

The Professional Golfers' Association Benevolent Fund

(Charity Number: 1122638)

(Company Number: 06454372)

Report of the Benevolent Fund and Financial Statements

31 December 2020

The Professional Golfers' Association Benevolent Fund
National Headquarters
Centenary House
The Belfry
Wishaw
Sutton Coldfield
West Midlands
B76 9PT

Independent Auditors

Ernst & Young LLP
Chartered Accountants and Statutory Auditors
No 1 Colmore Square
Birmingham
B4 6HQ

Bankers

Lloyds Bank plc
439 High Street
Sutton Coldfield
B72 1UZ

Investment Managers

Tilney Investment Management
130 St Vincent Street
Glasgow
G2 5SE

Solicitors

Higgs & Sons Solicitors
3 Waterfront Business Park
Brierley Hill
West Midlands
DY5 1LX

The Trustees present their report and financial statements for the year ended 31 December 2020.

Reference and administrative details for the charity, trustees and advisers

The charity was incorporated on 14 December 2007. On 31 December 2008, the assets and liabilities from the predecessor charity, the unincorporated PGA Benevolent Fund, were transferred into the charity at book value. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. Details of the charity's advisers are included in the Charity Information section on page 1.

Charitable objectives and activities

The charity was governed by its trust deed until 31 December 2008 and by the Memorandum and Articles of Association of the company from 31 December 2008. Its charitable objective is to provide support by way of grants to the members of The Professional Golfers' Association Limited who are in need, hardship or distress.

Achievement and performance

Total incoming resources decreased by £27,255 (2019: decreased by £9,212) due to a decrease in donation income on the prior year of £25,266 (2019: decrease of £9,819). Grants payable to members decreased by £15,333 to a total of £92,325 (2019: decreased by £2,781 to a total of £107,658). The value of Investments decreased by £43,818 (2019: increased by £53,915), excluding cash deposits held with Tilney, during the year, which included additional funds invested of £nil (2019: £nil); the value of the fund's portfolio now stands at £326,042 (2019: £369,860).

The Professional Golfers' Association Limited has undertaken to settle all fees incurred by the charity, except for the auditors' remuneration that is shown on page 8.

Plans for future periods

In order to enable the charity to continue to fulfil its charitable objective in the future, the trustees hold significant funds and use the income from the investments together with donations received in the year to meet its grant expenditure each year. The current level of grant expenditure will be reviewed in the short term but consideration will be given by the Trustees in 2021 to launching and to identifying additional worthy causes. The trustees are satisfied that the current level of reserves is satisfactory to meet grant requirements for the foreseeable future and aim to increase the level of reserves in 2021.

The charity adopts a policy of investing around 25% of its surplus funds into narrow range investments and 75% into broader range schemes.

Structure, governance and management

The trustees, who are directors of the company, are appointed by the Board of Directors of The Professional Golfers' Association Limited for a period of four years. Those who served during the year and up to the date of signing the financial statements were:

T A Crew
R O L Maxfield
A White
D K C Wright

Grant Making Policy

The trustees meet periodically during the year to consider and approve grant applications. The charity's policy is to consider each case on its individual merits.

Statement of trustees' responsibilities

The trustees (who are also directors of The Professional Golfers' Association Benevolent Fund for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year, and the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law, the trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Charity has taken into consideration the guidance of the Charity Commission regarding public benefit.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees 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.

There was not a significant change in the level of donations received in 2020, other than those normally generated at PGA Events, that all had to be cancelled in 2020. These events are all being run in 2021, so we are confident that donations will be back to 2019 levels in 2021.

The wider economic factors affected by COVID-19 may continue to cause uncertainty regarding whether the level of donations to the charity will continue in line with previous years in the future year, but the Fund continues to have discretion over the level of donations it makes year on year.

The Trustees remain confident in the ability of the charity to continue in operation as a going concern given the current value of cash and liquid investments and the trustees' discretion over all spending which can be adjusted based on the profile of donations received.

Independent auditors

The auditors, Ernst & Young LLP, will not continue in office beyond the 2020 audit. Ernst and Young LLP have audited the Professional Golfers' Association Benevolent Fund for five years and the Trustees believe that good governance requires a change after a five year period. The Trustees have undertaken a tender process to select a new auditor ahead of the 31 December 2021 year-end.

ON BEHALF OF THE BOARD



R O L Maxfield

Director

Date: 15.9.21

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PROFESSIONAL GOLFERS' ASSOCIATION BENEVOLENT FUND

Opinion

We have audited the financial statements of The Professional Golfers' Association Benevolent Fund for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of 12 months from the from when the financial statements are authorised for issue through until September 2022.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of trustees' remuneration specified by law are not made;
- ▶ we have not received all the information and explanations we require for our audit; or
- ▶ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act).
- We understood how The Professional Golfers' Association Benevolent Fund is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by assessing all material transactions that occurred during the year and agreeing these transactions to underlying supporting documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved verifying that material transactions are recorded in compliance with FRS 102 and where appropriate the Companies Act 2006. Compliance with other operational laws and regulations was covered through our inquiries of management and those charged with governance with no indication of non-compliance identified.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Stephen Kirk (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
Date: 15th September 2021

Statement of Financial Activities
For the Year Ended 31 December 2020

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| | 2020 £ | 2020 £ | 2020 £ | 2019 £ |
|--|--------------------|----------------------|-----------|-----------|
| Income and endowments from: | Restricted Fund | Unrestricted Fund | Total | |
| Charitable Activities | | | | |
| Donations | - | 66,773 | 66,773 | 92,039 |
| Investment and other income | | | | |
| Investment Income (Note 2) | - | 11,047 | 11,047 | 13,036 |
| Total income | - | 77,820 | 77,820 | 105,075 |
| Expenditure on: | | | | |
| Charitable activities | | | | |
| Grants payable (Note 3) | - | 92,325 | 92,325 | 107,658 |
| Auditors' remuneration | - | 2,000 | 2,000 | - |
| Total expenditure | - | 94,325 | 94,325 | 107,658 |
| Net loss | - | (16,505) | (16,505) | (2,583) |
| Other recognised gains and losses | | | | |
| Unrealised (losses) / gains | - | (43,818) | (43,818) | 53,915 |
| Total (losses) / gains on revaluation and on investment asset disposals | - | (43,818) | (43,818) | 53,915 |
| Net movement in funds for the year | - | (60,323) | (60,323) | 51,332 |
| Reconciliation of funds: | | | | |
| Total funds brought forward at 1 January | 19,220 | 521,553 | 540,773 | 489,441 |
| Total funds carried forward at 31 December | 19,220 | 461,230 | 480,450 | 540,773 |

The notes on pages 9 to 13 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Balance Sheet

As at 31 December 2020

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| | 2020 £ Restricted Fund | 2020 £ Unrestricted Fund | 2020 £ Total | 2019 £ |
|---|---------------------------------|-----------------------------------|--------------------|-----------|
| Fixed assets | | | | |
| Investments (Note 4) | - | 326,042 | 326,042 | 370,556 |
| Current assets | | | | |
| Debtors (Note 5) | - | 3,770 | 3,770 | 24,096 |
| Cash at bank and in hand | 19,220 | 135,456 | 154,676 | 146,121 |
| Total current assets | 19,220 | 139,226 | 158,446 | 170,217 |
| Creditors: amounts falling due within one year (Note 6) | - | 4,038 | 4,038 | - |
| Net current assets | 19,220 | 135,188 | 154,408 | 170,217 |
| Total assets less current liabilities | 19,220 | 461,230 | 480,450 | 540,773 |
| Net assets | 19,220 | 461,230 | 480,450 | 540,773 |
| The funds of the charity: Total Funds | 19,220 | 463,230 | 480,450 | 540,773 |

The financial statements have been prepared in accordance with the special provisions subject to the small companies regime within Part 15 of the Companies Act 2006, amended by statutory instrument SI 2015/980, and in accordance with the Financial Reporting Standard102.

The financial statements on pages 7 to 13 were approved by the Board of Directors and signed on its behalf by:



R O L Maxfield

Date:

15.9.21

The notes on pages 9 to 13 form part of these financial statements.

The Professional Golfers' Association Benevolent Fund

I Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The PGA Benevolent Fund meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

FRS102 Section 10 requires the trustees to consider whether the accounting policies adopted in these financial statements are those judged to be the most appropriate to the charitable company's circumstances and revised regularly and changed as appropriate. Having reviewed the charitable company's accounting policies the trustees are satisfied that they are the most appropriate and have been consistently applied and are also consistent with requirements of the Companies Act 2006, the Charities Act 2011 and accounting standards in the UK.

The charitable company has taken advantage of the exemption under the SORP, being a small charity, to dispense with presenting a cash flow statement.

The charity acquired the net assets of the unincorporated charity, The Professional Golfers' Association Benevolent Fund, on 31 December 2008 at book value.

As detailed in the Trustees' report, the Trustees have considered the impact of COVID-19 on the charity. The Trustees of The PGA Benevolent Fund have concluded the charity has sufficient funds to continue to be a going concern for a period of at least 12 months from the date of approval of these financial statements and have prepared these financial statements on that basis. There are no material uncertainties that may cast significant doubt upon the charity's ability to continue as a going concern.

Income

Donation income is accounted for on the receipt of the donation or, if earlier, the date on which the donor enters into an irrevocable commitment. Dividend income is accounted for on the date the dividend is due and payable whilst interest on securities and cash deposits are accounted for on an accruals basis.

Expenditure

Grants payable are accounted for when paid or, if earlier, when an irrevocable commitment has been made to the recipient.

Expenditure from the restricted fund is made only where expenditure is in line with the restrictions and irrecoverable commitment has been made to the recipient.

Tax

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from

investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Investments

Investments are shown in the balance sheet at market value, based on the middle market prices quoted on the relevant stock exchange. Realised and unrealised gains and losses are calculated by comparing proceeds of sale or market value at the year end with the previous carrying value of the underlying investment.

Restricted funds

Restricted funds are held following the receipt in 2010 of a donation for the benefit of PGA members in Hampshire who suffer health or financial hardship problems. There was no movement in 2020 or 2019.

2 Investment Income

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Dividends and interest on listed investments | 11,046 | 13,026 |
| Bank interest | 1 | 10 |
| | 11,047 | 13,036 |

3 Grants payable

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Grants payable to members | 92,325 | 107,658 |
| The number of grants paid during the year was sixty-one (2019 – sixty three) | | |

All other expenditure during the year has been paid by The Professional Golfers' Association Limited except for auditors' remuneration of £2,000 (2019: £2,000 auditors' remuneration was paid by The Professional Golfers' Association Limited).

The members of the Board of Trustees receive no (2019: nil) emoluments or expenses for their service in that capacity and the company has no employees (2019: no employees).

4 Investments

| | Market Value | | Cost | |
|--------------------------|--------------|-----------|-----------|-----------|
| | 2020 £ | 2019 £ | 2020 £ | 2019 £ |
| Listed investments | | | | |
| Investment trusts | 180,707 | 206,954 | 102,042 | 102,042 |
| Unit trusts | 82,206 | 96,201 | 37,021 | 37,021 |
| Commercial Property Fund | 7,200 | 10,920 | 14,171 | 14,171 |
| UK fixed interest | 55,929 | 55,785 | 57,249 | 57,249 |
| Listed investments total | 326,042 | 369,860 | 210,483 | 210,483 |
| Cash deposits | - | 696 | - | 696 |
| Total investments | 326,042 | 370,556 | 210,483 | 211,179 |

Included within listed investments is the cash account which relates to the management of the investment portfolio.

Movement on investments, excluding cash deposits:

| | |
|-------------------------------------|----------|
| | £ |
| At Cost | |
| At 1 January 2020 | 210,483 |
| Additions | - |
| Disposals | - |
| At 31 December 2020 | 210,483 |
| Unrealised Gains | 115,559 |
| At 31 December 2020 at market value | 326,042 |
| | £ |
| At Market Value | |
| At 1 January 2020 | 369,860 |
| Movement in value of investments | (43,818) |
| At 31 December 2020 | 326,042 |

All investment assets are held in the UK with the exception of one fixed interest investment (2019: one).

5. Debtors

| | 2020 £ | 2019 £ |
|------------------------------------|-----------|-----------|
| Amounts owed by group undertakings | - | 20,326 |
| Other debtors | 3,770 | 3,770 |
| | 3,770 | 24,096 |

6. Creditors due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|-----------|-----------|
| Amounts owed to group undertakings | 2,038 | - |
| Other accruals | 2,000 | - |
| | 4,038 | - |

One of the Trustees during the year, A White, was also a Director of The Professional Golfers' Association Limited.

7. Ultimate parent company and controlling party

The immediate and ultimate parent company and controlling party is The Professional Golfers' Association Limited. Company registration number: 1861161

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.

The Company 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. 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 Professional Golfers' Association Limited exercises control through appointment and removal of trustees, who are directors of the company.

Copies of the financial statements of The Professional Golfers' Association Limited may be obtained from the company at the following address:

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

8. Capital

The charity is limited by guarantee. The Professional Golfers' Association Limited, as the sole member, has undertaken to contribute £1 towards the costs of dissolution and liabilities incurred by the charity if called upon to do so.

9. Post Balance Sheet Events

There was not a significant change in the level of donations received in 2020, other than those normally generated at PGA Events, that all had to be cancelled in 2020. These events are all being run in 2021, so we are confident that donations will be back to 2019 levels in 2021.

The wider economic factors affected by COVID-19 may continue to cause uncertainty regarding whether the level of donations to the charity will continue in line with previous years in the future year, but the Fund continues to have discretion over the level of donations it makes year on year.

The Trustees remain confident in the ability of the charity to continue in operation as a going concern given the current value of cash and liquid investments and the trustees' discretion over all spending which can be adjusted based on the profile of donations received.