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ALL AMERICAN SPORTPARK INC
Form 10KSB
March 30, 2004

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year ended: December 31, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: _____ to _____

Commission File No. 0-024970

ALL-AMERICAN SPORTPARK, INC.

(Name of Small Business Issuer in its Charter)

NEVADA

88-0203976

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer Identifi-
fication No.)

6730 South Las Vegas Boulevard, Las Vegas, NV 89119

(Address of Principal Executive Offices, Including Zip Code)

Issuer's Telephone Number: (702) 798-7777

Securities Registered Pursuant to Section 12(b) of the Act: None.

Securities Registered Pursuant to Section 12(g) of the Act:

COMMON STOCK, \$.001 PAR VALUE

(Title of each class)

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

State issuer's revenues for its most recent fiscal year: \$2,218,617

As of March 19, 2004, 3,400,000 shares of common stock were outstanding, and the aggregate market value of the common stock of the Registrant held by non-affiliates was approximately \$96,300.

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Transitional Small Business Disclosure Format (check one): Yes [] No [X]

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

BUSINESS DEVELOPMENT

The Company's business began in 1974 when Vaso Boreta, the Company's Chairman of the Board, opened a "Las Vegas Discount Golf & Tennis" retail store in Las Vegas, Nevada. This store, which is still owned by Mr. Boreta, subsequently began distributing catalogs and developing a mail order business for the sale of golf and tennis products. In 1984, the Company began to franchise the "Las Vegas Discount Golf & Tennis" retail store concept and commenced the sale of franchises. As of February 26, 1997, when the franchise business was sold, the Company had 43 franchised stores in operation in 17 states and 2 foreign countries.

The Company was incorporated in Nevada on March 6, 1984, under the name "Sporting Life, Inc." The Company's name was changed to "St. Andrews Golf Corporation" on December 27, 1988, to "Saint Andrews Golf Corporation" on August 12, 1994, and to All-American SportPark, Inc. ("AASP") on December 14, 1998.

Sports Entertainment Enterprises, Inc. ("SPEN"), formerly known as Las Vegas Discount Golf & Tennis, Inc. ("LVDG"), a publicly traded company, acquired the Company in February 1988, from Vaso Boreta, who was the Company's sole shareholder. Vaso Boreta also serves as SPEN's Chairman of the Board, President and CEO.

In December 1994, the Company completed an initial public offering of 1,000,000 Units, each Unit consisting of one share of Common Stock and one Class A Warrant. The net proceeds to the Company from this public offering were approximately \$3,684,000. The Class A Warrants expired unexercised on March 15, 1999.

In 1996, the Company sold 500,000 shares of Series A Convertible Preferred Stock to Three Oceans Inc. ("TOI"), an affiliate of SANYO North America Corporation, for \$5,000,000 in cash pursuant to an Investment Agreement between the Company and TOI. The Company used these proceeds to fund part of the development costs of its All-American SportPark property in Las Vegas. In March 2001, the Company repurchased all of the shares of Series A Convertible Preferred Stock from TOI for \$5,000 in cash. Once repurchased, the shares were retired.

On December 16, 1996, the Company and its majority shareholder, SPEN, entered into negotiations pursuant to an "Agreement for the Purchase and Sale of Assets" to sell all but one of the four retail stores owned by SPEN, all of SPEN's wholesale operations and the entire franchising business of the Company to Las Vegas Golf & Tennis, Inc., an unaffiliated company. On February 26, 1997, the Company and SPEN completed this transaction.

In connection with the sale of the above-described assets, SPEN and the Company agreed not to compete with the Buyer in the golf equipment business except that the Company is permitted to sell golf equipment at its Callaway Golf Center business. In addition, the Buyer granted Boreta Enterprises, Ltd., a limited partnership owned by Vaso Boreta, Ron Boreta, Vaso's son and President of the Company, and John Boreta, Vaso's son and a principal shareholder of SPEN, the right to operate "Las Vegas Discount Golf & Tennis"

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stores in southern Nevada, except for the Summerlin area of Las Vegas, Nevada. Likewise, the Buyer is restricted from operating stores in southern Nevada except for the Summerlin area of Las Vegas, Nevada.

On July 12, 1996, the Company entered into a lease agreement covering approximately 65 acres of land in Las Vegas, Nevada, on which the Company developed its Callaway Golf Center and All-American SportPark ("SportPark") properties. The property is located on the world famous Las Vegas "Strip" at the corner of Las Vegas Boulevard and Sunset Road which is just south of McCarran International Airport and several of Las Vegas' major hotel/casino properties such as Mandalay Bay and the MGM Grand. The property is also adjacent to the new Interstate 215 beltway that will eventually encircle the entire Las Vegas Valley. On 42 acres of the property is the Callaway Golf Center that opened for business in October 1997. The remaining 23 acres was home to the now discontinued SportPark that opened for business in October 1998; the Company disposed of the SportPark business in May 2001.

On June 20, 1997, the lessor of the 65-acre tract ("Landlord") agreed with the Company to cancel the original lease and replace it with two separate leases. The lease for the SportPark commenced on February 1, 1998 with a base rent of \$18,910 per month and was cancelled in connection with the disposition of the SportPark in May 2001; the lease for the Callaway Golf Center is for fifteen years with options to extend for two additional five-year terms. The lease for the Callaway Golf Center[TM] commenced on October 1, 1997 when the golf center opened; base rent is \$33,173 per month.

During June 1997 the Company and Callaway Golf Company ("Callaway") formed All-American Golf LLC ("LLC"), a California limited liability company that was owned 80% by the Company and 20% by Callaway; the LLC owned and operated the Callaway Golf Center. In May 1998, the Company sold its 80% interest in LLC to Callaway. On December 31, 1998 the Company acquired substantially all the assets of LLC subject to certain liabilities that resulted in the Company owning 100% of the Callaway Golf Center.

On October 19, 1998 the Company sold 250,000 shares of the Series B Convertible Preferred Stock to SPEN for \$2,500,000. SPEN had earlier issued 2,303,290 shares of its Common Stock for \$2,500,000 in a private transaction to ASI Group, L.L.C. ("ASI"). ASI also received 347,975 stock options for SPEN Common Stock. ASI is a Nevada limited liability company whose members include Andre Agassi, a professional tennis player.

Beginning in September 1999, the Company ceased making loan payments on its SportPark property due to financial difficulties. Ultimately, this resulted in the disposition of the SportPark property in May 2001.

SPEN owned 2,000,000 shares of the Company's common stock and 250,000 shares of the Company's Series B Convertible Preferred Stock. In the aggregate, this represented approximately two-thirds ownership in the Company. On April 5, 2002, SPEN elected to convert its Series B Convertible Preferred Stock into common stock on a 1 for 1 basis. On May 8, 2002, SPEN completed a spin-off of the Company's shares held by SPEN to SPEN's shareholders. This resulted in SPEN no longer having any ownership interest in the Company.

BUSINESS OF THE COMPANY

The Company's operations consist of the Callaway Golf Center ("CGC"), on 42 acres of leased land and is strategically positioned within a few miles of the largest hotels and casinos in the world. There are over 125,000 hotel

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rooms in Las Vegas, and seven of the top ten largest hotels in the world are within a few miles of the CGC including the MGM Grand, Mandalay Bay, Luxor, Bellagio, and the Monte Carlo to name a few. The CGC is also adjacent to McCarran International Airport that services nearly 35 million visitors annually. The local residential population approximates 1.5 million.

In June 1997, the Company completed a final agreement with Callaway to form a limited liability company named All American Golf LLC (the "LLC") for the purpose of operating a golf facility, to be called the "Callaway Golf Center[TM]," on approximately forty-two (42) acres of land on Las Vegas Boulevard in Las Vegas, Nevada. The Callaway Golf Center[TM] opened to the public on October 1, 1997.

The Callaway Golf Center[TM] includes a 110-station, two-tiered driving range. The driving range is designed to have the appearance of an actual golf course with ten impact greens, waterfall features, and an island green. Pro-line equipment and popular brand name golf balls are utilized. In addition, the CGC includes a lighted nine hole, par three golf course named the "Divine Nine". The golf course has been designed to be challenging, and has several water features including lakes, creeks, water rapids and waterfalls, golf cart paths and designated practice putting and chipping areas. At the entrance to the CGC is a 20,000 square foot clubhouse which includes an advanced state of the art golf swing analyzing system developed by Callaway Golf Company, and three tenant operations: (a) the St. Andrews Golf Shop featuring the latest in Callaway Golf equipment and accessories, (b) the Bistro 10 restaurant and bar which features an outdoor patio overlooking the golf course and driving range with the Las Vegas "Strip" in the background, and (c) the Giant Golf teaching academy for group and individual golf instruction.

The CGC has a lease agreement with St. Andrews Golf Shop for the provision of sales of golf retail merchandise. The lease is for fifteen years ending in October 2012. The lessee pays a fixed monthly rental for its office and retail space.

The CGC has a lease and concession agreement with Giant Golf Academy for the provision of golf instruction services. The lessee pays a fixed monthly rental for use of the golf facilities for golf instruction and for office space inside the clubhouse building.

The LLC was originally owned 80% by the Company and 20% by Callaway Golf. Callaway Golf agreed to contribute \$750,000 of equity capital and loan the LLC \$5,250,000. The Company contributed the value of expenses incurred relating to the design and construction of the golf center and cash in the combined amount of \$3,000,000. Callaway Golf's loan to the LLC had a ten-year term with interest at ten percent per annum. The principal was due in 60 equal monthly payments commencing five years after the golf center opened.

On May 5, 1998, the Company sold its 80% interest in the LLC to Callaway for \$1.5 million in cash and the forgiveness of \$3 million in debt, including accrued interest thereon, owed to Callaway by the Company. The Company retained the option to repurchase the 80% interest for a period of two years on essentially the same financial terms that it sold its interest. The sale of the Company's 80% interest in the LLC was completed in order to improve the Company's financial condition that, in turn, improved the Company's ability to complete the financing needed for the final construction stage of the SportPark.

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On December 30, 1998 the Company acquired substantially all the assets of the LLC subject to certain liabilities. This resulted in the Company owning 100% of the Callaway Golf Center. Under terms of the asset purchase agreement, the Company paid \$1 million to Active Media Services in the form of a promissory note payable in quarterly installments of \$25,000 over a 10-year period without interest. In turn, Active Media delivered a trade credit of \$4,000,000 to Callaway Golf.

In connection with this acquisition, the Company executed a trademark license agreement with Callaway Golf pursuant to which the Company licenses the right to use the marks "Callaway Golf Center " and "Divine Nine" from Callaway Golf for a term beginning on December 30, 1998 and ending upon termination of the land lease on the Golf Center. The Company paid a one-time fee for this license agreement that was a component of the purchase price the Company paid for the Callaway Golf Center upon acquisition of the facility on December 30, 1998. Pursuant to this agreement, Callaway Golf has the right to terminate the agreement upon the occurrence of any Event of Termination as defined in the agreement.

On June 1, 2001, the Company completed a transaction pursuant to a Restructuring and Settlement Agreement with Urban Land of Nevada, Inc. (the "Landlord") to terminate the land lease for the discontinued SportPark, and to transfer all of the leasehold improvements and personal property located on the premises to the Landlord.

As part of the agreement, the Landlord agreed to waive all liabilities of the Company to the Landlord with respect to the discontinued SportPark, and with the exception of a limited amount of unsecured trade payables, the Landlord agreed to assume responsibility of all other continuing and contingent liabilities related to the SportPark. The Landlord also agreed to cancel all of the Company's back rent obligations for the Callaway Golf Center for periods through April 30, 2001. The Callaway Golf Center remains an operating business of the Company.

As part of the transaction, the Company transferred to the Landlord a 35 percent ownership interest in the Company's subsidiary that owns and operates the Callaway Golf Center. This subsidiary is All-American Golf Center, Inc. ("AAGC"). In connection with the issuance of the 35 percent interest in AAGC to the Landlord, the Company and the Landlord entered into a Stockholders Agreement that provides certain restrictions and rights on the AAGC shares issued to the Landlord. The Landlord is permitted to designate a non-voting observer of meetings of AAGC's board of directors. In the event of an uncured default of the lease for the CGC, so long as the Landlord holds a 25% interest in AAGC, the Landlord will have the right to select one director of AAGC. As to matters other than the election of Directors, the Landlord has agreed to vote its shares of AAGC as designated by the Company.

SPONSORSHIP AGREEMENT WITH PEPSI-COLA COMPANY

In December 1997, the Company entered into a sponsorship agreement with the Pepsi-Cola Company ("Pepsi") under which Pepsi received certain exclusive rights related to the dispensing of its products at the SportPark and CGC.

In exchange for certain rights, Pepsi agreed to pay the Company a fixed annual cash payment for the term of the agreement such that five total cash payments were received. The Company received all required payments from Pepsi. The sponsorship agreement terminated in October 2003.

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AGREEMENT WITH SPORTSERVICE CORPORATION

In September 1997, the Company entered into a lease and concession agreement with Sportservice Corporation ("Sportservice") that provides Sportservice with the exclusive right for all food, beverages (alcoholic and non-alcoholic), candy and other refreshments throughout the SportPark and CGC, during the ten-year term of the agreement. Sportservice pays rent based on a percentage of gross sales.

Sportservice is a wholly-owned subsidiary of Delaware North Company. The agreement remains in effect for the CGC and the portion related to the SportPark was assumed by the Landlord in connection with his acquisition of the SportPark.

LIABILITY INSURANCE

The Company has a comprehensive general liability insurance policy to cover possible claims for injury and damages from accidents and similar activities. Although management of the Company believes that its insurance levels are sufficient to cover all future claims, there is no assurance it will be sufficient to cover all future claims.

MARKETING

The marketing program for the CGC is focused primarily on the local individual customers with increasing emphasis on the individual tourist market because of the facility's proximity to most of the major resorts in Las Vegas. The CGC focuses its marketing efforts principally on print media that has proven to be effective for the local market. For the tourist market, the Company has instituted taxi programs, rack cards, and print media in tourist publications that are located in the Las Vegas hotels and hotel rooms. Also, the CGC, along with its teaching academy tenant Giant Golf, has implemented programs to attract more group events, clinics, and other special promotional events.

The CGC, which includes a nine-hole par 3 golf course, driving range, and clubhouse, is designed as a country club atmosphere for the general public.

The Company's marketing efforts are directed towards a number of large existing and potential markets for which there can be no assurance of financial success. Further, to expand the concepts beyond the Las Vegas location could require considerably more financial and human resources than presently exists at the Company.

FIRST TEE

In March 2002, the CGC became the official home in Southern Nevada for the national First Tee program. The First Tee program is a national initiative started in November 1997 by the World Golf Foundation. First Tee is sponsored by the PGA Tour, the LPGA, the PGA of America, the United States Golf Association, and Augusta National Golf Club. The First Tee program was formed to eliminate access and affordability issues for children, especially economically disadvantaged children, to participate in the game of golf. In research conducted by the National Golf Foundation, it was noted that only two percent of children through age 17 ever try golf and only five percent of our nation's golfers were minorities. The CGC is proud to be part of the First Tee program and believes it will offer many opportunities for the Company in the years ahead.

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COMPETITION

Any golf/amusement facilities developed by the Company will compete with any other family/sports attractions in the city where such facilities are located. Such attractions could include amusement parks, driving ranges, water parks, and any other type of family or sports entertainment. The Company will be relying on the combination of active user participation in the sports activities and uniqueness of the Park features, attractive designs, and competitive pricing to encourage visitation and patronage.

In the Las Vegas market, the Company has competition from other golf courses, family entertainment centers, and entertainment provided by hotel/casinos. Company management believes the CGC has a competitive advantage in the Las Vegas market because of its strategic location, product branding, alliances, and extent of facilities balanced with competitive pricing that is unlike any competitor in the market.

EMPLOYEES

As of March 12, 2004, there were 3 full-time and 1 part-time employees at the Company's executive offices, and 7 full-time and 12 part-time employees at CGC.

ITEM 2. DESCRIPTION OF PROPERTY.

The Company's corporate offices are located inside the clubhouse building of the Company's Callaway Golf Center property at 6730 South Las Vegas Boulevard, Las Vegas, Nevada 89119. The Callaway Golf Center property occupies approximately 42 acres of leased land described in "ITEM 1. DESCRIPTION OF BUSINESS BUSINESS DEVELOPMENT." The CGC was opened October 1, 1997. The property is in good condition both structurally and in appearance. The Company owns 65% of the CGC through a subsidiary, All-American Golf Center, Inc.

A ten-year note payable secured by a first deed of trust exists on the CGC in the original amount of \$1 million payable without interest, in quarterly installments of \$25,000 beginning December 1998.

The CGC has three tenants: (1) The St. Andrews Golf Shop that occupies approximately 4,000 square feet for golf retail sales and pays a fixed monthly rental of \$13,104 for its retail and office space. The lease is for fifteen years ending in 2012; (2) Sierra Sportservice occupies about 2,500 square feet for food and beverage services and pays percentage rent depending on the type of sale made (i.e. restaurant, catering, beverage cart). The lease is for ten years ending in 2007; (3) Giant Golf Academy occupies approximately 900 square feet and pays a fixed monthly rental for office space and for use of the golf facilities of approximately \$6,500 per month. The lease is for five years ending in 2006 with one five-year option to renew.

ITEM 3. LEGAL PROCEEDINGS

Except for the complaints described in the following paragraphs, the Company is not presently a party to any legal proceedings, except for routine litigation that is incidental to the Company's business.

On September 12, 2000, the Company filed a complaint against Bentar Development, Inc. and Contractors Bonding & Insurance Company in the District Court of Clark County, Nevada, seeking damages for breach of contract, unjust

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enrichment, and license bond claim. Bentar Development, Inc. was the general contractor on the construction of the Callaway Golf Center. The Company's claim asserts construction defects related to the CGC's driving range tee line which has experienced large cracks in the concrete and ground level differentials on each side of the cracks of more than one inch as the result of ground subsidence arising primarily from Bentar's failure to properly compact the earth in and around the tee line. The Company settled the case in March 2003 with Bentar and all other involved parties, except for one subcontractor named Western Technologies. The settlement with Bentar resulted in the Company receiving \$880,000 in cash. Subsequent to the settlement, the Company continued its suit against Western Technologies and was awarded a judgment against Western Technologies of \$660,000 in March 2003. Western Technologies has appealed the judgment and they are in the process of obtaining the court records needed to draft their appeal. Their opening brief is due April 12, 2004. Western Technologies was required to and did file a bond in the amount of the judgment to date, which is approximately \$1,180,000 (including the judgment, interest, and attorneys fees).

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

MARKET INFORMATION. The Company's Common Stock is traded in the over-the-counter market and is quoted on the OTC: Bulletin Board under the symbol "AASP." The following table sets forth the closing high and low sales prices of the Common Stock for the periods indicated.

	HIGH	LOW
Year Ended December 31, 2003:		
First Quarter	\$ 0.03	\$ 0.01
Second Quarter	\$ 0.15	\$ 0.01
Third Quarter	\$ 0.17	\$ 0.04
Fourth Quarter	\$ 0.12	\$ 0.03
Year Ended December 31, 2002:		
First Quarter	\$ 0.05	\$ 0.03
Second Quarter	\$ 0.06	\$ 0.02
Third Quarter	\$ 0.06	\$ 0.01
Fourth Quarter	\$ 0.02	\$ 0.01

HOLDERS. The number of holders of record of the Company's \$.001 par value common stock at March 1, 2004 was approximately 1,000. This does not include approximately 1,000 shareholders who hold stock in their accounts at broker/dealers.

DIVIDENDS. Holders of common stock are entitled to receive such dividends as may be declared by the Company's Board of Directors. No dividends have been paid with respect to the Company's common stock and no dividends are expected to be paid in the foreseeable future. It is the present policy of the Board of Directors to retain all earnings to provide for

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the growth of the Company. Payment of cash dividends in the future will depend, among other things, upon the Company's future earnings, requirements for capital improvements and financial condition.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following information should be read in conjunction with the Company's Consolidated Financial Statements and the Notes thereto included in this report.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company has elected to follow Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees and related interpretations in accounting for its employee stock options.

The Company does not employ any other accounting policies and estimates that are either selected from among available alternatives or require the exercise of significant management judgment to apply.

OVERVIEW

The Company's operations consist of the management and operation of a golf course and driving range property called the Callaway Golf Center.

RESULTS OF OPERATIONS - YEAR ENDED DECEMBER 31, 2003 VERSUS YEAR ENDED DECEMBER 31, 2002

REVENUES. Revenues decreased 4.4% to \$2,218,617 in 2003 compared to \$2,320,184 in 2002. The decrease is due mainly to an approximate 10% decrease in golf course rounds played in 2003 attributed to less favorable weather conditions in the second and fourth quarters of 2003.

COST OF REVENUES. Cost of revenues increased 11.9% to \$347,301 in 2003 compared to \$310,501 in 2002. Cost of revenues as a percentage of revenues was 15.6% in 2003 compared to 13.4% in 2002. The increase for 2003 is primarily due to higher direct payroll costs related to restructuring of staffing in 2003, and driving range equipment repairs in 2003 that did not occur in 2002.

SELLING, GENERAL AND ADMINISTRATIVE ("SG&A"). SG&A expenses consist principally of payroll, rent, professional fees and other corporate costs. The increase of 4.5% to \$2,041,668 in 2003 from \$1,954,172 in 2002 is due to a combination of (1) a net increase of about \$150,000 in legal fees and costs mainly attributed to the Company's lawsuit as plaintiff against the general contractor that built the CGC; this lawsuit was settled with the general contractor in March 2003, offset by (2) lower administrative payroll costs.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization decreased 20.9% to \$67,903 in 2003 compared to \$85,848 in 2002 due to a lower depreciable asset base in 2003 because several short-lived assets became fully depreciated in 2002.

INTEREST EXPENSE, NET. Net interest expense decreased 6.7% to \$470,895 in 2003 from \$504,766 in 2002. The decrease is due mainly to the December 2002 debt forgiveness totaling \$239,425 on which interest did not accrue in 2003.

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NET INCOME (LOSS). The Company recorded net income in 2003 of \$337,424 compared to a net loss in 2002 of \$207,064. The primary differences in 2003 compared to 2002 are as follows: (1) the Company received an \$880,000 settlement from a lawsuit filed against the general contractor that built the CGC; (2) about \$80,000 more in income in 2003 related to debt forgiveness; these two items were offset by (3) approximately \$200,000 more in operating costs in 2003 due mainly to increase legal fees related to the aforementioned lawsuit, and (4) a \$240,000 change in minority interest calculated as 35% of the income or loss generated by the CGC.

LIQUIDITY AND CAPITAL RESOURCES

For reasons described below and in Note 1.d. to the consolidated financial statements, in its report dated February 20, 2004, the Company's independent auditors have expressed substantial doubt as to the Company's ability to continue as a going concern.

At December 31, 2003, the Company had a working capital deficit of \$1,051,418 and a shareholders' equity deficiency of \$6,446,712.

In March 2003, the Company reached a settlement with the general contractor and other entities responsible for building the CGC wherein the Company received \$880,000. Of this amount, approximately \$300,000 was used to pay outstanding legal and expert fee costs related to the lawsuit. Also, approximately \$350,000 was used to reduce obligations to related parties. The balance of the proceeds have been used in funding operations.

In connection with the settlement described above, a subcontractor involved in that matter elected not to settle and subsequently, the Company prevailed in a judgment against said subcontractor in the amount of \$660,000, plus interest and attorneys fees, which combined total well over \$1 million. The judgement is currently being appealed, and it is possible that it could be reversed. However, management believes that the likelihood of a favorable outcome is good. The subcontractor has since been required to post a bond in excess of \$1 million.

AASP management believes that its continuing operations may not be sufficient to fund operating cash needs and debt service requirements over at least the next 12 months. As such, management plans on seeking other sources of funding as needed, which may include Company officers or directors or other related parties. In addition, management continues to analyze all operational and administrative costs of the Company and has made and will continue to make the necessary cost reductions as appropriate.

In 2004, the Company began implementing new marketing strategies that are expected to result in increased revenues during the year.

In January 2004, AAGC completed Phase I of its turf conversion program that could result in significant cost savings going forward. This turf conversion program, named the Water Smart Landscapes Program, is sponsored by the Southern Nevada Water Authority ("SNWA") and provides a financial incentive to business properties to convert grass areas to "xeriscape", an approach to landscaping that is beautiful and water-efficient. AAGC incurred costs of \$94,554 for Phase I of this project, all of which was incurred in 2004. The incentive provided by the SNWA is a price per square foot rebate for area converted, and totaled \$187,553 for Phase I. More significantly, ongoing costs for water, electricity, and landscape maintenance are expected to decrease by as much as \$50,000 annually.

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Phase II of the Company's turf conversion on approximately 130,000 square feet of the golf course is scheduled for later in 2004 at a cost of approximately \$39,000. Completion of this phase of the project will further reduce expenses for water and landscaping costs. It is expected that the rebate from the SNWA will more than cover the expenses of this phase of the project.

The Callaway Golf Center has generated positive cash flow since 1998. However, this positive cash flow is used to fund corporate overhead that is in place in support of the CGC and public company operations.

Management continues to seek out financing to help fund working capital needs of the Company. In this regard, management believes that additional borrowings against the CGC could be arranged although there can be no assurance that the Company would be successful in securing such financing or with terms acceptable to the Company.

The Company's current and expected sources of working capital are its cash balances that were \$17,521 at December 31, 2003, its operating cash flow of its CGC property, and the settlement proceeds discussed previously. Working capital needs have been helped by deferring payments of interest and notes payable balances due to an Affiliate. Management believes that additional deferrals of such payments could be negotiated, if necessary.

Among its alternative courses of action, management of the Company may seek out and pursue a business combination transaction with an existing private business enterprise that might have a desire to take advantage of the Company's status as a public corporation. There is no assurance that the Company will acquire a favorable business opportunity through a business combination. In addition, even if the Company becomes involved in such a business opportunity, there is no assurance that it would generate revenues or profits, or that the market price of the Company's common stock would be increased thereby.

There are no planned material capital expenditures in 2004 other than the turf conversion program described above.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SAFE HARBOR PROVISION

Certain information included in this Annual Report contains statements that are forward-looking, such as statements relating to plans for future expansion and other business development activities, as well as other capital spending, financing sources, the effects of regulations and competition. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements by or on behalf of the Company. These risks and uncertainties include, but are not limited to, those relating to dependence on existing management, leverage and debt service (including sensitivity to fluctuations in interest rates), domestic or global economic conditions (including sensitivity to fluctuations in foreign currencies), changes in federal or state tax laws or the administration of such laws, changes in regulations and application for licenses and approvals under applicable jurisdictional laws and regulations.

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ITEM 7. FINANCIAL STATEMENTS.

The financial statements are set forth on pages F-1 through F-16 hereto.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 8A. CONTROLS AND PROCEDURES.

As of December 31, 2003, under the supervision and with the participation of the Company's Chief Executive Officer and Principal Financial Officer, management has evaluated the effectiveness of the design and operations of the Company's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of December 31, 2003. There have been no changes in internal control over financial reporting that occurred during the fourth quarter of the fiscal year covered by this report that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

The Directors and Executive Officers of the Company are as follows:

NAME	AGE	POSITIONS AND OFFICES HELD
Ronald S. Boreta	41	President, Chief Executive Officer, Treasurer, Secretary and Director
Vaso Boreta	69	Chairman of the Board and Director
Robert R. Rosburg	76	Director
William Kilmer	63	Director

Except for the fact that Vaso Boreta and Ronald Boreta are father and son, respectively, there is no family relationship between any Director or Officer of the Company.

The company does not currently have an audit committee. The full Board of Directors serves as the audit committee. The Company has no "audit committee financial expert" on the Board of Directors because, due to the limited size of the Company's operations, it is not deemed necessary to have one. The Company presently has no compensation or nominating committee.

All Directors hold office until the next Annual Meeting of Shareholders.

Officers of the Company are elected annually by, and serve at the discretion of, the Board of Directors.

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The following sets forth biographical information as to the business experience of each officer and director of the Company for at least the past five years.

RONALD S. BORETA has served as President of the Company since 1992, Chief Executive Officer since August 1994, and a Director since its inception in 1984. The Company has employed him since its inception in March 1984, with the exception of a 6-month period in 1985 when he was employed by a franchisee of the Company located in San Francisco, California. Prior to his employment by the Company, Mr. Boreta was an assistant golf professional at San Jose Municipal Golf Course in San Jose, California, and had worked for two years in the areas of sales and warehousing activities with a golf discount store in South San Francisco, California. Mr. Boreta devotes 90% of his time to the business of the Company.

VASO BORETA has served as Chairman of the Board of Directors since August 1994, and has been an Officer and Director of the Company since its formation in 1984. In 1974, Mr. Boreta first opened a specialty business named "Las Vegas Discount Golf & Tennis," which retailed golf and tennis equipment and accessories. He was one of the first retailers to offer pro-line golf merchandise at a discount. He also developed a major mail order catalog sales program from his original store. Mr. Boreta continues to operate his original store, which has been moved to a new location near the corner of Flamingo and Paradise roads in Las Vegas. Mr. Boreta devotes approximately ten percent of his time to the business of the Company.

ROBERT R. ROSBURG has served as a Director of the Company since August 1994. Mr. Rosburg has been a professional golfer since 1953. From 1953 to 1974 he was active on the Professional Golf Association tours, and since 1974 he has played professionally on a limited basis. Since 1975 he has been a sportscaster on ABC Sports golf tournament telecasts. Since 1985 he has also been the Director of Golf for Rams Hill Country Club in Borrego Springs, California. Mr. Rosburg received a Bachelor's Degree in Humanities from Stanford University in 1948.

WILLIAM KILMER has served as a Director of the Company since August 1994. Mr. Kilmer is a retired professional football player, having played from 1961 to 1978 for the San Francisco Forty-Niners, the New Orleans Saints and the Washington Redskins. Since 1978, he has toured as a public speaker and also has served as a television analyst. Mr. Kilmer received a Bachelor's Degree in Physical Education from the University of California at Los Angeles.

SECTION 16(A) BENEFICIAL REPORTING COMPLIANCE

Based solely on a review of Forms 3 and 4 and amendments thereto furnished to the Company during its most recent fiscal year, and Forms 5 and amendments thereto furnished to the Company with respect to its most recent fiscal year and certain written representations, no persons who were either a director, officer, beneficial owner of more than ten percent of the Company's common stock, failed to file on a timely basis reports required by Section 16(a) of the Exchange Act during the most recent fiscal year.

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CODE OF ETHICS

The Company has not yet adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, due to the limited size of the Company's operations and limited financial resources. The Board of Directors may consider adopting a code of ethics in the future.

ITEM 10. EXECUTIVE COMPENSATION.

The following table sets forth information regarding the executive compensation for the Company's President and each other executive officer who received compensation in excess of \$100,000 for the years ended December 31, 2003, 2002 and 2001 from the Company:

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION			LONG-TERM COMPENSATION AWARDS		
		SALARY (1)	BONUS	OTHER ANNUAL COMPEN- SATION (2)	RE- STRICTED STOCK AWARD (S)	SECURITIES UNDERLYING OPTIONS/ SARs (NUMBER)	ALL OTHER COMPEN- SATION
Ronald S. Boreta, President and CEO	2003	\$120,000	--	\$26,482	--	--	--
	2002	\$120,000	--	\$26,482	--	--	--
	2001	\$120,000	--	\$25,648	--	325,000	--
Kirk Hartle, Chief Financial Officer (3)	2003	\$120,000	--	--	--	--	--
	2002	\$116,723	--	--	--	--	--

- (1) Includes \$27,877 for 2001 deferred by Ron Boreta. Ron Boreta made this election in September 1999 and the deferral ended in June 2001.
- (2) Represents amounts paid for country club memberships for Ronald S. Boreta, an automobile for his personal use, and contributions made by the Company to retirement plans on his behalf. For 2003, 2002, 2001, respectively, these amounts were \$11,132, \$7,808, and \$7,992 for club memberships; \$14,600, \$18,674, and \$14,656 for an automobile; and \$0, \$0, \$3,000 to the Company's supplemental retirement plan.
- (3) Mr. Hartle resigned as Chief Financial Officer effective February 20, 2004.

COMPENSATION OF DIRECTORS

Directors who are not employees of the Company do not receive any fees for Board meetings they attend but are entitled to be reimbursed for reasonable expenses incurred in attending such meetings.

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EMPLOYMENT AGREEMENTS

Effective August 1, 1994, the Company entered into an employment agreement with Ronald S. Boreta, the Company's President and Chief Executive Officer, pursuant to which he receives a base salary of \$100,000 per year plus annual increases as determined by the Board of Directors. His salary was increased to \$120,000 beginning the year ended December 31, 1996. The employment agreement is automatically extended for additional one-year periods unless 60 days' notice of the intention not to extend is given by either party. Ronald S. Boreta also receives the use of an automobile, for which the Company pays all expenses, and full medical and dental coverage. The Company also pays all dues and expenses for membership at a local country club at which Ronald S. Boreta entertains business contacts for the Company. Ronald S. Boreta has agreed that for a period of three years from the termination of his employment agreement that he will not engage in a trade or business similar to that of the Company.

STOCK OPTION PLAN

During July 1994, the Board of Directors adopted a Stock Option Plan (the "Plan"). The Plan allows the Board to grant stock options from time to time to employees, officers, directors and consultants of the Company. The number of shares of Common Stock that may be issued under the Plan is 700,000. The Board has the power to determine at the time the option is granted whether the option will be an Incentive Stock Option (an option which qualifies under Section 422 of the Internal Revenue Code of 1986) or an option that is not an Incentive Stock Option. The Board determines vesting provisions at the time options are granted. The option price for any option will be no less than the fair market value of the Common Stock on the date the option is granted.

Since all options granted under the Plan must have an exercise price no less than the fair market value on the date of grant, the Company will not record any expense upon the grant of options, regardless of whether or not they are incentive stock options. Generally, there will be no federal income tax consequences to the Company in connection with Incentive Stock Options granted under the Plan. With regard to options that are not Incentive Stock Options, the Company will ordinarily be entitled to deductions for income tax purposes of the amount that option holders report as ordinary income upon the exercise of such options, in the year such income is reported.

In April 1996, the Company's Board of Directors granted stock options for 325,000 shares at an exercise price of \$3.0625 to Ronald S. Boreta, the Company's President, that expired in April 2001. In April 2001, 325,000 new options were granted to Ronald S. Boreta at the price of \$0.055 per share that is equivalent to the closing market price on the date of grant. These options vested upon grant and expire April 30, 2006.

In October 1999, the Company's Board of Directors approved the grant of an option to Kirk Hartle, the Company's former Chief Financial Officer, to purchase an aggregate 50,000 shares of the Company's common stock at the price of \$0.65625 per share that is equivalent to the closing market price on the date of grant. The options are fully vested and expire October 28, 2004.

In April 2000, the Company's Board of Directors approved the grant of an option to Kirk Hartle, the Company's former Chief Financial Officer, to purchase an aggregate 50,000 shares of the Company's common stock at the price of \$0.8125 per share that is equivalent to the closing market price on the date of grant. The options are fully vested and expire April 24, 2005.

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SUPPLEMENTAL RETIREMENT PLAN

In November 1996, the Company and its majority shareholder, SPEN established a Supplemental Retirement Plan, pursuant to which certain employees selected by the Company's Chief Executive Officer received benefits based on the amount of compensation elected to be deferred by the employee and the amount of contributions made on behalf of the employee by the Company.

For 2001, the Company made or accrued contributions to the Supplemental Retirement Plan on behalf of Ronald S. Boreta (the President of the Company) in the amount of \$3,000. Contributions to this plan ceased in 2002 due to cash flow constraints.

1998 STOCK INCENTIVE PLAN

During October 1998, the Board of Directors approved, subject to stockholder approval, the 1998 Stock Incentive Plan (the "Plan"), and the Company's shareholders approved the Plan during December 1998.

The purpose of the Plan is to advance the interests of the Company and its subsidiaries by enhancing their ability to attract and retain employees and other persons or entities who are in a position to make significant contributions to the success of the Company and its subsidiaries, through ownership of shares of Stock of the Company and cash incentives. The Plan is intended to accomplish these goals by enabling the Company to grant awards in the form of options, stock appreciation rights, restricted stock or unrestricted stock awards, deferred stock awards, or performance awards (in cash or stock), other stock-based awards, or combinations thereof, all as more fully described below. Up to 750,000 shares of Stock may be issued under the Plan.

GENERAL

The Plan is administered and awards are granted by the Company's Board of Directors (the "Board"). Key employees of the Company and its subsidiaries and other persons or entities, not employees of the Company and its subsidiaries, who are in a position to make a significant contribution to the success of the Company or its subsidiaries are eligible to receive awards under the Plan. In addition, individuals who have accepted offers of employment from the Company and who the Company reasonably believes will be key employees upon commencing employment with the Company ("New Hires") are eligible to receive awards under the Plan.

STOCK OPTIONS. The exercise price of an incentive stock option ("ISO") granted under the Plan or an option intended to qualify for the performance-based compensation exception under Section 162(m) of the Code may not be less than 100% of the fair market value of the Stock at the time of grant. The exercise price of a non-ISO granted under the Plan is determined by the Board. Options granted under the Plan will expire and terminate not later than 10 years from the date of grant. The exercise price may be paid in cash or by check, bank draft or money order, payable to the order of the Company. Subject to certain additional limitations, the Board may also permit the exercise price to be paid with Stock, a promissory note, an undertaking by a broker to deliver promptly to the Company sufficient funds to pay the exercise price, or a combination of the foregoing.

STOCK APPRECIATION RIGHTS (SARs). Stock appreciation rights ("SARs") may

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be granted either alone or in tandem with stock option grants. Each SAR entitles the holder on exercise to receive an amount in cash or Stock or a combination thereof (such form to be determined by the Board) determined in whole or in part by reference to appreciation in the fair market value of a share of Stock. SARs may be based solely on appreciation in the fair market value of Stock or on a comparison of such appreciation with some other measure of market growth. The data at which such appreciation or other measure is determined shall be the exercise date unless the Board specifies another date. If an SAR is granted in tandem with an option, the SAR will be exercisable only to the extent the option is exercisable. To the extent the option is exercised, the accompanying SAR will cease to be exercisable, and vice versa. An SAR not granted in tandem with an option will become exercisable at such time or times, and on such conditions, as the Board may specify.

On February 16, 1999, the Board of Directors of the Company approved an award to Ron Boreta, President of the Company, Stock Appreciation Rights ("SAR's") as to 125,000 shares independent of any stock option under the Company's 1998 Stock Incentive Plan. The base value of the SAR's shall be equal to \$6 per share, however no SAR may be exercised unless and until the market price of the Company's Common Stock equals or exceeds \$10 per share. Amounts to be paid under this agreement are solely in cash and are not to exceed \$500,000. The SAR's expire on October 26, 2008.

RESTRICTED AND UNRESTRICTED STOCK AWARDS: DEFERRED STOCK. The Plan provides for awards of nontransferable shares of restricted Stock subject to forfeiture ("Restricted Stock"), as well as awards of unrestricted shares of Stock. Except as otherwise determined by the Board, shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable restriction period and the satisfaction of any other conditions or restrictions established by the Board. Other awards under the Plan may also be settled with Restricted Stock. The Plan also provides for deferred grants entitling the recipient to receive shares of Stock in the future at such times and on such conditions as the Board may specify.

OTHER STOCK-BASED AWARDS. The Board may grant other types of awards under which stock is or may in the future be acquired. Such awards may include debt securities convertible into or exchangeable for shares of Stock upon such conditions, including attainment of performance goals, as the Board may determine.

PERFORMANCE AWARDS. The Plan provides that at the time any stock options, SARs, stock awards (including restricted stock, unrestricted stock or deferred stock) or other stock-based awards are granted, the Board may impose the additional condition that performance goals must be met prior to the participant's realization of any vesting, payment or benefit under the award. In addition, the Board may make awards entitling the participant to receive an amount in cash upon attainment of specified performance goals.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth, as of March 1, 2004, the stock ownership of each person known by the Company to be the beneficial owner of five percent or more of the Company's Common Stock, each Officer and Director individually, and all Directors and Officers of the Company as a group. Except as noted, each person has sole voting and investment power with respect to the shares shown.

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NAME AND ADDRESS OF BENEFICIAL OWNERS -----	NATURE OF BENE- FICIAL OWNERSHIP -----	PERCENT OF CLASS -----
Ronald S. Boreta 6730 South Las Vegas Blvd. Las Vegas, Nevada 89119	975,484 (1)	26.2%
ASI Group LLC (5) c/o Agassi Enterprises, Inc. Suite 750 3960 Howard Hughes Parkway Las Vegas, NV 89109	637,044 (6)	18.7%
John Boreta 6730 South Las Vegas Blvd. Las Vegas, Nevada 89119	500,439 (2)	14.7%
Boreta Enterprises, Ltd. 6730 South Las Vegas Blvd. Las Vegas, Nevada 89119	360,784 (4)	10.6%
Vaso Boreta 6730 South Las Vegas Blvd. Las Vegas, Nevada 89119	3,853 (3)	0.1%
Robert R. Rosburg 49-425 Avenida Club La Quinta La Quinta, CA 92253	1,383	--
William Kilmer 1853 Monte Carlo Way Coral Springs, FL 33071	1,383	--
All Directors and Officers as a Group (4 persons)	982,103 (7)	25.7%

(1) Includes 402,229 shares held directly, 248,255 shares which represents Ronald Boreta's share of the Common Stock held by Boreta Enterprises Ltd., and 325,000 shares underlying options exercisable within 60 days held by Ronald Boreta.

(2) Includes 391,735 shares held directly, and 108,704 shares which represents John Boreta's share of the Common Stock held by Boreta Enterprises Ltd.

(3) Includes 28 shares held directly, and 3,825 shares which represents Vaso Boreta's share of the Common Stock held by Boreta Enterprises Ltd.

(4) Direct ownership of shares held by Boreta Enterprise Ltd., a limited liability company owned by Vaso, Ronald and John Boreta. Boreta Enterprises Ltd. percentage ownership is as follows:

Ronald S. Boreta	68.81%
John Boreta	30.13%
Vaso Boreta	1.06%

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- (5) ASI Group LLC is a Nevada limited liability company whose members are Andre K. Agassi and Perry Craig Rogers.
- (6) All shares are owned directly.
- (7) Includes shares beneficially held by the four named Directors and executive officers.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes share and exercise price information about the Company's equity compensation plans as of December 31, 2003:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	500,000	\$0.78	950,000
Equity compensation plans not approved by security holders	0	--	0
Total	500,000	\$0.78	950,000

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Sports Entertainment Enterprises, Inc. ("SPEN"), a publicly-held corporation, owned approximately 67% of the Company's outstanding shares prior to May 8, 2002. Effective as of that date, the shares of the Company held by SPEN were distributed to SPEN's shareholders. Vaso Boreta, the Company's Chairman of the Board, is an Officer and Director of SPEN. Ronald S. Boreta, President and a Director of the Company, is a Director and principal shareholder of SPEN. Robert S. Rosburg and William Kilmer, Directors of the Company, are also Directors of SPEN. In addition, John Boreta, the son of Vaso Boreta and the brother of Ronald S. Boreta, is a principal shareholder of SPEN.

The Company has transactions and relationships with (a) SPEN ("Related Entities"), (b) Vaso Boreta and his wholly owned golf retail stores in Las Vegas, Nevada (the "Paradise Store" and "Rainbow Store") and, (c) two golf retail stores, both named Saint Andrews Golf Shop ("SAGS"), owned by the Company's President, Ron Boreta, and his brother, John Boreta. The Paradise

store, Rainbow store, and SAGS are referred to herein as the "Affiliated

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Stores." The types of costs and expenses that are shared by these entities are advertising, payroll and employee benefits, warehouse rent, equipment leases, and miscellaneous office expenses. Costs are allocated to each entity based on relative benefits received. Amounts allocated to these related parties by the Company approximated \$240,000 in both 2003 and 2002.

The Company has various notes payable ("Chairman Notes") to an entity owned by the Company's Chairman. These notes are due in varying amounts on December 1 each year through year 2008. The notes bear interest at 10% per annum and are secured by the assets of the Company. The amounts due are shown as notes payable to affiliate and interest payable to affiliate in the accompanying consolidated balance sheets. The note payable and accrued interest payable balances at December 31, 2003 are \$4,113,473 and \$1,614,607, respectively. The note payable and accrued interest payable balances at December 31, 2002 are \$4,313,473 and \$1,301,918, respectively.

In February 2002, the Company repaid \$76,306 in principal on the Chairman Notes. The Company did not have the resources to pay the required note payments due December 1, 2002 and 2003. The Chairman forgave the 2002 note balance due of \$168,363 and the related accrued interest payable of \$71,062 for a total of \$239,425; Also, the Chairman forgave the 2003 note balance due of \$200,000 and the related accrued interest payable of \$116,991 for a total of \$316,991. The Lender also agreed to not accelerate the maturities of the remaining notes due to these defaults.

Interest payments on the Notes have been deferred since inception. The Chairman has agreed to continue deferring payment of the accrued interest until such time as the Company has adequate capital resources to pay such amounts.

In the third quarter of 2003, SAGS secured financing on behalf of AAGC to construct a pylon sign at the entrance of the golf center facility. The total financing for the sign will be approximately \$170,000; \$45,000 has been drawn down to begin fabrication of the sign. The balance of \$125,000 is expected to be drawn down when the sign is installed which is expected to be early 2004. SAGS pays the debt service on the financing and bills AAGC for the amount paid. The financing is for five years with monthly payments of approximately \$3,500.

In November and December 2003, SAGS loaned the Company a total of \$100,000 to fund operations. The loans are \$50,000 each and are both due one year from date of issuance with interest accruing at ten percent per annum. Interest payable at December 31, 2003 is \$1,096.

The Company's Board of Directors believes that the terms of the above transactions were on terms no less favorable to the Company than if the transactions were with unaffiliated third parties.

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(a) EXHIBITS.

EXHIBIT NUMBER	DESCRIPTION	LOCATION
-----	-----	-----
2	Agreement for the Purchase and Sale of Assets, as amended	Incorporated by reference to Exhibit 10 to the Registrant's Current Report on Form 8-K dated February 26, 1997
3.1	Restated Articles of Incorporation	Incorporated by reference to Exhibit 3.1 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
3.2	Certificate of Amendment to Articles of Incorporation	Incorporated by reference to Exhibit 3.2 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
3.3	Revised Bylaws	Incorporated by reference to Exhibit 3.3 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
3.4	Certificate of Amendment Articles of Incorporation Series A Convertible Preferred	Incorporated by reference to Exhibit 3.4 to the Registrant's Annual report on Form 10-KSB for the year ended December 31, 1998
3.5	Certificate of Designation Series B Convertible Preferred	Incorporated by reference to Exhibit 3.5 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
3.6	Certificate of Amendment to Articles of Incorporation - Name change	Incorporated by reference to Exhibit 3.6 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
10.1	Employment Agreement with Ronald S. Boreta	Incorporated by reference to Exhibit 10.1 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.2	Stock Option Plan	Incorporated by reference to Exhibit 10.2 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.11	Promissory Note to Vaso Boreta	Incorporated by reference to Exhibit 10.11 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.16	Lease Agreement between	Incorporated by reference to

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	Urban Land of Nevada and All-American SportPark, Inc.	Exhibit 10.16 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.17	Lease Agreement between Urban Land of Nevada and All-American Golf Center, LLC	Incorporated by reference to Exhibit 10.17 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.18	Operating Agreement for All-American Golf, LLC, a limited liability Company	Incorporated by reference to Exhibit 10.18 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.20	Lease and Concession Agreement with Sportservice Corporation	Incorporated by reference to Exhibit 10.20 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.23	Promissory Note of All-American SportPark, Inc. for \$3 million payable to Callaway Golf Company	Incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
10.24	Guaranty of Note to Callaway Golf Company	Incorporated by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
10.25	Forbearance Agreement dated March 18, 1998 with Callaway Golf Company	Incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
21	Subsidiaries of the Registrant	Incorporated by reference to Exhibit 21 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
23	Consent of Piercy, Bowler Taylor & Kern	Filed herewith electronically
31	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith electronically
32	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to Section 18 U.S.C. Section 1350	Filed herewith electronically

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None.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

AUDIT FEES

The aggregate fees billed for each of the last two fiscal years ended December 31, 2003 and 2002 by Piercy Bowler Taylor & Kern for professional services rendered for the audit of the Company's annual financial statements and review of financial statements included in the Company's quarterly reports on Form 10-QSB were \$22,500 and \$25,000, respectively.

AUDIT RELATED FEES

None.

TAX FEES

The aggregate fees billed for tax services rendered by Piercy Bowler Taylor & Kern for tax compliance and tax advice for the two fiscal years ended December 31, 2003 and 2002, were \$3,000 and \$4,000, respectively.

ALL OTHER FEES

None.

AUDIT COMMITTEE PRE-APPROVAL POLICY

Under provisions of the Sarbanes-Oxley Act of 2002, the Company's principal accountant may not be engaged to provide non-audit services that are prohibited by law or regulation to be provided by it, and the Board of Directors (which serves as the Company's audit committee) must pre-approve the engagement of the Company's principal accountant to provide permissible non-audit services. The Company's Board of Directors has not established any policies or procedures other than those required by applicable laws and regulations. The non-audit services provided by the Company's principal accountant in 2003 were not pre-approved by the Board of Directors, but were incurred prior to the effectiveness of related rules.

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To the Board of Directors and Shareholders of
All-American SportPark, Inc.:

We have audited the accompanying consolidated balance sheets of All-American SportPark, Inc. and subsidiary (the " Company") as of December 31, 2003 and 2002, and the related consolidated statements of operations, shareholders' equity deficiency and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of All-American SportPark, Inc. and subsidiary as of December 31, 2003 and 2002, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1d to the consolidated financial statements, the Company has had recurring losses from continuing operations, and has a working capital deficit and substantial shareholders' equity deficiency at December 31, 2003; these factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1d. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Piercy Bowler Taylor & Kern

PIERCY BOWLER TAYLOR & KERN

Las Vegas, Nevada
February 20, 2004

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ALL-AMERICAN SPORTPARK, INC. AND SUBSIDIARY CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2003 AND 2002

ASSETS	2003	2002
	-----	-----
Current assets:		
Cash	\$ 17,521	\$ 30,108
Accounts receivable	23,696	36,968
Prepaid expenses and other	16,278	54,431
	-----	-----
Total current assets	57,495	121,507
Leasehold improvements and equipment, net	808,112	801,513
Due from affiliated stores	132,375	136,507
Note receivable - related party	-	20,000
Due from other related entities	110,221	20,017
Other assets	3,872	3,488
	-----	-----
Total assets	\$ 1,112,075	\$ 1,103,032
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

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ALL-AMERICAN SPORTPARK, INC. AND SUBSIDIARY

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CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2003 AND 2002 (CONTINUED)

LIABILITIES AND SHAREHOLDERS' EQUITY DEFICIENCY

	2003	2002
	-----	-----
Current liabilities:		
Current portion of long-term debt	\$ 66,210	\$ 106,917
Current portion of notes payable to affiliates	500,000	200,000
Interest payable to affiliates	230,983	98,658
Accounts payable and accrued expenses	311,720	726,981
	-----	-----
Total current liabilities	1,108,913	1,132,556
Notes payable to affiliate, net of current portion	3,713,473	4,113,473
Interest payable to affiliate	1,384,720	1,203,260
Due to affiliated stores	187,966	157,910
Due to other related entities	414,547	534,099
Long-term debt, net of current portion	312,141	378,352
Deferred income	1,500	82,408
	-----	-----
Total liabilities	7,123,260	7,602,058
	-----	-----
Minority interest in subsidiary	435,527	285,110
	-----	-----
Shareholders' equity deficiency:		
Series B Convertible Preferred Stock, \$.001 par value, no shares issued and outstanding	-	-
Common Stock, \$.001 par value, 10,000,000 shares authorized, 3,400,000 shares issued and outstanding at December 31, 2003 and 2002, respectively	3,400	3,400
Additional paid-in capital	11,462,882	11,462,882
Accumulated deficit	(17,912,994)	(18,250,418)
	-----	-----
Total shareholders' equity deficiency	(6,446,712)	(6,784,136)
Total liabilities and shareholders' equity deficiency	\$ 1,112,075	\$ 1,103,032
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

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FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002
(CONTINUED)

	2003	2002
	-----	-----
Revenues	\$ 2,218,617	\$ 2,320,184
Cost of revenues	347,301	310,501
	-----	-----
Total cost of revenues	347,301	310,501
	-----	-----
Gross profit	1,871,316	2,009,683
	-----	-----
Operating expenses:		
Selling, general and administrative	2,041,668	1,954,172
Depreciation and amortization	67,903	85,848
	-----	-----
Total operating expenses	2,109,571	2,040,020
	-----	-----
Operating loss	(238,255)	(30,337)
Interest expense, net	(470,895)	(504,766)
Gain on extinguishment of debt	316,991	239,425
Other income	880,000	-
	-----	-----
Income (loss) before minority interest	487,841	(295,678)
Minority interest in (income) loss of subsidiary	(150,417)	88,614
	-----	-----
Net income (loss)	\$ 337,424	\$ (207,064)
	=====	=====
NET INCOME (LOSS) PER SHARE:		
Basic and diluted net income (loss) per share	\$ 0.10	\$ (0.06)
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

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ALL-AMERICAN SPORTPARK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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	PREFERRED STOCK	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL
	-----	-----	-----	-----	-----
Balances, January 1, 2002	\$ 2,500,000	\$3,150	\$ 8,963,132	\$ (18,043,354)	\$ (6,577,072)
Conversion of Series B Preferred Stock to Common stock	(2,500,000)	250	2,499,750		-
Net loss				(207,064)	(207,064)
	-----	-----	-----	-----	-----
Balances, December 31, 2002	-	3,400	11,462,882	(18,250,418)	(6,784,136)
Net income				337,424	337,424
	-----	-----	-----	-----	-----
Balances, December 31, 2003	\$ -	\$3,400	\$11,462,882	\$ (17,912,994)	\$ (6,446,712)
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

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ALL-AMERICAN SPORTPARK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	2002
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		

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Net income (loss)	\$ 337,424	\$ (207,064)
Adjustment to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Gain on extinguishment of debt	(316,991)	(239,425)
Minority interest	150,417	(88,614)
Depreciation and amortization	67,903	85,848
Gain on sale of securities	-	(1,061)
Changes in operating assets and liabilities:		
Decrease in accounts receivable	13,272	53,299
Decrease in prepaid expenses and other	37,769	38,405
Decrease in accounts payable and accrued expenses	(415,261)	(59,485)
Increase in interest payable to shareholder and affiliated stores	434,545	447,955
Decrease in deferred income	(80,908)	(96,521)
	-----	-----
Net cash provided by (used in) operating activities	228,170	(66,663)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of securities	-	76,306
Leasehold improvements expenditures	(74,502)	(5,576)
	-----	-----
Net cash provided by (used in) investing activities	(74,502)	70,730
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in due to affiliated stores and other related entities	(159,337)	58,193
Proceeds of loan from affiliated store	100,000	66,346
Principal payments on notes payable to shareholder	-	(76,306)
Principal payments on notes payable and capital leases	(106,918)	(49,514)
	-----	-----
Net cash used in financing activities	(166,255)	(1,281)
	-----	-----
NET INCREASE (DECREASE) IN CASH	(12,587)	2,786
CASH, beginning of period	30,108	27,322
	-----	-----
CASH, end of period	\$ 17,521	\$ 30,108
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 69,145	\$ 50,656
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

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ALL-AMERICAN SPORTPARK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATIONAL STRUCTURE AND BASIS OF PRESENTATION

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a. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of All-American SportPark, Inc. ("AASP"), include the accounts of AASP and its 65% owned subsidiary, All-American Golf Center, Inc. ("AAGC"), collectively the "Company". Urban Land of Nevada, Inc. ("ULN") owns the remaining 35% of AAGC. All significant intercompany accounts and transactions have been eliminated. The company's business operations of the Callaway Golf Center ("CGC") are included in AAGC.

b. COMPANY BACKGROUND AND CONTINUING BUSINESS ACTIVITIES

Prior to April 5, 2002, the Company had issued and outstanding 3,150,000 shares of common stock and 250,000 shares of Series B convertible preferred stock. Sports Entertainment Enterprises, Inc. (a publicly traded company, "SPEA") owned 2,000,000 of the Company's common shares outstanding and all of the Series B preferred shares that combined represented an approximate 66% ownership in the Company. On April 5, 2002, SPEA elected to convert its Series B convertible preferred stock into common stock on a 1 for 1 basis. As such, commencing April 5, 2002, the Company had issued and outstanding 3,400,000 shares of common stock and no Series B preferred stock.

On May 8, 2002, SPEA completed a spin-off of its AASP common stock holdings to SPEA shareholders that resulted in SPEA having no ownership interest in the Company.

The Callaway Golf Center includes the Divine Nine par 3 golf course fully lighted for night golf, a 110-tee two-tiered driving range which has been ranked the Number 2 golf practice facility in the United States since it opened in October 1997, a 20,000 square foot clubhouse which includes the Callaway Golf fitting center and three tenants: the St. Andrews Golf Shop retail store, Giant Golf teaching academy, and the Bistro 10 restaurant and bar.

ULN's ownership in AAGC is governed by a Stockholders Agreement that provides certain restrictions and rights on the AAGC shares issued to ULN. ULN is also the landlord for the CGC. Pursuant to the Stockholders Agreement, ULN is permitted to designate a non-voting observer of meetings of AAGC's board of directors. In the event of an uncured default of the lease for the CGC, so long as the Landlord holds a 25% interest in AAGC, the Landlord will have the right to select one director of AAGC. As to matters other than the election of Directors, the Landlord has agreed to vote its shares of AAGC as designated by the Company.

c. CONCENTRATIONS OF RISK

The Company operates one Callaway Golf Center in Las Vegas, Nevada. The level of sustained customer demand for this type of recreational facility is undetermined. The Company has implemented various strategies to market the Callaway Golf Center to both tourists and local residents. Should attendance levels at the Golf Center not meet expectations in the short-term, management believes existing cash balances would not be sufficient to fund operating expenses and debt service requirements for at least the next twelve months. The inability to build attendance to profitable levels beyond a twelve-month

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period may require the Company to seek additional debt or equity financing to meet its obligations as they come due. There is no assurance that the Company would be successful in securing such debt or equity financing in amounts or with terms acceptable to the Company.

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d. GOING CONCERN MATTERS

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements, for the years ended December 31, 2003 and 2002, the Company had net income of \$337,424 and a net loss of \$207,064, respectively. As of December 31, 2003, the Company had a working capital deficit of \$1,051,418 and a shareholders' equity deficiency of \$6,446,712.

In March 2003, the Company reached a settlement with the general contractor and other entities responsible for building the CGC wherein the Company received \$880,000. Of this amount, approximately \$300,000 was used to pay outstanding legal and expert fee costs related to the lawsuit. Also, approximately \$350,000 was used to reduce obligations to related parties. The balance of the proceeds have been used in funding operations.

In connection with the settlement described above, a subcontractor involved in that matter elected not to settle and subsequently, the Company prevailed in a judgment against said subcontractor in the amount of \$660,000. The subcontractor has appealed and has since been required to post a bond in excess of \$1 million.

AASP management believes that its continuing operations may not be sufficient to fund operating cash needs and debt service requirements over at least the next 12 months. As such, management plans on seeking other sources of funding as needed, which may include Company officers or directors or other related parties. In addition, management continues to analyze all operational and administrative costs of the Company and has made and will continue to make the necessary cost reductions as appropriate.

In January 2004, AAGC completed part of its turf conversion program that could result in significant cost savings going forward. This turf conversion program, named the Water Smart Landscapes Program, is sponsored by the Southern Nevada Water Authority ("SNWA") and provides a financial incentive to business properties to convert their grass areas to xeriscape, an approach to landscaping that is beautiful and water-efficient. The incentive provided by the SNWA is a price per square foot rebate for area converted; it is expected that this rebate from SNWA will pay for the costs incurred to complete the conversion. More significantly, ongoing costs for water, electricity, and landscape maintenance are expected to decrease by as much as \$50,000 annually.

Among its alternative courses of action, management of the Company may seek out and pursue a business combination transaction with an existing private business enterprise that might have a desire to take advantage of the Company's status as a public corporation. There is no assurance that the Company will acquire a favorable business opportunity through a business combination. In addition, even if the Company becomes involved in such a business opportunity, there is no assurance that it would generate revenues or profits, or that the market price of the Company's common stock would be increased thereby.

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The Callaway Golf Center has generated positive cash flow since 1998. However, this positive cash flow is used to fund corporate overhead that is in place in support of the CGC and public company operations.

Management continues to seek out financing to help fund working capital needs

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of the Company. In this regard, management believes that additional borrowings against the CGC could be arranged although there can be no assurance that the Company would be successful in securing such financing or with terms acceptable to the Company.

The consolidated financial statements do not include any adjustments relating to the recoverability of assets and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

e. ESTIMATES USED IN THE PREPARATION OF FINANCIAL STATEMENTS

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may require revision in future periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. STOCK BASED COMPENSATION

The Company has elected to follow Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB25) and related Interpretations in accounting for its employee stock options. Under APB 25, because the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

b. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment (Note 5) are stated at cost. Depreciation and amortization is provided for on a straight-line basis over the lesser of the lease term or the following estimated useful lives of the assets:

Furniture and equipment	3-10 years
Leasehold improvements	15 years

c. ADVERTISING

The Company expenses advertising costs as incurred. Advertising costs charged to continuing operations amounted to \$64,337 and \$41,361 in 2003 and 2002, respectively.

d. RECOVERABILITY OF LONG-LIVED ASSETS

The Company reviews its long-lived assets for impairment whenever events or changes in the circumstances indicate that the carrying amount of an asset or a group of assets may not be recoverable. The Company deems an asset to be impaired if a forecast of undiscounted future operating cash flows directly related to the asset, including disposal value if any, is less than its carrying amount. If an asset is determined to be impaired, the loss is measured as the amount by which the carrying amount of the asset exceeds fair

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value. The Company generally measures fair value by discounting estimated cash flows. Considerable management judgment is necessary to estimate discounted cash flows. Accordingly, actual results could vary significantly from such estimates.

3. INCOME (LOSS) PER SHARE

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Basic and diluted income (loss) per share is computed by dividing reported net income (loss) by the weighted-average number of common and common equivalent shares outstanding during the period. The weighted-average number of common and common equivalent shares used in the calculation of basic and diluted income (loss) per share was 3,400,000 in 2003 and 3,335,616 in 2002.

4. RELATED PARTY TRANSACTIONS

The Company has transactions and relationships with (a) The Company Chairman's two wholly-owned golf retail stores in Las Vegas, Nevada (the "Paradise Store" and "Rainbow Store") and, (b) two golf retail stores, both named Saint Andrews Golf Shop ("SAGS"), owned by the Company's President and his brother. One of the SAGS stores is the retail tenant in the Callaway Golf Center. The Paradise Store, Rainbow Store, and SAGS are referred to herein as the "Affiliated Stores." The types of costs and expenses that are shared by these entities are advertising, payroll and employee benefits, warehouse rent, equipment leases, and miscellaneous office expenses. Costs are allocated to each entity based on relative benefits received. Amounts allocated to these related parties by the Company approximated \$240,000 in both 2003 and 2002.

The Company has various notes payable ("Chairman Notes") to an entity owned by the Company's Chairman. These notes are due in varying amounts on December 1 each year through year 2008. The notes bear interest at 10% per annum and are secured by the assets of the Company. The amounts due are shown as notes payable to affiliate and interest payable to affiliate in the accompanying consolidated balance sheets. The note payable and accrued interest payable balances at December 31, 2003 are \$4,113,473 and \$1,614,607, respectively. The note payable and accrued interest payable balances at December 31, 2002 are \$4,313,473 and \$1,301,918, respectively.

In February 2002, the Company repaid \$76,306 in principal on the Chairman Notes. The Company did not have the resources to pay the required note payments due December 1, 2002 and 2003. The Chairman forgave the 2002 note balance due of \$168,363 and the related accrued interest payable of \$71,062 for a total of \$239,425. Also, the Chairman forgave the 2003 note balance due of \$200,000 and the related accrued interest payable of \$116,991 for a total gain on extinguishment of \$316,991. The Lender also agreed to not accelerate the maturities of the remaining notes due to these defaults.

In the third quarter of 2003, SAGS secured financing on behalf of AAGC to construct a pylon sign at the entrance of the golf center facility. The total financing for the sign will be approximately \$170,000; \$45,000 has been drawn down to begin fabrication of the sign. The balance of \$125,000 is expected to be drawn down when the sign is installed which is expected to be early 2004. SAGS pays the debt service on the financing and bills AAGC for the amount paid. The financing is for five years with monthly payments of approximately \$3,500.

In November and December 2003, SAGS loaned the Company a total of \$100,000 to fund operations. The loans are \$50,000 each and are both due one year from date of issuance with interest accruing at ten percent per annum. Interest payable at December 31, 2003 is \$1,096.

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Aggregate maturities of related party notes and the related accrued interest payable for the five years subsequent to December 31, 2003 are as follows:

Year ending:	Principal	Interest	Total
-----	-----	-----	-----

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2004	\$ 500,000	\$ 230,983	\$ 730,983
2005	350,000	197,690	547,690
2006	220,000	157,651	377,651
2007	110,000	58,788	168,788
2008	3,033,473	970,591	4,004,064
	-----	-----	-----
	\$ 4,213,473	\$1,615,703	\$ 5,829,176
	=====	=====	=====

Interest payments on the Chairman Notes have been deferred since inception. The Chairman has agreed to continue deferring future monthly interest as it accrues until such time as the Company has adequate capital resources to pay such amounts.

5. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment included the following as of December 31:

	2003	2002
	-----	-----
Building	\$ 252,866	\$ 252,866
Land Improvements	338,637	338,637
Furniture and equipment	287,994	258,490
Signs	52,691	7,691
Leasehold improvements	324,414	324,414
Other	13,789	13,789
	-----	-----
	1,270,391	1,195,887
Less accumulated depreciation and amortization	(462,279)	(394,374)
	-----	-----
	\$ 808,112	\$ 801,513
	=====	=====

6. LONG-TERM DEBT

The Company has outstanding a promissory note payable to an unrelated party, Active Media Services ("Active"), due in quarterly installments of \$25,000 through September 2008 without interest. This note has been discounted to reflect its present value.

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Aggregate maturities of this obligation for the five years subsequent to December 31, 2003, are as follows:

Year ending:	
2004	\$ 66,210

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2005	72,760
2006	79,957
2007	87,801
2008	71,623

Balance, net of unamortized discount of \$96,649	\$ 378,351
	=====

7. LEASES

The land underlying the Callaway Golf Center is leased to AAGC. The lease expires in 2012 and has two five-year renewal options. Also, the lease has a provision for contingent rent to be paid by AAGC upon reaching certain levels of gross revenues. The lease has a corporate guarantee of AASP.

The Company is obligated under various other non-cancelable operating leases for equipment that expire at various dates over the next two years. Total rent expense for operating leases was \$432,613 for 2003 and \$437,674 for 2002.

At December 31, 2003, minimum future lease payments under non-cancelable operating leases are as follows:

Year ending:	
2004	\$ 438,329
2005	429,935
2006	404,558
2007	398,077
2008	398,077
Thereafter	2,060,005

Total	\$4,128,981
	=====

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8. INCOME TAXES

The components of the deferred tax asset (liability) consisted of the following at December 31:

	2003	2002
	-----	-----
Deferred Tax Liabilities:		

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Temporary differences related to:		
Property and Equipment	\$ (209,088)	\$ (185,333)
Minority interest	(87,209)	(87,209)
Deferred Tax Assets:		
Net operating loss carryforward	5,733,181	5,817,741
Related party interest	548,966	449,961
Deferred Income	510	28,019
Other	3,016	39,211
	-----	-----
Net Deferred Tax Asset Before		
Valuation Allowance	5,989,377	6,062,390
Valuation allowance	(5,989,377)	(6,062,390)
	-----	-----
Net Deferred Tax asset	\$ -	\$ -
	=====	=====

As of December 31, 2002, the Company has available for income tax purposes approximately \$17.4 million in federal net operating loss carryforwards, which may offset future taxable income. These loss carryforwards begin to expire in fiscal year 2018. A one hundred percent valuation allowance has been established against the net deferred tax asset since it appears more likely than not that it will not be realized.

The provision (benefit) for income taxes attributable to income (loss) from continuing operations does not differ materially from the amount computed at the federal income tax statutory rate.

9. CAPITAL STOCK, STOCK OPTIONS, AND INCENTIVES

a. STOCK OPTION PLANS

1994 Plan. The Company's Board of Directors adopted an incentive stock option plan (the "1994 Plan") on August 8, 1994; total shares of the Company's common stock eligible for grant are 700,000.

In April 1996, 325,000 options were granted to the Company's President at an exercise price of \$3.06, the fair market value on the grant date. These options expired unexercised in April 2001. Because of this expiration, 325,000 new options were granted to the Company's President at an exercise price of \$0.055, the market value on the date of grant; these options expire April 30, 2006.

In October 1999, 50,000 options were granted at an exercise price of \$0.65625 per share, the closing market price on the date of grant. These options expire October 28, 2004. In April 2000, 50,000 options were granted at an exercise price of \$0.8125 per share, the closing market price on the date of grant. These options expire April 24, 2005.

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1998 Plan. In 1998, the Board of Directors and shareholders approved the 1998 stock incentive plan (the "1998 Plan"). The purpose of the Plan is to advance the interests of the Company and its subsidiaries by enhancing their ability to attract and retain employees and other persons or entities who are in a position to make significant contributions to the success of the Company and its subsidiaries, through ownership of shares of stock in the Company and cash incentives. The Plan is intended to accomplish these goals by enabling the Company to grant awards in the form of options, stock appreciation rights,

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restricted stock or unrestricted stock awards, deferred stock awards, or performance awards (in cash or stock), other stock-based awards, or combinations thereof, all as more fully described below.

Pursuant to the 1998 Plan, on February 16, 1999, the Board of Directors of the Company approved an award to the President of the Company, stock appreciation rights ("SARs") as to 125,000 shares independent of any stock option under the Company's 1998 Plan. The base value of the SARs is \$6 per share, however no SAR may be exercised unless and until the market price of the Company's Common Stock equals or exceeds \$10 per share. Amounts to be paid under this agreement are solely in cash and are not to exceed \$500,000. The SARs expire on October 26, 2008.

Other options issued. In 1998, the landlord of the property underlying the CGC was granted 75,000 stock options. These options are exercisable at \$4.00 per share through the year 2008. These options vested as to 10,000 shares upon grant, and vest as to 10,000 shares per year until fully vested.

Pro forma information regarding net income (loss) and earnings (loss) per share has been determined as if the Company had accounted for its employee stock options under the fair value method of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following assumptions for 2003: risk-free interest rate of 4.20; dividend yield of 0.0%; volatility factor of the expected market price of the Company's common stock of 3.95; and a weighted-average expected life of 2.43 years. The assumptions for 2002 were the same except: volatility factor of the expected market price of the Company's common stock of 2.26, and a weighted average expected life of 3.43 years.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma information follows:

	YEARS ENDED DECEMBER 31,	
	2003	2002
Net income (loss)		
As reported	\$ 337,424	\$ (207,064)
Pro forma	337,424	(207,064)
Basic and diluted net income (loss) per share		
As reported	0.10	(0.06)
Pro forma	0.10	(0.06)

A summary of changes in the status of the Company's outstanding stock options for the years ended December 31, 2003 and 2002 is presented below:

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2003		2002	
	Weighted Average Exercise Price		Weighted Average Exercise Price
Shares		Shares	

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Beginning of year	500,000	\$0.78	500,000	\$0.78
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
End of year	500,000	\$0.78	500,000	\$0.78
Exercisable at end of year	485,000	\$0.68	475,000	\$0.61
Weighted average fair value of options granted		\$0.05		\$0.02

The following table summarizes information about stock options outstanding at December 31, 2003:

	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
Range of exercise prices					
\$0.055-\$4.00	500,000	2.43	\$0.78	485,000	\$0.68

10. COMMITMENTS AND CONTINGENCIES

The Company has employment agreements with its President, as well as other key employees who require the payment of fixed and incentive based compensation.

The Company has a lease and concession agreement with SportService Corporation ("SportService"), an unrelated party, that provides SportService with the exclusive right to prepare and sell all food, beverages (alcoholic and non-alcoholic), candy and other refreshments, during the term of the agreement ending in 2006. SportService pays rent based on a percentage of gross sales.

The Company is involved in certain litigation as both plaintiff and defendant related to its business activities. Management, based upon consultation with legal counsel, does not believe that the resolution of these matters will have a materially adverse effect upon the Company.

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11. SUBSEQUENT EVENT

In January 2004, an affiliate, SAGS, loaned the Company \$40,000 to fund operations, and approximately \$75,000 to fund the CGC's turf conversion described in Note 1.d. These loans are for one year with interest accruing at ten percent per annum.

In February 2004, the Company received approximately \$187,000 from the Southern Nevada Water Authority as a rebate for its completed turf conversion.

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Of these proceeds, approximately \$147,000 was used to repay SAGS for a majority of the monies it had loaned to the Company since November 2003.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunder duly authorized.

ALL-AMERICAN SPORTPARK, INC.

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Dated: March 26, 2004

By: /s/ Ronald S. Boreta
Ronald S. Boreta, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
/s/ Vaso Boreta Vaso Boreta	Chairman of the Board and Director	March 26, 2004
/s/ Ronald S. Boreta Ronald S. Boreta	President (Chief Executive Officer), Treasurer (Principal Financial Officer) and Director	March 26, 2004
/s/ Robert S. Rosburg Robert S. Rosburg	Director	March 26, 2004
/s/ William Kilmer William Kilmer	Director	March 26, 2004