

World Archery Federation

Lausanne

Report of the auditor
to the Congress and to the Executive Board

on the financial statements 2019



Report of the statutory auditor

to the Congress and to the Executive Board of the

World Archery Federation

Lausanne

Report of the statutory auditor on the financial statements

On your instructions, we have audited the financial statements of World Archery Federation, which comprise the balance sheet, statement of income and expenditure and notes, for the year ended 31 December 2019.

Executive Committee's responsibility

The Executive Committee 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 Executive Committee 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 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.

PricewaterhouseCoopers SA

Philippe Tzaud
Audit expert
Auditor in charge

Otto Walther
Audit expert

Lausanne, 30 March 2020

Enclosure:

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



Balance sheet at December 31

	Notes	CHF 2019	CHF 2018
Assets			
Current assets			
Cash and cash equivalents	2	1'287'244	3'453'587
Marketable securities		0	1'084'362
Accounts receivable	3	218'807	129'874
Other receivables		79'445	100'921
Inventory		67'374	70'915
Prepayments		287'460	777'486
Total current assets		1'940'330	5'617'145
Fixed assets			
Tangible fixed assets, net:			
Administrative building		1'615'473	1'615'473
Office furniture and equipment		8'551	4'762
Vehicle		0	0
Computer equipment		6'197	6'724
Event Tool Box equipment		853	3'117
		1'631'075	1'630'076
Financial fixed assets:			
Guarantee deposit			
Loan Long Term - FIDTA	4	722'000	722'000
Loss on loan - FIDTA		-722'000	-722'000
		0	0
Total fixed assets		1'631'075	1'630'076
TOTAL ASSETS		3'571'404	7'247'221
Liabilities and funds			
Current liabilities			
Accounts payable		38'696	101'747
Other payables		0	23'316
Accruals	5	313'944	290'473
Membership fees 2019 / 2018		74'640	72'920
Deferred income		552'303	1'004'560
Total current liabilities		979'583	1'493'016
Funds			
Unrestricted funds		2'591'821	5'754'205
TOTAL LIABILITES AND FUNDS		3'571'404	7'247'221



Statement of income and expenditure for the year ended December 31

	Notes	CHF 2019	CHF 2018
Income			
Operating Income:			
Various Income & Fees	6	760'945	673'822
		<u>760'945</u>	<u>673'822</u>
Olympics Revenue	7	168'991	273'058
Commercial Revenue	8	2'732'599	1'847'819
Total Income		<u>3'662'535</u>	<u>2'794'699</u>
Expenses			
Administration Expenses:			
Salaries & Social Charges		-1'515'425	-1'448'100
Staff Expenses		-21'752	-25'274
Office Administration	9	-206'541	-219'243
Office Projects & Activities	10	-145'755	-117'224
Accounting & Legal fees	11	-30'140	-42'539
		<u>-1'919'613</u>	<u>-1'852'380</u>
Operating Expenses:			
Communications/Marketing/Sponsorship	12	-307'261	-265'357
Consulting (Fees, Think-Tank/Event Bidding)		-18'000	-22'984
Audiovisual Production	13	-608'612	-657'523
Congress Expenses		-58'976	0
Executive Board & Executive Expenses	14	-75'775	-126'404
Committee Expenses	15	-105'116	-209'914
Continental Confederations	16	-145'924	-130'357
Development Programs	17	-68'206	-89'745
Global Sport Development		-92'480	-107'890
Olympic Solidarity		-69'314	-67'642
Test Event		-73'104	0
Youth Olympic Games		0	-95'721
Paralympic Games		-278'083	0
World Championships Costs	18	-828'726	-263'532
Other Games, Bids & Future Events		-16'842	-63'602
Event Tool Box & Target Mat Project		-15'659	-1'240
Event Services		-53'402	-26'196
World Cups	19	-1'479'549	-1'419'919
Loss on Debtors		-320	-360
FIDTA/WAEC	20	-570'343	-570'168
		<u>-4'865'692</u>	<u>-4'118'554</u>
Depreciation:			
Depreciation	21	-9'865	-15'980
		<u>-9'865</u>	<u>-15'980</u>
Financial Income and Expenses:			
Financial Income	22	19'046	57'808
Bank/Credit Card Charges		-6'785	-7'930
Financial Expenses	23	-807	-700'803
Exchange Rate Differences		-41'640	26'312
		<u>-30'186</u>	<u>-624'613</u>
Total Expenses		<u>-6'825'356</u>	<u>-6'611'527</u>
Extraordinary Income & Expenditures			
Extraordinary Income	24	1'273	11'100
Extraordinary Expenditures	25	-837	-4'261
		<u>436</u>	<u>6'839</u>
Total Extraordinary Income & Expenditures		<u>436</u>	<u>6'839</u>
excess of income (+) / expenses (-) over income for the year		-3'162'385	-3'809'989
Unrestricted funds at beginning of the year		5'754'205	9'564'194
Unrestricted funds at end of the year		<u>2'591'820</u>	<u>5'754'205</u>



Notes to the financial statements

1. Summary of significant accounting policies

1.1 Basis of accounting

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013). The financial figures of previous year in the balance sheet and income statement have been prepared according to the new structure. There were no significant changes in presentation and measurement.

World Archery Federation uses the accruals basis of accounting in preparing the financial statements.

For comparability purposes several accounts of prior year have been reclassified according to the current year presentation.

1.2 Accounting for foreign currencies

The accounting records of World Archery Federation are kept in Swiss Francs.

Assets and liabilities denominated in currencies other than Swiss Francs are based on exchange rates ruling at the year-end. Transactions denominated in other than Swiss Francs are recorded at monthly average rates or at the date of transaction; all exchange losses and realised exchange gains are recognised as financial income or expense.

1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash balances and call deposits with maturities of three months or less.

1.4 Marketable securities

World Archery Federation values its marketable securities at year-end market value. Gains or losses arising from the revaluation of marketable securities are taken to the statement of income and expenditure.

1.5 Receivables

Receivables and other short-term receivables are carried at their nominal value less necessary valuation adjustment.



Notes to the financial statements

1.6 Inventory

Inventories are valued at the lower of cost (acquisition or manufacturing cost) and net realisable value.

1.7 Administrative building

World Archery Federation bought its administrative building in 2006 for a gross amount of CHF 1.8mio and its mortgage of CHF 1.118mio was reimbursed to Credit Suisse on 31 December 2013. Depreciation was calculated at the rate of 3% per annum on the net book value until December 31, 2009. As from January 1, 2010 the accounting policy has been changed; depreciation is no longer calculated on the World Archery Federation administrative building. An annual assessment is made as to whether the current estimated value of the administrative building is less than the net book value; should this estimated value be lower than the net book value, an impairment charge against the carrying value will be recorded.

1.8 Recognition of income

Income is recognised based on contracts and during the year of events.

1.9 Pension liabilities

On 31 December 2019, the liability to the pension scheme amounted to CHF 0.

1.10 Lease commitments

The World Archery Federation has four lease commitments as of 31 December 2019, three in respect of cars and the fourth in respect of one multifunction photocopier. As of 31 December 2019, the remaining contractual lease payments amounted to CHF 32,218.75 and CHF 19,488.32 respectively.

1.11 Staff

The number of full-time equivalents did not exceed 50 on an annual average basis.

1.12 Accounts approval

According our Constitution and Rules, Book 1, article 1.10.5.: "The Secretary General shall present a report and audited accounts to the Executive Board annually and to the Congress every two years." Hence, the accounts 2019 will be approved during our Congress 2021.



Notes to the financial statements

	CHF	CHF
	December 31, 2019	December 31, 2018
2. Cash and cash equivalents		
Cash	1'594	2'265
Credit Cards	0	0
BCV Current accounts	524'107	134'504
UBS Current account	0	0
BCV Mandat accounts	575'928	3'177'919
Garanti Bank Turkish account	53'688	23'482
BCV GSD/USD account	131'927	115'417
	<u>1'287'244</u>	<u>3'453'587</u>
3. Accounts receivable		
Associate Members	14'500	0
Members Associations	106'557	83'716
Other Debtors	98'070	46'158
Bad Debts	-320	0
	<u>218'807</u>	<u>129'874</u>
4. Loan Long Term		
Loan Long Term - FIDTA	722'000	722'000
	<u>722'000</u>	<u>722'000</u>

The Sport-Toto sponsorship received in 2018 for CHF722,000 is included in the WA revenue and then passed on to the FIDTA as a loan for final construction mortgage payment. WA do not expect FIDTA to reimburse that loan in the near future and for sure not before any other mortgage of FIDTA has been fully reimbursed and as such a provision for the full amount has been recorded.



Notes to the financial statements

	CHF December 31, 2019	CHF December 31, 2018
5. Accruals		
Accruals	313'944	290'473
	313'944	290'473
	313'944	290'473
<p>In 2019, a provision for untaken holiday as of 31 December 2019 for a total amount of CHF 238,956.- was accrued for.</p> <p>In 2018, a provision for untaken holiday as of 31 December 2018 for a total amount of CHF 223,254.- was accrued for.</p>		
6. Various Income & Fees		
WA Performance award		38'025
WA Registered Tournaments	38'990	
Interpretation Fee	600	600
Merchandising	42'863	72'755
Accreditations & Upgrade cards	5'442	3'993
Members Associations Fees	74'400	61'794
Associate Members Fees	384'585	276'030
Rebilling Travel/Accommodation	0	0
Income Video/DVD	100	18'878
Seminar/Conference (ITO)	0	34'129
e-learning Coaching course	1'215	0
Global Sport Development	100'320	100'240
Income Event Tool Box	0	566
Income Event Services	112'430	54'413
Other Income	0	12'399
	760'945	673'822
	760'945	673'822
7. Olympics revenue		
Various Incomes (IPC, etc)	28'255	29'215
IOC Income	0	102'493
Olympic Solidarity	69'028	71'042
Grant IOC/Olympic Solidarity IF	71'708	70'308
	168'991	273'058
	168'991	273'058
8. Commercial Revenue		
Sponsors (incl. VIK)	1'315'988	1'613'328
Donations	0	0
Internet Revenue	38'796	24'411
TV Revenue	225'256	127'272
Bid Cities	1'152'559	82'808
	2'732'599	1'847'819
	2'732'599	1'847'819



Notes to the financial statements

	CHF December 31, 2019	CHF December 31, 2018
9. Office Administration		
Building Service costs	-58'814	-56'745
Office Supply, Maintenance & Cleaning	-18'315	-16'681
Phone & Fax	-16'680	-16'512
Electricity	-2'862	-2'860
Postage	-402	139
Lease Payments	-18'607	-37'333
Computing Costs & Internet costs	-61'153	-55'871
Insurances	-27'964	-31'460
Meeting Expenses	-1'175	-1'149
Freight & Customs	-569	-771
	<u>-206'541</u>	<u>-219'243</u>
10. Office Projects & Activities		
Clean Sport Management	-145'755	-117'224
	<u>-145'755</u>	<u>-117'224</u>
11. Accounting & Legal Fees		
Accounting & Audit Fees	-30'636	-35'593
Legal Fees	496	-6'946
	<u>-30'140</u>	<u>-42'539</u>
12. Communications/Marketing/Sponsorship		
Subscription to associations	-7'149	-7'171
Publications, Target, Arrow, Advertising	-15'000	-25'000
Merchandising/Flags, Pin's, Ties & Others	-23'087	-18'010
Sponsorship costs	-187'467	-146'736
Public Relations	-32'945	-41'295
Postage - Merchandising	-4'512	-5'428
Renewing event equipment	-34'201	-18'817
Rental storage event equipment	-2'900	-2'900
	<u>-307'261</u>	<u>-265'357</u>



Notes to the financial statements

	CHF December 31, 2019	CHF December 31, 2018
13. Audiovisual Production		
TV Distribution	-447'805	-448'975
Video Production	-14'328	-20'320
Internet - Development/Digital Media	-98'098	-99'619
TV Consulting	-43'635	-66'153
Brand Development	-4'746	-22'456
	<u>-608'612</u>	<u>-657'523</u>
14. Executive Board & Executive Expenses		
Executive Board	-10'990	-14'195
Executive	-64'785	-112'209
	<u>-75'775</u>	<u>-126'404</u>
15. Committee Expenses		
<i>Boards</i>		
Finance & Audit	-6'303	-5'840
	<u>-6'303</u>	<u>-5'840</u>
<i>Committee</i>		
Const. & Rules Committee	0	-8'812
Technical Committee	0	-4'869
Target Archery Committee	-111	-6'680
Field Committee	0	-7'120
Judges Committee & Conference & Uniforms	-48'271	-96'228
Medical Committee	26	-10'154
Coaches Committee	0	-14'903
Athletes' Committee	-11'671	-4'644
ParaArchery	-6'559	-20'592
	<u>-66'586</u>	<u>-174'002</u>
<i>Ad Hoc Committees & Coordinators</i>		
Good Governance	0	-3'527
Gender Equity	-282	-8'536
Para Archery Classifiers	-31'945	-18'009
	<u>-32'227</u>	<u>-30'072</u>
	<u>-105'116</u>	<u>-209'914</u>



Notes to the financial statements

	CHF December 31, 2019	CHF December 31, 2018
16. Continental Confederations		
WA Oceania incl. MA's fees	-10'821	-8'156
WA Africa incl. MA's fees	-11'770	-7'612
WA Americas incl. MA's fees	-60'678	-59'026
WA Asia incl. MA's fees	-13'225	-10'468
WA Europe incl. MA's fees	-49'430	-45'095
	<u>-145'924</u>	<u>-130'357</u>
17. Development Programs		
Equipment	-28'948	-24'311
Development Programs	-39'258	-65'434
	<u>-68'206</u>	<u>-89'745</u>
18. World Championships Costs		
WAC - Hertogenbosch 2019, NED	-707'365	0
WAYC - Madrid 2019, ESP	-86'479	0
WA3D - Lac La Biche 2019, CAN	-34'882	0
WAIC - Yankton 2018, USA	0	-178'412
WAFC - Cortina 2018, ITA	0	-85'120
	<u>-828'726</u>	<u>-263'532</u>



Notes to the financial statements

	CHF December 31, 2019	CHF December 31, 2018
19. World Cups - WC		
OWC Travel & Accommodation	-120'385	-124'380
OWC Marketing & Media	-16'011	-14'051
OWC Various	-140'848	-149'946
OWC Prize Money	-211'453	-209'516
OWC Results/Timing	-90'194	-111'287
OWC TD & Judges Costs	-1'916	-2'942
OWC TV Production	-512'602	-516'700
OWC Transportation & Logistics	-147'815	-103'433
OWC TV Distribution	-103'815	-121'598
	<u>-1'345'039</u>	<u>-1'353'853</u>
<i>Indoor World Cup - IWC</i>		
IWC Travel & Accommodation	0	-14'802
IWC Marketing & Media	0	-1'331
IWC Anti-Doping	0	-6'569
IWC Various	0	-10'809
IWC Prize Money	0	-1'002
IWC Results/Timing	0	0
IWC TD & judges costs	0	-642
IWC TV Production	0	-12'741
IWC Transportation & Logistics	0	-1'613
	<u>0</u>	<u>-49'509</u>
<i>Indoor World Series - IWS</i>		
IWS Travel & Accommodation	-16'835	-8'432
IWS Marketing & Media	-1'811	0
IWS Anti-Doping	-10'819	-2'777
IWS Various	-25'814	0
IWS Prize Money	-57'459	0
IWS Results/Timing	-3'881	-4'564
IWS TD & Judges Costs	-809	0
IWS TV Production	-13'569	0
IWS Transportation & Logistics	-2'373	0
IWS TV Distribution	-1'140	-784
	<u>-134'510</u>	<u>-16'557</u>
	<u>-1'479'549</u>	<u>-1'419'919</u>

From 2018, end of year we introduced the IWS and now they are accounted in a separate account from the IWC.



Notes to the financial statements

	CHF December 31, 2019	CHF December 31, 2018
20. FIDTA/WAEC		
WAEC - Contributions Operating expenses	-570'343	-570'168
	<u>-570'343</u>	<u>-570'168</u>

This amount is related to our contributions to WAEC operating expenses. Considering the nature of the expense, the amount has been reclassified to operating expenses.

Contributions:

World Archery Federation entered into a contract to finance the construction of the World Archery Excellence Centre owned by FIDTA (Fondation Internationale de Développement du Tir à l'Arc). The commitment as of 31 December 2019 is CHF 7,278,000.-. The total contribution of World Archery Federation is expected to be CHF 10,600,000.- which is to be paid according to the following timeline:

2016	2'600'000	2'600'000
2018	722'000	722'000
2020	2'500'000	3'500'000
2024	3'000'000	3'778'000
2028	1'778'000	0
Total	<u>10'600'000</u>	<u>10'600'000</u>

The payments are made by using the contributions received from the IOC in connection with the editions of the Summer Olympic Games. World Archery Federation subscribed an insurance policy to cover the contributions in case of a cancellation of the Olympic Games.

21. Depreciation		
Office Furniture & Equipment depreciation	-2'349	-1'936
Computer Equipment depreciation	-5'252	-2'412
Event Tool Box Equipment depreciation	-2'264	-11'632
Vehicle depreciation	0	0
	<u>-9'865</u>	<u>-15'980</u>

22. Financial Income		
Interests	1'659	7'080
Profits on Investments	16'065	49'344
Other interests	1'322	1'384
	<u>19'046</u>	<u>57'808</u>



Notes to the financial statements

	CHF December 31, 2019	CHF December 31, 2018
23. Financial Expenses		
Interest and Charges	-807	-1'830
Loss on investments	0	23'027
Provision loss loan to FIDTA	0	-722'000
	<u>-807</u>	<u>-700'803</u>
24. Extraordinary Income		
Extraordinary Income	1'273	11'100
	<u>1'273</u>	<u>11'100</u>

In 2018, the extraordinary income is related to an exceptional contribution by the German Shooting and Archery Federation/Deutscher Schuetzenbund to cover several expenses of our 2018 Executive Board Meeting in Berlin.

25. Extraordinary Expenditures		
Extraordinary Expenditures	-837	-4'261
	<u>-837</u>	<u>-4'261</u>

26. Significant events occurring after the balance sheet date

In January 2020, coronavirus outbreak occurred in China and has now been spread to Europe and other regions. This is impacting the federation's business operation to a certain extent. The actual impact, and the postponement of the Olympic Games in Japan, will depend on the situation and duration of coronavirus outbreak, which is hard to estimate now.