

GOLF FOUNDATION LIMITED

REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2014**



GOLF FOUNDATION LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2014

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THE GOLF FOUNDATION LIMITED
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2014

The Board of Trustees of the Golf Foundation submit their sixty first Annual Report, together with the Consolidated Financial Statements of The Golf Foundation Limited and its subsidiary Golf Foundation Enterprises Limited, for the year ended 31 December 2014.

OBJECTIVES OF THE FOUNDATION

The Golf Foundation exists to develop, promote and support junior golf throughout the British Isles. Through the concept of "Skills for Life", which is integrated into all its programmes and resources, the Foundation's aim is to give children and young people the opportunity to experience golf and the benefits it has to offer.

The Golf Foundation seeks to further this aim and its formal objects as set out in Paragraph 3 of its Memorandum of Association by pursuing the following objectives:

- a) researching, developing and promoting products, resources and activities to introduce golf into primary schools;
- b) researching, developing and promoting products, resources and activities to introduce golf into secondary schools;
- c) providing financial and logistic support to clubs working with schools;
- d) providing financial and logistic support to golf clubs and facilities to help young people play;
- e) subsidising instruction by Professional Golfers to students of schools, colleges of further education and other places of higher education, junior members of Golf Clubs who are in full-time education and to young people with disabilities and other special needs;
- f) working in collaboration with other golfing organisations in the context of National Partnerships.

Each of the above objectives (a) to (f) primarily relate to expenditure reported in the "Grants Made" section of Note 2.2 to the Financial Statements.

- g) operating a skills progression programme, to include elements dealing with the rules and etiquette of golf as well as life skills;
- h) offering training opportunities for teachers, PGA Coaches and nominated volunteers;
- i) promoting awareness of issues connected with safeguarding and protecting children and playing an active role in the development of relevant resources and procedures;
- j) encouraging awareness of equality issues and seeking to offer opportunities to young people regardless of their background or circumstances;

Each of the above objectives (g) to (j) primarily relate to expenditure reported in the "Operations" section of Note 2.2 to the Financial Statements.

- k) establishing and maintaining a network of Development Officers;

This objective relates to expenditure reported in the "Staff and Support" section of Note 2.2 to the Financial Statements.

- l) promoting awareness of the importance of junior golf through presence at golf and other public events, and through use of printed and electronic media;

This activity relates to expenditure reported in Note 2.3 to the Financial Statements.

- m) encouraging the formation of and supporting National and County Schools' Golf Associations; and
- n) providing or encouraging the provision of suitable competitive opportunities for young golfers.

Both of the above objectives (m) and (n) primarily relate to expenditure reported in Note 2.4 to the Financial Statements.

THE GOLF FOUNDATION LIMITED
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

OBJECTIVES OF THE FOUNDATION (continued)

The Golf Foundation additionally engages in fund-raising operations in order to provide the income to fund the above operations and thereby to further its charitable objectives and deliver public benefit.

FUTURE PLANS

Our specific objectives for 2015 are:

- a. Review and update secondary school offer;
- b. Update corporate look with new materials;
- c. Develop a new retention offer for golf clubs;
- d. Introduce support for a network of junior specialist coaches;
- e. Review and update website;
- f. Expand competition offer via StreetGolf activity;
- g. Develop enhanced monitoring and evaluation procedures.

PUBLIC BENEFIT

The Trustees are aware of and are in compliance with their duty under section 17 of the Charities Act 2011 to have due regard to the guidance available from the Charity Commission on public benefit when reviewing the Foundation's aims and objectives and in planning future operations. In particular, the Trustees consider how planned operations will contribute to the aims and objectives which they have set.

The Charities Act sets out a number of descriptions of charitable purposes, and the Trustees consider that the following three are most relevant to the aims, objectives and operations of the Golf Foundation:

- a) the advancement of education;
- b) the advancement of citizenship or community development; and
- c) the advancement of amateur sport.

The Golf Foundation's stated objectives of grant provision, teacher and young volunteer training and support for School Games show it to be actively engaged in providing financial, logistic and advisory support to the education sector. The Foundation aims to facilitate the delivery of golf as a school sport and thereby to increase the number of schools which offer golf as a sporting option to their students. Since 2012 the Foundation has been actively engaged, with advisory and financial support from the Youth Sport Trust, in developing formats to facilitate the inclusion of golf as an approved sport for the School Games. From 2013, with the support of Sport England, the Foundation is encouraging the creation of Satellite Clubs, all of which are intended to provide structured linkage between schools and golf facilities. The Trustees consider that these aims, objectives and operations provide public benefit in that the educational experience of school students is enhanced and will continue to seek to make that enhanced experience available to an increasing number of young people.

The grants made by the Golf Foundation show it to be actively engaged in promoting local golf development projects which widen golfing opportunity at a community level. It does this primarily by ensuring that its work in the education sector is not being pursued in isolation but rather in effective partnership with golf clubs and facilities and relevant arms of the public sector, such as local authorities, primary care trusts and law enforcement agencies. The Foundation believes that the sport of golf has certain inherent core values and that involvement in the sport can provide young people with enhanced life skills as well as improved sporting abilities. The Foundation reflects this in the concept of "Skills for Life" which is built into the design of all its resources and activities. The Trustees consider that these aims, objectives and operations provide public benefit in that they develop communities by increasing the breadth and quality of sporting opportunity and advance citizenship through the promotion of "Skills for Life" to the young people within those communities.

The partnership working with other core organisations in golf across England, Scotland and Wales plus the promotion of competitive opportunities through the School Games show it to be actively engaged in advancing the sport of golf. It does this by contributing to effective collaborations with other golfing organisations, and through those collaborations delivering financial, logistic and advisory support to facilitate the provision of golf tuition to young people. The young people involved thereby not only receive an enhanced educational experience, and the chance to acquire valuable life skills, but are also provided with an opportunity to take up long-term participation in the sport, and in some cases, to develop performance abilities at an elite level. The Trustees believe that these aims, objectives and operations provide public benefit in that they promote wider participation and talent development which both contribute to the advancement of the sport.

Objectives around safeguarding, equality and operating a regional development workforce are pursued in support of the above charitable purposes.

THE GOLF FOUNDATION LIMITED
REPORT OF THE BOARD OF TRUSTEES
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RESULTS OF OPERATIONS

The results for the year are set out in the Statement of Financial Activities on page 17. Total income for the year was £1,697,218 compared to £1,617,400 in 2013. Total expenditure for the year was £1,605,717 compared to £1,551,476 in 2013. There was therefore a surplus of £91,501 in 2014 compared with a surplus of 65,924 for the previous year. This result is stated before revaluation of investment assets and gains on investments which in 2014 totalled a gain of £14,131 (2013 - gains of £119,500).

During the year the Golf Foundation has contributed £1,456,508 (2013 - £1,394,347) to its charitable aims.

The Golf Foundation has addressed its objectives through its operations as follows:

a) Primary Schools

In 2014 the Golf Foundation continued to promote its initiative for primary schools - "Tri-Golf". A total of £18,690 (2013 - £12,945) was expended on the promotion of this project.

£16,550 was spent on an updated Tri-Golf Manual, new brochures and a redesign of Tri-Golf activity cards in 2014 explaining why the expenditure was significantly higher in 2014 compared to 2013.

This expenditure was made out of the Foundation's unrestricted funds.

b) Secondary Schools

A total of £9,150 was expended on development of the Golf Xtreme resources in 2014, due to the Teachers' manual being updated. (2013 - £4,870).

During 2014 a total of £25,250 was spent on Satellite Clubs (2013 £20,358). However, it should also be noted that in promoting Satellite Clubs the Golf Foundation has been working in collaboration with County Sports Partnerships and also with the Premier League for Sport Initiative. Both these collaborations have generated incremental funding and support for Satellite Clubs.

c) School Sport Partnerships

During 2005 the Golf Foundation began a programme of financial support directed at School Sport Partnerships which has continued to date. This programme is made possible by funding from Sport England.

As a result of the new coalition government decision to scrap funding for School Sport Partnerships in October 2012 and provide funding directly to primary schools through the Primary School Premium as well as fund National Governing Bodies to deliver activity for young people aged 14+ from April 2013, the number of School Sport Partnerships has dramatically reduced.

As a result of the demise of School Sports Partnerships, Golf Foundation funding for this work has significantly reduced. The associated expenditure during 2012 was £102,415. This expenditure reduced to £27,883 in 2013. Only £1,300 was spent in 2014 on a small number of school club link grants.

d) Club and Facility Support

In 2014, in England specific targets for participation of young people in HSBC Golf Roots Centres were agreed with England Golf and more unrestricted funding to support activity was released. In addition, grant support for the Welsh Centres now forms part of the overall total for "Golf Roots Centres". This led to £176,050 being spent on grants to golf clubs in England and Wales, compared to £117,059 in 2013.

In England, the number of HSBC Golf Roots Centres at December 2014 was 325, delivering a total of 632 under 14 and 14+ projects. In 2013, the comparison was 420 projects.

In Wales, the number of HSBC Golf Roots Centres supported increased to 29 from 20 in 2013.

In Scotland, the Foundation, as part of its contribution to the ClubGolf national strategy, operates a discretionary grants scheme to which golf clubs and facilities can apply. Grants totalling £9,121 were made during 2014 (£7,383 in 2013) primarily to support provision of equipment and the training of volunteers.

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REPORT OF THE BOARD OF TRUSTEES
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RESULTS OF OPERATIONS (continued)

d) Club and Facility Support (continued)

Monitoring of the network has been one of the main tasks of the Foundation's Development Officers in England and Wales, who during 2014 were operating in eight English and three Welsh regions (see (l) below).

e) Historical Coaching programmes

The programmes and activities described above now represent the primary ways in which the Golf Foundation supports schools, clubs and other organisations. The Foundation has continued to operate its original schemes whereby financial support is made available to individual organised groups of young golfers. However, these schemes are no longer at the forefront of the Foundation's operational planning and have been allowed steadily to diminish over recent years.

Spending in this area decreased to £4,312 in 2014 compared to £14,257 in 2013. This was an intentional decrease in spending as, in future, funding for projects should be awarded through HSBC Golf Roots projects

In 2013 the total number of registered groups was 47 and the total of grants made was £14,257.

The bulk of the grant expenditure was for the special needs schools, and the majority of these were located in Northern Ireland. During 2013 it was decided that support for schools in Northern Ireland was correctly in the remit of Junior Golf Ireland and therefore grant support from the Golf Foundation was no longer to be available. For this reason expenditure under this heading has fallen substantially in 2014.

f) National Partnerships

The various organisations involved in junior golf in each of England, Ireland, Scotland and Wales have joined together to form National Partnerships so as better to coordinate their respective activities.

In England, the England Golf Partnership ("EGP") is made up of England Golf (the merged body incorporating the former English Golf Union and the English Women's Golf Association), along with the Professional Golfers' Association. The Golf Foundation is not formally a partner organisation, and along with Sport England plays a supporting role, albeit we have a place on the board. The Foundation is formally recognised as the delivery agent on behalf of the EGP for grass roots junior golf activity. In practical terms, therefore, the Foundation's activities in England have been incorporated into the Whole Sport Plan, which is the national strategy set out by the EGP. The Foundation in 2014 received £211,635 from the EGP to support those activities (2013 - £246,635).

In Ireland, Junior Golf Ireland has been subsumed within the Confederation of Golf Ireland.

In Scotland, The Golf Foundation is a full partner of ClubGolf Scotland and alongside the Scottish Golf Union, the Scottish Ladies' Golf Association, and the PGA has formed the ClubGolf Scotland partnership. The two Foundation development staff in Scotland now form part of an integrated ClubGolf Development Team comprising a team of 8 Regional Managers.

In Wales, the merged Golf Union of Wales, along with the Golf Foundation and Sport Wales make up the Golf Development Wales partnership.

g) Skills Progression Schemes

An extensive review process was undertaken during 2012 which led to the launch of a new version of the Passport resources in late 2013. Expenditure for both 2012 and 2013 was therefore influenced by the costs of developing the new suite of resources. For 2013 and beyond, now that the scheme and the associated website are operational, expenditure should settle into a lower and more regular annual level. Expenditure on the Junior Golf Passport in 2014 was £39,497 compared to £50,377 in 2013.

The response to the new scheme has been encouraging and this is reflected in the income generated. Income for the Junior Golf Passport - which now mainly consists of website registrations as opposed to purchase of resources - was £46,281 in 2014 compared to £28,656 in 2013.

As at the end of 2014 there were 633 golf clubs or facilities who had registered to access the JGP website. The number of coaches registered to deliver the Passport scheme was 782, and the number of children registered was 4490.

By the end of 2015 it is hoped to have at least 650 registered facilities and 6,500 children registered on the scheme.

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REPORT OF THE BOARD OF TRUSTEES
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RESULTS OF OPERATIONS (continued)

h) Training Opportunities

The Golf Foundation offers a variety of training workshops.

In addition to the established workshops for teachers and volunteers interested in the delivery of Tri-Golf and Golf Xtreme activities, new workshops were developed to complement the new initiatives for Satellite Clubs and StreetGolf.

As a result, more workshops were delivered in 2014 (217) than in 2013 (186), and more teachers, PGA Coaches and volunteers (3,075) were trained than in 2013 (2,372).

The Golf Foundation trained 1,345 young volunteers to deliver a Tri-Golf or Golf Xtreme competition. In addition, through School Games a total of 3,003 young volunteers helped deliver a golf competition.

Note 2.2 records £750 expenditure under the heading "Training Courses" during 2014. In 2013 the equivalent figure was nil. As explained above, this is not reflective of less training activity taking place - the reverse is in fact the case. However, costs which relate to training activities form part of other cost headings, for example, the development and production of manuals for Tri-Golf and Golf Xtreme shows up under those headings. It is also worth noting that the largest cost component involved in delivering training workshops is the time of the Regional Officers, which is shown in Note 2.2 under "Staff and Support".

It is planned to deliver 328 workshops in 2015.

i) Safeguarding Children

The Golf Foundation is represented on the Children in Golf Strategy Group ("CIGSG") which brings together multiple golfing organisations and is intended to harmonise policies and coordinate practices in the field of child welfare.

The CIGSG has pooled resources collectively to finance the secondment to golf in England of an officer of the NSPCC Child Protection in Sport Unit, although the scope of her role has been slightly reduced due to the withdrawal of funding from certain partner organisations. The contribution made by the Golf Foundation during 2014 was £2,734 (2013 - £2,365). At the end of 2014, the decision was taken by CIGSG to discontinue funding for the secondment role from the CPSU. Instead, the Golf Foundation will contribute a similar level of funding towards an external case management consultant in partnership with the other members of the group.

The Foundation intends to continue its commitment to the CIGSG during 2015 and to play an active role in the field of child welfare.

j) Equality, Inclusion and Communities

Under the latest Whole Sport Plan, progress has been made in developing a new community offer under the brand, StreetGolf. This targets inner city and 'hard to reach' young people through key partners such as StreetGames and Premier League 4 Sport. StreetGames is national organisation funded by Sport England that promotes doorstep sport in disadvantaged areas.

k) Equality, Inclusion and Communities (continued)

The 2012 City Projects programme incorporated the new "StreetGolf" concept for the first time. StreetGolf is about using imagination and improvisation to create golf games in any environment. Working in partnership with StreetGames to design the training workshop and access existing Doorstep Clubs within disadvantaged areas.

StreetGolf proved to be a great success, and will receive new funding from Sport England for the 2014-2017 funding cycle. The programme will continue to be developed in close association with StreetGames and thereby to exploit the opportunities provided by StreetGames' established network of Doorstep Clubs. The number of Doorstep clubs at 31 December 2014 was 20.

Another new programme was introduced during 2012 that being the HSBC Golf Roots Plus programme. Over the years in which City Projects were run, it became apparent from contacts representing the communities in those areas that there was a demand for support for projects which, whilst retaining a golfing component, were more focussed on community issues and social outcomes. The HSBC Golf Roots Plus programme was created to address this need. During 2014, 14 grants were made (2013 - 15), and included projects in partnership with West Midlands Police and Bolton Wanderers FC Community Trust.

The future of the HSBC Golf Roots Plus has been secured for three years thanks to new funding pledged by the Gerald Micklem Charitable Trust.

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RESULTS OF OPERATIONS (continued)

l) Development Officers

At the beginning of 2014, 7 Officers were in place in each of the seven English Regions - North West, North East, West Midlands, East Midlands, East, South West and South East. In July 2014, the number of regions increased to 8 and the GF employed an eighth RDO to complement the 8 officers managed by England Golf. In addition, since November 2010 a Golf Roots Activator has been in place with specific responsibility for London. This post was previously limited to East London but took on a wider role during 2013 with the help of continued funding pledged by the European Tour.

The Golf Foundation has maintained two Development posts based in Scotland during 2014. The roles of these members of staff form part of the overall regional development network operated by the ClubGolf Scotland Partnership.

The total for staff and support costs for the Development Officer network in 2014 was £575,925 (2013 - £535,100).

The Golf Foundation has also continued its arrangement with Golf Development Wales whereby it contributed £24,099 during 2014 (2013 - £30,481) to fund the Development Officers in Wales. There were originally two Regions (North and South), but in 2012 a third Region for Mid & West Wales was added. The additional funding from 2014 onwards was an agreed increase to assist with the expansion to three officers.

m) Promotions and Publicity

In May 2014, during the week of the prestigious BMW PGA Championships at Wentworth Club, Surrey, the Golf Foundation was asked to run an innovative junior golf activity at a specially created stand in the tented village, thanks to the European Tour.

In July, the Golf Foundation again took up the invitation of the R & A to attend and organise activities at the Open Championship at Royal Liverpool GC.

As in previous years, the Foundation also organised activities in association with the European Seniors Tour.

The Foundation published three issues of its newsletter "Junior Golf Matters" during 2014 with a distribution of approx 5000.

The Foundation also communicates via a quarterly e-zine - "Junior Golf E-matters" with a distribution of approx 3000.

n) Schools' Golf Associations

In 2002 the Golf Foundation re-established its link with the English Schools' Golf Association, and the Chief Executive is the Foundation's representative on the ESGA Executive Committee. This connection will be maintained during 2015.

o) Competitive Opportunity

The Golf Foundation is committed to the provision of competitive opportunity for schools through the School Games. In 2012, the Golf Foundation adapted its competition offer around the School Games as part of London 2012 Olympics. This initiative has proven to be very successful for the Golf Foundation and has ensured that golf remains an integral part of competitive school sport. In the 2012/13 academic year, 39 counties delivered golf and 24 out of 32 boroughs in London ran a golf competition. In 2014, 42 counties ran a golf event as a result of the School Games and 28 London boroughs ran a golf competition. 4807 schools were recorded as intending to run a golf event. 2521 schools were actually reported to take part in one of 322 competitions. 3182 young volunteers helped run the events. This explains the increase in expenditure on School Games to £15,375 in 2014 compared to £7,175 in 2013.

THE GOLF FOUNDATION LIMITED
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FUND RAISING

The Golf Foundation typically draws its funding from six sources:

- a) Core Funders;
- b) Donations;
- c) Activities to raise funds;
- d) Operational income;
- e) Grants; and
- f) Investment income.

a) Core Funders

The Golf Foundation has throughout its existence received generous support from other golfing bodies, principally the R & A, the Professional Golfer's Association, the European Tour, and Ryder Cup Ltd. Between them these bodies contributed £1,042,370 in 2014 (2013 - £901,361).

In 2014 the amount of funding from the R & A and HSBC was increased to £595,000 (2013 - £550,000).

The European Tour contributed a total of £138,600 in 2014 compared to £143,283 in 2013.

The PGA contributed a total of £122,880 in 2014 compared to £108,078 in 2013.

The Ryder Cup increased their giving in 2014 to £185,890 from £100,000 in 2013. The 2014 donation was supplemented by a one off contribution to help with the impact of the lower Sport England funding settlement.

The Trustees wish to record their great appreciation for the support and commitment of all these funders.

In 2014 the Golf Foundation also received very welcome funding from England Golf. £85,976 was received, which forms part of a total contribution of £90,000 pledged. Discussions are taking place with England Golf in the hope that this will be a regular annual payment.

The BGIA again pledged that the Foundation will receive the proceeds from their annual Golf Day, (which they promised to supplement if necessary to ensure that the donation is not less than £15,000). The amount received from the BGIA was £15,000 for 2014.

b) Other Donations and Gifts

Donations from sources other than the core funders totalled £82,726 in 2014 (£87,647 in 2013). Excluding donations which have been allocated to specific Designated or Restricted projects, the total of unrestricted donations is £72,726.

c) Appeals and Events

The Golf Foundation operates a number of well-established fund raising activities through the year. These include:

- Annual Appeal to Golf Clubs;
- Charity Challenge;
- Pro-Am Golf Day (in conjunction with the European Tour);
- corporate sponsorship; and
- Individual Giving Scheme.

The total amount raised from these and other activities in 2014 was £88,017. This represents a decrease from 2013 when the equivalent total was £109,153.

The main decrease came from the annual appeal to Golf Clubs

A new fundraising campaign in conjunction with Teeofftimes raised an amount of £8,818.50 in 2014 and will continue in 2015 to build on the success of the first year. This was included in Annual Appeal to Golf Clubs.

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REPORT OF THE BOARD OF TRUSTEES
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d) Income from Charitable Activities

Income sources under this heading include:

- registration payments associated with the allocation of coaching grants;
- charges for training courses;
- charges for attending conferences;
- payments connected with the secondment of employees to the England Golf Partnership;
- payments for resources, principally the Junior Golf Passport; and
- royalties connected with the sales of Tri-Golf and Golf Xtreme equipment.

The total income from these sources in 2014 was £81,882. In 2013 the total was £80,189. There was higher income from the new Junior Golf Passport (see section (g) above under Results of Operations), and also from the greater number of workshops delivered (see section (h) above under Results of Operations).

Royalty income on Tri Golf and Golf Xtreme sales by Davies Sport both increased and were helped by the introduction of new royalties on Street Golf sales.

e) Grants Receivable

In 2014 the figure for Grants Receivable was £228,365. This represents a decrease in funding compared to 2013 when the total was £284,477.

Funding from the England Golf Partnership has been reduced in 2014 with £211,635 being received compared to £246,635 in 2013. 2013 included additional support for the Satellite Club Pilot programme

Funding from the Youth Sport Trust has now stopped as it was previously provided for a ring-fenced leadership programme

With regard to funding from Sport Wales, this derives from the Foundation's role in the Golf Development Wales partnership. The grant was £7,500 in 2014 (2013 - £7,500). It is hoped that this funding stream will be sustained into 2015.

Other grants of £9,230 were received in 2014, which are for the development of Satellite Clubs in England. £2,930 was received from Lincolnshire Sport and £6,200 was received from London Sport.

f) Investment Income

Investment income totalled £72,882 in 2014. In 2013 the total was £65,579. In 2014, £70,074 was reinvested in the investment portfolio.

g) Golf Foundation Enterprises Limited

During 2011 certain of the income generating activities from which the Golf Foundation benefits were determined to be trading activities which due to an increase in scale would need to be conducted through its wholly owned subsidiary company, Golf Foundation Enterprises Limited. The Financial Statements were therefore, and continue to be, presented in a consolidated format.

Only certain specific trading activities are affected, and the subsidiary is not engaged in trading on a day-to-day basis. The activities operated through the trading subsidiary are those in the nature of commercial sponsorship - which forms part (£50,000) of the income detailed under Note 1.1 to the Consolidated Financial Statements; and royalty income - which forms part (£22,281) of the income detailed under Note 1.4 to the Consolidated Financial Statements. Expenditure associated with these income generating activities includes an allocation of support costs from the Charity (£35,654) which form part of the expenditure detailed under Note 2.2 to the Consolidated Financial Statements; and audit costs, which form part of the expenditure detailed under Note 2.5 to the Consolidated Financial Statements. A profit of £34,805 was made all of which was gift aided to The Golf Foundation Limited.

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REPORT OF THE BOARD OF TRUSTEES
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CONSTITUTION AND GOVERNANCE

Patron

His Royal Highness The Duke of York, KCVO, ADC is the Patron of the Golf Foundation.

President

C.S.Montgomerie OBE is the President of the Golf Foundation.

Board of Trustees

C.P.Harrison is the Chairman of the Board of Trustees.

The Golf Foundation Trustees are:

Ms D.Allmey
I.Armitage
N.Evans (appointed 30 January 2014)
N.Fletcher
Mrs D.Horsley
S.Jones
F.Lindgren

Sir Robin Miller
D.Poole
S.K.Proctor
N.Sladden
D.Weir

Within the framework of the Memorandum and Articles of Association "the affairs of the Foundation shall be governed by the Board of Trustees". Under Article 11.3 the Board are empowered to make appointments of new Trustees, subject to ratification at the next Annual General Meeting. Article 16 sets out procedures for the retirement by rotation of Trustees of the Board, and their re-election (if willing to stand) at an Annual General Meeting.

The Board usually meets on at least four occasions each year. The Board has also delegated part of its authority to a Finance Committee which comprises the Chairman, three additional Members of the Board, along with the Chief Executive and the Finance Manager.

The Finance Manager (A.J.Bough) resigned as an Officer of the Company (Company Secretary) on 30 November 2014. His position is being filled on an interim basis, by Mr S.T. Evans until a permanent replacement is found in 2015. Neither the Chief Executive nor the Finance Manager is a Member of the Board.

The Board is comprised of a maximum of 14 individuals, and there are currently 13 Trustees. Five Trustees by convention have a connection to other golfing organisations; the rest, who should always form the majority, are independent. New Trustees are generally appointed as a result of recommendations made by existing Trustees. On appointment, they are provided with a pack of reference materials which includes the Memorandum and Articles of Association and a copy of Charity Commission leaflet CC3. Training is provided where considered appropriate.

In accordance with the Articles of Association the Members of the Board retiring by rotation are:

Ian Armitage, Di Horsley, Sandy Jones and Stephen Proctor - who being eligible, offer themselves for re-election.

Board Members' Remuneration

No Member of the Board drew any remuneration in the year to 31 December 2014 (or in the year to 31 December 2013).

Vice Presidents

The following individuals have been appointed as Vice Presidents in recognition of their service to the Golf Foundation, their playing achievements, or their contribution to the development of golf:

P.Alliss
Sir Michael Bonallack OBE
Dame L.J.Davies CBE
Sir Nick Faldo MBE
B.Gallacher OBE
A.Jacklin CBE
P.S.Lawrie MBE
A.W.B.Lyle MBE

Mrs C.I.Matthew MBE
Miss A.Nicholas MBE
I.D.Peacock OBE
K.D.Schofield CBE
Miss K.Stupples
W.J.Uzielli
A.R.Wheeler

All Vice Presidents are also *ex officio* Members of the Golf Foundation.

THE GOLF FOUNDATION LIMITED
REPORT OF THE BOARD OF TRUSTEES
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CONSTITUTION AND GOVERNANCE (continued)

Members

The following individuals are Members of the Golf Foundation:

Miss L.E.C. Attwood MBE	T. Horton	Mrs B. Rainey
P. Ball	H. Hunter	J. Shepley
E. Bullock	T. Morrison	D. Turner FCA
Ms J. Carter	J. O'Leary	J. Vickers
P. D. German	D. D. F. Rae	Dr A. White OBE
		H. Wickham

The following organisations are also Members of the Golf Foundation:

England Golf	The R & A
Scottish Golf Union	PGA European Tour
Scottish Ladies' Golf Association	Professional Golfers' Association
Golf Union of Wales	Ladies' European Tour
Ladies' Golf Union	British Golf Industry Association

Honorary Members

One of the results of the Extraordinary General Meeting held on 10 November 2005 was to introduce the concept of Honorary Membership. The status of Honorary Member is intended to recognise a valued service or contribution to the Golf Foundation, but does not carry any formal role in the governance of the Foundation. Several individuals who were formerly full Members of the Foundation have opted to assume the status of Honorary Members:

T. Adams	P. Davidson	T. Hutton	C. Plumridge
W. Baird	I. E. R. Dickson	Mrs G. Jones	Mrs D. Rothschild
J. R. Boardman	Mrs S. Fox	M. Lumsden	R. Snell
A. Brown	D. Hamilton	D. McCarthy	J. Stirling
Mrs D. Brown	G. Hammond	J. Martin	J. Taylor
R. A. Chalkley	Miss K. Hannay	D. B. Miller	H. Thomas
Mrs G. Collins	T. A. Hilliard OBE	N. A. C. Moore	W. F. Tillman
Mr J. Collins	D. Horsburgh	A. Morgan	Mrs M. Vine
D. Cule Smith	Mrs M. Horsburgh	A. R. Payne	A. J. Wellan
	D. Houlihan	F. F. Picken CA	N. Winton

Executives

On a day to day basis the organisation is run by a management team headed by the Chief Executive and three Heads of Department, each with a team of Officers and Administrators:

Brendon Pyle
(Chief Executive)

Interim Simon Evans
(Finance Manager)

Paula Williams
(Finance Officer)

Tina Roberts
(Coaching Scheme Administrator)

Vacant
(Development Manager)

Andy Leigh
(England - North West)

Ian Harvey
(England - North East)

Jason Sorrell
(England - South)

Martin Crowder
(England - West Midlands)

Andy Wright
(England - South East)

Mark Boscott
(England - South West)

THE GOLF FOUNDATION LIMITED
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

CONSTITUTION AND GOVERNANCE (continued)

Executives (Continued)

Katie Moggan (England - East)	Daisy Brierley (Activator - East London)
Ann Lang (Scotland - South West)	Martin Ritchie (Scotland - Tayside & Fife)
Dilwyn Griffiths * (Wales - North)	Zoe Thacker * (Wales - South)
Stuart Finlay * (Wales - West & Mid)	Stacey Mitchell England - East Midlands & Yorkshire

** denotes a position part-funded by the Golf Foundation*

Sarah Tennyson (Marketing Manager)	Jane Johnson (Marketing Assistant)	Joan McCrohan (Communications Assistant)
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Shannon Daly (Administration Assistant)

STATEMENT OF THE RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Members of the Board of Trustees, who are also the Directors for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Members of the Board of Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 its net incoming resources for that period. In preparing these financial statements, the Members of the Board of Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.
- Observe the methods and principles in the Charities SORP

The Members of the Board of Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the transactions of the Charitable Company and disclose with reasonable accuracy at any time the financial position of the Charitable Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each Member of the Board of Trustees is aware, there is no relevant audit information of which the Charity's auditor is unaware. The Trustees have each taken all the steps required of them as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

RESERVES

At 31 December 2014 unrestricted designated funds were £167,126 being funds set aside by the Trustees representing the net book value of tangible fixed assets at the end of the financial year and funds received from a number of specific sources by way of donations, lifetime gifts and legacies. These funds have been designated by the Trustees to expend in the medium term on programmes and specific activities that have a connection with the original funder.

The remaining unrestricted funds at 31 December 2014 amounted to £1,279,723 being the General Fund. The reserves policy of the Board of Trustees for the General Fund is, as far as prudently possible, to commit all the funds that are raised by the Charity having regard to the need to cover a normal level of working capital (the minimum level set for reserves). This policy was reviewed by the Trustees in the year under review and the resultant policy adopted was to set the minimum level for reserves at a figure approximately representing 6 months of total staff and support costs. This policy will be reviewed again in 2015.

THE GOLF FOUNDATION LIMITED
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

RISK ASSESSMENT

At Board meetings, the Trustees review the risks to which the charity is exposed as part of the discussion around individual agenda items. They are dedicated to improving and refining that the systems in place mitigate the Charity's exposure to major risk.

INVESTMENT POLICY

Under paragraph 3(B)(g) of the Memorandum of Association the Golf Foundation has the power to invest "as may be thought fit".

The investment policy of the Board of Trustees is to minimise investment risk by favouring low-risk holdings, and this is reflected in a policy of only holding accumulation units in the Charity Multi-Asset Fund administered by Schroders. The investment target annual return of the fund is 4% net of commission.

The overall value of the portfolios rose from (restated) £1.894m to £2.228m during 2014. This was a combination of increased unit values, the re-investment of distributions and a further injection of £250k into the Portfolio. The expected return on the portfolio was 4% per annum, which was met.

GRANTS

It is the policy of the Golf Foundation to make grants to provide financial assistance to organisations providing formal golf tuition or a less formal introductory golfing experience to children and young people. The purpose of the grant is to provide the organisation delivering the tuition or experience with a means to recover all or part of the expenditure incurred as a result of such provision. In this way the tuition or experience can be provided at no or nominal cost to the children and young people, or their parents. Thereby the opportunity to benefit from the tuition or experience is made more easily and widely accessible.

In order to ensure that demand for grants does not exceed the budget available the Foundation each year identifies closed lists of organisations - primarily schools and golf clubs or facilities - which are advised that they will be eligible to apply for a grant during the coming year. These lists are comprised mostly by continuation from the previous year, with vacancies being filled if budgetary constraints allow.

Each organisation eligible to apply for a grant is advised of the maximum grant they can expect to receive. Claims are then made by the organisation which is required to provide evidence in writing that golf tuition or an introductory golfing experience has been provided. If the Foundation is satisfied with such evidence the application is approved and a grant cheque issued.

The Golf Roots Centres programme (formerly Community Links) introduced early in 2007 works differently in that grants are awarded in advance to golf facilities and local projects. Eligibility to apply for such a grant award is based on certain criteria being achieved, and the grant award decision is dependent on a satisfactory action plan being agreed. Future grant decisions would then be influenced by the results achieved compared with the action plan. Grants to School Sport Partnerships and the new HSBC Golf Roots Plus grants also operate according to this procedure.

TAXATION

As the Golf Foundation is a registered charity under the Charities Act 2011 it is potentially entitled to the exemptions from tax afforded by sections 466 to 493 of the Corporation Tax Act 2010 and sections 521 to 536 of the Income taxes Act 2007 so far as its income and gains are applied for charitable purposes. No tax charge has arisen in the year. No tax charge has arisen in its subsidiary company as it has pledged all of its operating profit to the Charity.

AUDITOR

Crowe Clark Whitehill LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Acts it is proposed that they be re-appointed Auditor to the Company for the ensuing year.

THE GOLF FOUNDATION LIMITED
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

BANKERS AND PROFESSIONAL ADVISORS

Bankers

HSBC plc
8 Canada Square
London E14 5HQ

Barclays Bank plc
54 Lombard Street
London EC3V 9EX

Investment Advisors

Schroder & Co
100 Wood Street
London EC2V 7ER

Auditor

Crowe Clark Whitehill LLP
Statutory Auditor
Carrick House, Lypiatt Road
Cheltenham
Gloucestershire GL50 2QJ

CORPORATE STATUS

The Golf Foundation Limited is a company limited by guarantee and is incorporated in Great Britain under registration number 00519615. The Governing Document of The Golf Foundation Limited is the Memorandum & Articles of Association. The Articles of Association were amended by Special Resolution of the Company passed on 11 May 2006.

In preparing this Report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

CHARITABLE STATUS

The Golf Foundation Limited is a Registered Charity under registration number 285917.

REGISTERED OFFICE

The Spinning Wheel
High Street
Hoddesdon
Hertfordshire
EN11 8BP

BY ORDER OF THE BOARD



C.P. HARRISON
Chairman

Date: April 22nd 2015

THE GOLF FOUNDATION LIMITED
REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
THE GOLF FOUNDATION LIMITED

We have audited the financial statements of The Golf Foundation for the year ended 31 December 2014 which comprise as the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 14.

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).

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 charitable Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable Company for the purpose of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable Company's affairs as at 31 December 2014 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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:

- the parent Charitable Company has not kept adequate accounting records; or
- the parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Guy Biggin (Senior Statutory Auditor)
For and on behalf of **Crowe Clark Whitehill**
Statutory Auditor

Carrick House, Lypiatt Road
Cheltenham GL50 2QJ

Date: **30 April 2015**

THE GOLF FOUNDATION LIMITED
(Limited by Guarantee)
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2014

The Financial Statements are prepared in accordance with the Statement of Recommended Practice (2005) - "Accounting and Reporting by Charities" - and applicable United Kingdom accounting standards.

The Financial Statements are prepared under the historical cost convention as modified by the revaluation of investments.

The Financial Statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Small Entities (effective April 2008).

The Financial Statements consolidate the results of the Charity and its wholly owned subsidiary Golf Foundation Enterprises Limited on a line by line basis. A separate Statement of Financial Activities ("SOFA"), and income and expenditure account, for the Charity itself are not presented because the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the Charities SORP.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of the Responsibilities of the Board of Trustees on page 11.

The principal Accounting Policies of the Charity are set out below:

a) Income from Investments

Investment income comprises interest and dividends receivable on listed investments.

b) Tangible Fixed Assets

Tangible fixed assets are stated at cost, less accumulated depreciation and any provision for impairment. Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates applicable are:

Office Equipment	-	10%
Computer Equipment	-	20%
Improvements to Leased Premises	-	over the term of the Lease

c) Investments

Investment assets are included in the Balance Sheet at their market value as at 31st December 2014. The unrealised and realised revaluation surplus or deficit is reflected in the SOFA.

It is the Foundation's policy to keep valuations up to date such that when investments are sold there is no realised gain or loss arising. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the investment portfolio throughout the year.

d) Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. All exchange differences are dealt with through the Income and Expenditure Account. The accounting policy for foreign currency translation is as prescribed by Statement of Standard Accounting Practice 20.

e) Incoming Resources

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

Donated services: are included at the value to the Charity where this can be quantified. No amounts are included in the financial statements for services donated by volunteers.

Gifts in kind: where donated for distribution are included at the value to the Charity and recognised as income when they are distributed.

Grants receivable: are recognised when there is entitlement, certainty of receipt and the amount can be measured reliably.

Legacies: entitlement is the earlier of the Charity being notified of an impending distribution or the legacy received. Upon sufficient certainty of receipt the legacy is recognised. At which time the value of the resource can be measured more accurately.

THE GOLF FOUNDATION LIMITED
(Limited by Guarantee)
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

f) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Overhead costs that are premises related are allocated on a floor area basis, staff costs are allocated on an estimate of time usage and other overheads have been allocated on the basis of head count.

Grants: are charged to the SOFA when a constructive obligation arises.

Fund raising costs: are those incurred in seeking voluntary contributions. Costs of disseminating information in support of the Charitable Activities are shown under the heading of Promotions and Publicity.

Governance costs: are the costs associated with the governance arrangements of the Charity which relate to the general running of the Charity as opposed to the costs associated with fund raising or charitable activities. Included within this category are costs associated with the strategic as opposed to day-to-day management of the Charity's activities.

Support costs: include the central office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and financing and are allocated across the categories of charitable expenditure, governance costs and the cost of generating funds.

g) Recognition of Liabilities

Liabilities are recognised when there is a legal or constructive obligation that commits the Charity to the obligation.

h) Stock

Stock is included in the Balance Sheet at the lower of its cost or net realisable value.

i) Operating Leases

Rental costs on operating leases are charged on a straight-line basis over the period of the lease.

j) Funds held for Designated and General Purposes

Designated Funds comprise funds which have been set aside at the discretion of the Board of Trustees for specific purposes. The purposes and uses of the designated funds are set out in Note 12.1 to the accounts. They form part of the Unrestricted funds together with the General Fund from which funds can be spent on any objective of the Charity.

k) Funds held for Restricted and Endowment Purposes

Restricted Funds represent gifts or grants made to the Charity for specific purposes. The purposes and uses of the Restricted Funds are set out in Note 12.2 to the accounts.

In February 2000 the Golf Foundation received £1,673,814 in the form of cash and equities by way of a gift from a charitable trust in Scotland. The gift was made subject to the condition that it be expended for the benefit of junior golf in Scotland. The Board of Trustees (then the Council) in accepting this gift resolved that the capital be set aside, thereby creating an expendable endowment. Two further gifts of £100,000 cash were made by the same charitable trust in 2002 and 2005, and another and final gift of £16,031 was made in 2010. All were accepted subject to the same original conditions.

l) Pension Scheme Arrangements

The Golf Foundation operates a group personal defined contribution pension scheme into which both the Foundation as employer and the majority of the employees make payments. All such contributions are held in Standard Life funds completely independent of the Foundation's finances. The pension cost charge represents employer's contributions paid during the year.

THE GOLF FOUNDATION LIMITED
(Company No: 00519615 Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2014
(Incorporating Income and Expenditure Account)

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Expendable</u> <u>Endowment</u> <u>Fund</u>	<u>TOTAL</u> <u>31.12.2014</u>	<u>TOTAL</u> <u>31.12.2013</u>
		£	£	£	£	£
Incoming Resources						
Incoming resources from generated funds						
Voluntary income:						
Donations and gifts	1.1	1,216,072	10,000	-	1,226,072	1,078,032
Grants receivable	1.2	-	228,365	-	228,365	284,447
Appeals and events	1.3	88,017	-	-	88,017	109,153
Activities for generating funds:						
Income from charitable activities	1.4	81,882	-	-	81,882	80,189
Investment income:	1.5	21,657	51,225	-	72,882	65,579
Total Incoming Resources		1,407,628	289,590	-	1,697,218	1,617,400
Resources Expended						
Cost of generating funds:						
Costs of generating voluntary income	2.1	91,809	-	-	91,809	105,370
Charitable activities:						
Coaching and development	2.2	822,899	334,401	796	1,158,096	1,170,527
Promotions and publicity	2.3	274,531	6,762	-	281,293	212,879
Competitive opportunity	2.4	6,500	10,619	-	17,119	10,941
Governance	2.5	57,400	-	-	57,400	51,759
Total Resources Expended	2.6	1,253,139	351,782	796	1,605,717	1,551,476
Net Incoming / (Outgoing)						
Resources before other recognised gains and losses		154,489	(62,192)	(796)	91,501	65,924
Other recognised gains and losses						
Realised (losses) from investments		-	-	-	-	(2,672)
Unrealised gains from investments	7	3,484	-	10,647	14,131	122,172
Net Movement in funds		157,973	(62,192)	9,851	105,632	185,424
Transfers	12	(1,637)	53,068	(51,431)	-	-
Total funds brought forward at 1 January 2014	12	1,290,512	234,364	1,712,076	3,236,952	3,051,528
Fund balances carried forward at 31 December 2014	12	1,446,848	225,240	1,670,496	3,342,584	3,236,952

The Charity has no recognised gains or losses other than those included in the Statement of Financial Activities.
All amounts relate to continuing operations.

THE GOLF FOUNDATION LIMITED
(Company No: 00519615 Limited by Guarantee)


CONSOLIDATED BALANCE SHEET

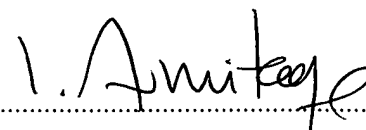
AS AT 31 DECEMBER 2014

				<u>RESTATED</u>
	<u>Notes</u>	<u>31.12.2014</u>		<u>31.12.2013</u>
		£	£	£
FIXED ASSETS				
Tangible assets	6	43,805		47,871
Investments	7	2,228,240		1,894,004
		<u>2,272,045</u>		<u>1,941,875</u>
CURRENT ASSETS				
Debtors and prepayments	9.1	81,068		187,438
Stock (Finished goods)		60,018		26,812
Cash at bank and in hand		<u>1,072,612</u>		<u>1,182,636</u>
		<u>1,213,698</u>		<u>1,395,886</u>
CREDITORS:				
Amounts falling due within one year	10.1	143,159		100,809
		<u>143,159</u>		<u>100,809</u>
NET CURRENT ASSETS		<u>1,070,539</u>		<u>1,295,077</u>
TOTAL ASSETS LESS				
CURRENT LIABILITIES	11	<u>3,342,584</u>		<u>3,236,952</u>
FUND ACCOUNT				
Unrestricted Income Funds	12.1	1,446,848		1,290,512
Restricted Income Funds	12.2	225,240		234,364
Expendable Endowment fund	12.3	<u>1,670,496</u>		<u>1,712,076</u>
		<u>3,342,584</u>		<u>3,236,952</u>

The Financial Statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Small Entities (effective April 2008).

The financial statements and accounting policies on pages 15 to 35 were **APPROVED** by the Trustees, **AUTHORISED** for issue on 23 April 2015, and are **SIGNED** on their behalf by:


C. P. Harrison


I Armitage

DIRECTORS

THE GOLF FOUNDATION LIMITED
(Company No: 00519615 Limited by Guarantee)

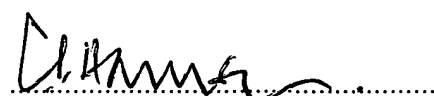
BALANCE SHEET (Charity only)

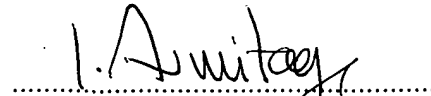
AS AT 31 DECEMBER 2014

				<u>RESTATED</u>
	<u>Notes</u>	<u>31.12.2014</u>		<u>31.12.2013</u>
		£	£	£
FIXED ASSETS				
Tangible assets	6	43,805		47,871
Investments	7	2,228,241		1,894,004
		2,272,046		1,941,875
CURRENT ASSETS				
Debtors and prepayments	9.2	130,962		294,410
Stock (Finished goods)		60,018		26,812
Cash at bank and in hand		1,020,357		1,071,343
		1,211,337		1,392,565
CREDITORS:				
Amounts falling due within one year	10.2	140,799		97,488
		140,799		97,488
NET CURRENT ASSETS		1,070,538		1,295,077
TOTAL ASSETS LESS				
CURRENT LIABILITIES	11	3,342,584		3,236,952
FUND ACCOUNT				
Unrestricted income funds	12.1	1,446,848		1,290,512
Restricted income funds	12.2	225,240		234,364
Expendable Endowment fund	12.3	1,670,496		1,712,076
		3,342,584		3,236,952

The Financial Statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Small Entities (effective April 2008).

The financial statements and accounting policies on pages 15 to 35 were **APPROVED** by the Trustees, **AUTHORISED** for issue on 23 April 2015, and are **SIGNED** on their behalf by:


C.P. Harrison


I. Armitage

DIRECTORS

THE GOLF FOUNDATION LIMITED
(Company No: 00519615 Limited by Guarantee)

CONSOLIDATED CASH FLOW STATEMENT

AS AT 31 DECEMBER 2014

	<u>31.12.2014</u>		<u>31.12.2013</u>
	£		£
RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Net incoming resources before other recognised gains or losses	91,501		65,924
Depreciation	13,229		13,127
Dividends received	(70,105)		(44,957)
Interest received	(2,777)		(20,622)
Interest paid and bank charges	3,552		3,563
(Increase) in Stock	(33,206)		(17,818)
Decrease in Debtors	106,370		253,793
Increase in Creditors	42,350		13,929
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u><u>150,914</u></u>		<u><u>266,939</u></u>
CASH FLOW STATEMENT			
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u><u>150,914</u></u>		<u><u>266,939</u></u>
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Dividends received	70,105		44,957
Interest received	2,777		20,622
Interest paid and bank charges	(3,552)		(3,563)
	<u><u>69,330</u></u>		<u><u>62,016</u></u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Capital expenditure	(9,163)		(23,794)
Additions to investment portfolio	(250,031)		-
Income reinvested	(70,074)		-
Investment purchases	-		(2,225,240)
Investment sale proceeds	-		2,166,684
	<u><u>(329,268)</u></u>		<u><u>(82,350)</u></u>
(DECREASE) / INCREASE IN CASH	<u><u>(109,024)</u></u>		<u><u>246,605</u></u>
ANALYSIS OF NET FUNDS	<u><u>31.12.2014</u></u>	<u><u>Cashflow</u></u>	<u><u>RESTATED 1.1.2014</u></u>
Cash at bank and in hand	1,072,612	(109,024)	1,181,636
	<u><u>1,072,612</u></u>	<u><u>(109,024)</u></u>	<u><u>1,181,636</u></u>

THE GOLF FOUNDATION LIMITED
(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2014

1. ANALYSIS OF INCOMING RESOURCES	2014	2013
	£	£
1.1 Donations and Gifts		
Core funders:		
The R & A / HSBC	595,000	550,000
PGA European Tour	138,600	143,283
Professional Golfers' Association	122,880	108,078
Ryder Cup Limited	185,890	100,000
England Golf	85,976	74,024
BGIA "Grow Golf" Fund	15,000	15,000
Swingmaster Tournament (Turnberry)	21,150	25,000
Other Donations:	61,576	62,647
	<u>1,226,072</u>	<u>1,078,032</u>

The total of £595,000 for combined contributions from the R & A and HSBC include elements of commercial sponsorship but are consolidated so as more accurately to report the full value received from these supporters.

Similarly, the total of £138,600 for contributions from the PGA European Tour includes not only mainstream donations, but also sponsorship for specific activities, such as the Presidents' Awards.

Ryder Cup Limited is a joint venture in which the Professional Golfers' Association, the PGA of Europe, and the PGA European Tour are partners.

None of the individual gifts falling under the category of "Other Donations" were larger than £25,000.

1.2 Grants Receivable		
England Golf Partnership	211,635	246,635
Sport Wales	7,500	7,500
Sport England	-	16,500
Youth Sport Trust	-	13,812
Other grants	9,230	-
	<u>228,365</u>	<u>284,447</u>

THE GOLF FOUNDATION LIMITED
(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

1. <u>ANALYSIS OF INCOMING RESOURCES (CONTINUED)</u>	2014	2013
	<u>£</u>	<u>£</u>
1.3 <u>Appeals and Events</u>		
Annual Appeal to Golf Clubs	23,268	38,898
Adult / Junior Foursomes	180	492
Charity Challenge	2,059	5,180
GF / European Tour Pro-Am	30,620	38,775
Acushnet	31,391	22,341
Other	499	3,467
	<u>88,017</u>	<u>109,153</u>
1.4 <u>Income from Charitable Activities</u>		
School registration fees	220	320
Other registration fees	50	75
Junior Golf Passport	46,281	28,656
Training Workshops	12,450	3,321
Street Golf	4,265	-
Tri-Golf	13,418	9,926
Golf Xtreme	5,198	3,451
England Golf Partnership	-	35,000
Other	-	(560)
	<u>81,882</u>	<u>80,189</u>
1.5 <u>Investment Income</u>		
Dividends	70,105	58,114
Bank Interest	2,777	7,465
	<u>72,882</u>	<u>65,579</u>

All investment income derives from investments held in the United Kingdom.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

2. ANALYSIS OF RESOURCES EXPENDED	2014	2013
	£	£
2.1 Activities for Generating Funds		
Operations:		
Annual Appeal	7,071	13,998
Adult/Junior Foursomes	351	373
GF / European Tour Pro-Am	15,781	18,090
Charity Challenge	-	4,632
	<hr/> 23,203	<hr/> 37,093
Staff and Support Costs: See Note 2.7	<hr/> 68,606	<hr/> 68,277
	<hr/> 91,809	<hr/> 105,370
2.2 Coaching and development		
Grants Made:		
Schools	224	220
Schools (Special Needs)	2,675	10,897
School Sport Partnerships (PESSYP)	1,300	27,883
Satellite Clubs	25,251	18,933
Community Golf Coaches	1,005	8,419
Golf clubs	-	2,075
County & Regional Groups	408	400
Other Groups	140	665
Special Projects	18,192	16,076
Discretionary Grants (Scotland)	9,121	7,383
Golf Roots Centres	176,050	117,059
Club Golf Scotland	660	930
Golf Development Wales	<hr/> 24,100	<hr/> 30,481
	<hr/> 259,126	<hr/> 241,421

All grants are made to institutions and none to individuals. Full details of grants made are available from the Charity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

2.2 Coaching and development (continued)	2014	2013
	£	£
Operations:		
Tri-Golf	18,690	12,945
Golf Xtreme	9,150	4,870
Junior Golf Passport	39,497	50,377
Training Courses	750	-
Child Protection	2,734	2,365
Street Golf	18,977	14,610
Golf Roots City Projects	-	3,820
England Golf Partnership	113	4,874
	89,911	93,861

The East London Legacy Project supported the cost of the East London Activator (under Development Officer Network).

Staff and Support costs:

EGP Secondments	287	34,232
Development Officer Network	575,925	535,100
Central Support Costs	232,847	265,913
	809,059	835,245
Grants Made:	259,126	241,421
Operations:	89,911	93,861
Staff and Support Costs: See Note 2.7	809,059	835,245
	1,158,096	1,170,527

2.3 Promotions and publicity

Operations:		
Advertising & Public Relations	24,780	23,526
Promotional Items	29,281	3,123
Publications	20,695	6,350
Presidents Awards and Reception	8,797	6,195
Open Championship	60,351	48,720
Other External Events	6,762	1,905
	150,666	89,819
Staff and Support Costs: See Note 2.7	130,627	123,060
	281,293	212,879

Expenditure on the Golf Foundation website is shown under the heading "Publications" along with the newsletter "Junior Golf Matters".

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

2.4 Competitive Opportunity	2014	2013
	£	£
Operations:		
School Games	15,375	8,600
Super Sixes	1,744	1,125
School Golf Clubs	-	1,216
	<u>17,119</u>	<u>10,941</u>

2.5 Governance

Operations:		
Audit & Accountancy	20,500	23,420
Annual Report	6,000	2,079
AGM Reception	866	586
Committee Expenses	560	427
	<u>27,926</u>	<u>26,512</u>
Staff and Support Costs: See Note 2.7	<u>29,474</u>	<u>25,247</u>
	<u>57,400</u>	<u>51,759</u>

2.6 Analysis of total resources expended

	<u>Grants made</u>	<u>Operations</u>	<u>Staff and Support costs</u>	<u>TOTAL 2014</u>	<u>TOTAL 2013</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Charitable Expenditure:					
Coaching and development	259,126	89,911	809,059	1,158,096	1,170,527
Promotions and publicity	-	150,666	130,627	281,293	212,879
Competitive opportunity	-	17,119	-	17,119	10,941
	<u>259,126</u>	<u>257,696</u>	<u>939,686</u>	<u>1,456,508</u>	<u>1,394,347</u>
Cost of generating funds:					
Activities to generate funds	-	23,203	68,606	91,809	105,370
	<u>259,126</u>	<u>280,899</u>	<u>1,008,292</u>	<u>1,548,317</u>	<u>1,499,717</u>
Governance	<u>-</u>	<u>27,926</u>	<u>29,474</u>	<u>57,400</u>	<u>51,759</u>
TOTAL RESOURCES EXPENDED	<u>259,126</u>	<u>308,825</u>	<u>1,037,766</u>	<u>1,605,717</u>	<u>1,551,476</u>

THE GOLF FOUNDATION LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

2.7 Analysis of Staff and Support Costs

	<u>Coaching and Development</u>	<u>Promotions and Publicity</u>	<u>Activities to generate funds</u>	<u>Governance</u>	<u>TOTAL 2014</u>	<u>TOTAL 2013</u>
	£	£	£	£	£	£
Staff costs	561,708	86,878	44,153	21,035	713,774	715,946
Office costs	134,840	33,447	22,990	1,124	192,401	217,816
Travel and Motor expenses	107,816	9,395	814	6,667	124,692	112,255
Finance and Legal	4,695	907	649	648	6,899	5,812
TOTAL RESOURCES	809,059	130,627	68,606	29,474	1,037,766	1,051,829

Staff costs represent the costs related by staff attached to a particular Department, together with an element representing the apportioned cost of staff attached to the Finance and Administration and Central Services Departments. Reference can be made to the explanations accompanying Note 4 for information as to staff attachments.

Office costs include rental costs, other premises costs, equipment costs (such as computers and photocopiers), telephone, printing, postage, stationery and insurance.

Costs falling within these categories which are capable of being allocated to specific activities have been so allocated. For example, the heading of "Publications" under Note 2.3 will largely consist of printing and postage costs.

Travel and Motor Expenses includes costs for travel, subsistence, accommodation, entertaining, motor fuel costs, and vehicle leasing costs.

Costs falling within these categories which are capable of being allocated to specific activities have been so allocated. For example, the heading of "Open Championship" under Note 2.3 includes elements for travel and accommodation.

Finance and Legal includes such items as bank charges, currency adjustments, and external legal services.

3. NET INCOMING RESOURCES

This is stated after charging:	<u>2014</u>	<u>2013</u>
	£	£
Operating lease payments (Plant and Machinery)	3,649	7,325
Operating lease payments (Other)	104,524	88,370
Auditor's Remuneration		
- audit fees	15,000	22,120
- other services	5,500	1,300
Depreciation	<u>13,229</u>	<u>13,127</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

4. EMPLOYEES

	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>
Wages and Salaries	556,724	585,544
Social Security Costs	64,271	67,957
Pension Costs and Other Benefits	49,173	47,175
Recruitment & Other Costs	43,606	15,270
	<hr/>	<hr/>
	713,774	715,946
	<hr/>	<hr/>

No Member of the Board of Trustees drew any remuneration in either year.

Two Members of the Board of Trustees were reimbursed expenses totalling £330 in 2014 (2013 - two Members were reimbursed £586).

Expenses reimbursed to Trustees were for travel and accommodation expenses incurred by reason of attendance at meetings and events.

No employee received remuneration in the range £60-70k per annum in 2014 (2013 - 1).

The average weekly number of employees during the year, analysed by function was:

	<u>2014</u>	<u>2013</u>
	<u>No.</u>	<u>No.</u>
Development Department (Central)	1.0	1.0
Development Department (Officers)	9.6	10.8
Central Services	5.0	5.0
Finance and Administration	1.8	3.0
	<hr/>	<hr/>
TOTAL	17.4	19.8
	<hr/>	<hr/>

The Development Department (Central) comprises the Development Manager.

The Development Department (Officers) comprises the seven Regional Development Officers for England, the two Regional Development Managers for Scotland, and the East London Activator.

The Central Services Department comprises the Marketing Manager, the Fund-Raising Coordinator, the Coaching Scheme Administrator, the Project Co-ordinator and the Finance and Administration Assistant.

The Finance and Administration Department comprises the Chief Executive, the Finance Manager, and the Finance Officer.

All members of staff as detailed above are employed by the Charity.

5. TAXATION

As the Golf Foundation is a registered Charity under the Charities Act 2011 it is potentially entitled to the exemptions from tax afforded by sections 466 to 493 of the Corporation Tax Act 2010 and sections 521 to 536 of the Income Taxes Act 2007 so far as its income and gains are applied for charitable purposes.

THE GOLF FOUNDATION LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

6. TANGIBLE FIXED ASSETS (FOR GROUP AND CHARITY)

<u>Cost</u>	<u>Computer Equipment</u>	<u>Office Equipment</u>	<u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>
At 1st January 2014	64,660	37,753	102,413
Additions	8,996	167	9,163
At 31st December 2014	73,656	37,920	111,576
<u>Depreciation</u>			
At 1st January 2014	29,904	24,638	54,542
Charge for Year	10,395	2,834	13,229
At 31st December 2014	40,299	27,472	67,771
<u>Net Book Value</u>			
At 31st December 2014	33,357	10,448	43,805
At 1st January 2014	34,756	13,115	47,871

All tangible fixed assets are owned by the Charity.

THE GOLF FOUNDATION LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

7. <u>INVESTMENTS (FOR GROUP AND CHARITY)</u>	<u>General</u>	<u>Designated</u>	<u>Expendable</u>	<u>RESTATED</u>
	<u>Funds</u>	<u>Funds</u>	<u>Endowment Fund</u>	<u>TOTAL</u>
	£	£	£	£
Market Value at 1 January 2014 (Restated)	143,310	39,658	1,711,036	1,894,004
Reserves Transfer	53,068	-	(53,068)	-
Income Reinvested	70,074	-	-	70,074
Cash invested	250,031	-	-	250,031
Gain on revaluation	3,484	-	10,647	14,131
Market value at 31 December 2014	<u>519,967</u>	<u>39,658</u>	<u>1,668,615</u>	<u>2,228,240</u>
Represented by:				
Schroder Charity Multi Asset Fund	519,967	39,658	1,668,615	2,228,240
Golf Foundation Enterprises Limited	1	-	-	1
Total in Charity	<u>519,968</u>	<u>39,658</u>	<u>1,668,615</u>	<u>2,228,241</u>

The historical cost of the investments was £2,069,266 (2013 - £1,740,961).

All the investment assets are held in the United Kingdom and are owned by the Charity.

The Charity holds one share of £1 in its wholly owned subsidiary Golf Foundation Enterprises Limited which is incorporated in the United Kingdom. The activities and results of this company are summarised under Note 14.2.

The Market value at 1 January 2014 has been restated to include cash held in the portfolio as this better reflects the purpose for which cash is held.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

8. DEFERRED INCOME	2014	2013
	£	£
As at 1 January	6,308	1,049
Donation of golf balls	62,184	27,600
Utilised during the year	(29,116)	(22,341)
	<hr/>	<hr/>
As at 31 December	39,376	6,308
	<hr/>	<hr/>

9. DEBTORS	2014	RESTATED 2013
	£	£
9.1 DEBTORS (FOR THE GROUP)		
Trade Debtors	7,802	13,364
Other Debtors	17,200	30,543
Accrued Income	45,000	129,000
Prepayments	11,066	14,531
	<hr/>	<hr/>
	81,068	187,438
	<hr/>	<hr/>

9.2 DEBTORS (FOR THE CHARITY)	2014	RESTATED 2013
	£	£
Trade Debtors	7,802	9,623
Owed by the Subsidiary	49,894	110,713
Other Debtors	17,200	30,543
Accrued Income	45,000	129,000
Prepayments	11,066	14,531
	<hr/>	<hr/>
	130,962	294,410
	<hr/>	<hr/>

The Trade Debtors for 31 December 2013 included £129,000 of accrued income now shown separately
All amounts stated fall due within one year.

10. CREDITORS: Amounts falling due within one year	2014	2013
	£	£
10.1 CREDITORS (FOR THE GROUP)		
Trade Creditors	39,792	12,713
Other Creditors	5,165	35,190
Other Taxation and Social Security	32,326	18,528
Accruals	26,500	28,070
Deferred Income (Note 8)	39,376	6,308
	<hr/>	<hr/>
	143,159	100,809
	<hr/>	<hr/>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

10.2 CREDITORS (FOR THE CHARITY)	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>
Trade Creditors	39,792	11,712
Other Creditors	5,165	35,190
Other Taxation and Social Security	32,326	18,528
Accruals	24,140	25,750
Deferred Income (Note 8)	39,376	6,308
	<u>140,799</u>	<u>97,488</u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2014 are represented by:	<u>Unrestricted and Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible Fixed Assets	41,924	-	1,881	43,805
Investments	559,625	-	1,668,615	2,228,240
Current Assets	988,458	225,240	-	1,213,698
Current Liabilities	(143,159)	-	-	(143,159)
	<u>1,446,848</u>	<u>225,240</u>	<u>1,670,496</u>	<u>3,342,584</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

12. ALLOCATION OF FUNDS (FOR GROUP AND CHARITY)

12.1 Unrestricted Income Funds (Group and Charity)

	<u>Balance</u> <u>1 January 2014</u>	<u>Income</u>	<u>Expenditure &</u> <u>Disposals</u>	<u>Investments</u> <u>Gains</u>	<u>Transfers</u>	<u>Balance</u> <u>31 December 2014</u>	<u>Net movement</u> <u>in Funds</u>
	£	£	£	£	£	£	£
General Funds	1,023,313	1,382,086	(1,120,123)	3,484	(9,037)	1,279,723	256,410
Special Projects Designated Fund	35,708	-	-	-	-	35,708	-
Win Puckering Designated Fund	39,207	-	-	-	-	39,207	-
Scottish Designated Fund	13,845	25,542	(25,542)	-	-	13,845	-
Fixed Assets Designated Fund	46,829	-	(12,305)	-	7,400	41,924	(4,905)
"Golf Roots" Designated Fund	131,610	-	(95,169)	-	-	36,441	(95,169)
	<u>1,290,512</u>	<u>1,407,628</u>	<u>(1,253,139)</u>	<u>3,484</u>	<u>(1,637)</u>	<u>1,446,848</u>	<u>156,336</u>

All turnover of the subsidiary (£72,881), and all expenditure of the subsidiary (£38,076), form part of the movements on General Funds. The net assets of the subsidiary as at 31 December 2013 (£1) form part of the closing balance on General Funds.

The Special Projects Fund was set aside by way of recognition of a single legacy from Mr A.J. Whitmore. Grants are made from interest earned towards projects which are considered of particular value to young golfers.

The net transfer figure of £1,637 represents the purchase of 2 laptop for the use of the 2 Scottish Regional Development Officers during the year. This has been transferred to the Scottish endowment fund shown in note 12.3

The Win Puckering Fund was set aside by way of recognition of a lifetime gift by Mrs Win Puckering (now deceased). Grants are made from interest and dividends with emphasis placed on the development of girls' golf in the counties of Kent and Surrey.

The Scottish Designated Fund was set aside to represent donations and funds raised from Scottish sources which it is intended to expend in line with the Restricted Scottish Income Fund.

The Fixed Assets Fund was established in 2003 so as more clearly to identify movement of purely Unrestricted Funds. Fixed Assets forming part of Restricted and Endowment Funds are excluded.

The "Golf Roots" Fund derives from income from various sources and is applied towards bringing an introductory golf experience to children in inner city and other urban areas.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

12.2 Restricted Funds (Group and Charity)

Movements in the income funds of the Golf Foundation include restricted funds which are to be expended on specific purposes.

	<u>Balance</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>Balance</u>	<u>Net movement</u>
	<u>1 January 2014</u>				<u>31 December 2014</u>	<u>In Funds</u>
	£	£	£		£	£
England Fund	176,196	211,635	(220,357)	-	167,474	(8,722)
Scottish Income Fund	662	51,225	(104,335)	53,068	620	(42)
Sport Wales Fund	-	7,500	(7,500)	-	-	-
National Sports Foundation Fund	6,967	-	(48)	-	6,919	(48)
East London Legacy Fund	4,791	-	(4,705)	-	86	(4,705)
Crown Golf Restricted Fund	23,205	-	(4,837)	-	18,368	(4,837)
Youth Sport Trust Restricted Fund	19,356	-	-	-	19,356	-
Gerard Micklem Fund	-	10,000	(10,000)	-	-	-
Sport England Fund	3,187	-	-	-	3,187	-
Satellite Clubs Fund	-	9,230	-	-	9,230	9,230
	<u>234,364</u>	<u>289,590</u>	<u>(351,782)</u>	<u>53,068</u>	<u>225,240</u>	<u>(9,124)</u>

From April 2005 funding previously received direct from Sport England has been received through the England Golf Partnership. Both income sources now form part of the England Fund. Monies received from the England Golf Partnership are allocated to identified programmes of expenditure and are therefore restricted in nature. The England Fund now incorporates funding which derives ultimately from Sport England and is to be applied to the support of School Sport Partnerships in England. This was previously shown as a separate Restricted Fund - the "School Links Restricted Fund".

The Scottish Income Fund derives from the proceeds of the investments held by the Scottish Capital Fund (see Note 12.3) and is subject to the same condition that it be expended for the benefit of junior golf in Scotland. In 2014 £53,068 was transferred to pay for the Scottish Regional Development Officers after taking into account funds raised by Scottish Sources for the Scottish Designated Fund shown in note 12.1 and income generated by the Scottish Endowment fund. of £51,225.

The Sport Wales Fund derives from a series of grants to help establish and sustain new Starter Centres in Wales.

The National Sports Foundation Fund relates to an Expansion Project which began in 2008. The 2008 funding of £225,000 derived from an application of an increased donation from the R & A, which was matched by a grant from the NSF. The 2009 income largely represented a further grant from the NSF matching other income sources.

The East London Legacy Fund was established in 2010 with funding from Citi (facilitated by East London Business Alliance) and the European Tour. The funding is planned to be applied in three main areas. First, a project called the "Back Nine" was run in late 2010 involving employee volunteers from Citi; second, the funding will support the appointment (from November 2010) of the new East London Activator; and third, the funding will enable expanded activity in the East London area in the context of the Golf Roots City Projects programme.

The Crown Golf Restricted Fund derives from a donation representing contributions made by the members of the clubs and facilities making up the Crown Golf Group. The funds will be applied to a programme of development activities which will be based at those facilities.

The Youth Sport Trust Restricted Fund derives from grant funding received for the Youth Sport Trust which is to be applied to the promotion of golf as part of the School Games, and to the establishment of School Golf Clubs.

The Sport England Fund derives from direct funding received in 2013 for the purpose of a pilot scheme for Satellite Clubs.

The Gerald Micklem Fund derives from a donation of £20,000 made by the Gerald Micklem Charitable Trust during 2013. Half of this was unrestricted, with the other half intended to fund HSBC Golf Roots Plus Projects.

The Satellite Clubs Fund represents grants that have been donated by Lincolnshire and London Youth Sports to develop Satellite clubs in their area in 2015.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

12.3 Expendable Endowment Funds (Group and Charity)

In February 2000 the Golf Foundation received £1,673,814 in the form of cash and equities by way of a gift from a charitable trust based in Scotland. The Trustees asked that the identity of the donor should remain anonymous. The gift was made subject to the condition that it be expended for the benefit of junior golf in Scotland.

In November 1999 the Board had resolved to accept the gift, subject to this Restriction, and further resolved that the capital of the Fund be set aside for the time being, thereby creating an expendable endowment.

A second donation of £100,000 was made by the Trust during 2002, subject to the same restriction.

A third donation of £100,000 was made by the Trust during 2005, subject to the same restriction.

A fourth and final donation of £16,032 was made by the Trust during 2010, subject to the same restriction.

	<u>Balance</u> <u>1 January 2014</u>	<u>Income</u>	<u>Expenditure</u>	<u>Investments</u> <u>Gains / (Losses)</u>	<u>Transfers</u>	<u>Balance</u> <u>31 December 2014</u>	<u>Net movement</u> <u>in Funds</u>
	£	£	£	£	£	£	£
Scottish Capital Fund	1,712,076	-	(796)	10,647	(51,431)	1,670,496	(41,580)
	<u>1,712,076</u>	<u>-</u>	<u>(796)</u>	<u>10,647</u>	<u>(51,431)</u>	<u>1,670,496</u>	<u>(41,580)</u>

The transfers represent laptops purchased for use by the Scottish Regional Development Officers "RDOs" of £1,637 less £53,078 of money transferred from the portfolio to help pay for the RDOs after having taken into account funds raised from Scottish Sources in the Scottish Designated fund shown note 12.1

13. OPERATING LEASE COMMITMENTS (GROUP AND CHARITY)

At 31st December 2014 the Foundation had annual commitments under operating Leases as set out below:

	<u>2014</u>		<u>2013</u>	
	<u>Land and buildings</u>	<u>Other</u>	<u>Land and buildings</u>	<u>Other</u>
	£	£	£	£
Operating leases which expire:				
Within one year	-	1,955	-	11,088
In the second to fifth year	30,000	53,905	30,000	16,491

The current Lease for the Premises expires in March 2017.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 2014

14. CONSOLIDATION OF ACCOUNTS

14.1 Financial performance of the Charity

The consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary, Golf Foundation Enterprises Limited, through which certain income generating activities in the nature of trading (sponsorship and royalties) are administered.

The summary financial performance of the charity alone is:

	<u>2014</u>	<u>2013</u>
Net Incoming resources	1,674,122	1,600,748
Gift aid from subsidiary company	34,805	30,782
	<u>1,708,927</u>	<u>1,631,530</u>
Expenditure on charitable activities	(1,545,895)	(1,394,347)
Governance costs	(57,400)	(51,759)
	<u>105,632</u>	<u>185,424</u>
Added to funds	105,632	185,424
Total funds brought forward	3,236,952	3,051,528
	<u>3,342,584</u>	<u>3,236,952</u>
Total funds carried forward	<u>3,342,584</u>	<u>3,236,952</u>

14.2 Financial performance of the trading subsidiary

The wholly owned trading subsidiary Golf Foundation Enterprises Limited is incorporated in the United Kingdom and pays all of its profits to the Charity via gift aid. The subsidiary was dormant up to the end of 2010 and started actively to trade in 2011.

The summary financial performance of the subsidiary alone is:

	<u>2014</u>	<u>2013</u>
Turnover	72,881	63,078
Cost of sales and administration costs	(38,076)	(32,296)
Net profit	34,805	30,782
Gift aided to the charity	(34,805)	(30,782)
Profit	<u>-</u>	<u>-</u>

The assets and liabilities of the subsidiary were:

Current assets	52,255	114,034
Current liabilities	(52,254)	(114,033)
	<u>1</u>	<u>1</u>
Total net assets	<u>1</u>	<u>1</u>
Represented by share capital	<u>1</u>	<u>1</u>

All turnover of the subsidiary forms part of the movements on General Funds, and the net assets of the subsidiary as at 31 December 2014 form part of the closing balance for General Funds.

Under the provisions of Financial Reporting Standard No.8, related party transactions with Golf Foundation Enterprises Limited are exempt from disclosure, as the company is a wholly owned subsidiary of The Golf Foundation Limited, the immediate parent Charity.