

CLUBGOLF (SCOTLAND) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

(Company Number: SC296348)

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CLUBGOLF (SCOTLAND) LIMITED**DIRECTORS AND COMPANY INFORMATION****Directors**

Norman H Fletcher (resigned 24/3/09)
Hamish J Grey
Shona Malcolm (resigned 24/3/09)
William H Miller
Elizabeth N Miskimmin (appointed 24/03/09)
Colin Pearson (appointed 24/03/09)
Andrew D Salmon

Company Secretary

Stuart M Graham

Registered Office

SGU HQ
The Dukes
St Andrews
FIFE
KY16 8NX

Bankers

Bank of Scotland
564 Queensferry Road
EDINBURGH
EH4 6AT

Lawyers

DLA Piper Scotland LLP
249 West George Street
Glasgow
G2 4RB

Auditors

Henderson Loggie
Chartered Accountants and Registered Auditors
DUNDEE
DD1 1DZ

CLUBGOLF (SCOTLAND) LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and financial statements for the year ended 30 September 2009.

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 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 the integrity of the corporate and financial information included on the company's website.

Principal Activity

The principal activity of the company is to promote participation by juniors in the game of golf as part of the National Junior Golf Strategy.

Results, Dividends and Future Developments

The results for the year are set out on page 6. The £85,596 retained profit for the year is to be added to reserves. The directors consider the result for the year to be satisfactory. From 1 October 2007 the Company took over full responsibility for the Clubgolf budget from Sportscotland. Previously it was only responsible for staff related issues within the total budget.

Dividends of £Nil were paid during the year and the directors do not recommend a final dividend.

CLUBGOLF (SCOTLAND) LIMITED**REPORT OF THE DIRECTORS (Cont'd)****Fixed Assets**

The company has no fixed assets.

Directors

The directors are as listed on page 2.

So far as each director is aware there is no relevant audit information of which the auditors are unaware. Each director has taken the appropriate steps as a director to make themselves aware of such information and to establish that the auditors are aware of it.

Since the end of the year

There were no events after the year end which require disclosure.

Approval

This report has been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006, and was approved by the board on 9 December 2009 and signed on its behalf by:

Stuart M Graham
Secretary
9 December 2009

CLUBGOLF (SCOTLAND) LIMITED

Independent auditor's report to the shareholders of Clubgolf (Scotland) Limited

We have audited the accounts of Clubgolf (Scotland) Limited for the year ended 30 September 2009 which comprise the profit and loss account, the balance sheet and the related notes. 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 Section 495 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 auditor's 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 set out on page 3, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts 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 Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatements, 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 accounts.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of the company's profit for the year 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 accounts are prepared is consistent with the accounts.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the company accounts 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.

Ian Cameron (Senior Statutory Auditor)

For and on behalf of
Henderson Loggie
Chartered Accountants and Registered Auditors
Dundee

9 December 2009

CLUBGOLF (SCOTLAND) LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 SEPTEMBER 2009

	<u>Note</u>	<u>2009</u> £	<u>2008</u> £
<u>Turnover</u>	2	517,813	424,237
Cost of sales		(394,352)	(310,481)
<u>Gross profit</u>		----- 123,461	----- 113,756
Administrative expenses		(40,214)	(22,996)
<u>Operating profit</u>	3	----- 83,247	----- 90,760
Interest receivable	4	2,828	7,032
<u>Profit on ordinary activities before taxation</u>		----- 86,075	----- 97,792
Taxation	5	(479)	(1,445)
<u>Retained profit for the year</u>		----- 85,596 =====	----- 96,347 =====

All of the company's activities are continuing.

There were no recognised gains or losses for 2009 or 2008 other than those included in the profit and loss account. Such gains and losses represent the only movement in shareholders' funds.

A statement of movements on reserves is given in note 10.

The notes on pages 8 to 11 form part of these financial statements

CLUBGOLF (SCOTLAND) LIMITED**BALANCE SHEET**
AS AT 30 SEPTEMBER 2009

	<u>Note</u>	£	<u>2009</u> £	£	<u>2008</u> £
<u>Current assets</u>					
Debtors	6	11,158		2,220	
Cash at bank and in hand		199,059		132,833	
		-----		-----	
		210,217		135,053	
<u>Creditors (amounts falling due within one year)</u>					
	7	(24,774)		(35,206)	
		-----		-----	
<u>Net current assets</u>			185,443		99,847
<u>Net assets</u>			-----		-----
			185,443		99,847
			=====		=====
<u>Capital & reserves</u>					
Called up share capital	9		4		4
Profit and loss account	10		185,439		99,843
			-----		-----
<u>Shareholders' funds</u>			185,443		99,847
	11		=====		=====

The accounts have been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006.

The financial statements on pages 6 to 11 were approved by the Directors on 9 December 2009 and signed:

Hamish J Grey
Director
9 December 2009

The notes on pages 8 to 11 form part of these financial statements

CLUBGOLF (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Report Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company. In all other respects, the financial statements are in accordance with applicable accounting standards.

Debtors

Known bad debts are written off and provision is made for any debts considered to be doubtful.

Taxation

For taxation purposes the company is a mutual trading organisation. Accordingly, the corporation tax charge is based on investment returns, such as interest, included in the accounts.

Leases

Operating lease costs are charged to the profit and loss account as incurred.

Pensions

One of the parent companies operates a money purchase scheme for the employees of Clubgolf (Scotland) Limited. Contributions due are included in the year's costs. The funds are administered and invested entirely independent from the company.

Grants

Grants income receivable for projects is credited to profit and loss account in the period to which it relates and matched with related project expenditure as this is incurred.

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activity of the company, such activity being wholly within the United Kingdom and is recognised in the year in which it is received to the extent of completion of the service concerned.

CLUBGOLF (SCOTLAND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**3. **OPERATING PROFIT**

	<u>2009</u> £	<u>2008</u> £
Operating profit is stated after charging:-		
Directors' emoluments	-	-
Auditors' fees	1,725	1,915
	=====	=====
<u>Staff costs (including directors)</u>		
Gross salaries	200,420	152,524
Social security costs	21,222	15,731
Other pension costs	12,837	10,114
	-----	-----
	234,479	178,369
	=====	=====

No retirement benefits are accruing to any director under a money purchase scheme.

The average monthly number of employees, including directors, during the year were as follows:-

	<u>2009</u> No.	<u>2008</u> No.
Manager	1	1
Development officers	5	4
Admin	1	1
Non – executive directors	5	5
	-----	-----
	12	11
	=====	=====

4. **INTEREST RECEIVABLE**

	<u>2009</u> £	<u>2008</u> £
Bank interest receivable	2,828	7,032
	=====	=====

5. **TAXATION**

	<u>2009</u> £	<u>2008</u> £
Corporation tax arising in the year	479	1,445
	=====	=====

Corporation tax arises on the Company's interest earnings. The taxable status of the Company means no tax charge is payable on the results for the year.

CLUBGOLF (SCOTLAND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**6. **DEBTORS**

	<u>2009</u>	<u>2008</u>
	£	£
Trade debtors	5,579	1,791
Due from parent companies	4,004	4
Prepayments & other debtors	1,575	425
	-----	-----
	11,158	2,220
	=====	=====

All amounts are receivable within one year.

7. **CREDITORS (amounts falling due within one year)**

	<u>2009</u>	<u>2008</u>
	£	£
Trade creditors	10,172	21,018
Due to parent companies	3,905	4,822
Accruals	3,381	3,262
Corporation tax	479	1,442
Other taxation and social security	6,837	4,662
	-----	-----
	24,774	35,206
	=====	=====

8. **PROVISIONS FOR LIABILITIES AND CHARGES****Deferred taxation**

No provision for deferred taxation is required in view of the Company's taxation status.

9. **SHARE CAPITAL**

	<u>2009</u>	<u>2008</u>
	£	£
<u>Authorised</u>		
Ordinary shares of £1 each	999	999
"A" Ordinary Shares of £1	1	1
	-----	-----
	1,000	1,000
	=====	=====
<u>Allotted, called up and fully paid</u>		
Ordinary shares of £1 each	3	3
"A" Ordinary shares of £1 each	1	1
	-----	-----
	4	4
	=====	=====

CLUBGOLF (SCOTLAND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****10. PROFIT AND LOSS ACCOUNT**

	<u>2009</u>	<u>2008</u>
	£	£
At 1 October 2008	99,843	3,496
Profit for the year	85,596	96,347
	-----	-----
At 30 September 2009	185,439	99,843
	=====	=====

11. MOVEMENT ON SHAREHOLDERS' FUNDS

	<u>2009</u>	<u>2008</u>
	£	£
Opening shareholders' funds	99,847	3,500
Profit for the year	85,596	96,347
	-----	-----
Closing shareholders' funds	185,443	99,847
	=====	=====

12. CAPITAL AND OTHER COMMITMENTS

There were no capital commitments at 30 September 2009. The Company had no operating lease, pension or other commitments at 30 September 2009.

13. TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

There were no transactions with directors.

During the year, the company received £4,000 from Scottish Golf Union Limited, one of its parent companies, in respect of grant income (2008 - £4,621). The company also paid £23,000 to Scottish Golf Union Limited (2008 - £23,000) for child protection services and £20,000 management charges (2008 - £22,400). At the year end the following amounts were outstanding - £4,000 included in debtors (2008 - £Nil) and £3,905 (2008 - £4,822) included in creditors.

The company received income amounting to £5,579 from PGA relating to European Tour costs incurred in the year (2008 - £Nil). At the year end there are no amounts outstanding.

14. ULTIMATE CONTROLLING PARTY

There is no single controlling party.

CLUBGOLF (SCOTLAND) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT **FOR THE YEAR ENDED 30 SEPTEMBER 2009**

		<u>2009</u>		<u>2008</u>
	£	£	£	£
<u>Turnover</u>				
Grant award – SportsScotland	427,000		409,000	
- SGU	4,000		4,621	
- Golf Foundation	31,737		6,866	
- Inlay Foundation	6,750		-	
- European Tour	5,579		-	
- Active Stirling	19,000		-	
- Other	280		-	
Clothing & equipment sales	13,825		-	
Other income	9,642		3,750	
	-----		-----	
		517,813		424,237
<u>Cost of sales</u>				
Programme Development	30,276		3,289	
Resource Development	115		7,988	
Events	12,687		7,445	
Marketing & Branding	16,127		27,601	
Website	3,746		2,335	
Research	560		538	
Partnerships	36,982		4,217	
Salaries	212,935		170,470	
Travel expenses	22,339		25,686	
PR consultant	30,368		29,081	
Car leasing	5,217		5,335	
Child protection services	23,000		23,000	
Other costs	-		3,496	
	-----		-----	
		(394,352)		(310,481)
		-----		-----
<u>Contribution to overheads</u>				
		123,461		113,756
<u>Administrative expenses</u>				
Administration salaries	21,545		7,899	
Travelling expenses	311		705	
Recruitment costs and training	2,496		(523)	
Rent, rates and insurance	1,838		1,706	
Hire of facilities & meeting expenses	5,603		2,007	
Telephone, fax and ISP	1,618		1,269	
Computer upgrades	3,401		1,633	
Marketing & research	-		3,701	
Postages and stationery	718		2,015	
Audit	1,777		1,915	
Miscellaneous expenses	735		555	
Bank charges	172		114	
	-----		-----	
		(40,214)		(22,996)
		-----		-----
<u>Operating profit</u>				
		83,247		90,760
Bank interest received		2,828		7,032
		-----		-----
<u>Profit on ordinary activities before taxation</u>				
		86,075		97,792
		=====		=====