

**SPORTS HOLDINGS LIMITED
(FORMERLY PINCO 1952
LIMITED)**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MAY 2004



SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)

FINANCIAL STATEMENTS

For the period ended 31 May 2004

Company registration number: 04765076

Registered office: 1 Park Row
Leeds
LS1 5AB

Directors: J Anderson
J Weston
L Anderson
M Anderson

Secretary: S Peters

Solicitors: Howard Kennedy
19 Cavendish Square
London
W1A 2AW

Bankers Barclays Bank plc
1250 High Road
Whetstone
London
N20 0PB

Auditors: Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Enterprise House
115 Edmund Street
Birmingham
B3 2HJ

SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)

FINANCIAL STATEMENTS

For the period ended 31 May 2004

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SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the period ended 31 May 2004.

Principal activity

The principal activity of the company is that of a holding company for a group engaged in sports representation and management.

The company was incorporated on 15 May 2003. On 4 August 2003 the company acquired the entire issued share capital of The Sport Entertainment and Media Group Limited for a consideration of £9,410,176 comprising a mixture of cash and shares in the company.

Directors

The directors who served in the period are set out below.

The interests of the directors in the shares of the company as at 31 May 2004 (or date of appointment to the Board if later) were as follows:

	Ordinary shares of 10p each 31 May 2004
J Anderson (appointed 23 May 2003)	11,446,721
A Ogun (appointed 23 May 2003, resigned 25 June 2004))	-
R Levy (appointed 23 May 2003, resigned 30 March 2004)	-
J Luper (appointed 11 June 2003, resigned 29 February 2004)	-
J Weston (appointed 30 March 2004)	-
M Anderson (appointed 17 May 2004)	16,393
L Anderson (appointed 29 February 2004)	<u>4,362,705</u>

Director's responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial period which 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 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
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

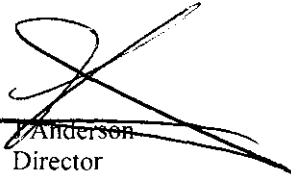
SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)

REPORT OF THE DIRECTORS

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



J. Anderson
Director

15 July 2005

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)

Grant Thornton 

We have audited the financial statements of Sports Holdings Limited (formerly Pinco 1952 Limited) for the period ended 31 May 2004 which comprise the profit and loss account, the balance sheet and notes 1 to 13 which 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 the director and auditors

The director's responsibilities for preparing the director's report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you if, in our opinion, the director's 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 other information contained in the director's report, and consider whether it is consistent with the audited financial statements. 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 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 31 May 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
BIRMINGHAM**

Date: 15 July 2005

SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)**PROFIT AND LOSS ACCOUNT**

For the period ended 31 May 2004

	Note	Period to 31 May 2004 £
Administrative expenses		(334,904)
Operating loss		(334,904)
Interest payable	3	(99,512)
Loss on ordinary activities before taxation	2	(434,416)
Taxation	4	-
Loss on ordinary activities after taxation	9,10	(434,416)

There were no recognised gains or losses other than the loss for the financial period.

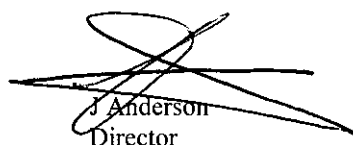
The accompanying accounting policies and notes form an integral part of these financial statements.

SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)

BALANCE SHEET AT 31 MAY 2004

	Note	31 May 2004 £
Fixed assets		
Investments	5	<u>9,410,176</u>
Creditors: amounts falling due within one year	6	<u>(1,112,257)</u>
Net current liabilities		<u>(1,112,257)</u>
Total assets less current liabilities		8,297,919
Creditors: amounts falling due after more than one year	7	<u>(1,504,690)</u>
		<u>6,793,229</u>
Capital and reserves		
Called up share capital	8	2,799,687
Share premium account	9	4,427,958
Profit and loss account	9	<u>(434,416)</u>
Shareholders' funds	10	<u>6,793,229</u>

The financial statements were approved by the Board of Directors on 15 July 2005.


J. Anderson
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 May 2004

1 ACCOUNTING POLICIES

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

Going concern

The financial statements have been prepared on a going concern basis as the directors have prepared cash flow forecasts which demonstrate that the company has sufficient finance facilities available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements.

Investments

Investments are included at cost less amounts written off.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has, therefore, taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAX

Loss on ordinary activities is stated after charging

	Period to 31 May 2004 £
Auditors remuneration:	
Audit fees	4,000
Non audit fees - taxation services	1,000
	<hr/>

3 INTEREST PAYABLE

	Period to 31 May 2004 £
Bank interest	19,512
Loan interest	80,000
	<hr/>
	99,512

SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 May 2004

4 TAXATION ON LOSS ON ORDINARY ACTIVITIES

The tax (credit)/charge represents:

	Period to 31 May 2004 £
UK corporation tax at 30%	-
Total current tax	-

The tax assessed for the year differs from the standard rate of corporation tax in the UK as follows:

	Period to 31 May 2004 £
Loss on ordinary activities before tax	(434,416)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(130,325)
Effect of Expenses not deductible for tax purposes	72,000
Group relief	58,325
Current tax charge for year	-

5 FIXED ASSET INVESTMENTS

	£
Cost and net book amount at 31 May 2004	9,410,176

On 4 August 2003 Sports Holdings Limited acquired 100% of the called up share capital of The Sport Entertainment and Media Group Limited, a company registered in the United Kingdom. At 30 September 2004 the aggregate amount of capital and reserves of the Sport Entertainment and Media Group Limited was £2,382,000. The loss for the year was £1,118,590.

The Sport Entertainment & Media Group Limited holds 100% of the ordinary share capital of the following subsidiaries, all of which are registered in England and Wales with the exception of Manmark S.A. which is registered in Switzerland and Inside Stuff Management SA which is registered in Portugal.

SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 May 2004

FIXED ASSET INVESTMENTS (CONTINUED)

Subsidiary	Nature of business
Jerome Anderson Management Limited	Sports representation agents and management
Cloudmanor Limited	Boxing management and promotion
Robert Segal Management Limited	Dormant
Manmark S.A.	Sports representation agents and management
Lion Promotions Limited	Intermediary holding company
Inside Stuff Management SA	Sports and marketing consultancy

The Sport Entertainment & Media Group Limited also holds 50% of the 'B' ordinary share capital in Templar Anderson Limited a company engaged in the provision of financial services. The investment has been fully written off as it has no realisable value.

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 May 2004 £
Bank loan	120,000
Bank overdraft	863,971
Trade creditors	20,327
Accruals	5,000
Amounts due to group undertakings	102,959
	<u>1,112,757</u>

The bank loan is stated net of unamortised loan fees of £45,000.

The bank loan is repayable over 5 years and bears interest at a rate of 2.75% above the bank's base rate.

The bank loan is secured by a fixed and floating charge over the assets of the group.

The bank overdraft is secured by a debenture on Jerome Anderson Management Limited.

SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 31 May 2004

7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 May 2004 £
Bank loan	<u>1,504,690</u>

The bank loan is repayable as follows:

	31 May 2004 £
Within one year	120,000
After one and within two years	240,000
After two and within five years	<u>1,264,690</u>
	<u>1,624,690</u>

8 SHARE CAPITAL

	31 May 2004 £
Authorised 50,010,000 ordinary shares of 10p each	<u>5,001,000</u>
Allotted, called up and fully paid 27,996,875 ordinary shares of 10p each	<u>2,799,687</u>

The company was incorporated on 15 May 2003 with an authorised share capital of 1,000 ordinary shares of £1 each. One ordinary £1 share issued at par. On 19 June 2003, the existing share capital of the company was divided into 10,000 ordinary shares of 10 pence each. The authorised share capital of the company was increased from £1,000 to £5,001,000 by the creation of 50,000,000 additional ordinary shares of 10 pence each.

On 9 January 2004 the company issued 27,996,865 shares to the shareholders of The Sport Entertainment and Media Group Limited at 27.5 pence per share in order to acquire that company as detailed in note 13. The difference between the nominal value of the shares and the issue price of 17.5 pence has been credited to the share premium account.

9 RESERVES

	Share premium £	Profit and loss account £
Loss for the period	-	(434,416)
Premium on allotment	4,899,451	-
Less: costs of share issue	(471,493)	-
At 31 May 2004	<u>4,427,958</u>	<u>(434,416)</u>

SPORTS HOLDINGS LIMITED (FORMERLY PINCO 1952 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 May 2004

10 SHAREHOLDERS' FUNDS

	31 May 2004 £
Issue of shares (net of issue costs)	7,227,645
Loss for the period	(434,416)
Shareholders' funds at 31 May 2004	<u>6,793,229</u>

11 RELATED PARTY TRANSACTIONS

During the year the company had transactions with other members of the group. The balances at 31 May 2004 were as follows:

	£
The Sport Entertainment and Media Group Limited	(41,595)
Jerome Anderson Management Limited	(61,364)
	<u>(102,959)</u>

12 CONTROLLING RELATED PARTY

The ultimate controlling related party of the company is Mr Jerome Anderson and his related parties by virtue of their majority shareholding in Sports Holdings Limited.

13 ACQUISITIONS

On 18 July 2003 the company acquired the entire issued share capital of The Sport Entertainment and Media Group Limited for a consideration of £9,377,740, satisfied by the issue of 27,996,865 ordinary shares at 27.5 pence per share and £1,678,602 in cash.

	2004 £
Issue of shares	7,699,138
Cash	1,678,602
Acquisition costs	32,436
Total consideration	<u>9,410,176</u>