

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

Financial Statements 2010



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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 22 September 2009 to 31 December 2010.

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 reporting period from 22 September 2009 to 31 December 2010 comply with Swiss law.

KPMG SA

Pierre Henri Pingeon
Licensed Audit Expert
Auditor in Charge

Cédric Rigoli

Geneva, 29 June 2011

Enclosure:

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

Enclosure 1

Balance Sheet as at		31.12.2010	21.09.2009
	Notes	USD	USD
ASSETS			
Current assets			
Petty Cash		218,658	-
Cash at bank		252,694	497,013
Short term deposits		200,000	1,380,969
Marketable securities	3	17,268,986	17,025,813
Accounts receivables from:			
- Sponsoring activities		35,000	-
- Membership fees		67,000	46,500
- Anti-doping fines		359,295	428,400
Total assets		18,401,633	19,378,695
LIABILITIES AND UNRESTRICTED FUNDS			
Current liabilities			
Account payables		8,613	49,340
Advances received		-	75,477
Accrued expenses		15,000	18,600
Deferred revenue		416,487	99,987
Total current liabilities		440,100	243,404
Unrestricted funds			
Net excess of (expenditure)/income for the reporting period		(1,173,758)	957,981
Unrestricted funds brought forward		19,135,291	18,177,310
Total unrestricted funds		17,961,533	19,135,291
Total liabilities and unrestricted funds		18,401,633	19,378,695

Enclosure 2

Statement of income and expenditures
for the reporting period from

22.09.2009 **09.03.2009**
to 31.12.2010 **to 21.09.2009**

	Notes	USD	USD
Olympic Contribution		283,900	-
Membership fees		93,000	92,500
Referee card and licenses fees		55,036	57,909
Anti-doping fund & fines		1,396,118	652,700
Marketing, sponsorship and TV revenues	5	1,335,305	208,831
Reimbursements		103,543	93,991
Other income		43,520	9,606
Total Income		3,310,422	1,115,537
Doping controls costs		840,400	124,048
Competitions organization expenses	6	541,332	116,164
Conferences and transportation expenses	7	94,112	60,909
Executive Board members and Committee meetings expenses	8	1,197,533	98,894
IWF Beijing Office		160,608	50,000
Contribution to Continental Federations		500,000	4,200
IWF development program expenses		444,508	25,649
Publications expenses		259,289	105,369
Administrative expenses		255,326	178,505
Personnel expenses		539,655	89,470
Professional and legal expenses		95,104	50,874
Other expenses		48,307	15,641
Total Expenditure		4,976,174	919,723
Excess of (expenditure)/ income before financial items		(1,665,752)	195,814
Financial revenue, net	4	491,994	762,167
Net excess of (expenditure)/income for the reporting period		(1,173,758)	957,981

Enclosure 3.1

Notes to Financial Statements 31 December 2010

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 interim 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 and the fine is due.

Enclosure 3.2

Notes to Financial Statements
31 December 20102.3 *Recognition of revenues (continued)***Affiliation fees**

Affiliation fees income is recognized the year they are due.

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 2010	USD 2009
Investment portfolio at UBP (EUR denominated account)	10,833,752	10,696,656
Investment portfolio at UBS (USD denominated account)	6,435,234	6,329,157
	<u>17,268,986</u>	<u>17,025,813</u>

4 **Financial revenue, net**

Net revenue from investment portfolio at UBP	1,332,910	470,026
Net revenue from investment portfolio at UBS	206,077	289,261
Interest from bank account and short term deposit	27,431	8,865
Financial revenue	<u>1,566,418</u>	<u>768,152</u>
Bank charges	(28,611)	(5,985)
Foreign exchange loss on UBP portfolio	(1,045,813)	-
Financial expense	<u>(1,071,483)</u>	<u>(5,985)</u>
Financial revenue, net	<u><u>491,994</u></u>	<u><u>762,167</u></u>

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

Enclosure 3.3

Notes to Financial Statements
31 December 2010**5 Marketing, sponsorship and TV revenues**

Marketing and barbell licenses	915,429	208,831
TV revenues	419,876	-
	<u>1,335,305</u>	<u>208,831</u>

6 Competitions organization expenses

Organization of World Championships & Olympic Games	425,038	55,877
Competition equipment, electronic program	21,426	7,169
IWF Awards	20,962	24,839
Expenses of qualification competitions	73,906	28,279
	<u>541,332</u>	<u>116,164</u>

7 Conferences and transportation expenses

Participation costs of IWF delegates in conferences	78,602	48,790
Transportation cost for Championship, congresses & meetings	15,510	12,119
	<u>94,112</u>	<u>60,909</u>

8 Executive Board members and Committee meetings expenses

IWF Executive Board honorarium	975,000	-
Executive Board and Committee meetings expenses	222,533	98,894
	<u>1,197,533</u>	<u>98,894</u>