

1720 832

American Golf Discount Centre Limited

Report and Accounts

31 January 1997

 **ERNST & YOUNG**



American Golf Discount Centre Limited

Registered number 1720832

DIRECTORS

R H Bilton (Chairman)

H W Bilton

R A Cook

A J Norton

R M Green

SECRETARY

H W Bilton

AUDITORS

Ernst & Young

100 Barbirolli Square

Manchester M2 3EY

BANKERS

National Westminster Bank Plc

Stockton Heath Branch

74 London Road

Warrington

Cheshire WA4 6HS

SOLICITORS

Brabner Holden

1 Dale Street

Liverpool L2 2ET

REGISTERED OFFICE

101 St George's Road

Bolton BL1 2BY

American Golf Discount Centre Limited

DIRECTORS REPORT

The directors present their report and group accounts for the year ended 31 January 1997.

RESULTS AND DIVIDENDS

The group profit for the year, after taxation, amounted to £204,612 (1996: profit £489,778). The directors paid dividends of £37,500 during the year and do not propose a final dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be the sale of golf and ancillary equipment.

The company continued to show a strong growth in turnover but expenditure in infrastructure to enable further significant and controlled growth over the next three years caused a down-turn in net profit performance which is confidently expected to be reversed in the next financial year.

FUTURE DEVELOPMENTS

The company anticipates growth to continue by expanding the number of retail outlets for the foreseeable future, both in the UK and Western Europe.

FIXED ASSETS

The changes in fixed assets during the year are summarised in notes 10 and 11 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors at 31 January 1997 and their interests in the share capital of the company were as follows:

	<i>31 January 1997</i>	<i>31 January 1996</i>
	<i>Ordinary shares</i>	<i>Ordinary shares</i>
R H Bilton	175,000	175,000
H W Bilton	175,000	175,000
A J Norton	150,000	150,000
R A Cook	-	-
R M Green (appointed 13 August 1996)	-	-

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be proposed at the Annual General Meeting.

By order of the board 3 December 97

Secretary



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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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.

REPORT OF THE AUDITORS

to the members of American Golf Discount Centre Limited

We have audited the accounts on pages 6 to 21 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 12 and 13.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

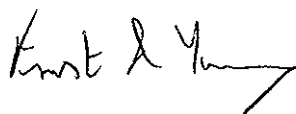
Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 January 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Ernst & Young', with a long horizontal stroke extending to the right.

Chartered Accountants
Registered Auditor
Manchester

3/12/97

American Golf Discount Centre Limited

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 January 1997

	Notes	1997 £	1996 £
TURNOVER	2	20,525,822	15,923,046
Cost of sales		(14,463,691)	(10,878,958)
GROSS PROFIT		6,062,131	5,044,088
Distribution costs		(407,223)	(332,502)
Administration expenses		(5,196,320)	(3,828,019)
OPERATING PROFIT	3	458,588	883,567
Other income	6	242,044	235,252
Interest payable and similar charges	7	(345,558)	(312,894)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		355,074	805,925
Taxation on profit on ordinary activities	8	150,462	316,147
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		204,612	489,778
Dividends	9	37,500	75,000
PROFIT RETAINED FOR THE FINANCIAL YEAR	21	167,112	414,778
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES			
Profit on ordinary activities after taxation		167,112	489,778
Movement on revaluation reserve-loss on disposal of building	21	30,976	-
Total recognised gains and losses		198,088	489,778

American Golf Discount Centre Limited

GROUP BALANCE SHEET

as at 31 January 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	10	4,977,457	4,439,790
Investments	11	153,511	171,241
		<u>5,130,968</u>	<u>4,611,031</u>
CURRENT ASSETS			
Stocks	12	3,044,126	3,151,770
Debtors	13	1,705,622	1,363,163
Investments	14	5,600	5,600
Cash at bank and in hand	15	182,761	59,958
		<u>4,938,109</u>	<u>4,580,491</u>
CREDITORS: amounts falling due within one year	16	(4,995,272)	(4,808,500)
NET CURRENT LIABILITIES		<u>(57,163)</u>	<u>(228,009)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,073,805</u>	<u>4,383,022</u>
CREDITORS: amounts falling due after more than one year	17	(2,084,791)	(1,530,144)
		<u>2,989,014</u>	<u>2,852,878</u>
CAPITAL AND RESERVES			
Called up share capital	20	500,000	500,000
Revaluation reserve	21	197,080	228,056
Profit and loss account	21	2,291,934	2,124,822
		<u>2,989,014</u>	<u>2,852,878</u>

Approved by the Board on 3 December 1997

Director



American Golf Discount Limited

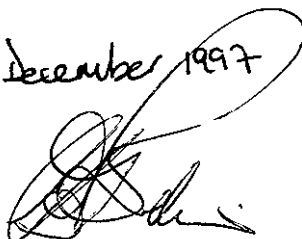
BALANCE SHEET

as at 31 January 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	10	4,977,457	4,439,790
Investments	11	312,811	330,541
		<u>5,290,268</u>	<u>4,770,331</u>
CURRENT ASSETS			
Stocks	12	3,044,126	3,151,770
Debtors	13	1,705,622	1,363,163
Investments	14	5,600	5,600
Cash at bank and in hand	15	182,761	59,958
		<u>4,938,109</u>	<u>4,580,491</u>
CREDITORS: amounts falling due within one year	16	(5,683,751)	(5,496,979)
NET CURRENT LIABILITIES		<u>(745,642)</u>	<u>(916,488)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,544,626</u>	<u>3,853,843</u>
CREDITORS: amounts falling due after more than one year	17	(2,084,791)	(1,530,144)
		<u>2,459,835</u>	<u>2,323,699</u>
CAPITAL AND RESERVES			
Called up share capital	20	500,000	500,000
Revaluation reserve	21	197,080	228,056
Profit and loss account	21	1,762,755	1,595,643
		<u>2,459,835</u>	<u>2,323,699</u>

Approved by the Board on 3 December 1997

Director



American Golf Discount Centre Limited

STATEMENT OF GROUP CASH FLOWS for the year ended 31 January 1997

	Notes	1997 £	1996 £
CASH INFLOW FROM OPERATING ACTIVITIES	3(b)	1,433,590	1,021,296
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	24(a)	(311,530)	(312,894)
TAXATION	24(b)	(270,014)	(289,161)
CAPITAL EXPENDITURE	24(c)	(935,732)	(290,906)
EQUITY DIVIDENDS PAID		(37,500)	(75,000)
CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		(121,186)	53,335
FINANCING	24(d)	580,356	(424,694)
INCREASE/(DECREASE) IN CASH	15	459,170	(371,359)

MAJOR NON-CASH TRANSACTIONS

During the year, the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £442,266 (1996: £219,479).

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS

at 31 January 1997

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

Basis of consolidation

The group accounts consolidate the accounts of American Golf Discount Centre Limited and all its subsidiary undertakings drawn up to 31 January each year. No profit and loss account is presented for American Golf Discount Centre Limited as permitted by section 230 of the Companies Act 1985. All subsidiary companies are dormant.

Goodwill

Purchased goodwill is written off directly to reserves.

Fixed assets

All fixed assets are initially recorded at cost. Freehold land and buildings have subsequently been revalued.

Depreciation

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

Freehold land and buildings	-	nil
Leasehold land and buildings	-	over 10 years
Plant and machinery	-	15% per annum reducing balance
Motor vehicles	-	25% per annum reducing balance
Fixtures and fittings	-	over 5 years

No depreciation is charged on freehold buildings. It is the group's practice to maintain these assets in a continual state of sound repair. Accordingly the directors consider that the lives of these assets and residual values (based on prices prevailing at the time of acquisition or subsequent revaluation) are such that their depreciation is insignificant.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

NOTES TO THE ACCOUNTS

at 31 January 1997

1. ACCOUNTING POLICIES (continued)

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, as follows:

Raw materials and goods for resale	-	purchase cost on a first-in, first-out basis.
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme for its directors and senior employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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 of the company and arises in the United Kingdom.

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS

at 31 January 1997

3. OPERATING PROFIT

(a) This is stated after charging/(crediting):

	1997 £	1996 £
Auditors' remuneration - audit services	19,850	20,000
- non-audit services	44,500	4,000
Depreciation of owned tangible fixed assets	206,220	87,989
Depreciation of tangible fixed assets held under finance leases and hire purchase arrangements	204,723	195,690
Profit on sale of tangible fixed assets	(26,123)	(7,926)
Operating lease rentals -land and buildings	485,829	296,314
- other	28,289	19,235
	<u>1,433,590</u>	<u>1,021,296</u>

(b) Reconciliation of operating profit to net cash inflow from operating activities:

	1997 £	1996 £
Operating profit	458,588	883,567
Depreciation of tangible fixed assets	410,943	283,679
Profit on sale of tangible fixed assets	(26,123)	(7,926)
Decrease/(increase) in stocks	107,644	(304,835)
Increase in operating debtors and prepayments	(342,459)	(452,992)
Increase in operating creditors and accruals	596,120	384,551
Other income	228,877	235,252
Net cash inflow from operating activities	<u>1,433,590</u>	<u>1,021,296</u>

4. DIRECTORS' EMOLUMENTS

	1997 £	1996 £
Fees	283,796	190,530
Other emoluments	84,384	70,446
	<u>368,180</u>	<u>260,976</u>

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1997 No.	1996 No.
£5,001 - £10,000	-	1
£25,001 - £30,000	1	-
£40,001 - £45,000	1	-
£70,001 - £75,000	1	3
£85,001 - £90,000	2	-

The emoluments, excluding pension contributions, of the chairman were £74,097 (1996: £72,998). The emoluments, excluding pension contributions, of the highest director were £89,350 (1996: £72,998).

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS

at 31 January 1997

5. STAFF COSTS

	1997 £	1996 £
Wages and salaries	2,271,516	1,707,192
Social Security costs	192,737	165,191
Other pension costs	51,572	41,496
	<u>2,515,825</u>	<u>1,913,879</u>

The average weekly number of employees during the year was as follows:

	1997 No.	1996 No.
Management	4	3
Administration	20	15
Warehouse and sales	131	122
	<u>155</u>	<u>140</u>

6. OTHER INCOME

	1997 £	1996 £
Rents receivable	228,877	235,092
Bank deposit interest	13,167	160
	<u>242,044</u>	<u>235,252</u>

7. INTEREST PAYABLE

	1997 £	1996 £
Bank loans and overdraft	247,859	241,561
Finance charges under finance leases and hire purchase contracts	76,043	70,336
Corporation tax interest	21,656	997
	<u>345,558</u>	<u>312,894</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Based on the profit for the year:		
Corporation tax at 33%	161,000	339,000
Corporation tax overprovided in previous years	(10,538)	(22,853)
	<u>150,462</u>	<u>316,147</u>

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS

at 31 January 1997

9. DIVIDENDS

	1997 £	1996 £
Final dividend paid	37,500	75,000

10. TANGIBLE FIXED ASSETS

Group and company	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation:					
At 1 February 1996	3,719,700	49,739	641,079	950,183	5,360,701
Additions	501,736	-	168,975	483,148	1,153,859
Disposals	(169,851)	-	(84,096)	-	(253,947)
At 31 January 1997	4,051,585	49,739	725,958	1,433,331	6,260,613
Depreciation:					
At 1 February 1996	122,655	23,833	281,325	493,098	920,911
Provided during the year	76,293	4,572	110,454	219,624	410,943
Disposals	-	-	(48,698)	-	(48,698)
At 31 January 1997	198,948	28,405	343,081	712,722	1,283,156
Net book value:					
At 31 January 1997	3,852,637	21,334	382,877	720,609	4,977,457
At 31 January 1996	3,597,045	25,906	359,754	457,085	4,439,790

The net book value of motor vehicles includes an amount of £382,877 (1996: £359,754) in respect of assets held under finance leases and hire purchase agreements. The depreciation in the year amounts to £110,454. The net book value of fixtures and fittings includes an amount of £422,632 (1996: £254,292) in respect of assets held under finance leases. The depreciation in the year amounts to £144,857.

11. FIXED ASSET INVESTMENTS

	Group £	Company £
At 1 February 1996	171,241	330,541
Additions	42,713	42,713
Disposals	(60,443)	(60,443)
At 31 January 1997	153,511	312,811

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS

at 31 January 1997

11. FIXED ASSET INVESTMENTS (continued)

The company contributes to investment policies to satisfy the company's long term commitments (note 18). The historic cost of these investments included within fixed asset investments is £153,511 (1996: £171,241). The market value is not significantly different from the carrying value.

Details of subsidiary undertakings at 31 January 1997 are:

<i>Company</i>	<i>Principal activity</i>	<i>Proportion and class of shares held</i>
Par-Bilt (UK) Limited	Dormant	100% ordinary
Crewe Golf and Leisure Limited	Dormant	100% ordinary
Bilton Golf Promotions Limited	Dormant	100% ordinary
Palm-Springs (UK) Limited	Dormant	100% ordinary
All of the subsidiary undertakings are incorporated in England. Palm-Springs (UK) Limited and Regal Golf Limited are subsidiaries of Par-Bilt (UK) Limited.		

The company owns 20% of the ordinary share capital of Gardenbook Properties Limited. The principal activity of Gardenbook Properties Limited is property investment. This investment has not been treated as an associated undertaking as the company does not exercise significant influence.

12. STOCKS

<i>Group and company</i>	<i>1997 £</i>	<i>1996 £</i>
Finished goods and goods for resale	3,044,126	3,151,770

13. DEBTORS

<i>Group and company</i>	<i>1997 £</i>	<i>1996 £</i>
Trade debtors	1,101,307	893,931
Other debtors	207,034	125,985
Prepayments and accrued income	397,281	343,247
	<u>1,705,622</u>	<u>1,363,163</u>

Included within other debtors are directors loans amounting to £69,416 (1996: £Nil). The loan relates jointly to R H Bilton, H W Bilton and A J Norton, the shareholder directors. The largest value of the loan during the year was £69,416 (1996: Nil).

14. INVESTMENTS

<i>Group and company</i>	<i>1997 £</i>	<i>1996 £</i>
At 1 February 1996 and 31 January 1997	5,600	5,600

The company owns 200 'C' shares in Portal Golf and Country Club which is controlled by Arderne Plc.

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS at 31 January 1997

15. CASH AND CASH EQUIVALENTS

	1997 £	1996 £	Change £
<i>Group and company</i>			
Cash at bank and in hand	182,761	59,958	122,803
Bank overdraft (note 16)	(1,107,718)	(1,444,085)	336,367
	<u>(924,957)</u>	<u>(1,384,127)</u>	<u>459,170</u>
	1996 £	1995 £	Change £
<i>Group and company</i>			
Cash at bank and in hand	59,958	19,550	40,408
Bank overdraft (note 16)	(1,444,085)	(1,032,318)	(411,767)
	<u>(1,384,127)</u>	<u>(1,012,768)</u>	<u>(371,359)</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

16. CREDITORS: amounts falling due within one year

	Group 1997 £	1996 £	Company 1997 £	1996 £
Amounts owed to subsidiary undertakings	-	-	688,479	688,479
Current instalments on bank loan (note 18)	194,063	114,108	194,063	114,108
Bank overdraft (note 15)	1,107,718	1,444,085	1,107,718	1,444,085
Obligations under finance leases and hire purchase contracts (note 19)	270,732	231,067	270,732	231,067
Trade creditors	2,605,971	2,084,157	2,605,971	2,084,157
Current corporation tax	219,449	335,510	219,449	335,510
Other taxes and social security costs	344,355	244,454	344,355	244,454
Directors' loans	-	93,911	-	93,911
Other creditors	36,718	11,779	36,718	11,779
Accruals and deferred income	216,266	249,429	216,266	249,429
	<u>4,995,272</u>	<u>4,808,500</u>	<u>5,683,751</u>	<u>5,496,979</u>

17. CREDITORS: amounts falling due after more than one year

	1997 £	1996 £
<i>Group and company</i>		
Obligations under finance leases and hire purchase contracts (note 19)	219,401	124,230
Long term loans (note 18)	1,865,390	1,405,914
	<u>2,084,791</u>	<u>1,530,144</u>

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS

at 31 January 1997

18. LOANS

	1997 £	1996 £
<i>Group and company</i>		
Wholly repayable within five years:		
Bank loan	405,000	530,184
Not wholly repayable within five years:		
Bank loan at 10.3% wholly repayable on 25 July 2008	-	73,879
Bank loan at 9.7% wholly repayable on 5 November 2008	296,214	297,775
Bank loan at 12.7% wholly repayable on 28 June 2006	510,000	510,000
Bank loan at 9.5% repayable in monthly instalments of £4,544	-	-
Bank loan at 8.5% repayable in monthly instalments of £1,406	98,239	108,184
Bank loan repayable in monthly instalments of £6,944	750,000	-
	2,059,453	1,520,022
Less: included in creditors: amounts falling due within one year	(194,063)	(114,108)
	1,865,390	1,405,914

All loans are secured by first charges on the freehold properties of the group.

	1997 £	1996 £
<i>Group and company</i>		
Amounts repayable after five years other than by instalments	806,214	881,654
Amounts repayable by instalments any of which fall for payment after five years:		
Instalments payable within five years	444,888	58,574
Instalments payable after five years	403,351	49,430
	848,239	108,184
Amounts repayable:		
In one year or less	194,063	114,108
Between one and two years	212,128	138,400
Between two and five years	249,634	336,243
	655,825	588,758
In five years or more	1,209,565	931,084
	1,865,390	1,405,914

Analysis of changes in loan financing during the current and previous years:

	1997 £	1996 £
At 1 February	1,520,022	1,645,366
New loans raised	750,000	-
Repayment	(210,569)	(125,344)
At 31 January	2,059,453	1,520,022

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS

at 31 January 1997

19. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	1997 £	1996 £
<i>Group and company</i>		
Amounts payable:		
within one year	337,806	278,683
within two to five years	474,629	149,546
	812,435	428,229
Less: finance charges allocated to future periods	(322,302)	(72,932)
	490,133	355,297

Finance leases and hire purchase contracts are analysed as follows:

	1997 £	1996 £
Current obligations (note 16)	270,732	231,067
Non-current obligations (note 17)	219,401	124,230
	490,133	355,297

Analysis of changes in finance leases and hire purchase contracts:

	1997 £	1996 £
At 1 February	355,297	435,168
Inception of finance lease contracts	442,266	219,479
Capital element of finance lease rental payments	(307,430)	(299,350)
At 31 January	490,133	355,297

20. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1997 No.	1996 No.	1997 £	1996 £
Ordinary shares of £1 each	500,000	500,000	500,000	500,000

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS

at 31 January 1997

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

<i>Group</i>	<i>Share Capital</i> £	<i>Revaluation reserve</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 February 1995	500,000	228,056	1,710,044	2,438,100
Profit for the year	-	-	489,778	489,778
Dividends	-	-	(75,000)	(75,000)
At 1 February 1996	500,000	228,056	2,124,822	2,852,878
Disposal	-	(30,976)	-	(30,976)
Profit for the year	-	-	204,612	204,612
Dividends	-	-	(37,500)	(37,500)
At 31 January 1997	500,000	197,080	2,291,934	2,989,014
<i>Company</i>	<i>Share Capital</i> £	<i>Revaluation reserve</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 February 1995	500,000	228,056	1,180,865	1,908,921
Profit for the year	-	-	489,778	489,778
Dividends	-	-	(75,000)	(75,000)
At 1 February 1996	500,000	228,056	1,595,643	2,323,699
Disposal	-	(30,976)	-	(30,976)
Profit for the year	-	-	204,612	204,612
Dividends	-	-	(37,500)	(37,500)
At 31 January 1997	500,000	197,080	1,762,755	2,459,835

22. OTHER FINANCIAL COMMITMENTS

At 31 January 1997 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i> 1997 £	<i>Land and buildings</i> 1996 £	<i>Other</i> 1997 £	<i>Other</i> 1996 £
Operating leases which expire:				
within one year	-	-	3,870	4,026
within two to five years	-	-	5,793	2,363
over five years	592,667	411,112	-	-
	592,667	411,112	9,663	6,389

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS

at 31 January 1997

23. RELATED PARTY TRANSACTIONS

A J Norton and R H Bilton are directors Gardenbook Properties Limited, an associated undertaking. Rent paid to Gardenbook Properties Limited during the year was £154,678 (1996: £110,500).

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

a) *Returns on investment and servicing of finance*

	1997 £	1996 £
Interest paid	(248,654)	(242,558)
Interest received	13,167	-
Interest element of finance lease rental payments	(76,043)	(70,336)
	<u>(311,530)</u>	<u>(312,894)</u>

b) *Taxation*

	1997 £	1996 £
UK Corporation paid	270,014	289,161

c) *Capital expenditure*

	1997 £	1996 £
Payments to acquire tangible fixed assets	(1,153,859)	(303,793)
Payments to acquire investments	(42,713)	(42,713)
Receipts from sales of tangible fixed assets	200,397	55,660
Receipts from sales of fixed asset investments	60,443	-
	<u>935,732</u>	<u>290,906</u>

d) *Financing*

	1997 £	1996 £
Net movement in long term loans	459,476	125,344
Capital element of finance lease rental payments	134,836	299,350
	<u>580,356</u>	<u>424,694</u>

e) *Reconciliation of cash flows to movement in debt*

	1997 £	1996 £
Increase in cash in the period	459,170	(371,359)
Cash inflow from increase in debt and lease financing	(580,356)	191,087
	<u>(121,186)</u>	<u>(180,272)</u>
Movement in net debt in the period	(3,353,357)	(3,173,085)
Net debt at 1 February 1996		
	<u>(3,474,543)</u>	<u>(3,353,357)</u>

American Golf Discount Centre Limited

NOTES TO THE ACCOUNTS

at 31 January 1997

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT (continued)

f) Analysis of net debt

	At 1 February 1996	Cash Flow	At 31 January 1997
	£	£	£
Cash	59,958	122,803	182,761
Overdraft	(1,444,085)	336,367	(1,107,718)
Short term loans	(208,019)	13,956	(194,063)
Finance lease obligations	(355,297)	(134,836)	(490,133)
Long term loans	(1,405,914)	(459,476)	(1,865,390)
	<u>(3,353,357)</u>	<u>(121,186)</u>	<u>(3,474,543)</u>

	At 1 February 1995	Cash flow	At 31 January 1996
	£	£	£
Cash	19,550	40,408	59,958
Overdraft	(1,032,318)	(411,767)	(1,444,085)
Short term loans	(199,491)	(8,528)	(208,019)
Finance lease obligations	(435,168)	79,871	(355,297)
Long term loans	(1,525,658)	119,744	(1,405,914)
	<u>(3,173,085)</u>	<u>(180,272)</u>	<u>(3,353,357)</u>