



**International Weightlifting Federation,
Lausanne**

Report of the Independent Auditor
to the Executive Board
on the Financial Statements
Financial Statements 2013



KPMG SA
Audit Western Switzerland
Avenue du Théâtre 1
CH-1005 Lausanne

P.O. Box 6663
CH-1002 Lausanne

Telephone +41 58 249 45 55
Fax +41 58 249 45 64
Internet www.kpmg.ch

Report of the Independent Auditor to the Executive Board on the Financial Statement of the
International Weightlifting Federation, Lausanne

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, statement of cash-flow and notes for the year ended 31 December 2013.

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.

In our opinion, the financial statements for the year ended 31 December 2013 comply with Swiss law.

KPMG SA

Pierre-Henri Pingeon
Licensed Audit Expert
Auditor in Charge

Cédric Rigoli
Licensed Audit Expert

Lausanne, 3 June 2014

Enclosure:

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

Enclosure 1

Balance Sheet as at 31 December

		2013	2012
	Note	USD	USD
ASSETS			
Current assets			
Petty Cash		104,152	14,508
Cash at bank		820,820	158,667
Short term deposits		-	700,000
Accounts receivables from:			
- Membership fees		1,500	96,500
- Anti-doping fines		932,104	516,282
- World Championship		74,675	-
Prepaid expenses		-	9,637
Total current assets		<u>1,933,251</u>	<u>1,495,594</u>
Non-Current assets			
Marketable securities	3	26,211,155	27,122,376
Deposits		44,569	-
Total non-current assets		<u>26,255,724</u>	<u>27,122,376</u>
Total assets		<u>28,188,975</u>	<u>28,617,970</u>
LIABILITIES AND UNRESTRICTED FUNDS			
Current liabilities			
Account payables		304,350	319,569
Accrued expenses		68,700	153,558
Deferred revenue		6,000	5,000
Total current liabilities		<u>379,050</u>	<u>478,127</u>
Designated funds			
Funds for IWF development programmes		230,000	-
Total Designated funds		<u>230,000</u>	<u>-</u>
Unrestricted funds			
Net excess of (expenditure)/revenue for the reporting year		(559,918)	11,987,512
Unrestricted funds brought forward		28,139,843	16,152,331
Total unrestricted funds		<u>27,579,925</u>	<u>28,139,843</u>
Total liabilities and unrestricted funds		<u>28,188,975</u>	<u>28,617,970</u>

Enclosure 2

Statement of income and expenditures
for the year ended 31 December

		2013	2012
	Notes	USD	USD
Membership fees		73,500	94,500
Marketing, sponsorship and TV revenues	5	724,936	924,712
Bidding fees for IWF Championships		185,276	69,320
Olympic Revenues		1,362,375	14,087,581
Reimbursements of advanced costs		82,534	261,124
Anti-Doping Fund & Fines		1,542,248	77,518
IWF Technologies		17,218	3,420
Referee cards and licenses fees		76,849	36,119
IWF Shop sales		3,600	735
Subscription to World Weightlifting		2,727	2,099
Other revenues		-	104,876
Total Income		4,071,263	15,662,004
IWF Development program expenses		1,232,709	925,401
Meetings		445,965	118,078
Participation in meetings		33,384	40,739
Costs related to competition		204,860	911,031
Doping controls costs		924,094	790,400
Publications expenses		266,464	166,626
IWF Logo items		61,563	55,586
IWF Technologies		58,583	2,847
IWF Executive Board Honorarium		575,000	524,000
Administrative expenses		307,128	339,682
Personnel expenses		479,578	416,115
Expenditures of Legal affairs and court cases + audit		209,949	232,883
Membership and subscription fees paid		33,003	19,114
IWF Marketing		-	45,504
Other expenditures		156,823	39,362
Total Expenditure		4,989,103	4,627,369
Excess of (expenditure)/revenue before financial items		(917,840)	11,034,635
Financial income, net	4	587,922	952,877
Result before allocation to designated funds		(329,918)	11,987,512
Allocation to designated funds for IWF development programmes		(230,000)	-
Net excess of (expenditure)/revenue for the reporting year		(559,918)	11,987,512

Enclosure 3

Statement of cash flows
31 December

	2013	2012
	USD	USD
Cash flows from operating activities		
Olympic contributions	1,362,375	14,087,581
Membership fees	89,042	81,962
Referee card and licenses fees	76,849	36,119
Anti-doping fund & fines	1,126,426	573,823
Marketing, sponsorship and TV revenues	624,936	1,124,712
Championships organization fees	185,276	69,320
IWF technologies	17,218	3,420
Reimbursements of advanced costs	72,794	251,978
Subscriptions to World Weightlifting magazine	2,727	2,099
IWF shop	3,600	735
Bank interests for operating activities	10,640	15,156
	<hr/>	<hr/>
<i>Cash received from operating activities</i>	<i>3,571,883</i>	<i>16,246,905</i>
IWF Development program expenses	(1,305,107)	(866,003)
Doping control costs	(896,454)	(767,029)
Competition organization expenses	(169,795)	(888,421)
IWF meetings (Congress, EB and council, commissions)	(419,821)	(114,846)
Participation in meetings	(31,405)	(30,003)
Publication expenses	(267,242)	(161,348)
Contributions to IWF officials	(575,000)	(549,000)
Administrative expenses	(299,454)	(307,089)
Personnel expenses	(391,774)	(330,401)
IWF Beijing office, net of remaining cash	(129,455)	(118,344)
Professional and legal assistance	(248,999)	(196,530)
Membership and subscription fees	(33,003)	(19,114)
IWF technologies	(58,583)	(2,847)
Merchandising with IWF logo	(61,563)	(55,586)
IWF Marketing	-	(45,504)
Other expenses	(76,366)	(37,824)
Deposit to Leaseplan	(44,569)	-
Bank changes for operating activities	(29,345)	(22,391)
	<hr/>	<hr/>
<i>Cash paid for operating activities</i>	<i>(5,037,935)</i>	<i>(4,512,280)</i>
	<hr/>	<hr/>
Net cash (used in)/from operating activities	(1,466,052)	11,734,625
Cash flows from/(used in) investing activities		
Decrease/(Increase) in investing funds	2,218,750	(11,890,343)
Bank charges for investing activities	(901)	(2,104)
	<hr/>	<hr/>
Net cash from/(used in) investing activities	2,217,849	(11,892,447)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	751,797	(157,822)
Cash and cash equivalents at beginning of period	173,175	330,997
	<hr/>	<hr/>
Cash and cash equivalents at end of period	924,972	173,175
	<hr/> <hr/>	<hr/> <hr/>

Enclosure 4.1

Notes to Financial Statements 31 December 2013

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 188 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

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.

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 2013**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 2013	USD 2012
Investment portfolio at UBS	4,749,853	7,642,057
Investment portfolio at UBP	21,461,302	19,480,319
	<u>26,211,155</u>	<u>27,122,376</u>

4 Financial revenue, net

Net revenue from investment portfolio at UBP	698,832	794,951
Net (expense)/revenue from investment portfolio at UBS	(91,304)	167,264
Interest from bank account and short term deposit	10,640	15,157
Financial revenue	<u>618,168</u>	<u>977,372</u>
Bank charges	(30,246)	(24,495)
Financial expense	<u>(30,246)</u>	<u>(24,495)</u>
Financial revenue/(expense), net	<u><u>587,922</u></u>	<u><u>952,877</u></u>

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

Enclosure 4.3

**Notes to Financial Statements
31 December 2013**

	USD 2013	USD 2012
5 Marketing, sponsorship and TV revenues		
Marketing and barbell licenses	419,936	864,712
TV revenues	<u>305,000</u>	<u>60,000</u>
	<u>724,936</u>	<u>924,712</u>