



Grant Thornton

Financial Statements Active Sports Marketing Limited

For the 16 months ended 31 December 2007



Company Number 04078412

Contents

Section	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Report of the independent auditor to the members	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

Officers and Professional Advisers

Directors	C Rawlings	
	N Rodford	(Resigned 31 October 2006)
	M Page	(Resigned 31 October 2006)
	C Woodman	
	R Bermitz	
	A Croker	(Appointed 31 October 2006, Resigned 21 September 2007)
	PKH Cordes	(Appointed 31 October 2006; Resigned 19 February 2007)
Secretary	R Gale	
Registered office	43 Maiden Lane London Wc2E 7LL	
Registered number	04078412	
Auditors	Grant Thornton UK LLP Chartered Accountants Spinningfields 4 Hardman Square Manchester M3 3EB	
Bankers	National Westminster Bank PLC 1 Spinningfields Square Manchester M3 3AP	

Report of the Directors

The directors present their report and audited financial statements for the year ended 31 August 2007. This director's report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal activities and review of the business

The principal activities of the company comprise the provision of marketing services in the sports sector (principally football) to players, corporate brands and clubs in the UK and continental Europe and the provision of events management.

On 24 October 2006 Formation Group plc passed a resolution to approve the disposal of Active Sports Marketing Limited to Sportfive GmbH & Co KG. On 30 October 2006 Active Sports Marketing Limited was acquired by Sportfive GmbH & Co KG, Germany, a subsidiary of Lagardere SA.

Future prospects

The outlook for the company remains positive.

Dividends and Transfers to Reserves

The results of the company are set out on page 6.

A dividend of £251,249 was paid to Formation Group plc in respect of the period (2006 - £nil). The profit for the financial year of £214,897 (2006 - £260,354) has been transferred to reserves.

Directors and their interests

The directors who served during the year (none of whom have any interest in the shares of the company) are shown on page 1 of the financial statements.

The directors do not have any other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

Auditors

Deloitte & Touche LLP resigned as auditors during the period, Grant Thornton UK LLP were appointed on 27 November 2007, a resolution to reappoint them will be proposed at the Annual General Meeting.

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



CM Rawlings
Director
11 April 2008

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The financial statements are required by law to 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. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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. 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The directors' are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ACTIVE SPORTS MARKETING LIMITED

We have audited the financial statements of Active Sports Marketing Limited for the period ended 31st December 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes 1 to 16. 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information includes the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgments 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 as at 31 December 2007 and of its profit for the period ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 December 2007



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Manchester

11 April 2008

Profit And Loss Account

for the period ended 31 December 2007

	Note	16 months to 31 December 2007 £	12 months to 31 August 2006 £
Turnover	2	4,002,060	1,271,880
Cost of sales		(2,700,944)	(400,379)
Gross profit		1,301,116	871,501
Administrative expenses		(1,019,830)	(545,661)
Operating profit		281,286	325,840
Finance income (net)	4	23,047	24,858
Profit on ordinary activities before taxation	5	304,333	350,698
Tax on profit on ordinary activities	6	(89,436)	(90,344)
Retained profit for the financial year	13	214,897	260,354

There are no recognised gains and losses in either period other than the profit for that financial year. Accordingly, a statement of total recognised gains and losses has not been prepared.

The accompanying notes are an integral part of these financial statements

Balance Sheet

as at 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Intangible assets	7	10,692	1,459
Tangible assets	8	7,934	14,181
		<hr/>	<hr/>
		18,626	15,640
Current assets			
Debtors	9	1,004,586	1,742,740
Cash at bank and in hand		1,151,881	142,336
		<hr/>	<hr/>
		2,156,467	1,885,076
Creditors: amounts falling due within one year	10	(1,744,584)	(1,433,855)
		<hr/>	<hr/>
Net current assets		411,883	451,221
		<hr/>	<hr/>
Total assets less current liabilities		430,509	466,861
Provisions for liabilities	11	(640)	(640)
		<hr/>	<hr/>
Net Assets		429,869	466,221
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	429,868	466,220
		<hr/>	<hr/>
Shareholders' funds	14	429,869	466,221
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 11 April 2008

Signed on behalf of the Board of Directors



CM Rawlings
Director

Notes to the Financial Statements

for the period ended 31 December 2007

1 Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are set out below

Basis of accounting

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

Intangible fixed assets

Trademarks are stated at cost and depreciated in equal annual instalments over a period of ten years which is their useful economic life. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are shown at historical cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, of each asset on a straight line basis over its expected useful life, as follows

Short leasehold improvements	-	Term of lease
Fixtures and fittings	-	5 years
Motor vehicles	-	4 years

Taxation

Current tax, including UK corporation tax and foreign 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 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 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average 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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes to the Financial Statements

for the period ended 31 December 2007

1 Accounting Policies (continued)

Turnover

Turnover for sports marketing services represents the commission earned.

Turnover and profit for corporate hospitality and events is recognised when the event takes place

Turnover is net of VAT and other sales related taxes

Invoices raised by the company but not yet recognised as turnover, in line with the profit recognition policy above, are credited to accruals and deferred income. Similarly, invoices received by the company but not yet recognised as costs, in line with the profit recognition policy above, are debited to prepayments and accrued income.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

Leases and hire purchase obligations

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. Benefits are received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Cash flow

No cash flow statement has been produced as the financial statements of Lagardere SA, the ultimate parent company, are publicly available and include a consolidated cash flow statement in accordance with FRS 1.

2 Turnover

Turnover arose entirely from the company's principal activities in the United Kingdom. The geographical analysis of turnover by destination is as follows:-

	16 months to 31 December 2007 £	12 months to 31 August 2006 £
UK	1,688,998	792,356
Europe	1,000,494	199,533
Rest of World	1,312,568	279,991
	<hr/>	<hr/>
	4,002,060	1,271,880
	<hr/>	<hr/>

Notes to the Financial Statements

for the period ended 31 December 2007

3 Information regarding Directors and Employees

The average monthly number of persons employed (including directors) by the company during the year was as follows -

	16 months to 31 December 2007 No.	12 months to 31 August 2006 No.
Sports Marketing and Events	7	9

The aggregate remuneration comprised.

	16 months to 31 December 2007 £	12 months to 31 August 2006 £
Wages and salaries	595,454	371,883
Social security costs	70,393	34,062
	<u>665,847</u>	<u>405,945</u>

Directors' remuneration

	16 months to 31 December 2007 £	12 months to 31 August 2006 £
The remuneration of the directors was as follows:		
Emoluments	462,311	130,328
Other emoluments	1,500	16,682
	<u>463,811</u>	<u>147,010</u>
Highest paid director	<u>337,486</u>	<u>-</u>

4 Finance Income (Net)

	16 months to 31 December 2007 £	12 months to 31 August 2006 £
Interest receivable from group companies	23,047	25,418
Less: Bank interest payable	-	(560)
	<u>23,047</u>	<u>24,858</u>

Notes to the Financial Statements

for the period ended 31 December 2007

5 Profit on Ordinary Activities before taxation

Profit on ordinary activities before taxation is stated after charging

	16 months to 31 December 2007 £	12 months to 31 August 2006 £
Depreciation of owned assets	11,406	10,539
- owned assets	1,094	175
Amortisation of trademarks and other rights		
Operating lease rentals		
- property	19,457	27,408
Auditors' remuneration - audit	6,000	4,981
- non audit services	-	6,165
Staff costs (see note 3)	665,847	405,945

6 Tax on profit on ordinary activities

The tax charge is based on the profit for the period and comprises:

	16 months to 31 December 2007 £	12 months to 31 August 2006 £
Current tax		
UK corporation tax	95,180	108,895
Adjustments in respect of prior years		
- UK corporation tax	(5,744)	(19,191)
Total assets tax	89,436	89,704
Deferred tax		
Origination and reversal of timing differences	-	(1,957)
Adjustments in respect of prior years	-	2,597
Total deferred tax	-	640
Total tax on profit on ordinary activities	89,436	90,344

Notes to the Financial Statements

for the period ended 31 December 2007

6 Tax on profit on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of corporation tax to the profit before tax as follows:

	16 months to 31 December 2007 £	12 months to 31 August 2006 £
Profit on ordinary activities before tax	304,334	350,698
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2006 - 30%)	91,300	105,209
Effects of:		
Expenses not deductible for tax purposes	2,014	1,729
Depreciation in excess of capital allowances	1,866	1,957
Adjustments to tax charge in respect of previous periods	(5,744)	(19,191)
Total current tax	89,436	89,704

7 Intangible fixed assets

	Trademarks £
Cost	
As at 1 September 2006	1,751
Additions in the period	10,327
As at 31 December 2007	12,078
Accumulated amortisation	
As at 1 September 2006	292
Charge for the year	1,094
As at 31 December 2007	1,386
Net book value	
As at 31 December 2007	10,692
As at 31 August 2006	1,459

Notes to the Financial Statements

for the period ended 31 December 2007

8 Tangible fixed assets

	Property improvements £	Fixtures, fittings, tools and equipment £	Office equipment £	Total £
Cost				
As at 1 September 2006	4,673	18,660	8,720	32,053
Additions	-	3,961	1,694	5,655
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2007	4,673	22,621	10,414	37,708
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
As at 1 September 2006	2,465	10,737	4,670	17,872
Charge for the year	2,078	6,768	3,056	11,902
	<hr/>	<hr/>	<hr/>	<hr/>
	4,543	17,505	7,726	29,774
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
As at 31 December 2007	130	5,116	2,688	7,934
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 August 2006	2,208	7,923	4,050	14,181
	<hr/>	<hr/>	<hr/>	<hr/>

9 Debtors

	2007 £	2006 £
Trade debtors	240,849	655,839
Amounts owed to group undertakings	339,827	833,940
Other debtors	73,941	-
Prepayments and accrued income	349,969	252,961
	<hr/>	<hr/>
	1,004,586	1,742,740
	<hr/>	<hr/>

Notes to the Financial Statements

for the period ended 31 December 2007

10 Creditors: Amounts falling due within one year

	2007 £	2006 £
Trade creditors	432,049	183,154
UK corporation tax	-	108,916
Amounts owed to group undertakings	-	86,910
Other taxation and social security	9,891	12,130
Accruals and deferred income	1,302,644	1,042,745
	<u>1,744,584</u>	<u>1,433,855</u>

11 Provisions for liabilities

	Deferred Taxation £
Balance at 1 September 2006	640
Charged to profit and loss account	-
	<u>640</u>
Balance at 31 December 2007	<u>640</u>

The deferred tax liability provided is analysed as follows:-

	2007 £	2006 £
Accelerated capital allowances	640	640

The company has a potential deferred tax assets of £ nil (2006 £121) which has not been recognised in these financial statements

12 Called up share capital

	2007 £	2006 £
Authorised, called up, allotted and fully paid 50,000 ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
Allotted and fully paid 1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

Notes to the Financial Statements

for the period ended 31 December 2007

13 Reserves

The movement on reserves during the period was as follows

	Profit and loss account £
At 1 September 2006	466,220
Profit for the period	214,897
Dividend	(251,249)
	<hr/>
At 31 December 2007	429,868
	<hr/>

14 Reconciliation of movement in shareholders' funds

	2007 £	2006 £
Profit for the financial period	214,897	260,354
Dividend	(251,249)	-
Opening shareholders' funds	466,221	205,867
	<hr/>	<hr/>
Closing shareholders' funds	429,869	466,221
	<hr/>	<hr/>

15 Immediate and ultimate parent company

At the 31 December 2007 the directors regarded Sportfive GmbH and Co KG, a company registered in Germany, as the immediate parent company and Lagardere SA a company registered in France, as ultimate parent company

As a subsidiary undertaking of Lagardere SA, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Lagardere SA.

Notes to the Financial Statements

for the period ended 31 December 2007

16 Guarantees and other financial commitments

a) Capital commitments

The company had no capital commitments as at 31 December 2007 (2006 - £Nil)

b) Operating leases

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Expiry date:				
Between one and two years	19,457	27,408	-	-
Between two and five years	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>