

The Professional Golfers' Association Limited
Annual report and financial statements
for the year ended 31 December 2014

Registered number: 1861161

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The Professional Golfers' Association Limited

Annual report and financial statements for the year ended 31 December 2014

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The Professional Golfers' Association Limited

Directors and advisers for the year ended 31 December 2014

Company registration number: 1861161

Registered office: Centenary House
The Belfry
Wishaw
Sutton Coldfield
West Midlands
B76 9PT

Directors: D.J.W. Murchie
L.A. Fickling
D.G. Haines
D.R. Hart
M.A. Heggie
G. V.Kavanagh
T. Rouse
A. White

Company secretary: A.M.Jones

Bankers: Lloyds Banking Group
Birmingham Road
Sutton Coldfield
West Midlands
B72 1QA

Solicitors: Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Independent Auditors: PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

The Professional Golfers' Association Limited

Strategic report for the year ended 31 December 2014

The Directors present their strategic report of the group and parent company for the year ended 31 December 2014.

Principal activity

The principal activity of the Group and company is to manage the business and affairs of The Professional Golfers' Association and its members which includes its role as founding partner in the Ryder Cup.

Review of business

The Group operating results for the year are shown on page 8 of the financial statements and show a profit before tax of £2,755k (2013: Loss of £828k) and a profit of £2,139k has been transferred to reserves (2013: loss of £680k).

Financial contributions from membership and other commercial activities were in line with expectations during the year. The Group has net assets of £8,067k (2013: £5,827k) as well as cash and short term deposits of £2,077k (2013: £1,979k) and long term deposits of £2,000k (2013: £2,000k).

The results for the year and the financial position at 31 December 2014 of the associate undertaking, Ryder Cup Europe LLP should be viewed in the context of its four year cycle. The 2014 financial year is the final year of its current cycle, which concluded with the staging of the home match in Scotland in September 2014. 2014 is the year in which the majority of income was earned and recognised in the financial statements in line with accounting policies, hence reversing net deficits in the preceding three years of the four year cycle where costs were incurred.

Strategy and objectives

The Group operates on a not for profit basis and continues to diversify with an objective of developing the Professional Golfers' Association brand for the benefit of its members. It continues to be a significant influence within the game of golf in its core territories and across the world. The Professional Golfers' Association seeks to act as custodian for the traditions of the game whilst identifying and fulfilling the golfing and business interests/needs of its members and promoting golf for the benefit and participation of all. The Company investment and management participation in Ryder Cup Europe LLP is a key part of the strategy to be an influence at the highest level in professional golf, as is the Group's status as founding partner in the PGA World Alliance to enhance and protect the PGA brand globally and assist in the direction of its profession and standards as well as the business of golf generally.

Principal risks and uncertainties

The Professional Golfers' Association receives income as a 20% partner in Ryder Cup Europe LLP where the principal risk of event cancellation is mitigated by insurance policies.

In addition, in the course of satisfying its objectives to promote golf, the Company is involved in funding from Government and other third party bodies.

The Board has a clear strategy to manage risk, diversify/spread the Group's activities and maintain sufficient reserves, to mitigate the effect of any adverse events on the continued good financial health of the Association.

The Professional Golfers' Association Limited

Strategic report for the year ended 31 December 2014 (continued)

Given the nature of the business, the Board considers that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. However the Group actively communicates its performance and development to its members through a structure of regional committees and member meetings, as well as with regular printed and electronic material synonymous with a professional members' organisation.

Future outlook

The Directors consider that the Group is in a satisfactory financial position at the year end. Budgets have been approved and funding is in place to meet, service and support the needs and interests of the members for the coming year.

The organisation and planning of future Ryder Cup events is proceeding with confidence. The 2014 matches were successfully concluded at Gleneagles in Scotland. The venue for 2018 matches was awarded to France (Le Golf National Paris) and the process for selecting the venue for 2022 is well underway.

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of credit risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs.

Credit risk

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

Interest rate risk

The Group has interest bearing assets. Interest bearing assets include only equity securities, and cash balances, all of which earn interest or generate returns. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

ON BEHALF OF THE BOARD



A.M. Jones
Company Secretary

9 June 2015

The Professional Golfers' Association Limited

Directors' report for the year ended 31 December 2014

The directors present their report and audited consolidated financial statements for the year ended 31 December 2014.

Financial risk management

The principle risks and uncertainties facing the company are disclosed on page 3 of the Strategic Report.

Directors

The Directors of the company who were in office during the year and up to the date of signing the Annual report and financial statements were;

Dr. P.J.Weaver OBE – Chairman – resigned 4 April 2014

D.J.W. Murchie – elected as Chairman 4 April 2014

L.A. Fickling – appointed 4 April 2014

D.G. Haines

D.R. Hart

J.E.Heggarty – resigned 4 April 2014

M.A. Heggie – appointed 4 April 2014

G.V.Kavanagh

T. Rouse – appointed 4 April 2014

A. White – appointed 4 April 2014

B.V.White - resigned 4 April 2014

There are eight members of the Board. Seven directors are duly elected by each of the seven regions of the Association in UK and Southern Ireland. Once a chairman has been selected from their number, the region from where the chairman originated can provide a replacement director.

Charitable and other donations

Donations made during the year by the Group for charitable purposes of £149k (2013: £111k) include contributions to the Golf Foundation of £77k (2013: £76k), £35k (2013: £24k) to The Professional Golfers' Association Benevolent Fund, £8k (2013: £8k) to the Paul Lawrie Foundation, £20k (2013: £nil) to the Golf Environment Organisation, £6k (2013: £nil) to the Arrhythmia Alliance and £3k (2013: £3k) to The Greenkeepers Training Committee.

The Professional Golfers' Association Limited

Directors' report for the year ended 31 December 2014 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

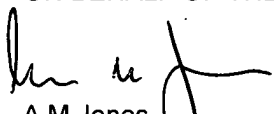
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE BOARD


A.M. Jones
Company Secretary

9 June 2015

The Professional Golfers' Association Limited

Independent auditors' report to the members of The Professional Golfers' Association Limited

Report on the financial statements

Our opinion

In our opinion, The Professional Golfers' Association Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2014 and of the group's and the company's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The Professional Golfers' Association Limited's financial statements comprise:

- the group and company balance sheets as at 31 December 2014;
- the group and company profit and loss account and statement of total recognised gains and losses for the year then ended;
- the group cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

The Professional Golfers' Association Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

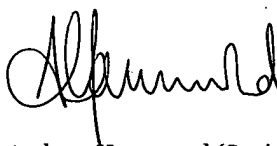
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andrew Hammond (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
10 June 2015

The Professional Golfers' Association Limited

Consolidated profit and loss account for the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Group Turnover	2	12,687	12,469
Cost of sales		(12,718)	(12,223)
Group Operating (loss)/profit	4	(31)	246
Share of results of associates		2,673	(1,186)
Total operating profit/(loss): group and share of associates		2,642	(940)
Profit/(loss) on disposal of listed investments	5	12	(9)
Increase in value of fixed asset investments	6a	-	-
Income from other fixed asset investments	6b	72	71
Interest receivable and similar income	7	29	50
Profit/(Loss) on ordinary activities before taxation		2,755	(828)
Tax on profit/(loss) on ordinary activities	8	(616)	148
Profit/(Loss) for the financial year	16	2,139	(680)

All amounts relate to continuing operations.

The difference between the profit/(loss) on ordinary activities before taxation and the results for the years stated above and their historical cost equivalents are set out in the note of group historical cost profits and losses.

The Professional Golfers' Association Limited

Company profit and loss account for the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Company Turnover	2	12,687	12,469
Cost of sales		(12,718)	(12,223)
Company Operating (loss)/profit	4	(31)	246
Profit/(loss) on disposal of listed investments	5	12	(9)
Increase in value of fixed asset investments	6a	-	-
Income from other fixed asset investments	6b	72	71
Interest receivable and similar income	7	19	47
Income from participating interests	21	825	-
Profit on ordinary activities before taxation		897	355
Tax on profit on ordinary activities	8	(605)	142
Profit for the financial year	16	292	497

All amounts relate to continuing operations.

The difference between the profit on ordinary activities before taxation and the results for the years stated above and their historical cost equivalents are set out in the note of company historical cost profits and losses.


The Professional Golfers' Association Limited

Consolidated balance sheet as at 31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	9	48	61
Tangible assets	10	811	840
Memorabilia	10	459	457
Investments in Associated Undertakings	11	733	-
Listed investments	11	3,963	3,841
Long Term Deposits		2,000	2,000
		8,014	7,199
Current assets			
Debtors	12	2,154	2,145
Short Term Deposits		1,449	1,394
Cash at bank and in hand		628	585
		4,231	4,124
Creditors: amounts falling due within one year	13	(4,178)	(3,656)
Net current assets		53	468
Total assets less current liabilities		8,067	7,667
Non-current liabilities			
Investments in associated undertakings	11	-	(1,840)
Net assets		8,067	5,827
Capital and reserves			
Revaluation reserve	16	717	616
Profit and loss account	16	7,350	5,211
Total funds	17	8,067	5,827

The notes on pages 15 to 38 form part of these financial statements.

These financial statements on pages 8 to 38 were approved by the Board of Directors on 9 June 2015 and were signed on its behalf by:


D. J. W. Murchie
Director


D.R. Hart
Director

The Professional Golfers' Association Limited Registered number: 1861161

The Professional Golfers' Association Limited

Company balance sheet as at 31 December 2014

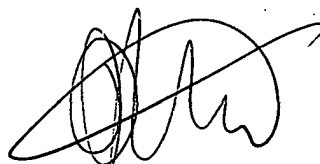
	Notes	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	9	48	61
Tangible assets	10	811	840
Memorabilia	10	459	457
Investments	11	25	25
Listed investments	11	3,963	3,841
Long Term Deposits		2,000	2,000
		7,306	7,224
Current assets			
Debtors	12	2,876	2,142
Short term deposits		1,449	1,394
Cash at bank and in hand		545	501
		4,870	4,037
Creditors: amounts falling due within one year	13	(4,180)	(3,658)
Net current assets		690	379
Total assets less current liabilities		7,996	7,603
Capital and reserves			
Revaluation reserve	16	717	616
Profit and loss account	16	7,279	6,987
Total funds	17	7,996	7,603

The notes on pages 15 to 38 form part of these financial statements.

These financial statements on pages 8 to 38 were approved by the Board of Directors on 9 June 2015 and were signed on its behalf by:



D. J. W. Murchie
Director



D.R. Hart
Director

The Professional Golfers' Association Limited Registered number: 1861161

The Professional Golfers' Association Limited

Consolidated cash flow statement for the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	18	137	741
Returns on investments and servicing of finance			
Investment income		72	71
Interest received		18	47
Distribution from associated undertaking		100	-
Net cash inflow from returns on investments and servicing of finance		190	118
Taxation		-	(128)
Capital expenditure and financial investment			
Purchase of investments		(194)	(1,145)
Sale of investments		185	116
Purchase of tangible fixed assets		(220)	(400)
Sale of tangible fixed assets		-	-
Net cash outflow from capital expenditure and financial investment		(229)	(1,429)
Net cash inflow/(outflow)		98	(698)

The reconciliation of net cash flow to movement in net funds and the analysis of changes in net funds are shown in notes 18 and 19.

The Professional Golfers' Association Limited

Statement of total recognised gains and losses for the year ended 31 December 2014

Group	2014	2013
	£'000	£'000
Profit/(loss) for the financial year	2,139	(680)
Revaluation of properties	-	-
Revaluation of other fixed asset investments	101	223
Total gains/(losses) recognised since last annual report	2,240	(457)

Company	2014	2013
	£'000	£'000
Profit for the financial year	292	497
Revaluation of properties	-	-
Revaluation of other fixed asset investments	101	223
Total gains recognised since last annual report	393	720

The Professional Golfers' Association Limited

Note of historical cost profits and losses for the year ended 31 December 2014

Group	2014 £'000	2013 £'000
Reported Profit/(loss) on ordinary activities before taxation	2,755	(828)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2	2
Historical cost profit/(loss) on ordinary activities before taxation	2,757	(826)
Historical cost profit/(loss) for the year after taxation	2,141	(678)

Company	2014 £'000	2013 £'000
Reported profit on ordinary activities before taxation	897	355
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2	2
Historical cost profit on ordinary activities before taxation	899	357
Historical cost profit for the year after taxation	294	499

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

Basis of Preparation

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below. Financial Reporting Standard 18 "Accounting Policies" requires the Board to consider whether the accounting policies adopted in these financial statements are those judged to be the most appropriate to the Group's circumstances and revised regularly and changed as appropriate. Having reviewed the Group's accounting policies the Board is satisfied they are the most appropriate and have been consistently applied.

Basis of consolidation

The group financial statements consolidate the financial statements of the Company and all its subsidiary undertakings at 31 December 2014 using acquisition accounting. Uniform accounting policies are applied across the group and intra-group transactions are eliminated on consolidation.

The results of subsidiary undertakings acquired or disposed of during a financial year are included from, or up to, the effective date of acquisition or disposal.

Associated undertakings comprise long term investments where the group has a participating interest and over whose operating and financial policy the group exercises a significant influence, and which are not a subsidiary or joint venture. The analysis of operating profit and net assets includes the group's share of the results and the net assets/liabilities of associated undertakings. The results of English Golf Partnership LLP and Club Golf Scotland Ltd are excluded from consolidation, due to the exemption available under section 405 of the Companies Act 2006.

Accounting convention

The profit and loss account of the parent undertaking has been separately presented in the financial statements. The profit after taxation of the parent undertaking for the financial year was £292k (2013: £497k).

Turnover

Income is stated net of value added tax and represents income receivable during the year. Income received specific to tournaments is included in the financial statements in the year that the event is staged. Subscription, training, sponsorship and licence fee income is included in the year to which the revenue relates.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

Depreciation of tangible fixed assets

Tangible fixed assets are stated at cost, except for properties which are stated at market value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Properties are valued every three years by a qualified external valuer. Tangible fixed assets are depreciated to write off their cost or re-valued amount at the following annual rates:

Leasehold properties	Remaining balance on lease
Motor vehicles	25%
Tournament equipment	15%
Furniture and computer equipment	15%-33%

Memorabilia

Memorabilia are stated in the financial statements at a valuation carried out in 1996 with subsequent additions stated at cost. No depreciation is provided on memorabilia. It is the Group's practice to maintain these assets in a continual state of sound repair. Accordingly, the Directors consider that the lives of these assets and residual values are such that their depreciation is insignificant, independent valuations since 1996 support this view. Memorabilia are subject to impairment reviews if there are any indications of a triggering event as set out in Financial Reporting Standard 11 "Impairment of Fixed Assets and Goodwill".

Trademarks

Costs incurred in establishing Professional Golfers' Association trademarks before 2001 are included as prepaid trademark expenses and disclosed as intangible fixed assets. Such amounts are amortised over a period of 20 years. Costs incurred since 2001 are expensed as and when they are incurred.

Investments in group undertakings, joint ventures and associates, participating interests and trade investments

The investments in the group undertakings, PGA Golf Management Limited, The British Professional Golf Tour Limited, Club Golf Scotland Limited, British Golf Association Limited and Confederation of Golf in Ireland Limited have been stated at cost. The Company is a member of Ryder Cup Europe LLP, English Golf Partnership LLP and Associated Sports Qualifications LLP and is the sole member of the Professional Golfers' Association Benevolent Fund.

Taxation

Provision is made in the financial statements for any deferred taxation which it is considered will crystallise in the foreseeable future. Deferred tax assets are recognised only when it is considered more likely than not that the Group and Company will make sufficient taxable profits in future for the reversal of timing differences to affect the amount of tax actually paid. Deferred tax assets and liabilities recognised are not discounted. The Group and Company recognise the tax liabilities on any entitled profit share in limited liability partnership investments in the year in which such profits are part of the Professional Golfers' Association corporation tax computations.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

Pension costs

The Group operates a pension scheme of the defined contribution type. In accordance with Financial Reporting Standard 17 "Retirement benefits", the profit and loss account charge represents the contributions payable to the scheme. The Group provides no other post-retirement benefits to its employees.

Listed investments

Listed investments are valued at market value on a portfolio basis. Upward revaluations are taken to the profit and loss account where they are a reversal of previously recognised impairments or to the revaluation reserve where the value is an increase above historical cost. Impairments to the value of investments are taken to the revaluation reserve where they are a reversal of previously recognised upward revaluations or the profit and loss account where they fall below historical cost. Profits and losses on sales of investments are measured by reference to the carrying value.

Barter transactions

Where the Group enters into non cash transactions with third parties an estimate is made of the value of the benefit received by the Company. An amount of £64k (2013: £349k) is included within miscellaneous income and corresponding amount included in operating costs of the Company.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Short term deposits

Short term deposits are recognised separately within current assets to reflect the difference in liquidity between such deposits and cash at bank and in hand.

Operating expenses

Operating expenses include administration costs, legal and professional fees, tournament costs and other costs in relation to the Group's members and income streams.

Foreign currencies

Foreign currency monetary assets and liabilities have been translated into sterling at the rate of exchange ruling at the year end or, where appropriate, the forward cover rate. Exchange differences arising on transactions during the year are dealt with through the profit and loss account.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

2 Turnover

Group	2014	2013
	£'000	£'000
Subscriptions	2,426	2,333
Tournament income and training fees	8,211	7,747
Miscellaneous income	1,885	2,224
Donation from the Royal and Ancient Golf Club	165	165
	12,687	12,469

Company	2014	2013
	£'000	£'000
Subscriptions	2,426	2,333
Tournament income and training fees	8,211	7,747
Miscellaneous income	1,885	2,224
Donation from the Royal and Ancient Golf Club	165	165
	12,687	12,469

The analysis of income by geographical area is as follows:

Group	2014	2013
	£'000	£'000
United Kingdom and Ireland	12,071	11,751
Rest of the World	587	696
USA	29	22
	12,687	12,469

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

2 Turnover (continued)

Company	2014 £'000	2013 £'000
United Kingdom and Ireland	12,071	11,751
Rest of the World	587	696
USA	29	22
	12,687	12,469

3 Directors and employee information

Group and Company	2014 £'000	2013 £'000
Directors' emoluments		
Aggregate emoluments, excluding contributions to pension schemes	20	36

One director receives emoluments. As elected members none of the Directors have retirement benefits accruing to them or any employment rights (2013: none).

Group and Company	2014 Number	2013 Number
Average monthly number of persons employed including Directors		
Administration	116	110
Tournaments	27	20
	143	130

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

3 Directors and employee information (continued)

	2014	2013
	£'000	£'000
Staff costs during the year (including Directors)		
Wages and salaries	3,620	3,446
Social security costs	412	384
Other pension costs (note 22)	264	240
	4,296	4,070

4 Group and Company Operating profit

	2014	2013
	£'000	£'000
Group and Company operating profit is stated after charging:		
Depreciation and amortisation:		
Depreciation of tangible owned fixed assets	247	190
Amortisation of trademark	13	12
Profit on disposal of fixed assets	-	-
(Profit)/loss on disposal of fixed asset investments	(12)	9
Rentals under operating leases:		
Other than plant and machinery	331	567
Auditors' remuneration		
- Fees payable to company auditor for the audit of the parent company and consolidated financial statements	38	36

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Profit/(loss) on disposal of listed investments

Group and Company	2014	2013
	£'000	£'000
Profit/(loss) on sale of investments	12	(9)

During the year to 31 December 2014, The Professional Golfers' Association sold an element of its listed equity shares portfolio. This realised a profit on disposal of £12k (2013: loss of £9k).

6 a) Increase in value of fixed asset investments

Group and Company	2014	2013
	£'000	£'000
Increase in market value of fixed asset investments	-	-
	-	-

6 b) Income from other fixed asset investments

Group and Company	2014	2013
	£'000	£'000
Income from listed investments	72	71
	72	71

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

7 Interest receivable and similar income

	2014	2013
Group	£'000	£'000
Interest on cash and short term deposits	19	47
Share of associates interest on cash and short term deposits	10	3
	29	50
	2014	2013
Company	£'000	£'000
Interest on cash and short term deposits	19	47
	19	47

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Tax on profit/(loss) on ordinary activities

Tax (charge)/credit for the year comprises:

Group	2014 £'000	2013 £'000
Current taxation		
UK corporation tax (charge)/credit based on profit/loss for the year	(589)	230
Share of associates taxation	(11)	6
Adjustments in respect of prior years	(5)	(60)
Total current tax	(605)	176
Deferred taxation		
Origination and reversal of timing differences	(11)	(28)
Total deferred tax	(11)	(28)
Tax on (charge)/credit on ordinary activities	(616)	148

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Tax on profit/(loss) on ordinary activities (continued)

The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK 21.50% (2013: 23.25%). The differences are explained below:

	2014	2013
Group	£'000	£'000
Profit/(Loss) on ordinary activities before taxation	2,755	(828)
Profit/(loss) on ordinary activities multiplied by the standard rate of 21.50% (2013: 23.25%)	(592)	193
Expenses not deductible for tax purposes	(10)	7
Unadjusted tax reserves on Ryder Cup Income	(8)	-
Accelerated capital allowances and other timing differences	10	36
Adjustments in respect of prior years	(5)	(60)
Total current tax (profit)/loss for the year	(605)	176
Company	2014	2013
	£'000	£'000
Current taxation		
UK corporation tax based on the (profit)/loss for the year	(589)	230
Adjustments in respect of prior years	(5)	(60)
Total current tax (charge)/credit for the year	(594)	170
Deferred taxation		
Origination and reversal of timing differences	(11)	(28)
Total deferred tax	(11)	(28)
Tax on (profit)/loss on ordinary activities	(605)	142

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Tax on profit/(loss) on ordinary activities (continued)

The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK 21.50% (2013: 23.25%). The differences are explained below:

	2014	2013
Company	£'000	£'000
Profit on ordinary activities before taxation	72	355
Profit on ordinary activities multiplied by the standard rate of 21.50% (2013: 23.25%)	(15)	(83)
Company share of taxation on entitled income from Ryder Cup Europe LLP	(574)	270
Expenses not deductible for tax purposes	(10)	7
Accelerated capital allowances and other timing differences	10	36
Adjustments in respect of prior years	(5)	(60)
Total current tax (charge)/credit for the year	(594)	170

9 Intangible fixed assets

	Trademarks
Group and company	£'000
At 1 January 2014 and at 31 December 2014	256
Accumulated amortisation	
At 1 January 2014	(195)
Amortised in the year	(13)
At 31 December 2014	(208)
Net book amount	
At 31 December 2014	48
At 31 December 2013	61

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Tangible fixed assets

Group and Company	Leasehold property £'000	Motor Vehicles £'000	Tournament Equipment £'000	Furniture/ computer equipment £'000	Total £'000
Cost or valuation					
At 1 January 2014	327	151	517	2,934	3,929
Additions	6	-	2	210	218
Disposals	-	(5)	(29)	(1,282)	(1,316)
At 31 December 2014	333	146	490	1,862	2,831
Accumulated depreciation					
At 1 January 2014	156	66	501	2,366	3,089
Charge for the year	4	23	9	211	247
Disposals	-	(5)	(29)	(1,282)	(1,316)
At 31 December 2014	160	84	481	1,295	2,020
Net book value					
At 31 December 2014	173	62	9	567	811
At 31 December 2013	171	85	16	568	840

There are no assets held under finance leases (2013: none).

Valuation

- (i) Leasehold Property – 6 Greenhill Court, Sutton Coldfield, valuation amount: £172k.

The valuation was carried out by Acres Estate Agents on 31st December 2012 on the basis of achievable proceeds if the property was sold on the open market with no deduction for expected selling costs.

Acres Estate Agents is independent of The Professional Golfers' Association Limited. No deferred tax is provided on timing differences arising from the revaluation of fixed assets, as by the balance sheet date, a binding commitment to sell the assets has not been entered into.

- (ii) Additional values within Leasehold property reflect the costs of the Scottish offices incurred in 2001 of £150k and Irish office alterations of £5k incurred in 2008. The Directors are not aware of any material change that has occurred and therefore is stated at cost.
- (iii) The balance within leasehold property are the costs incurred for tournament offices at Coleshill Manor which are the additions in 2014 (£6k).

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Tangible fixed assets (continued)

If the re-valued assets were stated on the historical cost basis the amounts would be as follows:

Group and Company	2014 £'000	2013 £'000
Leasehold property		
Cost	215	209
Accumulated depreciation	(209)	(209)
Value at 31 December	6	-
Group and Company		
Memorabilia		
Value at 1 January	457	387
Additions during year	2	70
Value at 31 December	459	457

The historical cost of memorabilia is £309k (2013: £307k).

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Fixed asset investments

	Associated undertaking	Listed investments	Total
Group	£'000	£'000	£'000
At 1 January 2014	(1,840)	3,841	2,001
Share of results from associated undertakings	2,573	-	2,573
Additions	-	194	194
Disposals	-	(173)	(173)
Revaluation	-	101	101
At 31 December 2014	733	3,963	4,696

Additional information in respect of associates:

	2014	2013
Share of net assets	£'000	£'000
Fixed assets		
Current assets	1,868	2,680
Liabilities due within one year	(1,135)	(4,520)
	733	(1,840)

The Directors believe that the carrying value of the investments will be supported by their underlying income stream over the four year Ryder Cup cycle.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Fixed asset investments (continued)

The following investments, in the opinion of the Directors, principally affect the results and assets of the Company.

	2014	2013
(i) PGA Golf Management Limited		
Golf course development consultancy, management consultancy and management contracting.		
Investment in Ordinary Shares (£000s)	25	25
Percentage of total nominal shares held	100%	100%
Aggregate called up share and reserves (£000s)	88	88
Profit for the year ended 31 December 2014	-	-

The following section details out the Company's investments and holdings

(ii) The Professional Golfers' Association Limited own a 20% share in Ryder Cup Europe LLP, the owner of 100% equity in Ryder Cup Limited and Ryder Cup Europe Official Hospitality 2014 Limited (incorporated 2013). The 20% share of the latest audited figures for Ryder Cup are 31 December 2014 as follows:

	2014 £'000	2013 £'000
Ryder Cup Europe LLP		
Turnover	53,743	410
Fixed Assets	-	-
Current Assets	14,126	2,095
Current Liabilities	(10,589)	(3,910)
Long Term Liabilities	-	-
Ryder Cup Limited		
Turnover	2,725	-
Fixed Assets	-	-
Current Assets	7,014	376
Current Liabilities	(6,895)	(393)
Long Term Liabilities	-	-

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Fixed asset investments (continued)

	2014 £'000	2013 £'000
Ryder Cup Europe Official Hospitality 2014 Limited		
Turnover	13,151	-
Fixed Assets	-	-
Current Assets	6,515	-
Current Liabilities	(6,514)	-
Long Term Liabilities	-	-

Ryder Cup Europe Official Hospitality 2014 Limited, whose equity was owned 100% by Ryder Cup Europe LLP, was incorporated on 27 February 2013. During the financial year ending 31 December 2014 no dividend was paid (2013: £nil).

(iii) The Professional Golfers' Association Limited also holds 100% of the share capital of PGA Travel Limited, WPGA Limited, The British Professional Golf Tour Limited and PGA Holdings Limited, all of which are dormant companies and one third of the share capital of the PGA World Alliance Limited and PGA World Brands Limited which are also dormant.

(iv) The Professional Golfers' Association Limited is also a one third partner of The England Golf Partnership LLP whose statutory financial statements show a £199k deficit for year ending 31 March 2014 (2013: £109k deficit), with reserves of £69k (2013: £268k). The Professional Golfers' Association Limited is also a fifty per cent partner in Thomson Cup LLP which was incorporated on 26th August 2008 which is dormant.

(v) The Professional Golfers' Association Limited is a 50% partner in Associated Sports Qualifications LLP which was incorporated on 26 January 2011. Unaudited management accounts to the 31 December 2014 show a surplus of £4k (2013: £nil) and reserves of £9k (2013: £5k).

(vi) The Professional Golfers' Association Limited has 25% of voting rights in British Golf Association Limited which was incorporated on 14 February 2012 and is limited by guarantee. Unaudited management accounts to the 31 December 2014 show a surplus of £nil (2013: £nil) and reserves of £nil (2013: £nil).

(vii) The Professional Golfers' Association Limited is also a one third partner in Club Golf Scotland, the agreement was established in May 2007 and whose statutory financial statements show a £39k profit for year ending 30 September 2013 (2012: £97k) with reserves of £374k (2012: £335k).

(viii) The Professional Golfers' Association Limited has 25% of voting rights in Confederation of Golf in Ireland Limited which was incorporated on 13 September 2013 and is limited by guarantee.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Fixed asset investments (continued)

The above companies and partnerships within i -vi are incorporated in England and Wales, the company within vii being incorporated within Scotland and the company within viii being incorporated in Ireland and operate principally in their country of incorporation.

The results of English Golf Partnership LLP and Club Golf Scotland Ltd are excluded from consolidation, due to the exemption available under section 405 of the Companies Act 2006.

The 2014 information for PGA Golf Management Limited has been extracted from unaudited statutory financial statements.

The Professional Golfers' Association Limited is the sole member of the Professional Golfers' Association Benevolent Fund, a registered charity. The previously unincorporated benevolent fund transferred 100% of its assets and undertaking to the new charity on 31 December 2008 at a value of £178k. Audited statutory financial statements to 31 December 2014 show a surplus of income over expenditure of £31k (2013: £46k) with reserves of £448k (2013: £417k).

The Professional Golfers' Association Limited is the sole member of PGA Education, a registered charity which was dormant during 2014 and has never traded.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

Listed investments

	2014	2013
	£'000	£'000
At cost		
At 1 January	3,555	2,535
Additions	194	1,145
Disposals	(173)	(125)
At 31 December	3,576	3,555
Cumulative Revaluation	387	286
At market value	3,963	3,841

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

12 Debtors

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Trade debtors	640	574	637	571
Amounts owed by joint ventures and associated undertakings	67	37	792	37
Corporation tax	227	230	227	230
Other debtors	752	852	752	852
Prepayments and accrued income	468	452	468	452
	2,154	2,145	2,876	2,142

Amounts owed by joint ventures and associated undertakings are unsecured, interest free and have no fixed date of repayment.

13 Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Trade creditors	322	332	322	332
Amounts owed to associated undertakings	46	21	48	23
Corporation tax	589	-	589	-
Deferred tax (note 16)	53	42	53	42
Other taxation and social security	205	177	205	177
Other creditors	62	93	62	93
Accruals and deferred income	2,901	2,991	2,901	2,991
	4,178	3,656	4,180	3,658

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

14 Commitments under operating leases

At 31 December 2014 the Company and Group had annual commitments under non-cancellable operating leases set out below:

	Land and buildings		Other	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within 1 year	42	22	85	-
Between 2 and 5 years	20	26	22	231
After more than 5 years	14	254	-	-
	76	302	107	231

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

15 Deferred taxation

The movement in the deferred taxation provision during the year was:

	2014	2013
	£'000	£'000
Provision brought forward	42	14
Profit and loss account movement arising during the year	11	28
Deferred tax liability	53	42

Deferred taxation provided in the financial statements is as follows:

	Provided liability	
	2014	2013
	£'000	£'000
Tax effect of timing differences because of:		
Capital allowances and capital losses	(53)	(42)
	(53)	(42)

There is no unprovided deferred tax balance in 2014 (2013: £nil).

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Reserves

	Re- valuation reserve	Profit and loss account
Group	£'000	£'000
1 January 2014	616	5,211
Profit for the financial year	-	2,139
Revaluation in the year	101	-
At 31 December 2014	717	7,350
	Re- valuation reserve	Profit and loss account
Company	£'000	£'000
At 1 January 2014	616	6,987
Profit for the financial year	-	292
Revaluation in the year	101	-
At 31 December 2014	717	7,279

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

17 Reconciliation of movements in shareholders' funds

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Profit/(Loss) for the financial year	2,139	(680)	292	497
Revaluation of properties	-	-	-	-
Revaluation of other fixed asset investments	101	223	101	223
Net addition to shareholders' funds	2,240	(457)	393	720
Opening shareholders' funds	5,827	6,284	7,603	6,883
Closing shareholders' funds	8,067	5,827	7,996	7,603

18 Reconciliation of consolidated operating (loss)/profit to net cash inflow from operating activities

	2014	2013
	£'000	£'000
Group operating (loss)/profit	(31)	246
Amortisation of intangible fixed assets	13	12
Depreciation charges	247	190
Profit on disposal of fixed assets	-	-
(Increase)/decrease in debtors	(12)	786
Increase/(Decrease) in creditors and provisions	(80)	(493)
Net cash inflow from operations	137	741

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

19 Reconciliation of movement in net funds

	At 1 January 2014	Cash flow	At 31 December 2014
	£'000	£'000	£'000
Cash in hand and at bank and short term deposits	1,979	98	2,077
Net funds	1,979	98	2,077

20 Pensions

The Group operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from the assets of the Group. The benefits of the scheme are available only to the employees of the parent company.

The pension cost charge for the year was £264k (2013: £240k).

21 Related party transactions

During the year, transactions involving Ryder Cup Europe LLP totalled £2,921k (2013: £1,661k). This amount consisted of licence/management fees of £1,212k (2013: £1,180k), share of profit of £825k (2013:nil) and the net amount of income and costs borne by the Professional Golfers' Association Limited and subsequently recharged of £538k (2013: £481k). As at 31 December 2014, £770k (2013: £12k) was outstanding. In addition costs recharged by Ryder Cup Europe LLP were £7k (2013: £ nil) with £7k (2013: £ nil) outstanding and income of £244k was collected on their behalf (2013:£nil) with £12k (2013:£nil) outstanding at 31 December 2014.

During the year, transactions involving the Professional Golfers' Association Benevolent Fund consisted of £34k (2013: £38k) of third party donations collected and £35k (2013: £24k) donated by the Professional Golfers' Association Limited. In addition, grants paid on behalf of the Professional Golfers' Association Benevolent Fund and subsequently recharged were £14k (2013: £16k).

An amount of £14k (2013: £17k) is owed to the Professional Golfers' Association Benevolent Fund at the year end.

During the year, transactions involving ASQ LLP totalled £49k (2013: £43k) which consisted of third party coaching fees of £39k (2013: £32k) and costs borne by the Professional Golfers' Association Limited and subsequently recharged of £10k (2013: £11k). As at 31 December 2014, £7k (2013: £12k) is owed by ASQ LLP and £12k (2013: £3k) is owed to ASQ LLP.

During the year, transactions involving British Golf Association Limited totalled £1k (2013: £5k) which was a contribution to costs. At 31 December 2014, £15k (2013: £13k) is owed to The Professional Golfers' Association Limited.

During the year, transactions involving Directors of The Professional Golfers' Association Limited totalled £14k (2013: £1k). This amount was for services rendered in respect of training and consultancy.

22 Capital

The Company is limited by guarantee. Each member has undertaken to contribute £1 to the assets of the Company to meet its liabilities if called upon to do so. The total amount guaranteed by members at 31 December 2014 is £7k (2013: £7k).

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

23 Future Capital Expenditure

Commitments in respect of contracts placed at 31 December 2014 totalled £34k with respect to motor vehicles (2013: £ nil).

24 Contingent liabilities

The Directors consider there are no contingent liabilities.