Goals Soccer Centres plc

Interim Results for the 6 months ended 30 June 2010

Goals Soccer Centres plc ("Goals" or the "Company") is the premier operator of 5-a-side soccer centres across the UK. The Company currently operates 37 centres and has established a pipeline in excess of 40 sites to continue the rollout of its proven concept.

Key Points

Financial

- **Strong financial performance despite worst snow conditions in 47 years**

  The exceptional snow falls from January through March 2010 reduced profits by £0.8m when compared with average weather conditions over our previous 9 years of trading.
- **Sales up 3%** to £13.2m (2009: £12.9m)
- **Like for like sales down 3%** (flat excluding the snow impact)
- **EBITDA maintained at £5.8m (2009: £5.8m)**
- **Adjusted Profit Before Tax* down 3% to £3.8m** (2009: £3.9m)
- **Adjusted Diluted earnings per share* down 14%** to 5.3p (2009: 6.2p)
- **Ordinary dividend maintained** at 0.675p per share (2009: 0.675p),
- **Net cash generated from operations up 7%** to £5.3m (2009: £5m)
- **Net bank debt of £43.8m**, well within newly extended facility of £55m

***** Adjusted profit before tax is profit before tax adjusted for the impact of the movement in fair value of the capped floating interest rate hedging arrangement. Adjusted Diluted earnings per share is Diluted Earnings per Share adjusted for the net of tax impact of the movement in fair value of the capped floating interest rate hedging arrangement

Operational highlights

- Accelerated rollout with four centres added during the current year at Liverpool North, Portsmouth, Eltham and Gillette Corner in London
- Four further centres under construction at Liverpool South, Sunderland, Ipswich and Norwich.
- Minimum of six centres to open during 2011.
- Joint venture in California, USA, opened in June 2010 and is trading in line with management expectations Master franchise agreement granted to experienced leisure operator in the Republic of Ireland and Northern Ireland

Current Trading

Since the end of the 2010 World Cup like for like sales have improved by 3%. The Directors anticipate that the results for the year to 31 December 2010 will show continued growth and will be within the range of current market expectations.

Keith Rogers, Managing Director of Goals said:

"Goals has delivered a robust trading performance in spite of the abnormal weather and a challenging economic environment".

"We took advantage of the opportunity that the World Cup presented to increase interest in our key product areas. This has resulted in increased Children's Parties and Corporate Events during the period and is now being reflected in an improvement in core football".

"Whilst the UK consumer outlook remains uncertain we are confident that results for the year to 31 December 2010 will show continued growth and will be within the range of current market expectations."

6 September 2010

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Matthew Smallwood
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Chairman's statement

Introduction

In the six months to 30 June 2010 Goals has made further progress towards its key objectives of establishing a national network of 5-a-side soccer centres, maximising revenue from existing centres and generating a strong return on capital. Goals now has a 41% share of the branded 5-a-side facility market, up from 37% a year ago and is the UK's fastest growing 5-a-side operator.

Goals continues to increase its pipeline of sites as the tough economic climate led to increased opportunities in the commercial property market. The business also continued to generate significant positive operating cash flow in the period which, together with committed banking facilities, will be sufficient to finance future centres.

Financial Review

During the period January through to March 2010 the UK experienced the worst snow conditions in 47 years, causing disruption to all centres for a prolonged period. This impacted a total of 777 trading days, an average of 23 days per centre and 9% of our available pitch capacity in the period. As a result, sales and profit were reduced by £0.8m when compared with the average days per branch disrupted over the previous nine years (£0.5m on a year on year basis). This adverse weather also led to the rescheduling of local 11-a-side fixtures to midweek during March through to May. This resulted in cancellations at Goals centres during this period.

Overall sales increased by 3% to £13.2m (June 2009: £12.9m) and like-for-like sales declined by approximately 3%. Had it not been for the exceptional impact of snow, like-for-like sales would have been maintained. This resilient performance in the face of both a difficult economic environment and significant disruption can be attributed to the strength of Goals business model.

Like-for-like sales in our key product areas were:

- Core Football, (approximately 71% of total sales) decreased by 4% (*1% excluding year on year impact of snow)*
- Bar and Vending, (approximately 19% of total sales) were maintained
- Birthday Parties, (approximately 6% of total sales) increased by 4%
- Corporate Events & Sponsorship, (approximately 4% of total sales) increased by 4%

EBITDA was maintained at £5.8m, however, our EBITDA margin reduced by 1% to 44% reflecting the operational leverage effect of the like-for-like sales decrease. We remain focused on managing the business tightly and our call centre has now been fully implemented which, along with other initiatives, will reduce our existing cost base by approximately £0.5m annually.

As I indicated in my Chairman's statement for the year ended 31 December 2009 under the terms of IAS 39 "Financial Instruments: Recognition and Measurement" our capped floating interest rate hedging arrangement requires to be marked to market for all accounting periods ending after 1 January 2010 and the movement in the fair value incorporated into the income statement. The movement in the fair value in the period ended 30 June 2010 was an increase in the financial liability of approximately £1.1m and this has resulted in a non-cash charge in the income statement of £1.1m in the six months ended 30 June 2010. Our Adjusted Profit before Income Tax detailed in the financial highlights excludes this charge.

Adjusted Profit before Income Tax has decreased by 3% to £3.8m (2009: £3.9m). The tax charge for the year is at an effective rate of 31% (2009: 31%). Adjusted Diluted earnings per share were down 14% to 5.3p (2009: 6.2p), reflecting the 3% reduction in Adjusted Profit and the dilution impact of the share placing in June 2009.

Net cash generated from operations increased by 7% to £5.3m (2009: £5.0m) demonstrating the cash generative nature of the Company. These dependable cash flows substantially underpin our ongoing investment in new centres.

Chairman's statement *(continued)*

At 30 June 2010 Goals net bank debt totalled £43.8m funded by a £55m committed facility with HBOS. This facility is due for renewal in February 2013. The Company increased its bank facilities with Bank of Scotland from £47m to £55m during the period with terms broadly in line with the existing agreement. The Company continues to enjoy significant headroom in terms of the covenants relating to this facility.

The Company invested £10m in capital expenditure during the period (2009: £6.7m). £9.3m related to investment in new centres, £0.3m to ongoing investment in IT systems and the balance of £0.4m relates to investment in existing centres.

Dividend

The Board intends that the Company will continue to retain the majority of distributable profits and cash flows to contribute towards the funding of its planned rollout of new centres. An interim ordinary dividend of 0.675p per share will be paid on 22 October 2010 to shareholders on the register on 24 September 2010.

Operating Review

Football is the most popular sport in the UK and 5-a-side football continues to grow amongst all age groups and both genders. The Board believes the unique Goals concept positions the Company to capitalise on this popularity and exploit the continuing major commercial opportunity to satisfy significant potential and latent demand in the market.

Goals is a well differentiated 5-a-side brand and has grown to become the UK's premier operator.

We believe that our ability to select excellent locations and operate successful, high quality, football centres has resulted in the continuing popularity of the Goals concept with our customers. This popularity is reflected in our average sales per centre, which are the highest in the industry.

Our strategy is:

- To continue to innovate and lead the industry;
- To continue our rollout of "next generation" soccer centres in prime locations;
- To maximise revenue from existing centres through outstanding customer service;
- To continue to build a positive national 5-a-side brand;
- To continue to generate high returns on capital;
- To continue to create shareholder value; and
- To provide "The Ultimate Football Experience"

We continue to make progress in all these areas.

Over the past few years, the Company has amended its marketing mix to take account of the reduction in success of traditional media advertising by focusing on the new media opportunities available. This revised marketing strategy has proven to be successful in recent centre openings.

The World Cup offers a significant opportunity to increase interest in our key product areas. By launching World Cup themed products and a World Cup edition of our popular 'Nutmeg' magazine, we experienced an uplift in Football Parties and Corporate Events before and during the World Cup. We fully expect these areas to continue to benefit in the second half of the year.

Chairman's statement *(continued)*

We continue to work proactively with our partners and during the period we completed the following projects:

- Powerade Fives: A national 5-a-side competition promoted in the national press and through our own internal initiatives. This exciting competition has grown in size and stature each year. The winning teams were treated to an all expenses paid trip to the World Cup in South Africa.
- 442 Magazine: continue to provide quality content for our Nutmeg magazine. This has included interviews with major football players and managers. This provides gravitas to our magazine leading to improved readership and retention.
- FA UMBRO Fives: The only 5-a-side tournament with the finals played at Wembley Stadium. Now in its 4th year, this tournament has become the gold standard of 5-a-side events.
- Samsung 'Win a Pro Contract': An exciting opportunity for an unknown footballer to be offered a one-year professional playing contract with Swindon Town FC.'Win A Pro Contract' hopefuls will take part in trials at various Goals Soccer Centres and matches in a bid to hit the football big-time.
- Carlsberg World Cup Roadshow: Goals centres were visited by an interactive England bus providing fans an opportunity to record their own England team talks as part of a nationwide competition with winning teams getting to meet the England players prior to them travelling out to South Africa.

Throughout the economic downturn we have continued to invest in marketing to grow our customer base and have seen enquiry levels grow on a like-for-like basis throughout the period.

We have a strategy of continuing investment in IT systems. During the period we invested £0.3m to further improve customer experience, increase income and reduce operating costs. Goals remain the only 5-a-side operator to offer online booking to customers.

To further improve the level of customer service and sales activity within the Company, we have established a call centre within our head office which went live during December 2009. Phase one is now complete and handles the majority of incoming calls including all enquiry journeys and fulfilment. We plan to process the majority of outbound sales calls from our call centre from late 2010.

New Centres

Since the start of 2010, new centres have opened at Liverpool North, Portsmouth, Eltham and Gillette Corner in London bringing the total number of centres in the UK to 37. Four further centres are under construction. Liverpool South, Sunderland and Ipswich will open during 2010 with Norwich likely to open in January 2011.

We are well advanced towards opening six centres in the UK during 2011 having already secured planning consent for the first three.

We have been working with our design team to develop a new lower cost centre providing a more exciting and modern venue to meet Goals key brand requirement of offering the 'Ultimate Football Experience'.

The subdued UK property market together with the current focus on reducing expenditure in the public sector will continue to present Goals with additional opportunities. Our site pipeline continues to strengthen, sufficient to satisfy seven years of openings in the UK.

International

The Company entered into a joint venture in California, USA in 2008 to test the potential of the US market. It opened its first centre in Los Angeles in June 2010. Early trading is in line with management expectations and we are encouraged by the potential of this opportunity. We expect the centre to make a small loss in 2010

The Company has granted a master franchise agreement for the Republic of Ireland and Northern Ireland to an experienced leisure operator.

Board

The Board are considering the appointment of a third Non-Executive Director

Current Trading

Since the end of the 2010 World Cup like for like sales have improved by 3%. The Directors anticipate that the results for the year to 31 December 2010 will show continued growth and will be within the range of current market expectations.

Sir Rodney Walker

Chairman

3 September 2010

Consolidated condensed income statement
For the six months ended 30 June 2010

	Note	**Unaudited 6 months ended 30 June 2010 £000**	Unaudited 6 months ended 30 June 2009 £000	Audited Year ended 31 December 2009 £000
Revenue		**13,227**	12,850	26,236
Cost of sales		**(1,528)**	(1,527)	(3,022)
Gross profit		**11,699**	11,323	23,214
Administrative expenses		**(7,141)**	(6,522)	(12,658)
Operating profit		**4,558**	4,801	10,556
Financial expense		**(1,837)**	(892)	(1,800)
Profit before income tax		**2,721**	3,909	8,756
Income tax	3	**(844)**	(1,212)	(2,688)
Profit for the period attributable to equity holders		**1,877**	2,697	6,068
Earnings Per Share	5			
Basic		**3.9p**	6.4p	13.4p
Diluted		**3.8p**	6.2p	13.0p

Consolidated condensed balance sheet
at 30 June 2010

	Note	**Unaudited 30 June 2010 £000**	Unaudited 30 June 2009 £000	Audited 31 December 2009 £000
Assets				
Non-current assets				
Property, plant and equipment	6	**92,276**	75,411	83,150
Intangible assets	7	**5,719**	5,719	5,719
Total non-current assets		**97,995**	81,130	88,869
Current assets				
Inventories		**563**	455	538
Trade and other receivables		**1,315**	1,323	1,258
Cash and cash equivalents		**685**	652	336
Total current assets		**2,563**	2,430	2,132
Total assets		**100,558**	83,560	91,001
Current liabilities				
Bank overdraft		**(1,131)**	(469)	(264)
Trade and other payables	10	**(2,921)**	(2,256)	(2,260)
Current tax payable		**(664)**	(643)	(965)
Total current liabilities		**(4,716)**	(3,368)	(3,489)
Non-current liabilities				
Other interest-bearing loans and borrowings		**(43,315)**	(33,926)	(37,769)
Tax payable		**(157)**	(177)	(154)
Deferred tax liabilities	8	**(5,589)**	(4,428)	(5,044)
Other financial liabilities	9	**(3,578)**	(2,247)	(2,498)
Total non current liabilities		**(52,639)**	(40,778)	(45,465)
Total liabilities		**(57,355)**	(44,146)	(48,954)
Net assets		**43,203**	39,414	42,047
Equity				
Share capital		**121**	121	121
Share premium		**23,238**	23,238	23,238
Other reserve		**(1,801)**	(1,620)	(1,801)
Retained earnings		**21,645**	17,675	20,489
Total equity attributable to equity holders		**43,203**	39,414	42,047

Consolidated condensed statement of cash flows
For the six months ended 30 June 2010

	Note	**Unaudited 6 months ended 30 June 2010 £000**	Unaudited 6 months ended 30 June 2009 £000	Audited Year ended 31 December 2009 £000
Cash flows from operating activities				
Profit for the period		**1,877**	2,697	6,068
Adjustments for:				
Depreciation		**1,246**	996	1,987
Financing costs		**1,837**	892	1,800
Equity settled share-based payment credit		**(15)**	(19)	(70)
Taxation		**844**	1,212	2,688
		5,789	5,778	12,473
(Increase) in trade and other receivables		**(57)**	(248)	(183)
Increase in stock		**(25)**	(29)	(112)
Decrease in trade and other payables		**345**	62	419
		6,052	5,563	12,597
Income tax paid		**(735)**	(595)	(1,241)
Net cash from operating activities		**5,317**	4,968	11,356
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(10,053)**	(6,410)	(15,588)
Net cash used in investing activities		**(10,053)**	(6,410)	(15,588)
Cash flows from financing activities				
Issue of share capital		**-**	10,571	10,571
Loans received		**5,546**	-	-
Repayment of borrowings		**-**	(7,841)	(4,014)
Interest paid		**(757)**	(876)	(1,696)
Dividends paid		**(571)**	(492)	(820)
Net cash from financing activities		**4,218**	1,362	4,041
Net (decrease) in cash and cash equivalents		**(518)**	(80)	(191)
Cash and cash equivalents at start of period		**72**	263	263
Cash and cash equivalents at period end	11	**(446)**	183	72

Consolidated condensed statement of Comprehensive Income and Expense
for the six months ended 30 June 2010

	Unaudited 6 months ended 30 June 2010	Unaudited 6 months ended 30 June 2009	Audited Year ended 31 December 2009
	£000	£000	£000
Effective portion of changes in fair value of cash flow hedges	**-**	384	133
Tax effect of change in fair value of cash flow hedges	**-**	(107)	(37)
Net income recognised directly in equity	**-**	277	96
Profit for the period	**1,877**	2,697	6,068
Total comprehensive income and expense for the period attributable to equity holders	**1,877**	2,974	6,164

Consolidated condensed statement of changes in equity
for the six months ended 30 June 2010

	Unaudited 6 months ended 30 June 2010	Unaudited 6 months ended 30 June 2009	Audited Year ended 31 December 2009
	£000	£000	£000
Opening total equity	**42,047**	26,102	26,102
Total comprehensive income and expense for the period	**1,877**	2,974	6,164
IFRS 2 (credit)/charge in relation to equity settled transactions	**(15)**	(19)	(70)
Deferred tax on share options	**(135)**	278	100
Issue of share capital	**-**	10,571	10,571
Dividends	**(571)**	(492)	(820)
Closing total equity	**43,203**	39,414	42,047

Notes to the Unaudited Interim Report

Goals Soccer Centres PLC (the "Company") is a company domiciled in the United Kingdom.

1. Significant accounting policies

Basis of preparation

The interim statement is prepared applying the recognition and measurement requirements of IFRSs as adopted by the EU. The company has elected not to prepare the interim statement in accordance with IAS 34 as adopted by the EU.

The interim statement does not include all the information required for full annual financial statement and should be read in conjunction with the financial statements of the company as at and for the year ended 31 December 2009 which were prepared in accordance with IFRS as adopted by the EU.

The preparation of the interim statement requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The accounting policies applied by the company in this interim statement is the same as those applied in its financial statements as at and for the year ended 31 December 2009.The comparative figures for the financial year ended 31 December 2009 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The accounting policies set out below have been applied consistently to all periods presented in this interim statement, except for the impact of the adoption of the standard described below.

The following new standards, amendments to standards and interpretations are mandatory for the first time for financial periods commencing on 1 January 2010.

IAS 27 (Revised) Consolidated and separate financial statements makes a number of amendments to the Standard, dealing primarily with the accounting for changes in ownership interest in subsidiaries after control is obtained, the accounting for the loss of control of subsidiaries and the allocation of profit or loss to controlling and non-controlling interests in a subsidiary. This does not impact the company.

IFRS 3 (Revised) Business combinations requires acquisition costs incurred in a business combination to be expensed as incurred rather than included in the cost of acquisition and determination of goodwill. It also brings about changes to the current accounting in relation to contingent consideration and various other aspects of accounting for business combinations. This will affect any future acquisitions by the company.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items clarifies two hedge accounting issues: inflation in a financial hedged item and a one sided risk in a hedged item. This has no impact on the company for the current period.

IFRIC 17 Distribution of non-cash assets to owners requires distributions within the scope of IFRIC 17 to be measured at the fair value of the assets to be distributed. Any gain or loss on settlement of the liability for the dividend payable is to be recognised in profit or loss. This has no impact on the company for the current period.

Improvements to IFRSs 2008 incorporates a number of amendments to IFRSs. The main amendment that was considered by the company is the amendment to IAS 17 'Leases' – Classification of leases of land and buildings. Para 14 of IAS 17 is deleted such that a lease of land with an indefinite economic life need not be classified as an operating lease. The company has reviewed the impact of this amendment on its existing leases and concluded that there is no impact in the current period.

The Interim Statement was approved by the Board on 3rd September 2010.

Significant accounting policies (continued)

Basis of consolidation

The financial statements consolidate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until that control ceases.

Revenue

Revenue represents the value of goods and services supplied to customers (net of Value Added Tax). The Company's revenue comprises revenues from customers utilising the Company's next generation football facilities and secondary revenue associated with this utilisation. Revenue from utilisation of the football facilities includes: revenue from leagues operated by the Company; revenue from customers who use the facilities to play on a non league basis; Corporate Events; Children's Birthday Parties; and Children's Coaching.

Revenue is recognised for use of the football facilities when each game is complete. Secondary revenue includes: soft drink vending; confectionery vending; bar revenue and revenue from sales of football equipment. Revenue is recognised for secondary sales at the time the goods change hands.

Taxation

The tax expense represents the sum of the current taxes payable and deferred tax. The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Goodwill

Goodwill on acquisitions represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable assets and liabilities and contingent liabilities at the date of acquisition. Goodwill is stated at cost less any accumulated impairment losses.

The value of Goodwill is reviewed at each balance sheet date to determine whether there is an indication of impairment. An impairment is recognised whenever the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price or the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the cash-generating unit.

Any impairment is recognised immediately the income statement and is not subsequently reversed.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Land and buildings (long leasehold) - 50 years
Fixtures and fittings:

pitches	7 years
office furnishings	10 years
fixtures and fittings	10 years
computer equipment	4 years
computer software	7 years
plant and machinery	4 years

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis. Net realisable value is the amount that can be realised from the sale of inventory in the normal course of business after allowing for the costs of realisation.

Trade and other receivables

Trade and other receivables are initially recognised at their fair value and then stated at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other payables

Trade and other payables are initially recognised at fair value and then stated at amortised cost

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Finance costs

Interest is recognised in income or expense using the effective interest method except the designated date, borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised during the period of construction The construction of new centres are treated as qualifying assets as they necessarily take a substantial period of time to prepare for intended use. The amount of finance costs capitalised is determined by applying the interest rate applicable to appropriate borrowings to the accumulated expenditure on those assets for that period.

Pensions

Contributions to stakeholders or other personal pension plans are expensed as incurred.

Leasing

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

Derivative financial instruments

Derivative financial instruments are measured initially at fair value and comprise interest rate swaps. These derivative financial instruments are designated as cash flow hedges in line with the Company's treasury policy.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge, as defined by IAS 39 "Financial Instruments: Recognition and Measurement", is recognised in equity, with any ineffective portion recognised in the consolidated income statement. When hedged cash flows result in the recognition of a non financial asset or liability, the associated gains or losses previously recognised in equity are included in the initial measurement of the asset or liability. For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same period in which the hedged cash flows affect the income statement.

Any gains or losses arising from changes in fair value of derivative financial instruments not designated as hedges are recognised in the income statement.

Share-based payments

The share option schemes allow employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. Segmental reporting

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

3. Tax

Corporation tax for the interim period is charged at 31% (June 2009: 30%), representing the estimated effective tax rate for the full financial year.

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of four years from 2011. The first reduction from 28% to 27%

will be effective from 1 April 2011. This will reduce the company's current tax charge accordingly. If the rate change from 28% to 27% had been substantively enacted on or before the balance sheet date it would have had the effect of reducing the deferred tax liability recognised by £0.2 million. It is not yet possible to quantify the full anticipated effect of the announced further 3% rate reduction although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

4. Dividends

	6 months ended 30 June 2010 £000	6 months ended 30 June 2009 £000	Year ended 31 December 2009 £000
Dividends paid			
– 2008 final (1.175p per ordinary share)	**-**	492	492
– 2009 interim (0.675p per ordinary share)	**-**	-	328
– 2009 final (1.175p per ordinary share)	**571**	-	-
	571	492	820

The proposed interim dividend of 0.675p (2009: 0.675p) per share will be paid on 22 October 2010 to shareholders on the register at close of business on 24 September 2010. The 2010 interim dividend was approved by the Board on 3 September 2010 and has not been included as a liability as at 30 June 2010.

5. Earnings per share

Basic and diluted earnings per share

	6 months ended 30 June 2010	6 months ended 30 June 2009	Year Ended 31 December 2009
Profit for the financial period (£'000)	**1,877**	2,697	6,068
Weighted average number of shares	**48,558,520**	42,333,842	45,471,762
Dilutive share options	**1,281,202**	1,328,271	1,403,696
	49,839,722	**43,662,113**	46,875,458
Basic earnings per share	**3.9p**	6.4p	13.4p
Diluted earnings per share	**3.8p**	6.2p	13.0p

Diluted earnings per share is calculated using the profit for the financial period divided by the weighted average number of shares in issue for the period ended 30 June 2010 plus all outstanding relevant share options at that date.

Adjusted earnings per share

Adjusted earnings per share has been calculated excluding the charge of £1.1 million for the movement in the fair value of the capped floating interest rate hedge and the related tax as follows:

	6 months ended 30 June 2010	6 months ended 30 June 2009	Year ended 31 December 2009
Profit for the financial period	**1,877**	2,697	6,068
Net impact of movement in fair values	**778**	-	-
	2,655	**2,697**	6,068
Adjusted basic earnings per share	**5.5p**	6.4p	13.4p
Adjusted diluted earnings per share	**5.3p**	6.2p	13.0p

Notes to the Unaudited Interim Report

6. Property, plant and equipment

	Land and buildings	**Fixtures and fittings**	**Assets in course of construction**	**Total**
	£000	£000	£000	£000
Cost				
At beginning of period	72,176	9,906	8,728	90,810
Additions	2,380	791	7,201	10,372
Transfers	3,941	-	(3,941)	-
At end of period	78,497	10,697	11,988	101,182
Depreciation				
At beginning of period	4,893	2,767	-	7,660
Charge for period	744	502	-	1,246
At end of period	5,637	3,269	-	8,906
Net book value				
At 30 June 2010	**72,860**	**7,428**	**11,988**	**92,276**
At 31 December 2009	67,283	7,139	8,728	83,150

7. Intangible assets

	Goodwill
	£000
Balance at 1 January 2010 and 30 June 2010	5,719

8. Deferred tax liability

Deferred tax assets and liabilities are attributable to the following:

	30 June 2010	30 June 2009	31 December2009
	£000	£000	£000
Property, plant and equipment	**(7,256)**	(5,897)	(6,541)
Share based payments	**529**	842	664
Cash flow hedge	**1,002**	627	697
Other timing differences	**136**	-	136
Net deferred tax liabilities	**(5,589)**	(4,428)	(5,044)

9. Other financial liabilities

	30 June 2010	30 June 2009	31 December2009
	Fair Value £000	Fair Value £000	Fair Value £000
Interest rate derivatives – liability	**3,578**	2,247	2,498

10. Trade and other payables

	30 June 2010	30 June 2009	31 December 2009
	£000	£000	£000
Trade payables	**1,816**	1,969	1,300
Other taxes and social security	**126**	126	126
Other payables	**40**	39	-
Accruals and deferred income	**939**	122	834
	2,921	2,256	2,260

11. Movement in net debt

Net debt is defined as cash and cash equivalents less interest bearing loans and borrowings.

	At beginning of period £000	Cashflow £000	**At end of period £000**
Cash at bank and in hand	336	349	**685**
Overdraft	(264)	(867)	**(1,131)**
Cash and cash equivalents	72	(518)	**(446)**
Revolving credit facility	(37,769)	(5,546)	**(43,315)**
	(37,697)	(6,064)	**(43,761)**

KPMG Audit Plc
191 West George Street
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United Kingdom

Independent review report to Goals Soccer Centres plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly report for the six months ended 30 June 2010 which comprises the Consolidated Condensed Income Statement, Consolidated Condensed Balance Sheet, Consolidated Condensed Statement of cash flows, Consolidated Condensed Statement of Comprehensive Income and Expense, Consolidated Condensed Statement of Changes in Equity and the related explanatory notes. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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 half-yearly report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the AIM Rules.

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly report has been prepared in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU and the AIM Rules.

P Galloway
for and on behalf of KPMG Audit Plc
Chartered Accountants
3 September 2010