

The Professional Golfers' Association
Limited

Annual report and financial statements
for the year ended 31 December 2008

Registered number: 1861161



The Professional Golfers' Association Limited

Annual report and financial statements for the year ended 31 December 2008

	Page
Directors' report for the year ended 31 December 2008	1
Independent auditors' report to the members of The Professional Golfers' Association Limited	4
Profit and loss account for the year ended 31 December 2008.....	6
Statement of total recognised gains and losses for the year ended 31 December 2008	7
Note of historical cost profits and losses.....	8
Balance sheet as at 31 December 2008.....	9
Cash flow statement for the year ended 31 December 2008	10
Notes to the financial statements for the year ended 31 December 2008.....	11

The Professional Golfers' Association Limited

Directors' report for the year ended 31 December 2008

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2008.

Principal activity

The principal activity of the 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 and future developments

The operating results for the year are shown on page 6 of the financial statements and show a profit before tax of £556k (2007: £1,033k) and a retained profit of £577k has been transferred to reserves (2007: £1,068k).

Financial contributions from membership and other commercial activities were in line with expectations during the year. The company has net assets of £5,568k (2007: £5,072k) as well as cash and short term deposits of £992k (2007: £1,607k).

Strategy and objectives

The Company continues to diversify its trading and membership activity for the benefit of its members, with an objective of developing the PGA brand and being a significant influence within the game of golf in its core territories and across the world. The PGA 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.

Principal risks and uncertainties

The PGA receives income as a 20% partner in Ryder Cup Europe LLP and in the course of satisfying its objectives to promote golf, is involved in funding from Government and other third party bodies. The Board has a clear strategy to manage risk, diversify/spread the company's activities and maintain sufficient reserves, to mitigate the effect of any adverse events on the continued good financial health of the Association.

Given the nature of the business, the Board consider that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business. However the company 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 Company is in a satisfactory financial position at the year end, having further improved the strength of its Balance Sheet during 2008. 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 and beyond the next Ryder Cup matches in Wales in 2010.

The Professional Golfers' Association Limited

Directors' report for the year ended 31 December 2008 (continued)

Financial Risk Management

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

Credit Risk

The Company 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

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

Directors

The Directors of the Company, all of whom have served throughout the year, unless indicated, to 31 December 2008 are:

P.J.Weaver – Chairman
J.T.Christine
P.Hanna
J.E.Heggarty
J.C.N.Lumb
B.V.White
D.J.W. Murchie

There are seven members of the Board, each of whom shall have been duly elected by each of the seven regions of the Association in UK and Eire.

Charitable and Other Donations

Donations made during the year by the Company for charitable purposes of £47k (2007: £38k) include contributions to the Golf Foundation of £22k (2007: £22k), £2k (2007: £1k) to The Professional Golfers' Association Benevolent Fund, £1k (2007: nil) to the National Memorial Arboretum, £15k (2007: £15k) to the Faldo Trust for Tomorrow's Champions and £7k (2007: £0k) to the Paul Lawrie Foundation.

The Professional Golfers' Association Limited

Directors' report for the year ended 31 December 2008 (continued)

Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors and disclosure of information to auditors

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

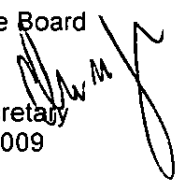
The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint PricewaterhouseCoopers LLP, as auditors of the Company will be proposed at the annual general meeting.

By order of the Board

A.M. Jones
Company Secretary
17 February 2009



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

We have audited the financial statements of The Professional Golfers' Association Limited for the year ended 31 December 2008 which comprise the Profit and loss account, the Statement of total recognised gains and losses, Note of historical cost profits and losses, the Balance sheet, the Cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

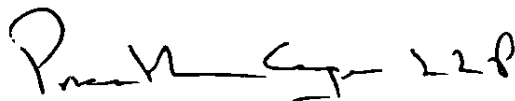
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
23 February 2009

The Professional Golfers' Association Limited

Profit and loss account for the year ended 31 December 2008

	Notes	2008 £000	2007 £000
Turnover	2	13,059	11,109
Operating costs		(12,601)	(10,339)
Operating profit		458	770
Profit on disposal of other fixed asset investments	4	(20)	52
Write down in value of Fixed Asset Investments	5a	(87)	-
Income from other fixed asset investments	5b	30	29
Interest receivable and similar income	6	175	182
Profit on ordinary activities before taxation	7	556	1,033
Tax on profit on ordinary activities	8	21	35
Profit for the financial year	18	577	1,068

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 note of historical cost profits and losses.

The Professional Golfers' Association Limited

Statement of total recognised gains and losses for the year ended 31 December 2008

	2008	2007
	£000	£000
Profit for the financial year	577	1,068
Revaluation of other fixed asset investments	(81)	3
Total recognised gains and losses for the year	496	1,071

The Professional Golfers' Association Limited

Note of historical cost profits and losses

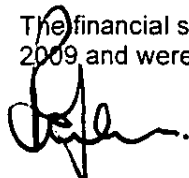
	2008	2007
	£000	£000
Profit on ordinary activities before taxation	556	1,033
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2	2
Historical cost profit on ordinary activities before taxation	558	1,035
Historical cost profit on ordinary activities after taxation	579	1,070

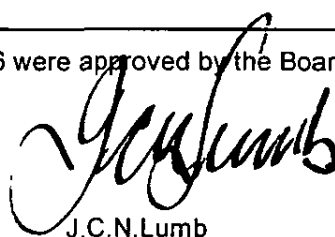
The Professional Golfers' Association Limited

Balance sheet as at 31 December 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Tangible assets	10	597	634
Memorabilia	10	324	293
Investments	11	25	25
Listed investments	12	4,252	3,931
Intangible assets	13	125	138
		5,323	5,021
Current assets			
Debtors – amounts due within one year	14	3,060	2,001
Short term deposits		670	1,085
Cash at bank and in hand		322	522
		4,052	3,608
Creditors: amounts falling due within one year	15	(3,807)	(3,557)
Net current assets		245	51
Net assets		5,568	5,072
Capital & reserves			
Revaluation reserve	18	346	427
Profit and loss reserve	18	5,222	4,645
Total reserves		5,568	5,072

The financial statements on pages 6 to 26 were approved by the Board of Directors on 17 February 2009 and were signed on its behalf by:


P. J. Weaver
Director


J.C.N. Lumb
Director

The Professional Golfers' Association Limited

Cash flow statement for the year ended 31 December 2008

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2008 £000	2007 £000
Operating profit	458	770
Loss on disposal of Fixed Assets	1	-
Depreciation	195	222
Amortisation of trademark asset	13	13
Increase in debtors	(975)	(428)
Increase in creditors	289	369
Net cash (outflow)/inflow from operating activities	(19)	946
Cash flow statement		
Net cash (outflow)/inflow from operating activities	(19)	946
Returns on investment and servicing of finance		
Interest received	97	182
Investment income	30	29
	127	211
Taxation	(29)	(585)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(192)	(87)
Sale of tangible fixed assets	2	390
	(190)	303
Management of liquid resources		
Purchase of fixed asset investments	(3,231)	(3,327)
Receipts from sales of fixed asset investments	2,721	2,334
	(510)	(993)
Decrease in net cash	(621)	(118)

The Reconciliation of Net Cash Flow to Movement in Net Funds and the Analysis of Changes in Net Funds are shown in The Financial Statement Notes 19 and 20 respectively.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008

1 Accounting policies

(a) Accounting convention

The financial statements have been prepared on the going concern basis, in accordance with The Companies Act 1985, the historical cost convention, except for the revaluation of certain fixed assets, and consistently applied Accounting Standards in the United Kingdom.

Financial Reporting Standard 18 "Accounting Policies" requires the Board to consider whether the accounting policies adopted in the financial statements are those judged to be the most appropriate to the company's circumstances and revised regularly and changed as appropriate. Having reviewed the Company's accounting policies the Board is satisfied they are the most appropriate and have been consistently applied.

(b) Accounting preparation

In accordance with Section 248 of the Companies Act 1985 the Company has taken advantage of the exemption not to prepare consolidated financial statements. The financial statements present information about The Professional Golfers' Association Limited as an individual undertaking only.

(c) 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 accounts 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.

(d) Depreciation of tangible fixed assets

Tangible fixed assets are stated at cost, except for properties which are stated at market value. Properties are valued at least every five years by a qualified external valuer, and updated by an interim valuation every three years. Tangible fixed assets are depreciated to write off their cost or revalued amount at the following annual rates:

Leasehold properties	Remaining balance on lease
Motor vehicles	25%
Tournament equipment	15%
Furniture and office equipment	15%
Computer hardware	20%
Computer software	20%

(e) 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 Company'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". A valuation of these assets was undertaken in December 2006 valuing these assets at £341k.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

1 Accounting policies (continued)

(f) Trademarks

Costs incurred in establishing PGA 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.

(g) Taxation

Provision is made in the accounts 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 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 Company recognises the tax liabilities on any entitled profit share in limited liability partnership investments in the year in which such profits are part of the PGA corporation tax computations.

(h) Pension costs

The Company operates a pension scheme of the defined contribution type with contributions to the scheme being made on the advice of qualified actuaries to achieve target benefits. In accordance with Financial Reporting Standard 17 "Post-retirement benefits", the profit and loss account charge represents the contributions payable to the scheme. The Company provides no other post-retirement benefits to its employees.

(i) Investments in group undertakings, joint ventures, participating interests and trade investments

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

(j) 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.

(k) Barter Transactions

Where the Company 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 £438k (2007: £443k) is included within miscellaneous income and corresponding amount included in operating costs.

(l) Foreign Currency Transactions

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 2008 (continued)

1 Accounting policies (continued)

(m) 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.

(n) Operating Lease Agreements

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.

(o) Operating expenses

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

2 Turnover

	2008	2007
	£000	£000
Subscriptions	1,942	1,798
Tournament income and training fees	7,712	6,336
Miscellaneous income	3,295	2,865
Donation from the Royal and Ancient Golf Club	110	110
	13,059	11,109

3 Segmental reporting

The analysis of income by geographical area is as follows:

	2008	2007
	£000	£000
United Kingdom and Ireland	12,568	10,997
Rest of the World	529	100
USA	12	12
	13,109	11,109

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

4 Profit on disposal of listed investments

	2008	2007
	£000	£000
(Loss)/profit on sale of investments	(20)	52

During the year to 31 December 2008, The Professional Golfers' Association sold an element of its listed equity shares portfolio. This realised a loss on disposal of £20k (2007: gain £52k).

5 a) Write down in value of fixed asset investments

	2008	2007
	£000	£000
Decrease in market value of fixed asset investments	(87)	-
	(87)	-

b) Income from other fixed asset investments

	2008	2007
	£000	£000
Income from listed investments	30	29
	30	29

6 Interest receivable and similar income

	2008	2007
	£000	£000
Interest on cash and short term deposits	51	80
Interest receivable on gilts	130	102
Interest Paid	(6)	-
	175	182

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

7 Profit on ordinary activities before taxation

	2008	2007
	£000	£000
<hr/>		
The profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible owned fixed assets	195	222
Loss on disposal of Fixed Assets	1	-
Loss on disposal of Fixed Asset Investments	(20)	-
Operating Lease charges:		
- Other	267	251
Amortisation of trademark	13	13
Services provided by Company auditors:		
Fees payable for audit services (inclusive of out of pocket expenses)	30	26
<hr/>		

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

8 Taxation

	2008 £000	2007 £000
Current tax:		
UK corporation tax on profits of the period	(20)	(65)
Adjustments in respect of prior periods	35	82
Total current tax	15	17
Deferred tax:		
Origination and reversal of timing differences	6	18
Tax on profit on ordinary activities	21	35
The tax assessed for the year is lower (2007: lower) than the standard rate of corporation tax in the UK (28.5%). The differences are explained below:		
Profit on ordinary activities before taxation	556	1,033
Charge on ordinary activities at the UK tax rate (21%) (2007: 30%)	(117)	(310)
Effects of:		
Company share of taxation on entitled income from Ryder Cup Europe LLP	139	261
Expenses not deductible for tax purposes	(34)	(21)
Accelerated capital allowances and other timing differences	(8)	5
Adjustments to tax charge in respect of previous period	35	82
Total current tax	15	17

Included within the Company share of taxation on entitled income from Ryder Cup Europe LLP is £424k, with a tax effect of £89k which was taxed in the prior year.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

9 Employees

	2008 £000	2007 £000
Staff costs comprise:		
Wages and salaries	3,101	2,786
Social security costs	343	300
Other pension costs	203	184
	3,647	3,270

The average monthly number employed by the company within each category of persons was:

	2008 No.	2007 No.
Administration	97	82
Tournaments	27	27
	124	109

The above figures do not include Directors.

	2008 £000	2007 £000
Directors' emoluments		
Aggregate emoluments	26	24

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

10 Tangible assets

	Leasehold property	Motor Vehicles	Tour- nament equipment	Furniture/ computer equipment	Total
	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 January 2008	354	79	461	2,000	2,894
Additions	6	39	32	84	161
Disposals	-	(16)	-	-	(16)
At 31 December 2008	360	102	493	2,084	3,039
Depreciation					
At 1 January 2008	93	42	387	1,738	2,260
Charge for the year	18	15	22	140	195
Disposals	-	(13)	-	-	(13)
At 31 December 2008	111	44	409	1,878	2,442
Net Book Value					
At 31 December 2008	249	58	84	206	597
At 31 December 2007	261	37	74	262	634

There are no assets held under finance leases (2007: none).

Valuation

- i. Leasehold Property – 6 Greenhill Court, Sutton Coldfield, valuation amount: £205k.

The valuation was carried out by Acres Estate Agents during January 2007 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 are 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. The remaining values within Leasehold property reflect the costs of the Scottish offices incurred in 2001. The Directors are not aware of any material change that has occurred and therefore is stated at cost.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

10 Tangible fixed assets (continued)

If the revalued assets were stated on the historical cost basis the amounts would be as follows:

	2008 £000	2007 £000
Leasehold property		
Cost	209	203
Accumulated depreciation	(144)	(128)
	65	75
Memorabilia		
Value at 1 January 2008	293	245
Additions during year	31	48
Value at 31 December 2008	324	293

The historical cost of memorabilia is £174k (2007: £143k).

11 Investments in group undertakings, joint ventures and other participating interests

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

	2008	2007
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)	105	91
Profit for the year ended 31 December (£000s)	14	23

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

11 Investments in group undertakings, joint ventures and other participating interests (continued)

- i. The Professional Golfers' Association Limited own a 20% share in Ryder Cup Europe LLP, the owner of 100% equity in Ryder Cup Limited.

The latest audited figures for Ryder Cup are 31 December 2007 as follows:

	2007	2006
	£000	£000
<i>Ryder Cup Europe LLP</i>		
Aggregate partners current accounts	(2,523)	-
Profit/(loss) for the year	(2,523)	7,405
<i>Ryder Cup Ltd</i>		
Aggregate share capital and reserves	71	8
Profit for the year	63	1,801

- ii. The Professional Golfers' Association Limited also holds 100% of the share capital of PGA Travel Limited, WPGA Limited, The British Professional Golf Tour Ltd and PGA Holdings Limited, all of which are dormant companies.
- iii. The Professional Golfers' Association Limited is also a one third partner of The England Golf Partnership LLP whose statutory accounts show a £42k deficit for year ending 31 March 2008 (2007: £14k), with reserves of £137k (2007: £179k).
- iv. 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 accounts show a £3k profit for year ending 30 September 2007 with reserves of £3k.

The above companies and partnerships within i - iii are incorporated in England and Wales and the company within iv being incorporated within Scotland and operate principally in their country of incorporation.

The 2008 information for PGA Golf Management Limited has been extracted from unaudited management accounts.

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.

The Professional Golfers' Association Limited is the sole member of PGA Education, a registered charity which was dormant during 2008 and has never traded.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

12 Listed investments

	2008 £000	2007 £000
At cost		
At 1 January 2008	3,850	2,805
Additions	3,231	3,327
Disposals	(2,741)	(2,282)
At 31 December 2008	4,340	3,850
Revaluation	(88)	81
At market value	4,252	3,931

13 Intangible assets

	2008 £000	2007 £000
Trademarks		
Cost	256	256
Amortisation		
Amortisation at 1 January	(118)	(105)
Amortisation for the year	(13)	(13)
Amortisation at 31 December	(131)	(118)
Net book value	125	138

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

14 Debtors – amounts due within one year

	2008	2007
	£000	£000
Trade debtors	510	698
Amounts due from group undertakings	910	104
Other debtors	1,237	854
Deferred tax (see note 17)	9	3
Prepayments and accrued income	394	342
	3,060	2,001

Amounts due from group undertakings have no fixed date for repayment, do not incur interest and are not guaranteed.

15 Creditors: amounts falling due within one year

	2008	2007
	£000	£000
Bank overdraft	31	25
Amounts payable to group undertakings	153	-
Trade creditors	364	329
Other taxes and social security	269	293
Other creditors	150	99
Accruals and deferred income	2,822	2,748
Corporation tax	18	63
	3,807	3,557

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

16 Commitments under operating lease agreements

At 31 December 2008 the company had annual commitments under non-cancellable operating leases set out below.

	Land & buildings		Other	
	2008	2007	2008	2007
	£000	£000	£000	£000
Operating leases which expire:				
Within 1 year	-	-	-	-
Between 2 and 5 years	27	11	-	-
After more than 5 years	240	240	-	-
	267	251	-	-

17 Deferred taxation

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

	2008
	£000
Provision brought forward	(3)
Profit and loss account movement arising during the year	(6)
Deferred tax asset (see note 14)	(9)

Deferred taxation provided in the financial statements is as follows:

	Provided asset/(liability)	
	2008	2007
	£000	£000
Tax effect of timing differences because of:		
Capital allowances and		
Other timing differences	9	3
	9	3

There is no un-provided deferred tax balance in 2008 (2007: nil).

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

18 Reserves

	Revaluation reserve £000	Profit & loss account £000	Total £000
At 1 January 2008	427	4,645	5,072
Decrease in market value of other fixed asset investments	(81)	-	(81)
Profit for the year	-	577	577
At 31 December 2008	346	5,222	5,568

19 Reconciliation of net cash flow to movement in net funds

	2008 £000	2007 £000
Decrease in cash in period	(621)	(118)
Cash used to increase liquid resources	510	993
Change in net debt resulting from cash flows	(111)	875
Non cash movement in current asset investments	(189)	55
Change in net debt	(300)	930
Net funds at 1 January	5,513	4,583
Net cash at 31 December	5,213	5,513

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

20 Analysis of changes in net funds

	At 1 Jan 2008	Cash flows	Other changes	At 31 Dec 2008
	£000	£000	£000	£000
Cash at bank and in hand	522	(200)	-	322
Short term deposits	1,085	(415)	-	670
Overdrafts	(25)	(6)	-	(31)
	1,582	(621)	-	961
Listed investments	3,931	510	(189)	4,252
	5,513	(111)	(189)	5,213

The other change in listed investments represents gains and losses on disposal of investments during the year as stated in note 4 to the financial statements and decreases in values as shown in notes 5 (a) and 18 to the financial statements

21 Future capital expenditure

There were no commitments in respect of contracts placed at 31 December 2008 (2007: nil).

22 Related party transactions

During the year, transactions involving Ryder Cup Limited totalled nil (2007: £7k). This amount consisted of licence/management fees of nil (2007: £nil) and the net amount of income received and costs borne by The Professional Golfers' Association Limited and subsequently recharged of nil (2007: £7k). As at 31 December 2008, nil (2007: £nil) was outstanding and nil (2007: £nil) due to Ryder Cup Limited.

During the year, transactions involving Ryder Cup Europe LLP totalled £1,399k (2007: £1,501k). This amount consisted of licence/management fees of £976k (2007: £942k) and the net amount of income and costs borne by the Professional Golfers' Association Limited and subsequently recharged of £423k (2007: £559k). As at 31 December 2008, £910k (2007: £89k) was outstanding. In addition costs recharged by Ryder Cup Europe LLP were £185k (2007: nil) with £153k (2007: nil) outstanding at 31 December 2008.

During the year, transactions involving PGA Golf Management Limited totalled £32k (2007: £31k). This amount consisted of costs borne by The Professional Golfers' Association Limited and subsequently recharged.

An amount of £0.3k (2007: £15k) is owed by PGA Golf Management Limited to The Professional Golfers' Association Limited at the year end.

During the year, transactions involving Directors of The Professional Golfers' Association Limited totalled £16k (2007: £11k). This amount was for services rendered in respect of training and consultancy.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

23 Contingent liabilities

The Directors consider there are no contingent liabilities.

24 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 2008 is £7k (2007: £7k).