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# ***International Golf Federation (IGF)***

***Lausanne***

## ***Report of the auditor to the Members of International Golf Federation (IGF) on the financial statements 2016***





# *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) (“the Company”), which comprise the balance sheet, income statement and notes, for the year ended 31 December 2016.

### *Board of Directors’ responsibility*

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law. 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 of Directors 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 31 December 2016 comply with Swiss law.



PricewaterhouseCoopers SA

Guillaume Nayet  
Audit expert

Jacinto Figueiredo  
Audit expert

Lausanne, 26 june 2017

Enclosure:

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

**International Golf Federation, Lausanne**

**Balance sheet at December 31**

**In Swiss Francs with convenience translation into US dollar**

	Notes	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>		<b>CHF</b>	<b>CHF</b>	<b>USD</b>	<b>USD</b>
<b>Current assets</b>					
Cash at bank and in hand		12'042'237	895'621	11'816'084	903'673
Accounts receivable		21'505	9'026	21'101	9'107
Prepaid expenses & other assets	3	1'526'754	1'024'072	1'498'082	1'033'279
		<u>13'590'496</u>	<u>1'928'720</u>	<u>13'335'267</u>	<u>1'946'059</u>
<b>Fixed assets</b>					
Tangible fixed assets	4	3'632	7'002	3'564	7'065
Intangible fixed assets	5	0	105	0	106
		<u>3'632</u>	<u>7'108</u>	<u>3'564</u>	<u>7'172</u>
<b>Total assets</b>		<u><u>13'594'128</u></u>	<u><u>1'935'828</u></u>	<u><u>13'338'831</u></u>	<u><u>1'953'231</u></u>
<b>Liabilities and funds</b>					
<b>Current liabilities</b>					
Accounts payable		459'902	477'499	451'265	481'792
Accrued and other payables	6	1'627'507	621'604	1'596'943	627'193
Short term loans	8	8'016'041	0	7'865'500	0
Deferred income	7	0	110'294	0	111'285
		<u>10'103'450</u>	<u>1'209'397</u>	<u>9'913'708</u>	<u>1'220'270</u>
<b>Non-current liabilities</b>					
Subordinated long term loans	8	0	6'396'000	0	6'453'500
		<u>0</u>	<u>6'396'000</u>	<u>0</u>	<u>6'453'500</u>
<b>Funds</b>					
Accumulated income/(losses)	8	3'490'678	- 5'669'570	3'425'123	- 5'720'539
<b>Total liabilities and funds</b>		<u><u>13'594'128</u></u>	<u><u>1'935'828</u></u>	<u><u>13'338'831</u></u>	<u><u>1'953'231</u></u>

**International Golf Federation, Lausanne**

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

**2015 and 2016**

**In Swiss Francs with convenience translation into US dollar**

	Notes	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
		CHF	CHF	USD	USD
<b>Income</b>					
IOC Contribution		13'247'565	67'317	13'047'526	70'000
Financial income		0	0	0	0
Subscription for Championship		106'293	0	104'688	0
Sponsorship		131'993	0	130'000	0
Other income		257'227	22'391	253'343	23'283
		<u>13'743'078</u>	<u>89'708</u>	<u>13'535'557</u>	<u>93'283</u>
<b>Expenditure</b>					
Staff costs	9	941'284	862'053	927'071	896'406
Travel and representation		260'731	191'585	256'794	199'219
Olympic games related expenditures		2'516'080	0	2'478'087	0
YOG relative expenses		-2'719	0	- 2'678	0
Marketing and communication		49'604	57'158	48'855	59'436
Office costs		117'203	85'770	115'433	89'188
Fees		237'642	122'624	234'054	127'510
Interest expenses		235'045	175'326	231'495	182'313
Exchange loss / (gain)		26'759	27'600	26'355	28'713
Translation adjustment		125'631	50'735	0	0
Other expenditure		72'726	9'263	71'627	9'632
Amortisation		2'844	10'155	2'802	10'560
		<u>4'582'830</u>	<u>1'592'269</u>	<u>4'389'895</u>	<u>1'602'977</u>
<b>Excess of income over expenditure</b>					
<b>(expenditure over income) for the year</b>		9'160'248	-1'502'560	9'145'662	-1'509'694
Accumulated loss at beginning	-	5'669'570	- 4'167'009	- 5'720'540	- 4'210'846
<b>Accumulated income/(loss) at end of the per</b>		<u><u>3'490'678</u></u>	<u><u>- 5'669'570</u></u>	<u><u>3'425'122</u></u>	<u><u>- 5'720'540</u></u>

**Notes to the financial statements 2016 and 2015  
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 2016 and 2015**  
**In Swiss Francs with convenience translation into US dollar**

	<b>2016</b>	<b>2015</b>	<b>2012</b>	<b>2016</b>	<b>2015</b>
	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>USD</b>	<b>USD</b>
<b>3. Prepaid expenses and other current assets</b>					
Accrued income	1'505'805	0	8'875	1'477'526	0
Prepaid taxes	0	2'513	8'875	0	2'536
Rio prepaid expenses	0	981'467	0	0	990'290
Other prepaid expenditures	20'949	40'092	5'921	20'556	40'453
	<u>1'526'754</u>	<u>1'024'072</u>	<u>14'795</u>	<u>1'498'082</u>	<u>1'033'279</u>
<b>4. Tangible fixed assets, net of depreciation</b>					
IT equipment	493	727	4'249	484	734
Furnitures and office equipment	3'139	6'275	24'800	3'080	6'332
	<u>3'632</u>	<u>7'002</u>	<u>29'050</u>	<u>3'564</u>	<u>7'065</u>
<b>5. Intangible fixed assets, net of depreciation</b>					
Software	0	105	600	0	106
	<u>0</u>	<u>105</u>	<u>600</u>	<u>0</u>	<u>106</u>
<b>6. Accrued and other payables</b>					
Social charges	20'958	64'044	5'112	20'564	64'619
Interest accrual	735'664	486'227	64'394	721'849	490'598
Other accruals	5'593	5'748	4'570	5'488	5'800
other payables	865'292	65'586	80'358	849'042	66'175
	<u>1'627'507</u>	<u>621'604</u>	<u>154'434</u>	<u>1'596'943</u>	<u>627'192</u>
<b>7. Deferred income</b>					
Rio 2016 deferred income	0	110'294		0	111'285
	<u>0</u>	<u>110'294</u>	<u>4'570</u>	<u>0</u>	<u>111'285</u>
<b>8. Subordinated Long-term loans</b>					
Europa Tour	1'235'197	1'002'983	319'874	1'212'000	1'012'000
LPGA	604'859	489'103	102'817	593'500	493'500
PGA of America	1'235'197	941'536	319'874	1'212'000	950'000
PGA Tour	1'235'197	1'002'983	228'482	1'212'000	1'012'000
R & A	1'235'197	1'002'983	319'874	1'212'000	1'012'000
USGA	1'235'197	1'002'983	319'874	1'212'000	1'012'000
Augusta National Golf Club	1'235'197	953'429	182'785	1'212'000	962'000
	<u>8'016'041</u>	<u>6'396'000</u>	<u>1'793'581</u>	<u>7'865'500</u>	<u>6'453'500</u>
Accumulated losses are fully covered by the subordinated loans.					
<b>9. Staff costs</b>					
Gross salary	713'101	660'018	444'172	702'334	686'320
Social charges	140'073	110'057	105'057	137'957	114'443
Other staff costs	88'110	91'978	0	86'780	95'643
	<u>941'284</u>	<u>862'053</u>	<u>549'229</u>	<u>927'071</u>	<u>896'406</u>