

**"THE CHAMPIONSHIP COMMITTEE"  
MERCHANDISING LIMITED**

**(Company No. 1437656)**

**REPORT AND ACCOUNTS  
2000**



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## **"The Championship Committee" Merchandising Limited**

### **DIRECTORS' REPORT**

The directors submit their report and accounts for the year ended 31st December 2000.

#### **Results and dividends**

The trading profit for the year, after taxation, amounted to £658,836. The directors recommend an ordinary dividend of £658,000 leaving a retained profit of £836 to be carried forward.

#### **Review of the business**

The Company's principal activity during the year continued to be the ownership of trademarks identified with the Open Golf Championship and the promotion of these trademarks worldwide through licensing agreements.

At 1st January 2000, the Company owned 75% of the 'A' Ordinary Shares and 60% of the 'B' Ordinary Shares of R&A Open Championship Merchandising Limited, a company incorporated in the United Kingdom. During the year, the Company acquired the minority shareholding at par of both the 'A' and 'B' Ordinary Shares.

The Company traded satisfactorily throughout the year and this pattern is expected to continue during the current year.

#### **Directors' responsibilities for 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 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.

#### **Directors and their interests**

The directors of the company during the year were:-

I.W.L. Webb	(Resigned 20th September 2000)
H.M. Campbell	
A.J.N. Loudon	(Resigned 20th September 2000)
J.F. Gibson	(Appointed 20th September 2000)
N.J. Crichton	(Appointed 20th September 2000)

None of the directors during the year held a beneficial interest in the issued share capital of the company.

Mr H.M. Campbell retired by rotation at the Annual General Meeting held in November 2000 and, being eligible, was duly re-elected.

### **Auditors**

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the board

A handwritten signature in dark ink, appearing to read 'M.T. Dobell', with a stylized, flowing script.

M.T. DOBELL  
Secretary

16th March 2001

## **REPORT OF THE AUDITORS**

to the members of "The Championship Committee" Merchandising Limited

We have audited the accounts set out on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policies set out on Page 7.

### **Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on these accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guide.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices. 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 the company's affairs as at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*

Ernst & Young  
Registered Auditor

EDINBURGH  
16th March 2001

**"The Championship Committee" Merchandising Limited**

**PROFIT AND LOSS ACCOUNT**

**for the year ended 31st December 2000**

	NOTES	£	2000 £	1999 £
<b>INCOME</b>				
Turnover	2	1,010,672		737,305
Dividend from Subsidiary		174,601		18,212
Interest received		17,538		7,943
Gains on Foreign Exchange		<u>4,085</u>		<u>322</u>
			1,206,896	<u>763,782</u>
<b>EXPENDITURE</b>				
Annual trademark fee to The Royal & Ancient Golf Club of St. Andrews		5,000		5,000
Commission		294,989		229,663
Legal and professional fees		31,989		7,305
Audit fee		2,000		2,000
Sundry expenses		<u>7,342</u>		<u>200</u>
			341,320	<u>244,168</u>
Profit on ordinary activities before taxation			865,576	519,614
Taxation on profit on ordinary activities	4		<u>206,740</u>	<u>155,236</u>
Profit on ordinary activities after taxation			658,836	364,378
Dividend proposed			<u>658,000</u>	<u>364,000</u>
Retained profit brought forward			<u>836</u> <u>7,488</u>	<u>378</u> <u>7,110</u>
Retained profit carried forward			<u>£8,324</u>	<u>£7,488</u>

**"The Championship Committee" Merchandising Limited**

**BALANCE SHEET**

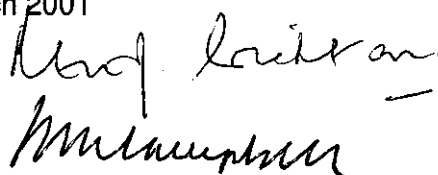
**as at 31st December 2000**

	NOTES	£	2000 £	1999 £
<b>FIXED ASSETS</b>				
Investment in Subsidiary	5		200	135
<b>CURRENT ASSETS</b>				
Amount due by The Royal & Ancient Golf Club of St. Andrews		394,610		272,561
Debtors and Prepayments		232,327		33,336
Cash at bank		180,997		260,259
		<u>807,934</u>		<u>566,156</u>
<b>CREDITORS: Amounts falling due within one year</b>				
Corporation tax payable	4	92,686		104,091
Dividend Payable		658,000		364,000
Trade creditors and accruals		49,024		90,612
		<u>799,710</u>		<u>558,703</u>
Net Current Assets			8,224	7,453
			<u>£8,424</u>	<u>£7,588</u>
<i>Represented by:</i>				
<b>CAPITAL AND RESERVES</b>				
Called up share capital	6		100	100
Profit and loss account			8,324	7,488
			<u>8,424</u>	<u>7,588</u>

Approved by the Board, 16th March 2001

N.J. Crichton      Director

H.M. Campbell      Director



# **"The Championship Committee" Merchandising Limited**

## **NOTES TO THE ACCOUNTS**

### **1. ACCOUNTING POLICIES**

#### **Accounting Convention**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards. The Company has taken advantage of the exemption allowed by FRS1 for small companies from preparing a Statement of Cash Flows.

#### **Consolidated Accounts**

As the Company and its subsidiary are both small companies, advantage has been taken of the exemption allowed by Section 248 of the Companies Act 1985 from preparing consolidated accounts.

#### **Foreign Currencies**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of conversion to sterling.

All differences are taken to the profit and loss account.

### **2. TURNOVER**

Turnover represents amounts receivable during the financial year from current licensing agreements.

A geographical analysis of turnover is as follows:

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
United Kingdom	11,786	16,789
Overseas	<u>998,886</u>	<u>720,516</u>
	<u><b>£1,010,672</b></u>	<u><b>£737,305</b></u>

### **3. DIRECTORS' REMUNERATION**

There is no directors' remuneration for the year (1999 - Nil)

### **4. TAXATION**

The taxation charge for the year comprises:-

	<b>2000</b>	<b>1999</b>
Corporation tax at 30.00% (1999 30.25%)	205,116	152,331
Previous year under/(over) provision	<u>1,624</u>	<u>2,905</u>
	<u><b>£206,740</b></u>	<u><b>£155,236</b></u>

Corporation tax payable comprises:-

	<b>£</b>	<b>£</b>
Taxation charge on profits of the year (as above)	205,116	152,331
Less: Corporation tax paid to account	(49,237)	-
Overseas tax suffered	<u>(63,193)</u>	<u>(48,240)</u>
Corporation tax per balance sheet	<u><b>£ 92,686</b></u>	<u><b>£104,091</b></u>



**"The Championship Committee" Merchandising Limited**

**NOTES TO THE ACCOUNTS**

**5. INVESTMENT IN SUBSIDIARY**

The profit on ordinary activities after tax of the subsidiary company for the period ended 31st December 2000 was £174,601, the dividend proposed is £174,601 and its net assets at 31st December 2000 amounted to £200.

**6. SHARE CAPITAL**

Authorised, allotted, called up and fully paid  
100 Ordinary shares of £1 each

**2000**

**1999**

£100

£100

The whole of the issued share capital of the Company is owned by The Royal and Ancient Golf Club of St. Andrews.