



**International Weightlifting Federation,
Lausanne**

**Report of the Independent Auditor
on the Financial Statements
to the Executive Board**

Financial Statements 2016



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Report of the Independent Auditor to the Board of Trustees of
International Weightlifting Federation, Lausanne

Report of the Independent Auditor on the Financial Statements

As independent auditor, we have audited the accompanying financial statements of International Weightlifting Federation, which comprise the balance sheet, income statement, cash flow statement and notes for the year ended 31 December 2016.

Federations' Responsibility

The President and the Secretary General are 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 treasurer 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 law and 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 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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In our opinion, the financial statements for the year ended 31 December 2016 comply with Swiss law.

KPMG SA

Pierre-Henri Pigeon
*Licensed Audit Expert
Auditor in Charge*

Cédric Rigoli
Licensed Audit Expert

Lausanne, 27 March 2017

Enclosure:

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

Enclosure 1**Balance Sheet as at 31 December****2016****2015**

	Note	USD	USD
ASSETS			
Current assets			
Petty Cash		147,514	16,267
Cash at bank		2,136,022	227,658
Accounts receivables from:			
- Membership fees		13,500	13,500
- Anti-doping fines		279,500	143,203
- Barbell companies		40,000	80,000
- World Championships organisers		-	99,318
- National Federations		12,122	-
Prepaid expenses		-	168,778
Total current assets		2,628,658	748,724
Non-Current assets			
Marketable securities	3	35,447,054	24,481,647
Deposits		44,569	44,569
Total non-current assets		35,491,623	24,526,216
Total assets		38,120,281	25,274,940
LIABILITIES AND UNRESTRICTED FUNDS			
Current liabilities			
Trade account payables for:			
- General operations		289,409	322,088
- Development programs		14,250	188,685
Accrued expenses		83,700	48,700
Advances received		-	34,754
Deferred revenue		5,000	504,000
Provisions		150,000	100,000
Total current liabilities		542,359	1,198,227
Unrestricted funds			
Special reserve		-	-
Net excess of income/(expenditure) for the reporting year		13,501,209	(1,575,510)
Unrestricted funds brought forward	2.7	24,076,713	25,652,223
Total unrestricted funds		37,577,922	24,076,713
Total liabilities and unrestricted funds		38,120,281	25,274,940

Enclosure 2

Statement of income and expenditures
for the year ended 31 December

		2016	2015
	Notes	USD	USD
Membership fees		77,500	100,000
Marketing, sponsorship and TV revenues	5	1,934,117	2,300,362
Bidding fees for IWF Championships		171,996	181,739
Olympic Revenues	6	15,457,258	79,269
Reimbursements of advanced costs		405,572	23,269
Anti-Doping Fund & Fines	7	901,933	415,402
IWF Technologies		14,674	8,975
Referee cards and licenses fees		24,653	13,534
IWF Shop sales		8,451	4,721
Subscription to World Weightlifting		84	1,122
Other income		18,654	-
Total Income		19,014,892	3,128,393
IWF Development program expenses		1,037,465	1,260,569
Meetings		381,112	126,151
Participation in meetings		29,845	34,135
Costs related to competition		1,173,617	343,258
Doping controls costs		703,834	866,167
Publications expenses		44,210	92,277
IWF Logo items		27,547	100,656
IWF Technologies		40,389	16,584
IWF Executive Board Honorarium		575,000	575,000
Administrative expenses		254,600	263,166
Personnel expenses		823,030	782,619
Expenditures of Legal affairs and court cases + audit		114,378	96,021
Membership and subscription fees paid		41,750	16,707
IWF Marketing		6,626	70,119
Other expenditures		15,027	40,824
Total Expenditure		5,268,430	4,684,253
Excess of income/(expenditure) before financial items		13,746,462	(1,555,860)
Financial expense, net	4	(245,253)	(19,650)
Net excess of income/(expenditure) for the reporting year		13,501,209	(1,575,510)

Enclosure 3

Statement of cash flows
31 December

	2016	2015
	USD	USD
Cash flows from operating activities		
Olympic contributions	15,457,258	79,269
Membership fees	74,662	95,049
Referee card and licenses fees	24,653	13,534
Anti-doping fund & fines	765,635	388,699
Marketing, sponsorship and TV revenues	1,514,117	1,954,712
Championships organization fees	171,996	181,739
IWF technologies	14,674	8,975
Reimbursements of advanced costs	400,902	27,939
Subscriptions to World Weightlifting magazine	84	1,122
IWF shop	8,451	4,721
Bank interests for operating activities	15,812	14,020
Other revenues	18,654	-
<i>Cash received from operating activities</i>	<i>18,466,898</i>	<i>2,769,779</i>
IWF Development program expenses	(1,186,660)	(1,109,884)
Doping control costs	(786,445)	(822,231)
Competition organization expenses	(940,851)	(371,623)
IWF meetings (Congress, EB and council, commissions)	(308,494)	(69,443)
Participation in meetings	(29,845)	(34,135)
Publication expenses	(44,210)	(92,277)
Contributions to IWF officials	(575,000)	(575,000)
IWF Budapest office	(710,919)	(688,489)
IWF Beijing office, net of remaining cash	(183,106)	(149,754)
IWF Lausanne office	(222,867)	(216,167)
Professional and legal assistance	(74,894)	(116,387)
Membership and subscription fees	(44,672)	(15,867)
IWF technologies	(40,389)	(16,584)
Merchandising with IWF logo	(27,546)	(100,656)
IWF Marketing	(12,057)	(64,688)
Other expenses	(16,699)	(28,114)
Bank charges for operating activities	(30,776)	(27,048)
<i>Cash paid for operating activities</i>	<i>(5,235,430)</i>	<i>(4,498,347)</i>
Net cash received from/(used in) operating activities	13,231,468	(1,728,568)
Cash flows from investing activities		
(Increase)/Decrease in investing funds	(11,182,357)	1,627,048
Bank charges for investing activities	(9,500)	(27,048)
Net cash from investing activities	11,191,857	1,600,000
Net increase/(decrease) in cash and cash equivalents	2,039,611	(128,568)
Cash and cash equivalents at beginning of period	243,925	372,493
Cash and cash equivalents at end of period	2,283,536	243,925

Enclosure 4.1

Notes to Financial Statements 31 December 2016

1. General

The International Weightlifting Federation (hereafter called “IWF”) is a Swiss association registered in Lausanne, established as a non-profit legal entity controlled by art. 60 and further of the Swiss Civil Code. The IWF is domiciled in Lausanne, Switzerland.

The IWF is recognized by the International Olympic Committee as the sole controlling body for international weightlifting and is composed of 188 affiliated National Federations.

2. Summary of significant accounting policies

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial reporting (32nd title of the Swiss Code of Obligation). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Swiss Code of Obligations. They are presented in United States Dollars (USD), as this is the currency of the primary economic environment in which the IWF’s activities is conducted. They are prepared on the historical cost basis.

2.2 Foreign currencies

IWF books are kept in US dollars. Transactions in currencies other than USD are recorded at the approximating exchange rate on the date of the transaction. At the balance sheet date monetary assets and liabilities denominated in foreign currency are converted into USD at the prevailing exchange rate at that date. Realized and unrealized foreign currency exchange differences are reported in the statement of income and expenditures.

2.3 Recognition of revenues

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Federation and the revenue can be reliably measured.

Sponsoring and TV revenues

Sponsoring and TV revenues are recorded as income when they are due, as the contractual commitment has been realized. Revenue related to future events are deferred to the period to which it relates.

Doping fines

Doping fines are recorded as revenue at the moment the case is closed, the fine is due and time and rights for appeal have been exhausted.

Affiliation fees

Affiliation fees income is recognized the year they are due.

Enclosure 4.2

Notes to Financial Statements
31 December 2016**2.4 Recognition of expenses**

Expenses are recognized in the financial statements on an accrual basis. Expenses are recognized over the period to which they relate.

2.5 Income taxes

As the IWF is a non-profit making association, it benefits from tax exemption applied to international sports organisations located in the canton of Vaud.

2.6 Tangible fixed assets

Tangible fixed assets are recognized as an expense during the period in which they were purchased.

2.7 Unrestricted funds

Unrestricted funds are funds that are or would be freely available to use for any of the IWF's purposes, once all of its enforceable obligations have been fulfilled.

2.8 Designated funds

Designated funds are funds that are disposable to the organization and that are designated by the organization for a specified purpose which limits their use.

	USD 2016	USD 2015
3. Marketable securities		
Investment portfolio at UBS (account closed in 2016)	-	3,139,749
Investment portfolio at UBP	35,447,054	21,341,898
	<u>35,447,054</u>	<u>24,481,647</u>

Enclosure 4.3

Notes to Financial Statements
31 December 2016

	USD 2016	USD 2015
4. Financial expense, net		
Net revenue from investment portfolio at UBP	58,513	48,412
Interest from bank account and short term deposit	15,812	14,020
Financial revenue	74,325	64,432
Net expense from investment portfolio at UBP	(257,655)	-
Net expense from investment portfolio at UBS	(17,808)	(9,626)
Bank charges	(44,115)	(72,456)
Financial expense	(319,578)	(82,082)
Financial expense, net	(245,253)	(19,650)

Investments portfolios are booked at market fair-value including any accrued interest.

5. Marketing, sponsorship and TV revenues

Marketing and barbell licenses	834,884	1,024,802
TV and World Championships revenues	99,273	1,275,560
2016 Rio Olympic Games non-IOC revenues	1,000,000	-
	1,934,117	2,300,362

6. Olympic revenues

2016 Rio Olympic Games revenues	15,370,000	-
Other Olympic revenues	87,258	2,300,262
	15,457,258	2,300,362

The International Olympic Committee (IOC) proceeded with a provisional revenue distribution from the 2016 Rio Olympic Games. As of 31 December 2016, two instalments were made in favour of the IWF of a gross amount of USD 15,370,000. In its letter dated 15 September 2016, the IOC President confirmed that the IOC Executive Board will decide at its meeting in March 2017 on the final distribution. The third and final instalment is expected to be paid upon finalization of the IOC accounts in June 2017. As such, the remaining revenue related to the 2016 Rio Olympic Games will be recognized as a revenue at the date it can be reliably measured.

Enclosure 4.4

Notes to Financial Statements
31 December 2016

	USD 2016	USD 2015
7. Anti-Doping Fund & Fines		
Anti-Doping Fines	843,696	322,132
Anti-Doping Fund – World Championships	51,137	88,900
Anti-Doping Fund – Qualification Events	7,100	4,370
	<u>901,933</u>	<u>415,402</u>

8. Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 50.