Goals Soccer Centres Plc

Unaudited Interim Results for the six months ended 30 June 2005

Goals Soccer Centres plc ("Goals" or the "Company") is the premier operator of "next generation" 5-a-side soccer centres across the UK, currently operating 14 centres. Today, it announces its first interim results since listing on AIM in December 2004.

KEY POINTS

Financial

- Sales up 37% to £5.5m (2004: £4.0m)
- EBITDA up 46% to £2.2m (2004: £1.5m)
- EBITA up 60% to £1.8m (2004: £1.1m)
- Profit on ordinary activities before tax up 473% to £1.3m (2004: £0.2m)
- Earnings Per Share up 200% to 2.1p (2004: 0.7p)
- Strong financial performance driven by like for like sales growth of 10% and the opening of three new centres
- Current financial structure will fully fund the Company's rollout programme

Rollout

- Three new centres opened during the half year at Black Country, Teesside and Heathrow
- Three additional centres under construction at Sheffield, Beckenham and Sutton scheduled for opening during the second half, meeting plans for six new sites in 2005
- The Board is very confident of reaching a minimum of 26 centres open and trading by the end of 2007 and a further 5 centres opening in 2008.

Keith Rogers, Managing Director of Goals said:

"Significant progress has been made with our rollout of "next generation" 5-a-side soccer centres. Three new centres were opened during the period, three are under construction and already a further four are scheduled to open during 2006.

Our focus on premier facilities in high population areas continues to deliver growing and sustainable returns for shareholders. Our advanced site pipeline will allow us to continue to grow our portfolio in a measured and controlled way.

The Company continues to trade strongly in the second half of the financial year"

9 September 2005

Enquiries:

Goals Soccer Centres plc Today: 020 7457 2020
Thereafter: 01698 286 633

Keith Rogers, Managing Director
Bill Gow, Finance Director

College Hill Tel: 020 7457 2020

Matthew Smallwood/Jamie Ramsay

Chairman's statement

I am pleased to report Goals Soccer Centres' results for the six months ended 30 June 2005.

This has been another strong period. Sales increased by 37% to £5.5m (2004: £4.0m). EBITDA increased by 46% to £2.2m (2004: £1.5m), and EBITA increased by 60% to £1.8m (2004: £1.1m). This resulted in a 473% increase in profit on ordinary activities to £1.3m (2004: £0.2m) and a trebling in Earnings Per Share to 2.1p (2004: 0.7p).

This strong performance is further evidence of the Company's proven "next generation" concept and the high level of pitch utilisation achieved through innovative marketing and advanced management systems. The Directors believe that Goals is well placed to increase revenues not only from developing its pipeline of new sites but also from its existing centres.

Our focus on customer retention and maximising pitch utilisation has reaped reward. I am pleased to report like-for-like sales growth of approximately 10% for the period.

Interest costs were halved from £0.8m in 2004 to £0.4m this half year due to the funds raised from the placing of shares when the Company listed on AIM in December 2004.

Cash inflow from operating activities amounted to £2.4m. £4.0m was invested as capital expenditure during the period, £3.8m of which relates to investment in new centres. At 30 June 2005, approximately £1.5m had been invested in our pipeline of sites.

Debt at 30 June 2005 was £12.3m (31 December 2004: £10.0m). The Company has a six year revolving credit facility with HBoS of £22.5m which will fully fund our plan for a further 17 centre openings over the next three and a half years.

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

Our strategy remains focused and 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 brand and to develop marketing partnerships with known brand operators,
- to continue to generate high returns on capital.

We continue to make excellent progress in all of these areas.

Operational Review

Goals is the premier operator of 5-a-side football centres in the UK market. Our "next-generation" offering comprises the latest artificial pitch technology, high quality facilities and superior customer service.

The popularity of 5-a-side football continues to increase. 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.

The time taken from site identification to commencement of construction can often exceed two years. Goals has over recent years developed a well progressed pipeline of sites and is on course to deliver its planned openings for 2005 and beyond.

The Board expects further significant progress in the second half of 2005, both in terms of trading performance and the opening of three new centres currently under construction.

The Company has continued to trade strongly since the period end. We remain confident in our business model and product. The Board is also continuing to explore sponsorship opportunities.

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.

The skill and dedication of Goals' people in serving our customers is the real driving force behind our success. I would like to thank all of them for their continued dedication and hard work.

The interim report for the six months ended 30 June 2005 was approved by the directors on 9th September 2005. The interim report is unaudited but has been reviewed by the auditors, KPMG Audit Plc.

Sir Rodney Walker
Chairman 9th September 2005

Unaudited Profit and loss account

for the six months ended 30 June 2005

	Note	**6 months ended 30 June 2005 (unaudited) £000**	6 months ended 30 June 2004 (unaudited) £000	Year ended 31 December 2004 (audited) £000
Turnover		**5,503**	4,019	8,288
Cost of sales		**(741)**	(554)	(1,175)
Gross profit		**4,762**	3,465	7,113
Administrative expenses				
- general		**(2,997)**	(2,366)	(4,710)
- goodwill amortisation		**(61)**	(61)	(122)
Operating profit		**1,704**	1,038	2,281
Other interest receivable and similar income		**-**	-	2
Interest payable and similar charges		**(431)**	(816)	(1,670)
Profit on ordinary activities before taxation		**1,273**	222	613
Tax on profit on ordinary activities		**(400)**	(85)	(200)
Profit on ordinary activities after taxation		**873**	137	413
Dividends paid and proposed	*3*	**-**	(43)	(155)
Profit for the financial period		**873**	94	258

Earnings per ordinary share			
- Basic and diluted	2.1p	0.7p	1.9p

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

Unaudited Balance sheet
at 30 June 2005

	Note	**30 June 2005 (unaudited)**		30 June 2004 (unaudited)		31 December 2004 (audited)	
		£000	**£000**	£000	£000	£000	£000
Fixed assets							
Intangible assets – goodwill			**1,908**		2,032		1,970
Tangible assets			**26,442**		19,946		22,484
			28,350		21,978		24,454
Current assets							
Stocks		**102**		83		84	
Debtors		**240**		-		224	
Cash in hand		**334**		213		133	
		676		296		441	
Creditors: amounts falling due within one year	*4*	**(2,470)**		(1,309)		(1,854)	
Net current liabilities			**(1,794)**		(1,013)		(1,413)
Total assets less current liabilities			**26,556**		20,965		23,041
Creditors: amounts falling due after more than one year			**(12,476)**		(20,314)		(9,834)
Provisions for liabilities and charges			**(251)**		(135)		(251)
Net assets			**13,829**		516		12,956
Capital and reserves							
Called up share capital			**104**		10		104
Share premium account			**12,679**		497		12,679
Profit and loss account			**1,046**		9		173
Equity shareholders' funds			**13,829**		516		12,956

Unaudited Cash flow statement

for the six months ended 30 June 2005

	Note	**6 months ended 30 June 2005 (unaudited)**		6 months ended 30 June 2004 (unaudited)		Year ended 31 December 2004 (audited)	
		£000	**£000**	£000	£000	£000	£000
Cash inflow from operating activities	*5*		**2,364**		1,552		3,023
Returns on investments and servicing of finance							
Interest paid		**(405)**		(779)		(1,790)	
Interest received		**-**		-		2	
Net cash outflow for returns on investments and servicing of finance			**(405)**		(779)		(1,788)
Taxation		**-**		-			-
Capital expenditure							
Payments to acquire property, plant and equipment		**(4,045)**		(1,871)		(4,384)	
Net cash outflow for capital expenditure and financial investment			**(4,045)**		(1,871)		(4,384)
Cash outflow before financing			**(2,086)**		(1,098)		(3,149)
Equity dividends paid			**-**		(43)		(155)
Financing							
Issue of share capital		**-**		-		13,250	
Expenses paid in connection with share issue		**(176)**		-		(799)	
Bank loans received		**3,055**		1,525		10,505	
Bank loans repaid		**-**		-		(12,250)	
Loan notes and vendor loans redeemed		**(475)**		(425)		(7,600)	
Net cash inflow from financing			**2,404**		1,100		3,106
Increase / (Decrease) in cash in the period			**318**		(41)		(198)

Reconciliation of movements in shareholders' funds

for the six months ended 30 June 2005

	6 months ended 30 June 2005 (unaudited)	6 months ended 30 June 2004 (unaudited)	Year ended 31 December 2004 (audited)
	£000	£000	£000
Profit for the financial period	**873**	137	413
Dividends	**-**	(43)	(155)
Retained profit	**873**	94	258
New share capital subscribed (net of issue costs)	**-**	-	12,276
Net addition to shareholders' funds	**873**	94	12,534
Opening shareholders' funds	**12,956**	422	422
Closing shareholders' funds	**13,829**	516	12,956

Notes to the interim report

1 Basis of preparation

The accounting policies applied to the unaudited interim results are consistent with the accounting policies applied in the most recent set of financial statements for the year ended 31 December 2004

The results for the year ended 30 June 2005 do not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The comparative information for the year ended 31 December 2004 is extracted from the statutory accounts which have been delivered to the Registrar of Companies. The report from the auditors was unqualified and did not contain a statement under S237(2) or S237(3) of the Companies Act 1985.

2 Taxation

The taxation charge has been included at the effective rate likely to be applied for the year ended 31 December 2005.

3 Dividends

	6 months ended 30 June 2005 (unaudited) £000	6 months ended 30 June 2004 (unaudited) £000	Year ended 31 December 2004 (audited) £000
Dividends paid	**-**	43	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.

4 Creditors amounts falling due within one year

	30 June 2005 (unaudited) £000	30 June 2004 (unaudited) £000	31 December 2004 (audited) £000
Bank overdraft	**290**	332	407
Trade creditors	**752**	307	879
Corporation Tax	**400**	-	-
Other taxes and social security	**94**	73	73
Other creditors	**1**	1	3
Accruals and deferred income	**933**	596	492
	2,470	1,309	1,854

5 Net cash inflow from operating activities

	6 months ended 30 June 2005 (unaudited) £000	6 months ended 30 June 2004 (unaudited) £000	Year ended 31 December 2004 (audited) £000
Operating profit	**1,704**	1,038	2,281
Depreciation	**432**	403	815
Amortisation of goodwill	**61**	61	122
Increase in stock	**(18)**	(21)	(22)
(Decrease)/Increase in debtors	**(16)**	121	(70)
Increase/(Decrease) in creditors	**201**	(50)	(103)
Net cash inflow from operating activities	**2,364**	1,552	3,023

6 Reconciliation of net cash flow to movement in net debt

	6 months ended 30 June 2005 (unaudited) £000	6 months ended 30 June 2004 (unaudited) £000	Year ended 31 December 2004 (audited) £000
Increase/(decrease) in cash in the period	**318**	(41)	(198)
Cash inflow from bank finance	**(3,055)**	(1,525)	(10,505)
Bank loans repaid	**-**	-	12,250
Loan notes and vendor loans redeemed	**475**	425	7,600
Change in net debt resulting from cash flows	**(2,262)**	(1,141)	9,147
Non cash movement – amortisation of finance costs	**(8)**	(24)	5
Movement in net debt in the year	**(2,270)**	(1,165)	9,152
Net debt at the start of the year	**(10,004)**	(19,156)	(19,156)
Net debt at the end of the year	**(12,274)**	(20,321)	(10,004)

7 Movement in net debt

	At beginning of period £000	Trading cashflow £000	Non cash movement £000	**At end of period £000**
Cash at bank and in hand	133	201	-	**334**
Overdraft	(407)	117	-	**(290)**
	(274)	318	-	**44**
Revolving credit facility	(8,030)	(3,055)	-	**(11,085)**
Vendor loan	(1,800)	475		**(1,325)**
Unamortised finance issue costs	100	-	(8)	**92**
	(10,004)	(2,262)	(8)	**(12,274)**

8 Earnings per share

	6 months ended 30 June 2005 (unaudited)	6 months ended 30 June 2004 (unaudited)	Year ended 31 December 2004 (audited)
Profit for the financial period (£'000)	**873**	137	413
Weighted average number of shares	**41,883,788**	20,000,000	21,497,945
Basic and diluted earnings per share	**2.1p**	0.7p	1.9p

9 Interim report

A copy of the interim report will be posted to shareholders during September 2005. Additional copies will be available via the Company's website, www.goalsplc.co.uk, or from the Company Secretary at the Company's registered office 29 Bothwell Road, Hamilton ML3 0AY.

KPMG Audit plc

191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent review report by KPMG Audit Plc to Goals Soccer Centres plc

Introduction

We have been engaged by the company to review the financial information set out on pages 4 to 9 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where they are to be changed in the next annual accounts in which case any changes, and the reasons for them, are to be disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4: Review of interim financial information issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2005

KPMG Audit Plc
Chartered Accountants

191 West George Street
Glasgow G2 2LJ

9th September 2005