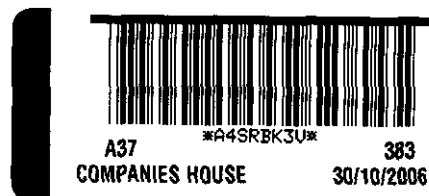


**LITTLEWOODS OF LIVERPOOL LIMITED**  
(Registered No. 234834)

**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2005**



**LITTLEWOODS OF LIVERPOOL LIMITED**

**REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**

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## **LITTLEWOODS OF LIVERPOOL LIMITED**

### **REPORT OF THE DIRECTORS**

The directors hereby submit their report, together with the audited financial statements of the company, for the year ended 31 December 2005.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity continued to be the hiring out of plant and machinery and renting out of property. There are no plans to diversify into any other activity. The directors consider the results for the year to be satisfactory. Future prospects are considered reasonable.

#### **RESULTS AND DIVIDENDS**

The loss for the period after taxation amounted to £37,755 (31 December 2004, profit of £29,604). The directors do not recommend a dividend (2004, £nil).

#### **DIRECTORS**

The directors who held office during the period were:

Mr. G. Speakman	Resigned 1 September 2006
Mr. I. R. Penrose	Appointed 3 October 2005
Mr. R. D. Withers	Resigned 31 October 2005
Mr. S. P. Cunliffe	Appointed 3 July 2006

The interests in the share capital of the parent of those directors who are also directors of the ultimate parent company, Sportech PLC, are disclosed in the annual report of that company. The directors had no interest in the share capital of the company. During the period no remuneration or benefits of any kind were received by any director from the company.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. The directors also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **LITTLEWOODS OF LIVERPOOL LIMITED**

### **REPORT OF THE DIRECTORS**

#### **FIXED ASSETS**

The changes in tangible fixed assets are set out in note 4 to the financial statements.

The directors are of the opinion that the market value of all land and buildings does not differ significantly from the balance sheet values at 31 December 2005.

All these assets are held for use by other group businesses via operating leases.

#### **POLICY ON PAYMENT OF CREDITORS**

The company does not follow any code or standard on payment practices, and there is no fixed policy for payment of other goods and services. Payment is made promptly once authorisation of the invoice is obtained.

Creditor payment days outstanding at 31 December 2005 were 21 (2004: 16).

#### **FINANCIAL RISK MANAGEMENT**

The company's treasury arrangements for the provision of finance and management of liquidity are undertaken via the Sportech Group's centralised accounting unit. The company's principal financial instruments comprise bank overdrafts, and cash and term deposits as well as trade debtors and creditors including group intercompany balances that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's future operations.

The main risks arising from the company's operations are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks. The company does not trade in financial instruments.

#### **AUDITORS**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



S. P. Cunliffe  
Secretary

16 October 2006  
LIVERPOOL

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **LITTLEWOODS OF LIVERPOOL LIMITED**

We have audited the financial statements of Littlewoods of Liverpool Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

#### **Basis of audit opinion**

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

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

#### **Opinion**

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Liverpool

16 October 2006

**LITTLEWOODS OF LIVERPOOL LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	2005 £000	2004 £000
TURNOVER	1	2,210	2,267
Cost of sales		(2,522)	(2,154)
GROSS (LOSS)/PROFIT		(312)	113
Administrative expenses		(13)	(2)
OPERATING (LOSS)/PROFIT		(325)	111
Profit on sale of fixed assets	3	422	-
Interest payable	2	(57)	(7)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	40	104
Taxation	4	(78)	(74)
(LOSS)/PROFIT FOR THE YEAR TRANSFERRED TO RESERVES	10	(38)	30

There is no difference between the profit on ordinary activities before taxation, and the loss for the year stated above, and their historical cost equivalents.

The company has no other recognised gains or losses other than the loss for the financial year shown above, and therefore no separate statement of total recognised gains and losses has been presented.

All operations are classed as continuing.

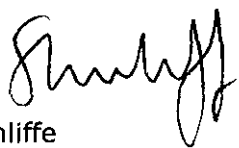
# LITTLEWOODS OF LIVERPOOL LIMITED

## BALANCE SHEET

**AS AT 31 DECEMBER 2005**

	Notes	2005 £000	2004 £000
<b>FIXED ASSETS</b>			
Tangible assets	5	<u>4,742</u>	<u>6,614</u>
<b>CURRENT ASSETS</b>			
Debtors – amounts falling due within one year	6	117	56
Debtors – amounts falling due after more than one year	6	<u>1,028</u>	<u>320</u>
		1,145	376
Cash at bank and in hand		<u>1,590</u>	<u>645</u>
		2,735	1,021
<b>CREDITORS:</b>			
Amounts falling due within one year	7	<u>(3,185)</u>	<u>(3,044)</u>
<b>NET CURRENT LIABILITIES</b>		(450)	(2,023)
<b>CREDITORS:</b>			
Amounts falling due after one year	8	<u>(327)</u>	<u>(588)</u>
<b>NET ASSETS</b>		<u>3,965</u>	<u>4,003</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2,000	2,000
Profit and loss account	10	<u>1,965</u>	<u>2,003</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	<u>3,965</u>	<u>4,003</u>

The financial statements on pages 4 to 12 were approved by the Directors on 16 October 2006 and signed on their behalf by

  
S. P. Cunliffe  
Director

## **LITTLEWOODS OF LIVERPOOL LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES**

#### **PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently, is set out below.

#### **BASIS OF ACCOUNTING**

The financial statements are prepared on the historical cost basis of accounting for the 52 week period from 8 January 2005 to 6 January 2006 (2004: 53 week period).

#### **CASH FLOW**

The company is a wholly owned subsidiary of Sportech PLC; consequently, the company is exempt from the requirement of Financial Reporting Standard No.1 (Revised) to prepare a separate cash flow statement.

#### **TURNOVER**

Turnover represents the value of goods and services sold to external customers, after deduction of value added tax.

#### **FIXED ASSETS AND DEPRECIATION**

Fixed assets are included at cost less depreciation.

Depreciation is provided on the straight line basis to write off the cost of fixed assets over their anticipated useful lives at the following annual rates:

Freehold land	NIL
Freehold buildings	8.3%
Leasehold land and buildings	The lesser of the remaining lease term or 100 years
Buildings fixtures and fittings	4.0%
Plant, equipment and other fixtures and fittings	10.0% - 13.3%
Computers	16.7% - 33.3%
Motor Vehicles	12.5% - 25.0%

#### **FOREIGN CURRENCIES**

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Profits and losses on foreign exchange transactions, relating to the supply of merchandise are taken through the profit and loss account in the period in which they arise.



## **LITTLEWOODS OF LIVERPOOL LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES**

#### **RELATED PARTY TRANSACTIONS**

In accordance with the exemption conferred by Financial Reporting Standard No. 8, details of transactions with entities in the same group have not been disclosed.

#### **DEFERRED TAX**

Deferred tax is provided in full on all timing differences which result in either an obligation at the balance sheet date to pay more tax or a right to pay less tax. Deferred tax assets are only recognised to the extent that it is more likely than not they will crystallise. Assets and liabilities are calculated at rates expected to apply when they crystallise, and are not discounted.

#### **IMPAIRMENT OF FIXED ASSETS**

Fixed assets are subject to review for impairment in accordance with FRS 11, Impairment of Fixed Assets and Goodwill. Any impairment would be recognised in the profit and loss account in the year in which it occurs.

#### **LEASED ASSETS**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Tangible fixed assets acquired under hire purchase agreements are capitalised and depreciated over their expected useful lives as it is anticipated that the option to purchase the asset outright will be taken. The interest element of the rental obligations is charged to the profit and loss account over the period of the agreement.

# LITTLEWOODS OF LIVERPOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

### 1. TURNOVER

	2005 £000	2004 £000
Income from operating leases:		
Rental of land and buildings	100	102
Other	<u>2,110</u>	<u>2,165</u>
	<u>2,210</u>	<u>2,267</u>

### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2005 £000	2004 £000
Profit on ordinary activities before taxation is stated after charging:		
Interest payable on finance leases	57	7
Depreciation - owned assets	2,039	1,947
Impairment losses	528	-
Hire of other assets - operating leases	-	4
Auditors' remuneration for audit	<u>3</u>	<u>2</u>

Remuneration of the company's auditor for provision of non-audit services to the company was £Nil (2004 - £Nil).

The company has no employees. The emoluments of the directors are paid by the ultimate parent company, Sportech PLC. The directors' services to this company are of a non-executive nature and therefore none of their emoluments are attributable to this company. Accordingly, the profit and loss account includes no emoluments in respect of the directors.

### 3. PROFIT ON SALE OF FIXED ASSETS

During the year, surplus computer equipment with a net book value of £nil were sold for £422,000 generating a gain on disposal of £422,000

# **LITTLEWOODS OF LIVERPOOL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**

### **4. TAXATION**

	2005 £000	2004 £000
Current tax:		
UK corporation tax at 30% (2004, 30%)	-	8
Group relief at 30% (2004, 30%)	786	(53)
Total current tax	<u>786</u>	<u>(45)</u>
Deferred tax:		
Current year	(708)	119
Total deferred tax (note 6)	<u>(708)</u>	<u>119</u>
Total taxation charge	<u>78</u>	<u>74</u>

The current tax for the period is higher (2004: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £000	2004 £000
Profit on ordinary activities before tax	<u>40</u>	<u>104</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	12	31
Effects of:		
Permanent differences	66	43
Origination and reversal of timing differences	<u>708</u>	<u>(119)</u>
	<u>786</u>	<u>(45)</u>

# LITTLEWOODS OF LIVERPOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

### 5. TANGIBLE FIXED ASSETS

	Land and buildings £000	Fixtures, fittings and equipment £000	Assets in course of construction £000	Total £000
<b>COST</b>				
At 1 January 2005	1,980	30,014	140	32,134
Additions	223	439	33	695
Disposals	-	-	-	-
Transfers	-	114	(114)	-
	<u>2,203</u>	<u>30,567</u>	<u>59</u>	<u>32,829</u>
At 31 December 2005				
<b>DEPRECIATION</b>				
At 1 January 2005	650	24,870	-	25,520
Charge for the period	221	1,818	-	2,039
Impairment losses	-	528	-	528
	<u>871</u>	<u>27,216</u>	<u>-</u>	<u>28,087</u>
At 31 December 2005				
<b>NET BOOK VALUE</b>				
At 31 December 2005	<u>1,332</u>	<u>3,351</u>	<u>59</u>	<u>4,742</u>
At 31 December 2004	<u>1,330</u>	<u>5,144</u>	<u>140</u>	<u>6,614</u>

Land and buildings consists wholly of depreciable freehold and long leasehold land and buildings.

Included in fixed assets are £700,000 (2004; £840,000) of assets held under finance leases.

### 6. DEBTORS

	2005 £000	2004 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	117	-
Prepayments and accrued income	-	56
	<u>117</u>	<u>56</u>
Amounts falling after more than one year:		
Deferred taxation	<u>1,028</u>	<u>320</u>
Deferred tax comprises:		
Depreciation in excess of capital allowances	<u>1,028</u>	<u>320</u>
Movement in deferred tax asset during the year		
At 1 January 2005	320	
Amount credited to profit and loss	708	
At 31 December 2005	<u>1,028</u>	

# LITTLEWOODS OF LIVERPOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

### 7. CREDITORS – amounts falling due within one year

	2005 £000	2004 £000
Trade creditors	51	111
Amounts owed to group undertakings	2,707	2,628
Obligations under finances leases and hire purchase contracts	261	261
Corporation tax	-	8
Other taxation	164	36
Accruals and deferred income	2	-
	<u>3,185</u>	<u>3,044</u>

### 8. CREDITORS – amounts falling due after one year

	2005 £000	2004 £000
Obligations under finances leases and hire purchase contracts	<u>327</u>	<u>588</u>
Obligations under finances leases and hire purchase contracts are repayable:		
Within one year	261	261
Between one and two years	261	261
Between two and five years	66	327
After more than five years	-	-
	<u>588</u>	<u>849</u>

### 9. CALLED UP SHARE CAPITAL

	2005 £000	2004 £000
<b>Authorised</b>		
2,000,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
<b>Allotted, called up and fully paid</b>		
2,000,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

### 10. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Share capital £000	Profit and loss account £000	2005 Total £000	2004 Total £000
Opening equity shareholders' funds	2,000	2,003	4,003	3,973
(Loss)/profit for financial year	<u>-</u>	<u>(38)</u>	<u>(38)</u>	<u>30</u>
Closing equity shareholders' funds	<u>2,000</u>	<u>1,965</u>	<u>3,965</u>	<u>4,003</u>

## **LITTLEWOODS OF LIVERPOOL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**

#### **11. ULTIMATE HOLDING COMPANY**

The company is a subsidiary of Littlewoods Promotions Limited incorporated in Great Britain.

The largest Group in which the results of the company are consolidated is that headed by Sportech PLC. No other Group accounts include the results of the Company. Copies of Sportech PLC consolidated financial statements can be obtained from the Company Secretary at Sportech House, 2 Enterprise Way, Wavertree Technology Park, Liverpool L13 1FB.