

Company Registration No.
32334565

TOTTENHAM SOCCER CENTRE LIMITED

Report and Financial Statements

30 June 2004

Ernst & Young LLP
Glasgow



TOTTENHAM SOCCER CENTRE LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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TOTTENHAM SOCCER CENTRE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J C Hall
S M Beckwith

SECRETARY

S M Beckwith

REGISTERED OFFICE

Pursley Road
Mill Hill
London
NW7 2BB

BANKERS

Bank of Scotland
Buchan House
Parkway Court
Oxford Business Park
Oxford
OX4 2JY

SOLICITORS

Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

INDEPENDENT AUDITORS

Ernst & Young LLP
George House
50 George Square
Glasgow G2 1RR

TOTTENHAM SOCCER CENTRE LIMITED

DIRECTORS' REPORT

The directors presents their annual report and the audited financial statements for the year ended 30 June 2004.

ACTIVITIES

The principal activity of the company is the operation of a five-a-side football centre.

RESULTS AND FUTURE PROSPECTS

The company made an operating profit before exceptional credits of £46,865 (2003: loss of £9,020). The operating profit after exceptional credits amounted to £300,875 (2003: loss of £9,020).

The profit for the year after taxation amounted to £309,887 (2003: £906).

A valuation of the assets was undertaken in May 2004, carried out by DTZ Edinburgh. The resultant valuation of £260,000 has been incorporated in accordance with the requirements of FRS 15. As the assets had formerly been written down to Nil, £254,100 has been credited to the profit and loss account to represent the reversal of the previous impairment.

DIVIDENDS

The directors do not recommend payment of a dividend and the retained profit of £309,887 (2003: £906) has been transferred to reserves.

DIRECTORS AND DIRECTORS INTEREST

The Directors who served during the year were:

J C Hall

S M Beckwith

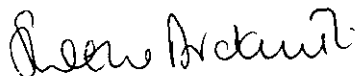
None of the Directors have held any interests in the share capital of the Company.

The interest of Directors in the share capital of the ultimate holding company, Powerleague Group Limited, are set out in the accounts of that company.

AUDITORS

During the year Deloitte & Touche LLP resigned as auditors and the board appointed Ernst & Young LLP. A resolution to re-appoint Ernst & Young LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board



S M Beckwith

Secretary

Date: 17/9/04

STATEMENT OF DIRECTORS' RESPONSIBILITIES

UK 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 as at the end of the financial year and of the profit or loss of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 TOTTENHAM SOCCER CENTRE LIMITED

We have audited the financial statements of Tottenham Soccer Centre Limited for the year ended 30 June 2004 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in equity shareholders' deficit, the balance sheet and the related notes 1 to 17. 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 is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

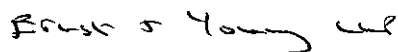
Basis of audit opinion

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 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 of the state of the company's affairs as at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Chartered Accountants & Registered Auditors
Glasgow

Date:

17/9/04

TOTTENHAM SOCCER CENTRE LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2004

	Note	2004 £	2003 £
TURNOVER	2	334,541	256,024
Cost of sales		(67,893)	(64,840)
GROSS PROFIT		266,648	191,184
Administration expenses		(219,783)	(200,204)
Exceptional item arising from revaluation of previously impaired assets	3	254,010	-
Total net administration expenses		34,227	(200,204)
OPERATING PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAX	4	300,875	(9,020)
Tax on (loss)/profit on ordinary activities	6	9,012	9,926
RETAINED PROFIT FOR THE YEAR	13	309,887	906

The results for the current and preceding financial years all relate to continuing operations.

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' DEFICIT

Year ended 30 June 2004

	2004 £	2003 £
Profit for the financial year	309,887	906
Opening shareholders' deficit	(1,712,709)	(1,713,615)
Closing shareholders' deficit	(1,402,822)	(1,712,709)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 30 June 2004

There have been no recognised gains and losses attributable to the shareholders other than the profit for the current and preceding financial year.

TOTTENHAM SOCCER CENTRE LIMITED

NOTE OF HISTORICAL COST PROFITS

Year ended 30 June 2004

	2004 £	2003 £
Reported profit on ordinary activities before taxation	300,875	(9,020)
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	(5,990)	-
Historical cost profit on ordinary activities before taxation	<u>294,885</u>	<u>(9,020)</u>
Historical cost profit on ordinary activities after taxation	<u>303,897</u>	<u>906</u>

TOTTENHAM SOCCER CENTRE LIMITED

BALANCE SHEET 30 June 2004

	Note	2004 £	2003 £
FIXED ASSETS	7	260,000	-
CURRENT ASSETS			
Stocks	8	3,978	3,665
Debtors	9	342,460	333,448
Cash at bank and in hand		350	350
		<u>346,788</u>	<u>337,463</u>
CREDITORS: amounts falling due within one year	10	(1,992,397)	(2,038,691)
NET CURRENT LIABILITIES		(1,645,609)	(1,701,228)
TOTAL NET LIABILITIES		(1,385,609)	(1,701,228)
CREDITORS: amounts falling due after more than one year	11	(17,213)	(11,481)
NET LIABILITIES		<u>(1,402,822)</u>	<u>(1,712,709)</u>
CAPITAL AND RESERVES			
Called up share capital	12	200,099	200,099
Profit and loss account	13	(1,602,921)	(1,912,808)
TOTAL EQUITY SHAREHOLDERS' DEFICIT		<u>(1,402,822)</u>	<u>(1,712,709)</u>

These financial statements were approved by the directors on 17/9/04 .

Signed on behalf of the Board of Directors



S M Beckwith

Director

TOTTENHAM SOCCER CENTRE LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2004

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain assets and on a going concern basis.

Tangible fixed assets

Tangible fixed assets are stated at revalued cost, net of depreciation and any provision for impairment in value.

Depreciation is provided to write-off cost less estimated residual value over the estimated useful lives of the assets. The rates and methods of depreciation are as follows:

Leasehold property	2% straight line
Computer equipment	33% reducing balance
Motor vehicles	33% reducing balance
Fixtures and fittings	25% reducing balance

Stocks

Stocks are stated at the lower of purchase cost and net realisable value. Net realisable value is based on estimated selling price less all relevant marketing, selling and distribution costs.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in period different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash Flow Statement

The company has not presented a cash flow statement. It has taken advantage of the exemption contained in Financial Reporting Standard 1 (Revised 1996) - "Cash Flow Statements", as the ultimate parent company, Powerleague Group Limited has included a consolidated cash flow statement within its group accounts.

2. TURNOVER

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom and are stated excluding VAT.

3. EXCEPTIONAL ITEM ARISING FROM REVALUATION OF PREVIOUSLY IMPAIRED ASSETS

	2004	2003
	£	£
Credit arising on revaluation of fixed assets which were formerly impaired	254,010	-

TOTTENHAM SOCCER CENTRE LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2004

4. OPERATING PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX

	2004 £	2003 £
Operating profit/(loss) on ordinary activities before tax is after charging/(crediting)		
Depreciation of tangible fixed assets		
-historic cost	11,764	11,849
-revalued amount	(5,990)	-
Auditors' remuneration	800	1,500
Rentals under operating leases:		
Plant & Equipment	1,858	2,579
Land and Buildings	55,861	50,000

5. INFORMATION REGARDING EMPLOYEES AND DIRECTORS

	2004 £	2003 £
Staff Costs		
Wages and salaries	82,704	50,809
Social security costs	5,271	4,268
Pension costs	643	-
	88,618	55,077

The average number of employees (excluding directors) during the year was 11 (2003: 7). Employees are site staff. No director received any emoluments during this or the prior year.

6. TAXATION

	2004 £	2003 £
United Kingdom Corporation tax at 30% based on the profit/(loss) for the year (2003: 30%)		
UK corporation tax, being total current tax	-	-
Deferred taxation	(9,012)	(9,926)
	(9,012)	(9,926)
Factors affecting the current tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK.		
The differences are explained below:		
Operating profit/(loss) on ordinary activities before tax	300,875	(9,020)
Tax on profit/(loss) on ordinary activities before tax @ 30%	90,263	(2,706)
Expenses not deductible for tax purposes	(74,471)	2,839
Capital allowances in excess of depreciation	472	(2,386)
Group relief surrendered	-	2,253
Utilisation of tax losses	(16,264)	-
Total current tax	-	-

TOTTENHAM SOCCER CENTRE LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2004

6. TAXATION (CONTINUED)

A deferred tax asset of £18,938 (note 9) has been recognised in respect of timing differences where depreciation is in excess of capital allowances. This is recoverable as the company is anticipated to continue to be profitable in future years

A deferred tax asset has not been recognised in respect of timing differences relating to trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £62,677.

7. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 July 2003	1,613,625	36,527	9,482	1,659,634
Additions	10,063	1,702	-	11,765
Revaluation	(1,363,688)	-	-	(1,363,688)
At 30 June 2004	260,000	38,229	9,482	307,711
Depreciation				
At 1 July 2003	1,613,625	36,527	9,482	1,659,634
Charge for the year	4,073	1,702	-	5,774
Revaluation	(1,617,698)	-	-	(1,617,698)
At 30 June 2004	-	38,229	9,482	47,710
Net book value				
At 30 June 2004	260,000	-	-	260,000
At 30 June 2003	-	-	-	-

The properties were revalued by DTZ Debenham Tie Leung as at 30 June 2004, on the basis of existing use value as fully equipped operational entities having regard to trading potential in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standard, 5th Edition.

Based on the historical cost convention the value of these properties at 30 June 2004 was Nil.

8. STOCKS

	2004 £	2003 £
Goods for resale	3,978	3,665

There is no material difference between the replacement cost of stocks and the amounts shown above.

TOTTENHAM SOCCER CENTRE LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2004

9. DEBTORS

	2004 £	2003 £
Amounts due from fellow subsidiaries	323,522	323,522
Deferred taxation	18,938	9,926
	<u>342,460</u>	<u>333,448</u>

All amounts shown under debtors fall due for payment within one year.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Amounts owed to parent undertaking	401,365	449,515
Amounts owed to fellow subsidiaries	1,586,701	1,586,701
Other taxation and social security	4,331	2,475
	<u>1,992,397</u>	<u>2,038,691</u>

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

	2004 £	2003 £
Other taxation and social security	<u>17,213</u>	<u>11,481</u>

12. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised		
200,100 ordinary shares of £1 each	<u>200,100</u>	<u>200,100</u>
Allotted, called up and fully paid		
200,099 ordinary shares of £1 each	<u>200,099</u>	<u>200,099</u>

13. RESERVES

	Profit and loss account £
At 1 July 2003	(1,912,808)
Retained profit for the year	<u>309,887</u>
At 30 June 2004	<u>1,602,921</u>

TOTTENHAM SOCCER CENTRE LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2004

14. CONTINGENT LIABILITIES

The company has given a cross guarantee to secure the borrowings of its parent undertakings and fellow subsidiaries. At 30 June 2004 the amount outstanding was £24,770,334 (2003: £25,178,587).

15. COMMITMENTS UNDER OPERATING LEASES

As at 30 June 2004 the company had annual commitments under non-cancellable operating leases as set out below:

	2004	2003
Land & Buildings	£	£
Operating leases which expire:		
After five years	50,000	50,000

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Financial Reporting Standard Number 8: Related Party Disclosures not to give details of transactions with group companies as it is a wholly owned subsidiary and consolidated financial statements have been produced.

17. PARENT UNDERTAKINGS

The company's immediate parent undertaking is Powerplay Supersoccer Limited.

The company's ultimate parent undertaking is Powerleague Group Limited, and its registered office is Powerleague Soccer Centre, Pursley Road, Mill Hill, London, NW7 2BB. The accounts of the parent company can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.