

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

Financial Statements 2009



**KPMG SA
Audit**

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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 reporting period from 9 March to 21 September 2009.

Management's Responsibility

The management 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 management 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 reporting period from 9 March to 21 September 2009 comply with Swiss law.

KPMG SA

Pierre Henri Pigeon
*Licensed Audit Expert
Auditor in Charge*

Cédric Rigoli

Geneva, 11 November 2009

Enclosure:

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

Enclosure 1

Balance Sheet as at 21 September

2009

	Notes	USD
ASSETS		
Current assets		
Cash at bank		497,013
Short term deposits		1,380,969
Marketable securities	3	17,025,813
Accounts receivables from:		
- Membership fees		46,500
- Anti-doping fines		428,400
-		
Total assets		<u>19,378,695</u>
LIABILITIES AND UNRESTRICTED FUNDS		
Current liabilities		
Account payables		49,340
Advances received		75,477
Accrued expenses		18,600
Deferred revenue		99,987
Total current liabilities		<u>243,404</u>
Unrestricted funds		
Attribution from the period		957,981
Unrestricted funds		18,177,310
Total unrestricted funds		<u>19,135,291</u>
Total liabilities and unrestricted funds		<u>19,378,695</u>

Enclosure 2

Statement of income and expenditures
for the reporting period from 9 March to 21 September

2009

	Notes	USD
Membership fees		92,500
Referee card and licenses fees		57,909
Anti-doping fund & fines		652,700
Marketing, sponsorship and TV revenues		208,831
Reimbursements		93,991
Financial income	4	768,152
Other income		9,606
Total Income		<u>1,883,689</u>
IWF development program expenses		25,649
Doping controls costs		124,048
Competitions organization expenses	5	116,164
Conferences and transportation expenses	6	60,909
Executive Board members and Committee meetings expenses		148,894
Publications expenses		105,369
Administrative expenses		178,505
Personnel expenses		89,470
Professional and legal expenses		50,874
Financial expenses		5,985
Other expenses		19,841
Total Expenditures		<u>925,708</u>
Net surplus for the period		<u>957,981</u>

Enclosure 3.1

**Notes to Financial Statements
21 September 2009**

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 187 affiliated National Federations.

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 income and expenditure account.

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 and the fine is due.

Affiliation fees

Affiliation fees income is recognized the year they are due.

Enclosure 3.2

Notes to Financial Statements
21 September 2009**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.

3 Marketable securities

	USD
Investment portfolio at UBP	6,329,157
Investment portfolio at UBS	10,696,656
	<u>17,025,813</u>

4 Financial income

Net revenue from investment portfolio at UBP	470,026
Net revenue from investment portfolio at UBS	289,261
Interest from bank account and short term deposit	8,865
	<u>768,152</u>

5 Competitions organization expenses

Organization of World Championships & Olympic Games	55,877
Competition equipment, electronic program	7,169
IWF Awards	24,839
Expenses of qualification competitions	28,279
	<u>116,164</u>

6 Conferences and transportation expenses

Participation costs of IWF delegates in conferences	48,790
Transportation cost for Championship, congresses & meetings	12,119
	<u>60,909</u>