

Chairman's interim statement

The operating profit before exceptional items and goodwill amortisation for the six months ended 31 July 2003 on a like for like basis was £453,000 compared to £639,000 for the same period last year. MV Sports Group Plc, which was acquired on 8 April 2003, increased the Group's operating profit before exceptional items and goodwill amortisation by £205,000 to £658,000. No dividend is proposed for the interim period.

During the period we have relocated the Pot Black snooker and outdoor play equipment and the Ben Sayers golf businesses to a single site at Bideford. The Dawes Cycles and the Two Wheel Trading bicycle accessory businesses have been combined and transferred to the MV Sports premises in the Midlands. These changes have resulted in redundancy costs of £198,000 which have been incurred in the first half year. There will be a similar charge in the second half year. The full benefit of savings from employee costs and other fixed overheads will be achieved during the 2004 calendar year.

Falcon and Dawes Cycles

Turnover in our bicycle businesses was 2% up on the previous year with similar operating profits.

We now have products covering a wide range of price points which should enable our share of the bicycle market to rise for the full year with a corresponding increase in profits.

Pot Black

Sales of outdoor play equipment products introduced since we acquired the business in September 2000 have grown very successfully. Other products, outside the core activities of snooker, pool and outdoor play equipment, with low margins are being withdrawn from the range which has resulted in a reduced turnover.

Increased sales and marketing costs together with the relocation and reduced turnover has resulted in a drop in profitability for Pot Black in the first half year.

Product selections by national retailers for the second half year are encouraging, which should lead to the business reporting an acceptable level of profit for the full year.

Ben Sayers

Our golf business achieved an increase in turnover of 17% from the previous year. Despite increased sales expenses and the cost of relocation, profit levels were maintained.

The relocation of the business to operate alongside Pot Black should allow a better utilisation of resources and with significantly reduced fixed costs an increase in profitability.

MV Sports Group

MV distribute products featuring high-profile children's brand and character licences including Barbie, Bratz, Groovy Chick and Bang on the Door. A range of football training equipment for children under the brand Kickmaster was successfully launched in April 2002.

Since the acquisition of MV Sports on 8 April 2003, it has contributed £6,368,000 of turnover with an operating profit of £205,000. The first half year has previously been a loss-making period for MV Sports with the six months to 30 June 2002 reporting an operating loss of £88,000.

The increased profitability is due to improvements made to gross margin and a significant reduction in fixed overheads.

We welcome to the Group the employees of MV Sports who have shown real commitment and enthusiasm since joining us.

Summary

The first half year has seen the acquisition of MV Sports and, towards the end of the period, the commencement of the rationalisation of the Group's operating facilities. Early indications at MV Sports look encouraging and the business should yield a significant return on our investment.

Your Board expects that the full year's results will show an improvement from last year.

Graham Waldron
Chairman

19 September 2003

Registered office: 9 South Street, Crowland, Peterborough PE6 0AH

Consolidated profit and loss statement

	6 months to 31 July 2003 Unaudited £'000	6 months to 31 July 2002 Unaudited £'000	Year ended 31 January 2003 Audited £'000
Turnover			
Continuing operations	19,022	17,929	35,330
Acquisitions	6,368	1,158	1,987
Discontinued operations	—	—	—
	25,390	19,087	37,317
Operating profit			
Continuing operations	453	639	984
Acquisitions	205	—	—
Discontinued operations	—	—	(24)
Release/utilisation of prior year provision	—	—	28
	658	639	988
Exceptional items	(89)	—	—
Amortisation of goodwill	(102)	(92)	(201)
	467	547	787
Operating profit on ordinary activities before interest			
Net interest payable	(272)	(263)	(553)
	195	284	234
Profit before taxation			
Taxation	—	—	9
	195	284	243
Profit after taxation			
Finance costs of non-equity shares	(14)	(18)	151
	181	266	394
Retained profit for the period			
Earnings per share			
Basic	0.55	0.76	1.57
Diluted	0.55	0.76	1.57
Adjusted	1.13	1.03	2.38

Consolidated balance sheet

	31 July 2003 Unaudited £'000	31 July 2002 Unaudited £'000	31 January 2003 Audited £'000
Fixed assets			
Intangible assets	6,034	3,509	3,692
Negative goodwill	(1,637)	(95)	(197)
Tangible assets	1,774	1,210	1,153
	6,171	4,624	4,648
Current assets			
Stocks	8,786	7,824	7,133
Debtors	12,807	9,082	6,433
Cash at bank	1,285	—	—
	22,878	16,906	13,566
Creditors			
Amounts falling due within one year			
Bank overdrafts	—	5,040	1,374
Other creditors	20,356	10,667	9,539
	20,356	15,707	10,913
Net current assets/(liabilities)	2,522	1,199	2,653
Total assets less current liabilities	8,693	5,823	7,301
Creditors			
Amounts falling due after more than one year	1,754	86	1,801
Provisions for liabilities and charges	77	92	69
Net assets	6,862	5,645	5,431
Capital and reserves			
Called-up share capital	1,502	11,174	11,174
Share premium account	6,193	5,397	5,442
Capital reserve	5,356	406	406
Merger reserve	63	63	63
Profit and loss account	(6,988)	(12,472)	(12,376)
Equity shareholders' funds	6,126	4,568	4,709
Non-equity minority interests	736	1,077	722
	6,862	5,645	5,431

Notes to the interim report

1 *Basis of preparation*

The interim financial statements have been prepared using accounting policies stated in the Group's report and accounts for the year ended 31 January 2003 and are unaudited. The summary of results for the year ended 31 January 2003 does not constitute full financial statements within the meaning of the Companies Act 1985. The report and full financial statements for that period have been filed with the Registrar of Companies and contain an unqualified audit report.

2 *Earnings per share*

The calculation of earnings per share is based on the net profit and ordinary shares in issue during the period as follows:

	6 months to 31 July 2003 £'000	6 months to 31 July 2002 £'000	Year ended 31 January 2003 £'000
<i>Basic and diluted earnings per share</i>			
Profit for the period after finance cost of non-equity shares	181	266	394
Weighted average number of ordinary shares in issue during the period used for basic and diluted earnings per share	33,043,506	34,883,232	250,465,916
Weighted average number of shares under option	438,575	—	—
Number of shares that would have been issued at fair value	(295,640)	—	—
Weighted average number of ordinary shares used for diluted earnings per share	33,186,441	34,883,232	250,465,916
<i>Adjusted profit used for adjusted earnings per share</i>			
Profit for the period after finance cost of non-equity shares	181	266	394
Goodwill amortisation	102	92	201
Exceptional items	89	—	—
Adjusted profit	372	358	595

The earnings per share figures for the period ended 31 July 2002 and the year ended 31 January 2003 have been adjusted to take account of the re-organisation of the ordinary share capital of the Company, which took effect on 19 March 2003.

3 *Exceptional items*

Exceptional items, analysed below, are reorganisation costs following the acquisition of MV Sports Group Plc and restructuring of the Group, the release of negative goodwill on preference shares owned by the company and special pension contributions made by the company to meet the minimum funding requirement of its pension schemes.

	£'000
Reorganisation costs	198
Special pension payments	88
Release of negative goodwill	(197)
	89

4 *Movement in equity shareholders' funds*

	6 months to 31 July 2003 £'000	6 months to 31 July 2002 £'000	Year ended 31 January 2003 £'000
Profit for the period	181	266	394
Re-classification of preference dividends	—	32	—
Issue of share capital	1,236	2,317	2,362
Opening equity shareholders' funds	4,709	1,953	1,953
Closing equity shareholders' funds	6,126	4,568	4,709