Company	Goals Soccer Centres PLC
TIDM	GOAL
Headline	Interim Results
Released	07:01 03-Sep-07
Number	1469D

RNS Number:1469D
Goals Soccer Centres PLC
03 September 2007

Goals Soccer Centres plc

Interim Results for the 6 months ended 30 June 2007

Goals nets another great result!

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 23 centres and has an established and well progressed pipeline of sites to continue the rollout of its proven concept.

Key Points

Financial

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

- Sales up 31% to £9.7m (2006: £7.4m)
- Operating profit up 39% to £3.7m (2006: £2.7m)
- Profit before tax up 47% to £3.1m (2006: £2.1m)
- Basic earnings per share up 58% to 5.2p (2006: 3.3p)
- Strong financial performance driven by like for like sales growth of 10% and new openings
- Ordinary dividend of 0.5p per share (2006: 0.3p), an increase of 67% on the previous year's interim dividend

Rollout

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

- 2 new centres opened during the current year at Birmingham Perry Barr and Hayes, West London
- 2 further centres under construction at Chingford, North London and Sydenham, South London and on schedule to open prior to the end of the current financial year
- an additional centre is expected to be announced shortly
- pipeline continues to strengthen and we are confident we will open a further 5 centres during 2008 and increase the rate of openings thereafter

Keith Rogers, Managing Director of Goals said:

"This is an outstanding performance, demonstrating the continued demand in the market for our 'next generation' concept. There remains much opportunity and potential to continue to grow our business and to deliver growing returns for shareholders.

Significant progress has been made with our rollout. Two new centres were opened during the period, two are under construction and our pipeline continues to strengthen.

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

3 September 2007

Enquiries:

Goals Soccer Centres plc Today: 020 7457 2020

Thereafter: 01355 234 800
Keith Rogers, Managing Director
Bill Gow, Finance Director

KBC Peel Hunt Tel: 020 7418 8900
Matt Goode

College Hill Tel: 020 7457 2020
Matthew Smallwood

Chairman's statement

I am pleased to report an excellent first half of 2007 which has seen Goals Soccer Centres' further strengthen its premier position in the market and deliver another record set of results.

Sales increased by 31% to £9.7m (June 2006: £7.4m). We believe that Goals is well placed to increase revenues not only from developing its pipeline of new sites but also from its existing portfolio of centres. Our staff and systems are focused on maximising utilisation and I am pleased to report that like-for-like sales increased by approximately 10% during the period.

Operating profit increased by 39% to £3.7m (June 2006: £2.7m). Our operating margin increased to 38% (June 2006: 36%) due to tight cost control and our high operational gearing arising from having a relatively fixed central cost base.

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 continues to reap rewards.

Profit before income tax increased by 47% to £3.1m (June 2006: £2.1m). Basic earnings per share have increased by 58% to 5.2p (2006: 3.3p).

The tax charge for the period is an effective rate of 30% (year ended December 2006 34%). The effective rate has reduced reflecting the impact of the change in the corporation tax rate on the deferred tax balance and a reduction in the impact of ineligible expenses

Cash generated from operations increased by 35% to £4.9m (June 2006: £3.6m). We invested £4.7m in capital expenditure during the period, £4m of which relates to investment in new centres.

Net debt (see note 12) at 30 June 2007 was £24.5m. This level of debt represents 112% of shareholders' funds and 51% of tangible fixed assets. EBITDA (Earnings before interest, tax, depreciation and amortisation) interest cover for the period was 6.9 times (30 June 2006: 5.8 times).

IFRS

This is the first Goals Soccer Centres' 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.

The value of Goodwill was previously amortised over a period of 20 years. The value of Goodwill has been reviewed at 30 June 2006, 31 December 2006 and 30 June 2007 and as there has been no indication of impairment, no impairment charge has been recognised in the income statement for the period from 1 January 2006 to 30 June 2007.

The Company uses interest rate swaps to hedge cash flows in line 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 Instrument: Recognition and Management" is recognised in equity. At 30 June 2007 £0.4m (30 June 2006: £0.1m) was recognised in equity.

A deferred tax asset has been recognised 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. At 30 June 2007 the deferred tax asset in relation to share options was £1.7m.

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 in popularity amongst all age groups. Recent surveys by The Football Association confirm that small-sided football has surpassed 11-a-side to become the most commonly played form of the game in England.

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 as Goals has become the first operator in the industry to be awarded the Small Sided

Football Award for all its venues in England; a unique market position.

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.

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 focused and straightforward:

- 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 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 period. This exciting new event, heralded as The FA Cup of five-a-side football - proved a great success, with almost 1800 teams entering from across England. The finals were played at Wembley Stadium.

Our brand partnership with UMBRO, the Football Association's "Official Partner for Small Sided Football" is proving a fruitful relationship for both partners. This has led to many joint initiatives aimed at increasing both participation in grassroots football and awareness of the Goals brand nationally. This partnership is in line with Goals' strategy of working with brands enjoying a strong association with football.

During the period we signed our second Brand Partnership with FourFourTwo, the UK's largest circulation football magazine with over 580,000 readers monthly. These partnerships complement our sponsorship agreement with Powerade, 'The Official Sports Drink' of The 2008 UEFA European Championship.

New Signings

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.

Since the start of the year we have opened a centre at Birmingham Perry Barr and in Hayes, West London. Two further centres are under construction in London (Sydenham and Chingford) and will open prior to the end of the current financial year. An additional centre is expected to be announced shortly.

Our site pipeline continues to strengthen and we are confident we will open a minimum of five centres during 2008 and increase the rate of openings thereafter.

We have opened 12 new centres since the Company listed on AIM in December 2004 bringing the current total operating to 23 (an increase of 109%).

Working 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.

The delivery of a quality service and experience to our customers is down to the professionalism and dedication of our staff. Our future staff requirements are provided through ongoing training and promotion from within. I would again like to thank all Goals staff for their major contribution to the ongoing success of Goals.

Dividend

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. An interim ordinary dividend of 0.5p per share will be paid on 26 October 2007 to shareholders on the register on 25 September 2007. The Board intends the Company to pay dividends each year growing at least as fast as earnings.

Outlook

The Company has continued to trade strongly since the period end. We believe in our business model and product, and look forward to the remainder of 2007 and beyond with confidence and enthusiasm.

Sir Rodney Walker
Chairman

Goals Soccer Centres PLC
Unaudited income statement
For the six months ended 30 June 2007

	Note	6 months ended 30 June 2007 £000	6 months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Revenue		9,737	7,452	15,952
Cost of sales		(1,266)	(976)	(2,098)
Gross profit		8,471	6,476	13,854
Administrative expenses		(4,727)	(3,791)	(7,763)
Operating profit		3,744	2,685	6,091
Financial expense		(639)	(571)	(1,282)
Profit before income tax		3,105	2,114	4,809
Income Tax	3	(930)	(705)	(1,647)
Profit for the period attributable to equity holders of the parent		2,175	1,409	3,162
Earnings Per Share				
Basic	5	5.2p	3.3p	7.6p
Diluted	5	5.0p	3.2p	7.3p

Goals Soccer Centres PLC
Unaudited Balance sheet
at 30 June 2007

Assets	Note	30 June 2007 £000	30 June 2006 £000	31 December 2006 £000
Non-current assets				
Property, plant and equipment	6	47,480	37,986	44,317
Intangible assets	7	1,848	1,848	1,848
Deferred tax asset	8	358	-	-
Other financial assets	9	356	106	209
Total non current assets		50,042	39,940	46,374
Current assets				
Stocks		182	157	240
Trade and other receivables		446	497	650
Cash and cash equivalents		612	438	333
Total current assets		1,240	1,092	1,223
Total assets		51,282	41,032	47,597
Current liabilities				
Bank overdraft		(494)	(911)	(541)
Other interest-bearing loans and borrowings		(855)	-	(1,145)
Trade and other payables	10	(1,807)	(1,317)	(2,547)
Tax payable		(2,120)	(1,072)	(1,077)
Total current liabilities		(5,276)	(3,300)	(5,310)
Non-current liabilities				
Other interest-bearing loans and borrowings		(23,832)	(20,333)	(22,521)
Tax payable		(307)	(371)	(307)
Deferred tax liabilities	8	-	(312)	(420)
Total non current liabilities		(24,139)	(21,016)	(23,248)
Total liabilities		(29,415)	(24,316)	(28,558)

Net assets	21,867	16,716	19,039
Equity			
Share capital	104	104	104
Share premium	12,679	12,679	12,679
Other reserve	356	106	209
Retained earnings	8,728	3,827	6,047
Total equity attributable to equity holders of the parent	21,867	16,716	19,039

Cash Flow Statement
For the six months ended 30 June 2007

	Note	6 months ended 30 June 2007 £000	6 months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Cash flows from operating activities				
Profit for the period		2,175	1,409	3,162
Adjustments for				
Depreciation		662	609	1,103
Financing costs		639	571	1,282
Equity settled share-based payment expense		100	92	203
Taxation		930	705	1,647
		4,506	3,386	7,397
Decrease / (Increase) in trade and other receivables		204	111	(345)
Decrease / (Increase) in stock		58	(36)	(119)
(Decrease) / increase in trade and other payables		137	167	395
		4,905	3,628	7,328
Income tax paid		-	-	(349)
Net cash from operating activities		4,905	3,628	6,979
Cash flows from investing activities				
Acquisition of property, plant and equipment		(4,705)	(8,130)	(13,722)
Net cash used in investing activities		(4,705)	(8,130)	(13,722)
Cash flows from financing activities				
Loans received		1,324	5,030	8,430
Repayment of borrowings		(290)	-	(60)
Interest paid		(636)	(569)	(1,278)
Dividends paid		(272)	(210)	(335)
Net cash from financing activities		126	4,251	6,757
Net increase / (decrease) in cash and cash equivalents		326	(251)	14
Cash and cash equivalents at start of period		(208)	(222)	(222)
Cash and cash equivalents at period end	12	118	(473)	(208)

Statement of Recognised Income and Expense
for the six months ended 30 June 2007

	6 months ended 30 June 2007 £000	6 months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Effective portion of changes in fair value of cash flow hedges	147	156	259
Net income recognised directly in equity	147	156	259
Profit for the year	2,175	1,409	3,162
Total recognised income and expense for the period attributable to equity holders of the parent	2,322	1,565	3,421

Notes to the Unaudited Interim Report

1. Significant accounting policies

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

Statement of compliance

The directors of the company have decided that, as permitted under the Companies Act 1985 and the AIM Rules that the next annual financial statements of the company, for the year ending 31 December 2007, will be prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU ("adopted IFRSs").

This interim financial information has been prepared on the basis of the recognition and measurement requirements of adopted IFRSs as at 30 June 2007 that are effective (or available for early adoption) at 31 December 2007, the Group's first annual reporting date at which it has decided to use adopted IFRSs. Based on these adopted IFRSs, the directors have applied the accounting policies, as set out below, which they expect to apply when the first annual IFRS financial statements are prepared for the year ending 31 December 2007. In particular, the directors have assumed that the Amendment to IAS 23 "Borrowing costs" issued by the International Accounting Standards Board will be adopted by the EU such that it will be available for use in the annual IFRS financial statements for the year ending 31 December 2007.

However, the adopted IFRSs that will be effective (or available for early adoption) in the annual financial statements for the year ended 31 December 2007 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 31 December 2007.

The interim report for the six months ended 30 June 2007 was approved by the board of directors on the 31 August 2007.

Comparative figures

The comparative figures for the year ended 31 December 2006 are not the Company's statutory accounts for that financial year. Those statutory accounts, which were prepared under UK Generally Accepted Accounting Practices ("UK GAAP" or "previous GAAP"), 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 which the auditors drew attention to by way of emphasis without qualifying their report and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

Impact of IFRS

As required by IFRS 1, an explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in note 13. This note includes reconciliations of equity and profit or loss for comparative periods reported under UK GAAP to those reported for those periods under IFRS.

Basis of preparation

The interim statements are prepared on the historical cost basis except for derivative financial instruments which are stated at their fair value. The preparation of the interim 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.

This interim financial information has been prepared on the basis of the recognition and measurement

requirements of IFRSs in issue that either are adopted by the EU and effective (or available for early adoption) at 30 June 2007 or are expected to be adopted and effective (or available for early adoption) at 31 December 2007, the Group's first annual reporting date at which it is required to use accounting standards adopted by the EU. Based on these recognition and measurement requirements the directors have made assumptions about the accounting policies expected to be applied when the first annual financial statements are prepared in accordance with accounting standards adopted by the EU for the year ending 31 December 2007. These are set out below.

The accounting policies set out below have been applied consistently to all periods presented in these interim statements.

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
- 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 that from 1 January 2007, 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 30% (June 2006: 33%), representing the estimated effective tax rate for the full financial year. Deferred tax is recognised at 28% (June 2006 and December 2006: 30%) following the change in the UK corporation tax rate from April 2008 which was substantively enacted by 30 June 2007. The impact of the change in rate is a credit of £100,000 to the income statement and a debit of £70,000 to equity in respect of share based payments.

4. Dividends

	6 months ended 30 June 2007 £000	6 months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Dividends paid			
- 2005 final	-	209	209
- 2006 interim		-	126
- 2006 final	272	-	-
	272	209	335

The proposed interim dividend of 0.5p (2006: 0.3p) per share will be paid on 26 October 2007 to shareholders on the register at close of business on 25 September 2007. The interim dividend was approved by the Board on 31 August 2007 and has not been included as a liability as at 30 June 2007.

5. Earnings per share

	6 months ended 30 June 2007	6 months ended 30 June 2006	Year ended 31 December 2006
Profit for the financial period (£'000)	2,175	1,409	3,162
Weighted average number of shares	41,883,788	41,883,788	41,883,788
Dilutive share options	1,946,404	1,536,407	1,619,897
	43,830,192	43,420,195	43,503,685
Basic earnings per share	5.2p	3.3p	7.6p
Diluted earnings per share	5.0p	3.2p	7.3p

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 2007 plus all outstanding relevant share options at that date.

6. Property, plant and equipment

	Land and buildings £000	Fixtures and fittings £000	Assets in course of construction £000	Total £000
Cost				
At beginning of period	38,921	6,577	2,586	48,084
Additions	998	418	2,409	3,825
Disposals / transfers	2,143	(355)	(1,942)	(154)
At end of period	42,062	6,640	3,053	51,755
Depreciation				
At beginning of period	2,043	1,724	-	3,767
Charge for period	421	241	-	662
Disposals / transfers	-	(154)	-	(154)
At end of period	2,464	1,811	-	4,275
Net book value				
At 30 June 2007	39,598	4,829	3,053	47,480
At 31 December 2006	36,878	4,853	2,586	44,317

From 1 January 2007 the Company has adopted the amendment to IAS 23 "Borrowing costs" and capitalised borrowing costs in relation to the construction of new centres. During the period to 30 June 2007, £0.1m of interest was capitalised.

7. Intangible assets

	Goodwill £000
Deemed cost	

At beginning and end of each period	1,848

8. Deferred tax asset / (liability)

Deferred tax assets and liabilities are attributable to the following:

	30 June 2007 £000	30 June 2006 £000	31 December 2006 £000
Property, plant and equipment	(1,380)	(891)	(1,480)
Share based payments	1,738	579	1,060
Net deferred tax assets/(liabilities)	358	(312)	(420)

9. Other financial assets

	30 June 2007 Fair Value £000	30 June 2006 Fair Value £000	31 December 2006 Fair Value £000
Interest rate derivatives - asset	356	106	209

The Company has entered into a £10m interest rate swap at 4.75% with an expiry date of 30 October 2009.

10. Trade and other payables

	30 June 2007 £000	30 June 2006 £000	31 December 2006 £000
Trade payables	662	563	768
Other taxes and social security	454	143	218
Other creditors	29	-	40
Accruals and deferred income	662	611	1,521
	1,807	1,317	2,547

11. Reconciliation of equity

	6 months ended 30 June 2007 £000	6 months ended 30 June 2006 £000	Year ended 31 December 2006 £000
Opening total equity	19,039	14,927	14,927
Total recognised income and expense for the period	2,322	1,565	3,421
Reversal of share based payments charge	100	91	203
Deferred tax on share options	678	342	823
Dividends	(272)	(209)	(335)
Closing total equity	21,867	16,716	19,039

12. 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	Non cash movement £000	At end of period £000
Cash at bank and in hand	333	279	-	612
Overdraft	(541)	47	-	(494)
Cash and cash equivalents	(208)	326	-	118
Revolving credit facility	(22,521)	(1,324)	13	(23,832)
Vendor loan	(1,145)	290	-	(855)
	(23,874)	(708)	13	(24,569)

13. 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 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. In addition to the above reconciliations, the reconciliation of equity at 30 June 2006 and the reconciliation of profit for the six months ended 30 June 2006 have been included below to enable a comparison of the 2006 interim figures with the corresponding period of the previous financial year.

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 38 Intangible Assets	IAS 39 Financial Instruments	Effect of Transition to IFRS	Restated under IFRS
	£000	£000	£000	£000	£000	£000
Non-current assets						
Property, plant and equipment	31,221					31,221
Intangible assets	1,848					1,848
	33,069					33,069
Current assets						
Stocks	121					121
Trade and other receivables	608					608
Cash and cash equivalents	216					216
	945					945
Total assets	34,014					34,014
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			237	(654)
Other financial liabilities				(50)	(50)	(50)
	(16,571)	237		(50)	187	(16,384)
Total liabilities	(19,274)	237		(50)	187	(19,087)
Net assets	14,740	237		(50)	187	14,927
Equity						
Share capital	104					104
Share premium	12,679					12,679
Other reserve				(50)	(50)	(50)
Retained earnings	1,957	237			237	2,194
Total equity	14,740	237		(50)	187	14,927

* In IFRS Format

Reconciliation of equity at 30 June 2006

	Previously reported under UK GAAP*	IAS 12 Deferred Tax	IAS 38 Intangible Assets	IAS 39 Financial Instruments	Effect of Transition to IFRS	Restated under IFRS
	£000	£000	£000	£000	£000	£000
Non-current assets						
Property, plant and equipment	37,986					37,986
Intangible assets	1,787		61		61	1,848
Other financial assets				106	106	106
	39,773		61	106	167	39,940
Current assets						
Stocks	157					157
Trade and other receivables	497					497
Cash and cash equivalents	438					438
	1,092					1,092
Total assets	40,865		61	106	167	41,032

Current liabilities						
Bank overdraft	(911)					(911)
Trade and other payables	(1,317)					(1,317)
Tax payable	(1,072)					(1,072)
	(3,300)					(3,300)
Non-current liabilities						
Other interest-bearing loans and borrowings	(20,333)					(20,333)
Tax payable	(371)					(371)
Deferred tax liabilities	(891)	579			579	(312)
	(21,595)	579			579	(21,016)
Total liabilities	(24,895)	579			579	(24,316)
Net assets	15,970	579	61	106	746	16,716
Equity						
Share capital	104					104
Share premium	12,679					12,679
Other reserve				106	106	106
Retained earnings	3,187	579	61		640	3,827
Total equity attributable to equity holders of the parent	15,970	579	61	106	746	16,716

* 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 38 Intangible Assets	IAS 39 Financial Instruments	Effect of Transition to IFRS	Restated under IFRS
	£000	£000	£000	£000	£000	£000
Non-current assets						
Property, plant and equipment	44,317					44,317
Intangible assets	1,726		122		122	1,848
Other financial assets				209	209	209
	46,043		122	209	331	46,374
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		122	209	331	47,597
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			1,060	(420)
	(24,308)	1,060			1,060	(23,248)
Total liabilities	(29,618)	1,060			1,060	(28,558)
Net assets	17,648	1,060	122	209	1,391	19,039
Equity						
Share capital	104					104
Share premium	12,679					12,679
Other reserve	-			209	209	209
Retained earnings	4,865	1,060	122		1,182	6,047
Total equity attributable to equity holders of the parent	17,648	1,060	122	209	1,391	19,039

* In IFRS Format

Reconciliation of profit for the six months ended 30 June 2006

	Previously reported under UK GAAP	IAS 38 Intangible Assets	Restated under IFRS
	£000	£000	£000
Revenue	7,452		7,452
Cost of sales	(976)		(976)
Gross profit	6,476		6,476
Administrative expenses	(3,852)	61	(3,791)
Operating profit before net financing costs	2,624	61	2,685
Net financing costs	(571)		(571)
Profit before tax	2,053	61	2,114
Taxation	(705)		(705)
Profit after Tax	1,348	61	1,409
Earnings Per Share			
Basic	3.2p	0.1p	3.3p
Diluted	3.1p	0.1p	3.2p

Reconciliation of profit for the year ended 31 December 2006

	Previously reported under UK GAAP	IAS 38 Intangible Assets	Restated under IFRS
	£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)	122	(7,763)
Operating profit before net financing costs	5,969	122	6,091
Net financing costs	(1,282)		(1,282)
Profit before tax	4,687	122	4,809
Taxation	(1,647)		(1,647)
Profit after Tax	3,040	122	3,162
Earnings Per Share			
Basic	7.3p	0.3p	7.6p
Diluted	7.0p	0.3p	7.3p

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). As a result a deferred tax asset is recognised in respect of the Company's liabilities under share option schemes. The impact on the IFRS opening balance sheet at 1 January 2006 is to reduce the deferred tax liability by £237,000 (June 2006 by £579,000, December 2006 by £1,060,000) and increase retained earnings by £237,000 (30 June 2006 by £579,000 and 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 (June 2006: £61,000) 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 at 1 January 2006;
- a financial asset of £106,000 at 30 June 2006; and
- a financial asset of £209,000 at 31 December 2006.

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 presentation between UK GAAP and IFRS.

14. Interim report

A copy of the interim report will be posted to shareholders in October 2007. 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.

KPMG Audit Plc

191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent review report to Goals Soccer Centres plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2007 which comprises the income statement, balance sheet, cashflow statement, statement of recognised income and expense and the related notes. 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 AIM Rules which require that the interim report must be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in note 1 to the financial information, the next annual financial statements of the group will be prepared in accordance with IFRSs as adopted by the European Union.

The accounting policies that have been adopted in preparing the financial information are consistent with those that the directors currently intend to use in the next annual financial statements. There is, however, a possibility that the directors may determine that some changes to these policies are necessary when preparing the full annual financial statements for the first time in accordance with IFRSs as adopted by the European Union. This is because, as disclosed in note 1, the directors have anticipated that certain standards, which have yet to be formally adopted by the EU, will be so adopted in time to be applicable to the next annual financial statements.

Review work performed

We conducted our review having regard to the guidance 'contained in Bulletin 1999/4: Review of interim financial information issued by the Auditing Practices Board for use in the UK. 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 excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) 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 2007.

KPMG Audit Plc
Chartered Accountants

END