



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

***Report of the auditor  
to the Members of International  
Golf Federation (IGF)  
on the financial statements 2013***



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 2013.

*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, 2013, showing accumulating losses of CHF 2,663,685 comply with Swiss law and the articles of the association.

PricewaterhouseCoopers SA

Guillaume Nayet  
Audit expert

Olivier Mirshak  
Audit expert

Lausanne, July 3, 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</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		499'107	265'042	560'473	290'003
Accounts receivable		11'838	53'252	13'293	58'268
Prepaid expenses & other assets	3	32'723	14'795	36'747	16'189
		<u>543'668</u>	<u>333'089</u>	<u>610'512</u>	<u>364'459</u>
<b>Fixed assets</b>					
Tangible fixed assets	4	17'928	29'050	20'132	31'786
Intangible fixed assets	5	983	600	1'103	657
		<u>18'911</u>	<u>29'650</u>	<u>21'236</u>	<u>32'442</u>
<b>Total assets</b>		<u><u>562'579</u></u>	<u><u>362'739</u></u>	<u><u>631'748</u></u>	<u><u>396'901</u></u>
<b>Liabilities and funds</b>					
<b>Current liabilities</b>					
Accounts payable		25'029	22'393	28'106	24'502
Accrued and other payables	6	246'963	154'434	277'327	168'978
Deferred income	7	4'453	4'570	5'000	5'000
		<u>276'445</u>	<u>181'396</u>	<u>310'433</u>	<u>198'480</u>
<b>Non-current liabilities</b>					
Subordinated long term loans	8	2'949'820	1'793'581	3'312'500	1'962'500
		<u>2'949'820</u>	<u>1'793'581</u>	<u>3'312'500</u>	<u>1'962'500</u>
<b>Funds</b>					
Accumulated losses	8	- 2'663'685	- 1'612'238	- 2'991'185	- 1'764'079
<b>Total liabilities and funds</b>		<u><u>562'579</u></u>	<u><u>362'739</u></u>	<u><u>631'748</u></u>	<u><u>396'901</u></u>

**International Golf Federation, Lausanne**

**Statement of income and expenditure for theyears  
2012 and 2013**

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

	Notes	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		CHF	CHF	USD	USD
<b>Income</b>					
IOC Contribution		0	60'111	0	64'400
Members contributions		0	0	0	0
Financial income		2	9	3	10
Subscription for Championship		0	87'493	0	93'736
Other income		12'650	70'414	13'648	75'438
		<u>12'652</u>	<u>218'027</u>	<u>13'651</u>	<u>233'584</u>
<b>Expenditure</b>					
Staff costs	9	696'722	549'229	751'729	588'418
Travel and representation		104'009	217'487	112'221	233'005
Marketing and communication		2'173	26'024	2'345	27'881
Office costs		83'453	70'726	90'041	75'773
Fees		140'131	142'081	151'195	152'219
Interest expenses		88'375	44'818	95'352	48'016
Exchange loss / (gain)		11'995	18'897	12'942	20'245
Translation adjustment	-	85'868	- 39'679	0	0
Other expenditure		12'031	19'013	12'981	20'369
Amortisation		11'078	10'842	11'953	11'616
		<u>1'064'099</u>	<u>1'059'439</u>	<u>1'240'757</u>	<u>1'177'542</u>
<b>Excess of income over expenditure (expenditure over income) for the year</b>					
		-1'051'447	-841'412	-1'227'107	-943'958
Accumulated loss at beginning		- 1'612'238	- 770'826	- 1'764'079	- 820'121
<b>Accumulated loss at end of the period</b>		<u><u>- 2'663'685</u></u>	<u><u>- 1'612'238</u></u>	<u><u>- 2'991'185</u></u>	<u><u>- 1'764'079</u></u>

**Notes to the financial statements 2013 and 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.

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 2013 and 2012**  
**In Swiss Francs with convenience translation into US dollar**

	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>CHF</b>	<b>CHF</b>	<b>USD</b>	<b>USD</b>
<b>3. Prepaid expenses and other current assets</b>				
Prepaid taxes	3'471	8'875	3'898	9'710
Other prepaid expenditures	29'252	5'921	32'849	6'478
	<u>32'723</u>	<u>14'795</u>	<u>36'747</u>	<u>16'189</u>
<b>4. Tangible fixed assets, net of depreciation</b>				
IT equipment	1'390	4'249	1'561	4'649
Furnitures and office equipment	16'538	24'800	18'571	27'136
	<u>17'928</u>	<u>29'050</u>	<u>20'132</u>	<u>31'786</u>
<b>5. Intangible fixed assets, net of depreciation</b>				
Software	983	600	1'103	657
	<u>983</u>	<u>600</u>	<u>1'103</u>	<u>657</u>
<b>6. Accrued and other payables</b>				
Payable to employees	0	5'112	0	5'594
Interest accrual	147'623	64'394	165'774	70'459
Other accruals	4'987	4'570	5'600	5'000
other payables	94'353	80'358	105'954	87'926
	<u>246'963</u>	<u>154'434</u>	<u>277'327</u>	<u>168'978</u>
<b>7. Deffered income</b>				
YOG 2014 expense allowance	4'453	4'570	5'000	5'000
	<u>4'453</u>	<u>4'570</u>	<u>5'000</u>	<u>5'000</u>
<b>8. Subordinated Long-term loans</b>				
Europa Tour	489'781	319'874	550'000	350'000
LPGA	233'759	102'817	262'500	112'500
PGA of America	489'781	319'874	550'000	350'000
PGA Tour	489'781	228'482	550'000	250'000
R & A	489'781	319'874	550'000	350'000
USGA	489'781	319'874	550'000	350'000
Augusta National Golf Club	267'153	182'785	300'000	200'000
	<u>2'949'820</u>	<u>1'793'581</u>	<u>3'312'500</u>	<u>1'962'500</u>
Accumulated losses are fully covered by the subordinated loans.				
<b>9. Staff costs</b>				
Gross salary	587'886	444'172	634'300	475'865
Social charges	101'863	105'057	109'905	112'553
Other staff costs	6'974	0	7'524	0
	<u>696'722</u>	<u>549'229</u>	<u>751'729</u>	<u>588'418</u>