



**International Weightlifting Federation,
Lausanne**

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

Financial Statements 2017



KPMG SA
Audit Western Switzerland
Avenue du Théâtre 1
CH-1005 Lausanne

P.O. Box 6663
CH-1002 Lausanne

Telephone +41 58 249 45 55
Fax +41 58 249 45 64
Internet www.kpmg.ch

Report of the Independent Auditor to the Executive Board 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 2017.

President and General Secretary's Responsibility

The President and the General Secretary 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.

In our opinion, the financial statements for the year ended 31 December 2017 comply with Swiss law.

KPMG SA

Pierre-Henri Pingeon
Licensed Audit Expert
Auditor in Charge

Cédric Rigoli
Licensed Audit Expert

Lausanne, 28 June 2018

Enclosure:

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

Enclosure 1

Balance Sheet as at 31 December

		2017	2016
	Note	USD	USD
ASSETS			
Current assets			
Petty Cash		27,849	147,514
Cash at bank		2,146,920	2,136,022
Accounts receivables from:			
- Membership fees		-	13,500
- Anti-doping fines		628,121	279,500
- Barbell companies		100,000	40,000
- National Federations		5,024	12,122
- Others related parties		11,362	-
Total current assets		2,919,276	2,628,658
Non-Current assets			
Marketable securities	3	34,591,428	35,447,054
Deposits		44,569	44,569
Total non-current assets		34,625,997	35,491,623
Total assets		37,555,273	38,120,281
LIABILITIES AND UNRESTRICTED FUNDS			
Current liabilities			
Trade account payables for:			
- General operations		568,070	289,409
- Development programs		23,042	14,250
Accrued expenses		79,394	83,700
Advances received		113,716	-
Deferred revenue		584,000	5,000
Provisions		150,000	150,000
Total current liabilities		1,509,222	542,359
Unrestricted funds			
Special reserve		20,000,000	-
Net excess of income/(expenditure) for the reporting year		(1,540,871)	13,501,209
Unrestricted funds brought forward	2.7	17,577,922	24,076,713
Total unrestricted funds		36,037,051	37,577,922
Total liabilities and unrestricted funds		37,555,273	38,120,281

Enclosure 2

Statement of income and expenditures
for the year ended 31 December

		2017	2016
	Notes	USD	USD
Membership fees		76,500	77,500
Marketing, sponsorship and TV revenues	5	980,377	1,934,117
Bidding fees for IWF Championships		85,067	171,996
Olympic Revenues	6	1,915,558	15,457,258
Reimbursements of advanced costs		270,218	405,572
Anti-Doping Fund & Fines	7	445,508	901,933
IWF Technologies		-	14,674
Referee cards and licenses fees		63,045	24,653
IWF Shop sales		3,279	8,451
Subscription to World Weightlifting		-	84
Other income		16,085	18,654
Total Income		3,855,637	19,014,892
IWF Development program expenses		1,455,696	1,037,465
Meetings		1,030,268	381,112
Participation in meetings		17,469	29,845
Costs related to competition		598,698	1,173,617
Doping controls costs		1,282,032	703,834
Publications expenses		141,674	44,210
IWF Logo items		26,074	27,547
IWF Technologies		48,481	40,389
IWF Executive Board Honorarium		898,158	575,000
Administrative expenses		350,549	254,600
Personnel expenses		1,080,076	823,030
Expenditures of Legal affairs and court cases + audit		507,538	114,378
Membership and subscription fees paid		47,690	41,750
IWF Marketing		99,721	6,626
Other expenditures		31,613	15,027
Total Expenditure		7,615,737	5,268,430
Excess of income/(expenditure) before financial items		(3,760,100)	13,746,462
Financial revenue/(expense), net	4	2,219,229	(245,253)
Net excess of income/(expenditure) for the reporting year		(1,540,871)	13,501,209

Enclosure 3

Statement of cash flows
31 December

	2017	2016
	USD	USD
Cash flows from operating activities		
Olympic contributions	1,915,558	15,457,258
Membership fees	99,826	74,662
Referee card and licenses fees	63,045	24,653
Anti-doping fund & fines	96,887	765,635
Marketing, sponsorship and TV revenues	920,377	1,514,117
Championships organization fees	660,067	171,996
IWF technologies	-	14,674
Reimbursements of advanced costs	270,218	400,902
Subscriptions to World Weightlifting magazine	-	84
IWF shop	3,279	8,451
Bank interests for operating activities	20,898	15,812
Other revenues	16,085	18,654
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<i>Cash received from operating activities</i>	<i>4,066,240</i>	<i>18,466,898</i>
IWF Development program expenses	(1,439,688)	(1,186,660)
Doping control costs	(1,010,056)	(786,445)
Competition organization expenses	(598,698)	(940,851)
IWF meetings (Congress, EB and council, commissions)	(874,041)	(308,494)
Participation in meetings	(17,469)	(29,845)
Publication expenses	(164,674)	(44,210)
Contributions to IWF officials	(1,003,414)	(575,000)
IWF Budapest office	(713,043)	(710,919)
IWF Beijing office, net of remaining cash	(75,097)	(183,106)
IWF Astana office, net of remaining cash	(92,651)	-
IWF Lausanne office	(622,880)	(222,867)
Professional and legal assistance	(481,791)	(74,894)
Membership and subscription fees	(119,247)	(44,672)
IWF technologies	(48,481)	(40,389)
Merchandising with IWF logo	(26,074)	(27,546)
IWF Marketing	(11,929)	(12,057)
Other expenses	(27,435)	(16,699)
Bank charges for operating activities	(39,781)	(30,776)
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<i>Cash paid for operating activities</i>	<i>(7,366,449)</i>	<i>(5,235,430)</i>
	<hr/>	<hr/>
Net cash received from/(used in) operating activities	(3,300,209)	13,231,468
Cash flows from/(used in) investing activities		
(Increase)/Decrease in investing funds	3,087,912	(11,182,357)
Bank charges for investing activities	(186)	(9,500)
	<hr/>	<hr/>
Net cash from/(used in) investing activities	3,087,726	(11,191,857)
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Net increase/(decrease) in cash and cash equivalents	(212,483)	2,039,611
Cash and cash equivalents at beginning of period	2,283,536	243,925
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Cash and cash equivalents at end of period, net of advance received	2,184,769	2,283,536
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Enclosure 4.1

Notes to Financial Statements 31 December 2017

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 2017**

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 2017	USD 2016
3. Marketable securities		
Investment portfolio at UBP	34,591,428	35,447,054

The bank relationship with UBS SA has been closed in 2016.

Enclosure 4.3

Notes to Financial Statements
31 December 2017

	USD 2017	USD 2016
4. Financial expense, net		
Net revenue from investment portfolio at UBP	2,232,472	58,513
Interest from bank account and short term deposit	20,898	15,812
Financial revenue	2,253,370	74,325
Net expense from investment portfolio at UBP	-	(257,655)
Net expense from investment portfolio at UBS	-	(17,808)
Bank charges	(34,141)	(44,115)
Financial expense	(34,141)	(319,578)
Financial expense, net	2,219,229	(245,253)
Investments portfolios are booked at market fair-value including any accrued interest.		
5. Marketing, sponsorship and TV revenues		
Marketing and barbell licenses	775,390	834,884
Sponsorship revenues	204,987	-
TV and World Championships revenues	-	99,273
2016 Rio Olympic Games non-IOC revenues	-	1,000,000
	980,377	1,934,117
6. Olympic revenues		
2016 Rio Olympic Games revenues	1,912,088	15,370,000
Other Olympic revenues	3,470	87,258
	1,915,558	15,457,258

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 would decide at its meeting in March 2017 on the final distribution. The third and final instalment has been be paid upon finalization of the IOC accounts in June 2017. As such, the remaining revenue related to the 2016 Rio Olympic Games has been recognized in 2017.

Enclosure 4.4

**Notes to Financial Statements
31 December 2017**

	USD 2017	USD 2016
7. Anti-Doping Fund & Fines		
Anti-Doping Fines	445,508	843,696
Anti-Doping Fund – World Championships	-	51,137
Anti-Doping Fund – Qualification Events	-	7,100
	<u>445,508</u>	<u>901,933</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.