
International Golf Federation (IGF)

Lausanne

Report of the auditor to the Board of Directors of International Golf Federation (IGF) on the financial statements 2017





Report of the auditor

to the Board of Directors 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 2017.

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 2017 comply with Swiss law.



PricewaterhouseCoopers SA

Guillaume Nayet
Audit expert

Nicolas Daehler
Audit expert

Lausanne, 31 May 2018

Enclosure:

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

**International Golf Federation
Lausanne**

**Report of the auditors
to the Board for the year 2017**

International Golf Federation, Lausanne

Balance sheet at December 31

In Swiss Francs with convenience translation into US dollar

	Notes	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets		CHF	CHF	USD	USD
Current assets					
Cash at bank and in hand		2'174'032	12'042'237	2'121'964	11'816'084
Accounts receivable		9'230	21'505	9'009	21'101
Prepaid expenses & other assets	3	80'769	1'526'754	78'835	1'498'081
		<u>2'264'031</u>	<u>13'590'496</u>	<u>2'209'807</u>	<u>13'335'266</u>
Fixed assets					
Tangible fixed assets	4	2'360	3'632	2'303	3'564
Intangible fixed assets	5	29'033	0	28'338	0
		<u>31'393</u>	<u>3'632</u>	<u>30'641</u>	<u>3'564</u>
Total assets		<u><u>2'295'424</u></u>	<u><u>13'594'128</u></u>	<u><u>2'240'449</u></u>	<u><u>13'338'831</u></u>
Liabilities and funds					
Current liabilities					
Accounts payable		521'651	459'902	509'157	451'265
Accrued and other payables	6	110'251	1'627'507	107'610	1'596'943
Short term loans		0	8'016'041	0	7'865'500
		<u>631'902</u>	<u>10'103'451</u>	<u>616'768</u>	<u>9'913'708</u>
Funds					
Accumulated income/(losses)	7	<u>1'663'523</u>	<u>3'490'678</u>	<u>1'623'681</u>	<u>3'425'123</u>
Total liabilities and funds		<u><u>2'295'424</u></u>	<u><u>13'594'128</u></u>	<u><u>2'240'449</u></u>	<u><u>13'338'831</u></u>

International Golf Federation, Lausanne

Statement of income and expenditure for the years

2017 and 2016

In Swiss Francs with convenience translation into US dollar

	Notes	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		CHF	CHF	USD	USD
Income					
IOC Contribution		71'107	13'247'564	70'000	13'047'526
Financial income		0	0	0	0
Subscription for Championship		0	106'293	0	104'688
Sponsorship		0	131'993	0	130'000
Other income		12'406	257'227	12'213	253'343
		<u>83'514</u>	<u>13'743'078</u>	<u>82'213</u>	<u>13'535'557</u>
Expenditure					
Staff costs	8	1'034'089	941'284	1'017'989	927'071
Travel and representation		209'279	260'731	206'020	256'794
Olympic games related expenditures		48'834	2'516'080	48'073	2'478'087
YOG relative expenses		0	-2'719	0	- 2'678
Marketing and communication		23'032	49'604	22'673	48'855
Office costs		99'673	117'203	98'122	115'433
Fees		198'624	237'642	195'532	234'054
Interest expenses		1'362	235'045	1'340	231'495
Exchange loss / (gain)		37'581	26'759	36'996	26'355
Translation adjustment	-	2'778	125'631	0	0
Other expenditure		257'238	72'726	253'233	71'627
Amortisation		3'734	2'844	3'676	2'802
		<u>1'910'669</u>	<u>4'582'830</u>	<u>1'883'655</u>	<u>4'389'895</u>
Excess of income over expenditure					
(expenditure over income) for the year		-1'827'155	9'160'247	-1'801'442	9'145'662
Accumulated income/(loss) at beginning		3'490'678	- 5'669'570	3'425'122	- 5'720'540
Accumulated income/(loss) at end of the period		<u>1'663'523</u>	<u>3'490'678</u>	<u>1'623'680</u>	<u>3'425'122</u>

International Golf Federation, Lausanne

Notes to the financial statements 2017 and 2016 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 2017 and 2016
In Swiss Francs with convenience translation into US dollar**

	2017 CHF	2016 CHF	2017 USD	2016 USD
3. Prepaid expenses and other current assets				
Accrued income	11'543	1'505'805	11'266	1'477'526
Taxes	44'968	0	43'891	0
Rio prepaid expenses	0	0	0	0
Other prepaid expenditures	24'258	20'949	23'677	20'555
	<u>80'769</u>	<u>1'526'754</u>	<u>78'835</u>	<u>1'498'081</u>
4. Tangible fixed assets, net of depreciation				
IT equipment	241	494	236	485
Furnitures and office equipment	2'119	3'139	2'068	3'080
	<u>2'360</u>	<u>3'632</u>	<u>2'303</u>	<u>3'564</u>
5. Intangible fixed assets, net of depreciation				
Software	29'033	0	28'338	0
	<u>29'033</u>	<u>0</u>	<u>28'338</u>	<u>0</u>
6. Accrued and other payables				
Social charges	36'488	20'958	35'614	20'564
Interest accrual	0	735'664	0	721'849
Other accruals	0	5'593	0	5'488
other payables	73'763	865'292	71'997	849'042
	<u>110'251</u>	<u>1'627'507</u>	<u>107'610</u>	<u>1'596'943</u>
7. Subordinated Long-term loans				
Europa Tour	0	1'235'197	0	1'212'000
LPGA	0	604'859	0	593'500
PGA of America	0	1'235'197	0	1'212'000
PGA Tour	0	1'235'197	0	1'212'000
R & A	0	1'235'197	0	1'212'000
USGA	0	1'235'197	0	1'212'000
Augusta National Golf Club	0	1'235'197	0	1'212'000
	<u>0</u>	<u>8'016'041</u>	<u>0</u>	<u>7'865'500</u>
8. Staff costs				
Gross salary	792'685	713'102	780'343	702'334
Social charges	139'511	140'073	137'339	137'957
Other staff costs	101'893	88'110	100'307	86'780
	<u>1'034'089</u>	<u>941'284</u>	<u>1'017'989</u>	<u>927'071</u>