

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

DIRECTORS

N I Coward (Chairman)
J Tomlinson (Chief Executive)
C A J Alford
A E Booth
P J Cook
L J Dean
M Pask
K E Tucker
P Harvey (appointed 23 April 2021)
S M Milner
M Page
W Haq (appointed 20 December 2021)

COMPANY SECRETARY

E Green

REGISTERED NUMBER

05564018

REGISTERED OFFICE

The National Golf Centre
The Broadway
Woodhall Spa
Lincolnshire
LN10 6PU

INDEPENDENT AUDITORS

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

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THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

As the National Governing Body, the principal activity of the company is the promotion, administration and encouragement of amateur golf in England.

England Golf is a non-profit organisation and devotes its resources to supporting the growth of the game, delivering outstanding championships and events, and providing the very best opportunities for players and the England teams to succeed on the international stage. Our role extends to regulating the sport and providing important support services to counties, golf facilities and golfers, and improving the perception and image of the game of golf.

We work with Sport England, using their grants for participation and talent to promote wider access to the game and retain golfers who already play this wonderful sport.

BUSINESS REVIEW

Group pre-tax surplus for the year to 31 December 2021 was £2.30M (2020: £2.14M).

This is made up of operating surpluses of £1.64M (2020: £1.516M) and £240K (2020: £109K) for England Golf and Woodhall Spa Golf Management respectively, investment income and net gains of £323K (2020: £224K) and furlough/covid grants of £108K (2020: £290K).

The operating surplus was higher than budgeted due mainly to higher than expected income from affiliation fees reflecting the high growth of golf memberships nationally in 2021.

The affiliation fee income for 2021 translates to 737,021 members (2020: 647,196 members).

PRINCIPAL RISKS AND UNCERTAINTIES


Whilst Covid-19 posed less disruption to England Golf services and affiliation fee collection than in 2020 it still caused the curtailment of some international competition. Affiliation fee income and Woodhall Spa Golf management income is susceptible to any future infectious disease restrictions although England Golf now has high levels of reserves to mitigate such risk.

FINANCIAL AND OTHER KEY PERFORMANCE INDICATORS

The Group statement of Financial Position at year-end shows total reserves of £10.1M of which £1.9M is the accumulated reserves of Woodhall Spa Golf Management 2005 Ltd. These reserves comply with the Board's agreed policy with £4.2M being invested in a managed investment portfolio of shares and bonds.

The aim of the Board is to maintain at least a minimum reserve of approximately £7.1M including designated ring fenced funds and Woodhall Spa Golf Management 2005 Ltd reserves. This means that reserves are exceeding this minimum by approximately £3.0M.

This report was approved by the board on 10 March 2022 and signed on its behalf.



N I Coward (Chairman)
Director

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

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

RESULTS

The surplus for the year, after taxation, amounted to £2,116,750 (2020 - surplus £2,059,460).

DIRECTORS

The directors who served during the year were:

N I Coward (Chairman)
J Tomlinson (Chief Executive)
C A J Alford
A E Booth
M E Brass (resigned 9 September 2021)
P J Cook
L J Dean
M Pask
I J Watkins (resigned 23 April 2021)
K E Tucker
P Harvey (appointed 23 April 2021)
S M Milner
M Page
W Haq (appointed 20 December 2021)

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

ENVIRONMENTAL MATTERS

As part of the Group's new strategic plans all areas of sustainability are a priority, not only taking actions to minimise adverse impacts on the environment from its activities but very much taking positive steps to lead by example on energy and emissions, waste management, water & effluents, biodiversity & habitats, engagement, education and many more areas.

The Group of course continues to address health, safety and economic matters complying with all applicable legislation and regulations.

FUTURE DEVELOPMENTS

The Group continues to invest in the National Golf Centre following its mission, striving to provide an internationally recognised golfing experience for all stakeholders, members, visitors and guests.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

AUDITORS

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 10 March 2022 and signed on its behalf.



P J Cook
Director

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ENGLISH GOLF UNION LIMITED

OPINION

We have audited the financial statements of The English Golf Union Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's surplus 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' 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 Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ENGLISH GOLF UNION LIMITED (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 course of 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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the Group's and the parent 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 the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ENGLISH GOLF UNION LIMITED (CONTINUED)

AUDITORS' 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 Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the parent Company and the environment in which it operates, we identified that the principal risks of non-compliance related to management override and misrepresentation of financial information, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including the Companies Act 2006 and Sports Governance Code.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias.

Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ENGLISH GOLF UNION LIMITED (CONTINUED)

USE OF OUR REPORT

This report is made solely to the 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 Company's members those matters we are required to state to them in an Auditors' 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.



Jeremy Beard (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

15 March 2022

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Income	4	12,625,563	13,136,079
Expenditure		(10,750,130)	(11,505,080)
OPERATING SURPLUS		<u>1,875,433</u>	<u>1,630,999</u>
Fair value movements	15	153,518	256,262
Income from fixed assets investments	10	67,463	65,751
Surplus/(deficit) on disposal of investments	15	107,541	(98,293)
Interest payable and expenses	11	(6,216)	(6,216)
Other income	5	107,078	289,556
SURPLUS BEFORE TAXATION		<u>2,304,817</u>	<u>2,138,059</u>
Tax on surplus	12	(188,067)	(78,599)
SURPLUS FOR THE FINANCIAL YEAR		<u><u>2,116,750</u></u>	<u><u>2,059,460</u></u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 17 to 39 form part of these financial statements.

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER:05564018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible fixed assets		78,000	117,000
Tangible fixed assets		1,702,782	1,831,040
Fixed asset investments		4,247,994	3,314,395
		<u>6,028,776</u>	<u>5,262,435</u>
CURRENT ASSETS			
Stocks	16	121,829	131,413
Debtors: amounts falling due within one year	17	1,335,944	1,367,027
Cash at bank and in hand	18	6,504,665	4,757,150
		<u>7,962,438</u>	<u>6,255,590</u>
Creditors: amounts falling due within one year	19	(3,055,873)	(2,708,163)
		<u>4,906,565</u>	<u>3,547,427</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,935,341</u>	<u>8,809,862</u>
Creditors: amounts falling due after more than one year	20	(62,503)	(137,463)
PROVISIONS FOR LIABILITIES			
Deferred taxation	21	(435,548)	(316,859)
Provisions	22	(345,000)	(380,000)
		<u>(780,548)</u>	<u>(696,859)</u>
NET ASSETS		<u><u>10,092,290</u></u>	<u><u>7,975,540</u></u>
RESERVES			
2020 Surplus fund	23	1,354,742	1,504,742
BALASA fund	23	22,035	25,035
Legacy fund	23	75,715	75,715
Special projects fund	23	25,869	25,869
2024 Centenary fund	23	150,000	120,000
Income and expenditure account	23	8,463,929	6,224,179
		<u><u>10,092,290</u></u>	<u><u>7,975,540</u></u>

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER:05564018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 March 2022.



P J Cook
Director

The notes on pages 17 to 39 form part of these financial statements.

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER:05564018

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible fixed assets		78,000	117,000
Tangible fixed assets		156,980	264,140
Fixed asset investments		4,247,994	3,314,397
		<u>4,482,974</u>	<u>3,695,537</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	17	1,145,244	1,236,067
Cash at bank and in hand	18	5,748,208	3,625,147
		<u>6,893,452</u>	<u>4,861,214</u>
Creditors: amounts falling due within one year	19	(2,705,869)	(1,813,429)
NET CURRENT ASSETS		4,187,583	3,047,785
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,670,557</u>	<u>6,743,322</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	21	(135,611)	(88,536)
Other provisions		(345,000)	(380,000)
		<u>(480,611)</u>	<u>(468,536)</u>
NET ASSETS EXCLUDING PENSION ASSET		<u>8,189,946</u>	<u>6,274,786</u>
NET ASSETS		<u><u>8,189,946</u></u>	<u><u>6,274,786</u></u>
RESERVES			
2020 Surplus fund	23	1,354,742	1,504,742
BALASA fund	23	22,035	25,035
Legacy fund	23	75,715	75,715
Special projects fund	23	25,869	25,869
2024 Centenary fund	23	150,000	120,000
Income and expenditure carried forward		6,561,585	4,523,425
		<u>8,189,946</u>	<u>6,274,786</u>

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER:05564018

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 March 2022.



P J Cook
Director

The notes on pages 17 to 39 form part of these financial statements.

The surplus after tax of the parent company for the year was £1,915,160 (2020: £1,860,492).

THE ENGLISH GOLF UNION LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2020 Surplus fund £	Legacy fund £	BALASA Fund £	Special projects fund £	2024 Centenary fund £	Income and expenditure account £	Total equity £
At 1 January 2020	-	51,687	30,035	25,869	-	5,808,489	5,916,080
Surplus for the year	-	-	-	-	-	2,059,460	2,059,460
Transfer to/from surplus	-	-	-	-	-	(1,643,770)	(1,643,770)
Transfer between other reserves	1,504,742	24,028	(5,000)	-	120,000	-	1,643,770
At 1 January 2021	1,504,742	75,715	25,035	25,869	120,000	6,224,179	7,975,540
Surplus for the year	-	-	-	-	-	2,116,750	2,116,750
Transfer to/from surplus	-	-	-	-	-	123,000	123,000
Transfer between other reserves	(150,000)	-	(3,000)	-	30,000	-	(123,000)
At 31 December 2021	1,354,742	75,715	22,035	25,869	150,000	8,463,929	10,092,290

The notes on pages 17 to 39 form part of these financial statements.

THE ENGLISH GOLF UNION LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2020 Surplus fund £	Legacy fund £	BALASA fund £	Special projects fund £	2021 Centenary fund £	Income and expenditure account £	Total equity £
At 1 January 2020	-	51,687	30,035	25,869	-	4,306,703	4,414,294
Comprehensive income for the year							
Surplus for the year	-	-	-	-	-	1,860,492	1,860,492
Transfer to/from surplus	-	-	-	-	-	(1,643,770)	(1,643,770)
Transfer between other reserves	1,504,742	24,028	(5,000)	-	120,000	-	1,643,770
At 1 January 2021	1,504,742	75,715	25,035	25,869	120,000	4,523,425	6,274,786
Surplus for the year	-	-	-	-	-	1,915,160	1,915,160
Transfer to/from surplus	-	-	-	-	-	123,000	123,000
Transfer between other reserves	(150,000)	-	(3,000)	-	30,000	-	(123,000)
At 31 December 2021	1,354,742	75,715	22,035	25,869	150,000	6,561,585	8,189,946

The notes on pages 17 to 39 form part of these financial statements.

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the financial year	2,116,750	2,059,460
ADJUSTMENTS FOR:		
Amortisation of intangible assets	39,000	39,000
Depreciation of tangible assets	337,679	367,315
(Profit)/loss on disposal of tangible assets	(3,049)	16,263
Interest paid	6,216	6,216
Investment income received	(67,463)	(65,751)
Taxation charge	188,067	78,599
Decrease/(increase) in stocks	9,584	(2,541)
Decrease/(increase) in debtors	28,390	(525,580)
Increase in creditors	207,090	1,215,826
(Decrease) in provisions	(35,000)	(20,000)
Net fair value (gains) recognised in P&L	(153,518)	(256,262)
Profit/(loss) on disposal of investments	(107,541)	98,293
Corporation tax (paid)/received	(1,026)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>2,565,179</u>	<u>3,010,838</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	-	(156,000)
Purchase of tangible fixed assets	(210,423)	(183,086)
Sale of tangible fixed assets	4,050	1,800
Purchase of listed investments	(2,246,867)	(715,377)
Sale of listed investments	1,574,329	818,566
Interest paid	(6,216)	(6,216)
Income from investments	67,463	65,751
NET CASH FROM INVESTING ACTIVITIES	<u>(817,664)</u>	<u>(174,562)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,747,515	2,836,276
Cash and cash equivalents at beginning of year	4,757,150	1,920,874
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>6,504,665</u>	<u>4,757,150</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	6,504,665	4,757,150
	<u>6,504,665</u>	<u>4,757,150</u>

The notes on pages 17 to 39 form part of these financial statements.

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	4,757,150	1,747,515	6,504,665
Finance leases	(218,591)	74,961	(143,630)
	<u>4,538,559</u>	<u>1,822,476</u>	<u>6,361,035</u>

The notes on pages 17 to 39 form part of these financial statements.

THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

The English Golf Union Limited is a private company limited by guarantee, incorporated in England and Wales. The company registration number and registered office can be found on the company information page.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of group and its own subsidiaries ("the group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 INCOME

Income is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before income is recognised:

Affiliation fees, subscription income and grant income

Affiliation fees are payable by all playing members of clubs affiliated to The English Golf Union Limited and are accounted for on a receivable basis in line with the affiliation year which is 1 January to 31 December.

Independent golfer subscription income is payable by individual members on a rolling basis and is accounted for in line with the provision of service for each individual member.

Subscription income is payable by members of Woodhall Spa Golf Club and is accounted for in the period to which it relates.

Grant income is recognised when the related expenditure is committed in line with the related grant

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

criteria. Where grant income is received and not spent, it is included within deferred income.

Other income relates to the Coronavirus Job Retention Scheme (CJRS) and is recognised as receivable in line with the period that the relevant expense has been incurred.

Sale of goods

Income from the sale of goods is recognised when all of the following conditions are satisfied:

The group has transferred the significant risks and rewards of ownership to the buyer;
The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
The amount of income can be measured reliably;
It is probable that the group will receive the consideration due under the transaction;

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 GOING CONCERN

The Covid-19 pandemic has forced periods of closure and restricted activity during the year. The review of our financial position, reserves levels and future plans gives Directors confidence the Company remains a going concern for the foreseeable future.

2.5 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

World handicap system	-	25% straight line
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THE ENGLISH GOLF UNION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.6 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	- 6.67% straight line
Assets under the course of construction	- Not depreciated
Plant and machinery	- 4-25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 6.67-25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under the course of construction are not depreciated until the asset is completed and available for use.

2.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in the income and expenditure account for the period.

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.8 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the income and expenditure account.

2.9 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

2.10 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 FINANCIAL INSTRUMENTS

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

2.12 CREDITORS

Short term creditors are measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.13 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.14 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 OPERATING LEASES

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

2.16 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.17 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.18 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Tangible fixed assets

The estimated useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Due to the significance of tangible fixed asset investment to the group, variations between actual and estimated useful economic lives could impact operating results both positively and negatively, although historically few changes to estimated useful economic lives have been required.

The group is required to evaluate the carrying values of tangible fixed assets for impairment whenever circumstances indicate, in management's judgement, that the carrying value of such assets may not be recoverable. An impairment review requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the cash generating units under review.

Stock provision

At each reporting date the group evaluates the need for a stock provision. The group has an accounting policy of providing against any stock which has been held for more than twelve months.

Affiliation fees

As at year end affiliation fees are recognised in the accounts on a receivable basis in line with the affiliation year. The affiliation year is from 1 January to 31 December. There is incomplete data available to Directors with regards to affiliation fees that may still be received after the year end. The Directors make an estimated accrual based on post year end receipts. As it is unknown the amount that is going to be received there is an uncertainty around this estimate.

4. ANALYSIS OF INCOME

An analysis of income by class of business is as follows:

	2021 £	2020 £
Affiliation fees	7,001,704	6,138,194
Grant income	2,106,828	4,611,782
Sales of goods	916,300	541,072
Membership income and green fees	1,953,041	1,428,012
Independent golfer subscriptions	147,852	-
Other services	499,838	417,019
	<u>12,625,563</u>	<u>13,136,079</u>

Grant income is made up of Sport England grants totalling £1,865,428 (2020: £1,892,782) and other grants totalling £241,400 (2020: £2,719,000).

All income arose within the United Kingdom.

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. OTHER INCOME

	2021 £	2020 £
Government grants receivable	39,214	-
Job retention scheme income	67,864	289,556
	<u>107,078</u>	<u>289,556</u>

6. COVID-19 GRANTS TO CLUBS

	2021 £	2020 £
R&A income	-	2,555,000
Expenditure in grants to golf clubs	-	(2,981,186)
Deficit	<u>-</u>	<u>(426,186)</u>

The deficit in funding in 2020 was made up by using general England Golf reserves.

7. OPERATING SURPLUS

The operating surplus is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	337,679	367,315
Loss on disposal of fixed assets	45,032	-
Defined benefit pension provision movement	(35,000)	(20,000)
Other operating lease rentals	61,327	68,514
Defined contribution pension cost	209,989	197,506
	<u>209,989</u>	<u>197,506</u>

FEES PAYABLE TO THE GROUP'S AUDITORS:

Audit of the Company's annual financial statements	20,750	18,000
Audit of the Group's subsidiaries	7,000	6,000
Taxation compliance services	4,200	4,100
Other services relating to taxation	5,925	3,025
Other services	16,490	13,680
	<u>16,490</u>	<u>13,680</u>

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	4,149,407	3,788,473	3,181,059	2,901,068
Social security costs	374,735	335,904	301,180	270,025
Cost of defined contribution scheme	209,989	197,506	168,078	157,347
	<u>4,734,131</u>	<u>4,321,883</u>	<u>3,650,317</u>	<u>3,328,440</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Governing body	88	85
Golf course operations	58	50
	<u>146</u>	<u>135</u>

The average full time equivalent number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Governing body	85	82
Golf course operations	35	38
	<u>120</u>	<u>120</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. DIRECTORS' REMUNERATION

	2021	2020
	£	£
Directors' emoluments	157,513	155,121
Company contributions to defined contribution pension schemes	9,639	9,468
	<u>167,152</u>	<u>164,589</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution schemes.

The highest paid director received remuneration of £155,152 (2020: £151,27).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,639 (2020: £9,389).

In the year to 31 December 2021, N Coward received £12,000 (2020: £12,000) for his services as Chairman.

10. INCOME FROM FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Income from fixed asset investments	67,463	65,751
	<u>67,463</u>	<u>65,751</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Finance leases and hire purchase contracts	6,216	6,216
	<u>6,216</u>	<u>6,216</u>

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. TAXATION

	2021 £	2020 £
CORPORATION TAX		
Current tax on surplus for the year	69,378	1,026
TOTAL CURRENT TAX	<u>69,378</u>	<u>1,026</u>
DEFERRED TAX		
Origination and reversal of timing differences	118,689	77,573
TOTAL DEFERRED TAX	<u>118,689</u>	<u>77,573</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>188,067</u>	<u>78,599</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>2,304,817</u>	<u>2,138,059</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	404,684	406,231
EFFECTS OF:		
(Income)/Expenses not deductible for tax purposes	(402,071)	(386,894)
Exempt ABGH distributions	(7,160)	(5,718)
Other timing differences leading to a increase/(decrease) in taxation	135,822	36,877
Capital gains	56,792	28,103
TOTAL TAX CHARGE FOR THE YEAR	<u>188,067</u>	<u>78,599</u>

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. INTANGIBLE ASSETS

Group

	World Handicap System £
COST	
At 1 January 2021	156,000
At 31 December 2021	<u>156,000</u>
AMORTISATION	
At 1 January 2021	39,000
Charge for the year on owned assets	39,000
At 31 December 2021	<u>78,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>78,000</u>
At 31 December 2020	<u>117,000</u>

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. INTANGIBLE ASSETS (CONTINUED)

Company

	World Handicap System £
COST	
At 1 January 2021	156,000
At 31 December 2021	<u>156,000</u>
AMORTISATION	
At 1 January 2021	39,000
Charge for the year	39,000
At 31 December 2021	<u>78,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>78,000</u>
At 31 December 2020	<u><u>117,000</u></u>

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. TANGIBLE FIXED ASSETS

Group

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION					
At 1 January 2021	225,150	2,474,943	9,667	1,685,187	4,394,947
Additions	-	94,951	-	163,553	258,504
Disposals	-	(70,931)	(9,667)	-	(80,598)
At 31 December 2021	<u>225,150</u>	<u>2,498,963</u>	<u>-</u>	<u>1,848,740</u>	<u>4,572,853</u>
DEPRECIATION					
At 1 January 2021	197,549	1,111,976	9,667	1,244,715	2,563,907
Charge for the year on owned assets	15,000	136,526	-	186,153	337,679
Disposals	-	(21,849)	(9,667)	-	(31,516)
At 31 December 2021	<u>212,549</u>	<u>1,226,653</u>	<u>-</u>	<u>1,430,868</u>	<u>2,870,070</u>
NET BOOK VALUE					
At 31 December 2021	<u>12,601</u>	<u>1,272,310</u>	<u>-</u>	<u>417,872</u>	<u>1,702,783</u>
At 31 December 2020	<u>27,601</u>	<u>1,362,967</u>	<u>-</u>	<u>440,472</u>	<u>1,831,040</u>

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Leasehold property improvements £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION				
At 1 January 2021	225,150	9,667	945,313	1,180,130
Additions	-	-	31,478	31,478
Disposals	-	(9,667)	-	(9,667)
At 31 December 2021	225,150	-	976,791	1,201,941
DEPRECIATION				
At 1 January 2021	197,549	9,667	708,773	915,989
Charge for the year on owned assets	15,000	-	123,637	138,637
Disposals	-	(9,667)	-	(9,667)
At 31 December 2021	212,549	-	832,410	1,044,959
NET BOOK VALUE				
At 31 December 2021	12,601	-	144,381	156,982
At 31 December 2020	27,601	-	236,539	264,140

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. FIXED ASSET INVESTMENTS

Group

	Listed investments £
COST OR VALUATION	
At 1 January 2021	3,314,397
Additions	2,246,867
Disposals	(1,574,329)
Revaluations	261,059
At 31 December 2021	<u>4,247,994</u>

Company

	Listed investments £
COST OR VALUATION	
At 1 January 2021	3,314,397
Additions	2,246,867
Disposals	(1,574,329)
Revaluations	261,059
At 31 December 2021	<u>4,247,994</u>

16. STOCKS

	Group 2021 £	Group 2020 £
Greenkeeping stocks	22,797	21,932
Retail	81,651	97,891
Food & Beverage	17,381	11,590
	<u>121,829</u>	<u>131,413</u>

An impairment loss of £nil (2020: £nil) was recognised in cost of sales.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. DEBTORS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	88,978	220,627	61,310	207,876
Other debtors	111,129	94,312	-	453
Prepayments and accrued income	1,135,837	1,052,088	1,083,934	1,027,738
	<u>1,335,944</u>	<u>1,367,027</u>	<u>1,145,244</u>	<u>1,236,067</u>

18. CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank current accounts	4,668,373	4,671,857	3,911,856	3,539,854
Cash equivalents	1,836,293	85,293	1,836,353	85,293
	<u>6,504,666</u>	<u>4,757,150</u>	<u>5,748,209</u>	<u>3,625,147</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	447,288	563,012	391,673	526,547
Amounts owed to group undertakings	-	-	863,810	9,184
Corporation tax	69,378	1,026	-	-
Other taxation and social security	194,178	199,556	110,526	94,372
Obligations under hire purchase contracts	81,126	81,127	-	-
Other creditors	374,522	263,455	139,222	112,040
Accruals and deferred income	1,889,381	1,599,987	1,200,638	1,071,286
	<u>3,055,873</u>	<u>2,708,163</u>	<u>2,705,869</u>	<u>1,813,429</u>

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £	Group 2020 £
Net obligations under finance leases and hire purchase contracts	62,503	137,463
	<u>62,503</u>	<u>137,463</u>

The Group entered into a 5-year hire purchase agreement in October 2019. At the end of the lease, the Group will have ownership of the asset. The total lease payments due for the remainder of the lease are £143,629.

21. DEFERRED TAXATION

Group

	2021 £	2020 £
At 1 January 2019	(316,859)	(239,286)
Charged to the income and expenditure account	(118,689)	(77,573)
At 31 December 2019	<u>(435,548)</u>	<u>(316,859)</u>

The provision for deferred taxation is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(435,548)	(316,859)	(135,611)	(88,536)
	<u>(435,548)</u>	<u>(316,859)</u>	<u>(135,611)</u>	<u>(88,536)</u>

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

22. PROVISIONS

Group

	Pension provision £
At 1 January 2021	380,000
Charged to profit or loss	(35,000)
AT 31 DECEMBER 2021	345,000

Pension provision

Under his contract of employment a previous Chief Executive had the benefit of a defined benefit pension plan with the Company. An agreement was reached with him to fix the Company's liability under the contract of employment by agreeing to pay a supplementary pension. This supplementary pension together with the expected annuity payable under the pension plan, will cap the Company's liability at a lower level than would have been the case under the defined benefit pension plan. It was been decided, by the directors, to recognise an estimate of this future liability in the balance sheet of the Company and reassess this provision on an annual basis.

On review of the provision as at 31 December 2021 by Thompson & Richardson (Financial Services) Lincoln Limited, the level of provision required was assessed and it was considered that a decrease to the provision was required of £35,000 (2020: decrease of £20,000).

The pension charge in note 25 includes payments made of £17,954 (2020: £17,666).

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

23. RESERVES

Income and Expenditure Account

Includes all current and prior period retained surpluses and deficits.

Special Project Fund

Includes all monies that have been set aside for County inspired special projects

Gillian Hepburn Fund (Legacy Fund)

This was created in 2019 due to a generous legacy in the will of Ms Gillian Hepburn. The conditions of the will means this will be spent on the development of adult women golfers as and when appropriate expenditure is identified.

BALASA Fund

This was created in 2019 due to the dissolution of a disability golf charity. The funds will be spent on Disability Golf as and when appropriate expenditure is identified with the former trustees of the charity.

2024 Centenary Fund

This fund has been set up to celebrate 100 years of English Amateur Golf including a book, extra inclusive competitions and a centenary dinner.

2020 Surplus Fund

This fund has been set up due to the surplus created by Covid-19 restrictions meaning budgeted expenditure could not take place to the extent planned. This fund will be used in the future to mitigate effects of Covid-19 amongst stakeholders, club and golfer support.

24. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation. The statutory members are the Men's County Unions, Women's County Associations and Merged Counties of which there are 69 (2020: 69).

25. PENSION COMMITMENTS

The group operates defined contributions pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost in the year was £209,989 (2020: £197,506).

THE ENGLISH GOLF UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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26. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	93,074	91,440	42,779	41,940
Later than 1 year and not later than 5 years	263,279	310,047	179,843	176,317
Later than 5 years	8,788,060	8,792,426	8,788,060	8,792,426
	<u>9,144,413</u>	<u>9,193,913</u>	<u>9,010,682</u>	<u>9,010,683</u>
	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	39,318	61,327	39,318	61,327
Later than 1 year and not later than 5 years	37,176	85,353	37,176	85,353
	<u>76,494</u>	<u>146,680</u>	<u>76,494</u>	<u>146,680</u>

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27. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption offered by FRS 102 section 33.1A and has not disclosed transactions or balances with wholly owned subsidiaries of the group.

During the year the group paid £92,734 (2020: £86,732) in relation to rent payable for its offices and clubhouse facilities. This has been paid to Woodhall Spa Estate Management Company Limited, a wholly owned subsidiary of Woodhall Spa Land Holdings Ltd which is a company limited by guarantee, the guarantors of which are the 34 Men's and Merged County Golf Unions.

Jeremy Tomlinson was a Trustee of the Golf Foundation during the year. England Golf administered a £157,000 (2020: £203,750) grant received from Sport England which EGU passed onto the Golf Foundation. The amount payable to the Golf Foundation at year end was £Nil.

A number of non-exec directors have positions in county golf unions and associations and from time to time England Golf enters into arms length transactions for county under 14 payment funding from England Golf and other payments. England Golf also reimburses expenses to counties who attend various general meetings and groups.

Ian Watkins (non-exec director) is also trustee of the England Golf Trust to which England Golf paid a grant of £Nil (2020: £8,000) in the year.

Alistair Booth (non-exec director) is the independent chairman of the The Greenkeepers Training Committee Limited (GTC). England Golf paid a grant of £63,750 (2020: £45,000) to GTC. There was no amount payable at year end (2020: £7,500).

Alistair Booth (non-exec director) is president of Berks, Bucks and Oxon Golf Limited where an England Golf event was hosted during 2021. England Golf paid grants of £8,323 (2020: £Nil) to Berks, Bucks and Oxon Golf Limited. There was no amount outstanding at year end.

Linda Dean (non-exec director) is Ex-Officio Member of Executive Committee for Berkshire County Ladies Golf Association. England Golf paid grants of £1,443 (2020: £Nil) to Berkshire County Ladies Golf Association. There was no amount outstanding at year end.

Kevin Tucker (non-exec director) is president of Yorkshire Union of Golf Clubs. England Golf paid grants of £16,450 (2020: £Nil) to Yorkshire Union of Golf Clubs. There was no amount outstanding at year end.

Phillipa Cook (non-exec director) is a non-executive director for Bucks County Ladies Golf Association. England Golf paid grants of £5,443 (2020: £5,443) to Bucks County Ladies Golf Association. There was no amount outstanding at year end.

The Chairman, Chief Executive and seven senior managers are considered to be key management personnel. Total remuneration in respect of these individuals is £715,661 (2020: £648,433).

There were no other related party transactions to disclose in the year.

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NOTES TO THE FINANCIAL STATEMENTS
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28. SPORT ENGLAND GRANT INCOME AND EXPENDITURE

	2021 £	2020 £
Grant income		
Participation grants	1,258,428	1,226,032
Performance grants	450,000	463,000
Grants to other bodies	157,000	203,750
Total grant income	<u>1,865,428</u>	<u>1,892,782</u>
Expenditure		
Delivery team	956,834	962,466
Volunteer manager	38,765	31,370
Club support and retention	40,000	63,939
Business resilience	40,000	12,831
Volunteer strategy	7,345	6,062
Golf express	4,120	-
Female resilience	2,565	14,776
Handicap Services	168,799	113,429
50 plus resilience	-	21,159
Performance	450,000	463,000
Grants to other bodies	157,000	203,750
Total grant expenditure	<u><u>1,865,428</u></u>	<u><u>1,892,782</u></u>