

PALM SPRINGS (UK) LIMITED

Report and Accounts

31 January 2002

 **ERNST & YOUNG**



Palm Springs (UK) Limited

Registered No. 1879819

DIRECTORS

H W Bilton

A J Norton

SECRETARY

H W Bilton

AUDITORS

Ernst & Young LLP

100 Barbirolli Square

Manchester

M2 3EY

REGISTERED OFFICE

c/o American Golf Discount Centre Limited

Europa Boulevard

Gemini Business Park

Westbrook

Warrington

WA5 5YW

Palm Springs (UK) Limited

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 January 2002.

RESULTS AND REVIEW OF THE BUSINESS

The company was dormant under the terms of Section 221 of the Companies Act 1985 during the period.

DIRECTORS AND THEIR INTEREST

The directors of the company during the year and their interest in the shares of the company was as follows:

	2002 No.	2001 No.
H W Bilton (held jointly with Par Bilt (UK) Limited)	1	1
A J Norton	-	-

AUDITORS

A resolution to reappoint Ernst & Young LLP will be put to the members at the Annual General Meeting.

On behalf of the board on

22/11/02

Secretary



Palm Springs (UK) Limited

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year 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 accounts, 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 accounts 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 accounts 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 PALM SPRINGS (UK) LIMITED**

We have audited the company's financial statements for the year ended 31 January 2002 which comprise Balance Sheet and the related notes 1 to 3. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 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 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

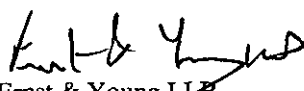
Basis of audit opinion

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 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 of the state of affairs of the company as at 31 January 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
Manchester

29/1/2002

Palm Springs (UK) Limited

BALANCE SHEET as at 31 January 2002

	<i>Notes</i>	2002 £	2001 £
CURRENT ASSETS			
Cash in hand		100	100
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Share capital	2	100	100
		<u> </u>	<u> </u>

Approved by the Board on

22/11/02

Director



Palm Springs (UK) Limited

NOTES TO THE ACCOUNTS at 31 January 2002

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

2. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, and called up</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	1,000	1,000	100	100

3. PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is American Golf Discount Centre Limited, a company registered in England and Wales.