(7.5)	-	(2.1)	(9.6)
Disposals	-	(0.6)	-	-	-	(7.1)	(7.7)
Divestments (Note 12)	(58.0)	-	(0.7)	(15.6)	-	-	(74.3)
Transfer to assets held-for-sale (Note 35)	(7.4)	-	-	-	-	(0.1)	(7.5)
Exchange differences	(19.3)	(0.1)	-	(6.6)	(0.2)	(1.6)	(27.8)
At 3 February 2024	1,154.0	168.5	21.5	491.5	13.4	140.5	1,989.4
Amortisation and impairment							
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 [2]	109.2	-	-	8.4	-	0.1	117.7
Reclassifications[3]	-	-	-	-	-	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 35)	(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
Charge for the period	-	8.0	1.2	44.9	3.1	15.8	73.0
Impairments [2]	20.9	-	-	14.0	-	-	34.9
Reclassifications[3]	-	-	-	(7.5)	-	-	(7.5)
Disposals	-	(0.6)	-	-	-	(6.4)	(7.0)
Divestments (Note 12)	(35.6)	-	(0.7)	(6.7)	-	-	(43.0)
Exchange differences	(0.2)	-	0.1	(2.3)	(0.1)	(1.1)	(3.6)
At 3 February 2024	177.0	27.4	17.7	232.1	7.4	98.5	560.1
Net book value							
At 3 February 2024	977.0	141.1	3.8	259.4	6.0	42.0	1,429.3
At 28 January 2023 (restated[1])	1,046.8	76.2	5.1	331.5	9.2	31.7	1,500.5
At 29 January 2022 (restated[1])	1,097.5	7.7	6.8	360.5	10.2	32.0	1,514.7

(1) Please refer to Note 39 for further details of the restatement.
(2) The impairment charge for the period is made up of adjusting items of £34.9m (2023: £117.6m). See Note 4 for adjusting items.
(3) Reclassifications on Fascia names are in relation to mis-classified impairments within the cost of assets which have been reclassified to the impairment financial line item. The remaining software reclassifications are movements from tangible assets. These net to £Nil across the reclassification lines within Notes 14, 15, 16 and 18.
(4) The total net book value divested in the year ended 3 February 2024 is £40.5 million (see Note 12). Within this value £9.0m was classified as held-for-sale in the 52 week period ended 28 January 2023 and £31.3m has been divested in the 53 week period ended 3 February 2024.

13. Intangible Assets continued

Disposal of Nil Net Book Value Assets No Longer in Use

Following on from a review undertaken in the previous financial period, a review of the intangible asset records was carried out in the 53 week period ended 3 February 2024 to identify fully amortised assets no longer in use by the Group. The result of the review is a disposal of £5.2m (2023: £7.7m) of cost and accumulated amortisation for assets no longer in use.

Carrying Value by Operating Segment

The carrying amount of goodwill by operating segment, along with the key assumptions used in the value-in-use calculation, is as follows:

	Reportable Segment	Goodwill 2024 £m	Restated(1) total goodwill 2023 £m
Premium UK & ROI	Sports Fashion	26.9	26.6
Premium North America	Sports Fashion	775.3	790.4
Premium Europe	Sports Fashion	12.3	13.0
Other UK & ROI	Sports Fashion	2.7	2.7
Other Europe	Sports Fashion	139.7	141.4
Other Businesses	Sports Fashion	15.3	67.9
Outdoor Retail	Outdoors	4.8	4.8
		977.0	1,046.8

(1) Please refer to Note 39 for further details of the restatement.

Below we have presented the key assumptions used in the goodwill impairment models.

For the 53 week period ended 3 February 2024

		Impairment model assumptions used		
	Reportable Segment	Growth rate(1)	Gross margin rate	Pre-tax discount rate(1)
Premium UK & ROI	Sports Fashion	1.1%	Gross margins assumed to be consistent with historic levels and the approved budget for 2025.	13.5%
Premium North America	Sports Fashion	5.6%	Gross margins assumed to be consistent with historic levels and the approved budget for 2025.	12.8%
Premium Europe	Sports Fashion	10.9%	Gross margins assumed to be consistent with historic levels and the approved budget for 2025.	13.2%
Other UK & ROI(2)	Sports Fashion	(2.0)%	Gross margins assumed to be consistent with historic levels and the approved budget for 2025.	13.7%
Other Europe	Sports Fashion	6.8%	Gross margins assumed to be consistent with historic levels and the approved budget for 2025.	12.1%
Other Businesses	Sports Fashion	1.4%	Gross margins assumed to be consistent with historic levels and the approved budget for 2025.	11.1%
Outdoor retail	Outdoor	(1.0)%	Gross margins assumed to be consistent with historic levels and the approved budget for 2025.	13.5%

(1) Growth rates and discount rates have not been presented for both Premium Asia Pacific and Other Asia Pacific, this is due to there being no intangible assets to assess as part of an impairment model.

13. Intangible Assets continued

For the 52 week period ended 28 January 2023

		Impairment model assumptions used		
	Reportable Segment	Growth rate 2023	Gross margin rate	Pre-tax discount rate 2023
Cosmos	Sports Fashion	3.3%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024.	13.6%
Deporvillage	Sports Fashion	5.8%	Increase by 5% in the short term to reflect improvements in distribution and changes in product strategy.	11.8%
DTLR	Sports Fashion	3.1%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024.	12.8%
Finish Line	Sports Fashion	1.0%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024.	13.2%
Go Outdoors	Outdoor	3.1%	Increase by 2% in the short term to reflect improvements in distribution and changes in product strategy.	16.3%
GymNation	Sports Fashion	2.1%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024.	12.2%
JD Gyms	Sports Fashion	1.2%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024.	14.4%
Leisure Lakes	Outdoor	4.2%	Increase by 3.7% in the short term to reflect improvements in distribution and changes in product strategy.	14.6%
MIG	Sports Fashion	4.4%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024.	12.6%
Shoe Palace	Sports Fashion	4.7%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024.	12.6%
Sport Zone	Sports Fashion	2.4%	Gross margins assumed to be consistent with historic levels and the approved budget for 2024.	12.0%
Total Swimming Group	Sports Fashion	12.3%	Increase by 6% in the short term to reflect changes in business strategy.	15.0%
Other	Sports Fashion & Outdoor	1% - 5%	A range of gross margin assumptions, from broadly consistent and movements of -2% to +2.5% in the short-term to reflect historic margin movements and changes in strategy for stock and merchandising.	11.0% - 16.0%

13. Intangible Assets continued

Key Assumptions Used in Value-In-Use Calculations and Sensitivity to Changes in Assumptions

The calculation of value-in-use for CGUs and groups of CGUs is most sensitive to the following assumptions:

- Gross margins
- Discount rates
- Growth rates

The cash flow projections used in the value-in-use calculations are all based on the Group's three-year Board approved forecast. The forecasts are extrapolated based on estimated long-term average growth rates. Estimates are based on past experience and expectations of future changes in the market, including the prevailing economic climate and global economy, competitor activity, market dynamics, changing customer behaviours, structural challenges facing retail and the resilience afforded by the Group's operational scale.

Gross Margins
Gross margins are based on the same values as forecast in the Board approved budget. These are generally expected to remain constant over the three year forecast period.

Discount Rates
Discount rates represent the current market assessment of the risks specific to each CGU and group of CGUs, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ('WACC').

Growth Rates
The short-term revenue growth rate is based on the Board approved average annual growth rates for the three year period following the 53 week period ending 3 February 2024. 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. The long-term growth rates have been compared to published industry research and the lower of the growth rates have been used in the value-in-use calculation.

Sensitivity Analysis
The Group has carried out sensitivity analysis on the reasonably possible changes in key assumptions in the impairment tests for:

(a) each operating segment to which goodwill has been allocated; and
(b) for each group of CGUs at a fascia level.

Management 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, management 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 groups CGUs and operating segments with headroom, management believes that there are no reasonably possible changes in any of the key assumptions which would cause the carrying value to materially exceed its recoverable amount and we do not consider this to be a critical estimate. Management does not consider there to be a reasonably possible change in any of the key assumptions in the group of CGUs, or with impairment charges that would materially increase the impairment recognised in the period other than for the outdoor retail segment.

Sensitivity analysis has been performed, and there are no intangibles which would be materially impacted by reasonably possible changes to key assumptions that would have a material impact on the carrying value of intangibles. This is due to the significant headroom identified from the VIU calculations.

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
- 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

The Group reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group considers climate-related matters, including physical and transition risks. Specifically, the Group determines whether climate-related legislation and regulations might impact either the useful life or residual values, e.g. by imposing additional energy efficiency requirements on the Group's buildings and office properties.

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 the Consolidated Income Statement 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. The Group treats each store as a separate cash-generating unit ('CGU') for impairment testing of property, plant and equipment and right-of-use assets as this is the level at which largely independent cash flows are generated. 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 of each store CGU is the higher of its value-in-use and its fair value less costs of disposal. 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 sustainable 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.

Discount rates represent the current market assessment of the risks specific to each CGU and group of CGUs, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ("WACC").

Impairment charges of £9.5million (2023: £1.5 million) relate to all classes of property, plant and equipment in store CGUs where there has been an impairment indicator and following which a full impairment review has been performed. 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 higher of the fair value less costs to sell and value-in-use.

Included within the depreciation charge for the period ended 3 February 2024 is accelerated depreciation of £0.7 million (2023: £2.0 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 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 (2)	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 35)	(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
Additions	12.5	122.3	56.5	303.2	34.0	1.3	529.8
Disposals	(0.5)	(16.6)	(0.3)	(32.3)	(2.5)	(0.8)	(53.0)
Divestments (Note 12)	-	(0.1)	-	(37.4)	(7.9)	(0.3)	(45.7)
Reclassifications(2)	(4.0)	12.3	(15.7)	(10.0)	(1.3)	(0.1)	(18.8)
Exchange differences	(1.2)	(6.1)	(1.4)	(15.2)	(1.9)	(0.2)	(26.0)
Transfer to investment property (Note 15)	(4.8)	-	-	-	-	-	(4.8)
Transfer to assets held-for-sale (Note 35)	-	-	-	(1.7)	(0.4)	-	(2.1)
At 3 February 2024	98.4	389.3	62.9	1,197.7	117.3	7.0	1,872.6
Depreciation and impairment							
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 (2)	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)
Impairment charge for the period (1)	-	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 35)	(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
Charge for the period	3.8	43.2	-	111.1	18.6	1.1	177.8
Disposals	(0.3)	(12.6)	-	(29.1)	(2.2)	(0.7)	(44.9)
Reclassifications (2)	-	-	-	0.3	(0.3)	-	-
Divestments (Note 12)	-	(0.1)	-	(18.2)	(4.0)	(0.2)	(22.5)
Impairment charge for the period (1)	-	-	-	9.5	-	-	9.5
Exchange differences	(0.3)	(2.1)	0.1	(10.0)	(0.9)	(0.3)	(13.5)
Transfer to investment property (Note 15)	(1.7)	-	-	-	-	-	(1.7)
Transfer to assets held-for-sale (Note 35)	-	-	-	(1.3)	(0.3)	-	(1.6)
At 3 February 2024	19.0	112.0	0.1	530.6	55.3	3.7	720.7
Net book value							
At 3 February 2024	79.4	277.3	62.8	667.1	62.0	3.3	1,151.9
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

(1) The impairment charge for the period is made up of adjusting items of £2.5 million (2023: £Nil) and non-adjusting items of £7.0 million (2023: £Nil). See Note 4 for adjusting items.

(2) Reclassifications relate to mis-classified assets which have been reclassified to the correct financial line item. These net to £Nil across the reclassification lines within Notes 13, 14, 18 and 25.

The total net book value divested of property, plant and equipment in the year ended 3 February 2024 is £40.4 million (see Note 12). Within this value £17.2 million was classified as held-for-sale at 28 January 2023 and £23.2 million has been divested in the year ended 3 February 2024.

15. Investment Property

Investment property, which is property held to earn rental income, 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. 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.

	Total £m
Cost	
At 28 January 2023	-
Transfer from Property, Plant and Equipment (Note 14)	4.8
At 3 February 2024	**4.8**
Depreciation and impairment	
At 28 January 2023	-
Transfer from Property, Plant and Equipment (Note 14)	1.7
At 3 February 2024	**1.7**
Net book value	
At 3 February 2024	**3.1**
At 28 January 2023	-

The investment properties relate to properties leased to Focus Brands Limited (£4.2 million) and Kukri Sports Limited (£0.6 million). The shareholdings of both companies were disposed of during the period ended 3 February 2024. Prior to disposal of the investment in these entities, these properties had been shown in Property, Plant and Equipment (Note 14).

Based on an external valuation prepared as at 31 December 2021, the fair value of these investment properties as at that date was £5.8 million. This valuation was prepared in accordance with the relevant sections and standards contained within the current edition of the RICS Valuation – Professional Standards, incorporating the International Valuation Standards Global and UK editions (the "Red Book").

The properties are two years into a three-year valuation cycle and, accordingly, an external valuation of the properties will be obtained for the period ended 1 February 2025. Given the non-volatile nature of the property, a three-year external valuation cycle is deemed appropriate by the Directors. The Directors deem this to be a Level 3 input under the Group's fair value hierarchy (see Note 23).

16. 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.

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.

16. Leases continued

Accounting Policy continued

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.

The Group's incremental borrowing rate is the rate that the Group would have to pay for a loan of a similar term, and with similar security, to obtain an asset of similar value. The incremental borrowing rate is determined based on a series of inputs including: the term, the risk determined by the Yield to Maturity (YTM) ratio on 'BBB' rated corporate bonds and a credit risk adjustment based on the Group's bond yields. Corporate bond rates are a comparable reflection of the risk level of the Group and hence more suitable than government bond rates for discounting the Group's lease liabilities.

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 is 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 several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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. 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.

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.

16. Leases continued

Accounting Policy continued

Short-term Leases

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. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Payments Expensed to the Group Income Statement:

Variable lease payments, short-term lease payments, rolling lease payments and non-lease service components have been charged to the Consolidated Income Statement. The variable lease payments that are charged to the Consolidated Income Statement are those which are impacted by changes in sales at certain stores where the lease includes an element of turnover rent. Rolling lease payments are in relation to leases where 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.

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:

	2024 £m	Restated[1] 2023 £m	Restated[1] 2022 £m
Right-of-use assets	2,296.6	2,181.8	2,075.9

(1) Please refer to Note 39 for further details of the restatement.

16. Leases continued

Right-of-use Assets

	Restated(1) Property £m	Restated(1) Plant & vehicles £m	Restated(1) Total £m
Cost			
At 29 January 2022	2,909.6	10.2	2,919.8
Effects of prior period restatement	43.3	-	43.3
At 29 January 2022 - Restated(1)	2,952.9	10.2	2,963.1
Additions	395.3	14.6	409.9
Additions - on acquisition	13.1	-	13.1
Transfer to assets held-for-sale (Note 35)	(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 (3)	5.3	-	5.3
Foreign exchange retranslation	134.6	-	134.6
At 28 January 2023 - Restated(1)	3,467.8	23.2	3,491.0
Additions	569.8	23.0	592.8
Transfer to assets held-for-sale (Note 35)	(0.2)	-	(0.2)
Disposals	(71.7)	(2.1)	(73.8)
Divestments (Note 12)	(96.3)	-	(96.3)
Remeasurement adjustments	79.3	(9.8)	69.5
Reclassifications (3)	3.7	17.6	21.3
Foreign exchange retranslation	(43.2)	(0.5)	(43.7)
At 3 February 2024	3,909.2	51.4	3,960.6
Depreciation and impairment			
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 35)	(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
Depreciation charge for the period	399.6	13.7	413.3
Depreciation on disposals	(38.2)	(1.2)	(39.4)
Divestments (Note 12)	(43.4)	-	(43.4)
Impairment	16.4	-	16.4
Remeasurement adjustments	-	3.2	3.2
Foreign exchange retranslation	4.7	-	4.7
At 3 February 2024	1,636.5	27.5	1,664.0
Net book value			
At 3 February 2024	2,272.7	23.9	2,296.6
At 28 January 2023 - Restated(1)	2,170.4	11.4	2,181.8
At 29 January 2022 - Restated(1)	2,072.4	3.5	2,075.9

(1) Please refer to Note 39 for further details of the restatement.
(2) The impairment charge for the period is made up of adjusting items of £1.8 million (2023: £4.5 million) and non-adjusting items of £14.6 million (2023: £0.3 million). See Note 4 for adjusting items.
(3) Reclassifications relate to mis-classified assets which have been reclassified to the correct financial line item. These net to £Nil across the reclassification lines within Notes 13, 14, 18 and 25.

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, recalculated 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 3 February 2024 is £71.9 million (2023: £49.3 million).

16. Leases continued

Right-of-use Assets continued

The total net book value divested in the year ended 3 February 2024 is £83.7 million (see Note 12). Within this value £30.8 million was classified as held-for-sale in the 52 weeks ended 28 January 2023 and £52.9 million has been divested in the year ended 3 February 2024.

Impairment of Right-of-use Assets

The Group treats each store as a separate cash-generating unit ('CGU') for impairment testing of property, plant and equipment and right-of-use assets as this is the level at which largely independent cash inflows are generated. Each 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 CGU with its recoverable amount determined from value-in-use calculations.

The value-in-use of each CGU has been calculated using discounted cash inflows derived from the Group's latest Board approved plan, 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 plan 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 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 recoverable amount was less than the carrying value of the CGU, an impairment of property, plant and equipment and right-of-use assets was recorded. The Group has recognised an impairment charge of £16.4 million (2023: £4.8 million) against 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 liabilities as at 3 February 2024 is shown below, along with a maturity analysis of contractual undiscounted cash flows to which the Group is committed. As at 3 February 2024, the weighted average discount rate applied to the lease portfolio of the Group is 3.9% (2023: 3.2%).

	2024 £m	Restated[(1)] 2023 £m	Restated[(1)] 2022 £m
Maturity analysis – contractual undiscounted cash flows			
Within one year	489.8	475.2	414.5
Later than one year and not later than two years	440.0	411.0	384.6
Later than two years and not later than three years	386.4	355.6	331.6
Later than three years and not later than four years	334.4	308.5	283.5
Later than four years and not later than five years	295.8	256.5	240.3
After five years	999.3	877.7	865.5
Total undiscounted lease liabilities	2,945.7	2,684.5	2,520.0

	2024 £m	Restated[(1)] 2023 £m	Restated[(1)] 2022 £m
Current	415.9	430.1	384.6
Non-current	2,068.1	1,953.9	1,901.6
Lease liabilities included in the Consolidated Statement of Financial Position	2,484.0	2,384.0	2,286.2

(1) Please refer to Note 39 for further details of the restatement.

16. Leases continued

Lease Liabilities continued

	2024 £m	Restated(1) 2023 £m	Restated(1) 2022 £m
Opening balance (restated)	2,384.0	2,286.2	1,929.8
Additions	592.8	420.3	574.0
Acquisitions	-	2.7	271.7
Interest on lease liabilities	84.4	68.9	59.5
Repayments of lease liability	(484.4)	(461.9)	(415.7)
Liability adjustments (2)	(51.8)	(27.9)	(92.1)
Foreign exchange retranslation	(41.0)	95.7	(41.0)
Closing balance (restated)	**2,484.0**	**2,384.0**	**2,286.2**

(1) Please refer to Note 39 for further details of the restatement.
(2) Liability adjustments include (£55.0) million for divestments (2023: (£7.4) million), (£37.4) million for disposals (2023: (£40.7) million) and (£0.2) million for transfers to liabilities held-for-sale (2023: (£32.1) million), see notes 12 for divestments and 35 for held-for-sale. There are also £40.8 million (2023: £52.3 million) for remeasurement adjustments.

Amounts recognised in the Consolidated Statement of Cash Flows and their categorisation are below:

		53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 £m
Repayments of principal portion of lease liability	(Cash flows from financing activities)	400.0	393.0
Interest on lease liabilities	(Cash flows from operating activities)	84.4	68.9
Expenses relating to short-term leases	(Net operating costs)	2.0	3.8
Variable lease payments	(Net operating costs)	104.5	91.3
Total cash outflow for leases		**590.9**	**557.0**

Amounts recognised in the Consolidated Income Statement:

	53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 £m
Depreciation expense of right-of-use assets	413.3	395.2
Interest on lease liabilities	84.4	68.9
Variable lease payments not included in the measurement of lease liabilities	104.5	91.3
Income from subleasing right-of-use assets	(1.2)	(1.3)
Expenses relating to short-term leases	2.0	3.8
Impairment of right-of-use assets	16.4	4.8

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 sub-leases 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.

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 £1.2 million (2023: £1.3 million).

17. Investments in Associates and Joint Ventures

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 and subsequently a provision for impairment is recognised where appropriate. 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.

	2024 £m	2023 £m
Interest in associates	33.2	28.1
Interest in joint ventures	10.3	10.7
	43.5	38.8

	Associates £m	Joint ventures £m	Total £m
Net book value			
At 29 January 2022	28.2	28.0	56.2
Additions	-	2.8	2.8
Disposals(1)	(2.1)	-	(2.1)
Impairments (Note 4)	-	(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
Disposals(2)	(1.6)	(1.3)	(2.9)
Share of profit	6.7	0.9	7.6
At 3 February 2024	33.2	10.3	43.5

(1) On 6 January 2023, the Group sold its entire 40% investment in The Couture Club Limited (including its 75% owned subsidiary, Il Sarto Milano Limited) and on 25 January 2023, the Group sold its 25% holding in Mallet Footwear Limited.

(2) On 23 May 2023 the Group sold its entire 49% investment in Brand Stable Limited. On 2 February 2024, the Group sold 0.64% of its holding in Applied Nutrition Limited, leaving a 31.36% investment being held by JD Sports Fashion Plc.

Associates

The Group has an equity interest in a single associate. On 7 May 2021, the Group acquired a 32% ownership interest in, and has significant influence over, Applied Nutrition Limited ('Applied Nutrition'). On 2 February 2024, the Group sold 0.64% of its holding in Applied Nutrition Limited, which did not impact its influence over the entity. Applied Nutrition is a sports nutrition brand which operates via a trading website.

The following table summarises the financial information of Applied Nutrition Limited as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Applied Nutrition Limited.

	2024 £m	2023 £m
Non-current assets	1.5	1.0
Current assets	51.4	24.3
Current liabilities	(6.4)	(6.1)
Net assets (100%)	46.5	19.2
Group's share of net assets (31.36%)	14.6	6.1
Goodwill and other intangibles	18.6	22.0
Carrying amount of interest in associate	33.2	28.1
Revenue	82.1	45.7
Profit and total comprehensive income (100%)	20.9	10.1
Group's share of total comprehensive income (31.36%)	6.7	3.2

17. Investments in Associates and Joint Ventures continued

Joint Ventures

The Group has equity interests in a number of joint ventures. These are made up of Gym King £3.5 million (2023: £3.6 million), JD Indonesia £6.1 million (2023: £5.2 million) and Other £0.7 million (2023: £1.9 million).

On 10 May 2021, the Group acquired a 40% ownership interest in, and has joint control of, Gym King (Holdings) Limited ('Gym King'). Gym King is an athleisure brand and one of the Group's suppliers.

The following table summarises the financial information of Gym King and its subsidiaries, as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Gym King.

	2024 £m	2023 £m
Non-current assets	0.2	0.3
Current assets	10.4	11.0
Current liabilities	(2.1)	(3.2)
Non-current liabilities	-	-
Net assets (100%)	8.5	8.1
Group's share of net assets (40%)	3.4	3.3
Elimination of unrealised profit on downstream sales	-	-
Goodwill and other intangibles	0.1	0.3
Carrying amount of interest in joint venture	3.5	3.6
Revenue	17.4	24.1
Profit and total comprehensive income (100%)	-	(0.5)
Group's share of total comprehensive income (40%)	-	-
Dividends received by the Group	-	0.4

On 28 July 2021, the Group acquired a 51% ownership interest in PT JD Sports Fashion and a 49% ownership in PT JD Sports Fashion Distribution (collectively 'JD Indonesia'). The Group has significant influence over both entities. JD Indonesia is a joint venture for the distribution and retail of Sports Fashion footwear and apparel in Indonesia.

The following table summarises the financial information of JD Indonesia as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in JD Indonesia:

	2024 £m	2023 £m
Non-current assets	8.5	7.1
Current assets	12.1	10.1
Current liabilities	(5.8)	(4.0)
Non-current liabilities	(3.1)	(2.9)
Net assets (100%)	11.7	10.3
Group's share of net assets (49% - 51%)	5.8	5.1
Elimination of unrealised profit on downstream sales	-	-
Goodwill and other intangibles	0.3	0.1
Carrying amount of interest in joint venture	6.1	5.2
Revenue	24.9	12.1
Profit and total comprehensive income (100%)	1.7	0.5
Group's share of total comprehensive income (49% - 51%)	0.8	0.2
Dividends received by the Group	-	-

18. Other Assets

Key Money

Monies paid in certain countries to give leaseholders 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 £0.9 million (2023: £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 once the store is expected to close 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 £5.5 million (2023: £8.8 million).

	Key money £m	Deposits £m	Total £m
Cost			
At 29 January 2022	22.9	38.2	61.1
Additions	0.1	12.7	12.8
Disposals	-	(1.8)	(1.8)
Reclassifications [(1)]	(8.5)	-	(8.5)
Exchange differences	(0.9)	0.2	(0.7)
At 28 January 2023	13.6	49.3	62.9
Additions	0.3	9.9	10.2
Disposals	(2.1)	(10.6)	(12.7)
Divestments	-	(0.4)	(0.4)
Reclassifications [(1)]	(0.2)	(0.2)	(0.4)
Exchange differences	-	(2.1)	(2.1)
At 3 February 2024	11.6	45.9	57.5
Depreciation and impairment			
At 29 January 2022	4.0	0.1	4.1
Reclassifications [(1)]	(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
Disposals	(2.8)	-	(2.8)
At 3 February 2024	3.1	0.1	3.2
Net book value			
At 3 February 2024	8.5	45.8	54.3
At 28 January 2023	7.7	49.2	56.9
At 29 January 2022	18.9	38.1	57.0

(1) Reclassifications relate to mis-classified assets which have been reclassified to the correct financial line item. These net to £Nil across the reclassification lines within Notes 13, 14, 16, and 25.

19. Inventories

	2024 £m	2023 £m
Finished goods and goods for resale	1,592.7	1,466.4

The cost of inventories recognised as expenses and included in cost of sales for the 53 weeks ended 3 February 2024 was £5,494.0 million (2023: £5,247.4 million as restated [1]).

Included within inventories is £2.4 million of deferred supplier rebates (2023: £2.4 million).

At the period end, net inventories of £14.8 million (2023: £52.7 million) were transferred to assets held-for-sale (see Note 35).

The Group had £70.6 million (2023: £73.5 million) of stock provisions at the end of the period, the movement on this provision is shown below:

	£m
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**
Created	52.3
Released	(7.8)
Utilised	(45.5)
Divested	(3.2)
Other	(1.2)
Foreign exchange	2.5
At 3 February 2024	**70.6**

(1) Please refer to Note 39 for further details of the restatement.

20. 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.

20. Trade and Other Receivables continued

	2024 £m	2023 £m
Current assets		
Trade receivables	37.3	62.4
Other receivables	37.4	48.2
Forward contract asset	2.8	13.7
Prepayments	147.4	121.5
Accrued income	1.7	2.8
Right of return asset	26.4	15.2
	253.0	263.8
Non-current assets		
Loans to associates and joint ventures	-	7.6
Interest rate swap	0.7	-
Forward contract asset	-	0.8
	0.7	8.4

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 3 February 2024:

	2024				2023			
	Weighted average loss rate %	Gross carrying amount £m	Loss allowance £m	Net £m	Weighted average loss rate %	Gross carrying amount £m	Loss allowance £m	Net £m
Not past due	0.0%	27.2	-	27.2	0.5%	42.5	(0.2)	42.3
Past due 0 - 30 days	0.0%	2.3	-	2.3	0.8%	11.8	(0.1)	11.7
Past due 31 - 60 days	0.0%	2.7	-	2.7	2.9%	3.4	(0.1)	3.3
Past due 61 - 90 days	0.0%	0.3	-	0.3	4.8%	2.1	(0.1)	2.0
More than 90 days past due	15.8%	5.7	(0.9)	4.8	35.4%	4.8	(1.7)	3.1
	2.4%	38.2	(0.9)	37.3	3.4%	64.6	(2.2)	62.4

At 3 February 2024, the exposure to credit risk for trade receivables by geographic region was as follows:

	2024			2023		
	Gross £m	Loss allowance £m	Net £m	Gross £m	Loss allowance £m	Net £m
UK & ROI	12.9	(0.2)	12.7	23.1	(0.3)	22.8
Europe	11.6	(0.6)	11.0	28.0	(1.8)	26.2
North America	4.9	-	4.9	2.5	-	2.5
Rest of world	8.8	(0.1)	8.7	11.0	(0.1)	10.9
Total	38.2	(0.9)	37.3	64.6	(2.2)	62.4

At 3 February 2024, the exposure to credit risk for trade receivables by type of counterparty was as follows:

	2024			2023		
	Gross £m	Loss allowance £m	Net £m	Gross £m	Loss allowance £m	Net £m
Wholesale customers	12.0	(0.5)	11.5	22.5	(0.6)	21.9
Retail customers	4.1	(0.1)	4.0	13.0	(0.6)	12.4
End user customers	2.4	-	2.4	0.2	-	0.2
Other[1]	19.7	(0.3)	19.4	28.9	(1.0)	27.9
Total	38.2	(0.9)	37.3	64.6	(2.2)	62.4

(1) Other includes amounts owed by associates and joint ventures, supplier rebates, amounts owed by suppliers for contributions towards marketing promotion costs, amounts owed by Macy's relating to Finish Line sales in Macy's stores and amounts owed relating to liquidated stock.

20. Trade and Other Receivables continued

At 3 February 2024, the carrying amount of the trade receivables due from the Group's most significant customer was £4.2 million (2023: £5.7 million).

Movement on the provision is shown below:

	£m
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**
Created	0.3
Released	(0.6)
Utilised	(0.9)
Reclassified	(0.1)
At 3 February 2024	**0.9**

The other classes within trade and other receivables do not contain impaired assets.

21. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, credit card receipts and call deposits with an original maturity of three months or less, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

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.

	2024 £m	Restated[1] 2023 £m
Cash at bank and in hand	435.2	818.6
Cash equivalents	50.0	48.3
Other short term deposits < 3 months	667.5	641.1
	1,152.7	1,508.0

(1) Please refer to Note 39 for further details of the restatement.

At the period end, cash and cash equivalents of £8.8 million (2023 restated: £74.5 million) were transferred to assets held-for-sale (see Note 35).

22. 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.

	2024 £m	2023 £m
Current liabilities		
Bank overdrafts	59.9	33.6
Bank loans	33.0	41.6
Bank loans and overdrafts	92.9	75.2
Non-current liabilities		
Bank loans	36.6	38.0

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 23.

22. Interest-bearing Loans and Borrowings continued

Bank Facilities

As at 3 February 2024, the Group had a syndicated committed £700 million bank facility expiring on 6 November 2026, which was extended in the previous financial year for a period of two years with no changes to existing terms (previous expiry 6 November 2024). The Group is subject to covenants on consolidated total net assets, net debt leverage and a fixed charge cover. Under this facility, a maximum of 15 drawdowns can be outstanding at any time, with drawdowns 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% (2023: 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.

As at 3 February 2024, this facility encompassed cross guarantees between the Company, Blacks Outdoor Retail Limited, JD Sports Fashion SRL (Italy), Go Outdoors Retail Limited, Genesis Holdings, Inc., Genesis Topco, Inc. Shoe Palace Corporation, The Finish Line Inc, The Finish Line USA Inc, DTLR Inc, Genesis Finco Limited, Spodis SA, JD Sports Fashion Aus Pty and JD Sports Fashion (Ireland) Limited.

At 3 February 2024, £Nil was drawn down on this facility (2023: £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 (2023: $300 million). At 3 February 2024, $12.5 million was drawn down on this facility (2023: $Nil). There are no covenants on this facility and the facility is only available to the Genesis Topco Inc group of companies.

As at 3 February 2024, this facility encompassed cross guarantees between the companies in the Genesis Topco Inc subgroup.

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 59 months. Included within bank loans and overdrafts are bank loans of £69.6 million (2023: £79.6 million) and overdrafts of £59.9 million (2023: £33.6 million). The maturity of the bank loans and overdrafts is as follows:

	2024 £m	2023 £m
Within one year	92.9	75.2
Between one and five years	35.7	38.0
Due in more than five years	0.9	-
	129.5	113.2

23. 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.

The Group recognises the following financial instruments on its balance sheet.

	2024 £m	At amortised cost £m	At fair value through profit or loss £m
Financial assets			
Cash and cash equivalents	1,152.7	1,152.7	-
Deposits	45.8	45.8	-
Trade receivables	37.3	37.3	-
Other receivables	37.4	37.4	-
Accrued income	1.7	1.7	-
Foreign exchange forward contracts - non-hedged	2.8	-	2.8
Interest rate swap	0.7	-	0.7
Financial liabilities			
Foreign exchange forward contracts - non-hedged	(2.0)	-	(2.0)
Trade payables	(782.8)	(782.8)	
Other payables and accrued expenses	(455.7)	(455.7)	-
Other payables - non-current	(155.4)	(155.4)	-
Lease liabilities	(2,484.0)	(2,484.0)	-
Contingent consideration - current	(0.2)	-	(0.2)
Contingent consideration - non-current	(2.0)	-	(2.0)
Interest-bearing loans and borrowings - current	(92.9)	(92.9)	-
Interest-bearing loans and borrowings - non-current	(36.6)	(36.6)	-
Put and call options held by non-controlling interests	(809.8)	(809.8)	-

	Restated[1] 2023 £m	At amortised cost £m	At fair value through profit or loss £m
Financial assets			
Cash and cash equivalents	1,508.0	1,508.0	-
Deposits (Note 18)	49.2	49.2	
Trade receivables	62.4	62.4	-
Other receivables	48.2	48.2	-
Accrued Income	2.8	2.8	-
Foreign exchange forward contracts - non-hedged	14.5	-	14.5
Financial liabilities			
Foreign exchange forward contracts - non-hedged	(30.4)	-	(30.4)
Trade payables	(723.7)	(723.7)	
Other payables and accrued expenses	(509.0)	(509.0)	-
Other payables - non-current	(89.3)	(89.3)	-
Lease liabilities	(2,384.0)	(2,384.0)	-
Contingent consideration - current	(0.2)	-	(0.2)
Contingent consideration - non-current	(5.2)	-	(5.2)
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	(1,104.7)	(1,104.7)	-

(1) Please refer to Note 39 for further details of the restatement.

23. Financial Instruments continued

Financial Assets

The Group's financial assets are non-derivative and derivative financial assets. The non-derivative assets are initially recognised at fair value and subsequently measured at amortised cost because they are held to collect contractual cash flows that are principal and interest on the principal amount outstanding. Credit loss allowance is calculated using lifetime expected credit losses for trade receivables and contract assets and as 12-months expected credit loss for other assets. 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, SOFR (Secured Overnight Financing Rate) and EURIBOR (Euro Interbank Offered Rate).

The currency profile of cash and cash equivalents is shown below:

	2024 £m	Restated (1) 2023 £m
Cash and cash equivalents		
Sterling	202.5	677.7
Euros	359.6	386.5
US Dollars	472.1	294.7
Australian Dollars	55.4	81.4
Malaysian Ringgit	12.2	11.8
Swedish Krona	1.2	11.7
Danish Krone	8.2	7.6
Singapore Dollars	3.1	3.7
Other	38.4	32.9
Total	1,152.7	1,508.0

(1) Please refer to Note 39 for further details of the restatement.

The currency profile of trade receivables is shown below:

	2024 £m	2023 £m
Trade receivables		
Sterling	17.6	24.5
Euros	10.2	21.2
US Dollars	8.6	11.8
Other	0.9	4.9
Total	37.3	62.4

23. Financial Instruments continued

Financial Liabilities

The currency profile of interest-bearing loans and borrowings is shown below:

	2024 £m	2023 £m
Interest-bearing loans and borrowings		
Sterling	5.7	5.8
Euros	73.7	89.5
Polish Zloty	39.6	8.9
US Dollars	-	4.7
Other	10.5	4.3
Total	129.5	113.2

The currency profile of trade payables is shown below:

	2024 £m	2023 £m
Trade payables		
Sterling	206.5	228.8
Euros	216.3	199.4
US Dollars	298.7	217.9
Australian Dollars	17.0	20.3
Polish Zloty	26.6	31.0
Canadian Dollars	9.9	8.8
Other	7.8	17.5
Total	782.8	723.7

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 3 February 2024 (28 January 2023: 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. Interest rate risk therefore arises from bank borrowings. At the period end, the Group did not hold any floating rate deposits.

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 Notes 21 and 22). At 3 February 2024, £Nil was drawn down from the £700 million committed facility. $12.5 million of the $300 million Asset Based Lending Facility was drawn down at 3 February 2024 (2023: $Nil).

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 (2023: £0.3 million) and would change equity by £0.3 million (2023: £0.3 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.

23. 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 items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit or loss are also recognised in Other Comprehensive Income or profit or loss, respectively).

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 held for 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 both Euros and US Dollars 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. Our European supply chain strategy has continued to reduce the Sterling/Euro exposure 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.

As at 3 February 2024, the fair value of these instruments were assets of £3.5 million (2023: £14.5 million) and liabilities of £2.0 million (2023: £30.4 million). The net asset of £1.5 million is split as £0.8 million due within one year and the remaining £0.7 million is due between one and two years (2023: net liability of £15.9 million split as £10.9 million due within one year and £5.0 million due between one and two years). A gain of £16.6 million (2023: loss of £32.2 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	
	2024 £m	2023 £m	2024 £m	2023 £m
Euros	13.6	4.7	57.8	43.7
US Dollars	13.1	2.0	167.3	141.4
Australian Dollars	2.1	2.0	4.6	6.5
Other	2.2	2.1	16.1	6.1
	31.0	10.8	245.8	197.7

23. 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	
	2024 £m	2023 £m	2024 £m	2023 £m
Euros	16.6	5.8	70.6	53.4
US Dollars	16.1	2.5	204.5	172.8
Australian Dollars	2.5	2.4	5.6	8.0
Other	2.7	2.6	19.8	7.9
	37.9	13.3	300.5	242.1

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 20). 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, accrued income and right of return assets) of £77.5 million (2023: £124.3 million) and cash and cash equivalents of £1,152.7 million (2023: £1,508.0 million).

The table below provides details of cash and cash equivalents by long-term credit rating of investment-grade rated counterparties

	2024 £m	2023 £m
Cash and cash equivalents	1,152.7	1,508.0
A1	434.8	701.6
A2	225.2	208.1
A3	102.1	2.2
Aa1	111.2	121.0
Aa2	68.8	163.1
Aa3	134.1	137.9
AAA	-	100.2
Ba1	1.3	0.2
Baa1	41.0	60.6
Baa2	34.2	13.1

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.

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 44 to 55. 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 1 to 93. 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 30 January 2027. See pages 54 and 55 for the Group's Going Concern and Viability Statement.

23. Financial Instruments continued

Liquidity Risk continued

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	2024 £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	132.5	55.0	35.8	31.9	8.9	0.9
Trade and other payables(1)	1,401.9	1,144.8	93.6	25.5	69.3	68.7
Lease liabilities(2)	2,945.7	122.5	367.3	440.0	1,016.6	999.3
Put and call options(3)	899.7	-	-	176.1	723.6	-
Derivative financial instruments						
Forward contracts (gross cash outflow)	137.8	40.6	97.2	-	-	-
	5,517.6	1,362.9	593.9	673.5	1,818.4	1,068.9

(1) Trade and other payables exclude accruals related to salaries, as these are non-financial instruments.
(2) This is the undiscounted value of the lease liabilities (see note 16).
(3) 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.

	Restated(1) 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	115.0	46.4	29.8	18.8	20.0	-
Trade and other payables(2)	1,341.7	861.1	371.6	12.1	36.3	60.6
Lease liabilities(3)	2,684.5	118.8	356.4	411.0	920.6	877.7
Put and call options(4)	1,279.7	-	216.8	23.6	774.2	265.1
Derivative financial instruments						
Forward contracts(5) (gross cash outflow)	1,906.0	173.1	917.1	815.8	-	-
	7,326.9	1,199.4	1,891.7	1,281.3	1,751.1	1,203.4

(1) Please refer to Note 39 for further details of the restatement.
(2) The prior period has been restated to remove salary accruals from the trade and other payables balance.
(3) This is the undiscounted value of the lease liabilities (see note 16).
(4) 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.
(5) Comparatives have been re-presented on a gross basis, whereas previously this has been presented on a net basis.

Fair Values

The fair values together with the carrying amounts shown in the Statement of Financial Position as at 53 weeks to 3 February 2024 are as follows:

	Note	Carrying amount 2024 £m	Fair value 2024 £m
Trade and other receivables	20	77.5	77.5
Cash and cash equivalents	21	1,152.7	1,152.7
Interest-bearing loans and borrowings - current	22	(92.9)	(92.9)
Interest-bearing loans and borrowings - non-current	22	(36.6)	(27.6)
Trade and other payables - current(1)		(1,238.4)	(1,238.4)
Trade and other payables - non-current(1)		(155.4)	(155.4)
		(293.1)	(284.1)
Unrecognised gain			(9.0)

(1) Trade and other payables included contingent consideration of £2.2 million (2023: £5.4 million) split between current of £0.2 million (2023: £0.2 million) and non-current of £2.0 million (2023: £5.2 million).

23. Financial Instruments continued

Fair Values continued

The comparatives at 28 January 2023 are as follows:

	Note	Restated[1] Carrying amount 2023 £m	Restated[1] Fair value 2023 £m
Trade and other receivables	20	124.3	124.3
Cash and cash equivalents	21	1,508.0	1,508.0
Interest-bearing loans and borrowings - current	22	(75.2)	(75.2)
Interest-bearing loans and borrowings - non-current	22	(38.0)	(29.1)
Trade and other payables - current[2]		(1,232.7)	(1,232.7)
Trade and other payables - non-current[2]		(89.3)	(89.3)
		197.1	206.0
Unrecognised gain			(8.9)

(1) Please refer to Note 39 for further details of the restatement.
(2) The prior period has been restated to remove salary accruals from the trade and other payables balance. No salary accruals are included in the non-current trade and other payables figure.

The carrying value and fair value of the put/call option liability is approximately equal, please refer to Note 24(b) for further information in respect of measurement.

In respect of the Group's non-current financial assets and liabilities as at 3 February 2024 and 28 January 2023, the fair value has been calculated by discounting contractual cash flows using a discount rate of 9.9% (2023: 9.2%) which reflects the current market assessments of the time value of money and the specific risks applicable to the liability. The valuations were categorised as level 2 in the fair value hierarchy as significant inputs to valuations are observable.

Fair Value Hierarchy

As at 3 February 2024, the Group held non-hedged foreign exchange forward contracts as well as contingent consideration which were carried at fair value on the Consolidated Statement of Financial Position.

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 affect on the recorded fair value that are not based on observable market data.

3 February 2024	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	2.8	-	2.8	-
Interest rate swap	0.7	-	0.7	-
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts - non-hedged	(2.0)	-	(2.0)	-
Contingent consideration - current	(0.2)	-	-	(0.2)
Contingent consideration - non-current	(2.0)	-	-	(2.0)

At 28 January 2023	Restated 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)	-
Contingent consideration - current	(0.2)	-	-	(0.2)
Contingent consideration - non-current	(5.2)	-	-	(5.2)

(1) Please refer to Note 39 for further details of the restatement.

24. Trade and Other Payables and Put and Call Option Liabilities

Trade and other payables are non-interest-bearing and are stated at their cost.

	2024 £m	Restated [1] 2023 £m	Restated [1] 2022 £m
Current liabilities			
Trade payables	782.8	723.7	526.6
Other payables and accrued expenses	474.9	548.0	591.7
Forward contract liability	2.0	24.6	3.1
Refund liabilities	53.7	30.8	27.2
Other tax and social security costs	132.7	144.1	130.9
Trade and other payables	1,446.1	1,471.2	1,279.5
Non-current liabilities			
Other payables and accrued expenses	155.4	96.6	8.7
Forward contract liability	-	5.8	1.9
Other payables	155.4	102.4	10.6

(1) Please refer to Note 39 for further details of the restatement.

	2024 £m	Restated [1] 2023 £m	Restated [1] 2022 £m
Current liabilities	-	184.4	97.1
Non-current liabilities	809.8	920.3	762.0
Total put and call option liabilities	809.8	1,104.7	859.1

(1) Please refer to Note 39 for further details of the restatement.

24a. Trade and Other Payables and accrued expenses

Other payables and accrued expenses include the following:

Reebok brand licence

In December 2021, the Group 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 Group 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 £73.0 million.

Hoodrich brand licence

In December 2023, the Group signed a contract with Hoodrich Limited to license the Hoodrich brand in various territories. The agreement became effective during the 52 week period ended 3 February 2024. As a result, the Group 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 7 year term of £58.9 million.

24b. Put and Call Option Liabilities

Put and call options are in place over all or part of the remaining non-controlling interest shareholding in various subsidiaries. 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. The only material put and call option remaining as at 3 February 2024 is Genesis at £763.5 million (2023: Genesis (restated) £782.9million).

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 an arithmetic Brownian motion for the projection of EBITDA. The option formula and multiple are usually stated in the option agreement allowing the strike price to be calculated from the simulated EBITDA; however, in the absence of a specified formula or multiple, we estimate this based on current evidence in the Mergers and Acquisitions market and the Group past experience of multiples paid for similar businesses. Upon initial recognition of put and call options, a corresponding entry is made to Other Equity (put and call option reserve), and for subsequent changes on remeasurement of the liability the corresponding entry is made to adjusting items in the Consolidated Income Statement.

24. Trade and Other Payables and Put and Call Option Liabilities continued

24b. Put and Call Option Liabilities continued

Inputs to the Monte-Carlo simulation models

The Group has used the Board approved 3-year plan to estimate profit and cash flow forecasts for future periods.

In estimating the present value of the Group's material put and call option liabilities, the key inputs to the Monte-Carlo simulation models are:

- The EBITDA forecasts and growth assumptions for future periods including forecast net cash/debt and forecast capital expenditure, working capital movements and taxation.
- The EBITDA which is projected using an Arithmetic Brownian Motion using EBITDA drift. The drift for each time period is estimated from forecast EBITDA and its standard deviation is estimated from historical EBITDA data.
- The risk-free discount rates, reflecting the current market assessment of the time value of money, used to discount the purchase price (subject to the option pricing cap as defined in the shareholder agreement) to present value.

Other Options

Within other options the two largest value options at FY24 are Cosmos £23.7 million (2023 (restated): £18.1 million) and DTLR £13.9 million (2023 (restated): £11.2 million). Due to the value of these other options, management has used a third party valuation specialist to value these options. The valuation technique is consistent with that outlined above for material options. The remaining options are valued in house, and total £46.3 million (2023 (restated): £63.0 million).

	Iberian Sports Retail Group ('ISRG') £m	Genesis Topco Inc ('Genesis') £m	Marketing Investment Group S.A. ('MIG') £m	Other £m	Total Liability £m
At 30 January 2022	119.0	520.3	51.9	73.5	764.7
Effect of prior period restatement	58.2	-	-	36.2	94.4
At 30 January 2022 - restated (1)	177.2	520.3	51.9	109.7	859.1
Acquisitions - restated	-	-	-	14.1	14.1
Options lapsed and disposed during the period	-	-	-	(17.6)	(17.6)
Increase/(decrease) in the present value of the existing option liability - restated(1)	29.2	262.6	0.5	(43.2)	249.1
At 28 January 2023 - restated(1)	206.4	782.9	52.4	63.0	1,104.7
Acquisitions (Note 11)	428.8	-	-	-	428.8
Options lapsed and disposed during the period	(196.7)	-	-	(5.0)	(201.7)
Other movements	-	-	-	(13.2)	(13.2)
Options bought out (Note 33)	(434.6)	-	(68.7)	-	(503.3)
(Decrease)/increase in the present value of the existing option liability	(3.9)	(19.4)	16.3	1.5	(5.5)
At 3 February 2024	**-**	**763.5**	**-**	**46.3**	**809.8**

(1) Please refer to Note 39 for further details of the restatement.

24. Trade and Other Payables and Put and Call Option Liabilities continued

24b. Put and Call Option Liabilities continued

ISRG Put Option

Following the receipt of a formal buy / sell notice on 13 April 2023 from Balaiko Firaja Invest, S.L. and Sonae Holdings, S.A. (together the 'Minority Parties'), who collectively held 49.99% of Iberian Sports Retail Group, S.L. ('ISRG'), the Group was engaged in formal discussions with the Minority Parties with regards to the future ownership structure of ISRG. As a result, the put option related to ISRG of £196.7 million lapsed with a corresponding entry to put and call option reserve of £46.0 million and brought forward retained earnings of £150.7 million. On 7 July 2023, the Group announced its intention to acquire the remaining 49.99% shares in ISRG for a total consideration of £428.8 million. As a result, the Group recognised a put option liability with a corresponding entry to put and call option reserve amounting to £428.8 million. On 10 October 2023, the Group bought out the ISRG put option liability at the completion of the acquisition of the 49.99% shares in ISRG (see Note 11).

MIG Put and Call Option

On 17 July 2023, the Group amended the MIG shareholders agreement and as a result there was a modification to the put and call option for the Group to acquire, or be required to acquire the full 40% shareholding in MIG currently held by the non-controlling interests and therefore remeasured the MIG put and call option liability and disclosed as an increase in the present value of the existing option liability of £16.3 million with corresponding entry to adjusting items (see Note 4). On 21 December 2023, the Group bought out the MIG put and call option liability at the completion of the acquisition of the 40% shares in MIG (see Note 11).

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 input was determined to be the EBITDA forecasts per the Board approved 3-year plan. 10% was determined to be a reasonably possible change for the EBITDA forecasts included in the approved cash flow forecasts, reflecting recent experience in levels of forecasting accuracy.

The result was that:

- A reduction of 10% to the forecast EBITDA would result in a reduction to the put and call option liability of £91.8 million.

Option Details

Current options – Options details

Company	Options in existence	Exercise periods	Methodology	Maximum price	Short-term EBITDA growth assumptions	Discount rate applied	Recognised at 3 February 2024 £m
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 financial period. The first put period will occur after the determination of the put/call value for the financial period ending on 1 February 2025. The final put option can be exercised within a period of 30 calendar days after the end of the fiscal period ending 1 February 2028.	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 £1.46 billion.	6.4% – 12.5%	3.3% – 4.8%	**763.5**
Other put option liabilities							**46.3**
Total liability							**809.8**

25. 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. The unwind of the provision will be dependent on management's decision about when a premises may be vacated, this would typically be over a five to seven year period.

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. The unwind of the provision will be dependent on when the expected costs are incurred, this would typically be over a one to two year period.

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 period ending 30 September 2030.

	Property provision £m	Other provisions £m	Onerous contract provision £m	Total £m
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 35)	(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 as reported	21.4	5.1	4.3	**30.8**
Provisions reclassified from accruals [1]	-	-	(0.1)	**(0.1)**
Provisions divested in the period (Note 12)	(0.2)	-	-	**(0.2)**
Provisions released during the period	(1.3)	(0.7)	(0.1)	**(2.1)**
Provisions created during the period	1.7	2.9	3.3	**7.9**
Provisions utilised during the period	(0.6)	(3.2)	(3.3)	**(7.1)**
Balance at 3 February 2024	21.0	4.1	4.1	**29.2**

(1) Reclassifications relate to mis-classified assets which have been reclassified to the correct financial line item. These net to £Nil across the reclassification lines within Notes 13, 14, 16, and 18.

Provisions have been analysed between current and non-current as follows:

	2024 £m	Restated[1] 2023 £m
Current	**7.5**	9.7
Non-current	**21.7**	21.1
	29.2	30.8

(1) Please refer to Note 39 for further details of the restatement.

26. Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2024 £m	Assets 2023 £m	Liabilities 2024 £m	Liabilities 2023 £m	Net 2024 £m	Net 2023 £m
Property, plant and equipment	3.8	2.1	(68.9)	(57.9)	(65.1)	(55.8)
Employee benefits	12.4	13.1	-	-	12.4	13.1
Property	32.2	31.0	(0.5)	(0.4)	31.7	30.6
Specific trade provisions	8.5	12.3	-	-	8.5	12.3
Losses	10.1	5.0	-	-	10.1	5.0
Fascia names	-	-	(66.3)	(85.0)	(66.3)	(85.0)
Other	3.7	2.6	(0.9)	(0.1)	2.8	2.5
Tax assets/(liabilities)	70.7	66.1	(136.6)	(143.4)	(65.9)	(77.3)

In accordance with IAS 12, UK deferred tax has been recognised at the enacted rate of 25% at the balance sheet date. Deferred tax is recognised at the local enacted rate for overseas territories.

The table above shows the split of the deferred tax balance by category. The Consolidated Statement of Financial Position shows the position after the legally enforceable right of offset. This results in an asset of £23.8 million (2023: £12.9 million) and a liability of £89.7 million (2023: net liability £90.2 million) in the Consolidated Statement of Financial Position. This reflects the net position of £65.9 million liability (2023: £77.3 million liability) shown in the table above.

Movement in deferred tax during the period

								Total
Balance as at 29 January 2022	(9.8)	-	-	-	6.5	(97.6)	55.2	(45.7)
Recognised on acquisition/(divestment)	(0.2)	(0.1)	(1.9)	-	0.3	(2.3)	0.5	(3.7)
Recognised in income statement	(34.4)	(2.1)	4.1	(3.1)	(1.9)	16.3	(0.7)	(21.8)
Reclassification	(9.3)	15.2	27.9	15.5	0.2	2.9	(52.4)	-
Foreign exchange movement	(2.1)	0.1	0.5	(0.1)	(0.1)	(4.3)	(0.1)	(6.1)
Balance as at 28 January 2023 - Restated[1]	(55.8)	13.1	30.6	12.3	5.0	(85.0)	2.5	(77.3)
Reclassification	0.8	-	(0.8)	-	-	-	-	-
Disposed during the period	0.1	-	-	-	-	0.8	-	0.9
Recognised in income statement	(11.2)	(0.5)	1.7	(2.0)	5.2	16.7	-	9.9
Foreign exchange movement	1.0	(0.2)	0.2	(1.8)	(0.1)	1.2	0.3	0.6
Balance as at 3 February 2024	(65.1)	12.4	31.7	8.5	10.1	(66.3)	2.8	(65.9)

(1) Please refer to Note 39 for further details of the restatement.

As at 3 February 2024, the Group had not recognised deferred income tax liability (2023: £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 £1,344.2 million (2023 restated: £1,600.6 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.

26. Deferred Tax Assets and Liabilities continued

Unrecognised Deferred Tax Assets

In line with its accounting policy, deferred tax assets have not been recognised on gross timing differences of £92.8 million (2023: £100.2 million) as there is uncertainty over the timing of their utilisation. Additional information in relation to unrecognised deferred tax is shown in the table below.

	Gross Amount 2024 £m	Tax Effected 2024 £m	Gross Amount 2023 £m	Tax Effected 2023 £m
Property, plant and equipment	6.8	1.9	11.1	2.9
Property	0.6	0.1	-	-
Specific trade provisions	1.8	0.5	-	-
Losses	83.6	20.7	89.1	29.3
Tax assets	**92.8**	**23.2**	100.2	32.2

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 year 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 longer-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.

The Group has recognised deferred tax assets on gross losses of £40.2 million (2023: £19.5 million) as outlined in the table below.

	2024 £m		2023 £m	
	Gross amount	Tax effected	Gross amount	Tax effected
Tax losses expiring:				
Within 10 years	-	-	-	-
More than 10 years	0.6	0.2	0.1	-
Available indefinitely	39.6	9.9	19.4	5.0
Total	**40.2**	**10.1**	19.5	5.0

Recognised tax losses (gross)	2024 £m	2023 £m
Iberian Sports Retail Group SL	14.6	-
Sprinter Megacentros Del Deporte SLU	10.7	-
JD Sports Fashion B.V.	8.0	11.7
Sport Zone Canarias SL	0.6	3.4
Swim Sports Company Limited	4.8	2.1
Other	1.5	2.3
Total	**40.2**	19.5

26. Deferred Tax Assets and Liabilities continued

In line with its accounting policy, deferred tax assets have not been recognised on gross losses of £83.6 million (2023: £89.1 million) as there is uncertainty over the timing of their utilisation. These losses are outlined in the table below.

	2024 £m		2023 £m	
	Gross amount	Tax effected	Gross amount	Tax effected
Tax losses expiring:				
Within 10 years	22.1	4.7	16.4	3.4
More than 10 years	16.1	4.2	17.3	4.3
Available indefinitely	45.4	11.8	55.4	21.6
Total	83.6	20.7	89.1	29.3

	2024 £m	2023 £m
JD Sports Fashion Germany B.V. & Co. KG	10.0	-
JD Size GmbH	6.0	4.9
JD Sports Fashion AT GmbH	8.1	6.4
JD Sports Fashion Sweden AB	11.1	8.4
JD Sports Fashion Korea Inc	17.5	14.1
JDSF Retail (Canada) Inc	16.1	11.3
JD Sports Fashion Finland OY	3.1	3.7
JD Sports (Thailand) Limited	-	4.2
Sports Unlimited Retail B.V.	-	26.0
Tiso Group Limited and its subsidiaries	2.7	3.0
Total Swimming Holdings Limited and its subsidiaries	3.9	-
Other	5.1	7.1
Total	83.6	89.1

27. 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 (2023: 6,240 million) with a par value of 0.05 pence per share (2023: 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.

The Group is not subject to any externally imposed capital requirements.

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 the 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.

	Number of ordinary shares millions	Ordinary share capital £m	Share premium £m
At 29 January 2022	5,158.1	2.5	467.5
Shares issued on 20 December 2022	25.0	-	-
At 28 January 2023	5,183.1	2.5	467.5
At 3 February 2024	**5,183.1**	**2.5**	**467.5**

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:

	2024 £m	Restated 2023 £m
Net debt (Note 33)	1,452.0	914.7
Capital:		
Net debt (as above)	1,452.0	914.7
Equity (calculated as 5,183.1 million shares in issue multiplied by 113.0 pence per share (2023: 5,183.1 million shares in issue multiplied by 161.6 pence per share)) (1)	5,856.9	8,375.9
Total capital	7,308.9	9,290.6
Net debt to capital ratio	19.9%	9.8%

(1) Share prices taken as at 3 February 2024 and 28 January 2023 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 over non-controlling interests are accounted for using the present value method. Upon initial recognition of the put or call option liability, a corresponding entry is made to Put and Call Option reserve, and for subsequent changes on remeasurement of the liability, the corresponding entry is made to adjusting items in the Consolidated Income Statement (see Note 24).

Share-Based Payment Reserve

The Company had four share schemes in operation during the financial year, all of which are primarily equity-settled schemes (save for a proportion of cash-settled awards granted under the JD Sports Fashion Plc LTIP (2022)). Upon initial recognition, an entry is made to Other Equity, and for subsequent changes on remeasurement of the liability, the corresponding entry is made to the Consolidated Income Statement (see Note 32).

28. 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 (see Note 11 for more detail on Acquisitions of Non-Controlling Interest in the period). The table below provides a list of the subsidiaries which include NCI at 3 February 2024 and 28 January 2023:

	Country of incorporation	NCI at 3 February 2024 %	NCI at 28 January 2023 %	Net income attributable to NCI for 53 weeks ending 3 February 2024 £m	NCI at 3 February 2024 £m	Net income attributable to NCI for 52 weeks ending 28 January 2023 £m	NCI at 28 January 2023 £m
Name of subsidiary:							
Genesis Topco Inc	US	20.0%	20.0%	46.3	384.8	46.1	343.5
Iberian Sports Retail Group SL	Spain/ Portugal(1)	0.0%	49.99%	13.0	-	29.6	123.8
Marketing Investment Group S.A.	Poland	0.0%	40.0%	2.8	-	3.4	21.5
Other	Various(2)	5% - 43%	1.5%-40%	4.1	27.4	5.1	25.1
				66.2	412.2	84.2	513.9

(1) Includes subsidiaries with indirect holding of <50% incorporated in Spain.
(2) Other includes subsidiaries incorporated in the UK, Canada, Canaries, Cyprus, Germany, Greece, India, Malaysia and the US.

The following table summarises the information relating to each of the remaining Group subsidiaries that has material NCI.

Summarised Statement of Financial Position	Genesis Topco Inc (sub-group) 2024 £m	Genesis Topco Inc (sub-group) 2023 £m
Current assets	1,049.7	799.7
Non-current assets	1,905.7	1,765.4
Total assets	2,955.4	2,565.1
Current liabilities	(666.4)	(513.6)
Non-current liabilities	(573.8)	(527.8)
Net assets	1,715.2	1,523.7

Summarised results of operations	Genesis Topco Inc (sub-group) 53 weeks to 3 February 2024 £m	Genesis Topco Inc (sub-group) 52 weeks to 28 January 2023 £m
Revenue	3,443.0	3,068.5
Profit for the period, net of tax	214.5	267.1

29. 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 12 July 2024. The dividends were not provided for at the reporting date.

	53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 £m
0.60 pence per ordinary share (2023: 0.67 pence)	31.1	34.6

Dividends on Issued Ordinary Share Capital

	53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 £m
Final dividend of 0.67 pence (2023: 0.35 pence) per qualifying ordinary share paid in respect of prior period, but not recognised as a liability in that period	34.6	18.1
Interim dividend of 0.30 pence (2023: 0.13 pence) per qualifying ordinary share paid in respect of current period	15.5	6.7
	50.1	24.8

30. Commitments

As at 3 February 2024, the Group had entered into contracts to purchase property, plant and equipment as follows:

	2024 £m	2023 £m
Contracted	58.8	29.0

31. 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 £23.2 million (2023: £20.1 million) in respect of employees. Disclosure of the pension contributions payable in respect of the Directors is included in the Directors' Remuneration Report on pages 117 to 130. The amount owed to the schemes at the period end was £6.9 million (2023: £6.1 million).

32. Share-Based Payments

The share-based payment expense for the year is £2.6 million (2023: £0.2 million), which is made up of share option schemes, share awards and cash-settled awards. Of this amount, £2.1 million (2023: £0.1 million) will be settled in equity (see Note 27) and £0.5 million (2023: £Nil) in cash.

As at the reporting date, there was no liability arising from cash-settled share-based payments (2023: £Nil).

Share Option and Share Schemes

The Company had three share schemes in operation during the financial year, all of which are primarily equity-settled schemes (save for a proportion of cash-settled awards granted under the JD Sports Fashion Plc LTIP (2022)).

1. The JD Sports Fashion Plc LTIP (2021) permits the grant of a hybrid of cash and options in respect of ordinary shares to selected Executives. Options are normally exercisable between the vesting date(s) set at grant and 10 years from the date of grant for nil consideration. The vesting of options will normally be conditional upon the achievement of specified performance targets over a three-year period and/or continuous employment.
2. The JD Sports Fashion Plc LTIP (2022) permits the grant of a hybrid of cash and options in respect of ordinary shares to selected Executives. Options are normally exercisable between the vesting date(s) set at grant and 5 years from the date of grant for nil consideration. The vesting of options will normally be conditional upon the achievement of specified performance targets over a three-year period and/or continuous employment.
3. JD Sports Fashion Plc LTIP (2023) permits the grant of share options in respect of ordinary shares, share awards and cash-settled awards to selected executives. Options are normally exercisable between the vesting date(s) set at grant and 10 years from the date of grant for nil consideration. The vesting of options, share awards and cash-settled awards will normally be conditional upon the achievement of specified performance targets over a three-year period and/or continuous employment.
4. The Deferred Bonus Plan permits the grant of options in respect of ordinary shares to selected Senior Executives as a proportion of annual bonus following the completion of a required service period and is dependent on the achievement of corporate performance and individual targets. Options are normally exercisable between three and 10 years from the date of grant for nil consideration. There are no awards in the period in relation to this scheme but the details are included as the scheme has been established in the period.

32. Share-Based Payments continued

The following tables reconcile the number of share options outstanding and the weighted average exercise price ('WAEP'):

53 week period ended 3 February 2024

	Long-Term Incentive Plan (2021)		Long-Term Incentive Plan (2022)		Long-Term Incentive Plan (2023)	
	Options	WAEP (£)	Options	WAEP (£)	Options	WAEP (£)
Outstanding as at 29 January 2023	53,225	-	-	-	-	-
Options granted	-	-	980,100	-	20,750,183	-
Options forfeited	-	-	-	-	-	-
Options exercised	-	-	-	-	-	-
Options expired	-	-	-	-	-	-
Outstanding as at 3 February 2024	**53,225**	**-**	**980,100**	**-**	**20,750,183**	**-**
Exercise price (pence)		-		-		-
Exercisable at 3 February 2024		**-**		**-**		**-**
Weighted average remaining contractual life (years)(1)	2.6		3.6		2.5	
Range of exercise price		-		-		-

(1) Contractual life represents the period from award to the vesting date. Certain schemes may be exercised later than the vesting date at the discretion of the individual.

52 week period ended 28 January 2023

	Long-Term Incentive Plan (2021)		Long-Term Incentive Plan (2022)	
	Options	WAEP (£)	Options	WAEP (£)
Outstanding as at 29 January 2022	462,500	-	-	-
Options granted	-	-	-	-
Options forfeited	(409,275)	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Outstanding as at 28 January 2023	**53,225**	**-**	**-**	**-**
Exercise price (pence)	-	-	-	-
Exercisable at 28 January 2023	**-**	**-**	**-**	**-**

	Long-Term Incentive Plan (2021)	**Long-Term Incentive Plan (2022)**
Weighted average remaining contractual life (years)(1)	3.6	-

(1) Contractual life represents the period from award to the vesting date. Certain schemes may be exercised later than the vesting date at the discretion of the individual.

The number and weighted average fair value ('WAFV') of share awards granted during the financial year were:

	53 week period ended 3 February 2024		52 week period ended 28 January 2023	
	Number of shares	WAFV(1) (2) (pence)	Number of shares	WAFV(1) (2) (pence)
Long-Term Incentive Plan (2021)	53,225	113.0	53,225	113.0
Long-Term Incentive Plan (2022)	980,100	129.0	-	-
Long-Term Incentive Plan (2023) – equity-settled	20,750,183	129.0	-	-
Deferred Bonus Plan	-	-	-	-
Buy-out awards(1)	541,183	140.7	996,066	114.4

(1) Buy-out awards granted to selected Executives during the year. Further details of these are set out below.

(2) The weighted average fair value ('WAFV') price is calculated as the share price at the grant date less dividends foregone over the expected life of the award.

Buy-out awards

Selected Executives were granted buyout awards during the year in respect of awards forfeited from their previous employer on commencement of employment with the Group. Buy-out awards are typically structured as restricted shares such that a proportion of the overall award is used to settle the tax and social security due on the award, with the net number of restricted shares subject to continued employment over a specified period. These restrictions fall away evenly over the service period and therefore the share-based payment expense has been spread over the service period.

No share-based awards were modified during the financial year.

As disclosed in an RNS announcement published on 13 January 2023, Régis Schultz received 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.

32. Share-Based Payments continued

During the period ended 3 February 2024, further buy-out awards were issued to Dominic Platt (gross value £0.3 million) and other key management personnel (gross value £0.9 million).

Cash Settled Awards

The number and weighted average fair value of cash-settled awards granted during the financial year were:

	53 weeks ending 3 February 2024	Financial year ending 28 January 2023
	Number of shares	Number of shares
Long-Term Incentive Plan (2022) – cash-settled	3,276,854	-

33. 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.

	As reported At 30 January 2022 £m	Prior period restatement [1] 2022 £m	Restated[1] At 30 January 2022 £m	On acquisition/ disposal of subsidiaries £m	Cash flow £m	FX movement £m	Non-cash movements [2] £m	Restated At 28 January 2023 £m
Cash and cash equivalents	1,314.0	-	1,314.0	1.1	205.8	(12.9)	-	1,508.0
Overdrafts	(33.6)	-	(33.6)	-	-	-	-	(33.6)
Cash and cash equivalents held-for-sale [3]	-	-	-	-	74.5	-	-	74.5
Cash and cash equivalents for the purposes of the Consolidated Statement of Cash Flows	1,280.4	-	1,280.4	1.1	280.3	(12.9)	-	1,548.9
Bank loans	(94.5)	-	(94.5)	(3.8)	21.9	(3.2)	-	(79.6)
Lease liabilities (restated[1])	(2,242.9)	(43.3)	(2,286.2)	(2.7)	393.0	(95.7)	(392.4)	(2,384.0)
Total liabilities from financing activities	(2,337.4)	(43.3)	(2,380.7)	(6.5)	414.9	(98.9)	(392.4)	(2,463.6)
Net (debt)/cash	**(1,057.0)**	**(43.3)**	**(1,100.3)**	**(5.4)**	**695.2**	**(111.8)**	**(392.4)**	**(914.7)**

	As reported At 28 January 2023 £m	Prior period restatement [1] 2023 £m	Restated[1] At 28 January 2023 £m	On acquisition of subsidiaries £m	Cash flow £m	FX movement £m	Non-cash movements [2] £m	At 3 February 2024 £m
Cash and cash equivalents	1,582.5	(74.5)	1,508.0	-	(326.6)	(28.7)	-	1,152.7
Overdrafts	(33.6)	-	(33.6)	-	(25.3)	(1.0)	-	(59.9)
Cash and cash equivalents held-for-sale [3]	-	74.5	74.5	-	(65.7)	-	-	8.8
Cash and cash equivalents for the purposes of the Consolidated Statement of Cash Flows	1,548.9	-	1,548.9	-	(417.6)	(29.7)	-	1,101.6
Bank loans [4]	(79.6)	-	(79.6)	5.0	5.8	(0.8)	-	(69.6)
Lease liabilities (restated[1])	(2,339.2)	(44.8)	(2,384.0)	-	400.0	41.0	(541.0)	(2,484.0)
Total liabilities from financing activities	(2,418.8)	(44.8)	(2,463.6)	5.0	405.8	40.2	(541.0)	(2,553.6)
Net (debt)/cash	(869.9)	(44.8)	(914.7)	5.0	(11.8)	10.5	(541.0)	(1,452.0)

(1) Please refer to Note 39 for further details of the restatement.
(2) Other movements for the period ended 3 February 2024 include additional lease drawdowns of £592.8 million and remeasurements credit of £51.8m (at 28 January 2023 this includes £420.3 million of lease drawdowns and credit of £27.9 million).
(3) See Note 35 for details of assets held-for-sale.
(4) £5 million relates to the divestment of Gymnation. See Note 12 for further details.

In addition to the liabilities included in the table above, the Group has accrued put and call option liabilities at 3 February 2024 of £809.8 million (2023: £1,104.7 million). £551.8 million is included in financing activities in the Consolidated Statement of Cash Flows for the acquisition of non-controlling interest (NCI). Of this cash outflow £503.3 million relates to the purchase of NCI where the Group held put and call options on the minority interest. The remaining £48.5 million is related to acquisition of NCI with no associated put and call options.

In addition to the liabilities included in the table above the Group had accrued put and call option liabilities at 28 January 2023 of £1,104.7 million (2022: £859.1 million). £29.3 million is included in financing activities in the Consolidated Statement of Cash Flows for the acquisition and divestment of NCI. Of this cash outflow £14.1 million (restated) relates to the purchase of NCI where the Group held put and call options on the minority interest. The remaining £15.2 million is related to acquisition of NCI with no associated put and call options.

34. 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 and its subsidiaries owned 51.6% (2023: 51.6%) 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 2024 £m	Expenditure with related parties 2024 £m	Income from related parties 2023 £m	Expenditure with related parties 2023 £m
Sale of inventory	0.3	-	1.2	-
Purchase of inventory	-	(32.3)	-	(43.3)
Royalty costs	-	(5.1)	-	(4.0)
Marketing costs	-	-	-	(0.4)
Dividends	-	(26.0)	-	(12.8)

At the end of the period, the following balances were outstanding with Pentland Group Limited:

	Amounts owed by related parties 2024 £m	Amounts owed to related parties 2024 £m	Amounts owed by related parties 2023 £m	Amounts owed to related parties 2023 £m
Trade receivables/(payables)	-	(1.3)	0.4	(4.9)

Associates and Joint Ventures
During the period, the Group entered into the following transactions with its associates and joint ventures:

	Income from related parties 2024 £m	Expenditure with related parties 2024 £m	Income from related parties 2023 £m	Expenditure with related parties 2023 £m
Sale of inventory	-	-	0.1	-
Purchase of inventory	-	(3.3)	-	(12.4)
Recharge of expenses	1.9	-	2.6	-
Dividends and distributions received	-	-	3.4	-

34. Related Party Transactions and Balances 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 2024 £m	Amounts owed to related parties 2024 £m	Amounts owed by related parties 2023 £m	Amounts owed to related parties 2023 £m
Trade receivables	3.8	-	2.9	-
Loans receivable in less than 1 year	0.4	-	0.2	-
Loans receivable in more than 1 year	-	-	7.6	-
Trade payables	-	-	-	(1.0)

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 £0.4 million (2023: £0.2 million) is presented within other receivables within current assets.

In addition to the above transactions a number of non-controlling interest buyout transactions occurred in the course of the financial period, as disclosed in Note 11.

Transactions with Directors and Key Management Personnel

During the period, the Group entered into the following transactions with its key management personnel:

	Income from related parties 2024 £m	Expenditure with related parties 2024 £m	Income from related parties 2023 £m	Expenditure with related parties 2023 £m
Property rental	-	10.8	-	10.8

At the end of the period, the Group had the following balances outstanding with its key management personnel:

	Amounts owed by related parties 2024 £m	Amounts owed to related parties 2024 £m	Amounts owed by related parties 2023 £m	Amounts owed to related parties 2023 £m
Trade receivables/(payables)	-	0.9	-	0.6

Transactions with Directors and Key Management Personnel

Members of the Board of Directors and Executive Committee of JD Sports Fashion Plc are deemed to be key management personnel. The Executive Committee are comprised Heads of Centres of Excellence and Heads of Business Units as outlined on pages 98 to 99.

Cost of key management personnel compensation for the financial year is as follows:

	2024 £m	2023 £m
Salaries and short-term benefits	13.1	16.3
Pensions and cash in lieu of pensions	0.1	0.1
	13.2	16.4
Attributable to:		
The Board of Directors (including Non-Executive Directors)	4.6	6.9
Executive Committee (members not on the Board of Directors)	8.6	9.5
	13.2	**16.4**

	At 3 February 2024	At 28 January 2023
Number of key management personnel (Executive committee)	11	13

The JD Foundation

The JD Foundation receives its income from, but is independent of, JD Sports Fashion Plc. The Foundation is dependent on all income net of VAT arising from the sale of single-use carrier bags in JD stores in England, Scotland, Wales, Northern Ireland and other European countries, as well as micro-donations from customers at the store point of sale and colleague donations and fundraising.

During the period, the Group entered into the following transactions with The JD Foundation:

	Income from related parties 2024 £m	Expenditure with related parties 2024 £m	Income from related parties 2023 £m	Expenditure with related parties 2023 £m
Donations	-	(2.6)	-	(1.7)

35. Held-for-sale

Mainline Menswear Holdings Limited

Mainline Menswear Holdings Limited ('Mainline Menswear') was classified as held-for-sale at 3 February 2024 in line with the conditions of IFRS 5. As at 3 February 2024, the sale process was ongoing and Mainline Menswear and its associated subsidiaries were held at the lower of carrying value or fair value less costs to sell. A reconciliation is provided in the table below.

Mainline Menswear Holdings and its subsidiary Mainline Menswear Limited specialise in the retail of premium branded Men's apparel and footwear. The group forms part of the Sports Fashion segment (see Note 2) and was initially marketed for sale in July 2023.

Included in the 53 week period ended 3 February 2024 was revenue of £75.2 million and a profit before tax of £10.8 million in respect of Mainline Menswear Holdings and its subsidiaries.

	As at 3 February 2024 £m
Intangible assets	7.5
Property, plant and equipment	0.5
Right-of-use assets	0.2
Inventories	14.8
Trade and other receivables	1.9
Income tax receivable	0.1
Cash and cash equivalents	8.8
Assets held-for-sale	**33.8**
Lease liabilities	(0.2)
Trade and other payables	(8.0)
Liabilities held-for-sale	**(8.2)**

Non-Core Fashion Businesses

Seven of the Group's non-core fashion businesses were held-for-sale as at 28 January 2023. In addition, the Group agreed to the sale of Source Lab Limited ('Source Lab') to its non-controlling interest prior to 28 January 2023 and this completed on 28 February 2023. Therefore this business also was held-for-sale as at 28 January 2023. All businesses formed part of the Sports Fashion reportable segment (see Note 2).

As at 3 February 2024, the divestments had all taken place (see Note 12 for more detail on the divestments).

Included in the 52 week period ended 28 January 2023 was revenue of £223.8 million and a loss before tax of £6.9 million in respect of the non-core fashion entities held for sale. There was also revenue of £7.0 million and a profit before tax of £0.6 million in respect of Source Lab.

Included in the 53 week period ended 3 February 2024 was revenue of £4.6 million and a loss before tax of £0.2 million in respect of the non-core fashion entities held for sale. There was also revenue of £0.5 million and a profit before tax of £0.1 million in respect of Source Lab

35. Held-for-sale continued

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. A reconciliation is provided in the table below.

	Non-core fashion businesses £m	Source Lab £m	Restated [1] As at 28 January 2023 £m
Intangible assets	9.2	-	9.2
Property, plant and equipment	17.1	0.1	17.2
Right-of-use assets	30.8	-	30.8
Inventories	51.9	0.8	52.7
Trade and other receivables	11.9	1.2	13.1
Cash and cash equivalents	72.3	2.2	74.5
Assets held-for-sale	193.2	4.3	197.5
Lease liabilities	(32.1)	-	(32.1)
Trade and other payables	(131.7)	(1.4)	(133.1)
Provisions	(0.4)	-	(0.4)
Liabilities held-for-sale	(164.2)	(1.4)	(165.6)

(1) Please refer to Note 39 for further details of the restatement.

Reconciliation to lower of fair value less costs to sell or carrying value	Restated [1] As at 28 January 2023 £m
Net assets held-for-sale	31.9
Intercompany liabilities currently eliminating on consolidation	(9.9)
Impairment to lower of fair value less costs to sell (Note 12)	(17.5)
Cash consideration due to be received on completion	4.5

(1) Please refer to Note 39 for further details of the restatement

36. Contingent Liabilities

Accounting policies

Contingent liabilities are potential future cash outflows, where the likelihood of payment is considered more than remote but is not considerable probable or cannot be fully measured.

Claims and Litigation

The activities of the Group are overseen by 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 ('JD'), together with their affiliates. In the period ended 28 January 2023, the Group reported that there was insufficient certainty that a liability would arise and no provision was made in the financial accounts. On 31 July 2023, the CMA issued a decision finding that JD and Leicester City Football Club Limited broke competition law; however, on the basis that JD reported the conduct to the CMA, no fine was issued to JD.

37. Post Balance Sheet Events

Disposal of 50.1% Shareholding in Bodytone
On 7 March 2024, Iberian Sports Retail Group SL ('ISRG') disposed of its 50.1% shareholding in Bodytone International Sport SL. The shares were sold back to founder management, for total consideration of €2.4 million. The divestment aligns with the Group's four strategic pillars.

Franchise agreement with The Foschini Retail Group
On 8 March 2024, JD Sports Fashion Plc signed a franchise agreement with Foschini Retail Group (Pty) Limited (a subsidiary of The Foschini Group Limited) to expand the JD footprint into the South African market.

Acquisition of the Trade and Assets of Simply Gyms
On 18 March 2024, JD Gyms acquired the trade and assets of four 'Simply Gym' sites from Bay Leisure Limited for £3.4 million (of which £0.7 million was deferred). The sites will be converted to JD Gyms under a phased conversion programme.

Acquisition of the Minority Shareholdings in Sport Zone Canaries (40%) and JD Canaries (10%)
On 8 April 2024, JD Spain Sports Fashion 2010 SL acquired the 10% minority shareholding in JD Canary Islands Sports SL, ('JD Canary') and SDSR - Sports Division SR, S.A. ('Sport Zone Portugal') acquired the 40% minority shareholding in Sport Zone Canarias (SL). Total consideration for both shareholdings was €19.9m. The JD Canary acquisition aligns with the JD Brand First strategy, whilst the Sport Zone Portugal acquisition promotes the JD Complementary Concepts.

Acquisition of 100% of Hibbett, Inc.
On 23 April 2024, the Group entered into a binding agreement to acquire 100% of Hibbett, Inc. ('Hibbett'), a company listed on the Nasdaq Stock Market, for $87.50 per share. Genesis Holdings Inc. will acquire 100% of the shares in Hibbett. The Group will fund the total consideration payable of c.$1,083 million (c.£878 million), and expects to refinance Hibbett, Inc.'s existing debt, through a combination of existing US cash resources of $300 million and a $1,000 million extension to the Group's existing bank facilities pending finance approval.

38. Subsidiary Undertakings (including Joint Ventures and Associates)

The following companies were the subsidiary undertakings of JD Sports Fashion Plc at 3 February 2024:

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^ 05625983~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
A Number of Names Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Wholesale of clothing and footwear	100%
ActivInstinct Holdings Limited 08582215~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
ActivInstinct Limited^ 04478999~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Aghoco 1966 Limited 12970515~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Allsports.co.uk Limited^ 01000415~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Alpine Bikes Limited^ SC157993~	UK	41 Commercial Street, Leith, Edinburgh, EH6 6JD	Dormant company	100%
Alpine Group (Scotland) Limited^ SC295847~	UK	41 Commercial Street, Leith, Edinburgh, EH6 6JD	Intermediate holding company	100%
AN USA Holdings, Inc^A	US	5601 Democracy Drive, Suite 135, Plano, Texas 75024	Sale of sports nutrition supplements to trade and online	31%
AN USA LLC^A 04592862~	US	5601 Democracy Drive, Suite 135, Plano, Texas 75024	Dormant company	31%
Applied Nutrition Limited^A	UK	2 Trio, Acornfield Road, Knowsley, L33 7UG	Manufacture of other food products	31%
Ark Fashion Limited 08568543~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Aspecto Holdings Limited 09691172~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Aspecto Trading Limited^ 07543166~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Athleisure Limited 02641165~	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	57%
Becky Adlington Group Holdings Limited^ 09573022~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	57%
Becky Adlington Training Limited^	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Training academy used to provide swimming teachers for the Group	57%
Blacks Outdoor Retail Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of outdoor footwear, apparel and equipment	100%
Bodytone International Sport S.L.^	Spain	Calle Legón, 180 – 30500, Molina de Segura, Murcia	Manufacture and distribute professional fitness equipment	50%
Caplan Land & Estates Commercial Properties Limited 08191010~	UK	398 Ecclesall Road, Sheffield, South Yorkshire, S11 8PJ	Dormant company	100%
Champion Retail Limited^	ROI	3 Burlington Road, Dublin 4, D04RD68	Retailer of sports and leisure goods	100%
Champion Sports (Holdings) Unlimited^ 462028~	ROI	3 Burlington Road, Dublin 4, D04RD68	Dormant company	100%
Champion Sports Group Limited^	ROI	3 Burlington Road, Dublin 4, D04RD68	Intermediate holding company	100%
Champion Sports Ireland Unlimited^	ROI	3 Burlington Road, Dublin 4, D04RD68	Retailer of sports and leisure goods	100%

38. 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
Champion Sports Newco Limited^ 470824~	ROI	3 Burlington Road, Dublin 4, D04RD68	Dormant company	100%
Cloggs Online Limited 08316456~	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	Retailer of sports inspired footwear and apparel	80%
Cosmossport Trading (Cyprus) Limited^	Cyprus	11 Michail Paridi, 1095, Nicosia	Retailer of sports inspired footwear and apparel	80%
Deporvillage S.L.^	Spain	Plaça de la Ciencia 1 Local 4, Edifici Impuls, Manresa, 08240, Barcelona	Retailer of sports and leisure goods	98%
DTLR, Inc^	US	1300 Mercedes Drive, Hanover, MD 21076	Athletic footwear and apparel streetwear retailer	79%
Duffer of St George Limited 06732497~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Licensor of a fashion brand	100%
Exclusive Footwear Limited 05432008~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	90%
Finish Line Transportation, Inc^	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Retailer of sports and leisure inspired goods	80%
First Sport Limited^ 01652620~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Footpatrol London 2002 Limited 09304910~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Genesis Finco Limited 11358451~	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, Leith, Edinburgh, EH6 6JD	Intermediate holding company	100%
George Fisher Limited^	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of outdoor footwear, apparel and equipment	100%
Go Outdoors Equestrian Limited^ 12491970~	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	100%
Helium Miracle 311 Limited^ 12696940~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	95%
Henleys Clothing Limited 08347754~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Hip (Birmingham) Limited 13060074~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Hip Store Limited 09034290~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Iberian Sports Retail Group SL	Spain	Polígono Industrial de las Atalayas, Avenida Euro, N2, Alicante 03114	Intermediate holding company	100%
Infinities Retail Group Holdings Limited 09854624~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
Infinities Retail Group Limited^ 07751522~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
J D Sports Limited 03146423~	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	90%

38. 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 Newco 2 Limited 12659278~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding 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	100%
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	100%
JD Sports Active Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Franchising company	100%
JD Sports Fashion (France) SAS	France	Wood Park - Parc d'Affaires du Château Rouge - 274 bis avenue de la Marne - 59700 Marcq-en-Baroeul	Intermediate holding company	100%
JD Sports Fashion AT GmbH	Austria	Vienna CityTax Steuerberater GmbH, Untere Donaustraße 13-15, 1020 Wien	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 B.V. & KG^	Germany	Neusser Straße 93, 50670 Cologne	Retailer of sports inspired footwear and apparel	100%
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, 500032	Outsourced multichannel operations	100%
JD Sports Fashion Israel Ltd^√	Israel	HaMelacha 8 Holon, 5881504	Intermediate holding company	60%
JD Sports Fashion Israel (2021) Limited Partnership^√	Israel	HaMelacha 8 Holon, 5881504	Retailer of sports inspired footwear and apparel	60%
JD Sports Fashion Korea Inc	Korea	6F Yoonik Bldg. 430 Eonju-ro, Gangnam-gu, Seoul	Dormant company	100%
JD Sports Fashion NZ Pty Limited^	New Zealand	Anderson Lloyd, Level 12 Otago House, Cnr Moray Place & Princes Street, Dunedin, 9016	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion PTE LTD^	Singapore	190 Middle Road, 14-05, Fortune Centre, 188979	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion SDN BHD	Malaysia	Suite D23, 2nd Floor, Plaza Pekeliling, No. 2, Jalan Tun Razak, 50400 Kuala Lumpur	Retailer of sports inspired footwear and apparel	100%
JD Sports Fashion SRL	Italy	Via Alessandro Manzoni n. 38. Milano, 20121	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	Retailer of sports inspired footwear and apparel	100%
JD Sports Gyms Acquisitions Limited^ 07409928~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	95%
JD Sports Gyms Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Operator of fitness centres	95%
JDSF B.V.	Netherlands	Neusser Straße 93, 50670 Cologne	Intermediate holding company	100%
JDSF Holdings (Canada) Inc^	Canada	1200 Waterfront Centre, 200 Burrard Street, Vancouver BC V6C 3L6	Intermediate holding company	64%
JDSF Retail (Canada) Inc^	Canada	1200 Waterfront Centre, 200 Burrard Street, Vancouver BC V6C 3L6	Retailer of sports inspired footwear and apparel	70%

38. 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
John David Sports Fashion (Ireland) Limited	ROI	3 Burlington Road, Dublin 4, D04RD68	Retailer of sports inspired footwear and apparel	100%
Land and Estates Commercial Properties (Coatbridge) Limited^ 06248607~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Land & Estates Commercial Properties Limited 07575663~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	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^ NI029105~	ROI	3 Burlington Road, Dublin 4, D04RD68	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	100%
Marketing Investment Group Bulgaria EOOD^	Bulgaria	53A Nikola Y. Vaptsarov Blvd., 1407 Promishlena zona Hladilnika, Sofia	Retailer of sports inspired footwear and apparel	100%
Marketing Investment Group CR d.o.o. za trgovinu^	Croatia	Zagreb (City of Zagreb) Horvatova ulica 80A	Retailer of sports inspired footwear and apparel	100%
Marketing Investment Group Czech s.r.o.^	Czech Republic	Jakubská 647/2, Staré Město, 110 00, Praha	Retailer of sports inspired footwear and apparel	100%
Marketing Investment Group Estonia OÜ^	Estonia	Harju maakond, Tallinn, Kesklinna linnaosa, Narva mnt 5, 10117	Retailer of sports inspired footwear and apparel	100%
Marketing Investment Group Hungary Korlátolt Felelősségű Társaság^	Hungary	Horvát utca 14-24 4 .em. 2, Budapest, 1027	Retailer of sports inspired footwear and apparel	100%
Marketing Investment Group S.A.	Poland	ul. Prof. Michała Życzkowskiego 10, 31-864 Kraków	Retailer of sports inspired footwear and apparel	100%
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	100%
Marketing Investment Group Slovakia s. r. o.^	Slovakia	Michalská 7, 811 03 Bratislava	Retailer of sports inspired footwear and apparel	100%
Marketing Investment Group SR doo Belgrade^	Serbia	Belgrade, Bulevar Mihajla Pupina 165G, Belgrade-New Belgrade, New Belgrade, 11000 Belgrade	Retailer of sports inspired footwear and apparel	100%
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	100%
MIG Marketing Investment Group GmbH^	Germany	Dr. Hans-Lebach-Str. 2, 15537 Erkner	Retailer of sports inspired footwear and apparel	100%
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	100%
MIG Wholesale spółka z. o.o.^	Poland	ul. Prof. Michała Życzkowskiego 10, 31-864	Wholesale of clothing and footwear	100%
Millets Limited 07924256~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
myBox Spolka z.o.o^	Poland	Logistyczna 9, 26-060 Chęciny	Logistics company	100%
Nanny State Limited 07274022~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Naylor's Equestrian LLP^ OC327916~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
NiceKicks Holdings LLC^	US	755 Jarvis Drive, Morgan Hill, CA 95037	Retailer of athletic footwear and streetwear apparel	80%
NQ Retail Limited 05171531~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%

38. 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
Onepointfive Ventures Limited^	Canada	1200 Waterfront Centre, 200 Burrard Street, Vancouver BC V6C 3L6	Retailer of fashion apparel and footwear	64%
OneTrueSaxon Limited 08064557~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Open Fashion Limited 08596324~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
PCPONE Unlimited^ 382427~	ROI	3 Burlington Road, Dublin 4, D04RD68	Intermediate holding company	100%
Pear Sports LLC^	US	3308 N. Mitthoeffer Rd. Indianapolis, IN 46235	Retailer of sports and leisure inspired goods	2%
Peter Werth Limited^ SC059582~	UK	41 Commercial Street, Leith, Edinburgh, EH6 6JD	Dormant company	100%
Pink Soda Limited 05418053~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
Premium Fashion Limited 06963284~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant 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	Import and wholesale company	49%
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	Retailer of sports and leisure goods	100%
Shanghai Go Outdoors Ltd	China	Room 1104, 11th Floor Ordos Aili Mansion, Lane 777 Taolin Road, Pudong, Shanghai, 200135	Dormant company	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	100%
Size? Limited 08709444~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retailer of sports inspired footwear and apparel	100%
Sonneti Fashions Limited^ 00230120~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
South South East Limited 11054546~	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	100%
Spike's Holding LLC^ 52-2035945~	US	3308 N. Mitthoeffer Rd, Indianapolis, IN 46235	Dormant company	80%
Spodis SA^	France	Wood Park - Parc d'Affaires du Château Rouge - 274 bis avenue de la Marne - 59700 Marcq-en-Baroeul	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	Retailer of sports and leisure goods	60%
Sportiberica - Sociedade de Arigos de Desporto S.A.^	Portugal	Avenida das Indústrias, n.º 63, Agualva do Cacém, Sintra	Retailer of sports and leisure goods	100%
Sports Unlimited Retail B.V.^^	Netherlands	Oosteinderweg 247 B 1432 AT Aalsmeer	Retailer of sports and leisure goods	100%
Sprinter Megacentros Del Deporte SLU^	Spain	Polígono Industrial de las Atalayas, Avenida Euro, N2, Alicante 03114	Retailer of sports and leisure goods	100%
Sprinter Pirineos SLU^	Andorra	Avenida del Través, 31. Edifici Santa Catarina, Baixos. AD 400 La Massana	Retailer of sports and leisure goods	100%
Swim Sports Company Limited^	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Operator of purpose-built learn-to-swim centres	57%

38. 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
Swimgroupholdings Limited^ 10507556-	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	57%
The Alpine Group Limited^ SC145218-	UK	41 Commercial Street, Leith, Edinburgh, EH6 6JD	Intermediate holding company	100%
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^ 38-2000558-	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 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%
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 659011-	ROI	6th Floor South Bank House, Barrow Street, Dublin 4	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 12485789-	UK	Unit 6 Temple Point Bullerthorpe Lane, Colton, Leeds, West Yorkshire, LS15 9JL	Dormant company	40%
The John David Group Limited 06269850-	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	57%
Tiso Group Limited SC295846-	UK	41 Commercial Street, Leith, Edinburgh, EH6 6JD	Intermediate holding company	100%
Total Swimming Academies Limited^	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Provide swimming lessons in partnership with schools and hotels	57%
Total Swimming Group Limited^ 11007327-	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	57%
Total Swimming Holdings Limited^	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Intermediate holding company	57%
Total Swimming Limited^	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Build and refurbish swimming pools	57%
UAB Marketing Investment Group Lietuva^	Lithuania	Gvazdikų g. 170, LT-10247 Vilnius	Retailer of sports inspired footwear and apparel	100%
Ultimate Outdoors Limited^ 00124030-	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Varsity Kit Limited^ 05418052-	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Weaver's Door Ltd 07174475-	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	100%
Wellgosh Limited 0470457-	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	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%
X4L Gyms Limited^ 12600419-	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Dormant company	95%
XLR8 Sports Limited	UK	Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR	Retail sale of bicycles	100%

^ Indirect holding of the Company.
^^ The following entity is owned by Iberian Sports Retail Group SL, and on 6 December 2023, was declared in a state of bankruptcy and per the bankruptcy document, control over the trading assets was transferred to the curator.
- The dormant entities have taken advantage of the exemption from audit.
Entities marked as held-for-sale as at 3 February 2024.
A Associated undertaking.
J Joint venture.

39. Prior Period Adjustments

The Group identified a number of prior period adjustments, impacting the opening position at 30 January 2022, 28 January 2023 and the year ended 3 February 2024. The impact of the prior period adjustments on the primary statements is presented in the tables below.

Put and Call Options

ISRG Put and Call Option

During the financial period ended 3 February 2024, the Group reviewed the accounting for put and call options and noted a put and call option obligation that was not previously recorded, but which should have been recognised in relation to the buy/sell agreement with Sonae Holdings, S.A., which held 29.99% of Iberian Sports Retail Group SL. Accordingly, the Group has restated the amounts at 30 January 2022 to recognise the present value of that obligation by increasing the put and call option liabilities by £58.2 million, with a debit to the put and call option reserve of £15.1m and a brought forward retained earnings impact of £43.1m. The subsequent remeasurement of that obligation during the period ended 28 January 2023 has also been recorded as a prior period adjustment, resulting in an increase in the put and call option liability of £9.6 million with a corresponding charge to the FY23 income statement.

Other Options

Following the identification of the above ISRG restatement, the Group reviewed the accounting for other put and call options and concluded that there were also adjustments required to correct the historic accounting in respect of those options. Notably, it was identified that the purchase price cap that is contained within the Genesis Topco Inc put and call option agreement had not been correctly factored in to the put and call option liability valuation in the prior period. It was also identified that the Group had used inappropriate discount rates to measure certain put and call liabilities and had failed to identify service provisions within certain other agreements. Consequently, the Group has restated the amounts at 30 January 2022 and 28 January 2023 which impacted:

- the Group's net assets at 30 January 2022 by £36.1m, with a corresponding impact on retained earnings of £39.5m and on the put and call option reserve of £3.4m; and
- the put and call option liabilities at 28 January 2023 by a further £60.4m, with a corresponding impact on retained earnings of £55.4m and on the put and call option reserve of £5m.

Reclassifications

It was identified during the financial period ended 3 February 2024 that as at 28 January 2023, certain put and call options exercisable within 12 months were incorrectly stated as non-current in the Group's balance sheet. This has been corrected through a prior period restatement to reclassify £150.5m to current liabilities.

It was also identified during the financial period ended 3 February 2024 that the Group had previously been recording the remeasurement charge in relation to put and call option valuations as an adjusting item within administrative expenses within the income statement. As the movement relates to options over the Group's own equity, it is financing in nature and should be presented as an adjusting item within finance expenses. Accordingly, a reclassification has been made in the income statement for the period ended 28 January 2023 in the amount of £268.8m.

The tables below reconcile the overall movement in the financial statements in relation to the prior period adjustments outlined above:

		52 weeks to 30 January 2022	
	ISRG Put and Call Option £m	Other options £m	**Net impact £m**
Net assets	(58.2)	(36.1)	(94.3)
Retained earnings	(43.1)	(39.5)	(82.6)
Put and call option reserve	(15.1)	3.4	(11.7)

39. Prior Period Adjustments continued

	52 weeks to 28 January 2023				
	Cumulative impact as at 30 January 2022	ISRG Put and Call Option £m	Other options £m	Reclassifications £m	Net impact £m
Administrative expenses	-	(9.6)	37.2	268.6	296.2
Finance expenses	-	-	18.2	(268.6)	(250.4)
Profit for the period	-	(9.6)	55.4	-	45.8
Current put and call option liabilities				(184.4)	(184.4)
Non-current put and call option liabilities	(94.3)	(9.6)	60.4	184.4	140.9
Net assets	(94.3)	(9.6)	60.4	-	(43.5)
Retained earnings	(82.6)	(9.6)	55.4	-	(36.8)
Put and call option reserve	(11.7)	-	5.0	-	(6.7)

Leases

During the financial period ended 3 February 2024, the Group reviewed the leases portfolio and identified property leases that should have been recognised in prior periods. Accordingly, the Group has restated the right-of-use assets and corresponding lease liabilities as at 30 January 2022 and 28 January 2023 amounting to £52.0 million and £66.9 million, respectively. The Group has also identified an overstatement of leases in MIG resulting in restatement of right-of-use assets and corresponding lease liabilities as at 30 January 2022 and 28 January 2023 amounting to £8.7 million and £22.1 million, respectively. The net impact to right-of-use assets and lease liabilities as at 30 January 2022 and 28 January 2023 amounts to £43.3 million and £44.8 million, respectively.

Foreign Exchange

During the financial period ended 3 February 2024, the Group reviewed the foreign currency translation of goodwill and fascia names and identified an error in foreign currency translation arising from accounting of prior period acquisitions resulting in the understatement of goodwill and fascia balances and overstatement of foreign currency translation reserve. Accordingly, the Group has restated the goodwill and fascia balances and related foreign currency translation reserve as at 30 January 2022 to £41.1 million. There is a brought forward impact of £41.1 million on the corresponding balances in the period ended 28 January 2023.

Supplier Rebates

During the financial period ended 3 February 2024, the Group reviewed the accounting for supplier rebates related to marketing initiative support and concluded that such rebates should be recognised within cost of sales instead of being recognised within selling and distribution expenses. Accordingly, the Group has restated the related supplier rebates costs as at 28 January 2023 amounting to £37.9 million.

Assets Held-for-Sale

During the financial period ended 3 February 2024, the Group reviewed the assets held-for-sale and identified a reclassification adjustment from cash and cash equivalents to assets held-for-sale. Accordingly, the Group has restated the cash and cash equivalents and assets held-for-sale as at 28 January 2023 amounting to £74.5 million related to Non-core fashion businesses.

Cash Flow

The cashflow has been represented for the items noted above. In addition, in prior periods the Group adopted an accounting policy which presented the cash flows from forward contracts for the purchase of foreign currencies net within working capital. In the current year the Group has determined that separate presentation of the fair value movements of these derivatives is more useful for the analysis of the group's cash flows when presented as a single line within the reconciliation from profit after tax to cashflows from operations. The prior period has been represented to reflect the accounting policy change.

Other amendments

When preparing the FY24 financial statements, we have made other immaterial presentational changes and applied these consistently in the comparative periods.

39. Prior Period Adjustments continued

The following tables summarize the annual Consolidated Statements for the periods indicated, giving effect to the restatements described above.

Consolidated Income Statement

	52 weeks to 28 January 2023			
	Reported £m	Put and call options £m	Supplier Rebates £m	Restated £m
Revenue	10,125.0	-	-	10,125.0
Cost of Sales	(5,285.3)	-	37.9	(5,247.4)
Gross profit	4,839.7	-	37.9	4,877.6
Selling and distribution expenses	(3,315.6)	-	(37.9)	(3,353.5)
Administrative expenses - before adjusting items	(497.3)	-	-	(497.3)
Administrative expenses - adjusting items	(550.5)	296.2	-	(254.3)
Administrative expenses - total	(1,047.8)	296.2	-	(751.6)
Share of profit of equity-accounted investees	4.9	-	-	4.9
Other operating income	28.6	-	-	28.6
Operating profit before financing	509.8	296.2	-	806.0
Finance income	8.4	-	-	8.4
Finance expenses	(77.3)	(250.4)	-	(327.7)
Net financial expense	(68.9)	(250.4)	-	(319.3)
Profit before tax	440.9	45.8	-	486.7
Income tax expense	(214.2)	-	-	(214.2)
Profit for the period	226.7	45.8	-	272.5
Attributable to equity holders of the parent	142.5	45.8	-	188.3
Attributable to non-controlling interest	84.2	-	-	84.2
Basic earnings per ordinary share	2.76p	0.89p	-	3.65p
Diluted earnings per ordinary share	2.76p	0.89p	-	3.65p

Consolidated Statement of Comprehensive Income

	52 weeks to 28 January 2023			
	Reported £m	Put and call options £m	Supplier Rebates £m	Restated £m
Profit for the period	226.7	45.8	-	272.5
Other comprehensive income:				
Items that may be classified subsequently to the Consolidated Income Statement:				
Exchange differences on translation of foreign balances	129.8	-	-	129.8
Total other comprehensive income for the period	129.8	-	-	129.8
Total comprehensive income and expense for the period (net of income tax)	356.5	45.8	-	402.3
Attributable to equity holders of the parent	238.3	45.8	-	284.1
Attributable to non-controlling interest	118.2	-	-	118.2

39. Prior Period Adjustments continued

Consolidated Statement of Financial Position

	As at 28 January 2023					
	Reported £m	Put and call options £m	Leases £m	Foreign exchange £m	Assets Held-for-Sale £m	Restated £m
Non-current assets						
Intangible assets	1,459.4	-	-	41.1	-	1,500.5
Property, plant and equipment	875.6	-	-	-	-	875.6
Right-of-use assets	2,137.0	-	44.8	-	-	2,181.8
Investments in associates and joint ventures	38.8	-	-	-	-	38.8
Other assets	56.9	-	-	-	-	56.9
Trade and other receivables	8.4	-	-	-	-	8.4
Deferred tax assets	12.9	-	-	-	-	12.9
Total non-current assets	4,589.0	-	44.8	41.1	-	4,674.9
Current assets					-	
Inventories	1,466.4	-	-	-	-	1,466.4
Trade and other receivables	263.8	-	-	-	-	263.8
Cash and cash equivalents	1,582.5	-	-	-	(74.5)	1,508.0
Current assets excluding held-for-sale	3,312.7	-	-	-	(74.5)	3,238.2
Assets held-for-sale	123.0	-	-	-	74.5	197.5
Total current assets	3,435.7	-	-	-	-	3,435.7
Total assets	8,024.7	-	44.8	41.1	-	8,110.6
Current liabilities						
Interest-bearing loans and borrowings	(75.2)	-	-	-	-	(75.2)
Lease liabilities	(423.8)	-	(6.3)	-	-	(430.1)
Trade and other payables	(1,471.2)	-	-	-	-	(1,471.2)
Put and call option liabilities	-	(184.4)	-	-	-	(184.4)
Provisions	(9.7)	-	-	-	-	(9.7)
Income tax liabilities	(17.5)	-	-	-	-	(17.5)
Current liabilities excluding held-for-sale	(1997.4)	(184.4)	(6.3)	-	-	(2,188.1)
Liabilities held-for-sale	(165.6)	-	-	-	-	(165.6)
Total current liabilities	(2,163.0)	(184.4)	(6.3)	-	-	(2,353.7)
Non-current liabilities					-	
Interest-bearing loans and borrowings	(38.0)	-	-	-	-	(38.0)
Lease liabilities	(1,915.4)	-	(38.5)	-	-	(1,953.9)
Other payables	(102.4)	-	-	-	-	(102.4)
Put and call option liabilities	(1,061.2)	140.9	-	-	-	(920.3)
Provisions	(21.1)	-	-	-	-	(21.1)
Deferred tax liabilities	(90.2)	-	-	-	-	(90.2)
Total non-current liabilities	(3,228.3)	140.9	(38.5)	-	-	(3,125.9)
Total liabilities	(5,391.3)	(43.5)	(44.8)	-	-	(5,479.6)
Net assets	2,633.4	(43.5)	-	41.1	-	2,631.0
Capital and reserves						
Issued ordinary share capital	2.5	-	-	-	-	2.5
Share premium	467.5	-	-	-	-	467.5
Retained earnings	2,011.4	(36.8)	-	-	-	1,974.6
Share based payment reserve	0.3	-	-	-	-	0.3
Foreign exchange translation reserve	55.7	-	-	41.1	-	96.8
Put and call option reserve	(417.9)	(6.7)	-	-	-	(424.6)
Total equity attributable to equity holders of the parent	2,119.5	(43.5)	-	41.1	-	2,117.1
Non-controlling interest	513.9	-	-	-	-	513.9
Total equity	2,633.4	(43.5)	-	41.1	-	2,631.0

39. Prior Period Adjustments continued

Consolidated Statement of Financial Position

	As at 30 January 2022				
	Reported £m	Put and call options £m	Leases £m	Foreign exchange £m	Restated £m
Non-current assets					
Intangible assets	1,473.6	-	-	41.1	1,514.7
Property, plant and equipment	688.5	-	-	-	688.5
Right-of-use assets	2,032.6	-	43.3	-	2,075.9
Investments in associates and joint ventures	56.2	-	-	-	56.2
Other assets	57.0	-	-	-	57.0
Trade and other receivables	2.5	-	-	-	2.5
Deferred tax assets	81.7	-	-	-	81.7
Total non-current assets	4,392.1	-	43.3	41.1	4,476.5
Current assets					
Inventories	989.4	-	-	-	989.4
Trade and other receivables	215.4	-	-	-	215.4
Income tax receivables	0.6	-	-	-	0.6
Cash and cash equivalents	1,314.0	-	-	-	1,314.0
Current assets excluding held-for-sale					
Assets held for sale	157.1	-	-	-	157.1
Total current assets	2,676.5	-	-	-	2,676.5
Total assets	7,068.6	-	43.3	41.1	7,153.0
Current liabilities					
Interest-bearing loans and borrowings	(72.6)	-	-	-	(72.6)
Lease liabilities	(379.0)	-	(5.6)	-	(384.6)
Trade and other payables	(1,279.5)	-	-	-	(1,279.5)
Put and call option liabilities	-	(97.1)	-	-	(97.1)
Provisions	(13.2)	-	-	-	(13.2)
Current liabilities excluding held-for-sale					
Liabilities held-for-sale	(142.6)	-	-	-	(142.6)
Total current liabilities	(1,886.9)	(97.1)	(5.6)	-	(1,989.9)
Non-current liabilities					
Interest-bearing loans and borrowings	(55.5)	-	-	-	(55.5)
Lease liabilities	(1,863.9)	-	(37.7)	-	(1,901.6)
Other payables	(10.6)	-	-	-	(10.6)
Put and call option liabilities	(764.8)	2.8	-	-	(762.0)
Provisions	(19.9)	-	-	-	(19.9)
Deferred tax liabilities	(127.4)	-	-	-	(127.4)
Total non-current liabilities	(2,842.1)	2.8	(37.7)	-	(2,877.0)
Total liabilities	(4,729.0)	(94.3)	(43.3)	-	(4,866.6)
Net assets	2,339.6	(94.3)	-	41.1	2,286.4
Capital and reserves					
Issued ordinary share capital	2.5	-	-	-	2.5
Share premium	467.5	-	-	-	467.5
Retained earnings	1,910.6	(82.6)	-	-	1,828.0
Share based payment reserve	0.1	-	-	-	0.1
Foreign exchange translation reserve	(40.1)	-	-	41.1	1.0
Put and call option reserve	(414.6)	(11.7)	-	-	(426.3)
Total equity attributable to equity holders of the parent	1,926.0	(94.3)	-	41.1	1,872.8
Non-controlling interest	413.6	-	-	-	413.6
Total equity	2,339.6	(94.3)	-	41.1	2,286.4

39. Prior Period Adjustments continued

Consolidated Statement of Cash Flows

	52 weeks to 28 January 2023		
	Reported £m	Adjustment £m	Restated £m
Cash flows from operating activities			
Profit for the period	226.7	45.8	272.5
Adjustments for:			
Income tax expense	214.2	-	214.2
Financial expenses	77.3	-	77.3
Financial income	(8.4)	-	(8.4)
Depreciation and amortisation of non-current assets	633.2	-	633.2
Foreign exchange gains on monetary assets and liabilities	2.5	-	2.5
Loss on disposal of non-current assets	5.1	-	5.1
(Gain)/loss on FX forward contracts (recorded in cost of sales)	-	32.2	32.2
Impairment of other intangibles and non-current assets (non-adjusting)	3.4	-	3.4
Impairment of goodwill and fascia names (adjusting)	117.6	-	117.6
Impairment of investments in associates and joint ventures (adjusting)	19.6	-	19.6
Impairment of other intangibles and non-current assets (adjusting)	6.0	-	6.0
Other non-cash adjusting items	407.3	(45.8)	361.5
Share of profit of equity-accounted investees (net of tax)	(4.9)	-	(4.9)
Profit before working capital changes	1,699.6	32.2	1,731.8
Decrease/(Increase) in inventories	(501.3)	-	(501.3)
Decrease/(Increase) in trade and other receivables	(42.2)	(6.8)	(49.0)
(Decrease)/Increase in trade and other payables	177.1	(25.4)	151.7
Cash generated from operations	1,333.2	-	1,333.2
Interest paid	(8.4)	-	(8.4)
Lease interest paid	(68.9)	-	(68.9)
Income taxes paid	(174.4)	-	(174.4)
Net cash from operating activities	1,081.5	-	1,081.5
Cash flows from investing activities:			
Interest received	8.4	-	8.4
Proceeds from sale of non-current assets	11.5	-	11.5
Acquisition of intangible assets	(19.9)	-	(19.9)
Acquisition of property, plant and equipment	(326.6)	-	(326.6)
Acquisition of other non-current assets	(12.8)	-	(12.8)
Drawdown of lease liabilities	7.5	-	7.5
Dividends received from equity-accounted investees	3.4	-	3.4
Cash consideration of disposals (net of cash disposed)	59.6	-	59.6
Investment in associates and joint ventures	(2.8)	-	(2.8)
Acquisition of subsidiaries (net of cash acquired)	(20.0)	-	(20.0)
Net cash used in investing activities	(291.7)	-	(291.7)
Cash flows from financing activities:			
Repayment of interest-bearing loans and borrowings	(37.4)	-	(37.4)
Drawdown of interest-bearing loans and borrowings	15.5	-	15.5
Repayment of lease liabilities	(400.5)	-	(400.5)
Deferred consideration paid (1)	(29.2)	-	(29.2)
Divestment of non-controlling interests	0.1	-	0.1
Acquisition of non-controlling interests	(29.3)	-	(29.3)
Equity dividends paid	(24.8)	-	(24.8)
Dividends paid to non-controlling interests in subsidiaries	(2.8)	-	(2.8)
Net cash used in financing activities	(508.4)	-	(508.4)
Net increase in cash and cash equivalents	281.4	-	281.4
Cash and cash equivalents at the beginning of the period	1,280.4	-	1,280.4
Foreign exchange losses on cash and cash equivalents	(12.9)	-	(12.9)
Cash and cash equivalents at the end of the period	1,548.9		1,548.9

(1) Deferred consideration paid has been represented within financing activities having previously been classified as investing. Classification of financing more accurately reflects the nature of the cash flow.

Company Balance Sheet

As at 3 February 2024

	Note	As at 3 February 2024 £m	Restated[1] As at 28 January 2023 £m
Non-current assets			
Intangible assets	C5	171.8	96.5
Property, plant and equipment	C6	238.5	194.6
Right-of-use assets	C7	416.3	440.2
Investment property	C8	27.8	14.8
Investments in subsidiaries	C9	1,403.7	809.3
Investments in associates and joint ventures	C9	43.5	38.8
Trade and other receivables	C11	174.2	300.8
Total non-current assets		2,475.8	1,895.0
Current assets			
Inventories	C10	264.4	241.2
Trade and other receivables	C11	241.8	351.8
Income tax receivables		-	8.6
Cash and cash equivalents	C12	478.7	680.6
Assets held-for-sale	C9	11.4	3.5
Total current assets		996.3	1,285.7
Total assets		3,472.1	3,180.7
Current liabilities			
Trade and other payables	C13	(400.5)	(469.0)
Lease liabilities	C7	(79.3)	(78.3)
Provisions	C22	(2.6)	(2.4)
Income tax liabilities		(7.0)	-
Liabilities held-for-sale	C7	-	(0.5)
Total current liabilities		(489.4)	(550.2)
Non-current liabilities			
Trade and other payables	C14	(143.0)	(90.0)
Put and call option derivatives	C14	(179.1)	(6.6)
Lease liabilities	C7	(373.8)	(402.8)
Provisions	C22	(13.9)	(10.6)
Deferred tax liabilities	C15	(24.1)	(12.5)
Total non-current liabilities		(733.9)	(522.5)
Total liabilities		(1,223.3)	(1,072.7)
Net assets		2,248.8	2,108.0
Capital and reserves			
Ordinary share capital	C16	2.5	2.6
Share premium	C16	467.5	467.5
Share-based payment reserve	C16	2.9	0.3
Retained earnings		1,775.9	1,637.6
Total equity		2,248.8	2,108.0

(1) Please refer to Note C24 for further details of the restatement.

The profit for the period in the accounts of the Company is £189.4 million (2023: £154.8 million as restated). 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 3 June 2024 and were signed on its behalf by:

Régis Schultz
Director
Registered number: 1888425

Company Statement of Changes in Equity

For the 53 weeks ended 3 February 2024

	Ordinary share capital £m	Share premium £m	Share-based payments reserve £m	Retained earnings - restated [1] £m	Total equity £m
Balance at 30 January 2022 - as reported	2.6	467.5	0.1	1,309.6	1,779.8
Effect of the prior period restatements [1]	-	-	-	198.0	198.0
Balance at 30 January 2022 - restated [1]	2.6	467.5	0.1	1,507.6	1,977.8
Profit for the period - restated [1]	-	-	-	154.8	154.8
Total comprehensive income for the period	-	-	-	154.8	154.8
Dividends to equity holders	-	-	-	(24.8)	(24.8)
Share-based payment charge	-	-	0.2	-	0.2
Balance at 28 January 2023 - restated [1]	2.6	467.5	0.3	1,637.6	2,108.0
Profit for the period	-	-	-	189.4	189.4
Total comprehensive income for the period	-	-	-	189.4	189.4
Dividends to equity holders	-	-	-	(50.1)	(50.1)
Movement in shareholders equity	-	-	-	(1.1)	(1.1)
Transfers between categories	(0.1)	-	-	0.1	-
Share-based payment charge	-	-	2.6	-	2.6
Balance at 3 February 2024	2.5	467.5	2.9	1,775.9	2,248.8

[1] Effect of prior period restatements made in the financial statements. 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 separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the FRC. Accordingly, these financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

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.
- a Statement of Financial Position as at the beginning of the preceding period when an entity makes a retrospective restatement of items in its financial statements.
- comparative period reconciliations for tangible fixed assets, intangible assets and investment properties.
- disclosures in respect of transactions with wholly owned subsidiaries.
- disclosures in respect of capital management.
- disclosures in respect of the compensation of Key Management Personnel.
- 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.
- certain disclosures required by IAS 12 'Income Taxes' in respect of International Tax Reform – Pillar Two Model Rules.
- 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. For further details, see page 154 and 155 in the Consolidated Financial Statements.

Impairment of investments in subsidiary undertakings and intercompany debtor balances
The carrying value of the investment in subsidiary undertakings has been assessed for impairment in accordance with IAS 36. The value in use of each subsidiary is based on the discounted cash flows available to be paid to the Company from the relevant subsidiaries after the settlement of each entity's liabilities based on estimated cash flows determined using the Group's board approved forecasts. The recoverable amount is compared to the investment carrying value and any difference recorded as impairment.

An impairment charge of £37.8 million (2023: £95.9 million) on the Company's investment in subsidiary undertakings has been recognised. A reversal of a previous impairment of £24.8 million has also been recognised (2023: £Nil).

The loss allowance on the intercompany receivables is measured under 'general approach' in accordance with IFRS 9. Intercompany loans with subsidiaries are repayable on demand and therefore there is no distinction between 12-months and lifetime expected credit losses from the measurement point of view. Management has estimated the loss allowance by comparing the value of the intercompany receivables with the available cash resources, net realisable value of other non-cash assets and trading cash flows expected to be generated in the future periods. If the value of intercompany receivables exceeds the value of any of the listed items, the difference between the intercompany receivables and the highest value of listed items is recognised as loss allowance. An IFRS 9 loan loss allowance on intercompany receivables of £249.2 million has been recognised on the Company's Balance Sheet as at 3 February 2024 (2023: £203.8 million as restated). An impairment charge for expected credit losses against intercompany receivables of £45.4 million has been recognised through the Company's Income Statement for the period ended 3 February 2024 (2023: £49.2 million as restated). See Note C24.

Key sources of estimation uncertainty

Genesis put and call option valuation
Certain of the put and call options described in Note 24(b) 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 only financial statement.

The key significant option outstanding as at 3 February 2024 relates to the Group's US sub-group, Genesis. The fair value of Genesis put and call option at 3 February 2024 was £167.3 million (2023: £1.9 million as restated).

The Company has used a third-party valuation expert to estimate the fair value of the derivatives using a Monte-Carlo simulation model, applying a geometric Brownian motion to project the share price and an arithmetic Brownian motion for the projection of EBITDA. The model requires various key inputs including those subject to management's estimate. See Note C14 for further information on key inputs used, model methodology and accounting policy.

The critical inputs in estimating the fair value of put and call option derivatives include market multiples used to derive the current value of the underlying equity, the EBITDA forecasts and growth assumptions for future periods. Due to the estimation uncertainty associated with these inputs, it's possible that the estimated fair value may change materially within the next 12 months. Further information about the sensitivities can be found in Note C14.

C2. Directors' Remuneration

The remuneration of Executive Directors for both the Company and Group is 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:

	53 weeks to 3 February 2024 Number	52 weeks to 28 January 2023 Number
Sales and distribution	18,968	17,757
Administration	1,314	983
Total average staff employed	**20,282**	**18,740**
Full-time equivalents	13,563	12,385

The aggregate payroll costs of these persons were as follows:

	53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 Number
Wages and salaries	382.2	321.6
Social security costs	27.4	24.6
Pension costs	6.3	5.0
Share -based payments	2.6	0.2
Other employed staff costs	2.0	1.0
	420.5	352.4

Please see Note 32 of the Group financial statements for details of share based payments.

C5. Intangible Assets

At 28 January 2023, goodwill in the Company was comprised of the goodwill on acquisition of First Sport (£15.0 million) and Allsports (£0.9 million). The acquisition of £1.5 million relates to the hive-up of Caplan Land & Estates Commercial Properties Limited, Land & Estates Commercial Properties (Coatbridge) Limited and Land & Estates Commercial Properties Limited ('Caplan') into the Company during the financial period. In the period ended 3 February 2024, an impairment charge of £0.9 million was recognised in relation to the Allsports goodwill.

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 held by the Company also form part of the Group table (Note 13) within the Sports Fashion segment.

	Goodwill £m	Brand licences £m	Brand names £m	Software development £m	Total £m
Cost or valuation					
At 28 January 2023	19.9	93.2	7.4	43.5	164.0
Additions	-	72.9	-	13.3	86.2
Acquisitions	1.5	-	-	-	1.5
Disposals	-	-	-	(5.2)	(5.2)
At 3 February 2024	21.4	166.1	7.4	51.6	246.5
Amortisation and impairment					
At 28 January 2023	4.0	19.3	7.4	36.8	67.5
Charge for the period	-	7.5	-	4.0	11.5
Impairments	0.9	-	-	-	0.9
Released on disposal	-	-	-	(5.2)	(5.2)
At 3 February 2024	4.9	26.8	7.4	35.6	74.7
Net book value					
At 3 February 2024	16.5	139.3	-	16.0	171.8
At 28 January 2023	15.9	73.9	-	6.7	96.5

Disposal of Nil Net Book Value Assets No Longer in Use

Following on from the review undertaken in the previous financial period, a review of the intangible asset records was carried out during the period ended 3 February 2024 to identify fully amortised assets no longer in use by the Company. The result of the review is a disposal of £5.2 million of cost and accumulated amortisation for assets no longer in use (2023: £7.7 million).

C6. Property, Plant and Equipment

Included within the depreciation charge for the period ended 28 January 2023 was accelerated depreciation of £1.6 million following a review of the useful economic life of certain items of property, plant and equipment and assets capitalised. No accelerated depreciation is included for the period ended 3 February 2024.

	Land and buildings £m	Improvements to short leasehold properties £m	Computer equipment £m	Fixtures and fittings £m	Motor vehicles £m	Total £m
Cost						
At 28 January 2023	16.5	4.3	32.6	298.1	0.1	351.6
Additions	-	2.6	13.0	65.2	-	80.8
Disposals	-	(1.8)	(0.9)	(14.9)	-	(17.6)
At 3 February 2024	16.5	5.1	44.7	348.4	0.1	414.8
Depreciation and impairment						
At 28 January 2023	3.9	0.3	16.4	136.3	0.1	157.0
Charge for period	0.2	1.5	7.6	27.6	-	36.9
Disposals	-	(1.8)	(0.9)	(14.9)	-	(17.6)
At 3 February 2024	4.1	-	23.1	149.0	0.1	176.3
Net book value						
At 3 February 2024	12.4	5.1	21.6	199.4	-	238.5
At 28 January 2023	12.6	4.0	16.2	161.8	-	194.6

Disposal of Nil Net Book Value Assets No longer in Use

Following on from the review undertaken in the previous financial period, a review of the fixed asset records was carried out during the period ended 3 February 2024 to identify fully depreciated assets no longer in use by the Company. The results of the review is a disposal of £17.6 million of cost and accumulated depreciation for assets no longer in use (2023: £136.4 million).

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 and Note 16 to the Consolidated Financial Statements.

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 28 January 2023	684.1	6.5	690.6
Effect of prior period restatement	22.9	-	22.9
At 28 January 2023 - restated(1)	707.0	6.5	713.5
Additions	38.4	1.7	40.1
Disposals	(26.7)	-	(26.7)
Remeasurement adjustments	14.8	-	14.8
At 3 February 2024	733.5	8.2	741.7
Depreciation and impairment			
At 28 January 2023	269.2	4.1	273.3
Depreciation charge for the period	63.9	1.7	65.6
Impairments	0.4	-	0.4
Disposals	(13.9)	-	(13.9)
At 3 February 2024	319.6	5.8	325.4
Net book value			
At 3 February 2024	413.9	2.4	416.3
At 28 January 2023 - restated(1)	437.8	2.4	440.2

(1) Please refer to Note C24 for further details of the restatement.

C7. Leases continued

Lease Liabilities

	As at 3 February 2024 £m	Restated (1) As at 28 January 2023 £m
Maturity analysis - contractual undiscounted cash flows		
Less than one year	80.0	79.5
One to five years	237.9	250.8
More than five years	186.1	186.1
Total undiscounted lease liabilities	504.0	516.4
Lease liabilities included in the Statement of Financial Position		
Current	79.3	78.3
Non-current	373.8	402.8
Total	453.1	481.1

(1) Please refer to Note C24 for further details of the restatement.

As at 3 February 2024, the weighted average discount rate applied to the lease portfolio of the Company was 3.1% (2023: 3.1%).

	As at 3 February 2024 £m	As at 28 January 2023 £m
Opening balance (restated)	481.1	501.4
Additions	40.1	63.2
Interest on lease liabilities	13.4	12.2
Repayments of lease liability	(82.1)	(78.6)
Liability adjustments (1)	0.6	(17.1)
Closing balance (restated)	453.1	481.1

(1) Liability adjustments include £(14.2) million for disposals (2023: £(14.4) million) and £Nil (2023: £(0.5) million) for held-for-sale. There are also £14.8 million (2023: £(2.2) million) for remeasurement adjustments.

Amounts Recognised in Profit or Loss

	53 weeks to 3 February 2024 £m	52 weeks to 28 January 2023 £m
Depreciation expense of right-of-use assets	65.6	67.5
Interest on lease liabilities	13.4	12.2
Variable lease payments not included in the measurement of lease liabilities	12.5	0.3
Income from sub-leasing right-of-use assets	(0.3)	(0.1)
Expenses relating to short-term leases	0.2	0.5
Impairment of right-of-use assets	0.4	-

The variable lease payments not included in the measurement of the lease liabilities was £12.5 million (£0.3 million for the financial period ended 28 January 2023 which was shown net of the release of a historical accrual no longer required of £13.3 million).

C8. Investment Property

Investment property, which is property held to earn rental income, 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 28 January 2023	16.9
Additions	13.3
At 3 February 2024	**30.2**
Depreciation and impairment	
At 28 January 2023	2.1
Charge for the period	0.3
At 3 February 2024	**2.4**
Net book value	
At 3 February 2024	**27.8**
At 28 January 2023	14.8

C8. Investment Property continued

The investment properties cost brought forward relates to three properties leased to Go Outdoors Retail Limited (£3.9 million, £4.2 million and £4.0 million), a property leased to Focus Brands Limited (£4.2 million) and a property leased to Kukri Sports Limited (£0.6 million).

These properties remain investment properties from the Company's perspective as at 3 February 2024. Based on an external valuation prepared as at 31 December 2021, the fair value of these investment properties leased to Focus Brands Limited and Kukri Sports Limited as at that date was £5.8 million. The properties are two years into a three-year valuation cycle and, accordingly, an external valuation of the properties will be obtained for the period ended 1 February 2025. Properties in relation to Go Outdoors Retail Limited were deemed to be held at fair value of £11.7 million as at 3 February 2024, given these were recently acquired during the financial period ended 30 January 2022. These properties are two years into a three-year valuation cycle and, accordingly, an external valuation of the properties will be obtained for the period ended 1 February 2025. Given the non-volatile nature of the property, a three-year external valuation cycle is deemed appropriate by the Directors. The Directors deem this to be a Level 3 input under the Group's fair value hierarchy (see Note 23 of the Group financial statements).

The investment properties acquired in the period relate to properties transferred in the hive-up of the Caplan entities, being properties leased to Go Outdoors Retail Limited (£13.3 million).

The rental income from investment properties, recognised in the Company accounts, is £2.0 million (2023: £1.1 million). The Directors do 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. A list of subsidiaries is disclosed in Note 38 of the Group financial statements.

Investments in Subsidiaries

	£m
Cost	
At 28 January 2023	958.0
Additions (see note i below)	662.3
Disposals (see note ii below)	(78.8)
Reclassification [(1)]	(17.5)
Reclassed to assets held-for-sale	(11.4)
At 3 February 2024	**1,512.6**
Impairment	
At 28 January 2023	148.7
Impairment charge for the period (see note iii below)	37.8
Reversal of impairment charge in the period[(2)]	(24.8)
Reclassification [(1)]	(17.5)
Disposals (see note ii below)	(35.3)
At 3 February 2024	**108.9**
Net book value	
At 3 February 2024	**1,403.7**
At 28 January 2023	809.3

(1) Reclassifications relate to the correction of a previously mis-classified balance which had been incorrectly recorded against both the cost and impairment line. There is no change in the carrying value of the investment.
(2) There has been a reversal of the impairment of Go Outdoors Retail Limited following a reassessment of the business' prospects in the period ended 3 February 2024.

i) The additions to investments consist of the following (unless otherwise stated, the investment is 100% owned):

	£m
Iberian Sports Retail Group SL (increase in ownership from 50.002% to 100%)	434.6
JD Sports Fashion B.V.	110.0
Marketing Investment Group S.A. (increase in ownership from 60% to 100%)	68.7
JD Sports Fashion SDN BHD (increase in ownership from 80% to 100%)	35.5
JD Sports Fashion Germany GmbH (increase in ownership from 80% to 100%)	6.1
JD Sports Fashion Sweden AB	3.7
Tiso Group Limited (increase in ownership from 60% to 100%)	1.7
JD Sports Gyms Limited (increase in ownership from 94% to 95%)	1.3
JD Sports Fashion Finland Oy	0.7
Total additions	**662.3**

C9. Investments in Subsidiaries, Associates and Joint Ventures continued

ii) The disposals of investments consist of the following (unless otherwise stated, the investment was 100% owned):

	Cost disposed £m	Impairment utilised £m	Net disposal £m
80s Casual Classics Limited (70%)	15.3	-	**15.3**
Caplan Land & Estates CP Limited	10.0	-	**10.0**
JDSF Holdings (Canada) Inc (80%)	8.2	-	**8.2**
Hair Burst Limited (75%)	26.2	(19.1)	**7.1**
Focus Brands Limited	2.8	(0.5)	**2.3**
Kukri Sports Limited (75%)	0.6	-	**0.6**
Bernard Esher Limited (80%)	0.3	(0.3)	**-**
Source Lab Limited (85%)	2.6	(2.6)	**-**
R.D. Scott Limited	8.5	(8.5)	**-**
Catchbest Limited	3.2	(3.2)	**-**
Tessuti Limited	1.1	(1.1)	**-**
Total disposals	78.8	(35.3)	**43.5**

The Company tests the investment balances for impairment annually. The recoverable amounts of the investments have been determined based on net asset position and value-in-use calculations, which require the use of estimates. Management has prepared discounted cash flows in line with the Group approach to impairment testing.

iii) The impairment charge for the period consists of the following (unless otherwise stated, the investment is 100% owned):

	£m
JD Sports Fashion Sweden AB	12.7
Wheelbase Lakeland Limited (77.5%)	9.6
JDSF B.V.	8.5
XLR8 Sports Limited	4.9
Other	1.5
2Squared Agency Limited	0.6
Total impairment charge	**37.8**

Held-for-Sale

The investment held in Mainline Menswear Holdings Limited and its subsidiaries are held as assets held-for-sale as at 3 February 2024. The investment in this company was held at a cost of £11.4 million, being the lower of carrying value and fair value less costs to sell, in accordance with IFRS 5. 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 28 January 2023	28.1	10.7	38.8
Disposals	(1.6)	(1.3)	(2.9)
Share of profit	6.7	0.9	7.6
At 3 February 2024	33.2	10.3	43.5

Investments in associates and joint ventures in the Company comprise all those included in the Group table (Note 17).

C10. Inventories

	As at 3 February 2024 £m	As at 28 January 2023 £m
Finished goods and goods for resale	264.4	241.2

The Company has £23.0 million (2023: £24.9 million) of inventory provisions at the end of the period. The cost of inventories includes a net charge of £9.5 million (2023: £14.5 million) in relation to net provisions recognised against inventories. £11.4 million of the inventory provision was utilised during the period against the write down of inventory (2023: £12.1 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 (2023: £2.4 million).

C11. Trade and Other Receivables

	As at 3 February 2024 £m	Restated[1] As at 28 January 2023 £m
Current assets		
Trade receivables	17.2	19.2
Other receivables	7.8	16.5
Right of return asset	4.9	2.8
Prepayments	39.2	35.9
Amounts owed by other Group companies	172.7	277.4
	241.8	351.8

	As at 3 February 2024 £m	Restated[1] As at 28 January 2023 £m
Non-current assets		
Amounts owed by other Group companies	174.2	300.0
Forward contract asset	-	0.8
	174.2	300.8

(1) Please refer to Note C24 for further details of the restatement.

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:

	As at 3 February 2024				As at 28 January 2023			
	Weighted average loss rate %	Gross carrying amount £m	Loss allowance £m	Net £m	Weighted average loss rate £m	Gross carrying amount £m	Loss allowance £m	Net £m
Not past due	-	5.8	-	5.8	-	14.2	-	14.2
Past due 0-30 days	-	-	-	-	-	1.9	-	1.9
Past due 31-60 days	-	1.2	-	1.2	-	0.7	-	0.7
Past due 61-90 days	-	-	-	-	-	0.2	-	0.2
Past due 90+ days	2.9%	10.5	(0.3)	10.2	12.0%	2.5	(0.3)	2.2
	1.7%	17.5	(0.3)	17.2	1.5%	19.5	(0.3)	19.2

The exposure to credit risk for trade receivables by geographic region was as follows:

	As at 3 February 2024			As at 28 January 2023		
Trade receivables	Gross £m	Loss allowance £m	Net £m	Gross £m	Loss allowance £m	Net £m
UK	10.9	(0.1)	10.8	15.4	(0.1)	15.3
Europe	2.2	(0.2)	2.0	1.1	(0.2)	0.9
Rest of world	4.4	-	4.4	3.0	-	3.0
Total	17.5	(0.3)	17.2	19.5	(0.3)	19.2

C11. Trade and Other Receivables continued

The exposure to credit risk for trade receivables by type of counterparty was as follows:

Trade receivables	As at 3 February 2024 Gross £m	As at 3 February 2024 Loss allowance £m	As at 3 February 2024 Net £m	As at 28 January 2023 Gross £m	As at 28 January 2023 Loss allowance £m	As at 28 January 2023 Net £m
Supplier rebates	3.8	-	3.8	2.5	-	2.5
Amounts owed by associates and joint ventures	3.7	-	3.7	2.8	-	2.8
Other [1]	10.0	(0.3)	9.7	14.2	(0.3)	13.9
Total	17.5	(0.3)	17.2	19.5	(0.3)	19.2

(1) Other includes amounts owed by suppliers for contributions towards marketing and promotion costs of £2.4 million (2023: £3.2 million).

At 3 February 2024, the receivable due from the Company's most significant customer was £3.2 million (2023: £2.2 million).

The movement on the trade receivables provision is shown below:

	£m
At 28 January 2023	0.3
At 3 February 2024	**0.3**

Amounts Owed by Other Group Companies

Management has estimated the loss allowance required on its intergroup receivables under IFRS 9's expected credit loss model (see Note C1 for further details). The amounts owed by other Group companies are presented net of a provision for expected credit losses of £249.2 million (2023: £203.8 million as restated) against the balances outstanding at the end of the period.
A summary of the Company's exposure to credit risk for receivables due from other Group companies is as follows:

As at 3 February 2024	Weighted average loss rate %	Gross carrying amount £m	Loss allowance £m	Net £m
Repayable on demand (current)	5.8%	183.3	(10.6)	172.7
Repayable on demand (non-current)	57.8%	412.8	(238.6)	174.2
Total	41.8%	596.1	(249.2)	346.9

As at 28 January 2023 (restated[1])	Weighted average loss rate %	Gross carrying amount £m	Loss allowance £m	Net £m
Repayable on demand (current)	–	277.4	–	277.4
Repayable on demand (non-current)	40.5%	503.8	(203.8)	300.0
Total	26.1%	781.2	(203.8)	577.4

(1) Please refer to Note C24 for further details of the restatement.

C12. Financial Instruments

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, credit card receipts and call deposits with an original maturity of three months or less, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.
Cash equivalents are held for the purposes of meeting the Company's short-term liquidity needs.

	As at 3 February 2024 £m	As at 28 January 2023 £m
Cash at bank and in hand	109.5	161.5
Cash equivalents	10.5	11.1
Other short-term deposits < 3 months	358.7	508.0
	478.7	680.6

C12. Financial Instruments continued

Cash and Cash Equivalents continued

The currency profile of cash and cash equivalents is shown below:

	As at 3 February 2024 £m	As at 28 January 2023 £m
Sterling	145.4	577.0
Euros	141.7	43.0
US Dollars	144.6	18.6
Australian Dollars	22.4	20.9
Other	24.6	21.1
	478.7	680.6

Credit Risk

The Company has provided guarantees on working capital and other banking facilities entered into by JD Sports Fashion Israel (2021) Limited Partnership (ILS 26.1 million (£5.6 million)) and rental commitments for certain European stores (£13.0 million).

As at 3 February 2024, the Company headed the Group's syndicated committed £700 million bank facility expiring on 6 November 2026, which was extended in the previous financial year for a period of two years with no changes to existing terms (previous expiry 6 November 2024). The Company is subject to covenants on consolidated total net assets, net debt leverage and a fixed charge cover. Under this facility, a maximum of 15 drawdowns can be outstanding at any time, with drawdowns 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% (2023: 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.

As at 3 February 2024, 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, DTLR Inc, Genesis Finco Limited, Spodis SA, JD Sports Fashion Aus Pty and JD Sports Fashion (Ireland) Limited. At 3 February 2024, £Nil was drawn down on this facility (2023: £Nil).

Fair Values

The fair values of the financial assets and liabilities together with the carrying amounts shown in the Balance Sheet as at 3 February 2024 are as follows:

	Note	Carrying amount 2024 £m	Fair value 2024 £m	Restated[1] Carrying amount 2023 £m	Restated[1] Fair value 2023 £m
Trade and other receivables – current	C11	241.8	241.8	351.8	351.8
Trade and other receivables – non-current	C11	174.2	174.2	300.8	300.8
Cash and cash equivalents		478.7	478.7	680.6	680.6
Trade and other payables – current	C13	(400.5)	(400.5)	(469.0)	(469.0)
Trade and other payables – non-current	C14	(322.1)	(322.1)	(96.6)	(96.6)
		172.1	172.1	767.6	767.6
Unrecognised gains		–	–	–	–

(1) Please refer to Note C24 for further details of the restatement.

Fair Value Hierarchy

As at 3 February 2024, the Group held non-hedged foreign exchange forward contracts which were carried at fair value on the Consolidated Statement of Financial Position.

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 affect on the recorded fair value that are not based on observable market data.

C12. Financial Instruments continued

Fair Value Hierarchy continued

3 February 2024	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	2.0	-	2.0	-
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts - non-hedged	(2.0)	-	(2.0)	-
Contingent consideration - current	(0.2)	-	-	(0.2)
Contingent consideration - non-current	(0.6)	-	-	(0.6)
Other financial liabilities				
Put and call option derivatives	(179.1)	-	-	(179.1)

28 January 2023	Restated[1] 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	(28.2)	-	(28.2)	-
Contingent consideration - current	(0.2)	-	-	(0.2)
Contingent consideration - non-current	(0.7)	-	-	(0.7)
Other financial liabilities				
Put and call option derivatives	(6.6)	-	-	(6.6)

(1) Please refer to note C24 for details of the restatement.

C13. Current Trade and Other Payables

	As at 3 February 2024 £m	Restated[1] As at 28 January 2023 £m
Trade payables	189.1	199.1
Other payables and accrued expenses	148.2	197.4
Refund liabilities	12.7	5.5
Other tax and social security costs	28.0	20.7
Amounts payable to other Group companies	22.5	46.3
	400.5	469.0

(1) Please refer to Note C24 for further details of the restatement.

C14. Non-Current Trade and Other Payables

	As at 3 February 2024 £m	Restated[1] As at 28 January 2023 £m
Other payables and accrued expenses	143.0	90.0
Put and call option derivatives	179.1	6.6
	322.1	96.6

(1) Please refer to Note C24 for further details of the restatement.

C14. Non-Current Trade and Other Payables continued

Put and Call Option Derivatives

Certain of the put and call options described in Note 24(b) 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 only accounts. The Company has used a third-party valuation expert to estimate the fair value of the derivatives using a Monte-Carlo simulation model, applying a geometric Brownian motion to project the share price and an arithmetic Brownian motion for the projection of EBITDA with its drift estimated for the Fair Value of the Put and Call options risk adjusted to put them on a risk-neutral basis from the forecast EBITDAs. 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 and 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 24(b), 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.
- 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 exercise price 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.

To estimate the fair value of put and call options for the purposes of the Company only financial statements, the key inputs to the Monte-Carlo simulation models are:

- The EBITDA forecasts and growth assumptions for future periods including forecast net cash/debt and forecast capital expenditure, working capital movements and taxation.
- The discount rate, which should be equivalent to the rates a market participant would use and commensurate with the cash flows and is used to risk adjust the forecast EBITDA to a risk-neutral basis.
- The market approach used to derive the current value of the underlying equity, which is based on an estimated EBITDA multiple range for Genesis.
- The Equity drift, which is estimated from a market-observable risk-free rate and its volatility, which is estimated from comparable companies.
- The EBITDA, which is projected using an Arithmetic Brownian Motion using EBITDA drift. The 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, which is estimated by using historical data for the company being acquired.
- Where relevant, the maximum purchase price (option pricing cap) as defined in the shareholder agreement.
- The risk-free discount rates, reflecting the current market assessment of the time value of money, used to discount the payoff/value of the put and call options.

The short-term EBITDA growth assumptions are 6.4-12.5% as at 3 February 2024. The range of EBITDA multiples used for the estimation of the Genesis put and call option at 3 February 2024 is 4.75-5.25 as at 3 February 2024 and 5.25-5.75 for the FY25 financial year. The discount rate used in the FY24 valuation to risk adjust the forecast EBITDA is 9.8%.

Genesis Options

The fair value of the Genesis option is £167.3 million (2023: £1.9 million as restated).

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 forecast EBITDA, the market multiples used in the valuation and the discount rate. 10% was determined to be a reasonably possible decrease to the EBITDA included in the approved cash flow forecasts, 0.5x was determined to be a reasonably possible change for the market multiple and 1% was determined to be a reasonably possible decrease for the discount rate. The results were as follows:

- A reduction of 10% to the forecast EBITDA would result in a reduction to the put and call option derivative of £55.8 million.
- A 0.5 increase to the market multiple would result in a reduction to the put and call option derivative of £44.0 million.
- A 0.5 decrease to the market multiple would result in an increase to the put and call option derivative of £44.0 million.
- A discount rate reduction of 1% would result in an increase to the put and call option derivative of £16.5 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 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 three-year plan.

Other Options

In addition to the Genesis options, the two next largest value options are Cosmos and DTLR. Due to the value of these other options, management has used a third party valuation specialist to value them. The valuation technique is outlined per the wording above.

C15. Deferred Tax Assets and Liabilities

Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2024 £m	Assets 2023 £m	Liabilities 2024 £m	Liabilities 2023 £m	Net 2024 £m	Net 2023 £m
Property, plant and equipment	-	-	(25.5)	(16.6)	(25.5)	(16.6)
Property	-	-	(1.5)	-	(1.5)	-
Employee benefits	2.9	4.1	-	-	2.9	4.1
Tax assets/(liabilities)	2.9	4.1	(27.0)	(16.6)	(24.1)	(12.5)

Movement in Deferred Tax during the Period

	Property, plant and equipment £m	Property £m	Employee benefits £m	Total £m
Balance at 30 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)
Recognised in income statement	(8.8)	-	(1.2)	(10.0)
Movement on acquisition/(divestment)	(0.1)	(1.5)	-	(1.6)
Balance at 3 February 2024	**(25.5)**	**(1.5)**	**2.9**	**(24.1)**

The UK corporation tax rate was increased to 25% from 1 April 2023. 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 27 of the Group financial statements. The retained earnings of the Company as at 3 February 2024 are all deemed to be distributable.

C17. Dividends

After the reporting date, the dividend proposed by both the Company and Group Directors is disclosed in Note 29 of the Group financial statements.

C18. Commitments

As at 3 February 2024, the Company had entered into contracts to purchase property, plant and equipment as follows:

	As at 3 February 2024 £m	As at 28 January 2023 £m
Contracted	1.0	-

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 2024 £m	Expenditure with related parties 2024 £m	Income from related parties 2023 £m	Expenditure with related parties 2023 £m
Sale/(purchase) of inventory	-	(14.4)	0.1	(15.9)
Dividends	-	(26.0)	-	(12.8)

At the end of the period, the Company had the following balances outstanding with Pentland Group Limited:

	Amounts owed by related parties 2024 £m	Amounts owed to related parties 2024 £m	Amounts owed by related parties 2023 £m	Amounts owed to related parties 2023 £m
Trade receivables/(payables)	-	(1.0)	0.1	(0.5)

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 2024 £m	Expenditure with related parties 2024 £m	Income from related parties 2023 £m	Expenditure with related parties 2023 £m
Purchase of inventory	-	(2.4)	-	(6.2)
Recharge of expenses	1.7	-	2.6	-
Dividends and distributions received	-	-	3.5	-

At the end of the period, the Company had the following balances outstanding with its associates and joint ventures:

	Amounts owed by related parties 2024 £m	Amounts owed to related parties 2024 £m	Amounts owed by related parties 2023 £m	Amounts owed to related parties 2023 £m
Trade receivables	3.7	-	2.8	-
Trade payables	-	-	-	(0.7)

Trade receivables from associates and joint ventures relate to costs incurred by the Company on behalf of these entities, which have then been recharged.

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 intellectual property; and
- charges 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 2024 £m	Expenditure with related parties 2024 £m	Income from related parties 2023 £m	Expenditure with related parties 2023 £m
Sale/(purchase) of inventory	4.9	-	98.4	(0.6)
Interest receivable	7.0	-	8.7	-
Dividend income received	10.0	-	8.4	-
Rental income	0.1	-	0.1	-
IP licence fee	29.8	-	45.7	-
Management charge receivable	2.2	-	4.8	-

At the end of the period, the Company had the following balances outstanding with subsidiaries not wholly owned:

	Amounts owed by related parties 2024 £m	Amounts owed to related parties 2024 £m	Amounts owed by related parties 2023 £m	Amounts owed to related parties 2023 £m
Non-trading loan receivable	48.9	-	76.0	-
Non-trading loan receivable (interest-bearing)	102.0	-	165.9	-
Trade receivables	17.2	-	29.4	-
Other intercompany balances	-	-	0.1	(13.3)
Income tax group relief	-	(0.1)	-	(3.7)

C19. Related Party Transactions and Balances continued

JD Foundation

The JD Foundation receives its income from, but is independent of, JD Sports Fashion Plc. The Foundation is dependent on all income net of VAT arising from the sale of single-use carrier bags in JD stores in England, Scotland, Wales, Northern Ireland and other European countries, as well as micro-donations from customers at the store point of sale and colleague donations and fundraising.

During the period, the Company entered into the following transactions with The JD Foundation:

	Income from related parties 2024 £m	Expenditure with related parties 2024 £m	Income from related parties 2023 £m	Expenditure with related parties 2023 £m
Donations	-	(2.4)	-	(1.6)

C20. Contingent Liabilities and Financial Guarantees

Accounting Policies

Contingent liabilities are potential future cash outflows, where the likelihood of payment is considered more than remote but is not considered probable or cannot be fully measured.

Claims and Litigation

The activities of the Group are overseen by 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 ('JD'), together with their affiliates. In the period ended 28 January 2023, the Group reported that there was insufficient certainty that a liability would arise and no provision was made in the financial accounts. On 31 July 2023, the CMA issued a decision finding that JD and Leicester City Football Club Limited broke competition law; however, on the basis that JD reported the conduct to the CMA, no fine was issued to JD.

Financial Guarantees

The company has issued guarantees to third parties in case subsidiaries fail to pay their current liabilities and obligations relating to business operations. The liability relating to financial guarantees is initially recognised at fair value and subsequently measured at the higher of the contract's estimated expected credit loss, measured using a general approach and the amount initially recognised less, where appropriate, accumulated amortisation.

The Company has issued the following guarantees:

- Guarantee on the rental commitments for certain European stores of £13.0 million (2023: £2.6 million).
- Guarantee on the working capital facilities in JD Sports Fashion Israel (2021) Partnership of ILS 26.1 million (£5.7 million) (2023: ILS 26.1 million (£4.2 million)).
- Guarantee on rental commitments for JD Sports Fashion B.V. in relation to warehouse rental costs. The total value of the remaining commitments at 3 February 2024 was £36.0 million (2023: £40.1 million).
- Guarantee on rental commitments for Go Outdoors Retail Limited in relation to warehouse rental costs. The total value of the remaining commitments at 3 February 2024 was £24.8 million (2023: £21.8 million).
- Guarantee on overdraft facility with Lloyds for Tiso Limited of £5.7 million (2023: £5.7 million).

The liability due to financial guarantee contracts issued was immaterial as at 3 February 2024.

C21. Ultimate Parent Company and Ultimate Controlling Party

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) and Pentland Industries International Designated Activity Company (a company registered in Ireland).

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 53 week period ended 31 January 2024. 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 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 Company's tenure.

C22. Provisions continued

Property Provision continued

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. The unwind of the provision will be dependent on managements decision about when a premises may be vacated; this would typically be over a five to seven year period.

Other Provision

The Other Provision 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. These provisions would be expected to unwind within one year.

	Property provision £m	Other provision £m	Total £m
Balance at 28 January 2023	10.6	2.4	13.0
Provisions released during the period	-	(0.7)	(0.7)
Provisions created during the period	3.3	0.9	4.2
Balance at 3 February 2024	**13.9**	**2.6**	**16.5**

Provisions have been analysed between current and non-current as follows:

	As at 3 February 2024 £m	As at 28 January 2023 £m
Current	2.6	2.4
Non-current	13.9	10.6
	16.5	13.0

C23. Post Balance Sheet Events

Please refer to Note 37 in the Group financial statements for disclosure of the post Balance Sheet events impacting JD Sports Fashion Plc.

C24. Prior Period Adjustments

The Company has identified a number of prior period adjustments, impacting the opening position at 30 January 2022, 28 January 2023 and the year ended 3 February 2024. The impact of the prior period adjustments on the primary statements is presented in the tables below.

Put and Call Options

Genesis and MIG Options

During the financial period ended 3 February 2024, the Company reviewed the valuation methodology used for put and call options and identified that the cash flows used in the model should be risk adjusted such that the fair value is calculated in a risk-neutral framework. Accordingly, the Company has restated the put and call options as at 30 January 2022 and 28 January 2023 amounting to £277.9 million and £121.5 million, respectively, with corresponding impact to brought forward retained earnings at 30 January 2022 of £277.9 million, impact on profit for the period ended 28 January 2023 of £121.5 million and cumulative impact on retained earnings at 28 January 2023 of £156.4 million.

Leases

During the financial period ended 3 February 2024, the Company reviewed the leases and identified property leases that should have been recognised in prior periods. Accordingly, the Company has restated the right-of-use assets and corresponding lease liabilities as at 28 January 2023 amounting to £22.9 million (being £3.0 million current and £19.9 million non-current).

Foreign Exchange

During the financial period ended 3 February 2024, the Company reviewed the foreign currency translation of amounts payable to other Group companies and amounts owed by other Group companies and identified that these balances had not been translated at the spot rate as at 30 January 2022 and 28 January 2023. Accordingly, the Company has restated these balances resulting in net adjustment to profit or loss as at 30 January 2022 and 28 January 2023 amounting to £12.8 million and £17.0 million, respectively and a corresponding net impact to net assets as at 28 January 2023 amounts to £4.2 million.

Intercompany Balances

During the financial period ended 3 February 2024, the Company reviewed the classification of intercompany balances and concluded that certain intercompany balances are repayable on demand and should be classified as current assets or liabilities. Accordingly, the Company has reclassified the amounts due from Group companies as at 28 January 2023 amounting to and £138.6 million.

Intercompany Balances Loss Allowance

During the financial period ended 3 February 2024, the Company reviewed the accounting for impairment of investments and loss allowance of intercompany balances and concluded that these should be performed separately under IAS 36 for impairment of investments and under IFRS 9 for expected credit losses of intercompany balances. Accordingly, the Company has also restated the expected credit losses of intercompany balances as at 30 January 2022 and 28 January 2023 by £67.1 million and £116.4 million, respectively, with corresponding impact to brought forward retained earnings at 30 January 2022 of £67.1 million, impact on profit for the period ended 28 January 2023 of £49.3 million and cumulative impact on retained earnings at 28 January 2023 of £116.4 million.

C24. Prior Period Adjustments continued

The following tables summarise the annual statements of operations and Balance Sheet data for the periods indicated, giving effect to the restatement described on the previous page:

Company Balance Sheet

As at 28 January 2023

	Reported £m	Put and call options £m	Leases £m	Foreign exchange £m	Intercompany balances £m	Intercompany balances loss allowances £m	Restated £m
Non-current assets							
Intangible assets	96.5	-	-	-	-	-	96.5
Property, plant and equipment	194.6	-	-	-	-	-	194.6
Right-of-use assets	417.3	-	22.9	-	-	-	440.2
Investment property	14.8	-	-	-	-	-	14.8
Investments in subsidiaries	809.3	-	-	-	-	-	809.3
Investments in associates and joint ventures	38.8	-	-	-	-	-	38.8
Trade and other receivables	550.2	-	-	5.6	(138.6)	(116.4)	300.8
Total non-current assets	2,121.5	-	22.9	5.6	(138.6)	(116.4)	1,895.0
Current assets							
Inventories	241.2	-	-	-	-	-	241.2
Trade and other receivables	213.0	-	-	0.2	138.6	-	351.8
Income tax receivable	8.6	-	-	-	-	-	8.6
Assets held-for-sale	3.5	-	-	-	-	-	3.5
Cash and cash equivalents	680.6	-	-	-	-	-	680.6
Total current assets	1,146.9	-	-	0.2	138.6	-	1,285.7
Total assets	3,268.4	-	22.9	5.8	-	(116.4)	3,180.7
Current liabilities							
Lease liabilities	(75.3)	-	(3.0)	-	-	-	(78.3)
Trade and other payables	(467.4)	-	-	(1.6)	-	-	(469.0)
Provisions	(2.4)	-	-	-	-	-	(2.4)
Liabilities held-for-sale	(0.5)	-	-	-	-	-	(0.5)
Total current liabilities	(545.6)	-	(3.0)	(1.6)	-	-	(550.2)
Non-current liabilities							
Lease liabilities	(382.9)	-	(19.9)	-	-	-	(402.8)
Trade and other payables	(90.0)	-	-	-	-	-	(90.0)
Put and call option liabilities	(163.0)	156.4	-	-	-	-	(6.6)
Provisions	(10.6)	-	-	-	-	-	(10.6)
Deferred tax liabilities	(12.5)	-	-	-	-	-	(12.5)
Total non-current liabilities	(659.0)	156.4	(19.9)	-	-	-	(522.5)
Total liabilities	(1,204.6)	156.4	(22.9)	(1.6)	-	-	(1,072.7)
Net assets	2,063.8	156.4	-	4.2	-	(116.4)	2,108.0
Capital and reserves							
Ordinary share capital	2.6	-	-	-	-	-	2.6
Share premium	467.5	-	-	-	-	-	467.5
Retained earnings	1,593.4	156.4	-	4.2	-	(116.4)	1,637.6
Share-based payment reserve	0.3	-	-	-	-	-	0.3
Total equity	2,063.8	156.4	-	4.2	-	(116.4)	2,108.0

C24. Prior Period Adjustments continued

Company Statement of Changes in Equity

	52 weeks to 28 January 2023						
	Reported £m	Put and call options £m	Leases £m	Foreign exchange £m	Intercompany balances £m	Intercompany balances loss allowances £m	Restated £m
Issued ordinary share capital	2.6	–	–	–	–	–	2.6
Share premium	467.5	–	–	–	–	–	467.5
Share-based payment reserve	0.3	–	–	–	–	–	0.3
Retained earnings – Balance as at 30 January 2022	1,309.6	277.9	–	(12.8)	–	(67.1)	1,507.6
Retained earnings – Profit for the period	308.6	(121.5)	–	17.0	–	(49.3)	154.8
Retained earnings – Dividends to equity holders	(24.8)	–	–	–	–	–	(24.8)
Total equity	2,063.8	156.4	–	4.2	–	(116.4)	2,108.0

Alternative Performance Measures

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by UK-adopted International Financial Reporting 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 adjusting 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 Basic 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 adjusting items. A reconciliation between basic earnings per share and adjusted basic earnings per share is shown below:

	2024	Restated(1) 2023
Basic earnings per share per Note 10	10.45p	3.65p
Adjusting items	2.05p	9.79p
Tax relating to adjusting items	(0.36)p	(0.05)p
Adjusted basic earnings per ordinary share	12.14p	13.39p

(1) Please refer to Note 39 for further details of the restatement.

Adjusting Items

For the financial period ended 3 February 2024, the Group has updated the presentation of the Consolidated Income Statement to a three-column format to show adjusting items against the relevant income statement line item. The term 'adjusting items', as opposed to 'adjusted items' that was used in the prior financial period, has been updated as has the definition of adjusting items to include the impairment of loan receivables not recoverable. These updates are intended to provide enhanced disclosure and greater clarity over what is classified as an adjusting item and, by being more specific in terms of defining the adjusting 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 adjusting 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 adjusting items, the Group considers items which are significant because of either their size or their nature which management believe would distort an understanding of earnings if not adjusted. In order for an item to be presented as an adjusting item, it should typically meet at least one of the following criteria:

- Impairments of tangible and intangible assets, investments and loan receivables not recoverable.
- Unusual in nature or outside the normal course of business (for example the non-cash movement in the present value of put and call options).
- Items directly incurred as a result of either an acquisition, or anticipated acquisition, or a divestment, or arising from a major business change or restructuring programme.

The separate reporting of items, which are presented as adjusting 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 adjusting is given in Note 4 to the financial statements.

Furthermore, Alternative Performance Measures excluding adjusting items are intended to enhance the comparability of information between reporting periods and to help to provide an indication of the Group's trading performance.

Capital Expenditure

Capital Expenditure is the measure of total cash invested each period to maintain or build new retail fascias, logistics infrastructure, or technology assets. This investment is in the ongoing business and is invested to deliver growth in organic sales or improvements in gross profit or operating profit. This APM is therefore useful to understand the investment the company is making in its ongoing assets for which a return on investment is expected in the future.

This measure excludes other items within net cash used in investing activities in the cashflow statement as these are not related to investments in the ongoing business, but to acquisitions, investments or disposals of subsidiaries or joint ventures, proceeds of sale of non current assets or interest received.

The table below details the cashflow expenditure on capital investment as detailed in the Consolidated Statement of Cash Flows.

	2024 £m	2023 £m
Acquisition of intangibles (software development)	29.5	19.9
Acquisition of property, plant and equipment	500.0	326.6
Acquisition of other non-current assets	10.2	12.8
Total capital expenditure	539.7	359.3

An alternative presentation of this is as follows:

	2024 £m	2023 £m
Investment in physical retail fascias & gyms	308.5	213.4
Investment in logistics infrastructure	151.5	80.8
Investment in technology and other	79.7	65.1
Total capital expenditure	539.7	359.3

Effective Tax Rate Before Adjusting Items

Being the adjusted tax charge as a percentage of the adjusted profit before tax as outlined in the Consolidated Income Statement.

	2024 £m	Restated(1) 2023 £m
Income tax expense	206.2	214.2
Profit before tax	811.2	486.7
Effective tax rate	25.4%	44.0%

	2024	Restated(1) 2023
Income tax expense before adjusting items	224.6	216.6
Profit before tax and adjusting items	917.2	991.4
Effective tax rate before adjusting items	24.5%	21.8%

(1) Please refer to Note 39 for further details of the restatement.

Income Tax Expense Before Adjusting Items

Income tax expense before the impact of adjusting items as shown in the Consolidated Income Statement and used in the Adjusted Effective Rate of Taxation measure shown above.

	2024 £m	Restated(1) 2023 £m
Income tax expense	206.2	214.2
Effect of adjusting items on income tax	18.4	2.4
Income tax expense before adjusting items	224.6	216.6

(1) Please refer to Note 39 for further details of the restatement.

Like-For-Like Sales Growth

The definition of Like-For-Like ("LFL") sales growth is outlined in the Organic Sales Growth definition below.

Net Cashflow Before Dividends, Acquisitions and Disposals

Net cashflow before dividends, acquisitions and disposals is the movement in cash and cash equivalents period on period excluding the impact of acquisition of subsidiaries or non-controlling interests, cash proceeds from disposals, purchase of equity investments, dividends paid to equity shareholders and non-controlling interests.

This performance measure gives insight into the cash generated from the annual operations of the business including capital expenditure reinvested in the business, and excludes cashflows related to dividends and acquisitions and disposals as these decisions are outside the normal course of business operations.

	2024 £m	Restated[1] 2023 £m
Profit before tax	811.2	486.7
Add back impairments of intangible assets and investments	39.2	137.2
Add back other non-cash adjusting items	69.2	367.5
Depreciation and amortisation of non-current assets	664.1	633.2
Change in working capital	(197.0)	(398.6)
Repayment of lease liabilities	(400.0)	(393.0)
Capital expenditure	(539.7)	(359.3)
Income taxes paid	(208.6)	(174.4)
Other	(22.5)	15.0
Net cashflow before dividends, acquisitions and disposals	**215.9**	**314.3**
Acquisition of NCI and cash consideration of disposals	(611.0)	(21.6)
Equity dividends paid	(50.1)	(24.8)
Dividends paid to NCI in subsidiaries net of dividend received	(2.1)	0.6
Change in cash and cash equivalents including foreign exchange losses[2]	**(447.3)**	**268.5**
Cash and cash equivalents at the beginning of the period [2]	1,548.9	1,280.4
Cash and cash equivalents at the end of the period [2]	**1,101.6**	**1,548.9**

(1) Please refer to Note 39 for further details of the restatement.

(2) Cash and cash equivalents equates to the cash and cash equivalents presented in the Consolidated Statement of Cash Flows, as reconciled in Note 33.

Net Cash Before Lease Liabilities

Net cash before lease liabilities consists of cash and cash equivalents together with other borrowings from bank loans and overdrafts but before lease liabilities.

Net cash before lease liabilities is a measure of the Group's net indebtedness that provides an indicator of the overall strength of the Consolidated Statement of Financial Position. It is also a single measure that can be used to assess the combined effect of the Group's cash position and its indebtedness. Net cash before lease liabilities is considered to be an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate of borrowings and lease liabilities (current and non-current) and cash and cash equivalents.

A reconciliation of these measures with net cash can be found in Note 33 to the consolidated financial statements.

	2024 £m	Restated(1) 2023 £m
Net debt (Note 33)	(1,452.0)	(914.7)
Lease liabilities	2,484.0	2,384.0
Net cash before lease liabilities	1,032.0	1,469.3

(1) Please refer to Note 39 for further details of the restatement.

Net Financial Expense Before Adjusting Items

	2024 £m	Restated(1) 2023 £m
Net financial expenses	(116.0)	(319.3)
Adjusting items (in financial expenses)	(5.5)	250.4
Adjusting items (impairment loss on financial assets)	58.8	-
Net finance expense before adjusting items	(62.7)	(68.9)

(1) Please refer to Note 39 for further details of the restatement.

Operating Costs Before Adjusting Items

Being operating costs before adjusting items included within operating costs.

	2024 £m	Restated(1) 2023 £m
Selling and distribution expenses	3,622.7	3,353.5
Administrative expenses	536.2	751.6
Adjusting items (within administrative expenses)	(52.7)	(254.3)
Total operating costs before adjusting items	4,106.2	3,850.8

(1) Please refer to Note 39 for further details of the restatement.

Operating Margin Before Adjusting Items

A reconciliation between operating margin and adjusting items can be found in the Summary Consolidated Income Statement On A 52 Week Basis on page 146.

Operating Profit Before Adjusting Items

A reconciliation is presented on page 257 between operating profit and operating profit before adjusting items by segment and sub-segment, including the impact of the unaudited 53rd week.

Organic Sales Growth

One of the key measures of performance is the growth in sales between reporting periods excluding the impact of currency, acquisitions and disposals. This is called 'Organic Sales Growth'.

It is calculated at constant currency using the average exchange rate of the current period applied to sales from the current and prior periods. Organic Sales Growth is calculated by removing the impact of all sales in the prior period from disposals made in the prior period, current period and assets held for sale at the end of the current period. This gives a new prior period base to calculate Organic Sales Growth rates from.

Organic Sales Growth % in the current year then excludes any sales from acquisitions in the 12 months since acquisition, and any sales from businesses disposed of in the current period or held for sale at the end of the current period. This isolates Organic Sales Growth to the percentage change in the year-on-year sales growth from existing stores. Organic Sales Growth is split into Like-For-Like ("LFL") sales from existing stores or sales from net new space and store conversions which are not LFL period on period (non LFL).

Additionally, in FY24 Organic Sales Growth is calculated on an unaudited 52 week basis vs. the prior period to aid comparability. The impact of the 53rd week has been analysed in the table below to allow comparison of the unaudited 52 week period from the current and prior period.

These metrics of Organic Sales Growth and its two component parts, LFL and non-LFL, 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.

The table below shows a reconciliation of adjusted operating profit for the unaudited 52 week period to 27 January 2024 to operating profit for the reported 53 week period to 3 February 2024 by operating segment and sub-segment.

	Operating profit before adjusting items 52 weeks 2024 £m	Operating profit before adjusting items 53rd week 2024 £m	Operating profit before adjusting items 53 weeks 2024 £m	Adjusting items 53 weeks 2024 £m	Operating profit for the period 53 weeks 2024 £m
Sports Fashion (Reportable Segment)					
Premium Retail Fascias					
UK & ROI	340.4	3.0	343.4	(11.6)	331.8
Europe	69.3	(0.5)	68.8	-	68.8
Asia Pacific	69.2	1.1	70.3	-	70.3
North America	317.1	2.4	319.5	(2.2)	317.3
Other Retail Fascias					
UK & ROI	51.8	-	51.8	(16.5)	35.3
Europe	52.8	(0.1)	52.7	30.8	83.5
Asia Pacific	0.3	-	0.3	(0.4)	(0.1)
North America	31.7	0.3	32.0	-	32.0
Non-Retail Businesses	48.4	-	48.4	(43.0)	5.4
Total Sports Fashion	981.0	6.2	987.2	(42.9)	944.3
Outdoor (Reportable Segment)					
Total Outdoor	(7.1)	(0.2)	(7.3)	(9.8)	(17.1)
TOTAL GROUP					927.2

	Operating profit before adjusting items Restated [1] 52 weeks 2023 £m	Adjusting items Restated [1] 52 weeks 2023 £m	Operating profit for the period Restated (1) 52 weeks 2023 £m
Sports Fashion (Reportable Segment)			
Premium Retail Fascias			
UK & ROI	369.5	(9.1)	360.4
Europe	102.2	-	102.2
Asia Pacific	66.6	(8.1)	58.5
North America	340.2	(7.1)	333.1
Other Retail Fascias			
UK & ROI	23.2	(133.5)	(110.3)
Europe	67.2	(24.7)	42.5
Asia Pacific	0.2	-	0.2
North America	44.8	-	44.8
Non-Retail Businesses	30.0	(32.0)	(2.0)
Total Sports Fashion	1,043.9	(214.5)	829.4
Outdoor (Reportable Segment)			
Total Outdoor	16.4	(39.8)	(23.4)
TOTAL GROUP			806.0

(1) Please refer to Note 39 for further details of the restatement.

The table below shows a reconciliation of organic Sales Growth for each operating segment and sub-segment for the unaudited 52 week period ended 27 January 2024 and reconciled to the 53 week period ended 3 February 2024. The analysis is split over two tables.

	Revenue 2023	Impact of retranslating at 2024 rates	Impact of 2023 and 2024 disposals	Revenue rebased 2023	Acquisitions 2024	Pre-disposal revenue of disposals 2024	Organic sales growth 2024	52 weeks 2024
	£m	£m	£m	£m	£m	£m	£m	£m
Sports Fashion (Reportable Segment)								
Premium Retail Fascias								
UK & ROI	2,597.6	2.6	-	2,600.2	-	-	60.8	2,661.0
Europe	1,385.8	18.3	-	1,404.1	-	-	355.6	1,759.7
Asia Pacific	430.9	(22.5)	(31.9)	376.5	-	13.2	92.0	481.7
North America	2,845.6	(48.8)	-	2,796.8	-	-	272.2	3,069.0
Total Premium Retail Fascias	7,259.9	(50.4)	(31.9)	7,177.6	-	13.2	780.6	7,971.4
Other Retail Fascias								
UK & ROI	520.4	-	(499.7)	20.7	-	85.5	(0.8)	105.4
Europe	1,179.7	32.0	(92.8)	1,118.9	-	64.2	52.7	1,235.8
Asia Pacific	2.2	(0.1)	(2.0)	0.1	-	1.6	-	1.7
North America	280.7	(4.7)	-	276.0	-	-	6.5	282.5
Non-Retail Businesses	317.8	(0.4)	(215.6)	101.8	7.6	132.1	6.5	248.0
Total Sports Fashion	9,560.7	(23.6)	(842.0)	8,695.1	7.6	296.6	845.5	9,844.8
Outdoor (Reportable Segment)								
Total Outdoor	564.3	-	-	564.3	-	-	(11.9)	552.4
TOTAL GROUP	**10,125.0**	**(23.6)**	**(842.0)**	**9,259.4**	**7.6**	**296.6**	**833.6**	**10,397.2**

Continued	52 Weeks 2024	Week 53 2024	53 weeks 2024	LFL 2024	Non-LFL 2024	LFL	Non-LFL	Organic sales growth
	£m	£m	£m	£m	£m	%	%	%
Sports Fashion (Reportable Segment)								
Premium Retail Fascias								
UK & ROI	2,661.0	30.9	2,691.9	13.5	47.3	+0.5%	+1.8%	+2.3%
Europe	1,759.7	27.9	1,787.6	147.8	207.8	+10.5%	+14.8%	+25.3%
Asia Pacific	481.7	9.4	491.1	46.9	45.1	+12.5%	+12.0%	+24.4%
North America	3,069.0	45.6	3,114.6	108.1	164.1	+3.9%	+5.9%	+9.7%
Total Premium Retail Fascias	7,971.4	113.8	8,085.2	316.3	464.3	+4.4%	+6.5%	+10.9%
Other Retail Fascias								
UK & ROI	105.4	0.9	106.3	4.2	(5.0)	+20.3%	-24.2%	-3.9%
Europe	1,235.8	19.4	1,255.2	38.6	14.1	+3.4%	+1.3%	+4.7%
Asia Pacific	1.7	-	1.7	-	-	-	-	-
North America	282.5	3.5	286.0	7.8	(1.3)	+2.8%	-0.4%	+2.4%
Non-Retail Businesses	248.0	-	248.0	(2.4)	8.9	-2.4%	+8.7%	+6.4%
Total Sports Fashion	9,844.8	137.6	9,982.4	364.5	481.0	+4.2%	+19.9%	+9.7%
Outdoor (Reportable Segment)								
Total Outdoor	552.4	7.2	559.6	(14.7)	2.9	-2.6%	+0.5%	-2.1%
TOTAL GROUP	**10,397.2**	**144.8**	**10,542.0**	**349.8**	**483.9**	**+3.8%**	**+5.2%**	**+9.0%**

Sales Growth From Net New Space

The definition of sales growth from net new space is outlined in the Organic Sales Growth definition above.

Sales Growth

One of the key measures of performance is the growth in sales between reporting periods excluding the impact of currency.

The figures below are extracted from the Organic Sales Growth table.

	Sales Growth £m
Revenue 52 weeks 2023	10,125.0
Impact of retranslating at 2024 currency rate	(23.4)
	10,101.6
Revenue 52 weeks 2024	10,397.4
Sales Growth	2.9%

Summary Consolidated Income Statement On A 52 Week Basis

In order to provide comparability with the prior period results for the 52 weeks ended 28 January 2023, the tables below present a summary of the Group's Consolidated Income Statement for the 53 week period to 3 February 2024, adjusted to remove the results of week 53, providing an unaudited 52 weeks period to 27 January 2024. In determining the week 53 adjustment, revenue and gross profit represents the actual trading performance in that week, with operating costs and net financial expenses allocated on a reasonable basis to reflect an estimate of costs for that week, unless a split was not deemed to sufficiently represent the actual costs incurred during week 53.

	53 weeks 2024	Exclude 53rd week 2024	52 weeks 2024	Restated[1] 52 weeks 2023	Change
	£m	£m	£m	£m	%
Revenue	10,542.0	(144.8)	10,397.2	10,125.0	+2.7
Gross profit	5,048.0	(61.7)	4,986.3	4,877.6	+2.2
Gross margin	***47.9%***	***42.6%***	*48.0%*	*48.2%*	
Operating costs before adjusting items	(4,068.1)	55.7	(4,012.4)	(3,817.3)	+5.1
Operating profit before adjusting items	979.9	(6.0)	973.9	1,060.3	-8.1
Operating margin before adjusting items	***9.3%***		*9.4%*	*10.5%*	
Net financial expense before adjusting items	(62.7)	1.2	(61.5)	(68.9)	-10.7
Profit before tax and adjusting items	917.2	(4.8)	912.4	991.4	-8.0
Adjusting items	(106.0)	-	(106.0)	(504.7)	-79.0
Profit before tax	**811.2**	(4.8)	806.4	486.7	**+65.7**

(1) Please refer to Note 39 for further details of the restatement.

The table below shows the reconciliation between operating costs before adjusting items and operating costs

	53 weeks 2024	Exclude 53rd week 2024	52 weeks 2024	Restated[1] 52 weeks 2023
	£m	£m	£m	£m
Selling and distribution expenses	(3,622.7)	49.6	(3,573.1)	(3,353.5)
Administrative expenses before adjusting items	(483.5)	6.6	(476.9)	(497.3)
Share of equity accounted investees	7.6	(0.1)	7.5	4.9
Other operating income	30.5	(0.4)	30.1	28.6
Operating costs before adjusting items	(4,068.1)	**55.7**	(4,012.4)	(3,817.3)
Adjusting items within administrative expenses	(52.7)	-	(52.7)	(253.4)
Operating costs	(4,120.8)	**55.7**	(4,065.1)	(4,070.7)

(1) Please refer to Note 39 for further details of the restatement.

Financial Calendar

Annual General Meeting	4 July 2024
Period End (52 weeks)	1 February 2025

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