



***International Golf Federation (IGF)
Lausanne***

***Report of the auditor
to the Members of International
Golf Federation (IGF)
on the financial statements 2015***



Report of the auditor
to the Members of
International Golf Federation (IGF)
Lausanne

On your instructions, we have audited the financial statements of International Golf Federation (IGF), which comprise the balance sheet, statement of income and expenditure and notes, for the year ended 31 December 2015.

Board's Responsibility

The Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the articles of the association. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended December 31, 2015, showing accumulating losses of CHF 5,669,570 comply with Swiss law and the articles of the association.

PricewaterhouseCoopers SA

Guillaume Nayet
Audit expert

Julien Droz
Audit expert

Lausanne, 4 July 2016

Enclosure:

- Financial statements (balance sheet, statement of income and expenditure and notes)

International Golf Federation, Lausanne

Balance sheet at December 31

In Swiss Francs with convenience translation into US dollar

	Notes	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets		CHF	CHF	USD	USD
Current assets					
Cash at bank and in hand		895'621	804'416	903'673	812'879
Accounts receivable		9'026	159'069	9'107	160'742
Prepaid expenses & other assets	3	<u>1'024'072</u>	<u>45'231</u>	<u>1'033'279</u>	<u>45'706</u>
		<u>1'928'720</u>	<u>1'008'716</u>	<u>1'946'059</u>	<u>1'019'328</u>
Fixed assets					
Tangible fixed assets	4	7'002	10'187	7'065	10'294
Intangible fixed assets	5	<u>105</u>	<u>817</u>	<u>106</u>	<u>826</u>
		<u>7'108</u>	<u>11'004</u>	<u>7'172</u>	<u>11'120</u>
Total assets		<u><u>1'935'828</u></u>	<u><u>1'019'720</u></u>	<u><u>1'953'231</u></u>	<u><u>1'030'447</u></u>
Liabilities and funds					
Current liabilities					
Accounts payable		477'499	3'866	481'792	3'907
Accrued and other payables	6	621'604	415'516	627'193	419'887
Deferred income	7	<u>110'294</u>	<u>4'948</u>	<u>111'285</u>	<u>5'000</u>
		<u>1'209'397</u>	<u>424'330</u>	<u>1'220'270</u>	<u>428'793</u>
Non-current liabilities					
Subordinated long term loans	8	<u>6'396'000</u>	<u>4'762'400</u>	<u>6'453'500</u>	<u>4'812'500</u>
		<u>6'396'000</u>	<u>4'762'400</u>	<u>6'453'500</u>	<u>4'812'500</u>
Funds					
Accumulated losses	8	<u>- 5'669'570</u>	<u>- 4'167'009</u>	<u>- 5'720'539</u>	<u>- 4'210'846</u>
Total liabilities and funds		<u><u>1'935'828</u></u>	<u><u>1'019'720</u></u>	<u><u>1'953'231</u></u>	<u><u>1'030'447</u></u>

International Golf Federation, Lausanne

**Statement of income and expenditure for the years
2014 and 2013**

In Swiss Francs with convenience translation into US dollar

	Notes	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		CHF	CHF	USD	USD
Income					
IOC Contribution		67'317	238'057	70'000	260'434
Financial income		0	2	0	2
Subscription for Championship		0	89'396	0	97'799
Other income		22'391	7'437	23'283	8'136
		<u>89'708</u>	<u>334'891</u>	<u>93'283</u>	<u>366'371</u>
Expenditure					
Staff costs	9	862'053	762'186	896'406	833'831
Travel and representation		191'585	176'826	199'219	193'447
YOG relative expenses		0	89'467	0	97'877
Marketing and communication		57'158	30'719	59'436	33'607
Office costs		85'770	106'422	89'188	116'426
Fees		122'624	111'440	127'510	121'916
Interest expenses		175'326	130'368	182'313	142'622
Exchange loss / (gain)		27'600	15'653	28'713	17'125
Translation adjustment		50'735	388'460	0	0
Other expenditure		9'263	17'427	9'632	19'066
Amortisation		10'155	9'247	10'560	10'116
		<u>1'592'269</u>	<u>1'838'216</u>	<u>1'602'977</u>	<u>1'586'032</u>
Excess of income over expenditure (expenditure over income) for the year					
		-1'502'560	-1'503'324	-1'509'694	-1'219'661
Accumulated loss at beginning		- 4'167'009	- 2'663'685	- 4'210'846	- 2'991'185
Accumulated loss at end of the period		<u><u>- 5'669'570</u></u>	<u><u>- 4'167'009</u></u>	<u><u>- 5'720'540</u></u>	<u><u>- 4'210'846</u></u>

International Golf Federation, Lausanne

Notes to the financial statements 2015 and 2014 In Swiss Francs with convenience translation into US dollar

1. Activity

The International Golf Federation (IGF) is the world-wide Golf sports organisation, the headquarters of which are located in Lausanne, Switzerland.

the objectives of International Golf Federation are:

- (a) to encourage the international development of the sport of golf;
- (b) to foster friendship and sportmanship among the peoples of the world by organising biennially amateur team championships for the Eisenhower Trophy (for men) and the Espirito Santo trophy (for women);
- (c) to promote golf as an Olympic sport; and
- (d) to act as the international federation for golf in the Olympic Games and thereby to establish and enforce, in accordance with the Olympic spirit, the rules concerning the playing of golf in the Olympic Games and to fulfil in respect of the sport of golf the mission and role of an international federation within the Olympic movement.

2. Summary of significant accounting policies

2.1 Basis of accounting

IGF uses the accruals basis of accounting in preparing the financial statements.

2.2 Fixed assets

Fixed assets are stated at acquisition cost. When assets are retired or otherwise disposed of, the cost of the asset and the related accumulated depreciation are removed from the accounts. Any profit or loss on retirement is reflected in the earnings for the period.

2.3 Depreciation

Depreciation is calculated on the basis of the cost of the assets and on their estimated useful lives using the reducing balance method.

2.4 Deferred income

Any funds received for events to be held in the future, where reimbursement of these funds would be necessary in the case of event cancellation, are deferred in the balance sheet and not recognised as income until the event for which the funds were received has taken place.

2.5 Accounting for foreign currencies

The functional currency of IGF is the US Dollar. Assets and liabilities denominated in currencies other than US Dollar are recorded based on exchange rates ruling at the year-end. Transactions denominated in other than US Dollar are recorded at average rates for the year. All exchange losses and realised exchange gains are recognised in the statement of income and expenditure.

Financial statements are converted for presentation purpose into Swiss Francs as of the year end. Assets and liabilities are converted using the exchange rate at the year end whereas elements of the statement of income and expenditure are converted using the average exchange rate over the period. The difference arising from the conversion is recognised as exchange gain or loss of the period in the statement of income and expenditure.

International Golf Federation, Lausanne

Notes to the financial statements 2015 and 2014
In Swiss Francs with convenience translation into US dollar

	2015	2014	2015	2014
	CHF	CHF	USD	USD
3. Prepaid expenses and other current assets				
Prepaid taxes	2'513	4'193	2'536	4'237
Rio prepaid expenses	981'467	0	990'290	0
Other prepaid expenditures	40'092	41'038	40'453	41'470
	<u>1'024'072</u>	<u>45'231</u>	<u>1'033'279</u>	<u>45'706</u>
4. Tangible fixed assets, net of depreciation				
IT equipment	727	285	734	288
Furnitures and office equipment	6'275	9'902	6'332	10'006
	<u>7'002</u>	<u>10'187</u>	<u>7'065</u>	<u>10'294</u>
5. Intangible fixed assets, net of depreciation				
Software	105	817	106	826
	<u>105</u>	<u>817</u>	<u>106</u>	<u>826</u>
6. Accrued and other payables				
Social charges	64'044	3'700	64'619	3'738
Interest accrual	485'257	305'130	489'619	308'340
Other accruals	5'748	8'001	5'800	8'085
other payables	65'586	98'685	66'175	99'723
	<u>620'635</u>	<u>415'516</u>	<u>626'214</u>	<u>419'887</u>
7. Deferred income				
Rio 2016 deferred income	110'294	0	111'285	0
YOG 2014 expense allowance	0	4'948	0	5'000
	<u>110'294</u>	<u>4'948</u>	<u>111'285</u>	<u>5'000</u>
8. Subordinated Long-term loans				
Europa Tour	1'002'983	742'192	1'012'000	750'000
LPGA	489'103	358'726	493'500	362'500
PGA of America	941'536	742'192	950'000	750'000
PGA Tour	1'002'983	742'192	1'012'000	750'000
R & A	1'002'983	742'192	1'012'000	750'000
USGA	1'002'983	742'192	1'012'000	750'000
Augusta National Golf Club	953'429	692'713	962'000	700'000
	<u>6'396'000</u>	<u>4'762'400</u>	<u>6'453'500</u>	<u>4'812'500</u>
Accumulated losses are fully covered by the subordinated loans.				
9. Staff costs				
Gross salary	660'018	540'943	686'320	591'792
Social charges	110'057	79'484	114'443	86'956
Other staff costs	91'978	141'758	95'643	155'083
	<u>862'053</u>	<u>762'186</u>	<u>896'406</u>	<u>833'831</u>