

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

Report and Consolidated Financial Statements

Year ended 30 June 2003

**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2003

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**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Chambers
J Johnson
A Knowles
G McKay
J McMahon
A Murphy
M Dunn

SECRETARY

TLT Secretaries Limited

REGISTERED OFFICE

Ground Floor, Albert House
111-117 Victoria Street
Bristol
BS1 6AX

BANKERS

Barclays Bank PLC
40 Corn Street
Bristol
BS99 4AJ

SOLICITORS

TLT
Bush House
72 Prince Street
Bristol
BS99 7JZ

AUDITORS

Deloitte & Touche LLP
Bristol

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements of the Group for the year ended 30 June 2003.

PRINCIPAL ACTIVITY

The Group's principal activity is the promotion of professional snooker and billiards through the organisation and promotion of tournaments. The Group aims to ensure a thriving circuit of events and to maximise returns to the members from these. The Company is also the association for professional snooker and billiards throughout the world.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

Review of the Group's results for the year

For the year ended 30 June 2003, the Group reports an operating loss of £284,255 (2002: £2,778,055). Before exceptional costs of £979,000 this equates to an operating profit before exceptional items of £0.7 million compared to an operating loss before exceptional items of £2.15 million in the previous year.

The main reasons for this return to underlying profitability were:

- A £0.6 million reduction in administrative expenses. A significant part of this reduction arose from a staff restructure completed late in the year ended 30 June 2002 (which was prior to the involvement of WSE).
- A £0.9 million reduction in tournament and other direct operating costs. This was achieved by dispensing with certain more costly overseas events.
- A £1.2 million reduction in prize monies distributed to members. In the year ended 30 June 2002 £7.4 million was paid out. However, as reported to the members last year, the Group was unable to sustain a total prize fund at the 2001/02 level and in the year ended 30 June 2003 prize money paid to players was £6.2 million.

Exceptional items incurred in the year ended 30 June 2003 amounted to £979,000 (see note 28).

The Group reports a retained loss for the year of £220,283 (2002: £2,433,269) with the consequent decrease in members' funds to £417,348.

The Group's cash resources were £3.6 million at 30 June 2003, compared to £3.5 million a year previously.

Commercial affairs

On 28 June 2002 the Board and three interested commercial parties made presentations to the members of The World Professional Billiards and Snooker Association Limited ("WPBSA") setting out different proposals for the future of the sport. After the elimination of the stand alone position and one of the other parties' proposals by a poll of the members, and the withdrawal of another, the members are aware that the conclusion of this process was the completion of a contract on 14 October 2002 for World Snooker Enterprises Limited ("WSE") to provide commercial management to the Company's subsidiary, World Snooker Limited ("WSL").

On 14 October 2002 the Company formally executed two contracts. The first contract, between the Company and WSL, was a Business Transfer Agreement to transfer the business assets, employees and liabilities pertaining to the commercial activities of WPBSA from WPBSA to WSL. The terms of this agreement obligated WSL to be responsible for all commercial activities of the Group, with WPBSA remaining as the world governing body with responsibility for managing certain aspects of the sport including all regulatory responsibilities.

The second contract, a tri-partite agreement between the Company, WSL and WSE, was a management contract to allow WSE to control and autonomously manage the commercial and marketing activities of the Group, subject to specific performance criteria.

On the execution of the two contracts, the financial effect of the transaction was internal to the Group. There is no impact on the Group's consolidated financial position.

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

The current situation

Snooker is suffering considerable losses of income through Government legislation outlawing tobacco sponsorship. Like other sports snooker is also finding it difficult to secure sponsors for some of its events. Snooker has endured a constant stream of misleading and damaging claims in the media which have inflicted, and continue to inflict, damage on the perception and value of the sport.

On 4 August 2003, the Group ended its commercial relationship with WSE having taken advice from its legal advisers. On 11 December 2003, WSE obtained summary judgement against the Group for £412,173. The Group was also ordered to pay WSE's costs of the action, to be assessed if not agreed. At present WSE is claiming a total of £103,596 in respect of their costs. On 10 February 2004, the Group was granted leave to appeal against the original decision.

Since the date of termination of that agreement the Board has been formulating the appropriate structure and personnel to drive the Group's commercial activities forward. Your Board considers that the management changes that have resulted will provide improved prospects for the future of snooker.

Looking forward

In November 2003, the WPBSA Board appointed Sir Rodney Walker as Chairman of WSL. Your Board considers this appointment, together with executive management changes, to be positive and creative decisions. The increased level of credibility and integrity, and the new leadership of Sir Rodney Walker, should assist the process to ensure that all our commercial issues will be dealt with and that snooker's prospects are enhanced.

The Group has been proactive and is listening very carefully to what our key broadcast partner, the BBC, has been saying. In November 2003 we finalised a comprehensive review of our affairs and created a modernisation agenda for root and branch reform in the sport. It is our intention that snooker embraces financial reality and much more.

If snooker is to stabilise and prosper, we must modernise the way in which the sport is governed. On 16 March 2004, the WPBSA Board will be submitting resolutions for change which, if accepted, will modernise and transform the way the sport is governed.

The media world in which our sport exists has changed dramatically in the past five years. Professional snooker must change, become a media driven Group and meet the demands set of us by key stakeholders.

Through WSL, the Group's executive and strategic business partners aim to reinvigorate the sport. Running the Group today, we have individuals with integrity and credibility, extensive knowledge, expertise and experience. We believe we are better equipped than ever before to contribute new ideas towards the development of the sport. In looking to maximise the commercial opportunities and generate new sources of income and opportunities for the sport, we will not lose sight of the needs and aspirations of the members of the Group. However, there must be change; our reforms must meet our business needs and difficult choices will have to be made.

We commend our resolutions for change to the membership.

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

CORPORATE GOVERNANCE

The Board is committed to the principles of good corporate governance.

The Board believes that the participation of appropriate independent non-executive directors is important for corporate governance and also to enhance commercial performance. The corporate structure in place does allow non-executive director appointments to the Group's commercial arm, World Snooker Limited ("WSL"). Following the recent appointment of a non-executive Chairman, WSL now intends to review its corporate governance practices to ensure appropriate additional non-executive director involvement.

DIVIDENDS

In accordance with the Articles of Association of the company no dividends are payable (2002: £nil).

DIRECTORS AND THEIR INTERESTS

The present directors of the company are set out on page 1. The directors who served during the year are as follows:

J Chambers	
J Johnson	
J McMahon	
A Knowles	(appointed 25 September 2002)
G McKay	(appointed 2 July 2002)
P Wykes	(appointed 31 October 2002, resigned 30 August 2003)
A Murphy	(appointed 19 December 2002)
M Wildman	(resigned 23 September 2002)

In the period since the year end, the following director was appointed:

M Dunn	(appointed 30 August 2003)
--------	----------------------------

Under the company's Articles of Association the maximum number of directors is seven.

All directors are members of the company. The company has insurance against the liabilities of all the directors in relation to the company.

No director had any interest in the share capital of any other group companies at the beginning or end of the year.

DONATIONS

Charitable donations made by the group during the year amounted to £4,713 (2002: £5,550). No donation was made in the year to the players' Benevolent Fund (2002: £nil). There were no political donations (2002: £nil).

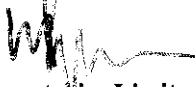
**THE WORLD PROFESSIONAL BILLIARDS AND
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DIRECTORS' REPORT (continued)

AUDITORS

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to reappoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming EGM.

Approved by the Board of Directors
and signed on behalf of the Board



TLT Secretaries Limited
Secretary

13 February 2004

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

We have audited the consolidated financial statements of The World Professional Billiards and Snooker Association Limited for the year ended 30 June 2003 which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and the related notes 1 to 30. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 transactions with the company and other members of the group is not disclosed.

We read the directors' report and other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 circumstances of the company and the group, 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 of the state of affairs of the company and the group as at 30 June 2003 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Chartered Accountants and Registered Auditors
Bristol

17 February 2004

**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 June 2003

	Note	2003 £	2002 £
TURNOVER	2	12,783,607	12,662,605
Cost of sales (includes exceptional costs of £400,000; 2002: £nil – see note 28)	3	(10,031,585)	(11,909,615)
GROSS PROFIT		2,752,022	752,990
Administrative expenses (includes exceptional costs of £579,000; 2002: £627,000 – see note 28)		(3,036,277)	(3,531,045)
OPERATING LOSS	4	(284,255)	(2,778,055)
Interest receivable and similar income	7	84,824	246,714
Interest payable and similar charges	8	(6,385)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(205,816)	(2,531,341)
Tax (charge)/credit on loss on ordinary activities	9	(14,467)	98,072
RETAINED LOSS FOR THE FINANCIAL YEAR	21	(220,283)	(2,433,269)

All of the above results derive from continuing activities.

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account. Accordingly no statement of recognised gains and losses has been presented.

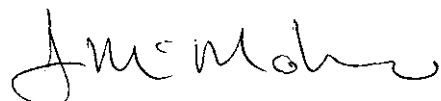
**THE WORLD PROFESSIONAL BILLIARDS AND
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CONSOLIDATED BALANCE SHEET
At 30 June 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	356,975	481,392
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks	13	4,770	6,631
Debtors	14	692,512	1,188,448
Investments	15	-	2,500,000
Cash at bank and in hand		3,602,749	1,030,811
		<hr/>	<hr/>
		4,300,031	4,725,890
		<hr/>	<hr/>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(4,106,325)	(4,369,651)
		<hr/>	<hr/>
NET CURRENT ASSETS		193,706	356,239
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		550,681	837,631
		<hr/>	<hr/>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17	(133,333)	-
		<hr/>	<hr/>
PROVISIONS FOR LIABILITIES AND CHARGES	18	-	(200,000)
		<hr/>	<hr/>
NET ASSETS		417,348	637,631
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Capital reserve	20	22,238	22,238
Profit and loss account	20	395,110	615,393
		<hr/>	<hr/>
TOTAL MEMBERS' FUNDS	21	417,348	637,631
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 13 February 2004

Signed on behalf of the Board of Directors



Director

13/2/2004

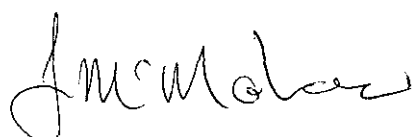
**THE WORLD PROFESSIONAL BILLIARDS AND
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COMPANY BALANCE SHEET
At 30 June 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	11	9,635	481,392
Investments	12	104	104
		<hr/> 9,739	<hr/> 481,496
CURRENT ASSETS			
Stocks	13	-	6,631
Debtors	14	41,244	1,190,799
Investments	15	-	2,500,000
Cash at bank and in hand		3,321,837	1,030,361
		<hr/> 3,363,081	<hr/> 4,727,791
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(3,021,730)	(4,367,203)
NET CURRENT ASSETS		<hr/> 341,351	<hr/> 360,588
TOTAL ASSETS LESS CURRENT LIABILITIES		351,090	842,084
PROVISIONS FOR LIABILITIES AND CHARGES	18	-	(200,000)
NET ASSETS		<hr/> <hr/> 351,090	<hr/> <hr/> 642,084
CAPITAL AND RESERVES			
Capital reserve	20	22,238	22,238
Profit and loss account	20	328,852	619,846
TOTAL MEMBERS' FUNDS	21	<hr/> <hr/> 351,090	<hr/> <hr/> 642,084

These financial statements were approved by the Board of Directors on 13 February 2004

Signed on behalf of the Board of Directors



Director

13/2/2004

**THE WORLD PROFESSIONAL BILLIARDS
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CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 June 2003

	Note	2003 £	2002 £
Net cash inflow/(outflow) from operating activities	22	41,753	(7,484,318)
Returns on investments and servicing of finance			
Interest received		84,824	261,760
Interest paid		(6,385)	(576)
Net cash inflow from returns on investments and servicing of finance		78,439	261,184
Taxation			
UK corporation tax paid		-	(100,499)
UK corporation tax refund received		100,436	-
Tax received/(paid)		100,436	(100,499)
Capital expenditure and financial investment			
Payments to acquire intangible fixed assets		(133,000)	-
Payments to acquire tangible fixed assets		(15,690)	(324,941)
Receipts from sales of tangible fixed assets		-	26,771
Net cash outflow from capital expenditure and financial investment		(148,690)	(298,170)
Cash inflow/(outflow) before use of liquid resources		71,938	(7,621,803)
Management of liquid resources			
Net movement in money market deposits		3,310,000	7,456,000
Increase/(decrease) in cash in the year	23	3,381,938	(165,803)

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2003

1. ACCOUNTING POLICIES

The following accounting policies, adopted by the directors, have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost accounting rules.

Basis of group consolidation

The group financial statements consolidate the financial statements of the company and all its subsidiary undertakings at 30 June using acquisition accounting.

Turnover

Turnover is shown net of value added tax. Sponsorship and media rights income are recognised in the season to which they relate.

Tournament sets

The cost of construction and repair of tournament sets is written off in the year incurred.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pension costs

Pension contributions are made by the group for permanent employees (excluding directors) to a group personal pension scheme.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2003

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. *Deferred tax is measured on a non-discounted basis.*

Intangible fixed assets

The identifiable expenditure on other intangible fixed assets is deferred and amortised over the period during which the group is expected to benefit. Provision is made for any impairment.

Tangible fixed assets

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates for depreciation of assets are:

Fixtures, fittings and equipment	10% - 20% per annum
----------------------------------	---------------------

Investments

Investments held as fixed and current assets are shown at cost less provision for any impairment. Those held as current assets are stated at the lower of cost and net realisable value.

Stocks

Stocks 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 based on the estimated sales value.

**THE WORLD PROFESSIONAL BILLIARDS
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2003

2. TURNOVER

Class of business

All of the group's turnover is derived from the principal continuing activities. The following analysis is provided to illustrate the sources of turnover:

	2003	2002
	£	£
Tournament income:		
Prize money received from sponsors	2,767,300	2,642,150
Other income derived from promoting tournaments	9,980,607	9,959,783
	<u>12,747,907</u>	<u>12,601,933</u>
Non tournament income:		
Members' annual subscription fees and joining fees	35,500	54,925
Other	200	5,747
	<u>12,783,607</u>	<u>12,662,605</u>

Geographical analysis of turnover by location

	£	£
United Kingdom	12,246,213	12,395,999
Rest of Europe	317,321	34,594
Asia	168,682	188,685
Australasia	51,391	43,327
	<u>12,783,607</u>	<u>12,662,605</u>

3. COST OF SALES

	2003	2002
	£	£
Prize monies paid to players	6,208,450	7,445,286
Tournament and other direct operating costs	3,823,135	4,454,395
Non tournament activity	-	9,934
	<u>10,031,585</u>	<u>11,909,615</u>

**THE WORLD PROFESSIONAL BILLIARDS AND
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2003

4. OPERATING LOSS

	2003	2002
	£	£
Operating loss is arrived at after charging/(crediting):		
Impairment of intangible fixed assets (see note 28)	400,000	-
Depreciation of tangible fixed assets	140,107	132,610
Rentals under operating leases:		
- Hire of plant and machinery	3,820	7,245
- Other operating leases	61,959	63,060
Auditors' remuneration:		
- Group audit fees	27,000	18,500
- Other services	171,000	150,372
Profit on disposal of fixed assets	-	(227)
Exceptional items included within administrative expenses (see note 28)	579,000	627,000

The majority of auditors' remuneration for other services consists of two elements - advice in relation to the process of identifying a potential commercial partner for the development and commercial exploitation of snooker; and general advice on a range of financial matters over the course of the financial year.

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments:

Directors receive no remuneration – (see note 6)

Average number of persons employed by the group in the year, including directors:	2003	2002
	No.	No.
Directors – all non-executive	6	6
Full time administration staff	15	24
Tournament board staff: Officials	5	6
Referees	8	8
	<u>34</u>	<u>44</u>
Employee costs during the year:	£	£
Wages and salaries	761,740	1,270,270
Social security costs	68,347	109,706
Other pension costs	38,288	72,071
	<u>868,375</u>	<u>1,452,047</u>

**THE WORLD PROFESSIONAL BILLIARDS AND
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2003

6. DIRECTORS

According to the Articles of Association of the company, no director may receive remuneration in respect of services as a director to the company. No remuneration has been paid to directors in the year in respect of their offices as directors. The Articles of Association do, however, allow the directors to be reimbursed for expenses incurred in performing their business duties as directors of the company.

Detailed below are all of the expenses paid by the company (including reimbursements to directors) and incurred to allow directors to perform their business duties:

Directors	Accommodation for meetings £	Travelling expenses £	Telephone and sundry expenses £	Total £
J Chambers	812	5,021	743	6,576
J Johnson	2,147	13,512	950	16,609
A Knowles	1,849	6,396	365	8,610
G McKay	3,368	13,144	1,135	17,647
J McMahon	3,182	13,619	2,459	19,260
A Murphy	1,161	7,287	1,164	9,612
M Wildman	569	4,177	1,303	6,049
P Wykes	523	4,888	570	5,981
Total this year	13,611	68,044	8,689	90,344
Previous year	16,153	66,106	7,631	89,890

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Interest received on bank deposits	77,409	246,698
Other interest receivable	7,415	16
	84,824	246,714

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank loans and overdrafts	6,385	-

**THE WORLD PROFESSIONAL BILLIARDS
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2003

9. TAX (CHARGE)/CREDIT ON LOSS ON ORDINARY ACTIVITIES

The tax (charge)/credit is based on the loss on ordinary activities for the year and comprises:

	2003	2002
	£	£
United Kingdom corporation tax at 19% (2002: 30%) based on the loss for the year	(14,467)	-
Adjustment in respect of prior years	-	98,072
	<u>(14,467)</u>	<u>98,072</u>
Deferred tax:		
Timing differences, origination and reversal	(486,694)	(295,832)
Decrease in tax rate	(32,095)	-
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	606,322	232,526
Adjustments in respect of prior years	(87,533)	63,306
	<u>(14,467)</u>	<u>98,072</u>

The standard rate of tax for the year, based on United Kingdom standard rate of corporation tax is 19% (2002: 30%). The actual tax (charge)/credit for the current and the previous year differ from the standard rate for the reasons set out in the following reconciliation:

	2003	2002
	£	£
Loss on ordinary activities before taxation	(205,815)	(2,531,341)
	<u>39,105</u>	<u>759,402</u>
Tax on (loss)/profit on ordinary activities at standard rate		
Effects of:		
Expenses not deductible for tax purposes	(54,018)	(97,884)
Capital allowances in excess of depreciation	(2,359)	22,830
Utilisation of tax losses	2,055	(698,164)
Movement in short term timing differences	750	13,816
Prior period adjustments	-	98,072
	<u>(14,467)</u>	<u>98,072</u>
Tax (charge)/credit on loss on ordinary activities		

A deferred tax asset has not been recognised in respect of timing differences relating to trading losses carried forward of £632,000 (2002: £957,000). The company is not currently aware of any other factors that will materially affect the future tax charge.

**THE WORLD PROFESSIONAL BILLIARDS
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2003

10. INTANGIBLE FIXED ASSETS

Group	£
Cost	
At 1 July 2002	-
Additions	400,000
	<hr/>
At 30 June 2003	400,000
	<hr/>
Amortisation	
At 1 July 2002	-
Impairment	400,000
	<hr/>
At 30 June 2003	400,000
	<hr/>
Net book value	
At 30 June 2003	-
	<hr/> <hr/>
At 30 June 2002	-
	<hr/> <hr/>

Additions during the year relate to an agreement entered into with a third party by World Snooker Limited to acquire certain commercial rights in relation to a prospective series of snooker tournaments. Consideration included a payment of £133,334 during the year ended 30 June 2003 and further deferred payments of £266,666 in total within two years. In the opinion of the directors the carrying value of this asset has been impaired at the year-end, as the prize fund and expenses of promoting and organising the tournament are expected to exceed the related revenue; hence it has been fully written down.

11. TANGIBLE FIXED ASSETS

Group	Fixtures, fittings and equipment £
Cost	
At 1 July 2002	998,546
Additions	15,690
	<hr/>
At 30 June 2003	1,014,236
	<hr/>
Accumulated depreciation	
At 1 July 2002	517,154
Charge for the year	140,107
	<hr/>
At 30 June 2003	657,261
	<hr/>
Net book value	
At 30 June 2003	356,975
	<hr/> <hr/>
At 30 June 2002	481,392
	<hr/> <hr/>

**THE WORLD PROFESSIONAL BILLIARDS
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2003

11. TANGIBLE FIXED ASSETS (continued)

Company	Fixtures, fittings and equipment £
Cost	
At 1 July 2002	998,546
Transferred to subsidiary	(964,845)
At 30 June 2003	<u>33,701</u>
Accumulated depreciation	
At 1 July 2002	517,154
Charge for the year	1,720
Transferred to subsidiary	(494,808)
At 30 June 2003	<u>24,066</u>
Net book value	
At 30 June 2003	<u>9,635</u>
At 30 June 2002	<u>481,392</u>

12. INVESTMENTS HELD AS FIXED ASSETS

The parent undertaking's investments in the subsidiary undertakings are made up as follows:

	Company £
Shares at cost	
At 1 July 2002 and 30 June 2003	<u>104</u>

The parent undertaking holds shareholdings in the following subsidiaries, all of which are incorporated in Great Britain:

Name of company	Proportion of ordinary shares held	Principal activity
World Snooker Limited	100%	Promotion and organisation of professional snooker tournaments
EASB Limited	100%	Non-trading subsidiary
WPBSA (Promotions) Limited	100%	Dormant

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2003

13.	STOCKS	Group		Company	
		2003 £	2002 £	2003 £	2002 £
	Finished goods	<u>4,770</u>	<u>6,631</u>	<u>-</u>	<u>6,631</u>

14.	DEBTORS	Group		Company	
		2003 £	2002 £	2003 £	2002 £
	Trade debtors	243,169	138,427	-	138,427
	Amounts owed by group undertakings	-	-	-	13,510
	Corporation tax	-	100,436	-	98,499
	Other debtors	55,737	202,844	33,701	193,878
	Prepayments and accrued income	393,606	746,741	7,543	746,485
		<u>692,512</u>	<u>1,188,448</u>	<u>41,244</u>	<u>1,190,799</u>

15.	INVESTMENTS HELD AS CURRENT ASSETS	Group		Company	
		2003 £	2002 £	2003 £	2002 £
	Money market deposits	<u>-</u>	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Trade creditors	327,558	576,650	35,627	576,650
Amounts owed to group undertakings	-	-	2,839,368	-
Corporation tax	14,467	-	-	-
Other taxation and social security	103,887	91,363	396	91,363
Other creditors	139,480	18,594	-	18,594
Accruals and deferred income	3,520,933	3,683,044	146,339	3,680,596
	<u>4,106,325</u>	<u>4,369,651</u>	<u>3,021,730</u>	<u>4,367,203</u>

**THE WORLD PROFESSIONAL BILLIARDS
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2003

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Other creditors	133,333	-	-	-

18. PROVISIONS FOR LIABILITIES AND CHARGES

Group and Company

Provisions for liabilities and charges related to a claim for services from a third party.

	£
Provision	
At 1 July 2002	200,000
Utilised during the year	(200,000)
At 30 June 2003	-

The litigation to which the above provision related was settled during the year – see note 28.

19. COMPANY STATUS

The company is incorporated under the Companies Act 1985 with no share capital and is limited by guarantee.

20. RESERVES

	Capital reserve £	Profit and loss account £
Group		
At 1 July 2002	22,238	615,393
Retained loss for the year	-	(220,283)
At 30 June 2003	22,238	395,110
Company	£	£
At 1 July 2002	22,238	619,846
Retained loss for the year	-	(290,994)
At 30 June 2003	22,238	328,852

**THE WORLD PROFESSIONAL BILLIARDS
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2003

21. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2003	2002
Group	£	£
Retained loss for the year	(220,283)	(2,433,269)
Opening members' funds	637,631	3,070,900
Closing members' funds	<u>417,348</u>	<u>637,631</u>
Company	£	£
Retained loss for the year	(290,994)	(2,427,904)
Opening members' funds	642,084	3,069,988
Closing members' funds	<u>351,090</u>	<u>642,084</u>

**22. RECONCILIATION OF OPERATING LOSS TO NET CASH
OUTFLOW FROM OPERATING ACTIVITIES**

	2003	2002
	£	£
Operating loss	(284,255)	(2,778,055)
Depreciation and impairment	540,107	132,610
Profit on disposal of fixed assets	-	(227)
Decrease in debtors	395,500	223,312
Decrease in creditors	(611,460)	(5,064,053)
Decrease in stock	1,861	2,095
Net cash inflow/(outflow) from operating activities	<u>41,753</u>	<u>(7,484,318)</u>

**23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT
IN NET FUNDS**

	2003	2002
	£	£
Increase/(decrease) in cash in the year	3,381,938	(165,803)
Cash outflow from movement in liquid resources	(3,310,000)	(7,456,000)
Increase/(decrease) in net funds	<u>71,938</u>	<u>(7,621,803)</u>
Net funds at beginning of year	3,530,811	11,152,614
Net funds at end of year	<u>3,602,749</u>	<u>3,530,811</u>

**THE WORLD PROFESSIONAL BILLIARDS
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2003

24. ANALYSIS OF NET FUNDS

	At 30 June 2002 £	Cash flow £	At 30 June 2003 £
Cash at bank and in hand	(38,189)	3,381,938	3,343,749
Money market deposits	3,569,000	(3,310,000)	259,000
Net cash	<u>3,530,811</u>	<u>71,938</u>	<u>3,602,749</u>

Cash at bank and in hand on the balance sheet as at 30 June 2003 includes £259,000 (2002: £1,069,000) of money market deposits, which were repayable within one day of the year-end.

25. PENSION SCHEME

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

During the year the company contributed £38,288 (2002: £72,071) in respect of the scheme. Contributions of £3,078 were outstanding at the balance sheet date (2002: debtor of £4,553).

26. OPERATING LEASE COMMITMENTS

At 30 June 2003 the group was committed to making the following payments during the next year in respect of operating leases:

	2003		2002	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire:				
Within two to five years	57,060	3,820	63,060	-

27. LOSS OF PARENT COMPANY

As permitted by Section 230 of the Companies Act, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's retained loss for the financial year amounted to £290,994 (2002: £2,427,904).

**THE WORLD PROFESSIONAL BILLIARDS
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2003

28. EXCEPTIONAL ITEMS

Operating loss is arrived at after charging within Cost of Sales an exceptional amount of £400,000 (2002: £nil) relating to the impairment of an intangible fixed asset relating to a prospective series of snooker tournaments.

In addition, operating loss is arrived at after charging the following exceptional items within Administrative expenses:

a) An amount of £360,000 (2002: £320,000) in relation to the settlement of a claim against the Group for legal and other costs incurred in relation to the action.

b) The costs of carrying out the process of identifying, negotiating with and completing contracts with a potential partner interested in the long term development and commercial exploitation of snooker. These costs amounted to approximately £219,000 (2002: £75,000).

In addition to the items described in (a) and (b) above, the operating loss in the year to 30 June 2002 was arrived at after charging £232,000 in relation to the termination of certain employment contracts.

29. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 from the requirement to disclose related party transactions within the group.

As well as being directors of World Snooker Limited, a subsidiary of The World Professional Billiards and Snooker Association Limited during the year, R Relton and R Davies were also directors of World Snooker Enterprises Limited, a company that during the year held a contract to provide management services to World Snooker Limited. In the period from the commencement of the contract on 14 October 2002 to the year-end, World Snooker Limited paid World Snooker Enterprises £306,758 (2002: £nil) in relation to management fees under the contract and £51,379 in relation to business expenses. This contract was terminated on 4 August 2003 - see note 30 below.

30. POST BALANCE SHEET EVENTS

The Company and one of its subsidiaries, World Snooker Limited ("WSL"), were parties to a contract with World Snooker Enterprises Limited ("WSE") for WSE to provide commercial management services to the subsidiary.

On 4 August 2003, the Group ended its commercial relationship with WSE having taken advice from its legal advisers. Since the date of termination of that agreement the Board has been formulating the appropriate structure and personnel to drive the Group's commercial activities forward.

On 11 December 2003, WSE obtained summary judgement against the Company and WSL for £412,173. The Group was also ordered to pay WSE's costs of the action, to be assessed if not agreed. At present WSE is claiming a total of £103,596 in respect of their costs. On 10 February 2004 the Group has been granted leave to appeal against the original decision.

No provision has been made in these financial statements in respect of this termination, or the subsequent litigation, as both events occurred after the year-end.