International Weightlifting Federation, Lausanne

Independent Assurance Report
to the Congress
on financial information of IWF
for the reporting period
from 9 March 2009 to 31 December 2012

KPMG SA
Lausanne, le 15 mars 2013
Ref. PHP/CR

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International Weightlifting Federation, Lausanne

We were engaged by the IWF Executive Board to provide reasonable assurance on the compilation of the financial information containing the aggregated statement of income and expenditure for the period from 9 March 2009 through 31 December 2012 and for each of the four years or periods ended 22 September 2009, 31 December 2010, 31 December 2011 and 31 December 2012, respectively, the balance sheet as of 31 December 2012 and the aggregated statement of cash-flows for the period from 9 March 2009 through 31 December 2012 for each of the four years or periods ended 22 September 2009, 31 December 2010, 31 December 2011 and 31 December 2012, respectively. The financial information is derived from the annual financial statements for each of the four years ended mentioned above, which were audited by us.

The IWF President and the IWF Secretary General are responsible for the financial information including adoption of the applicable financial reporting framework. Our responsibility is to carry out a reasonable assurance engagement and to express an opinion on the compilation of such financial information based on the work performed.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform the engagement to obtain reasonable assurance about whether the financial information has been properly compiled, in all material respects, on the basis stated and that such basis is consistent with the basis of preparation and the accounting principles set out in the notes to the annual financial statements for each of the four years ended 22 September 2009, 31 December 2010, 31 December 2011 and 31 December 2012, respectively.

In our opinion, the financial information of the International Weightlifting Federation has been properly compiled, in all material respects, on the basis stated and such basis is consistent with the basis of preparation and the accounting principles set out in the notes to the financial statements for each of the four years ended 22 September 2009, 31 December 2010, 31 December 2011 and 31 December 2012, respectively.

KPMG SA

Pierre Henri Pingeon
Licensed Audit Expert

Cédric Rigoli
Licensed Audit Expert

Lausanne, 15 March 2013

Enclosure 1

Balance Sheet	Note	**31.12.2012** USD	**09.03.2009** USD
ASSETS			
Current assets			
Petty Cash		14,508	54,580
Cash at bank		158,667	1,470,819
Short term deposits		700,000	-
Accounts receivables from:			
- Membership fees		96,500	3,485
- Anti-doping fines		516,282	381,900
Prepaid expenses		9,637	-
Total current assets		**1,495,594**	**1,910,784**
Non-Current assets			
Marketable securities	3	27,122,376	16,266,526
Total assets		**28,617,970**	**18,177,310**
LIABILITIES AND UNRESTRICTED FUNDS			
Current liabilities			
Account payables		319,569	-
Accrued expenses		153,558	-
Deferred revenue		5,000	-
Total current liabilities		**478,127**	-
Unrestricted funds			
Net excess of expenditure for the reporting period		9,962,533	-
Unrestricted funds brought forward		18,177,310	18,177,310
Total unrestricted funds		**28,139,843**	**18,177,310**
Total liabilities and unrestricted funds		**28,617,970**	**18,177,310**

Enclosure 2

Statement of income and expenditures for the period	Notes	**2009-2012** total USD	**2012** 12 months USD	**2011** 12 months USD	**2010** 15 months USD	**2009** 7 months USD
Olympic Contribution		14,373,861	14,087,581	2,380	283,900	-
Membership fees		373,000	94,500	93,000	93,000	92,500
Referee card and licenses fees		172,795	36,119	23,731	55,036	57,909
Anti-doping fund & fines		3,143,738	77,518	1,017,402	1,396,118	652,700
Marketing, sponsorship and TV revenues	5	3,722,040	924,712	1,253,192	1,335,305	208,831
Bidding fees for IWF Championships		169,222	69,320	99,902	-	-
Reimbursements		542,562	261,124	83,904	103,543	93,991
Other income		241,105	111,130	76,849	43,520	9,606
Total Income		**22,738,323**	**15,662,004**	**2,650,360**	**3,310,422**	**1,115,537**
Doping controls costs		2,737,930	790,400	983,082	840,400	124,048
Competitions organization expenses	6	1,818,374	913,878	247,000	541,332	116,164
Conferences and transportation expenses	7	368,497	94,986	118,490	94,112	60,909
Executive Board members and Committee meetings expenses	8	2,589,680	587,831	655,422	1,197,533	148,894
Contribution to Continental Federations		1,000,000	250,000	250,000	500,000	-
IWF development program expenses		1,447,580	675,401	302,022	444,508	25,649
Publications expenses		668,857	166,626	137,573	259,289	105,369
Administrative expenses		1,146,108	339,683	311,251	316,669	178,505
Personnel expenses		1,604,403	416,115	459,898	638,920	89,470
Professional and legal expenses		495,189	232,883	116,328	95,104	50,874
Other expenses		347,983	159,566	120,269	48,307	19,841
Total Expenditure		**14,224,601**	**4,627,369**	**3,701,335**	**4,976,174**	**919,723**
Excess of income/(expenditure) before financial items		**8,513,722**	**11,034,635**	**(1,050,975)**	**(1,665,752)**	**195,814**
Financial revenue/(expense), net	4	1,448,811	952,877	(758,227)	491,994	762,167
Net excess of income/(expenditure) for the reporting period		**9,962,533**	**11,987,512**	**(1,809,202)**	**(1,173,758)**	**957,981**

Enclosure 3

Statement of cash flows	**2009-2012** total	**2012** 12 months	**2011** 12 months	**2010** 15 months	**2009** 7 months
Cash flows from/(used in) operating activities					
Olympic contributions	14,373,861	14,087,581	2,380	283,900	-
Membership fees	279,796	81,962	72,290	76,335	49,209
Referee card and licenses fees	172,796	36,119	23,731	55,037	57,909
Anti-doping fund & fines	3,015,247	573,823	370,002	1,465,222	606,200
Marketing, sponsorship and TV revenues	3,672,040	1,124,712	638,192	1,600,318	308,818
Championships organization fees	219,209	69,320	139,902	9,987	-
IWF technologies	110,823	3,420	73,644	33,759	-
Reimbursements of advanced costs	536,671	251,978	87,159	103,543	93,991
Subscriptions to World Weightlifting magazine	9,177	2,099	2,371	3,301	1,406
IWF shop	8,028	735	833	6,460	-
Bank interests for operating activities	63,900	15,156	12,448	27,431	8,865
Other revenues	8,200	-	-	-	8,200
Cash received from operating activities	***22,469,748***	***16,246,905***	***1,422,952***	***3,665,293***	***1,134,598***
IWF Development program expenses	(995,656)	(341,354)	(184,146)	(444,507)	(25,649)
Contributions to Continental Federations	(1,278,849)	(524,649)	(250,000)	(500,000)	(4,200)
Doping control costs	(2,460,394)	(767,029)	(729,743)	(839,574)	(124,048)
Competition organization expenses	(1,785,692)	(888,421)	(271,641)	(509,466)	(116,164)
IWF meetings (Congress, EB and council, commissions)	(656,592)	(114,846)	(170,318)	(240,328)	(131,100)
Participation in meetings	(250,340)	(30,003)	(80,826)	(78,602)	(60,909)
Publication expenses	(558,942)	(161,348)	(119,073)	(173,152)	(105,369)
Contributions to IWF officials	(2,112,000)	(549,000)	(551,000)	(1,012,000)	-
Administrative expenses	(1,084,808)	(307,089)	(296,338)	(306,476)	(174,905)
Personnel expenses	(1,336,394)	(330,401)	(378,080)	(554,190)	(73,723)
IWF Beijing office, net of remaining cash	(384,296)	(118,344)	(105,344)	(160,608)	-
Professional and legal assistance	(400,076)	(196,530)	(72,568)	(110,902)	(20,076)
Membership and subscription fees	(37,889)	(19,114)	(10,604)	(7,051)	(1,120)
IWF technologies	(37,451)	(2,847)	(13,178)	(21,426)	-
Merchandising with IWF logo	(104,650)	(55,586)	(28,101)	(20,963)	-
IWF Marketing	(45,504)	(45,504)	-	-	-
Other expenses	(174,440)	(37,824)	(80,840)	(41,256)	(14,520)
Bank changes for operating activities	(75,552)	(22,391)	(21,507)	(26,076)	(5,578)
Cash used in operating activities	***(13,779,525)***	***(4,512,280)***	***(3,363,307)***	***(5,046,577)***	***(857,361)***
Net cash from/(used in) operating activities	**8,690,223**	**11,734,625**	**(1,940,355)**	**(1,381,284)**	**277,237**
Cash flows (used in)/from investing activities					
(Increase)/Decrease in investing funds	(10,022,741)	(11,890,343)	1,617,602	250,000	-
Bank charges for investing activities	(19,706)	(2,104)	(17,602)	-	-
Net cash (used in)/from investing activities	**(10,042,447)**	**(11,892,447)**	**1,600,000**	**250,000**	-
Net (decrease)/increase in cash and cash equivalents	**(1,352,224)**	**(157,822)**	**(340,355)**	**(1,131,284)**	**277,237**
Cash and cash equivalents at beginning of period	**1,525,399**	**330,997**	**671,352**	**1,802,636**	**1,525,399**
Cash and cash equivalents at end of period	**173,175**	**173,175**	**330,997**	**671,352**	**1,802,636**

Enclosure 4.1

Notes to Financial Statements
31 December 2012

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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 the controlling body of the sport of weightlifting and is composed of 186 affiliated National Federations.

On 13 June 2010, the IWF Executive Board decided to run a financial year from 1 January to 31 December, with a first closing on 31 December 2010.

2 Summary of significant accounting policies

The significant accounting policies adopted by the IWF in the preparation of the financial statements are set out 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), since the majority of the IWF's activities is conducted in this currency. They are prepared on the historical cost basis.

2.2 Foreign currencies

With the exception of the investment portfolio at UBP, 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.

The accounting records related to the investment portfolio at UBP are maintained in EUR. At the end of the period, the balances in EUR are translated to USD at the exchange rate prevailing at that date.

2.3 Recognition of revenues

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 2012

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 available to public usefulness bodies.

2.6 Tangible fixed assets

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

2.7 Reclassification of prior year comparative figures

Certain prior year comparatives have been reclassified to conform to the current year's presentation.

3 Marketable securities

	31.12.2012 USD	**09.03.2009** USD
Bonds	14,260,711	12,501,127
Share Equity Instruments	4,976,493	1,555,120
Current Accounts	5,108,498	1,801,214
Other	2,512,961	409,065
	27,122,376	**16,266,526**

4 Financial revenue, net

	2009-2012 total USD	**2012** 12 months USD	**2011** 12 months USD	**2010** 15 months USD	**2009** 7 months USD
Net revenue/(expense) from investment portfolio at UBP	1,955,716	794,951	(642,171)	1,332,910	470,026
Net revenue from investment portfolio at UBS	821,061	167,264	158,459	206,077	289,261
Interest from bank account and short term deposit	63,901	15,157	12,448	27,431	8,865
Financial revenue/(expense)	**2,840,678**	**977,372**	**(471,264)**	**1,566,418**	**768,152**
Bank charges	(98,202)	(24,495)	(39,111)	(28,611)	(5,985)
Foreign exchange loss on UBP portfolio	(1,293,665)	-	(247,852)	(1,045,813)	-
Financial expense	**(1,391,867)**	**(24,495)**	**(286,963)**	**(1,074,424)**	**(5,985)**
Financial revenue/(expense), net	**1,448,811**	**952,877**	**(758,227)**	**491,994**	**762,167**

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

Enclosure 4.3

Notes to Financial Statements
31 December 2012

5 Marketing, sponsorship and TV revenues

	2009-2012 total USD	**2012** 12 months USD	**2011** 12 months USD	**2010** 15 months USD	**2009** 7 months USD
Marketing and barbell licenses	2,587,164	864,712	598,192	915,429	208,831
TV revenues	1,134,876	60,000	655,000	419,876	-
	3,722,040	**924,712**	**1,253,192**	**1,335,305**	**208,831**

6 Competitions organization expenses

	2009-2012 total USD	**2012** 12 months USD	**2011** 12 months USD	**2010** 15 months USD	**2009** 7 months USD
Organization of World Championships & Olympic Games	1,579,148	881,049	217,184	425,038	55,877
Competition equipment, electronic program	44,620	2,847	13,178	21,426	7,169
IWF Awards	45,801	-	-	20,962	24,839
Expenses of qualification competitions	148,805	29,982	16,638	73,906	28,279
	1,818,374	**913,878**	**247,000**	**541,332**	**116,164**

7 Conferences and transportation expenses

	2009-2012 total USD	**2012** 12 months USD	**2011** 12 months USD	**2010** 15 months USD	**2009** 7 months USD
Participation costs of IWF delegates in conferences	209,795	40,739	37,664	78,602	48,790
Transportation cost for Championship, congresses & meetings	162,702	54,247	80,826	15,510	12,119
	368,497	**94,986**	**118,490**	**94,112**	**60,909**

Enclosure 4.3

Notes to Financial Statements
31 December 2012

8 Executive Board members and Committee meetings expenses

	2009-2012 total USD	**2012** 12 months USD	**2011** 12 months USD	**2010** 15 months USD	**2009** 7 months USD
IWF Executive Board honorarium	2,025,000	524,000	526,000	975,000	-
Executive Board and Committee meetings expenses	514,680	63,831	129,422	222,533	98,894
	2,539,680	**587,831**	**655,422**	**1,197,533**	**98,894**