

Registered number: 10384093

RYDER CUP 2018 COMMERCIAL LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



RYDER CUP 2018 COMMERCIAL LTD

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RYDER CUP 2018 COMMERCIAL LTD

COMPANY INFORMATION

Director	G Kinnings
Company secretary	S Phillips
Registered number	10384093
Registered office	European Tour Building Wentworth Drive Virginia Water Surrey GU25 4LX
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 3 Forbury Place 23 Forbury Road Reading Berkshire RG1 3JH
Bankers	Barclays PO BOX 729 Eaglepoint 1 Capability Green Luton Bedfordshire LU1 3US
Solicitors	Onside Law Limited 23, Elysium Gate 126-128 New Kings Road London SW6 4LZ

RYDER CUP 2018 COMMERCIAL LTD

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The director present their annual report and the audited financial statements of Ryder Cup 2018 Commercial Ltd (the "Company") for the year ended 31 December 2018.

Directors

No director had any interests in the shares of the Company as at 31 December 2018. The directors received no remuneration during the year in respect of their services to Ryder Cup 2018 Commercial Ltd. The directors who served during the year and up to the date of signing of the financial statements, unless otherwise stated, were:

S E Gordon (resigned 30 April 2019)
R G Hills (resigned 30 November 2018)
G Kinnings (appointed 30 November 2018)

Director's responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

RYDER CUP 2018 COMMERCIAL LTD

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Small companies exemption

In preparing this report, the director have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. In addition, the Company has taken advantage of the exemption available and has not presented a Strategic Report.

This report was approved by the board and signed on its behalf by:



G Kinnings
Director

Date: 14/8/19

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RYDER CUP 2018 COMMERCIAL LTD

Report on the audit of the financial statements

Opinion

In our opinion, Ryder Cup 2018 Commercial Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: balance sheet as at 31 December 2018; the statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RYDER CUP 2018 COMMERCIAL LTD
(CONTINUED)**

With respect to the Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Director's Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

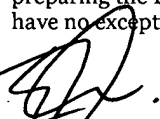
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified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

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RYDER CUP 2018 COMMERCIAL LTD
(CONTINUED)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Director's Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sam Taylor (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

Date: 19 August 2019.

RYDER CUP 2018 COMMERCIAL LTD

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Year ended 31 December 2018 £	15 Month period ended 31 December 2017 £
Turnover	50,949,122	-
Cost of sales	(1,220,845)	-
Gross profit	49,728,277	-
Administrative expenses	(48,795,723)	(102,525)
Operating profit/(loss)	932,554	(102,525)
Tax on profit/(loss)	(464,825)	19,480
Profit/(loss) for the financial year/period	467,729	(83,045)
Retained earnings/(Accumulated losses)		
Accumulated losses at the beginning of the financial year/period	(83,045)	-
Profit/(loss) for the financial year/period	467,729	(83,045)
Retained earnings/(accumulated losses) at the end of the financial year/period	384,684	(83,045)

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

RYDER CUP 2018 COMMERCIAL LTD
REGISTERED NUMBER: 10384093

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Current assets			
Debtors	5	7,903,070	13,982,416
Cash at bank and in hand		91,962	2,131,508
		<u>7,995,032</u>	<u>16,113,924</u>
Creditors: amounts falling due within one year	6	(7,610,347)	(16,196,968)
Total assets less current liabilities		<u>384,685</u>	<u>(83,044)</u>
Capital and reserves			
Called up share capital		1	1
Retained earnings/(accumulated loss)		384,684	(83,045)
Total shareholders' funds/(deficit)		<u>384,685</u>	<u>(83,044)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were on pages 7 to 13 approved and authorised for issue by the board and were signed on its behalf by:



G Kinnings
Director

Date: 14/8/19

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

RYDER CUP 2018 COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Ryder Cup 2018 Commercial Ltd's ('the Company') principal activity was the provision of hospitality and ticketing in respect of the 2018 Ryder Cup matches between Europe and USA.

The Company is a private company limited by shares and is domiciled in England and Wales. The address of its registered office is European Tour Building, Wentworth Drive, Virginia Water, Surrey, GU25 4LX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Going concern

The director have reviewed the Company's forecasts and projections and have concluded that, despite the level of uncertainty in the current economic environment, the Company has adequate resources to be able to continue in operational existence for the foreseeable future.

2.3 Turnover

Turnover represents the total amount receivable by the Company, excluding VAT, for the sales of tickets and hospitality at the Ryder Cup.

2.4 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.5 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

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

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Deferred income and expenditure

Expenditure incurred during the year is deferred to the extent that it relates to profitable events occurring in later periods.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.12 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its parent or with members of the same group that are wholly owned.

3. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditors' for the audit of the Company's annual financial statements	<u>6,000</u>	<u>3,500</u>

4. Employees

The Company has no employees.

However, costs in relation to certain employees of PGA European Tour and The Professional Golfers' Association Limited may be recharged to the Company to the extent that they provide services to the Company. No employees' costs were recharged during the year. The director's remuneration during the current year in respect of his services to Ryder Cup 2018 Commercial Ltd is borne by PGA European Tour and The Professional Golfers' Association Limited and not recharged as fair apportionment is not feasible.

5. Debtors

	2018 £	2017 £
Trade debtors	2,181,403	1,428,185
Amounts owed by group undertakings	5,721,667	12,534,751
Deferred taxation (note 7)	-	19,480
	<u>7,903,070</u>	<u>13,982,416</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

RYDER CUP 2018 COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

6. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	974,763	324
Corporation tax	445,345	-
Other taxation and social security	5,284,905	1,205,931
Accruals and deferred income	905,334	14,990,713
	<u>7,610,347</u>	<u>16,196,968</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

7. Deferred taxation

	2018 £
At beginning of year	19,480
Charged to profit or loss	(19,480)
At end of year	<u>-</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Timing difference on unused tax losses	<u>-</u>	<u>19,480</u>

8. Ultimate parent undertakings and controlling party

PGA European Tour is the ultimate controlling party of Ryder Cup 2018 Commercial Ltd. The intermediate controlling party is Ryder Cup Europe LLP, the members of which are PGA European Tour (60%), Professional Golfers' Association Limited (20%) and Ryder Cup European Development Limited (20%).

Ryder Cup Europe LLP has a further subsidiary, Ryder Cup Limited.

The parent company of the largest and smallest group into which the financial statements of Ryder Cup Limited are consolidated is PGA European Tour, Wentworth Drive, Virginia Water, Surrey, GU25 4LX..