



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

***Report of the auditor  
to the Members of International  
Golf Federation (IGF)  
on the financial statements 2012***



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 2012.

*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, 2012, showing accumulating losses of CHF 1,612,238 comply with Swiss law and the articles of the association.

PricewaterhouseCoopers SA

Guillaume Nayet  
Audit expert

Olivier Mirshak  
Audit expert

Lausanne, January 29, 2014

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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</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		265'042	168'289	290'003	179'051
Accounts receivable		53'252	5'075	58'268	5'400
Prepaid expenses & other assets	3	14'795	18'444	16'189	19'624
		<u>333'089</u>	<u>191'808</u>	<u>364'459</u>	<u>204'075</u>
<b>Fixed assets</b>					
Tangible fixed assets	4	29'050	39'030	31'786	41'526
Intangible fixed assets	5	600	320	657	340
		<u>29'650</u>	<u>39'349</u>	<u>32'442</u>	<u>41'866</u>
<b>Total assets</b>		<u><u>362'739</u></u>	<u><u>231'158</u></u>	<u><u>396'901</u></u>	<u><u>245'941</u></u>
<b>Liabilities and funds</b>					
<b>Current liabilities</b>					
Accounts payable		22'393	28'130	24'502	29'929
Accrued and other payables	6	154'434	111'501	168'978	118'632
Deferred income	7	4'570	4'699	5'000	5'000
		<u>181'396</u>	<u>144'331</u>	<u>198'480</u>	<u>153'561</u>
<b>Non-current liabilities</b>					
Subordinated long term loans	8	1'793'581	857'653	1'962'500	912'500
		<u>1'793'581</u>	<u>857'653</u>	<u>1'962'500</u>	<u>912'500</u>
<b>Funds</b>					
Accumulated losses	8	- 1'612'238	- 770'826	- 1'764'079	- 820'121
<b>Total liabilities and funds</b>		<u><u>362'739</u></u>	<u><u>231'158</u></u>	<u><u>396'901</u></u>	<u><u>245'941</u></u>

**International Golf Federation, Lausanne**

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**Statement of income and expenditure for the period  
November 1<sup>st</sup>, 2010 to December 31<sup>st</sup>, 2011 and for the year 2012**

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

	Notes	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		CHF	CHF	USD	USD
<b>Income</b>					
IOC Contribution		60'111	69'474	64'400	75'600
Members contributions		0	1'838	0	2'000
Financial income		9	623	10	677
Subscription for Championship		87'493	0	93'736	0
Other income		70'414	40'472	75'438	44'040
		<u>218'027</u>	<u>112'406</u>	<u>233'584</u>	<u>122'318</u>
<b>Expenditure</b>					
Staff costs	9	549'229	453'626	588'418	493'627
Travel and representation		217'487	110'376	233'005	120'108
Marketing and communication		26'024	0	27'881	0
Office costs		70'726	80'038	75'773	87'096
Fees		142'081	152'284	152'219	165'712
Interest expenses		44'818	20'697	48'016	22'523
Exchange loss / (gain)		- 20'782	44'600	19'336	29'856
Other expenditure		19'013	13'403	20'369	14'585
Amortisation		10'842	8'207	11'616	8'931
		<u>1'059'439</u>	<u>883'232</u>	<u>1'176'632</u>	<u>942'438</u>
<b>Excess of income over expenditure (expenditure over income) for the year</b>					
		-841'412	-770'826	-943'049	-820'121
Accumulated loss at beginning		- 770'826	0	- 820'121	0
<b>Accumulated loss at end of the period</b>		<u><u>- 1'612'238</u></u>	<u><u>- 770'826</u></u>	<u><u>- 1'763'169</u></u>	<u><u>- 820'121</u></u>

**Notes to the financial statements 2012**

**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 2012**

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

	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>CHF</b>	<b>CHF</b>	<b>USD</b>	<b>USD</b>
<b>3. Prepaid expenses and other current assets</b>				
Prepaid taxes	8'875	4'806	9'710	5'114
Prepaid social charges	0	4'446	0	4'730
Other prepaid expenditures	5'921	9'192	6'478	9'780
	<u>14'795</u>	<u>18'444</u>	<u>16'189</u>	<u>19'624</u>
<b>4. Tangible fixed assets, net of depreciation</b>				
IT equipment	4'249	5'452	4'649	5'801
Furnitures and office equipment	24'800	33'578	27'136	35'725
	<u>29'050</u>	<u>39'030</u>	<u>31'786</u>	<u>41'526</u>
<b>5. Intangible fixed assets, net of depreciation</b>				
Software	600	320	657	340
	<u>600</u>	<u>320</u>	<u>657</u>	<u>340</u>
<b>6. Accrued and other payables</b>				
Payable to employees	5'112	26'691	5'594	28'398
Interest accrual	64'394	21'169	70'459	22'523
Other accruals	4'570	53'359	5'000	56'771
other payables	80'358	10'283	87'926	10'941
	<u>154'434</u>	<u>111'501</u>	<u>168'978</u>	<u>118'632</u>
<b>7. Deferred income</b>				
YOG 2014 expense allowance	4'570	4'699	5'000	5'000
	<u>4'570</u>	<u>4'699</u>	<u>5'000</u>	<u>5'000</u>
<b>8. Subordinated Long-term loans</b>				
Europa Tour	319'874	140'984	350'000	150'000
LPGA	102'817	58'743	112'500	62'500
PGA of America	319'874	140'984	350'000	150'000
PGA Tour	228'482	140'984	250'000	150'000
R & A	319'874	140'984	350'000	150'000
USGA	319'874	140'984	350'000	150'000
Augusta National Golf Club	182'785	93'989	200'000	100'000
	<u>1'793'581</u>	<u>857'653</u>	<u>1'962'500</u>	<u>912'500</u>
Accumulated losses are fully covered by the subordinated loans.				
<b>9. Staff costs</b>				
Gross salary	444'172	384'843	475'865	418'778
Social charges	105'057	68'389	112'553	74'419
Other staff costs	0	395	0	430
	<u>549'229</u>	<u>453'626</u>	<u>588'418</u>	<u>493'627</u>