



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

***Report of the auditor  
to the Members of International  
Golf Federation (IGF)  
on the financial statements 2011***



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

As statutory auditors, 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 period from 1st November 2010 (date of incorporation) to 31 December 2011.

#### *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.

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*Opinion*

In our opinion, the financial statements for the year ended December 31, 2011, showing accumulating losses of CHF 770,826 comply with Swiss law and the articles of the association.

PricewaterhouseCoopers SA

A blue ink signature of Guillaume Nayet, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Guillaume Nayet  
Audit expert

A blue ink signature of Stacha Balmat, featuring a circular loop at the top with several horizontal strokes extending to the right.

Stacha Balmat  
Audit expert

Lausanne, September 18, 2012

Enclosure:

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

**International Golf Federation, Lausanne**

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**Balance sheet at December 31**

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

	Notes	<u>2011</u>	<u>2011</u>
<b>Assets</b>		<b>CHF</b>	<b>USD</b>
<b>Current assets</b>			
Cash at bank and in hand		168'289	179'051
Accounts receivable		5'075	5'400
Prepaid expenses and other current assets	3	18'444	19'624
		<u>191'808</u>	<u>204'075</u>
<b>Fixed assets</b>			
Tangible fixed assets	4	39'030	41'526
Intangible fixed assets	5	320	340
		<u>39'349</u>	<u>41'866</u>
<b>Total assets</b>		<u><u>231'158</u></u>	<u><u>245'941</u></u>
 <b>Liabilities and funds</b>			
<b>Current liabilities</b>			
Accounts payable		28'130	29'929
Accrued and other payables	6	111'501	118'632
Deferred income	7	4'699	5'000
		<u>144'331</u>	<u>153'561</u>
<b>Non-current liabilities</b>			
Subordinated long term loans	8	857'653	912'500
		<u>857'653</u>	<u>912'500</u>
<b>Funds</b>			
Accumulated losses	8	- 770'826	- 820'121
<b>Total liabilities and funds</b>		<u><u>231'158</u></u>	<u><u>245'941</u></u>

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

**November 1<sup>st</sup>, 2010 to December 31<sup>st</sup>, 2011**

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

	Notes	<u>2011</u> CHF	<u>2011</u> USD
<b>Income</b>			
IOC Contribution		69'474	75'600
Members contributions		1'838	2'000
Financial income		623	677
Other income		40'472	44'040
		<u>112'406</u>	<u>122'318</u>
<b>Expenditure</b>			
Staff costs	9	453'626	493'627
Travel and representation		110'376	120'108
Office costs		80'038	87'096
Fees		152'284	165'712
Interest expenses		20'697	22'523
Exchange loss		44'600	29'856
Other expenditure		13'403	14'585
Amortisation		8'207	8'931
		<u>883'232</u>	<u>942'438</u>
<b>Loss for the period</b>		<u>- 770'826</u>	<u>- 820'121</u>

**Notes to the financial statements 2011  
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**

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**Notes to the financial statements 2011**

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

	<b>December 31, 2011 CHF</b>	<b>December 31, 2011 USD</b>
<b>3. Prepaid expenses and other current assets</b>		
Prepaid taxes	4'806	5'114
Prepaid social charges	4'446	4'730
Other prepaid expenditures	9'192	9'780
	<u>18'444</u>	<u>19'624</u>
<b>4. Tangible fixed assets, net of depreciation</b>		
IT equipment	5'452	5'801
Furnitures and office equipment	33'578	35'725
	<u>39'030</u>	<u>41'526</u>
<b>5. Intangible fixed assets, net of depreciation</b>		
Software	320	340
	<u>320</u>	<u>340</u>
<b>6. Accrued and other payables</b>		
Payable to employees	26'691	28'398
USGA	13'159	14'000
Interest accrual	21'169	22'523
Other accruals	40'200	42'771
other payables	10'283	10'941
	<u>111'501</u>	<u>118'632</u>
<b>7. Deffered income</b>		
YOG 2014 expense allowance	4'699	5'000
	<u>4'699</u>	<u>5'000</u>

**International Golf Federation, Lausanne**

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**Notes to the financial statements 2011**

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

	<b>December 31, 2011</b>	<b>December 31, 2011</b>
<b>8. Subordinated Long-term loans</b>		
Europa Tour	140'984	150'000
LPGA	58'743	62'500
PGA of America	140'984	150'000
PGA Tour	140'984	150'000
R & A	140'984	150'000
USGA	140'984	150'000
Augusta National Golf Club	93'989	100'000
	<u>857'653</u>	<u>912'500</u>

Accumulated losses are fully covered by the subordinated loans.

**9. Staff costs**

Gross salary	384'843	418'778
Social charges	68'389	74'419
Other staff costs	395	430
	<u>453'626</u>	<u>493'627</u>