

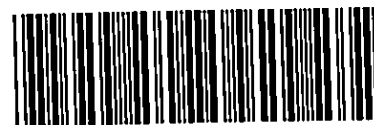
Company Registration No. 01720832

**American Golf Discount Centre
Limited**

Report and Financial Statements

For the period ended 31 January 2010

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American Golf Discount Centre Limited

Report and financial statements 2010

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American Golf Discount Centre Limited

Report and financial statements 2010

Officers and professional advisers

Directors

G Gould

Secretary

G Gould

Registered Office

Europa Boulevard
Gemini Business Park
Westbrook
Warrington
WA5 5YW

Bankers

National Westminster Bank Plc
6th Floor
1 Spinningfields Square
Manchester
M3 3AP

Solicitors

Halliwells
3 Hardman Square
Manchester
M3 3EB

Auditors

Deloitte LLP
Chartered Accountants
Birmingham
United Kingdom

American Golf Discount Centre Limited

Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 January 2010

Principal activities

The principal activities of the company during the period continued to be the sale of golf equipment and accessories

Business review

The period ended 31 January 2010 saw the business make further progress, achieving like for like sales growth against a challenging economic background. The business continued to grow its store portfolio with an additional 6 stores opened during the year.

In the year ahead the business intends to continue its successful growth, with additional new store openings planned as well as further investment in the internet operation.

The business acquired SW Golf Limited on 31 March 2010, which operates Online Golf, the leading specialist internet retailer of golf equipment in Europe. This further strengthens the business' position as the leading multi-channel specialist retailer of golf equipment and accessories in Europe.

Results and dividends

The results of the company for the period are set out in detail on page 7.

The profit for the period amounted to £776,000 (period ended 25 January 2009 loss £4,617,000). The directors do not propose the payment of a dividend (2009 £nil).

Key performance indicators

We monitor our store portfolio's performance through the use of a number of key performance indicators as shown below.

	Period ended 31 January 2010 £'000	Period ended 25 January 2009 £'000
Sales	72,297	67,675
Earnings before interest, tax, depreciation, amortisation and exceptional items	3,548	3,312
Gross margin %	37.2%	37.2%
Employee costs as a percentage of sales	15.2%	15.2%

The following are some of the non-financial KPIs for the business:

- Customer database management: Number of Clubcard members as at 31 January 2010: 570,183 (period ended 25 January 2009: 406,199)
- Employee retention analysis: Staff turnover for the period ended 31 January 2010: 30.6% (period ended 25 January 2009: 31.2%)

American Golf Discount Centre Limited

Directors' report (continued)

Going concern

The directors have considered the appropriateness of adopting the going concern basis in preparation of these financial statements

AGDC Holdings Limited ("the group"), which is the parent undertaking of this company, completed a successful restructuring of the group's financing facilities in January 2010. Following the successful completion of the restructuring of the group's financing structure the directors are of the opinion that the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within its facilities.

The company is subject to a number of risks and uncertainties which arise as a result of the current economic environment. In determining that the company is a going concern these risks, which are described in the principal risks and uncertainties section, have been considered by the directors.

After reviewing the financial projections and facilities available, the directors consider that the company has adequate financial resources to continue in operational existence for the next 12 months and the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Principal risks and uncertainties

Financial risk management

The company's principal financial assets are cash and trade and other debtors. Credit risk is primarily on its trade debtors. In terms of credit risk as the business is a retailer it has no significant outstanding customer debts.

The directors monitor liquidity closely. All borrowing is agreed and monitored by the board. The company does not use any complex financial instruments.

Employee involvement

The company has established structures and procedures for consultation and communication with its employees, including the formal operation of an employee forum.

Employment of disabled persons

Suitable procedures are in operation to support the company's policy that disabled persons (whether registered or not) shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities.

Supplier payments policy

The company's policy is to settle terms of payments with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payments and we abide by the terms of payment. Trade creditors of the group at 31 January 2010 were equivalent to 64 days (25 January 2009 - 58 days) purchases based on the average daily amount invoiced by suppliers during the period.

Operational threats and performance risk

Like all retail businesses our business is susceptible to an economic downturn that could affect consumer spending. We aim to deliver what customers want better than our competitors by understanding and responding to their behaviour. By doing this we aim to minimise the impact of changes to the economic climate.

Competition

The golf retail market is highly competitive. We aim to compete by offering the best value, best product range and the best service levels to consumers. We constantly monitor competitor prices and seek to offer best value to our customers.

American Golf Discount Centre Limited

Directors' report (continued)

Principal risks and uncertainties (continued)

People capabilities

Our greatest asset is our employees. We aim to retain and motivate the best people with the right capabilities at all levels within the business. We review our people policies regularly and are committed to investing in training and development.

Fraud and compliance

There is always the potential for low level financial crimes within the business. Accounting procedures at all levels are clearly set out and monitored to reduce the risk of fraud.

IT Systems and infrastructure

The business is dependent on efficient IT systems. We have controls and backup capabilities in place as well as support contracts with third parties to maintain the integrity and efficiency of our IT systems.

Charitable and political donations

The company made no charitable or political contributions during the period (period ended 25 January 2009 £nil).

Directors

The directors who served throughout the period and subsequently were as follows:

G Gould

S Livingstone (resigned 3 November 2009)

The company has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



Ged Gould
Secretary

American Golf Discount Centre Limited

Directors' responsibility statement

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

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.

Independent Auditors' Report to the Members of American Golf Discount Centre Limited

We have audited the financial statements of American Golf Discount Centre Limited for the period ended 31 January 2010 which comprise the Balance Sheet, the Profit and Loss Account and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2010 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

 Jane Whitlock (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

Birmingham, United Kingdom

28 May 2010

American Golf Discount Centre Limited

Profit and loss account

Period ended 31 January 2010

		Period ended 31 January 2010			Period ended 25 January 2009
	Note	Before Exceptional Items £'000	Exceptional Items £'000	Total £'000	£'000
Turnover	2	72,297	-	72,297	67,675
Cost of sales		(45,379)	-	(45,379)	(42,467)
Gross profit		26,918	-	26,918	25,208
Administrative expenses	4	(24,674)	(614)	(25,288)	(28,515)
Distribution costs		(1,001)	-	(1,001)	(1,158)
Other operating income		202	-	202	338
Operating profit/(loss)	3	1,445	(614)	831	(4,127)
Net interest payable and similar charges	7	(135)	-	(135)	(398)
Profit/(loss) on ordinary activities before taxation		1,310	(614)	696	(4,525)
Tax credit/(charge) on profit on ordinary activities	8	80	-	80	(92)
Profit/(loss) on ordinary activities after taxation being the retained profit/(loss) for the period	19	1,390	(614)	776	(4,617)

All results derive from continuing operations. There are no other gains or losses, other than those presented in the Profit and loss account.

In the preceding period ended 25 January 2009 there were exceptional administrative expenses of £5,306,000.

American Golf Discount Centre Limited

Balance sheet 31 January 2010

	Note	31 January 2010 £'000	25 January 2009 £'000
Fixed assets			
Goodwill	9	812	825
Tangible assets	10	4,139	4,685
Investments	11	432	432
		<u>5,383</u>	<u>5,942</u>
Current assets			
Stocks	12	10,248	10,074
Debtors	13	7,781	6,717
		<u>18,029</u>	<u>16,791</u>
Creditors: amounts falling due within one year	14	<u>(12,093)</u>	<u>(12,639)</u>
Net current assets		<u>5,936</u>	<u>4,152</u>
Total assets less current liabilities		<u>11,319</u>	<u>10,094</u>
Provisions for liabilities	15	<u>(1,572)</u>	<u>(1,123)</u>
Net assets		<u>9,747</u>	<u>8,971</u>
Capital and reserves			
Called up share capital	18	330	330
Share premium account	19	175	175
Profit and loss account	19	9,242	8,466
Total shareholders' funds	19	<u>9,747</u>	<u>8,971</u>

The financial statements of American Golf Discount Centre Limited, registered number 01720832, were approved by the Board of Directors on 28 May 2010 and signed on its behalf by



Ged Gould

Director

American Golf Discount Centre Limited

Notes to the financial statements Period ended 31 January 2010

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have been applied consistently throughout the period and the preceding period.

Basis of preparation

The financial statements are prepared under the historical cost convention.

The accounts are drawn up for the financial period ending on the nearest previous Sunday to 31 January and are for the 53 weeks ended 31 January 2010 and the 52 weeks ended 25 January 2009.

The company has taken advantage of the exemption conferred by section 398 of the Companies Act 2006 and has not produced group accounts.

Going concern

The directors have considered the appropriateness of adopting the going concern basis in preparation of these financial statements.

AGDC Holdings Limited ("the group"), which is the parent undertaking of this company, completed a successful restructuring of the group's financing facilities in January 2010. Following the successful completion of the restructuring of the group's financing structure, the directors are of the opinion that the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within its facilities.

After reviewing the financial projections and facilities available, the directors consider that the company has adequate financial resources to continue in operational existence for the next 12 months and the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Cash flow statement

The company is exempt from the requirement of FRS1 'Cashflow Statements' to prepare a cash flow statement because one is presented in the financial statements of AGDC Holdings Limited, the parent undertaking, which are publicly available.

Tangible fixed assets

All fixed assets are stated at cost net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write down the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Plant and machinery	15% straight line
Fixtures & fittings	20%-33% straight line
Motor vehicles	25% reducing balance
Leasehold Property	10% straight line

Goodwill and intangible assets

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

On disposal or closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal.

American Golf Discount Centre Limited

Notes to the financial statements Period ended 31 January 2010

1. Accounting policies (continued)

Investments

Investments in subsidiary undertakings are stated at cost less any permanent diminution in value

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative impact on the estimated cash flows of that asset. All impairment losses are recognised in the profit and loss account. An impairment loss in respect of goodwill is not reversed.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further selling costs. Provision is made for obsolete, slow moving or defective items where appropriate.

Finished goods and goods for resale are valued at purchase cost on an average cost basis.

Taxation

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred taxation is measured on a non-discounted basis.

Foreign currency

Transactions denominated in foreign currencies are translated into sterling at rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. These differences are recorded in the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and other similar contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet as tangible fixed assets and depreciated over the shorter of their lease term and useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest element of the rental obligations is charged to the profit and loss account over the periods of the leases and hire purchase contracts and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

American Golf Discount Centre Limited

Notes to the financial statements Period ended 31 January 2010

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. All turnover is attributable to the one continuing activity and arises in the United Kingdom and Eire.

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging

	Period ended 31 January 2010 £'000	Period ended 25 January 2009 £'000
Depreciation of owned fixed assets	2,038	2,055
Depreciation of assets held under finance leases	17	31
Amortisation	48	47
Operating lease rentals		
- plant and machinery	121	108
- other	4,932	4,431
Loss on disposal of fixed assets	3	27
The analysis of auditors' remuneration is as follows:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	37	36
Fees payable to the company's auditor and their associates for other services to the company		
- Tax services	3	11
- Other services	1	1

4. Exceptional administration expenses

The following exceptional administration costs were incurred

	Period ended 31 January 2010 £'000	Period ended 25 January 2009 £'000
Consultancy costs	-	60
Onerous lease charges	488	275
Directors severance costs	126	113
Impairment of investment	-	4,609
Reorganisation costs	-	249
	<u>614</u>	<u>5,306</u>

Reorganisation costs include legal and professional fees in relation to the refinancing of the business.

American Golf Discount Centre Limited

Notes to the financial statements Period ended 31 January 2010

5. Staff costs

	Period ended 31 January 2010 £'000	Period ended 25 January 2009 £'000
Wages and salaries	10,124	9,424
Social security costs	883	883
Pension costs	6	8
	<u>11,013</u>	<u>10,315</u>

The average number of employees during the period was as follows

	Period ended 31 January 2010 Number	Period ended 25 January 2009 Number
Warehouse and sales	511	527
Administration	55	57
Management	14	15
	<u>580</u>	<u>599</u>

6. Directors' emoluments

	Period ended 31 January 2010 £'000	Period ended 25 January 2009 £'000
Emoluments	<u>752</u>	<u>558</u>

The company made no contributions to money purchase schemes for the benefit of directors and no directors were members of any defined contribution pension schemes

The amounts in respect of the highest paid director are as follows

	Period ended 31 January 2010 £'000	Period ended 25 January 2009 £'000
Emoluments	<u>314</u>	<u>163</u>

American Golf Discount Centre Limited

Notes to the financial statements Period ended 31 January 2010

7. Net interest payable and similar charges

	Period ended 31 January 2010 £'000	Period ended 25 January 2009 £'000
Bank overdraft	55	298
Unwind of discount on provisions	80	100
	<u>135</u>	<u>398</u>

8. Tax on profit/(loss) on ordinary activities

	Period ended 31 January 2010 £'000	Period ended 25 January 2009 £'000
(a) Tax on profit/(loss) on ordinary activities The tax (credit)/charge is made up as follows		
Current tax		
UK corporation tax	-	-
Tax (over)/under provided in previous periods	(80)	92
Total current tax (credit)/charge (note 8(b))	<u>(80)</u>	<u>92</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Tax (credit)/charge on profit/(loss) on ordinary activities	<u>(80)</u>	<u>92</u>

American Golf Discount Centre Limited

Notes to the financial statements

31 January 2010

8. Tax on profit/(loss) on ordinary activities (continued)

	Period ended 31 January 2010 £'000	Period ended 25 January 2009 £'000
(b) Factors affecting current tax charge		
The differences are reconciled below		
Profit/(loss) on ordinary activities before taxation	696	(4,525)
Profit/(loss) on ordinary activities at standard UK corporation tax rate of 28% (2009 – 28.3%)	195	(1,281)
Effects of		
Expenses not deductible for tax purposes	199	252
Impairment of investment in subsidiary undertakings	-	1,304
Depreciation in excess of capital allowances	423	358
Group relief not paid for	(817)	(633)
Adjustment to tax charge in respect of previous periods	(80)	92
Total current tax charge/ (credit) (note 8(a))	(80)	92

There is an unrecognised deferred tax asset of £1,679,904 (period ended 25 January 2009 £1,256,221) which due to uncertain future profits has not been recognised. This represents future capital allowances deductions in excess of qualifying depreciation of £1,679,741 (period ended 25 January 2009 £1,256,058), short term timing differences of £163 (period ended 25 January 2009 £163) and tax losses of £nil (period ended 25 January 2009 £nil).

American Golf Discount Centre Limited

Notes to the financial statements 31 January 2010

9 Intangible assets

	Goodwill £'000
Cost	
At 25 January 2009	1,149
Additions	35
	<hr/>
At 31 January 2010	1,184
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Amortisation	
At 25 January 2009	324
Charge for the period	48
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At 31 January 2010	372
	<hr/>
Net Book Value	
At 25 January 2009	825
	<hr/>
At 31 January 2010	812
	<hr/>

Additions

In the prior year, the company acquired the trade and assets of a store at Colchester. The additions represent a fair value adjustment in relation to the acquisition.

American Golf Discount Centre Limited

Notes to the financial statements

31 January 2010

10. Tangible fixed assets

	Freehold and Long Leasehold Property £'000	Plant and machinery £'000	Fixtures & Fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 25 January 2009	7,140	152	13,390	60	20,742
Additions	96	-	1,421	-	1,517
Disposals	-	-	(18)	(23)	(41)
At 31 January 2010	7,236	152	14,793	37	22,218
Accumulated depreciation					
At 25 January 2009	5,332	143	10,541	41	16,057
Charge for the period	436	4	1,611	4	2,055
Disposals	-	-	(17)	(16)	(33)
At 31 January 2010	5,768	147	12,135	29	18,079
Net book value					
At 25 January 2009	1,808	9	2,849	19	4,685
At 31 January 2010	1,468	5	2,658	8	4,139
Land and building not depreciated is nil					
Leased assets included in the above					
Net book value					
At 25 January 2009	-	-	32	15	47
At 31 January 2010	-	-	17	6	23

11. Investments

	Investments in subsidiary undertakings £'000
Cost	
At 25 January 2009 and 31 January 2010	5,041
Amortisation	
At 25 January 2009 and 31 January 2010	4,609
Net book value	
At 25 January 2009 and 31 January 2010	432

American Golf Discount Centre Limited

Notes to the financial statements

31 January 2010

Details of subsidiary undertakings at 31 January 2010 are

	Principal activity	Proportion and class of shares held
Par-Bilt (UK) Limited	Dormant	100% ordinary
Crewe Golf and Leisure Limited	Dormant	100% ordinary
Bilton Golf Promotions Limited	Dormant	100% ordinary
Golf Clearance Centre Limited	Dormant	100% ordinary
Palm-Springs (UK) Limited	Dormant	100% ordinary
Glentake Limited	Dormant	100% ordinary
Southwest Golf Limited	Dormant	100% ordinary
Redtarn Limited	Dormant	100% ordinary
Zonespan Limited	Dormant	100% ordinary

Investments (continued)

Palm Springs (UK) Limited is a subsidiary undertaking of Par Bilt (UK) Limited. All of the other subsidiary undertakings are owned directly by American Golf Discount Centre Limited, and are incorporated in Great Britain. The aggregate capital and reserves of each subsidiary undertaking is as follows:

American Golf Discount Centre Limited

Notes to the financial statements

31 January 2010

	Period end	Aggregate capital and reserves £
Par-Bilt (UK) Limited	31 January 2010	3,000
Crewe Golf and Leisure Limited	31 January 2010	100
Bilton Golf Promotions Limited	31 January 2010	10,000
Palm-Springs (UK) Limited	31 January 2010	100
Golf Clearance Centre Limited	31 January 2010	1
Glentake Limited	31 January 2010	(342,661)
Southwest Golf Limited	31 January 2010	758,785
Redtarn Limited	31 January 2010	1,500
Zonespan Limited	31 January 2010	1,500

The directors are of the opinion that the aggregate value of the company's investment in subsidiary undertakings is not less than the amount at which they are stated in the accounts

12. Stocks

	31 January 2010 £'000	25 January 2009 £'000
Goods for resale	10,248	10,074

There is no material difference between the balance sheet value of stocks and their replacement cost

13. Debtors

	31 January 2010 £'000	25 January 2009 £'000
Trade debtors	317	354
Prepayments and accrued income	1,941	1,766
Corporation tax	1	-
Amounts owed by parent undertaking	5,522	4,597
	<u>7,781</u>	<u>6,717</u>

American Golf Discount Centre Limited

Notes to the financial statements

31 January 2010

14. Creditors: amounts falling due within one year

	31 January 2010 £'000	25 January 2009 £'000
Overdrafts	232	962
Obligations under finance leases	2	2
Amounts owed to subsidiary undertakings	842	842
Trade creditors	8,573	7,653
Other taxes and social security	621	1,844
Other creditors	1	2
Accruals and deferred income	1,822	1,255
Corporation tax	-	79
	<u>12,093</u>	<u>12,639</u>

The overdraft is secured with a fixed and floating charge

15. Provisions for liabilities

	Onerous lease provision £'000
At 25 January 2009	1,123
Utilised in the period	(119)
Adjustment arising from change in discount factor	488
Adjustment arising from discounting	80
At 31 January 2010	<u>1,572</u>

The onerous lease provision relates to the retail premises and municipal golf course in Crewe and the retail premises in Plymouth and Carlisle. The leases have 73 years remaining at Crewe, 4 years at Plymouth and 10 years at Carlisle. The minimum of all future lease payments and associated rates have been discounted using the company's weighted average cost of capital, the WACC has been recalculated in the period to take into account the changes in interest rates.

American Golf Discount Centre Limited

Notes to the financial statements

31 January 2010

16. Operating lease commitments

The company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings		Other	
	31	25	31	25
	January	January	January	January
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Operating leases which expire				
Within one year	-	79	23	18
Within two to five years	473	462	104	102
After more than five years	4,057	3,913	-	-
	<u>4,530</u>	<u>4,454</u>	<u>127</u>	<u>120</u>

17. Related party transactions

AJ Norton and HW Bilton are considered to be related parties to the company due to the size of their share holding in AGDC Holdings Limited, the ultimate parent company of American Golf Discount Centre Limited

Rental payments amounting to £387,713 (2009 £385,749) were made during the period to Gardenbook Properties Limited on normal commercial terms. No amounts were outstanding as at 31 January 2010 (25 January 2009 £nil). HW Bilton and AJ Norton are shareholders of Gardenbook Properties Limited (formerly Gardenbook Projects Limited).

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under FRS8 – 'Related party transactions', as the consolidated accounts of AGDC Holdings Limited, in which the company is included, are publicly available.

18. Called up share capital

	31	25
	January	January
	2010	2009
	£'000	£'000
Authorised		
500,000 Ordinary shares of £1 each	500	500
1,750,000 'B' Ordinary shares of 10 pence each	175	175
	<u>675</u>	<u>675</u>
Allotted, called-up and fully paid		
325,000 Ordinary shares of £1 each	325	325
47,578 'B' Ordinary shares of 10 pence each	5	5
	<u>330</u>	<u>330</u>

The Ordinary shares and 'B' Ordinary shares rank pari-passu in all respects

American Golf Discount Centre Limited

Notes to the financial statements

31 January 2010

19. Statement of reserves and reconciliation of shareholders' funds

	Share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000
At 25 January 2009	330	175	8,466	8,971
Profit for the period	-	-	776	776
At 31 January 2010	330	175	9,242	9,747

20. Contingent liabilities

The company is party to cross-guarantees on the bank term loans and working capital facility held by AGDC Holdings Limited, parent undertaking, totalling £22,634,000 (2009 £26,694,000)

There is a contingent liability amounting to £338,000 (25 January 2009 - £338,000) relating to invoices received from Tudorworth Properties Limited for building and shop fitting works claimed to have been carried out in 2003 and 2004 on behalf of American Golf Discount Centre Limited. The likelihood of an outflow crystallising as a result of this is unknown until the dispute is resolved.

21. Post Balance Sheet Events

The business acquired SW Golf Limited on 31 March 2010, which operates Online Golf, the leading specialist internet retailer of golf equipment in Europe. This further strengthens the business's position as the leading multi-channel specialist retailer of golf equipment and accessories in Europe.

22. Ultimate holding company

The company is a wholly owned subsidiary of AGDC Holdings Limited, which in turn is ultimately controlled by Lloyds TSB Development Capital Limited. At 31 January 2010, the smallest and largest group of undertakings into which these financial statements are consolidated is AGDC Holdings Limited, registered in England and Wales. Copies of these accounts are available from the Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.