

International Weightlifting Federation
Report of the Independent Auditor
to the Executive Board
on the Financial Statements

Financial Statements 2011



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Report of the Independent Auditor to the Executive Board on the Financial Statements of the
International Weightlifting Federation

As independent auditor, we have been engaged to audit the accompanying financial statements of the International Weightlifting Federation which comprise the balance sheet, statement of income and expenditures and notes for the year ended 31 December 2011.

Treasurer's Responsibility

The treasurer is 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 2011 comply with Swiss law.

KPMG SA

Pierre-Henri Pingeon
Licensed Audit Expert
Auditor in Charge

Cédric Rigoli

Geneva, 13 April 2012

Enclosure:

Financial statements (balance sheet, statement of income and expenditures and notes)

Enclosure 1

Balance Sheet as at 31 December		2011	2010
	Note	USD	USD
ASSETS			
Current assets			
Petty Cash		22,554	218,658
Cash at bank		308,443	252,694
Short term deposits		-	200,000
Accounts receivables from:			
- Sponsoring activities		-	35,000
- Membership fees		87,500	67,000
- Anti-doping fines		897,744	359,295
Accrued income		314,842	-
Prepaid expenses		122,479	-
Total current assets		1,753,562	1,132,647
Non-Current assets			
Marketable securities	3	14,919,818	17,268,986
Total assets		16,673,380	18,401,633
LIABILITIES AND UNRESTRICTED FUNDS			
Current liabilities			
Account payables		286,902	8,613
Accrued expenses		218,001	15,000
Deferred revenue		16,146	416,487
Total current liabilities		521,049	440,100
Unrestricted funds			
Net excess of expenditure for the reporting period		(1,809,202)	(1,173,758)
Unrestricted funds brought forward		17,961,533	19,135,291
Total unrestricted funds		16,152,331	17,961,533
Total liabilities and unrestricted funds		16,673,380	18,401,633

Enclosure 2

Statement of income and expenditures
for the year ended 31 December

		2011	2010
	Notes	USD	USD
Olympic Contribution		2,380	283,900
Membership fees		93,000	93,000
Referee card and licenses fees		23,731	55,036
Anti-doping fund & fines		1,017,402	1,396,118
Marketing, sponsorship and TV revenues	5	1,253,192	1,335,305
Bidding fees for IWF Championships		99,902	-
Reimbursements		83,904	103,543
Other income		76,849	43,520
Total Income		2,650,360	3,310,422
Doping controls costs		983,082	840,400
Competitions organization expenses	6	247,000	541,332
Conferences and transportation expenses	7	118,490	94,112
Executive Board members and Committee meetings expenses	8	655,422	1,197,533
Contribution to Continental Federations		250,000	500,000
IWF development program expenses		302,022	444,508
Publications expenses		137,573	259,289
Administrative expenses		311,251	316,669
Personnel expenses		459,898	638,920
Professional and legal expenses		116,328	95,104
Other expenses		120,269	48,307
Total Expenditure		3,701,335	4,976,174
Excess of expenditure before financial items		(1,050,975)	(1,665,752)
Financial (expense)/revenue, net	4	(758,227)	491,994
Net excess of expenditure for the reporting period		(1,809,202)	(1,173,758)

Enclosure 3

Statement of cash flows
31 December

	2011	2010
	USD	USD
	Notes	
Cash flows from operating activities		
Olympic contributions	2,380	283,900
Membership fees	72,290	76,335
Referee card and licenses fees	23,731	55,037
Anti-doping fund & fines	370,002	1,465,222
Marketing, sponsorship and TV revenues	638,192	1,600,318
Championships organization fees	139,902	9,987
IWF technologies	73,644	33,759
Reimbursements of advanced costs	87,159	103,543
Subscriptions to World Weightlifting magazine	2,371	3,301
IWF shop	833	6,460
Bank interests for operating activities	12,448	27,431
	<u>1,422,952</u>	<u>3,665,293</u>
Cash received from operating activities		
IWF Development program expenses	(184,146)	(444,507)
Contributions to Continental Federations	(250,000)	(500,000)
Doping control costs	(729,743)	(839,574)
Competition organization expenses	(271,641)	(509,466)
IWF meetings (Congress, EB and council, commissions)	(170,318)	(240,328)
Participation in meetings	(80,826)	(78,602)
Publication expenses	(119,073)	(173,152)
Contributions to IWF officials	(551,000)	(1,012,000)
Administrative expenses	(296,338)	(306,476)
Personnel expenses	(378,080)	(554,190)
IWF Beijing office, net of remaining cash USD 4,656 (2010: 0)	(105,344)	(160,608)
Professional and legal assistance	(72,568)	(110,902)
Membership and subscription fees	(10,604)	(7,051)
IWF technologies	(13,178)	(21,426)
Merchandising with IWF logo	(28,101)	(20,963)
Other expenses	(95,337)	(41,256)
Bank changes for operating activities	(21,507)	(26,076)
	<u>(3,377,804)</u>	<u>(5,046,577)</u>
Cash paid for operating activities		
Net cash from operating activities	(1,954,852)	(1,381,284)
Cash flows from investing activities		
Decrease in investing funds	1,617,602	250,000
Bank charges for investing activities	(17,602)	-
	<u>1,600,000</u>	<u>250,000</u>
Net cash from investing activities		
Net increase in cash and cash equivalents	(354,852)	(1,131,284)
Cash and cash equivalents at beginning of period	671,352	1,802,636
Cash and cash equivalents at end of period	316,500	671,352

Enclosure 4.1

Notes to Financial Statements 31 December 2011

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 2011**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

	USD 2011	USD 2010
Investment portfolio at UBP (EUR denominated account)	9,943,325	10,833,752
Investment portfolio at UBS (USD denominated account)	4,976,493	6,435,234
	<u>14,919,818</u>	<u>17,268,986</u>

4 Financial revenue, net

Net (expense)/revenue from investment portfolio at UBP	(642,171)	1,332,910
Net revenue from investment portfolio at UBS	158,459	206,077
Interest from bank account and short term deposit	12,448	27,431
Financial revenue	(471,264)	1,566,418
Bank charges	(39,111)	(28,611)
Foreign exchange loss on UBP portfolio	(247,852)	(1,045,813)
Financial expense	(286,963)	(1,071,483)
Financial (expense)/revenue, net	(758,227)	491,994

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

Enclosure 4.3

Notes to Financial Statements
31 December 2011

	USD 2011	USD 2010
5 Marketing, sponsorship and TV revenues		
Marketing and barbell licenses	598,192	915,429
TV revenues	655,000	419,876
	<u>1,253,192</u>	<u>1,335,305</u>
6 Competitions organization expenses		
Organization of World Championships & Olympic Games	217,184	425,038
Competition equipment, electronic program	13,178	21,426
IWF Awards	-	20,962
Expenses of qualification competitions	16,638	73,906
	<u>247,000</u>	<u>541,332</u>
7 Conferences and transportation expenses		
Participation costs of IWF delegates in conferences	37,664	78,602
Transportation cost for Championship, congresses & meetings	80,826	15,510
	<u>118,490</u>	<u>94,112</u>
8 Executive Board members and Committee meetings expenses		
IWF Executive Board honorarium	526,000	975,000
Executive Board and Committee meetings expenses	129,422	222,533
	<u>655,422</u>	<u>1,197,533</u>