Goals Soccer Centres plc

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Annual Report and Accounts 2004

5-a-side is now a whole new ball game!


if there wasn't such a thing as football, we'd all be frustrated footballers

Contents

Highlights

Goals is the premier operator of "next generation" 5-a-side soccer centres across the UK. Goals currently operates 12 centres and has established a well-progressed pipeline of sites to continue its proven rollout concept. 14 more openings are planned over the next three years, a further five of those in 2005. Goals successfully floated on the Alternative Investment market ("AIM") in December 2004.

Key Points

Financial

- Sales up 35% to £8.3m (2003: £6.2m)
- EBITDA up 45% to £3.2m (2003: £2.2m)
- EBITA up 38% to £2.4m (2003: £1.7m)
- Profit on ordinary activities before tax and amortisation up 72% to £0.7m (2003: £0.4m)
- Earnings Per Share up 50% to 1.92p (2003: 1.28p)
- Strong financial performance driven by like for like sales growth of 7% and new openings

Rollout

- **Two new centres opened**
  - Goals Wimbledon opened June 2004 - on time and on budget
  - Goals Black Country opened January 2005 - on time and on budget
- **2005 Openings**
  - On schedule for total of five further openings in 2005 (six in total in 2005 including Goals Black Country)
  - Goals Teesside on schedule to open in Quarter 1 2005
  - Construction work started on Goals Heathrow
  - Construction work started on Goals Sheffield
  - On schedule to begin construction on 2 further centres in 1st half of 2005

Directors and Advisers

Directors	Sir Rodney M Walker	Non-executive Chairman
	Keith T Rogers	Managing Director
	William BG Gow	Finance Director
	Morris I Payton	Operations Director
	R Graham Wilson	Non-executive Director
	BB Scouler	Non-executive Director (appointed March 2004, resigned December 2004)
	Shaun NS Middleton	Non-executive Director (resigned March 2004)

Secretary William BG Gow

Registered office
29 Bothwell Road
Hamilton
ML3 0AY

Nominated advisor and Broker
KBC Peel Hunt Ltd
4th Floor
11 Old Broad Street
London
EC2N 1PH

Bankers
Bank of Scotland
New Uberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

Independent Auditors
KPMG Audit Plc
191 West George Street
Glasgow
G2 2LJ

Solicitors
McClure Naismith
49 Queen Street
Edinburgh
EH2 3NH

Registrars and Receiving Agents
Capita IRG plc
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TN

Chairman's statement

Following our recent admission to the Alternative Investment Market on 7 December 2004, I am pleased to report Goals Soccer Centres' maiden results as a public company for the year ended 31 December 2004.

This has been another strong year for Goals. Sales increased by 35% to £8.3m (2003: £6.2m). EBITDA increased by 45% to £3.2m (2003: £2.2m), and EBITA increased by 38% to £2.4m (2003: £1.7m). This resulted in a 100% increase in profit on ordinary activities to £0.6m (2003: £0.3m) and a 50% increase in Earnings Per Share to 1.92p (2003: 1.28p)

Significant progress was also made in developing our site pipeline.

Playing for success

The popularity of 5-a-side football has never been greater. Football is the most popular sport in the UK and 5-a-side football as a commercial activity has grown rapidly in recent years. The Board considers that this trend will be maintained in the future.

We believe there is a major commercial opportunity to satisfy significant potential and latent demand through the provision of quality "next-generation" facilities in unrivalled locations.

We remain confident in our business model and product, and look forward to 2005 with enthusiasm.

The Board expects further significant progress in 2005, in terms of trading performance and the opening of new centres.

Our strategy is straightforward:

- to continue to innovate and lead the industry,
- to accelerate our UK rollout of "next-generation" soccer centres,
- to maximise revenue from existing centres,
- to continue to build a positive national 5-a-side football brand and to develop marketing partnerships with known brand operators,
- to continue to generate high returns on capital.

We made excellent progress in all of these during 2004.

5-A-Side Is Now A Whole New Ball Game

Goals is the premier operator in the UK market. Our "next-generation" offering comprises the latest artificial pitch technology, high quality facilities and superior customer service. Goals currently has over 33,000 customers going through our centres each week and this is expected to exceed 50,000 per week by the end of this year

During 2004, we continued to work with our partners to evolve and improve the Goals concept. This included further advances in artificial grass technology such as monofilament turf which further enhanced the playing characteristics of the grass while also improving turf life; implementation of our new league management system delivering greater management control and improving information delivery to teams; we progressed our investigation of centrally provided streamed on-screen advertising, the benefits of which are expected this year.

It is our intention to continually exceed customer expectations and to provide the best possible customer experience.

Chairman's statement *(continued)*

New Signings

The time taken from site identification to commencement of construction can exceed two years. Goals has over recent years developed a well progressed pipeline of sites. We are confident in meeting our objective of six site openings during 2005 and 15 new sites over the next three years.

We made significant headway during the year in developing our site pipeline and completed work on Goals Wimbledon (opened May 2004) and Goals Black Country (opened January 2005) and commenced construction on Goals Teesside. Since the year end, construction has commenced on Goals Heathrow and Goals Sheffield. We remain on schedule to begin construction on two further centres in the first half of 2005.

During the year we completed the expansion of Goals Leeds through the addition of two courts and the expansion of other centres is being investigated.

Goals in the Community

Goals is committed to youth sports development in the communities in which it operates. By working in partnership with local authorities, schools and sports development agencies, we seek to improve access for children to quality sports facilities. Our commitment to free access for key user groups during off-peak hours is a model of public-private partnership.

A Winning Team

The Directors continue to strengthen the management team as and when appropriate. The skill and dedication of Goals' people in serving our customers is the real driving force behind our success.
I should like to thank all of them for another excellent year.

Financial Review

2004 has proven to be another successful year for Goals.

Sales increased by 35% to £8.3m from £6.2m. This included £0.6m from the Wimbledon centre which opened during the year, and traded ahead of expectations.

This strong performance is based on the Company's proven roll-out concept and the maximisation of utilisation throughout our centres. We believe that Goals is well placed to increase revenues not only from developing its pipeline of sites but also from its existing portfolio of centres. Our staff are focused on customer retention and maximising utilisation and our systems are designed to assist the staff to achieve this. I am pleased to report like-for-like sales growth of approximately 7% in the year.

We continually seek to drive non-football revenue growth at all our centres and approximately 30% of sales were derived from non-football income during the year.

EBITDA increased by 45% to £3.2m from £2.2m in 2003 and EBITA increased by 38% to £2.4m from £1.7m in 2003. During the year we reviewed the estimated useful economic life of our pitches and reduced it to seven years. This increased the depreciation charge by £109k for the year and will be recurring. The Company's strategy is to ensure that "next generation" facilities are available to our customers for many years ahead.

Chairman's statement *(continued)*

Interest costs increased from £1.4m to £1.7m. However, this includes £0.5m of interest paid on £7m of secured loan stock issued by Dunedin Capital Partners. Net funds of £12.3m were raised for the Company from the placing of shares when the Company listed on AIM and these funds were used to fully repay the secured loan stock and reduce bank debt. Interest costs are expected to decrease in the current year, reflecting the reduced debt.

Profit on ordinary activities before tax and amortisation increased by 72% to £0.7m (2003: £0.4m) and Earnings Per Share increased by 50% to 1.92p (2003: 1.28p).

Cash inflow from operating activities amounted to £3.0m. We invested £4.9m as capital expenditure during the year, £4.3m of which relates to investment in new centres. At 31 December 2004, approximately £2.9m had been invested in our pipeline of sites. The majority of this relates to Goals Black Country and Goals Teesside.

Debt at 31 December 2004 was £10m (2003: £19.2m). This level of debt represents 77% of shareholders' funds and 44% of tangible fixed assets. We have put in place a new six year revolving credit facility with HBoS of £22.5m. This will fully fund our objective of 14 further centres over the next three years.

Shareholder return

The Board expects further significant progress in 2005, in terms of trading performance and the opening of new centres. The Board intends that the Company will retain the majority of any distributable profits and cash flows to contribute towards the funding of its planned roll out. However, the Directors propose to declare a small dividend each year for the foreseeable future, commencing with a final dividend for the year ending 31 December 2005.

The Company has continued to trade strongly since the start of the new financial year.

Sir Rodney Walker
Chairman 21 February 2005

Board of Directors

Details of the directors, their roles and their backgrounds are as follows:

Sir Rodney Walker, 61
Chairman

Sir Rodney has held a number of influential and important posts across a wide range of sports. His most recent appointment is as Chairman of World Snooker. He was Chairman of the UK Sports Council from 1998 to 2003. He served as Chairman of the English Sports Council and was also Chairman of Rugby League for 10 years, Chairman of Leicester City for five years, Chairman of Brands Hatch Leisure for three years and for a time was Chairman of the 2002 Manchester Commonwealth Games and Wembley National Stadium. Sir Rodney is currently Chairman of Donington Park Estates, Spice Holdings plc and a number of other publicly listed companies. Sir Rodney joined Goals in February 2002.

Keith Rogers, 42
Managing Director

Keith co-founded Anchor International (trading as "Pitz") which opened its first 5-a-side centre in 1987. As Managing Director, he oversaw the growth of that Company to 11 branches before it was sold to 3i. Together with Bill Gow, he effected the MBI of Goals in November 2000, since when he has been the Company's Managing Director.

Bill Gow, 37
Finance Director

Bill is a Chartered Accountant, and also completed an MBA in 1992. He subsequently held management positions at British Aerospace and Clydesdale Bank before joining KPMG in 1997, where he specialised in Corporate Finance. Together with Keith Rogers, he effected the MBI of Goals in November 2000, since when he has been the Company's Finance Director.

Morris Payton, 42
Operations Director

Morris held a number of leisure management positions for various local authorities before joining Anchor International in 1989. He held the position of National Operations Manager before Anchor was sold to 3i and was subsequently promoted to Operations Director. Morris joined Goals in March 2002 as Operations Director.

Graham Wilson, 51
Non-executive Director

In 1989 Graham led the management buy out of Beazer's holiday subsidiary by Parkdean Leisure which subsequently floated on the London Stock Exchange in 1993. In 1995 Parkdean Leisure was acquired by Vardon plc and Graham joined the Vardon Board of Directors. In 1998 Vardon sold the holiday division to Rank plc and Graham left the Company. In 1999 Graham established Parkdean Holidays for the acquisition of holiday parks, and floated the Company on AIM in 2002. Graham is also Non-executive Chairman of Amdega, BNS Telecom and Premier Direct plc. Graham joined Goals in February 2002.

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activities

The principal activity of the Company is the operation of outdoor soccer centres.

Review of business and future developments

The results of Goals Soccer Centres plc for the year are set out in the profit and loss account on page 15.

A review of the business, results and dividends, and likely further developments of the Company are contained in the Chairman's statement on page 3.

Charitable and political donations

The Company made charitable donations during the year of £nil *(2003: £nil)*. There were no political donations *(2003: £nil)*.

Employees

The Directors recognise that a key element in the success of Goals Soccer Centres plc is the quality and commitment of our employees. The Company places very considerable importance on the contributions of our employees and our policy is to communicate to all employees relevant information about our clients and our business.

Regular meetings are held between local management and employees to allow for the free flow of information and ideas.

The Company gives full consideration to applications for employment from disabled persons where the requirements of the role can be adequately fulfilled by a handicapped or disabled person. Where an existing employee becomes disabled, the Company's policy is to provide continuing employment under normal terms and conditions wherever possible.

Directors and directors' interests

The directors of the Company during the year were as noted on page 2.

Details of Directors' interests in shares and share options are disclosed in the Remuneration Report on page 9.

Substantial shareholdings

At 21 February 2005, the Board had been formally notified of the following interests representing 3% or more of the Company's issued share capital:

	% holdings	**No of shares**
KT Rogers	12.05%	5,047,896
Hermes Pensions Management	6.65%	2,785,000
Morley Fund Management	6.33%	2,650,000
Framlington Investment Management	5.88%	2,463,795
Schroder Investment Management	4.78%	2,000,000
JP Morgan Fleming Asset Management	4.78%	2,000,000
JO Hambro	4.60%	1,925,000
Old Mutual	4.05%	1,695,000
WBG Gow	3.96%	1,659,427
Deutsche Asset Management	3.71%	1,555,603

Creditor payment policy

It is the Company's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the Company and its suppliers, provided all trading terms and conditions are met. Normally this results in payment in the month after the receipt of an invoice.

At 31 December 2004 the Company had an average of 31 days purchases outstanding in trade creditors *(2003: 38 days)*.

Directors' report *(continued)*

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

Our auditors, KPMG LLP, resigned on 19 January 2005 and the directors appointed KPMG Audit Plc to fill the casual vacancy arising.

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting. Special notice has been received for this resolution pursuant to Section 388 of the Companies Act 1985.

By order of the board

William BG Gow
Company Secretary

29 Bothwell Road
Hamilton
ML3 0AY

21 February 2005

Remuneration report

As an AIM listed Company, Goals Soccer Centres plc is not required to comply with Schedule 7A of the Companies Act, however the directors feel it is appropriate to provide the following information to shareholders.

Remuneration committee

The Company's remuneration committee comprises Sir Rodney Walker (Chairman) and Graham Wilson.

The purpose of the remuneration committee is to:

- make recommendations to the Board on an overall remuneration policy for executive directors and other senior executives in order to retain, attract and motivate high quality executives capable of achieving the Company's objectives; and
- demonstrate to shareholders that the remuneration of the Executive Directors of the Company is set by a committee whose members have no personal interest in the outcome of their decision, and who will have due regard to the interests of the shareholders.

Procedures for developing policy and fixing remuneration

The Board has shown a commitment to formalising procedures for developing a remuneration policy, fixing executive remuneration and ensuring that no Director is involved in deciding his or her own remuneration. The Committee is authorised to obtain outside professional advice and expertise, and consults with the Chairman and Managing Director of the Company as necessary.

The Remuneration Committee is authorised by the Board to investigate any matter within its terms of reference. It is authorised to seek any information that it requires from any employee.

The Remuneration Committee determines any bonuses and any other element of remuneration of an executive that is performance related.

Details of the remuneration policy

The basic salaries to be paid to the executive directors are decided by the Remuneration Committee. The Committee also considers pension arrangements and other benefits applicable to the executives.

The details of individual components of the remuneration package are discussed below:

Basic salary and benefits

Salary and benefits are reviewed annually in January and become effective from 1 January and may be increased but not decreased. Benefits principally comprise private healthcare.

Performance related bonuses

The Company may also, but should not be bound to, pay such additional remuneration by way of bonus related to the profits of the Company as the Board or its remuneration committee may decide.

Executive share options

The Company operates an executive share plan scheme pursuant to which directors and senior executives may be granted options to acquire ordinary shares in the Company at a fixed option price.

Remuneration report *(continued)*

Pension contributions

The Company makes contributions of 15% of basic salary into personal pension schemes for the Executive Directors.

Remuneration of non-executive directors

The remuneration of non-executive directors is reviewed annually in January, becomes effective on 1 January and may be increased but not decreased. Their level of remuneration is based on outside advice and a review of current practices in other companies.

Directors' service agreements

All service agreements for the executive directors are terminable on 12 months' notice by either party. The service agreements for the non-executive directors are terminable on 3 months notice by either party.

Directors' emoluments

The following emoluments were paid to Directors during the year ended 31 December 2004 and 31 December 2003:

	Basic salary and fees	**Bonuses**	**Benefits in kind (note 3)**	**Pension contributions (note 4)**	**2004 Total**	2003 Total
	£000	**£000**	**£000**	**£000**	**£000**	£000
Executive directors						
KT Rogers*	**114**	**7**	**1**	**15**	**137**	117
WBG Gow	**93**	**7**	**1**	**12**	**113**	91
MI Payton	**85**	**-**	**1**	**12**	**98**	90
Non-executive directors						
Sir RM Walker	**25** [1]	**-**	**-**	**-**	**25**	25
RG Wilson	**20**	**-**	**-**	**-**	**20**	20
SNS Middleton	**3**[2]	**-**	**-**	**-**	**3**	20
BB Scouler	**15**[2]	**-**	**-**	**-**	**15**	-
	355	**14**	**3**	**39**	**411**	363

(1) Payment to Myerscough Developments Limited, a Company in which Sir RM Walker is controlling shareholder
(2) Payment to Dunedin Capital Partners Limited, a Company in which SNS Middleton and BB Scouler are shareholders
(3) Benefits in kind are private health insurance
(4) During the year retirement benefits accrued to 3 directors *(2003: 3)*
* Highest paid director

Remuneration report *(continued)*

Directors' interests in shares

The directors who held office at the end of the financial year had the following interests in the issued share capital of the Company according to the register of directors' interests.

	At 31 December 2004	At 31 December 2003 or date of appointment	
	Ordinary shares of 0.25p	Ordinary shares of 1p	'A' ordinary shares of 1p
KT Rogers	**5,047,886**	195,000	-
WBG Gow	**1,659,427**	75,000	-
MI Payton	**326,095**	10,000	-
Sir RM Walker	**253,515**[(1)]	5,000	5,000
RG Wilson	**285,773**	5,000	5,000

[(1)] The interest of Sir RM Walker is owned through Myerscough Developments Limited, a Company of which he is a Director and controlling shareholder.

Directors' share options

The directors who held office at the end of the financial year had the following interests in share options:

	Exercise price	**At 1 January 2004**	**Current and during the year**	**Exercised during the year**	**At 31 December 2004**
KT Rogers	62p	-	732,115	-	732,115
WBG Gow	62p	-	732,115	-	732,115
MI Payton	62p	-	732,115	-	732,115
Sir RM Walker	-	-	-	-	-
RG Wilson	-	-	-	-	-

All options are exercisable from 31 December 2007 and expire on 31 December 2011.

The directors may only exercise the options on satisfaction of performance criteria which, in the case of each option require achievement of 5% annual earnings per share growth in the period 1 January 2005 to 31 December 2007.

The interests of the directors to subscribe for or acquire ordinary shares have not changed since the year end.

By order of the board

Sir Rodney Walker
Chairman of the Remuneration Committee

21 February 2005

Corporate governance

The Combined Code

Goals Soccer Centres plc is listed on AIM and is not subject to the requirements of the Combined Code on corporate governance, nor is it required to disclose its specific policies in relation to corporate governance. However, the directors are committed to delivering high standards of corporate governance to the Company's shareholders and other stakeholders including employees and suppliers.

The Board of Directors operates within the framework delivered below.

The workings of the Board and its committees

The Board of Directors

The Board meets quarterly to consider all aspects of the Company's activities. A formal schedule of matters reserved for the Board includes overall strategy, and approval of major capital expenditure.

The Board consists of the Chairman, Managing Director, Operations Director, Finance Director, and a non-executive director. The Chairman, Sir Rodney Walker, is also a non-executive director. All Directors have access to the advice and services of the Company Secretary.

Remuneration committees

The Remuneration Committee comprises Sir Rodney Walker and Graham Wilson, and is chaired by Sir Rodney Walker. It is responsible for determining and agreeing with the Board the framework for the remuneration of the Managing Director, all other Executive Directors and such other members of the Executive management as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each Executive Director including, where appropriate, bonuses, incentive payments and share options. The Remuneration Committee will also liaise with the Nomination Committee to ensure that the remuneration of newly appointed Executives is within the Company's overall policy. The Board (excluding non-executive directors) determines the remuneration of the non-executive directors.

Audit committee

The Audit Committee comprises the two Non-Executive Directors, Sir Rodney Walker and Graham Wilson, and is chaired by Graham Wilson. It is responsible for ensuring that the financial performance of the Company is properly reported on and monitored, and for reviewing the auditor's reports relating to accounts and internal control systems.

Nominations committee

The Nomination Committee is chaired by Sir Rodney Walker and also comprises Graham Wilson and Keith Rogers. It is responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates to fill Board positions as and when they arise.

Relations with shareholders

Communications with shareholders are given a high priority by the Board of Directors who take responsibility for ensuring that a satisfactory dialogue takes place. Executive Directors plan to meet with the Company's institutional shareholders following the announcement of interim and final results and at other appropriate times. The directors are also in regular contact with stockbrokers analysts. The Company has developed a website containing investor information to improve communications with individual investors and other interested parties.

Internal control

The directors acknowledge their responsibility for the Company's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage the risk of failure to achieve the Company's strategic objectives. It cannot totally eliminate the risk of failure but will provide reasonable, although not absolute, assurance against material misstatement or loss.

Corporate governance *(continued)*

Internal controls *(continued)*

The Company's key risk management processes and system of internal control procedures include the following:

Information and financial reporting systems

The Company continues to invest in IT software and infrastructure in anticipation of future growth. Court bookings, income and expenditure are controlled and monitored by a proprietary leisure management system. The same system is used by other major leisure operators. In addition, leagues are managed by the Company's own bespoke league management software. Courts at most locations are monitored by CCTV and can be viewed live or historically at Head Office. All systems are connected to Head Office via a wide area network.

These systems provide tight cash and cost controls, aid maximisation of utilisation of the courts and provide the necessary information for branch management and Head Office to effectively and efficiently run the business. The Company receives the vast majority of its income in cash from its activities and the directors have implemented rigorous cash control measures at each centre which include: daily reconciliations of cash; daily reconciliations of games played; use of drop safes; and regular spot checks by Head Office.

Performance measurement

The Company's financial reporting procedures include detailed operational budgets for the year ahead and a three year plan, reviewed and approved by the Board. Performance is monitored throughout the year through daily, weekly and monthly reporting of key performance indicators. Relevant action is then taken including the preparation of updated forecasts for the year.

Investment appraisal

A budgetary process and authorisation levels regulate capital expenditure. For expenditure beyond specified levels, detailed written proposals are submitted to the Board.

As an AIM listed Company the board is not required to make a statement on the effectiveness of its internal controls; however the directors believe it is useful to highlight the following processes which take place on an ongoing basis:

- weekly and monthly reporting of financial information including profit and loss accounts, balance sheets, cash flow statements and other key performance indicators;
- regular reporting to the Board on certain specific matters including treasury management, insurance, legal and health and safety issues;
- the Chairman of the audit committee reports the outcome of audit committee meetings to the full Board of Directors.

Going concern

The Directors consider that the Company has adequate financial resources to enable it to continue in operation for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Financial Statements.

KPMG Audit Plc
191 West George Street
Glasgow
G2 2LJ
United Kingdom

Report of the independent auditors to the members of Goals Soccer Centres plc

We have audited the financial statements on pages 15 to 32.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and as described on page 8, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

21 February 2005

Profit and loss account
for the year ended 31 December 2004

	Note	**2004** **£000**	2003 £000
Turnover	*2*	**8,288**	6,156
Cost of sales		**(1,175)**	(858)
Gross profit		**7,113**	5,298
Administrative expenses			
- general		**(4,710)**	(3,559)
- goodwill amortisation		**(122)**	(122)
Operating profit	*3*	**2,281**	1,617
Other interest receivable and similar income	*6*	**2**	-
Interest payable and similar charges	*7*	**(1,670)**	(1,401)
Gain on sale of land		**-**	90
Profit on ordinary activities before taxation		**613**	306
Tax on profit on ordinary activities	*8*	**(200)**	(51)
Profit on ordinary activities after taxation		**413**	255
Dividends paid and proposed	*9*	**(155)**	-
Profit for the financial year	*20*	**258**	255

Earnings per ordinary share			
- Basic and diluted	*10*	1.92p	1.28p

There are no recognised gains and losses other than those set out above.

Balance sheet
at 31 December 2004

	Note	2004		2003	
		£000	**£000**	£000	£000
Fixed assets					
Intangible assets – goodwill	*11*		**1,970**		2,092
Tangible assets	*12*		**22,484**		18,385
			24,454		20,477
Current assets					
Stocks	*13*	**84**		62	
Debtors	*14*	**224**		121	
Cash in hand		**133**		147	
		441		330	
Creditors: amounts falling due within one year	*15*	**(1,854)**		(1,141)	
Net current liabilities			**(1,413)**		(811)
Total assets less current liabilities			**23,041**		19,666
Creditors: amounts falling due after more than one year	*16*		**(9,834)**		(19,193)
Provisions for liabilities and charges	*18*		**(251)**		(51)
Net assets			**12,956**		422
Capital and reserves					
Called up share capital	*19*		**104**		10
Share premium account	*20*		**12,679**		497
Profit and loss account	*20*		**173**		(85)
Equity shareholders' funds			**12,956**		422

These financial statements were approved by the board of directors on 21 February 2005 and were signed on its behalf by:

Keith Rogers
Managing Director

William BG Gow
Finance Director

Cash flow statement
for the year ended 31 December 2004

	Note	**2004** **£000**	**£000**	2003 £000	£000
Cash inflow from operating activities	*22*		**3,023**		2,246
Returns on investments and servicing of finance					
Interest paid		**(1,790)**		(1,223)	
Interest received		**2**		-	
Net cash outflow for returns on investments and servicing of finance			**(1,788)**		(1,223)
Taxation			**-**		-
Capital expenditure					
Payments to acquire property, plant and equipment		**(4,384)**		(5,173)	
Net cash outflow for capital expenditure and financial investment			**(4,384)**		(5,173)
Cash outflow before financing			**(3,149)**		(4,150)
Equity dividends paid			**(155)**		-
Financing					
Issue of share capital		**13,250**		-	
Expenses paid in connection with share issue		**(799)**		-	
Bank loans received		**10,505**		4,550	
Bank loans repaid		**(12,250)**		-	
Loan notes and vendor loans redeemed		**(7,600)**		(343)	
Net cash inflow from financing			**3,106**		4,207
(Decrease)/increase in cash in the period			**(198)**		57

Reconciliation of net cash flow to movement in net debt

		2004 **£000**	2003 £000
(Decrease)/increase in cash in the period		**(198)**	57
Cash inflow from bank finance		**(10,505)**	(4,550)
Bank loans repaid		**12,250**	-
Loan notes and vendor loans redeemed		**7,600**	343
Change in net debt resulting from cash flows		**9,147**	(4,150)
Non cash movement – amortisation of finance costs		**5**	(48)
Movement in net debt in the year		**9,152**	(4,198)
Net debt at the start of the year		**(19,156)**	(14,958)
Net debt at the end of the year	*23*	**(10,004)**	(19,156)

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2004

	2004 £000	2003 £000
Profit for the financial year	**413**	255
Dividends	**(155)**	-
Retained profit	**258**	255
New share capital subscribed (net of issue costs)	**12,276**	-
Net addition to shareholders' funds	**12,534**	255
Opening shareholders' funds	**422**	167
Closing shareholders' funds	**12,956**	422

Notes
(forming part of the financial statements)

1 Accounting policies

The accounting policies which have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements are noted below.

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards, and under the historical cost accounting rules. The Company has a number of subsidiary undertakings, none of which trades, and accordingly consolidated financial statements have not been prepared.

Goodwill

In accordance with FRS 10: Goodwill and Intangible Assets, goodwill arising on acquisitions is capitalised and amortised over its estimated useful life on a straight line basis. The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises and consider that 20 years is a reasonable estimate of the estimated useful life in the circumstances of the acquisitions made to date.

The trade, assets and liabilities of certain subsidiary undertakings acquired during the 14 month period ended 31 December 2001 were subsequently transferred to the Company for their book value, which was less than their fair value. The cost of the Company's investments in these subsidiary undertakings reflected the underlying fair value of their net assets and goodwill at the time those subsidiary undertakings were acquired by the Company. As a result of the trade, assets and liabilities having been transferred to the Company, the underlying value of the Company's investments in the subsidiary undertakings has fallen below the amount at which they are being carried in the Company's accounting records. Schedule 4 to the Companies Act 1985 requires that such investments be written down accordingly, and that the amount of the write down be charged as a loss in the Company's profit and loss account. However, the directors consider that, as there has been no overall loss to the Company, it would fail to give a true and fair view to charge such diminution to the Company's profit and loss account and that the amount of such diminution should instead be reallocated to goodwill and the identifiable net assets now held directly by the Company. The effect of such treatment is to recognise in the Company's balance sheet the effective cost of the net assets and associated goodwill. The goodwill is shown in the Company's balance sheet as an intangible asset and amortised over its expected useful economic life. The effect of this departure from the Companies Act is to reduce the Company's profit for the year ended 31 December 2004 by £122,000 *(2003 by £122,000,)* and to reduce the value of the goodwill and profit and loss account in the Company's balance sheet by £1,970,000 as at 31 December 2004 *(2003: £2,092,000).*

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Land and buildings	-	50 years
Fixtures and fittings:		
- pitches	-	7 years
- office furnishings	-	10 years
- fixtures and fittings	-	4 years
- computer equipment	-	4 years
- plant and machinery	-	4 years

Following a review by the directors the estimated useful economic life of pitches was changed from 10 years to 7 years. The impact of this change in the period ended 31 December 2004 is an additional depreciation charge of £109,000 *(2003: additional charge of £74,000).* The impact in prior periods' profits and net assets is not material.

Notes *(continued)*

1 Accounting policies *(continued)*

Assets under construction are transferred to the relevant asset category when they become operational and are depreciated from that date.

Post-retirement benefits

The Group has in place a stakeholder pension scheme, operated by the Bank of Scotland, which is available to all employees. No Company contributions are made.

The Company contributes to personal pension plans operated by directors.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers.

Finance costs

The costs incurred in securing long-term debt are charged to the profit and loss account in equal instalments over the term of the debt facility.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Financial instruments

The Company's financial assets and liabilities are recorded at historic cost. Income and expenditure arising on financial statements is recognised on an accruals basis and taken to the profit and loss account in the financial period in which it arises.

The Company uses interest rate swaps, caps and floor arrangements to manage its interest rate exposure. The Company's criteria for interest rate swaps are:

- the instrument must be related to an asset or liability; and
- it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa.

Interest rate swaps are not revalued to fair value or shown on the Company's balance sheet at the year end. If terminated early, the gain or loss is recognised in full at that time.

2 Segmental reporting

All turnover and operating profit is derived from the operation of outdoor soccer centres within the United Kingdom.

Notes *(continued)*

3 Operating profit

	2004	2003
	£000	£000
Operating profit is stated after charging:		
Auditors' remuneration:		
- audit	**10**	8
- taxation services	**2**	2
- further assurance services	**87**	-
Depreciation written off tangible fixed assets	**815**	481
Rental under operating leases		
- plant and machinery	**4**	-
- others	**387**	358

During 2004, all amounts payable in respect of further assurance services were charged to the share premium account.

4 Remuneration of directors

Details of Directors' emoluments are disclosed in the Remuneration report on page 9.

5 Staff numbers and costs

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

	Number of employees	
	2004	2003
Administration	**5**	5
Centre staff	**210**	154
	215	159

The aggregate payroll costs of these persons were as follows:

	2004	2003
	£000	£000
Wages and salaries	**1,904**	1,484
Social security costs	**162**	124
Other pension costs	**40**	31
	2,106	1,639

6 Interest receivable

	2004	2003
	£000	£000
Interest receivable	**2**	-

Notes *(continued)*

7 Interest payable and similar charges

	2004	2003
	£000	£000
On bank loans and overdrafts	**916**	712
On all other loans	**659**	641
Amortisation of finance costs	**95**	48
	1,670	1,401

8 Taxation

	2004	2003
	£000	£000
Current tax		
UK corporation tax on profits for the year	**-**	-
Deferred tax (note 18)		
Origination of timing differences	**204**	99
Adjustment in respect of prior periods	**(4)**	(48)
Total deferred tax	**200**	51
Tax on profit on ordinary activities	**200**	51

Factors affecting the tax charge for the current year

The current tax charge for the year is nil *(2003: nil)*. This is below the Small Companies rate of corporation tax in the UK (19%, 2003: *19%*). The differences are explained below:

	2004	2003
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before tax	**613**	306
Current tax at 19% (2003: *19%*)	**116**	58
Effects of:		
Expenses not deductible for tax purposes	**22**	21
Depreciation on assets not qualifying for capital allowances	**66**	37
Deferred tax charge	**(204)**	(99)
Gain on sale of land not chargeable to corporation tax	**-**	(17)
Total current tax charge	**-**	-

Notes *(continued)*

9 Dividends

	2004 **£000**	2003 £000
Dividends paid	**155**	-

The dividends during 2004 were paid to the holders of the ordinary "A" shares in accordance with the previous Memorandum and Articles of Association.

10 Earnings per share

Earnings per 0.25p ordinary share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. The share options disclosed in the remuneration report are contingent upon the growth of future earnings. Under FRS 14, these share options are treated as contingently issuable shares for the purposes of determining diluted earnings per share.

	Profit for the financial year £000	**Weighted average number of shares Number**	**2004 earnings per share p**	Profit for the financial year £000	**Weighted average number of shares Number**	2003 earnings per share p
Basic and diluted earnings per share	**413**	**21,497,945**	**1.92**	255	**20,000,000**	1.28

Reconciliation of weighted average number of shares

	2004 **£000**	2003 £000
Opening number of ordinary shares	**975,000**	975,000
Bonus issue	**4,025,000**	4,025,000
Redenomination of ordinary shares from 1p to 0.25p	**15,000,000**	15,000,000
Unchanged capital from 2003 to 2004	**20,000,000**	20,000,000
Impact of shares issued (average age of these shares: 25 days)	**1,497,943**	-
Weighted average number of shares	**21,497,943**	20,000,000

Notes *(continued)*

11 Intangible fixed assets

	Goodwill
	£000
Cost	
At beginning and end of year	2,458
Amortisation	
At beginning of year	366
Charged in year	122
At end of year	488
Net book value	
At 31 December 2004	**1,970**
At 31 December 2003	2,092

12 Tangible fixed assets

	Land and buildings	**Fixtures and fittings**	**Assets in course of construction**	**Total**
	£000	£000	£000	£000
Cost				
At beginning of year	16,569	2,280	642	19,491
Additions	1,420	805	2,689	4,914
Disposals	-	(129)	-	(129)
Transfers	409	-	(409)	-
At end of year	18,398	2,956	2,922	24,276
Depreciation				
At beginning of year	703	403	-	1,106
Charge for year	341	474	-	815
Disposals	-	(129)	-	(129)
At end of year	1,044	748	-	1,792
Net book value				
At 31 December 2004	**17,354**	**2,208**	**2,922**	**22,484**
At 31 December 2003	15,866	1,877	642	18,385

Notes *(continued)*

12 Tangible fixed assets (*continued*)

The net book value of land and buildings comprises:

	2004 £000	2003 £000
Freehold	**974**	995
Long leasehold	**16,380**	14,871
	17,354	15,866

13 Stocks

	2004 £000	2003 £000
Raw materials and consumables	**84**	62

14 Debtors

	2004 £000	2003 £000
Other debtors	**224**	121

15 Creditors: amounts falling due within one year

	2004 £000	2003 £000
Bank overdraft	**407**	223
Trade creditors	**879**	157
Other taxes and social security	**73**	147
Other creditors	**3**	1
Accruals and deferred income	**492**	613
	1,854	1,141

Notes *(continued)*

16 Creditors: amounts falling due after more than one year

	2004	2003
	£000	£000
Bank loan	**8,030**	9,775
Vendor loan notes - Class B	**1,800**	2,425
Secured loan stock	**-**	6,975
Other taxes and social security	**104**	113
Less: unamortised finance costs	**(100)**	(95)
	9,834	19,193

Analysis of debt:

	2004	2003
	£000	£000
Debt can be analysed as falling due:		
In one year or less, or on demand	**407**	223
Between one and two years	**-**	-
Between two and five years	**-**	9,775
In five years or more	**9,830**	9,400
	10,237	19,398

Amounts repayable in more than five years:

	2004	2003
	£000	£000
Vendor loan notes	**1,800**	2,425
Secured loan stock	**-**	6,975
Revolving credit facility	**8,030**	-
	9,830	9,400

Notes *(continued)*

16 Creditors: amounts falling due after more than one year *(continued)*

On 7 December 2004, in combination with the flotation, the Company restructured its debt facilities. At this point, the bank loans had increased to £12,250,000. The loan was repaid in full as part of the refinancing. The loan accrued interest at an average rate of 2.3% *(2003: 2.2%)* plus Bank of Scotland base rate and was secured by a fixed charge over the heritable, freehold and leasehold property, a floating charge and a composite guarantee by each Group Company.

The Company's debt is now financed by a revolving credit facility, and an amount of £8,030,000 *(2003: £nil)* was outstanding at year end. At 31 December 2004, the Company had undrawn committed bank facilities of £12,513,000. The commitment attracts a non-utilisation fee of 0.35% per annum of the average undrawn amount. The facility becomes due for repayment in December 2010. Under the terms of the loan agreement funds remain available for the Company to draw down until this date. The facility is secured by a fixed charge over the heritable, freehold and leasehold property, a floating charge and a composite guarantee by each Group Company.

The vendor loan notes redemption date is 30 November 2011; however note holders can serve written notice on the Company requiring redemption at par at any time on or after six months following the issue of the loan note. The loan notes are guaranteed by the Bank of Scotland and bear interest at LIBOR.

As part of the above refinancing, the secured loan stock was redeemed. The loan stock bore interest at 8% until its redemption and was secured by a floating charge over the assets of the Company.

17 Financial instruments

The Company's financial instruments comprise, from time to time, sterling cash, bank deposits, bank loans and overdrafts, secured loan stock, together with various balances such as accounts receivable and accounts payable that arise directly from its operations.

The main risk from the Company's financial instruments is interest rate risk. The Company's strategy is to maintain a focus on interest rate trends and the opportunity may be taken to fix rates on a portion of the debt should this appear to be in the interests of the Company. The Company does not have any material foreign currency exposure. Short term debtors and creditors (other than bank and other borrowings) have been excluded from the following disclosures.

Notes *(continued)*

17 Financial instruments *(continued)*

The interest rate risk profile of financial assets and liabilities together with an indication of the weighted average interest rates is disclosed below:

Interest rate risk

		2004				2003			
		Assets	**Liabilities**	**Weighted average interest rate**	**Average period for which rate is fixed**	Assets	Liabilities	Weighted average interest rate	Average period for which rate is fixed
		£000	**£000**	**%**	**Years**	£000	£000	%	Years
Fixed rate	Secured loan stock	**-**	**-**	**-**	**-**	-	6,975	8%	7
	Interest swap £6m	**-**	**-**	**-**	**-**	-	-	5.78%	0.5
	Interest swap £6m	**-**	**-**	**-**	**-**	-	-	5.12%	2.9
	Interest floor £6m	**-**	**-**	**-**	**-**	-	-	5.75%	2.9
	Interest swap £8m	**-**	**-**	**5.75%**	**2.5**	-	-	-	-
	Interest floor £8m	**-**	**-**	**5.12%**	**2.5**	-		-	-
		-	**-**	**n/a**	**n/a**	-	6,975	n/a	n/a
Floating rate	Vendor loan notes	**-**	**1,800**	**LIBOR**	**n/a**	-	2,425	LIBOR	n/a
	Bank loan	**-**	**-**	**-**	**n/a**	-	7,525	LIBOR + 2%	n/a
	Mezzanine bank loan	**-**	**-**	**-**	**-**	-	2,250	LIBOR + 4%	n/a
	Revolving credit facility	**-**	**8,030**	**LIBOR + 1.5%**	**n/a**	-	-	-	n/a
	Overdraft	**-**	**407**	**Base rate + 1.5%**	**n/a**	-	223	Base rate + 2%	n/a
	Cash balances at bank	**133**	**-**	**-**	**n/a**	147	-	-	n/a
		133	**10,237**	**n/a**	**n/a**	147	12,423	n/a	n/a
Total		**133**	**10,237**	**n/a**	**n/a**	147	19,398	n/a	n/a

For the revolving credit facility LIBOR is increased by the Bank of Scotland in line with their reserve requirements and the margin over LIBOR increases to 1.75% in respect of all advances in excess of £15,000,000. Base rate noted above is determined by Bank of Scotland.

Except as disclosed below, the fair value of the Company's financial assets and liabilities is equal to the book value.

	2004		2003	
	Book value	**Fair value**	Book Value	Fair Value
	£000	£000	£000	£000
Interest rate derivatives	-	83	-	125
Secured loan stock	-	-	6,975	7,650

Ageing liabilities

The ageing of financial liabilities is as described in the ageing of debt at note 16.

Notes *(continued)*

17 Financial instruments *(continued)*

Liquidity risk

	2004 Balance outstanding £000	**2004 Facility £000**	**2004 Headroom £000**	2003 Balance outstanding £000	2003 Facility £000	2003 Headroom £000
Bank loans and overdrafts	**8,437**	**20,950**	**12,513**	9,998	17,825	7,827
Secured loan stock	**-**	**-**	**-**	6,975	6,975	-
Vendor loan notes	**1,800**	**1,800**	**-**	2,425	2,425	-
	10,237	**22,750**	**12,513**	19,398	27,225	7,827

18 Provisions for liabilities and charges

Deferred tax	**2004 £000**	2003 £000
At beginning of year	**51**	-
Charged to the profit and loss account	**200**	51
At end of year	**251**	51

The elements of deferred taxation are as follows:

	2004 £000	2003 £000
Difference between accumulated depreciation and capital allowances	**362**	251
Tax losses	**(101)**	(200)
Other timing differences	**(10)**	-
Deferred tax liability	**251**	51

Notes *(continued)*

19 Called up share capital

	2004 Number	**£000**	2003 Number	£000
Authorised				
Ordinary shares of 0.25p *(2003: 1p)* each	**64,000,000**	**160**	315,000	3
Ordinary 'A' shares of 1p each	**nil**	**-**	685,000	7
		160		10
Allotted, called up and fully paid				
Ordinary shares of 0.25p *(2003: 1p)* each	**41,883,788**	**104**	290,000	3
Ordinary 'A' shares of 1p each	**nil**	**-**	685,000	7
		104		10

During the year the following capital transactions took place

- On 26 October 2004 2,827,821 'A' ordinary shares of 1p were issued to existing 'A' ordinary shareholders in proportion to their existing holdings as part of a bonus issue. These shares had an aggregate nominal value of £28,278 and consideration of nil was received.
- On 26 October 2004 1,197,179 ordinary shares of 1p were issued to existing ordinary shareholders in proportion to their existing holdings as part of a bonus issue. These shares had an aggregate nominal value of £11,972 and consideration of nil was received.
- On 26 October 2004 128,205 ordinary shares of 1p were issued at par to Uberior Investments Ltd.
- On 26 October 2004 all 'A' ordinary shares were converted into ordinary shares at a ratio of 1 for 1.
- On 26 October 2004 all ordinary shares (including all shares issued as a consequence of the above four transactions) were subdivided into four 0.25p shares for each 1p share.
- On 7 December 2004 21,370,968 ordinary shares of 0.25p were issued as part of the flotation of the Company on the AIM. The nominal value of these shares was £53,427 and consideration of £13,250,000 was received. The costs incurred, which have been charged against the share premium account, amounted to £975,000.

20 Share premium and reserves

	Share Capital £000	**Share premium** £000	**Profit and loss account** £000	**Total** £000
At beginning of year	10	497	(85)	422
Bonus issue	40	(40)	-	-
Proceeds of share issue (net of expenses)	53	12,222	-	12,275
Proceeds of share options exercised in year	1	-	-	1
Profit for the year	-	-	258	258
At end of year	**104**	**12,679**	**173**	**12,956**

Notes *(continued)*

21 Commitments

Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	2004 **£000**	2003 £000
Contracted	**1,034**	1,362

Annual commitments under non-cancellable operating leases are as follows:

	2004 **£000** **Land and buildings**	**£000** **Other**	2003 £000 Land and buildings	£000 Other
Operating lease rentals which expire:				
In two to five years	**-**	**4**	-	-
In over five years	**387**	**-**	287	-
	387	**4**	287	-

22 Cash flow from operating activities

	2004 **£000**	2003 £000
Operating profit	**2,281**	1,617
Depreciation	**815**	481
Amortisation of goodwill	**122**	122
Increase in stock	**(22)**	(23)
Increase in debtors	**(70)**	(102)
(Decrease)/increase in creditors	**(103)**	151
Net cash inflow from operating activities	**3,023**	2,246

Notes *(continued)*

23 Analysis of net debt

	At beginning of year £000	Trading cashflow £000	Refinancing cash flow £000	Non cash movement £000	**At end of year £000**
Cash at bank and in hand	147	(14)	-	-	**133**
Overdraft	(223)	(184)	-	-	**(407)**
	(76)	(198)	**-**	-	**(274)**
Bank loans	(9,775)	(2,475)	12,250	-	**-**
Revolving credit facility	-	-	(8,030)	-	**(8,030)**
Vendor loan	(2,425)	-	625	-	**(1,800)**
Loan stock	(6,975)	-	6,975	-	**-**
Unamortised finance issue costs	95	-	50	(45)	**100**
`	(19,156)	(2,673)	11,870	(45)	**(10,004)**

24 Subsidiary undertakings

The Company holds shares in the following companies, all of which are incorporated in the United Kingdom:

Name	**Trading status**	**Holding of ordinary share capital**	**Net assets £**
Glasgow Open Air Leisure Services (GOALS) plc	Dormant	100%	100
Glasgow Open Air Leisure Services (Wembley) Limited	Dormant	100%	100
Fortis Leisure Limited	Dormant	100%	100

Under Section 229(2) of the Companies Act 1985, the Company has not prepared Group accounts on the basis that subsidiary undertakings are not material, either individually or in aggregate.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Goals Soccer Centres plc ("the Company") will be held at Goals Black Country, Darlaston Lane, Willenhall, West Midlands, WV14 7BL on Monday 18 April 2005 at 11.30 am to consider the following Ordinary and Special business.

Ordinary Business

1 To receive and consider the Company's accounts for the year ended 31 December 2004 together with the reports of the Directors' and the Auditor thereon.

2 To receive and adopt the report of the Remuneration Committee of the Company.

3 To re-elect Keith Rogers who retires from the Board in accordance with Article 90 of the Articles of Association of the Company.

4 To re-elect William Gow who retires from the Board in accordance with Article 90 of the Articles of Association of the Company.

5 To re-elect Sir Rodney Walker who retires from the Board in accordance with Article 90 of the Articles of Association of the Company.

6 To re-elect Robert Wilson who retires from the Board in accordance with Article 90 of the Articles of Association of the Company.

7 To re-elect Morris Payton who retires from the Board in accordance with Article 90 of the Articles of Association of the Company.

Special Business

The following resolutions will be proposed as special resolutions.

8 That the authority given to the Directors on 26 November 2004 to allot shares pursuant to section 95 of the Companies Act 1985 be and is hereby revoked and the Directors be and are hereby given power pursuant to Section 95 of Companies Act 1985, provided that such power shall (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) expire at the conclusion of the next Annual General Meeting of the Company or the expiry of the period of 15 months from the date of the passing of this resolution, whichever is earlier, to allot equity securities (as defined in the foregoing Act) for cash pursuant to the Section 80 authority dated 26 November 2004 as if Section 89(1) of the Act did not apply to any such allotment, such power being limited to:

8.1 the allotment and issue of equity securities in connection with an issue or offering by way of rights or other pre-emptive offering to holders of shares in the capital of the Company and any other person entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be practicable) to the respective numbers of equity shares of the same class in the capital of the Company held by them, or deemed to be held by them, on the record date of such allotment but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under laws of, or the requirements of any regulatory body or any recognised stock exchange in, any territory;

8.2 the allotment and issue of equity securities in connection with the exercise of options granted by the Company to directors of the Company or employees in accordance with the terms of any option scheme or arrangement adopted by the directors of the Company from time to time up to a maximum amount of £10,470.95;

Notice of Annual General Meeting *(continued)*

8.3 the allotment (other than pursuant to 8.1 above) of equity securities for cash up to a maximum aggregate nominal amount of £11,518.04;

except that the Company may before the expiry of this power, make an offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.

9 That the Company be and is generally and unconditionally authorised to make market purchases (as defined in the Companies Act 1985) of its own Ordinary Shares on the following terms:

9.1 the maximum nominal amount of Ordinary Shares authorised to be purchased pursuant to this authority is £5,235.47;

9.2 the minimum price which the Company may pay for each Ordinary Share (exclusive of expenses) is £0.0025 and the maximum price (exclusive of expenses) which the Company may pay for each Ordinary Share will not be more than 5 per cent above the average middle market price (as derived from the London Stock Exchange plc Daily Official List) for such Ordinary Shares for the 5 dealing days preceding the date of purchase; and

9.3 no such purchase shall be made at a time when, under the provisions of the AIM Rules a director of the Company is prevented from dealing in the Company's shares;

provided that such authority shall (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) expire on the earlier of the date being 15 months from the passing of this resolution and the conclusion of the annual general meeting of the Company next following the passing of this resolution and provided that such authority shall allow the Company to enter into any contract for the purchase of its own shares before the expiry of such authority which would or might be executed wholly or partially after the expiry of such authority, and may purchase such shares pursuant to such contract after the expiry of such authority as if the authority conferred by this resolution had not expired.

The following resolution will be proposed as an ordinary resolution of which Special Notice has been given to the Company.

10 To appoint KPMG Audit plc as Auditors of the Company and to Authorise the Directors to agree their remuneration.

21 February 2005

By Order of the Board

William BG Gow
Company Secretary
Registered Office:
29 Bothwell Road
Hamilton
ML3 0AY

Notice of Annual General Meeting *(continued)*

Notes:

1 A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member of the Company.

2 Completion of a proxy will not prevent members from attending and voting in person if they so wish.

3 The Company specifies that for a member to be entitled to attend and vote at the meeting (and for the determination by the Company of the number of votes they may cast) they must be entered on the Company's register of members not less than 48 hours before the time of the above meeting ("the Specified Time"). Changes to entries on the register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the meeting.

4 Copies of all directors service contracts of more than one years duration will be available for inspection at 29 Bothwell Road, Hamilton ML3 0AY during normal business hours on weekdays from the date of this notice to the date of the meeting convened by this notice and at the meeting itself for at least 15 minutes prior to and during the meeting.

5 The register of directors' interests will be produced at the commencement of the meeting and will remain open and accessible during the continuance of the meeting to any person attending the meeting.


Aberdeen
Glasgow West
Glasgow South
Teesside
Leeds
Sheffield
under construction
Leicester
Black Country
Wembley
North London
opens 2005
Ruislip
Dagenham
Heathrow
opens 2005
Wimbledon
Dartford
South London
opens 2005
Bexleyheath

Goals Soccer Centres plc

29 Bothwell Road
Hamilton ML3 0AY

tel 01698 28 66 33
web www.goalsplc.com
email info@goalsfootball.co.uk

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soccer centres