

The Professional Golfers' Association Limited

Annual report and financial statements

for the year ended 31 December 2007

Registered Number 1861161



The Professional Golfers' Association Limited

Annual report and financial statements for the year ended 31 December 2007

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The Professional Golfers' Association Limited

Director's report for the year ended 31 December 2007

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2007

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 5 of the financial statements and show a profit before tax of £1,033k (2006 £703k) and a retained profit of £1,068k has been transferred to reserves (2006 £27k)

Financial contributions from membership and other commercial activities were in line with expectations during the year. The company has net assets of £5,072k (2006 £4,001k) as well as cash and short term deposits of £1,607k (2006 £1,729k)

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 activity 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 2007. 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 home Ryder Cup matches in Wales in 2010.

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.

The Professional Golfers' Association Limited

Directors' report for the year ended 31 December 2007 (continued)

Directors

The Directors of the Company, all of whom have served throughout the year, unless indicated, to 31 December 2007 are

P J Weaver – Chairman
J T Christine
P Hanna
J Farmer (Resigned 2 April 2007)
J E Heggarty
J C N Lumb
B V White
D J W Murchie (Appointed 2 April 2007)

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 £23k (2006 £22k) include contributions to the Golf Foundation of £22k (2006 £21k) and £1k (2006 £1k) to The Professional Golfers' Association Benevolent Fund

Statement of Directors' responsibilities

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 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

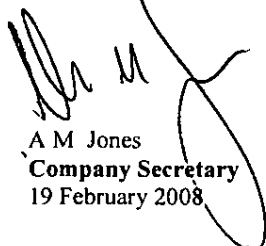
The Professional Golfers' Association Limited

Directors' report for the year ended 31 December 2007 (continued)

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
19 February 2008

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

We have audited the financial statements of The Professional Golfers' Association for the year ended 31 December 2007 which comprise the Profit and loss account, the Balance sheet, the Cash flow statement, the Statement of total recognised gains and losses 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

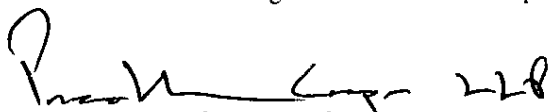
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

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 2007 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
20 February 2008

The Professional Golfers' Association Limited

Profit and loss account for the year ended 31 December 2007

	Notes	2007 £000	2006 £000
Turnover	2	11,109	11,307
Operating costs		(10,339)	(10,864)
Operating profit		770	443
Profit on disposal of other fixed asset investments	4	52	8
Income from other fixed asset investments	5	29	124
Interest receivable and similar income	6	182	128
Profit on ordinary activities before taxation	7	1,033	703
Tax on profit on ordinary activities	8	35	(676)
Profit for the financial year	18	1,068	27

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 2007

	2007	2006
	£000	£000
Profit for the financial year	1,068	27
Revaluation of properties	-	180
Revaluation of other fixed asset investments	3	-
Total recognised gains and losses for the year	1,071	207

Note of historical cost profits and losses

	2007	2006
	£000	£000
Profit on ordinary activities before taxation	1,033	703
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2	5
Historical cost profit on ordinary activities before taxation	1,035	708
Historical cost profit on ordinary activities after taxation	1,070	32

The Professional Golfers' Association Limited

Balance sheet as at 31 December 2007

	Notes	2007 £000	2007 £000	2006 £000	2006 £000
Fixed assets					
Tangible assets	10		634		1,207
Memorabilia	10		293		245
Investments	11		25		25
Listed investments	12		3,931		2,883
Intangible assets	13		138		151
			5,021		4,511
Current assets					
Debtors – amounts due within one year	14	2,001		1,570	
Short term deposits		1,085		1,142	
Cash at bank and in hand		522		587	
		3,608		3,299	
Creditors' amounts falling due within one year	15	(3,557)		(3,809)	
Net current assets/(liabilities)			51		(510)
Net assets			5,072		4,001
Capital & reserves					
Revaluation reserve	18		427		610
Profit and loss reserve	18		4,645		3,391
Total reserves			5,072		4,001

The financial statements on pages 5 to 22 were approved by the Board of Directors on 19 February 2008 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 2007

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2007 £000	2006 £000
Operating Profit	770	443
Depreciation	222	222
Amortisation of trademark asset	13	13
(Increase)/Decrease in debtors	(428)	43
Increase in creditors	369	114
Net cash inflow from operating activities	946	835
Cash Flow Statement		
Net cash inflow from operating activities	946	835
Returns on investment and servicing of finance		
Interest received	182	128
Investment income	29	28
	211	156
Taxation	(585)	(16)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(87)	(169)
Sale of tangible fixed assets	390	-
	303	(169)
Management of liquid resources		
Purchase of fixed asset investments	(3,327)	(2,279)
Receipts from sales of fixed asset investments	2,334	286
	(993)	(1,993)
Decrease in Net Cash	(118)	(1,187)

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 2007

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

(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 -

Freehold properties	2.5%
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

(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

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

1 Accounting policies (continued)

(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 defined contribution pension scheme. 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.

(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 historic 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 £443k (2006 £606k) 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.

(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.

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

2 Turnover

	2007	2006
	£000	£000
Subscriptions	1,798	1,745
Tournament income and training fees	6,336	6,547
Miscellaneous income	2,865	2,905
Donation from the Royal and Ancient Golf Club	110	110
	11,109	11,307

3 Segmental reporting

The analysis of income by geographical area is as follows

	2007	2006
	£000	£000
United Kingdom and Ireland	10,997	11,195
Rest of the World	100	100
USA	12	12
	11,109	11,307

4 Profit on disposal of listed investments

	2007	2006
	£000	£000
Profit on sale of investments	52	8

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

5 Income from other fixed asset investments

	2007	2006
	£000	£000
Increase in market value of fixed asset investments	-	96
Income from listed investments	29	28
	29	124

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

6 Interest receivable and similar income

	2007	2006
	£000	£000
Interest on cash and short term deposits	80	128
Interest receivable on gilts	102	-
	182	128

7 Profit on ordinary activities before taxation

	2007	2006
	£000	£000
The profit on ordinary activities before taxation is stated after charging -		
Depreciation of tangible owned fixed assets	222	222
Operating Lease charges		
- Other	251	251
Amortisation of trademark	13	12
Services provided by Company auditors		
Fees payable for audit services (inclusive of out of pocket expenses)	26	25

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

8 Taxation

	2007 £000	2006 £000
Current Tax		
UK corporation tax on profits of the period	(65)	(665)
Adjustments in respect of prior periods	82	(13)
Total current tax	17	(678)
Deferred tax*		
Origination and reversal of timing differences	18	2
Tax on profit on ordinary activities	35	(676)

*The tax assessed for the year is lower (2006 higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below

Profit on ordinary activities before taxation	1,033	703
Charge on ordinary activities at the UK tax rate 30% (2006 30%)	(310)	(211)
Effects of		
Company share of taxation on entitled income from Ryder Cup Europe LLP	261	(529)
Expenses not deductible for tax purposes	(21)	(24)
Accelerated capital allowances and other timing differences	5	99
Adjustments to tax charge in respect of previous period	82	(13)
Total current tax	17	(678)

Included within the Company share of taxation on entitled income from Ryder Cup Europe LLP is £466k, with a tax effect of £140k which was taxed in the prior year, but formally remitted in the current year

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

9 Employees

	2007	2006
	£000	£000
Staff costs comprise		
Wages and salaries	2,786	2,543
Social security costs	300	272
Other pension costs	184	170
	3,270	2,985

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

	2007	2006
	No	No
Administration	82	75
Tournaments	27	29
	109	104

The above figures do not include Directors

	2007	2006
	£000	£000
Directors' emoluments		
Aggregate emoluments	24	23

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

10 Tangible assets

	Freehold Property	Leasehold Property	Motor Vehicles	Tour - nament Equipment	Furniture/ Computer Equipment	Total
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
At 1 January 2007	390	354	76	461	1,964	3,245
Additions	-	-	3	-	36	39
Disposals	(390)	-	-	-	-	(390)
At 31 December 2007	-	354	79	461	2,000	2,894
Depreciation						
At 1 January 2007	-	75	27	354	1,582	2,038
Charge for the year	-	18	15	33	156	222
Disposals	-	-	-	-	-	-
At 31 December 2007	-	93	42	387	1,738	2,260
Net Book Value						
At 31 December 2007	-	261	37	74	262	634
At 31 December 2006	390	279	49	107	382	1,207

There are no assets held under finance leases (2006 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 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 The remaining values within Leasehold property reflect the costs of the new 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 2007 (continued)

10 Tangible fixed assets (continued)

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

	2007	2006
	£000	£000
Leasehold property		
Cost	203	203
Accumulated depreciation	(128)	(112)
	75	91
Memorabilia		
Value at 1 January 2007	245	239
Additions during year	48	6
Value at 31 December 2007	293	245

The historical cost of memorabilia is £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

	2007	2006
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)	91	68
Profit for the year ended 31 December (£000s)	23	36

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (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 2006 as follows

	2006 £000	2005 £000
<i>Ryder Cup Europe LLP</i>		
Aggregate partners current accounts	-	(2,951)
Profit/(loss) for the year	7,405	(2,950)
<i>Ryder Cup Ltd</i>		
Aggregate share capital and reserves	8	(1,793)
Profit for the year	1,801	433

- 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 £14k deficit for year ending 31 March 2007, with reserves of £179k (2006 £193k)
- iv The Professional Golfers' Association Limited is also a one third partner in Club Golf Scotland, the agreement was established in May 2007, and subsequently no statutory accounts are available

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 2007 information for PGA Golf Management Limited has been extracted from unaudited management accounts

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

12 Listed investments

	2007	2006
	£000	£000
At cost		
At 1 January 2007	2,805	803
Additions	3,327	2,279
Disposals	(2,282)	(277)
At 31 December 2007	3,850	2,805
Revaluation	81	78
At market value	3,931	2,883

13 Intangible assets

	2007	2006
	£000	£000
Trademarks		
Cost	256	256
Amortisation		
Amortisation at 1 January	(105)	(92)
Amortisation for the year	(13)	(13)
Amortisation at 31 December	(118)	(105)
Net book value	138	151

14 Debtors – amounts due within one year

	2007	2006
	£000	£000
Trade debtors	698	336
Amounts due from group undertakings	104	27
Other debtors	854	958
Deferred tax (see note 17)	3	-
Prepayments and accrued income	342	249
	2,001	1,570

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

15 Creditors: amounts falling due within one year

	2007	2006
	£000	£000
Bank overdraft	25	29
Amounts payable to group undertakings	-	22
Trade creditors	329	283
Deferred tax	-	15
Other taxes and social security	293	224
Other creditors	99	115
Accruals and deferred income	2,748	2,456
Corporation tax	63	665
	3,557	3,809

16 Commitments under operating lease agreements

At 31 December 2007 the company had annual commitments under non-cancellable operating leases set out below

	Land & buildings		Other	
	2007	2006	2007	2006
	£000	£000	£000	£000
Operating leases which expire				
Within 1 year	-	-	-	-
Between 2 and 5 years	11	11	-	-
After more than 5 years	240	240	-	-
	251	251	-	-

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

17 Deferred taxation

The movement in the deferred taxation provision during the year was

	2007
	£000
Provision brought forward	(15)
Profit and loss account movement arising during the year	18
Deferred tax asset (see note 14)	3

Deferred taxation provided in the financial statements is as follows

	Provided asset/(liability)	
	2007	2006
	£000	£000
Tax effect of timing differences because of		
Capital allowances	-	(19)
Other timing differences	3	4
	3	(15)

There is no un-provided deferred tax balance in 2007 (2006 Nil)

18 Reserves

	Revaluation reserve	Profit & loss account	Total
	£000	£000	£000
At 1 January 2007	610	3,391	4,001
Increase in market value of other fixed asset investments	3	-	3
Reserves transfer on tangible fixed asset disposal	(186)	186	-
Profit for year	-	1,068	1,068
At 31 December 2007	427	4,645	5,072

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

19 Reconciliation of net cash flow to movement in net funds

	2007	2006
	£000	£000
Decrease in cash in period	(118)	(1,187)
Cash used to increase liquid resources	993	1,993
Change in net debt resulting from cash flows	875	806
Non cash movement in current asset investments	55	104
Change in net debt	930	910
Net funds at 1 January 2007	4,583	3,673
Net cash at 31 December 2007	5,513	4,583

20 Analysis of changes in net funds

	At 1 Jan 2007	Cash Flows	Other Changes	At 31 Dec 2007
	£000	£000	£000	£000
Cash at bank and in hand	587	(65)	-	522
Short term deposits	1,142	(57)	-	1,085
Overdrafts	(29)	4	-	(25)
	1,700	(118)	-	1,582
Listed investments	2,883	993	55	3,931
	4,583	875	55	5,513

The other change in listed investments represents gains and losses on investments and disposals of investments during the year as stated in notes 18 and note 4 to the financial statements

21 Future capital expenditure

There were no commitments in respect of contracts placed at 31 December 2007 (2006 nil)

The Professional Golfers' Association Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

22 Related party transactions

During the year, transactions involving Ryder Cup Limited totalled £7k (2006 £1,342k) This amount consisted of licence/management fees of £nil (2006 £910k) and the net amount of income received and costs borne by The Professional Golfers' Association Limited and subsequently recharged of £7k (2006 £432k) As at 31 December 2007, nil (2006 £32k) was outstanding and nil (2006 £21k) due to Ryder Cup Limited

During the year, transactions involving Ryder Cup Europe LLP totalled £1,501k (2006 nil) This amount consisted of licence/management fees of £942k (2006 nil) and the net amount of income and costs borne by the Professional Golfers' Association Limited and subsequently recharged of £559k (2006 nil)

During the year, transactions involving The British Professional Golf Tour Limited totalled nil (2006 nil) The British Professional Golf Tour Limited was dormant during 2007

During the year, transactions involving PGA Golf Management Limited totalled £31k (2006 £14k) This amount consisted of costs borne by The Professional Golfers' Association Limited and subsequently recharged The PGA made a capital contribution of £150k to PGA Golf Management in 2006

An amount of £15k (2006 nil) 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 £11k (2006 £8k) This amount was for services rendered in respect of training

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 2007 is £7k (2006 £7k)