

International Golf Federation (IGF)

Lausanne

Report of the statutory auditors to the
Board of Directors

on the financial statements 2021



Report of the statutory auditors

on the limited statutory examination to the Board of Directors of International Golf Federation (IGF) Lausanne

As statutory auditors, we have examined 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 2021.

These financial statements are the responsibility of the Management. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of association personnel and analytical procedures as well as detailed tests of foundation documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the association's articles of incorporation.

PricewaterhouseCoopers SA

Roberto Di Grazia
Audit expert
Auditor in charge

Nicolas Daehler
Audit expert

Lausanne, 8 June 2022

Enclosure:

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

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International Golf Federation (IGF), Lausanne

Balance sheet at December 31

In Swiss Francs with convenience translation into US dollar

	Notes	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets		CHF	CHF	USD	USD
Current assets					
Cash at bank and in hand		8'622'302	1'243'428	9'420'037	1'408'145
Accounts receivable		72'511	0	79'220	0
Prepaid expenses & other assets	3	873'186	454'271	953'973	514'448
		<u>9'567'999</u>	<u>1'697'698</u>	<u>10'453'230</u>	<u>1'922'593</u>
Fixed assets					
Tangible fixed assets	4	767	1'589	838	1'800
Intangible fixed assets	5	7'139	10'484	7'800	11'873
Prepaid expenses	3	69'941	0	76'412	0
		<u>77'847</u>	<u>12'073</u>	<u>85'050</u>	<u>13'673</u>
Total assets		<u><u>9'645'846</u></u>	<u><u>1'709'772</u></u>	<u><u>10'538'280</u></u>	<u><u>1'936'265</u></u>
Liabilities and funds					
Current liabilities					
Accounts payable		42'147	33'750	46'046	38'220
Accrued and other payables	6	1'039'290	466'734	1'135'445	528'562
		<u>1'081'437</u>	<u>500'483</u>	<u>1'181'492</u>	<u>566'782</u>
Non-current liabilities					
Subordinated long term loans	7	2'242'522	3'399'649	2'450'000	3'850'000
Loan from IOC		0	551'891	0	625'000
COVID 19 Loan		0	338'000	0	382'775
		<u>2'242'522</u>	<u>4'289'540</u>	<u>2'450'000</u>	<u>4'857'775</u>
Funds					
Accumulated income/(losses)		<u>6'321'887</u>	<u>- 3'080'251</u>	<u>6'906'788</u>	<u>- 3'488'292</u>
Total liabilities and funds		<u><u>9'645'846</u></u>	<u><u>1'709'772</u></u>	<u><u>10'538'280</u></u>	<u><u>1'936'265</u></u>

International Golf Federation (IGF), Lausanne

**Statement of income and expenditure for the years
2021 and 2020**

In Swiss Francs with convenience translation into US dollar

	Notes	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		CHF	CHF	USD	USD
Income					
IOC Contribution		11'630'634	64'748	12'939'022	70'000
Sponsorship		53'796	0	59'848	0
Other income		757'891	127'652	843'150	138'008
		<u>12'442'321</u>	<u>192'400</u>	<u>13'842'019</u>	<u>208'008</u>
Expenditure					
Staff costs	8	1'436'760	1'110'252	1'598'389	1'200'316
Travel and representation		8'230	88'599	9'155	95'786
Olympic games related expenditures		1'340'598	17'060	1'491'408	18'444
Marketing and communication		5'915	21'671	6'581	23'429
Office costs		80'323	81'546	89'358	88'161
Fees		126'335	104'219	140'547	112'673
Interest expenses		27'810	103'570	30'938	111'971
Exchange loss / (gain)		50'425	9'188	56'097	9'933
Translation adjustment	-	58'242	- 231'409	0	0
Other expenditure		17'504	168'081	19'474	181'716
Amortisation		4'526	8'411	5'035	9'093
		<u>3'040'183</u>	<u>1'481'187</u>	<u>3'446'982</u>	<u>1'851'522</u>
Excess of income over expenditure (expenditure over income) for the year					
		9'402'138	-1'288'787	10'395'037	-1'643'514
Accumulated income(loss) at beginning	-	3'080'251	- 1'791'464	- 3'488'291	- 1'844'777
Accum. income(loss) at end of the period		<u><u>6'321'887</u></u>	<u><u>- 3'080'251</u></u>	<u><u>6'906'746</u></u>	<u><u>- 3'488'291</u></u>

International Golf Federation (IGF), Lausanne

Notes to the financial statements 2021 and 2020 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 currencies 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 conversion gain or loss of the period in the statement of income and expenditure.

International Golf Federation (IGF), Lausanne

Notes to the financial statements 2021 and 2020
In Swiss Francs with convenience translation into US dollar

	2021	2020	2021	2020
	CHF	CHF	USD	USD
3. Prepaid expenses and other current assets				
Accrued income	803'213	0	877'526	0
Taxes	45'666	28'461	49'891	32'231
Olympic game prepaid expenses	69'941	382'110	76'412	432'729
Other prepaid expenditures	24'307	43'699	26'556	49'488
	<u>943'127</u>	<u>454'271</u>	<u>1'030'385</u>	<u>514'448</u>
OF Which,				
Short term	873'186	454'271	953'973	514'448
Long term	69'941	0	76'412	0
	<u>943'127</u>	<u>454'271</u>	<u>1'030'385</u>	<u>514'448</u>
4. Tangible fixed assets, net of depreciation				
IT equipment	0	609	0	690
Furnitures and office equipment	767	980	838	1'110
	<u>767</u>	<u>1'589</u>	<u>838</u>	<u>1'800</u>
5. Intangible fixed assets, net of depreciation				
Software	7'139	10'484	7'800	11'873
	<u>7'139</u>	<u>10'484</u>	<u>7'800</u>	<u>11'873</u>
6. Accrued and other payables				
Social charges	54'707	13'814	59'768	15'644
Taxes	867'988	0	948'295	0
Interest accrual	98'971	138'025	108'128	156'309
Tokyo deferred income	0	305'861	0	346'379
Other accruals	5'500	5'500	6'009	6'229
other payables	12'124	3'533	13'246	4'002
	<u>1'039'290</u>	<u>466'734</u>	<u>1'135'445</u>	<u>528'562</u>
7. Subordinated Long-term loans				
Europa Tour	320'360	309'059	350'000	350'000
LPGA	0	309'059	0	350'000
PGA of America	0	618'118	0	700'000
PGA Tour	640'721	309'059	700'000	350'000
R & A	0	618'118	0	700'000
USGA	640'721	618'118	700'000	700'000
Master Tournament Foundation Inc.	640'721	618'118	700'000	700'000
	<u>2'242'522</u>	<u>3'399'649</u>	<u>2'450'000</u>	<u>3'850'000</u>
Accumulated losses are fully covered by the subordinated loans.				
8. Staff costs				
Gross salary	1'229'871	953'097	1'368'226	1'030'412
Social charges	206'889	157'155	230'163	169'904
	<u>1'436'760</u>	<u>1'110'252</u>	<u>1'598'389</u>	<u>1'200'316</u>