Company	Goals Soccer Centres PLC
TIDM	GOAL
Headline	Final Results
Released	07:00 25-Feb-08
Number	6154O

Goals Soccer Centres plc

Preliminary results for the year ended 31 December 2007
Goals nets 42% profit increase

Goals Soccer Centres plc ("Goals" or the "Company") is the premier operator of 'next generation' 5-a-side soccer centres across the UK. Goals currently operates 28 centres and has established a well progressed pipeline of sites to continue its proven rollout concept in the UK.

Key points

Financial

Prime locations, quality facilities and outstanding customer service have resulted in another record result underpinning our market position for the long-term.

- **Sales up 26% to £20.0m** (2006: £16.0m)
- **Like for like sales growth of 7%**
- Operating Profit up 38% to £8.4m (2006: £6.1m)
- **Profit before tax up 42% to £7.0m** (2006: £4.9m)
- **Basic earnings per share up 50%** to 11.7p (2006: 7.8p)
- Final ordinary dividend proposed in respect of the current year of 1p per share making 1.5p for the full year, **an increase of 58% on the previous year dividend**

UK Rollout

Small-sided football continues to grow in both stature and popularity. The Board believes that Goals' next generation" concept continues to be well placed to capitalise on this trend.

- Four centres opened since December 2006 at Birmingham Perry Barr, Hayes, Beckenham North and Chingford
- Three centres added during the first quarter of 2008 at Bristol South, Bristol North and Stoke through the acquisition of Pro5, an independent operator
- On schedule to add a minimum of a further three centres during 2008, one is already under construction and construction is expected to commence on two during the second quarter of 2008
- On schedule to open a minimum of six centres during 2009

International Opportunities

Management's focus is firmly fixed on the market opportunity in the UK. In addition it is apparent that the popularity and success of the Goals concept are being recognised in many countries. As a consequence we have been presented with a number of well progressed proposals with identified sites seeking to use the Goals brand, systems and knowledge in markets outside the UK.

- Goals has entered into an agreement to grant a Master Franchise for South Africa. The franchisee plans to open several centres prior to the World Cup in 2010. Negotiations are advanced to secure a site adjacent to the World Cup Stadium.
- Subsequent to the year end Goals has entered into a Joint Venture in the USA to open a pilot centre in Los Angeles. Once the commercial viability of the initial facility has been confirmed it is intended to rollout a number of centres across California.

Current Trading

- Trading has remained strong since the year end

Keith Rogers, Managing Director of Goals said:

"I am delighted to report another record set of results for the Company with profits up 42%. This is another outstanding performance, demonstrating the continued demand in the market for our 'next generation' concept. The Company has continued to trade strongly since the year end."

25 February 2008

Enquiries:

Goals Soccer Centres		
Keith Rogers, Managing Director	020 7457 2020 (today)	keith@goalsfootball.co.uk
William Gow, Finance Director	01355 234 800 (thereafter)	bill@goalsfootball.co.uk
College Hill		
Matthew Smallwood	020 7457 2020	matthew.smallwood@collegehill.com
KBC Peel Hunt (Nominated Advisor and Broker)	020 7418 8900	
David Davies		david.davies@kbcpeelhunt.com
Matthew Goode		matt.goode@kbcpeelhunt.com

Chairman's statement

I am very pleased to report another successful year in 2007, further strengthening our leading position within the fast growing 5-a-side soccer market. Significant growth in sales, underpinned by strong like-for-like increases and new branch openings, has once again resulted in record profits.

A great result for the 2007 season!

This has been another record year as Goals continues to deliver strong financial performance. Sales increased by 26% to £20.0m (2006: £16.0m). Operating Profit increased by 38% to £8.4m (2006: £6.1m). This resulted in a 42% increase in profit before tax to £7.0m (2006: £4.9m) and a 50% increase in basic earnings per share to 11.7p (2006: 7.8p).

The Board intends 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. However, the Directors are proposing a final ordinary dividend in respect of the current year of 1p per share making 1.5p for the full year (2006: 0.95p). This represents a 58% increase and the Board intends to continue to propose to pay dividends each year growing at least as fast as earnings.

Subject to approval at the Annual General Meeting to be held on 23 April 2008, the final dividend of 1p per share will be paid on 30 April 2008 to shareholders on the register on 4 April 2008.

The Directors believe that Goals is well placed to continue 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 continues to reap rewards. I am pleased to report that like-for-like sales increased by 7% during the year. Our focus on prime locations, quality facilities and outstanding customer service has led to strongly increased revenues from existing centres and new openings.

Taking 5-a-side into the premier league

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

At Goals we are passionate about football. Our mission statement "Taking 5-a-side into the premier league" encapsulates our commitment to providing high quality and exciting 5-a-side venues. Our delivery of a total football experience is successful in attracting not only current 11-a-side players, but attracting new and returning players of all ages to the game.

Goals high standards have been recognised by the Football Association and during the year Goals became the first operator in the industry to be awarded the Small Sided Football Award for all eligible (open at least 6 months) venues in England; a unique market position.

The Board recognises the long term potential of the small sided football market. Goals is the premier operator in the UK – a position maintained by our commitment to prime locations, quality facilities and excellent customer service. We believe that this will continue to underpin Goals premier market position over the long term. It is our aim to continually exceed customer expectations and to provide the best possible customer experience.

Our strategy remains unchanged:

- To continue to innovate and lead the industry,
- To accelerate 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 and to develop marketing partnerships with operators of recognised complementary brands,
- To respond to appropriate low risk international opportunities
- To continue to generate high returns on capital.

We continue to make excellent progress in all these areas.

The small sided game continues to grow in both stature and popularity. The Football Association and UMBRO launched the inaugural 'FA UMBRO Fives' during the year. This exciting new event, heralded as The FA Cup of five-a-side football – proved a great success, with almost 1,800 teams entering from across England. The finals were played at Wembley Stadium in front of several thousand spectators. The 2008 competition is due to commence in May with the finals again played at Wembley Stadium.

Our brand partnerships with FourFourTwo, the UK's largest circulation football magazine, and UMBRO, the

Football Association's "Official Partner for Small Sided Football" are proving successful. This has led to many joint initiatives aimed at increasing both participation in grassroots football and awareness of the Goals brand nationally. These partnerships are in line with Goals' strategy of working with brands enjoying a strong association with football and complement our sponsorship agreement with Powerade, "The Official Sports Drink" of the UEFA European Championship.

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

Goals is the premier operator in the market. Our "next generation" offering comprises premier locations, the latest artificial pitch technology, high quality facilities and superior customer service. During 2007, we continued to evolve and improve the Goals concept.

We continue to invest in our advanced management and communication systems to improve customer experience and increase income. Our management systems have now been fully migrated and integrated into our central web based SmartCentre system. This powerful management tool is the culmination of several years work and provides a company wide management system hosted from a central location but accessible using web technology.

Online booking for our customers is being rolled out across the centres and is proving to be extremely popular.

New signings

Since the Company listed on AIM in December 2004 we have added 17 additional centres representing a 154% increase.

Goals continues to develop its strong site pipeline to provide for future centre openings. We have developed a well defined and proven site selection strategy which is fundamental to the ongoing success of the business. We continue to be successful in identifying and developing high profile sites in densely populated areas.

Our reputation has enabled us to pursue sites through partnership arrangements with the private sector, schools, local authorities and colleges.

In 2006 the Company was selected by The Royal Parks to develop a facility in The Regent's Park, London in line with The Royal Parks master plan. The proposals were refused by Westminster City Council Planning Committee in December 2007. The Company are currently reviewing a number of options with The Royal Parks on how to proceed.

Since December 2006 we have opened centres in Birmingham, Hayes, Beckenham and Chingford.

In February 2008 the Company completed the acquisition of Pro5 Soccer. Pro5 is a long established operator which has two well located centres in Bristol and one in Stoke-on-Trent. Pro5 was identified by the Directors as a target a number of years ago and discussions were entered into at that time.

Our site pipeline continues to strengthen and we are confident we will add a further three centres during 2008. Goals Dudley is already under construction and it is anticipated that construction of a further two centres will commence in the second quarter of 2008. We are confident we will open a minimum of six centres during 2009.

International Opportunities

Management's focus is firmly fixed on the market opportunity in the UK . In addition it is apparent that the popularity and success of the Goals concept are being recognised in many countries. As a consequence we have been presented with a number of well progressed proposals with identified sites seeking to use the Goals brand, systems and knowledge in markets outside the UK.

Football is the most popular sport in the world and the Directors recognise the international potential of Goals' well developed 5-a-side concept. Our strategy is to capitalise on this potential by entering into strategic franchise arrangements with experienced, well funded companies in areas where we believe there is a significant, low-risk market opportunity, and where no capital investment is required by Goals.

Goals has entered into an agreement to grant a Master Franchise for South Africa. The franchisee plans to open several centres ahead of the World Cup in 2010 with the initial centres to be established in Cape Town, Durban and Johannesburg. Negotiations are advanced to secure a site adjacent to the World Cup Stadium. In return for licensing the Goals brand name, systems and knowledge, Goals will receive recurring franchise fees and an option to acquire equity at zero cost.

In the USA, the Directors initially entered into discussions with a well funded and experienced partner, that would have resulted in a Master Franchise for the Pacific and Mountain time zones. However, following a detailed market analysis indicating significant latent demand, the Directors believe that the scale and scope of the opportunity in these areas justify a higher level of involvement.

As a result the Company has now entered into a Joint Venture, to open a pilot centre in Los Angeles, in respect of which legal negotiations are well advanced. Once the commercial viability of this initial facility has been confirmed it is intended to roll out a number of centres across California.

Goals in the community

Our commitment to youth sports development in the communities in which we operate is evidenced by our Community Access Policy providing free access to key user groups during off-peak hours. By working in partnership with schools, local authorities and government bodies we have improved access for children to quality sports facilities.

Every week, thousands of children benefit from free use of Goals' state of the art facilities. We therefore take our corporate and social responsibilities seriously and will only enter into partnership and sponsorship arrangements which meet our strict ethical codes.

It is the policy of Goals to strive for environmental excellence in all aspects of management and operation. In recent years the Company has continuously improved environmental performance through an ongoing reduction in business costs and waste. The Board plan to continue to increase awareness of environmental issues across the Company.

The Board recognises the significance of effective health and safety management and is committed to providing a safe, secure and healthy environment for both customers and employees. The Company has a detailed health and safety management plan in place and this is reviewed regularly by the Board.

A team game

The Directors continue to strengthen the management team to match the Company's continued growth. The delivery of a quality service and experience to our customers is down to the professionalism, knowledge and passion of our staff. Our future staff requirements are provided through ongoing training and promotion from within. I should like to thank all Goals staff for their major part in delivering another year of operational and financial success.

Financial review

This is the first Goals Soccer Centres' audited financial report presented under International Financial Reporting Standards as adopted by the EU ("adopted IFRS") and, as with other companies reporting for the first time in this new format, this has involved restating our base figures for prior periods. The main changes which shareholders will note are changes in accounting for goodwill amortisation, interest rate swaps, deferred tax and borrowing costs. A full analysis of these changes is detailed in note 16.

This has been another record year as the Goals concept continues to deliver strong financial performance.

Sales increased by 26% to £20.0m (2006: £16.0m). This included a contribution of £0.9m from the new centres opened during the year.

This strong performance is further evidence of the Company's proven "next generation" concept and the focus on increasing revenues not only from developing its pipeline of new sites but also from its existing centres. Our staff continue to focus on customer retention and maximising pitch utilisation and our systems are designed to assist the staff to achieve this objective.

I am pleased to report like-for-like sales growth of 7% (2006: 9%) for the full year. We reported like-for-like sales growth in the first 6 months of the year of 10%; however, this was against a lower comparative of 5% due to the impact of the World Cup in June 2006. Like-for-like sales growth in the second 6 months of the year were 4%, however, this was against a higher comparative of 13% due to the post World Cup benefit in the second half of 2006.

Operating Profit increased by 38% to £8.4m (2006: £6.1m). The gross profit margin increased by 1% to 88% due to a minor change in the sales mix. Operating profit margin increased from 38% to 42%, benefiting from the increased gross profit margin, economies of scale, increased utilisation and tight cost control.

The company operates various share option schemes for Senior Management. The share based payment charge during the year was £220,000 (2006: £203,000).

Profit on ordinary activities before tax has risen by 42% to £7.0m (2006: £4.9m). The tax charge for the year is at an effective rate of 30.2% (2006: 33.3%). This resulted in a 50% increase in basic earnings per share to 11.7p (2006: 7.8p) and a 50% increase in diluted earnings per share to 11.2p (2006: 7.5p).

Cash inflow from operating activities increased by 16% to £8.1m (2006: £7.0m). This was the first year in which the Company was required to pay taxation in quarterly instalments. The whole liability for the 2006 year end of £0.7m and the first two quarterly instalments for the 2007 year end totalling £0.8m were paid during the second half of the financial year (2006: £0.3m). Cash inflow from operating activities before tax increased by 32% to £9.7m (2006: £7.3m)

We invested £10.6m in capital expenditure during the year *(2006: £13.7m)*, £8.8m *(2006: £12.6m)* of which relates to investment in new centres and £0.4m of which relates to information technology systems.

Net debt at 31 December 2007 was £28.2m (2006: £23.9m). This level of debt represents 115% *(2006: 124%)* of shareholders' funds and 53% *(2006: 53%)* of tangible fixed assets. We have put in place a new £40m five year revolving credit facility with HBOS. This will fully fund our development plans and provide a contingency for further centre openings. EBITDA interest cover for the year was 7 times (2006: 6.3 times). The Company has interest rate hedging in place which fixes borrowing costs at 5.85% on £10m and the balance is at a margin of 1.1% over LIBOR.

Current trading

The Company has continued to trade strongly since the year end. We remain confident in our business model and product, and look forward to 2008 and beyond with enthusiasm in terms of trading performance and new centre openings.

Sir Rodney Walker **22 February 2008**
Chairman

The preliminary announcement was approved by the Board of Directors on 22 February 2008.

Goals Soccer Centres Plc
Income statement
for the year ended 31 December 2007

	Note	2007 £000	2006 £000
Revenue	2	**20,048**	15,952
Cost of sales		**(2,426)**	(2,098)
Gross profit		**17,622**	13,854
Administrative expenses		**(9,195)**	(7,770)
Operating profit	3	**8,427**	6,084
Financial expense	4	**(1,424)**	(1,152)
Profit before income tax		**7,003**	4,932
Income tax	5	**(2,115)**	(1,684)
Profit for the year attributable to equity holders of the company	13	**4,888**	3,248
Earnings Per Share			
Basic	7	**11.7p**	7.8p
Diluted	7	**11.2p**	7.5p

Statement of recognised income and expense
for the year ended 31 December 2007

	2007	2006
	£000	£000
Effective portion of changes in fair value of cash flow hedges	**(97)**	259
Tax effect of change in fair value of cash flow hedges	**29**	(78)
Net (expense)/income recognised directly in equity	**(68)**	181
Profit for the year	**4,888**	3,248
Total recognised income and expense for the year attributable to equity holders of the company	**4,820**	3,429

Goals Soccer Centres Plc
Balance sheet at 31 December 2007

	Note	2007	2006
Assets		**£000**	£000
Non-current assets			
Property, plant and equipment	8	**53,453**	44,698
Intangible assets	9	**1,848**	1,848
Other financial assets		**112**	209
Total non current assets		**55,413**	46,755
Current assets			
Inventories		**303**	240
Trade and other receivables		**912**	650
Cash and cash equivalents		**393**	333
Total current assets		**1,608**	1,223
Total assets		**57,021**	47,978
Current liabilities			
Bank overdraft		**(547)**	(541)
Other interest-bearing loans and borrowings	11	**(325)**	(1,145)
Trade and other payables		**(2,089)**	(2,547)
Current tax payable		**(632)**	(1,077)
Total current liabilities		**(3,593)**	(5,310)
Non-current liabilities			
Other interest-bearing loans and borrowings	11	**(27,749)**	(22,521)
Tax payable		**(264)**	(307)
Deferred tax liabilities	10	**(984)**	(597)
Total non current liabilities		**(28,997)**	(23,425)
Total liabilities		**(32,590)**	(28,735)
Net assets		**24,431**	19,243
Equity			
Share capital	12	**104**	104
Share premium	13	**12,679**	12,679
Other reserve	13	**78**	146
Retained earnings	13	**11,570**	6,314
Total equity attributable to equity holders of the company		**24,431**	19,243

Goals Soccer Centres Plc
Cash flow statement
for the year ended 31 December 2007

	Note	2007	2006

	Note	£000	£000
Cash flows from operating activities			
Profit for the year		**4,888**	3,248
Adjustments for:			
Depreciation		**1,435**	1,110
Financial expense		**1,424**	1,158
Equity settled share-based payment expense		**220**	203
Income tax expense		**2,115**	1,684
		10,082	7,403
Increase in trade and other receivables		**(262)**	(345)
Increase in inventory		**(63)**	(119)
(Decrease) / increase in trade and other payables		**(105)**	396
		9,652	7,335
Income tax paid		**(1,513)**	(349)
Net cash from operating activities		**8,139**	6,986
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(10,591)**	(13,729)
Net cash used in investing activities		**(10,591)**	(13,729)
Cash flows from financing activities			
Loans received		**5,228**	8,430
Repayment of borrowings		**(820)**	(60)
Interest paid		**(1,420)**	(1,278)
Dividends paid		**(482)**	(335)
Net cash from financing activities		**2,506**	6,757
Net increase in cash and cash equivalents	**14**	**54**	14
Cash and cash equivalents at start of year		**(208)**	(222)
Cash and cash equivalents at year end		**(154)**	(208)

Notes
(forming part of the financial statements)

1. Accounting policies

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

Statement of compliance

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRSs") effective (or available for early adoption) at 31 December 2007.

The financial statements for the year ended 31 December 2007 were approved by the board of directors on 22 February 2008.

Basis of preparation

The financial statements are prepared on the historical cost basis except for derivative financial instruments which are stated at their fair value. The preparation of the financial statements 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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2007 or 31 December 2006. Statutory accounts for the year ended 31 December 2006, which were prepared under UK GAAP, have been delivered to the registrar of companies, and those for the year ended 31 December 2007, prepared under International Financial Reporting Standards as adopted by the EU, will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under section 237(2) or (3) of the Companies Act 1985.

2. Segmental reporting

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

Revenue recognised in the income statement is analysed as follows:

	2007	2006
	£000	£000
Rendering of services	**16,399**	12,894
Sale of goods	**3,649**	3,058
	20,048	15,952

3. Operating profit

	2007	2006
	£000	£000
Operating profit is stated after charging:		
Auditors' remuneration:		
- audit of these financial statements	**38**	30
Amounts receivable by auditors and their associates in respect of		
- other services relating to taxation	**8**	8
- services relating to corporate finance transactions entered into or proposed to be entered into	**-**	30
Depreciation	**1,435**	1,110
Rental under operating leases		
- plant and machinery	**38**	33
- others	**811**	742

Earnings before interest, tax, depreciation and amortisation ("EBITDA") is calculated as follows:

	2007	2006
	£000	£000
Operating profit	**8,427**	6,084
Depreciation	**1,435**	1,110
	9,862	**7,194**

4. Financial expense

	2007	2006
	£000	£000
Recognised in income statement		
Interest on bank loans and overdrafts	**1,375**	1,095
Interest on all other loans	**49**	57
	1,424	1,152
Recognised directly in equity (hedging reserve)		
Effective portion of changes in cash flow hedges	**(97)**	259

5. Income tax

	2007	2006
	£000	£000
Recognised in the income statement		
Current tax expense		
UK corporation tax at 30% – current year	**1,441**	1,090
– prior year	**(373)**	(32)
	1,068	1,058
Deferred tax (note 10)		
Temporary differences:		
- current year	**915**	626
- prior year	**322**	-
Reduction in year end balance due to change in rate to 28%	**(190)**	-
Total deferred tax	**1,047**	626
Total tax in income statement	**2,115**	1,684

Reconciliation of effective tax rate

	2007	2006
	£000	£000
Profit for the year	**4,888**	3,248
Total income tax expense	**2,115**	1,684
Profit excluding taxation	**7,003**	4,932

	2007		2006	
	%	**£000**	%	£000
Income tax using company's standard tax rate	**30.0**	**2,100**	30%	1,480
Effects of:				
Non-deductible expenses	**3.6**	**255**	5.5%	270
Change in rate – deferred taxation	**(2.7)**	**(190)**	-	-
Other differences – adjustments to prior year balances	**(0.7)**	**(50)**	(0.7)	(32)
Other items	**-**	**-**	(0.7)	(34)
Total tax expense	**30.2**	**2,115**	34.1	1,684

Income tax recognised directly in equity

	2007	2006
	£000	£000
Taxation on share based payments	**630**	823
Taxation on financial assets/liabilities	**29**	(78)
	659	745

6. Dividends

	2007	2006
	£000	£000
Dividends paid – 2005 final (0.5p per ordinary share)	**-**	209
– 2006 interim (0.3p per ordinary share)	**-**	126
– 2006 final (0.65p per ordinary share)	**272**	-
– 2007 interim (0.50p per ordinary share)	**210**	-
	482	335

The directors have proposed a final ordinary dividend of £419,000 (1.0p per ordinary share) *(2006: £272,200 (0.65p per ordinary share)).* This has not been included as a liability as it was not approved before the year end.

7. Earnings per share

Basic 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 year which was 41,883,788, *(2006: 41,883,788)*.

	2007 Profit for the year £000	**2007 Earnings per share p**	2006 Profit for the year £000	2006 Earnings per share p
Basic earnings per share	**4,888**	**11.7**	3,248	7.8
Diluted earnings per share	**4,888**	**11.2**	3,248	7.5

Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year plus the dilutive element of all outstanding relevant share options outstanding during the year. For the year ended 31 December 2007 this was 43,853,571 *(2006: 43,503,685).*

The diluted weighted average number of shares is calculated as follows:

	2007	2006
Weighted average number of shares in issue and total number of ordinary shares in issue at the beginning and end of the year	**41,883,788**	41,883,788
Effect of dilutive share options	**1,969,783**	1,619,897
Diluted weighted average number of shares	**43,853,571**	43,503,685

8. Property, plant and equipment

Property, plant and equipment

	Freehold and leasehold property £000	Fixtures and fittings £000	Assets in course of construction £000	Total £000
Cost				
At 1 January 2006	27,905	4,829	1,440	34,174
Additions	10,498	1,666	2,165	14,329
Disposals	-	(31)	-	(31)
Transfers	906	113	(1,019)	-
At 31 December 2006	39,309	6,577	2,586	48,472
At 1 January 2007	39,309	6,577	2,586	48,472
Additions	5,933	1,531	2,726	10,190
Disposals	-	(603)	-	(603)
Transfers	2,514	(461)	(2,053)	-
At 31 December 2007	47,756	7,044	3,259	58,059
Depreciation				
At 1 January 2006	1,455	1,240	-	2,695
Charge for year	595	515	-	1,110
Disposals	-	(31)	-	(31)
At 31 December 2006	2,050	1,724	-	3,774
Depreciation				
At 1 January 2007	2,050	1,724	-	3,774
Charge for year	820	615	-	1,435
Disposals	-	(603)	-	(603)
At 31 December 2007	2,870	1,736	-	4,606
Carrying amounts				
At 31 December 2007	**44,886**	**5,308**	**3,259**	**53,453**
At 31 December 2006	**37,259**	**4,853**	**2,586**	**44,698**

The carrying amount freehold and leasehold property comprises:

	2007 £000	2006 £000
Freehold	**956**	1,011
Long leasehold	**43,930**	36,248
	44,886	37,259

9. Intangible fixed assets

Goodwill	**2007 £000**	2006 £000
Deemed cost		
At beginning and end of year	**1,848**	1,848

Impairment testing

Goodwill is allocated entirely to the five operating units which the company acquired in 2001 which represents the lowest level within the company at which goodwill is monitored for internal management purposes.

The recoverable amount of the cash-generating unit was based on its value in use. The value in use was determined to be higher than its carrying amount so no impairment loss was recognised.

10 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2007	2006	**2007**	2006	**2007**	2006
	£000	£000	**£000**	£000	**£000**	£000
Share based payments	**1,817**	1,060	-	-	**1,817**	1,060
Property, plant and equipment	**-**	-	**(2,767)**	(1,594)	**(2,767)**	(1,594)
Cash flow hedge	**-**	-	**(34)**	(63)	**(34)**	(63)
Net tax assets/(liabilities)	**1,817**	1,060	**(2,801)**	(1,657)	**(984)**	(597)

Movement in deferred tax during the year

	At 1 January 2007	Recognised in income	Recognised in equity	At 31 December 2007
	£000	**£000**	**£000**	**£000**
Share based payments	1,060	126	**631**	**1,817**
Property, plant and equipment	(1,594)	(1,173)	-	**(2,767)**
Cash flow hedge	(63)	-	29	**(34)**
	(597)	(1,047)	660	**984**

Movement in deferred tax during the prior year

	At 1 January 2006	Recognised in income	Recognised in equity	At 31 December 2006
	£000	£000	£000	£000
Share based payments	237	-	823	1,060
Property, plant and equipment	(968)	(626)	-	(1,594)
Cash flow hedge	15	-	(78)	(63)
	(716)	(626)	745	(597)

11. Other interest bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest – bearing loans and borrowings, which are measured initially at fair value and subsequently at amortised cost.

	2007 £000	2006 £000
Current liabilities		
Vendor loan notes – Class B	**325**	1,145
Non current liabilities		
Secured bank loans	**27,749**	22,521

Secured bank loans are stated net of unamortised finance costs of £96,000 *(2006: £95,000)*.

Terms and debt repayment schedule

	Nominal interest rate	Year of maturity	Face value 2007 £000	Carrying amount 2007 £000	Face value 2006 £000	Carrying Amount 2006 £000
Secured bank loans	**LIBOR +1.1%**	**2012**	**27,749**	**27,845**	22,521	22,616
Loan notes	**LIBOR**	**2011**	**325**	**325**	1,145	1,145
			28,074	**28,170**	23,666	23,761

All debt is denominated in GBP.

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. Subsequent to the year end, the loan notes have been fully repaid

The bank loans are secured by a fixed charge over the heritable, freehold and leasehold property, a floating charge and a composite guarantee.

Subsequent to the year end the company increased its down loan facilities to £40,000,000. The bank loan facility has a term of 5 years with one bullet payment in February 2013.

12. Share capital

	2007 Number	£000	2006 Number	£000
Authorised				
Ordinary shares of 0.25p *(2006: 0.25p)*				

each	**64,000,000**	**160**	64,000,000	160
Allotted, called up and fully paid Ordinary shares of 0.25p *(2006: 0.25p)* each	**41,883,788**	**104**	41,883,788	104

The holders of the ordinary shares are entitled to dividends from time to time and entitled to one vote per share at meetings of the company. The company has also issued share options.

13. Reconciliation of movement in capital and reserves

	Share capital	Share premium	Profit and loss account	Other reserve	Total
	£000	£000	£000	£000	£000
Reconciliation of movement in capital and reserves					
At 1 January 2006	104	12,679	2,375	(35)	15,123
Profit for the year	-	-	3,248	-	3,248
Dividends	-	-	(335)	-	(335)
Share based payments	-	-	203	-	203
Effective portion of changes in fair value of cash flow hedges	-	-	-	259	259
Deferred tax on cash flow hedge	-	-	-	(78)	(78)
Deferred tax on share options	-	-	823	-	823
At 31 December 2006	104	12,679	6,314	146	19,243
At 1 January 2007	104	12,679	6,314	146	19,243
Profit for the year	-	-	4,888	-	4,888
Dividends	-	-	(482)	-	(482)
Share based payments	-	-	220	-	220
Effective portion of changes in fair value of cash flow hedges	-	-	-	(97)	(97)
Deferred tax on cash flow hedge	-	-	-	29	29
eferred tax on share options	-	-	630	-	630
At 31 December 2007	**104**	**12,679**	**11,570**	**78**	**24,431**

Share premium

The share premium arose primarily on 31 December 2004 when the Company was floated on AIM.

Other reserve

The hedging reserve comprised the effective position of the cumulative net change in the fair value of cash flow hedging instruments relating to hedging transactions that have not yet occurred.

14(a). Net debt

	At beginning of year £000	Trading cashflow £000	Non cash movement £000	**At end of year £000**
Cash at bank and in hand	333	60	-	**393**
Overdraft	(541)	(6)	-	**(547)**
	(208)	54	-	**(154)**

Revolving credit facility	(22,521)	(5,204)	(24)	**(27,749)**
Vendor loan	(1,145)	820	-	**(325)**
	(23,666)	(4,384)	(24)	**(28,074)**
	(23,874)	(4,330)	(24)	**(28,228)**

14(b). Net debt reconciliation of net cash flow to movement in net debt

	2007	2006
	£000	£000
Increase in cash in the year	**54**	14
Cash inflow from bank finance net of finance costs paid	**(5,204)**	(8,416)
Loan notes and vendor loans redeemed	**820**	60
Change in net debt resulting from cash flows	**(4,330)**	(8,342)
Non cash movement – amortisation of finance costs	**(24)**	(2)
Movement in net debt in the year	**(4,354)**	(8,344)
Net debt at the start of the year	**(23,874)**	(15,530)
Net debt at the end of the year	**(28,228)**	(23,874)

15. Subsequent event

On 21 February 2008 the Company acquired the entire share capital of Pro-5 Soccer Limited and Deltavon Limited for a consideration of £6 million including expenses of £0.1 million. The consideration is payable in cash. The principal assets acquired were three five-a-side football centres together with the related working capital (which is insignificant) and debt of £1.7 million. Given the proximity of the acquisition to the date of the approval of the financial statements the determination of fair values in accordance with IFRS has not yet been completed.

16. Explanation of transition to IFRS

The rules for first time adoption of IFRS are set out in IFRS 1 "First-time adoption of International Financial Reporting Standards". In general a company is required to determine its IFRS accounting policies and apply these retrospectively to determine its balance sheet, at the date of transition, under IFRS. The standard allows a number of exceptions to this general principle to assist companies in the transition period. The 2006 comparative information has, as permitted by IFRS 1, been prepared taking advantage of the exemption not to restate business combinations prior to 1 January 2006. The restatement is different to that presented previously as the previous restatement presented within the company's interim results was prepared on the assumption that IAS 23 (revised): Borrowing costs would be endorsed. As this standard has not been endorsed by the EU the company have been unable to take advantage of the transitional provisions of IAS 23 (revised): Borrowing costs and has therefore adopted the requirements of IAS 23: Borrowing costs. The accounting policies set out in note 1 have been applied consistently in the transition to adopted IFRS including the opening IFRS balance sheet and comparative information.

The reconciliations of equity at 1 January 2006 (date of transition to IFRS) and at 31 December 2006 (date of last UK GAAP financial statements) and the reconciliation of profit for the year ended 31 December 2006 are required under IFRS in the year of transition.

No adjustments have been made for changes in estimates made at the time of approval of the last UK GAAP financial statements on which the IFRS comparative information is based.

Reconciliation of equity at 1 January 2006 (date of transition to IFRS)

	Previously reported under UK GAAP *	IAS 12 Deferred Tax	IAS 23 Borrowing costs	IAS 38 Intangible Assets	IAS 39 Financial Instruments	Effect of Transition to IFRS	Restated under IFRS
	£000	£000	£000	£000	£000	£000	£000
Non-current assets							
Property, plant and equipment	**31,221**		258			258	**31,479**
Intangible assets	**1,848**						**1,848**
	33,069		258			258	**33,327**
Current assets							
Stocks	**121**						**121**
Trade and other receivables	**608**						**608**
Cash and cash equivalents	**216**						**216**
	945						**945**
Total assets	**34,014**		258			258	**34,272**
Current liabilities							
Bank overdraft	**(438)**						**(438)**
Trade and other payables	**(1,898)**						**(1,898)**
Tax payable	**(367)**						**(367)**
	(2,703)						**(2,703)**
Non-current liabilities							
Other interest-bearing loans and borrowings	**(15,308)**						**(15,308)**
Tax payable	**(372)**						**(372)**
Deferred tax liabilities	**(891)**	237	(77)		15	175	**(716)**
Other financial liabilities					(50)	(50)	**(50)**
	(16,571)	237	(77)		(35)	125	**(16,446)**
Total liabilities	**(19,274)**	237	(77)		(35)	125	**19,149**
Net assets	**14,740**	237	181		(35)	383	**15,123**
Equity							
Share capital	**104**						**104**
Share premium	**12,679**						**12,679**
Other reserve					(35)	(35)	**(35)**
Retained earnings	**1,957**	237	181			418	**2,375**
Total equity	**14,740**	237	181		(35)	383	**15,123**

- In IFRS Format

Reconciliation of equity at 31 December 2006 (date of last UK GAAP financial statements)

	Previously reported under UK GAAP*	IAS 12 Deferred Tax	IAS 23 Borrowing costs	IAS 38 Intangible Assets	IAS 39 Financial Instruments	Effect of Transition to IFRS	Restated under IFRS
	£000	£000	£000	£000	£000	£000	£000
Non-current assets							
Property, plant and equipment	**44,317**		381			381	**44,698**
Intangible assets	**1,726**			122		122	**1,848**
Other financial assets	**-**				209	209	**209**
	46,043		381	122	209	712	**46,755**
Current assets							
Stocks	**240**						**240**
Trade and other receivables	**650**						**650**
Cash and cash equivalents	**333**						**333**
	1,223						**1,223**
Total assets	**47,266**		381	122	209	712	**47,978**
Current liabilities							
Bank overdraft	**(541)**						**(541)**
Other interest-bearing loans and borrowings	**(1,145)**						**(1,145)**
Trade and other payables	**(2,547)**						**(2,547)**
Tax payable	**(1,077)**						**(1,077)**
	(5,310)						**(5,310)**
Non-current liabilities							
Other interest-bearing loans and borrowings	**(22,521)**						**(22,521)**
Tax payable	**(307)**						**(307)**
Deferred tax liabilities	**(1,480)**	1,060	(114)		(63)	883	**(597)**
	(24,308)	1,060	(114)		(63)	883	**(23,425)**
Total liabilities	**(29,618)**	1,060	(114)		(63)	883	**(28,735)**
Net assets	**17,648**	1,060	267	122	146	1,595	**19,243**
Equity							
Share capital	**104**						**104**
Share premium	**12,679**						**12,679**
Other reserve	**-**				146	146	**146**
Retained earnings	**4,865**	1,060	267	122	-	1,449	**6,314**
Total equity attributable to equity holders of the parent	**17,648**	1,060	267	122	146	1,595	**19,243**

* In IFRS Format

Reconciliation of profit for the year ended 31 December 2006

	Previously reported under UK GAAP	IAS 23 Borrowing costs	IAS 38 Intangible Assets	Restated under IFRS
	£000	£000	**£000**	**£000**
Revenue	**15,952**			**15,952**
Cost of sales	**(2,098)**			**(2,098)**
Gross profit	**13,854**			**13,854**
Administrative expenses	**(7,885)**	(7)	122	**(7,770)**
Operating profit before net financing costs	**5,969**	(7)	122	**6,084**
Net financing costs	**(1,282)**	130		**(1,153)**
Profit before tax	**4,687**	123	122	**4,932**
Taxation	**(1,647)**	(37)		**(1,684)**
Profit after Tax	**3,040**	86	122	**3,248**
Earnings Per Share				
Basic	**7.3p**			**7.8p**
Diluted	**7.0p**			**7.5p**

Deferred Tax

The scope of IAS 12, "Income Taxes" is wider than the corresponding UK GAAP standards, and requires deferred tax to be provided on all temporary differences rather than just timing differences (under UK GAAP). Under UK GAAP, the company was only able to recognise a deferred tax asset on the allowable tax deduction that the Company would receive if the share options within the various share option schemes operated by the Company were exercised up to the value of the share based payment charge in the income statement with the remainder being a permanent difference. Under IFRS, the full deferred tax asset is recognised with the value of the share based payment charge in the income statement with the remainder being recognised through equity. The impact on the IFRS opening balance sheet at 1 January 2006 is to reduce the deferred tax liability by £237,000 (31 December 2006 by £1,060,000) and increase retained earnings by £237,000 (31 December 2006 by £1,060,000).

Intangible assets

Under UK GAAP, goodwill was amortised over its useful economic life, not exceeding 20 years. As of 1 January 2006, under IFRS 3 "Business Combinations" goodwill is not amortised but tested annually for impairment. Accordingly, the goodwill amortisation charge for the year ended 31 December 2006 of £122,000 has been reversed. All goodwill has been tested for impairment at 1 January 2006 and at 31 December 2006 and no impairments have been identified.

Financial Instruments

Under UK GAAP, the fair value of cash flow hedges that hedge exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability was recognised on an accruals basis. As of 1 January 2006, under IAS 39 "Financial Instruments: Recognition and Measurement" derivatives are carried at fair value and the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge 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 and for all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the consolidated income statement in the same period in which the hedged cash flows affect the consolidated income statement. Accordingly, the following have been recognised in the balance sheet:

- a financial liability of £50,000 and a related deferred tax asset of £15,000 at 1 January 2006; and
- a financial asset of £209,000 and a related deferred tax liability of £63,000 at 31 December 2006

Borrowing costs

On transition to IFRS the Company capitalised interest on qualifying assets and has restated prior year comparatives accordingly. Interest of £130,000 has therefore been capitalised in the year ended 31 December 2006 and a depreciation charge of £7,000 included in the profit and loss account (cumulative to 31 December 2005: £258,000). A tax charge of £37,000 was included in the profit and loss account for the year ended 31 December 2006 *(cumulative to 31 December 2005: £77,000)*.

Explanation of material adjustments to the cash flow statement for 2006

There are no material differences between the cash flow statements presented under IFRSs and the cash flow statements presented under UK GAAP other than the changes in format between UK GAAP and IFRS.

17. Annual Report and Accounts

The Annual Report and Accounts for the year ended 31 December 2007 will be posted to shareholders in March 2008. 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 Orbital House, Peel Park, East Kilbride, G74 5PR.
END

Close