



# International Weightlifting Federation Lausanne

Report of the Independent Auditor  
to the Executive Board

Financial Statements for the year ended 31 December 2019



## **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, statement of income, cash flow statement and notes for the year ended 31 December 2019.

### **Federation's Responsibility**

The President and the Secretary General 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.

### **Opinion**

In our opinion, the financial statements for the year ended 31 December 2019 comply with Swiss law.



# Grant Thornton

**Other Matter**

The financial statements of International Weightlifting Federation for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 4 March 2019.

Zurich, 1 April 2021

**Grant Thornton AG**

Markus Eugster  
Audit expert  
Auditor in charge

Thomas Wirth  
Audit expert

Enclosure:

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

**International Weightlifting Federation**  
**Avenue de Rhodanie 54**  
**1007 Lausanne**

Financial Statements 2019

Balance Sheet as of 31 December		2019	2018
<b>ASSETS</b>	<b>Note</b>	<b>USD</b>	<b>USD</b>
<b>Current assets</b>			
Petty Cash		65 990	29 337
Cash at banks		4 188 942	1 923 814
Accounts receivable from:			
- Membership fees		43 892	13 000
- Anti-doping fees		250	340 140
- Barbell companies		52 571	112 584
- Third parties		0	129 013
- Others related parties		0	59 975
Prepaid expenses & accrued income		440 626	279 426
<b>Total current assets</b>		<b>4 792 752</b>	<b>2 887 289</b>
<b>Non-current assets</b>			
Marketable securities		24 011 503	28 962 689
Deposits		0	44 569
<b>Total non-current assets</b>		<b>24 011 503</b>	<b>29 007 258</b>
<b>TOTAL ASSETS</b>		<b>28 803 954</b>	<b>31 894 547</b>
<b>LIABILITIES AND UNRESTRICTED FUNDS</b>	<b>Note</b>	<b>USD</b>	<b>USD</b>
<b>Current liabilities</b>			
Trade account payables for:			
- General operations			161 572
- Development programs		49 681	18 647
Accrued expenses		2 414 388	127 283
Advances received			
Deferred revenue		1 784 491	979 500
Provisions		150 000	150 000
<b>Total current liabilities</b>		<b>4 398 560</b>	<b>1 437 002</b>
<b>Unrestricted funds</b>			
Special reserve		20 000 000	20 000 000
Net excess of income/(expenditure)			
for the reporting year		-6 052 151	-6 499 744
Unrestricted funds brought forward	2.1	10 457 545	16 957 287
<b>Total current liabilities</b>		<b>24 405 394</b>	<b>30 457 547</b>
<b>TOTAL LIABILITIES AND UNRESTRICTED FUNDS</b>		<b>28 803 954</b>	<b>31 894 547</b>

Income statement for the period ending 31 December		2019	2018
	Note	USD	USD
Membership fees		81 000	77 500
Marketing, sponsorship and TV revenues	2.2	1 000 000	2 913 788
Bidding fees for IWF Championships		118 988	79 289
Olympic Revenues		75 437	191 982
Peru revenues		1 023 906	0
Reimbursements of advanced costs		175 898	302 555
Anti-Doping Fund & Fines		529 847	484 238
IWF Technologies income		9 362	20 969
Referee cards and licenses fees		18 214	20 320
IWF Shop sales		760	6 279
Subscription to World Weightlifting		0	40
Other income		0	3 823
<b>Total Income from operating activities</b>		<b>3 033 422</b>	<b>4 100 783</b>
		<b>USD</b>	<b>USD</b>
IWF Development program expenses		-1 509 985	-1 696 940
Meetings		-485 375	-786 546
Participation in meetings		-7 190	-63 531
Costs related to competition		-316 891	-1 588 390
Doping controls costs		-3 425 000	-2 256 112
Publications expenses		-584 628	-437 723
IWF Logo items		-36 361	-34 755
IWF Technologies expenses		-92 544	-29 751
IWF Executive Board Honorarium		-980 248	-666 000
Administrative expenses		-493 832	-315 466
Personnel expenses		-1 090 785	-1 069 927
Expenditures of Legal affairs and court cases + audit		-390 037	-146 333
Membership and subscription fees paid		-7 697	-5 061
IWF Marketing		-302 029	-61 704
Bad debt provision		-579 582	
Other expenditures		-2 106 958	-31 667
<b>Total Expenditure from operating activities</b>		<b>-12 409 142</b>	<b>-9 189 906</b>
<b>Excess of expenditure before financial items</b>		<b>-9 375 720</b>	<b>-5 089 123</b>
Financial revenue/ (expenses), net		3 323 569	-1 410 621
<b>Net excess of expenditure for the reporting year</b>		<b>-6 052 151</b>	<b>-6 499 744</b>

Cash flow statement for the period ending 31 December		2019	2018
	Note	USD	USD
Olympic contributions		128 565	191 982
Membership fees		81 108	66 069
Referee card and licenses fees		18 214	20 320
Anti-doping fund & fines		521 927	609 320
Marketing, sponsorship and TV revenues		1 559 863	2 137 376
Championships organization fees		133 998	837 188
Reimbursements of advanced costs		2 103 694	302 555
IWF shop		760	6 279
Bank interests for operating activities		30	11 670
IWF technologies		9 362	20 969
Subscription to World Weightlifting			40
Other revenues			806 369
<b>Cash received from operating activities</b>		<b>4 557 521</b>	<b>4 203 617</b>
IWF Development program expenses		-1 443 717	-1 548 038
Doping control costs		-1 544 410	-2 903 319
Competition organization expenses		-1 434 889	-1 169 550
IWF meetings (Congress, EB and council, commissions)		-352 336	-525 131
Participation in meetings		-7 190	-63 531
Publication expenses		-586 469	-560 382
Contributions to IWF officials		-794 000	-816 000
IWF Budapest office		-725 378	-709 690
General Secretary's office, net of remaining cash		-250 000	-273 565
IWF Lausanne office		-633 675	-561 808
Professional and legal assistance		-272 694	-150 338
Membership and subscription fees		-7 697	-5 061
IWF technologies		-102 622	-29 751
Merchandising with IWF logo		-36 361	-34 755
IWF Marketing		-302 029	-61 704
Other expenses		-2 051 958	-29 550
Bank charges for operating activities		-20 213	-40 791
<b>Cash paid for operating activities</b>		<b>-10 565 636</b>	<b>-9 482 965</b>
<b>Net cash used in operating activities</b>		<b>-6 008 116</b>	<b>-5 279 349</b>
Decrease in investing funds		8 309 897	4 241 334
Bank charges for investing activities			-124
<b>Net cash from investing activities</b>		<b>8 309 897</b>	<b>4 241 210</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>2 301 781</b>	<b>-1 038 139</b>
Cash and cash equivalents at beginning of period		1 953 151	2 184 769
Cash and cash equivalents at end of period, net of advance received		4 254 932	1 953 151

## Notes to the financial statements for the period ending 31 December 2019

### 1. PRINCIPLES

#### 1.1 The association

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.

#### 1.2 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.

##### 1.2.1 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.

##### 1.2.2 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.

##### 1.2.3 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.

##### 1.2.4 Recognition of expenses

Expenses are recognized in the financial statements on an accrual basis. Expenses are recognized over the period to which they relate.

##### 1.2.5 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.

##### 1.2.6 Tangible fixed assets

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

##### 1.2.7 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.

### 2. INFORMATION TO ITEMS OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

#### 2.1 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.



Notes to the financial statements for the period ending 31 December 2019

	USD 2019	USD 2018
<b>2.2 Marketing, sponsorship and TV revenues</b>		
Marketing and barbell licenses	500 000	750 000
Sponsorship revenues	500 000	-
TV and World Championships revenues		<b>2 163 788</b>
	<b><u>1 000 000</u></b>	<b><u>2 913 788</u></b>

**INFORMATION**

**3.1 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.

**3.2 Significant events after the balance sheet date**

On 5 January 2020 the German television network, ARD aired the program “Der Herr de Heber”, a documentary film by Hajo Seppelt, Nick Butler and Gritt Hartmann (the “ARD Documentary”). The documentary claimed the leadership of the International Weightlifting Federation, including President Tamás Aján (“Dr. Aján”) participated in or had knowledge of numerous irregularities occurring within

the IWF. The allegations related to corruption, financial irregularities, property investment, doping control testing and sample manipulation combined with doping fine payment irregularities.

Following the investigation Dr. Ajan was dismissed and Interim President was appointed. Currently IWF is undergoing changes, i.e. IWF created a Disciplinary and Ethics Committee composed of independent experts which is already operational. Independent experts have been added to the Reform and Governance Commission, including.

During the investigation there were several hidden bank accounts identified, previously unaccounted. Following the findings, the restatement of the 2019 opening balance was performed for cash balances in the total amount of 920 237 USD.