

Company Registration No.

3233456

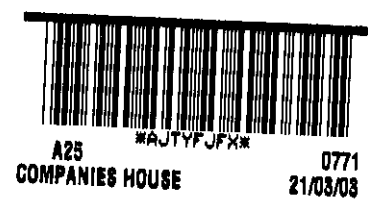
65

TOTTENHAM SOCCER CENTRE LIMITED

Report and Financial Statements

30 June 2002

**Deloitte & Touche
Glasgow**



TOTTENHAM SOCCER CENTRE LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Reconciliation of movements in equity shareholders' deficit	5
Balance sheet	6
Notes to the accounts	7

TOTTENHAM SOCCER CENTRE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J C Hall
S M Beckwith

SECRETARY

J C Hall

REGISTERED OFFICE

Thane Road
Lenton
Nottingham
NG7 2TG

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

Deloitte & Touche
Glasgow

TOTTENHAM SOCCER CENTRE LIMITED

DIRECTORS' REPORT

The directors presents their annual report and the audited financial statements for the year ended 30 June 2002.

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 loss before exceptional administration expenses of £70,743 (2001: loss £59,723). Exceptional administration expenses amounted to a release of £138,000 (2001: expense of £1,711,580), to give an operating profit for the year of £67,257 (2001: operating loss of £1,771,303).

A review was undertaken in the prior year of the carrying value of the company's tangible fixed assets which comprises a five-a-side football centre. In view of the site's continuing operating loss, its carrying value was written-down to nil in accordance with Financial Reporting Standard 15. In light of the results in 2002 the value is considered to remain appropriate. Trading has shown some improvement in the months following the balance sheet date and the directors are confident that this improvement can be sustained.

DIVIDENDS

The directors do not recommend payment of a dividend and the retained profit of £67,257 (2001 – retained loss £1,771,303) has been transferred to reserves.

DIRECTORS AND DIRECTORS INTEREST

The Directors who served during the year were:

J C Hall

S M Beckwith (appointed 5 June 2002)

P E Sellers (resigned 26 September 2001)

A R Moore (resigned 8 November 2001)

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. J C Hall is the only director with such an interest.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them was passed at the Annual General Meeting held on 24 September 2002.

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



J C Hall

Director

Date: 12th March 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 2002 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in equity shareholders' deficit and the related notes 1 to 18. 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.

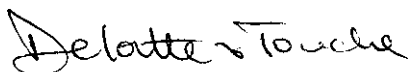
Basis of audit opinion

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants & Registered Auditors
Glasgow

Date:

13 March 2003

TOTTENHAM SOCCER CENTRE LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2002

	Note	2002 £	2001 £ (Restated – See Note 1)
TURNOVER	2	206,400	280,506
Cost of sales		(56,298)	(65,789)
GROSS PROFIT		150,102	214,717
Administration expenses		(220,845)	(274,440)
Exceptional administration expenses	5	138,000	(1,711,580)
Total administration expenses		(82,845)	(1,986,020)
OPERATING PROFIT/(LOSS)	3	67,257	(1,771,303)
Taxation	6	-	-
RETAINED PROFIT/(LOSS) FOR THE YEAR	14	67,257	(1,771,303)

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

There have been no recognised gains and losses attributable to the shareholders other than the profit for the current financial year and loss for the preceding financial year and, accordingly, no Statement of Total Recognised Gains and Losses is presented.

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' DEFICIT

Year ended 30 June 2002

	2002 £	2001 £
Profit /(loss) for the financial year	67,257	(1,771,303)
Net reduction/(increase) in shareholders' deficit	67,257	(1,771,303)
Opening shareholders' deficit	(1,780,872)	(9,569)
Closing shareholders' deficit	(1,713,615)	(1,780,872)

TOTTENHAM SOCCER CENTRE LIMITED

BALANCE SHEET 30 June 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Stocks	8	4,158	3,780
Debtors	9	323,522	320,789
Cash at bank and in hand		350	742
		<u>328,030</u>	<u>325,311</u>
CREDITORS: amounts falling due Within one year	10	<u>(2,033,365)</u>	<u>(1,958,331)</u>
NET CURRENT LIABILITIES		<u>(1,705,335)</u>	<u>(1,633,020)</u>
CREDITORS: amounts falling due after more than one year	11	(8,280)	(9,852)
PROVISIONS for liabilities and charges	12	-	(138,000)
NET LIABILITIES		<u>(1,713,615)</u>	<u>(1,780,872)</u>
CAPITAL AND RESERVES			
Called up share capital	13	200,099	200,099
Profit and loss account	14	<u>(1,913,714)</u>	<u>(1,980,971)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT		<u>(1,713,615)</u>	<u>(1,780,872)</u>

These financial statements were approved by the directors on
Signed on behalf of the Board of Directors

12th MARCH 2003



J C Hall

Director

TOTTENHAM SOCCER CENTRE LIMITED

NOTES TO THE ACCOUNTS

Year Ended 30 June 2002

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 and on a going concern basis.

Tangible fixed assets

Tangible fixed assets are stated at 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.

Provisions

The company provides for costs where there is a legal or constructive obligation as a result of a past event, where it is probable that the company will incur the liability and where a reliable estimate can be made of the obligation.

Deferred taxation

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.

Restated Prior Year Comparative

The directors have changed their accounting policy regarding the recognition of referees' fees as they believe the provision of a referee is integral to the service provided by the company. The policy previously was to net off income and expenditure as the net effect was nil. The revised policy is to show the income and expenditure gross. The change in accounting policy has increased turnover and cost of sales by £16,457 in the year ended 30 June 2002. Accordingly, the results for the year ended 30 June 2001 have been restated to increase turnover and cost of sales by £20,893. There is no effect on gross profit.

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.

TOTTENHAM SOCCER CENTRE LIMITED

NOTES TO THE ACCOUNTS

Year Ended 30 June 2002

3. OPERATING PROFIT/(LOSS)

	2002 £	2001 £
Operating profit/(loss) is after charging:		
Normal depreciation of tangible fixed assets	-	40,120
Auditors remuneration	1,500	1,000
Rentals under operating leases:		
Plant & Equipment	1,640	-
Land and Buildings	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

4. INFORMATION REGARDING EMPLOYEES AND DIRECTORS

	2002 £	2001 £
Staff Costs		
Wages and salaries	42,436	85,479
Social security costs	4,197	10,257
	<u>46,633</u>	<u>95,736</u>

The average number of employees (excluding directors) during the year was 8 (2001: 19). Employees are site staff.

No director received any emoluments during this or the prior year.

5. EXCEPTIONAL ADMINISTRATIVE COSTS

	2002 £	2001 £
Accelerated depreciation on tangible fixed assets	-	1,560,964
Provision for onerous lease (note 12)	(138,000)	138,000
VAT repayable under Capital Goods Scheme	-	12,616
	<u>(138,000)</u>	<u>1,711,580</u>

TOTTENHAM SOCCER CENTRE LIMITED

NOTES TO THE ACCOUNTS Year Ended 30 June 2002

6. TAXATION

	2002 £	2001 £
Taxation on profit/(loss) on ordinary activities	-	-
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:		
Tax on profit/(loss) on ordinary activities before tax @ 30%	20,177	(531,391)
Expenses not deductible for tax purposes	2,528	-
Capital allowances in excess of depreciation	(4,104)	474,853
Movement in short term timing differences	(41,400)	41,400
VAT repayable under Capital Goods Scheme	-	3,785
Utilisation of tax losses	22,799	11,353
	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to trading losses as there is sufficient evidence that the asset will be recovered. The amount of the asset not recognised is £156,507. The asset would be recovered if depreciation exceeds capital allowances.

7. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 30 June 2002 and 1 July 2001	1,604,162	34,141	9,482	1,647,785
Depreciation				
At 30 June 2002 and 1 July 2001	1,604,162	34,141	9,482	1,647,785
Net book value at 30 June 2002 and 30 June 2001	-	-	-	-

8. STOCKS

	2002 £	2001 £
Goods for resale	4,158	3,780

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

9. DEBTORS

	2002 £	2001 £
Amounts due from fellow subsidiaries	323,522	320,789

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

TOTTENHAM SOCCER CENTRE LIMITED

NOTES TO THE ACCOUNTS

Year Ended 30 June 2002

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank overdraft	-	221,959
Amounts owed to parent undertakings	443,425	148,003
Amounts owed to fellow subsidiaries	1,586,701	1,586,592
Other taxation and social security	3,239	1,777
	<u>2,033,365</u>	<u>1,958,331</u>

The bank overdraft is secured by a cross guarantee between the company, its parent undertaking and fellow subsidiaries.

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

	2002 £	2001 £
Other taxation and social security	<u>8,280</u>	<u>9,852</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Onerous Lease Provision £
At 1 July 2001	138,000
Release of provision	<u>(138,000)</u>
At 30 June 2002	<u>-</u>

13. CALLED UP SHARE CAPITAL

	2002 £	2001 £
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>

TOTTENHAM SOCCER CENTRE LIMITED

NOTES TO THE ACCOUNTS

Year Ended 30 June 2002

14. RESERVES

	Profit and loss account £
At 1 July 2001	(1,980,971)
Retained profit for the year	67,257
	<hr/>
At 30 June 2002	(1,913,714)
	<hr/>

15. CONTINGENT LIABILITIES

The company has given a cross guarantee to secure the borrowings of its parent undertakings and fellow subsidiaries. At 30 June 2002 the amount outstanding was £26,479,280.

16. COMMITMENTS UNDER OPERATING LEASES

As at 30 June 2002 the company had annual commitments under non-cancellable operating leases as set out below:

	2002 £	2001 £
Land & Buildings		
Operating leases which expire:		
After five years	50,000	50,000
	<hr/>	<hr/>

17. 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.

18. 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, Fred Knight Sports Centre, Willoughby Lane, London, N17 0SL. The accounts of the parent company can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.