

ANNUAL REPORT
ENGLISH LADIES' GOLF ASSOCIATION
FOR THE YEAR ENDED
30 SEPTEMBER 2004

ENGLISH LADIES' GOLF ASSOCIATION

PRESIDENT

Mrs M Lockett

VICE PRESIDENTS

Mrs C Comboy OBE
Mrs B M Frazer FCA
Dr B A B Jackson MBE
Mrs G Wilkinson

CHAIRMAN

Mrs C Bowerbank

VICE CHAIRMAN

Mrs J Clink

SECRETARY/CEO

Mrs P Perla

INVESTMENT MANAGERS

Midas Capital Partners Limited
Martins Building
Water Street
Liverpool
L2 3SP

BANKERS

Lloyds TSB Bank plc
134 New Street
Birmingham
B2 4QZ

AUDITORS

Heathcote & Coleman
Heathcote House
136 Hagley Road
Edgbaston
Birmingham
B16 9PN

REGISTERED OFFICE

Edgbaston Golf Club
Church Road
Birmingham
B15 3TB

ENGLISH LADIES GOLF ASSOCIATION

EXECUTIVE COMMITTEE REPORT

STATEMENT OF EXECUTIVE COMMITTEE RESPONSIBILITIES

The members of the executive are required to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Association as at the end of the financial period and of the excess of expenditure over income for that period.

The executive committee confirms that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended September 30, 2004. The executive committee also confirm that applicable accounting standards have been followed.

The executive committee is responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

By order of the Board.

Mrs C Bowerbank

Chairman

23rd November 2004

ENGLISH LADIES' GOLF ASSOCIATION

REPORT OF THE AUDITORS

TO THE MEMBERS OF ENGLISH LADIES' GOLF ASSOCIATION

We have audited the financial statements on pages 5 to 15, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

This report is made solely to the members, as a body, in accordance with the Association's Rules and Regulations. Our audit work has been undertaken so that we might state to the 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of executive committee members and auditors

The Executive Committee's responsibilities for preparing the financial statements in accordance with United Kingdom Accounting Standards are set out in the statement of Executive Committee responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements made by the executive committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association'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.

ENGLISH LADIES' GOLF ASSOCIATION

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Association as at September 30, 2004 and of its results for the period then ended.

Heathcote & Coleman
Chartered Accountants
Registered Auditors
Birmingham

23rd November 2004

ENGLISH LADIES' GOLF ASSOCIATION

Income and Expenditure account for the year ended 30 September 2004

| | Notes | £ | 2004 £ | 2003 £ |
|---|-------|---------|-------------|-------------|
| INCOME | | | | |
| Subscriptions & registration fees | | | 961,540 | 974,493 |
| Less: LGU per capita payment | | | (311,655) | (315,770) |
| | | | <hr/> | <hr/> |
| | | | 649,885 | 658,723 |
| | | | | |
| Investment income | 2 | 4,811 | | 21,598 |
| Less: taxation | 3 | (4,903) | | (5,222) |
| | | <hr/> | | <hr/> |
| | | | (92) | 16,376 |
| | | | | |
| Other income | 4 | | 150 | 39 |
| | | | <hr/> | <hr/> |
| | | | 649,943 | 675,138 |
| | | | <hr/> | <hr/> |
| EXPENDITURE | | | | |
| Tournament expenses | 5 | | 147,747 | 105,252 |
| Training expenses | 6 | | 40,287 | 41,001 |
| Administration expenses | 7 | | 553,772 | 450,824 |
| | | | <hr/> | <hr/> |
| | | | 741,806 | 597,077 |
| | | | <hr/> | <hr/> |
| Excess of income over expenditure | | | (91,863) | 78,061 |
| Transfer to International Tournament fund | | | - | (50,000) |
| Retained reserves brought forward | | | 616,026 | 587,965 |
| | | | <hr/> | <hr/> |
| Retained reserves carried forward | | | £ 524,163 | £ 616,026 |
| | | | <hr/> <hr/> | <hr/> <hr/> |

ENGLISH LADIES' GOLF ASSOCIATION

Balance Sheet at 30 September 2004

| | Notes | £ | 2004 £ | 2003 £ |
|----------------------------------|-------|---------|-----------|-----------|
| RESERVES | | | | |
| General Fund | 13 | | 524,163 | 616,026 |
| Development Fund | 13 | | 203,666 | 203,666 |
| International Tournament fund | 13 | | - | 50,000 |
| | | | <hr/> | <hr/> |
| Accumulated Funds | | | £ 727,829 | £ 869,692 |
| | | | <hr/> | <hr/> |
| Represented by: | | | | |
| FIXED ASSETS | 8 | | 85,894 | 77,023 |
| INVESTMENTS | 9 | | 388,202 | 427,426 |
| CURRENT ASSETS | | | | |
| Stock | 10 | 22,024 | | 38,789 |
| Debtors | 11 | 74,984 | | 70,446 |
| Bank and cash | | 530,743 | | 642,520 |
| | | <hr/> | | <hr/> |
| | | 627,751 | | 751,755 |
| Less: CURRENT LIABILITIES | | | | |
| Creditors | 12 | 374,018 | | 386,512 |
| | | <hr/> | | <hr/> |
| NET CURRENT ASSETS | | | 253,733 | 365,243 |
| | | | <hr/> | <hr/> |
| | | | £ 727,829 | £ 869,692 |
| | | | <hr/> | <hr/> |

The accounts were approved on 23rd November 2004 and signed by

C Bowerbank (Chairman)

J Clink (Vice Chairman)

R Beddoe (Accountant)

ENGLISH LADIES' GOLF ASSOCIATION

Notes to the Financial Statements at 30 September 2004

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Interest received

Interest is accounted for on the basis of the amount received during the period.

Depreciation

Depreciation is provided at rates calculated to write off the cost less estimated residual value over each asset's estimated useful life as follows:

| | | |
|------------------------|-------|------------------|
| Motor car | - 25% | reducing balance |
| Office equipment | - 20% | straight line |
| Furniture and fittings | - 20% | straight line |

Deferred government grants

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual amounts.

Grants of a revenue nature are credited to income in the period to which they relate.

Stocks

Stocks are stated at the lower of cost and estimated net realisable value.

Investments

Investments are stated at cost less any provision for a permanent diminution in value. Gains and losses on investments are recognised as and when they are realised, i.e. on the disposal of a particular investment. Information relating to the composition of investments and their market value at September 30, 2004 is given in note 9.

Subscriptions

Subscription income is credited to income over the period to which it relates.

ENGLISH LADIES' GOLF ASSOCIATION

Notes to the Financial Statements at 30 September 2004

2. INVESTMENT INCOME

| | 2004 | 2003 |
|--|----------------|-----------------|
| | £ | £ |
| Bank deposit account | 23,019 | 17,634 |
| Government securities and equities | 20,612 | 14,457 |
| (Loss)/profit on disposal of investments | (38,820) | (10,493) |
| | <u>£ 4,811</u> | <u>£ 21,598</u> |

3. TAXATION

| | 2004 | 2003 |
|---|----------------|----------------|
| | £ | £ |
| Based on the investment income for the period/year: | | |
| Corporation tax at 20% | 4,136 | 3,032 |
| Under/(over) provision relating to earlier periods | 767 | 2,190 |
| | <u>£ 4,903</u> | <u>£ 5,222</u> |

4. OTHER INCOME

| | 2004 | 2003 |
|---------------|--------------|-------------|
| | £ | £ |
| Sundry income | 150 | 39 |
| | <u>£ 150</u> | <u>£ 39</u> |

ENGLISH LADIES' GOLF ASSOCIATION

Notes to the Financial Statements at 30 September 2004

5. COMPETITION EXPENSES

| | 2004 | 2003 |
|---|------------------|------------------|
| | £ | £ |
| Home internationals | 5,055 | 10,221 |
| Girls internationals | 8,826 | 5,187 |
| Senior Home Internationals | 6,003 | - |
| Other Home Countries events | 13,972 | 16,927 |
| European junior team championship | 76,660 | - |
| European girls' team championship | 9,856 | 6,946 |
| European ladies' team championship | - | 12,748 |
| Spanish ladies' championship/Sherry Cup | 3,057 | - |
| French championship and Vilmorin Cup | 9,423 | 5,625 |
| Swiss Championship | 1,275 | - |
| International competitions | 7,484 | 12,487 |
| Italian championship | 758 | 8,204 |
| English ladies' championship | 13,462 | 15,797 |
| Mid-Amateur championship | 7,615 | 7,154 |
| Stroke play championship | 7,799 | 9,941 |
| English girls' championship and under 15 and under 13 Championship | 30,066 | 26,298 |
| Abraham trophy | 1,085 | 1,263 |
| County finals | 12,330 | 22,247 |
| ELGA competitions | 12,442 | 16,542 |
| North of England Stroke Play Championship | 3,103 | 2,924 |
| Uniforms, equipment, brooches and mementoes | 43,145 | 28,244 |
| | <u>273,236</u> | <u>208,755</u> |
| <i>Less: Grants</i> | | |
| Lottery | (40,489) | (84,503) |
| R & A | (10,000) | (12,000) |
| R & A – for European Junior Team Championship | (15,000) | - |
| AEG | (10,000) | (7,000) |
| Release of International Tournament Fund | (50,000) | - |
| | <u>£ 147,747</u> | <u>£ 105,252</u> |

ENGLISH LADIES' GOLF ASSOCIATION

Notes to the Financial Statements at 30 September 2004

6. TRAINING EXPENSES

| | 2004 | 2003 |
|--|-------------|-------------|
| | £ | £ |
| Elite – Seniors | 27,273 | 13,990 |
| Elite – Girls | 28,772 | 19,472 |
| Select – Start 1 | 3,500 | 9,277 |
| Regional – Start 2 | 30,135 | 31,971 |
| Birdie – Start 2 | 23,520 | 13,200 |
| ELGA Bursary Squad | 1,211 | - |
| Eagle | 8,210 | 6,881 |
| Coaches, physios etc | 91,145 | 73,103 |
| Sports Medicine | 12,193 | 12,728 |
| Sports Science | 13,794 | 11,112 |
| Training vouchers/discretionary awards | 2,188 | 4,402 |
| Bursaries | 18,873 | 27,217 |
| | ----- | ----- |
| | 260,814 | 223,353 |
| <i>Less Grants</i> | | |
| Lottery | (220,527) | (182,352) |
| | ----- | ----- |
| Net Training Expenses | £ 40,287 | £ 41,001 |
| | ===== | ===== |

ENGLISH LADIES' GOLF ASSOCIATION

Notes to the Financial Statements at 30 September 2004

7. ADMINISTRATION EXPENSES

| | 2004 | | 2003 | |
|---|---------|-----------|---------|-----------|
| | £ | £ | £ | £ |
| <i>Personnel Costs:</i> | | | | |
| - Salaries | 353,084 | | 298,285 | |
| - Recruitment | 2,916 | | 5,732 | |
| - Training | 2,597 | | 6,688 | |
| | | 358,597 | | 310,705 |
| <i>Office Accommodation:</i> | | | | |
| - Rent and rates | 16,649 | | 18,685 | |
| - Light and heat | 1,777 | | 1,786 | |
| | | 18,426 | | 20,471 |
| <i>Communications:</i> | | | | |
| - Telephone | 13,098 | | 11,602 | |
| - Postage | 17,588 | | 13,588 | |
| - Printing/photocopier | 15,760 | | 10,685 | |
| - Stationery | 15,974 | | 10,777 | |
| - Publications | 8,516 | | 8,181 | |
| | | 70,936 | | 54,833 |
| <i>Travel and Meetings</i> | | | | |
| - Travelling | 46,668 | | 49,284 | |
| - Hotels | 23,921 | | 20,055 | |
| - Subsistence | 8,663 | | 11,146 | |
| - Vehicle costs | 8,993 | | 9,201 | |
| | | 88,245 | | 89,686 |
| <i>Office Costs:</i> | | | | |
| - Computer repairs/maintenance | 3,896 | | 8,270 | |
| - Equipment hire | 4,968 | | 5,990 | |
| - Other equipment maintenance | 2,655 | | 1,881 | |
| - Miscellaneous | 7,510 | | 3,031 | |
| | | 19,029 | | 19,172 |
| <i>Professional Costs:</i> | | | | |
| - Legal | 2,442 | | 1,987 | |
| - Audit | 6,051 | | 4,000 | |
| - Other | 10,579 | | 10,262 | |
| | | 19,072 | | 16,249 |
| Advertising and promotion | | 20,595 | | 1,076 |
| Bank Charges | | 1,229 | | 1,669 |
| Depreciation | | 27,068 | | 30,566 |
| Insurance | | 18,152 | | 15,588 |
| Loss on disposal of assets | | 679 | | - |
| Permanent diminution value of investments | | - | | 60,000 |
| Grants | | 65,748 | | 39,748 |
| | | 707,776 | | 659,763 |
| <i>Less Grants:</i> | | | | |
| - Lottery | 124,129 | | 121,330 | |
| - LGU | 3,125 | | 3,125 | |
| - R & A | 14,750 | | 12,000 | |
| - Sport England | 12,000 | | 12,000 | |
| - EGU | - | | 60,484 | |
| | | (154,004) | | (208,939) |

ENGLISH LADIES' GOLF ASSOCIATION

Notes to the Financial Statements
at 30 September 2004

£553,772

£ 450,824

ENGLISH LADIES' GOLF ASSOCIATION

Notes to the Financial Statements at 30 September 2004

8. TANGIBLE FIXED ASSETS

| | Equipment £ | Office furniture £ | Motor vehicle £ | Total £ |
|--------------------------|-----------------|--------------------------|-----------------------|-----------------|
| Cost or valuation: | | | | |
| At 1 October 2003 | 54,340 | 10,279 | 93,454 | 158,073 |
| Additions | 19,682 | 4,588 | 16,999 | 41,269 |
| Disposals | - | - | (14,674) | (14,674) |
| At 30 September 2004 | <u>74,022</u> | <u>14,867</u> | <u>95,779</u> | <u>184,668</u> |
| Depreciation: | | | | |
| At 1 October 2003 | 30,798 | 6,468 | 43,784 | 81,050 |
| Provided during the year | 9,765 | 1,258 | 16,041 | 27,064 |
| On disposals | - | - | (9,340) | (9,340) |
| At 30 September 2004 | <u>40,563</u> | <u>7,726</u> | <u>50,485</u> | <u>98,774</u> |
| Net book value: | | | | |
| At 30 September 2004 | <u>33,459</u> | <u>7,141</u> | <u>45,294</u> | <u>85,894</u> |
| At 30 September 2003 | <u>£ 23,542</u> | <u>£ 3,811</u> | <u>£ 49,670</u> | <u>£ 77,023</u> |

ENGLISH LADIES' GOLF ASSOCIATION

Notes to the Financial Statements at 30 September 2004

9. INVESTMENTS

| | Unit Trusts £ | Government stocks £ | Equities £ | Total £ |
|--------------------------------|---------------------|---------------------------|------------------|------------------|
| Cost: | | | | |
| At 1 October 2003 | - | 97,471 | 389,955 | 487,426 |
| Additions | 388,202 | - | 5,060 | 393,262 |
| Disposals | - | (97,471) | (395,015) | (492,486) |
| | <u>388,202</u> | <u>-</u> | <u>-</u> | <u>388,202</u> |
| At 30 September 2004 | <u>388,202</u> | <u>-</u> | <u>-</u> | <u>388,202</u> |
| Permanent diminution in value: | | | | |
| At 1 October 2003 | - | - | 60,000 | 60,000 |
| Disposals | - | - | (60,000) | (60,000) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 30 September 2004 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net book value: | | | | |
| At 30 September 2004 | <u>£ 388,202</u> | <u>£ -</u> | <u>£ -</u> | <u>£ 388,202</u> |
| At 30 September 2003 | <u>£ -</u> | <u>£ 97,471</u> | <u>£ 329,955</u> | <u>£ 427,426</u> |

The market value of the investments was as follows:

| | 2004 £ | 2003 £ |
|--|------------------|------------------|
| Government Stocks: | | |
| £32,000 4.5% Euro Investment Bank 2013 | - | 32,310 |
| £29,476 7.5% Treasury Stock 2006 | - | 33,057 |
| £35,000 5.375% Euro Investment Bank 2021 | - | 37,353 |
| | <u>-</u> | <u>102,720</u> |
| UK Equities | - | 271,192 |
| Unit Trusts | 399,740 | - |
| | <u>£ 399,740</u> | <u>£ 373,912</u> |

Investments are held for the long term benefit of the Association.

ENGLISH LADIES' GOLF ASSOCIATION

Notes to the Financial Statements at 30 September 2004

10. STOCKS

| | 2004 | 2003 |
|-----------|-----------------|-----------------|
| | £ | £ |
| Mementoes | 5,227 | 7,821 |
| Uniforms | 16,797 | 30,968 |
| | <u>£ 22,024</u> | <u>£ 38,789</u> |

11. DEBTORS

| | 2004 | 2003 |
|-------------------------------------|-----------------|-----------------|
| | £ | £ |
| Floats for training and tournaments | 17,299 | 11,265 |
| Prepayments and accrued income | 37,685 | 39,181 |
| Sundry debtor | 20,000 | 20,000 |
| | <u>£ 74,984</u> | <u>£ 70,446</u> |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2004 | 2003 |
|-----------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 24,329 | 43,976 |
| Lottery grant received in advance | 87,822 | 97,221 |
| Sundry creditors | 3,910 | 16,393 |
| Accruals | 92,596 | 62,425 |
| Corporation tax | 3,500 | 2,600 |
| Deferred subscription income | 161,861 | 163,897 |
| | <u>£ 374,018</u> | <u>£ 386,512</u> |

ENGLISH LADIES' GOLF ASSOCIATION

Notes to the Financial Statements at 30 September 2004

13. RESERVES

| | General | International | Development |
|-----------------------------------|------------------|----------------------|--------------------|
| | Fund | Tournament | Fund |
| | £ | Fund | Fund |
| | £ | £ | £ |
| Balance brought forward | 616,026 | 50,000 | 203,666 |
| Excess of income over expenditure | (91,863) | - | - |
| Transfers between funds | - | (50,000) | - |
| Balance carried forward | <u>£ 524,163</u> | <u>£ -</u> | <u>£ 203,666</u> |

The development fund has been established by the Executive Committee to facilitate the development of the junior game and to increase the profile and appeal of the game to juniors.

The international tournament fund was established by the Executive Committee to facilitate the hosting of international tournaments.

14. THE TRUST FUND

A separate statement showing the transactions and financial position of the Trust Fund has been circulated. The balance of the Trust Fund, which at September 30, 2004 was £137,986 has been invested in UK Government securities, unit trusts and equities, and bank deposits.

15. GRANTS FOR THE BENEFIT OF LADY GOLFERS

The Association acts as trustee in respect of grants made for the benefit of certain lady golfers. Such grants have not been included in these accounts.