



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

***Report of the auditor
to the Members of International
Golf Federation (IGF)
on the financial statements 2014***



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 2014.

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, 2014, showing accumulating losses of CHF 4,167,009 comply with Swiss law and the articles of the association.

PricewaterhouseCoopers SA

Guillaume Nayet
Audit expert

Olivier Mirshak
Audit expert

Lausanne, June 19, 2015

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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets		CHF	CHF	USD	USD
Current assets					
Cash at bank and in hand		804'416	499'107	812'879	560'473
Accounts receivable		159'069	11'838	160'742	13'293
Prepaid expenses & other assets	3	45'231	32'723	45'706	36'747
		<u>1'008'716</u>	<u>543'668</u>	<u>1'019'328</u>	<u>610'512</u>
Fixed assets					
Tangible fixed assets	4	10'187	17'928	10'294	20'132
Intangible fixed assets	5	817	983	826	1'103
		<u>11'004</u>	<u>18'911</u>	<u>11'120</u>	<u>21'236</u>
Total assets		<u><u>1'019'720</u></u>	<u><u>562'579</u></u>	<u><u>1'030'447</u></u>	<u><u>631'748</u></u>
Liabilities and funds					
Current liabilities					
Accounts payable		3'866	25'029	3'907	28'106
Accrued and other payables	6	415'516	246'963	419'887	277'327
Deferred income	7	4'948	4'453	5'000	5'000
		<u>424'330</u>	<u>276'445</u>	<u>428'793</u>	<u>310'433</u>
Non-current liabilities					
Subordinated long term loans	8	4'762'400	2'949'820	4'812'500	3'312'500
		<u>4'762'400</u>	<u>2'949'820</u>	<u>4'812'500</u>	<u>3'312'500</u>
Funds					
Accumulated losses	8	- 4'167'009	- 2'663'685	- 4'210'846	- 2'991'185
Total liabilities and funds		<u><u>1'019'720</u></u>	<u><u>562'579</u></u>	<u><u>1'030'447</u></u>	<u><u>631'748</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	2014	2013	2014	2013
		CHF	CHF	USD	USD
Income					
IOC Contribution		238'057	0	260'434	0
Members contributions		0	0	0	0
Financial income		2	2	2	3
Subscription for Championship		89'396	0	97'799	0
Other income		7'437	12'650	8'136	13'648
		<u>334'891</u>	<u>12'652</u>	<u>366'371</u>	<u>13'651</u>
Expenditure					
Staff costs	9	762'186	696'722	833'831	751'729
Travel and representation		176'826	104'009	193'447	112'221
YOG relative expenses		89'467	0	97'877	0
Marketing and communication		30'719	2'173	33'607	2'345
Office costs		106'422	83'453	116'426	90'041
Fees		111'440	140'131	121'916	151'195
Interest expenses		130'368	88'375	142'622	95'352
Exchange loss / (gain)		15'653	11'995	17'125	12'942
Translation adjustment		388'460	- 85'868	0	0
Other expenditure		17'427	12'031	19'066	12'981
Amortisation		9'247	11'078	10'116	11'953
		<u>1'838'216</u>	<u>1'064'099</u>	<u>1'586'032</u>	<u>1'240'757</u>
Excess of income over expenditure					
(expenditure over income) for the year		-1'503'324	-1'051'447	-1'219'661	-1'227'107
Accumulated loss at beginning		- 2'663'685	- 1'612'238	- 2'991'185	- 1'764'079
Accumulated loss at end of the period		<u>- 4'167'009</u>	<u>- 2'663'685</u>	<u>- 4'210'846</u>	<u>- 2'991'185</u>

International Golf Federation, Lausanne

Notes to the financial statements 2014 and 2013 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.

The annual accounts have been prepared under the disposition of the Swiss Law prior to the modification introduced on January 1, 2013, in accordance with the transitional disposition of the new accounting law.

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 2014 and 2013
In Swiss Francs with convenience translation into US dollar

	2014	2013	2014	2013
	CHF	CHF	USD	USD
3. Prepaid expenses and other current assets				
Prepaid taxes	4'193	3'471	4'237	3'898
Other prepaid expenditures	41'038	29'252	41'470	32'849
	<u>45'231</u>	<u>32'723</u>	<u>45'706</u>	<u>36'747</u>
4. Tangible fixed assets, net of depreciation				
IT equipment	285	1'390	288	1'561
Furnitures and office equipment	9'902	16'538	10'006	18'571
	<u>10'187</u>	<u>17'928</u>	<u>10'294</u>	<u>20'132</u>
5. Intangible fixed assets, net of depreciation				
Software	817	983	826	1'103
	<u>817</u>	<u>983</u>	<u>826</u>	<u>1'103</u>
6. Accrued and other payables				
Social charges	3'700	0	3'738	0
Interest accrual	305'130	147'623	308'340	165'774
Other accruals	8'001	4'987	8'085	5'600
other payables	98'685	94'353	99'723	105'954
	<u>415'516</u>	<u>246'963</u>	<u>419'887</u>	<u>277'327</u>
7. Deffered income				
YOG 2014 expense allowance	4'948	4'453	5'000	5'000
	<u>4'948</u>	<u>4'453</u>	<u>5'000</u>	<u>5'000</u>
8. Subordinated Long-term loans				
Europa Tour	742'192	489'781	750'000	550'000
LPGA	358'726	233'759	362'500	262'500
PGA of America	742'192	489'781	750'000	550'000
PGA Tour	742'192	489'781	750'000	550'000
R & A	742'192	489'781	750'000	550'000
USGA	742'192	489'781	750'000	550'000
Augusta National Golf Club	692'713	267'153	700'000	300'000
	<u>4'762'400</u>	<u>2'949'820</u>	<u>4'812'500</u>	<u>3'312'500</u>
Accumulated losses are fully covered by the subordinated loans.				
9. Staff costs				
Gross salary	540'943	587'886	591'792	634'300
Social charges	79'484	101'863	86'956	109'905
Other staff costs	141'758	6'974	155'083	7'524
	<u>762'186</u>	<u>696'722</u>	<u>833'831</u>	<u>751'729</u>