

World Archery Federation

Lausanne

Report of the auditor
to the Executive Board
on the financial statements 2021



Report of the auditor

to the Executive Board of World Archery Federation

Lausanne

On your instructions, we have audited the financial statements of World Archery Federation (“the Federation”), which comprise the balance sheet, statement of income and expenditure and notes, for the year ended 31 December 2021.

Executive Board’ responsibility

The Executive Board 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 Board 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 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 existence and 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 2021 comply with Swiss law.

Emphasis of matter

We draw attention to note 30 in the financial statements which indicates that the Association incurred a net excess of expenses over income of CHF 1.828 thousand during the year ended 31 December 2021 and, as of that date, the Association's liabilities exceeded its assets by CHF 743 thousand. The Executive Board has defined the necessary measures to decrease the future operating budget and is confident about the Association's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

PricewaterhouseCoopers SA

Andrea Costa
Audit expert

Nicolas Daehler
Audit expert

Lausanne, 25 April 2022

Enclosure:

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



Balance sheet at December 31

	Notes	CHF 2021	CHF 2020
Assets			
Current assets			
Cash and cash equivalents	2	9'222'168	3'109'547
Marketable securities		908'349	0
Accounts receivable	3	299'385	127'518
Other receivables		26'525	37'702
Inventory		64'717	74'289
Prepayments		22'812	296'889
Total current assets		10'543'955	3'645'945
Fixed assets			
Tangible fixed assets, net:			
Administrative building	1,7	1'615'473	1'615'473
Office furniture and equipment		3'723	5'986
Computer equipment		5'699	6'523
		1'624'896	1'627'983
Financial fixed assets:			
Guarantee deposit			
Loan Long Term - FIDTA	4	2'922'000	722'000
Loss on loan - FIDTA	26	-2'922'000	-722'000
		0	0
Total fixed assets		1'624'896	1'627'983
TOTAL ASSETS		12'168'851	5'273'928
Liabilities and funds			
Current liabilities			
Accounts payable		83'983	101'931
Other payables		1'037'120	0
Accruals	5	283'247	363'840
Membership fees 2022 / 2021		72'280	74'680
Deferred income	6	3'502'775	473'291
Short-term loan	7	600'000	600'000
Total current liabilities		5'579'406	1'613'742
Long-term liabilities			
Long-term loan	8	366'000	2'575'860
IOC deferred contribution	6	6'966'727	0
		7'332'727	2'575'860
Funds			
Unrestricted funds		-743'282	1'084'326
TOTAL LIABILITES AND FUNDS		12'168'851	5'273'928



Statement of income and expenditure for the year ended December 31

	Notes	CHF 2021	CHF 2020
Income			
Operating Revenue	9	1'204'783	536'430
		<u>1'204'783</u>	<u>536'430</u>
Olympics Revenue	10	4'090'814	101'711
Commercial Revenue	11	1'754'896	652'376
Total Income		<u>7'050'494</u>	<u>1'290'517</u>
Expenses			
Administration Expenses:			
Salaries & Social Charges		-1'428'378	-1'493'222
RHT - unemployment reimbursement		77'622	319'966
Staff Expenses		-9'590	-16'406
Office Administration	12	-202'577	-192'081
Office Projects & Activities	13	-141'138	-138'652
Accounting & Legal fees	14	-41'800	-72'775
		<u>-1'745'861</u>	<u>-1'593'170</u>
Operating Expenses:			
Communications/Marketing/Sponsorship	15	-233'695	-122'598
Consulting (Fees, Think-Tank/Event Bidding)		-5'000	-9'120
Audiovisual Production	16	-629'718	-151'592
Congress Expenses		-61'588	0
Executive Board & Executive Expenses	17	-208'228	-41'777
Committee Expenses	18	-67'375	-47'269
Continental Confederations	19	-145'508	-112'257
Development Programs	20	-15'689	-39'425
Global Sport Development		-932	-126'614
Olympic Solidarity		-4'106	-7'554
Olympic Games		-470'415	-28'414
Test Event		0	0
Paralympic Games		-70'099	-9'023
World Championships Costs	21	-349'046	-9'067
Other Games, Bids & Future Events		-165'740	-32'051
Event Tool Box & Target Mat Project		-16'250	-48'598
Event Services		-13'822	-24'603
Database/Extranet		-16'387	0
World Cups	22	-1'909'061	-288'900
Loss on Debtors		0	-12'855
FIDTA/WAEC	23	-565'044	-67'179
		<u>-4'947'703</u>	<u>-1'178'895</u>
Depreciation:			
Depreciation	24	-7'150	-9'124
		<u>-7'150</u>	<u>-9'124</u>
Financial Income and Expenses:			
Financial Income	25	7'363	1'570
Bank/Credit Card Charges		-10'717	-5'801
Mortgage Interest		-5'779	-4'813
Financial Expenses	26	-2'206'402	-769
Exchange Rate Differences		-306'645	-7'009
		<u>-2'522'179</u>	<u>-16'822</u>
Total Expenses		<u>-9'222'894</u>	<u>-2'798'012</u>
Extraordinary Income & Expenditures:			
Extraordinary Income	27	347'836	1'122
Extraordinary Expenditures	28	-3'046	-1'123
		<u>344'791</u>	<u>-1</u>
Excess of income (+) / expenses (-) over income for the year		-1'827'609	-1'507'494
Unrestricted funds at beginning of the year		1'084'327	2'591'820
Unrestricted funds at end of the year		<u>-743'282</u>	<u>1'084'326</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). 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 currencies 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.

1,6 Inventory

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



Notes to the financial statements

1,7 Administrative building

World Archery Federation bought its administrative building in 2006 for a gross amount of CHF 1.8M and its mortgage of CHF 1.118M was reimbursed to Credit Suisse on December 31, 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. At beginning of 2022, according to ECA the estimated value of building is CHF 2.024M.

1,8 Recognition of income

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

1,9 Pension liabilities

On December 31, 2021 the liability to the pension scheme amounted to CHF 0.
On December 31, 2020 the liability to the pension scheme amounted to CHF 0.

1,10 Lease commitments

The World Archery Federation has one lease commitments as of December 31, 2021 in respect of one multifunction photocopier. As of December 31, 2021 the remaining contractual lease payments amounted to CHF 10,984.

The World Archery Federation has four lease commitments as of December 31, 2020 three in respect of cars and the fourth in respect of one multifunction photocopier. As of December 31, 2020 the remaining contractual lease payments amounted to CHF 26,464 and CHF 15,236 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 2021 will be approved during our Congress 2023.



Notes to the financial statements

	CHF December 31, 2021	CHF December 31, 2020
2. Cash and cash equivalents		
Cash	1'387	1'287
Credit Cards	13'535	166
BCV Current accounts	8'761'773	2'329'800
BCV Mandat accounts	431'404	750'574
Garanti Bank Turkish account	11'313	422
BCV GSD/USD account	2'755	27'299
	<u>9'222'168</u>	<u>3'109'547</u>
3. Accounts receivable		
Associate Members	64'945	20'530
Members Associations	89'221	71'491
Other Debtors	145'219	48'352
Bad Debts	0	-12'855
	<u>299'385</u>	<u>127'518</u>
4. Loan Long Term		
Loan Long Term - FIDTA	2'922'000	722'000
	<u>2'922'000</u>	<u>722'000</u>

In 2021, a loan of CHF 2.2M was attributed to FIDTA (Fondation Internationale de Développement du Tir à l'Arc) and reimbursement schedule will be finalised following the restructuring of WAEC (World Archery Excellence Centre) mortgage. However, there is a provision on loss on loan in our balance sheet.

In 2018, the Sport-Toto sponsorship received for CHF 722,000 was included in the WA revenue and then passed on to the FIDTA as a loan for final construction mortgage payment. WA does not expect to recover such loan in the short-term, also considering that it has been subordinated to any other mortgages contracted by FIDTA. For the above reasons a full provision has been accounted for as of December 31, 2021.



Notes to the financial statements

	CHF December 31, 2021	CHF December 31, 2020
5. Accruals		
Accruals	283'247	363'840
	<u>283'247</u>	<u>363'840</u>

In 2021, a provision for untaken holiday as of December 31, 2021 for a total amount of CHF 234,348 (CHF 208,240 as of December 31, 2020) was accrued for.

6. Deferred income		
Deferred income	3'502'775	473'291
	<u>3'502'775</u>	<u>473'291</u>

In 2021, the position includes the IOC deferred contribution for an amount of CHF 3,483,363 related to 2022. The IOC deferred contribution related to 2023 and 2024 is classified under long-term liabilities for an amount of CHF 6,966,727.

7. Short-term loan		
Short-term loan	600'000	600'000
	<u>600'000</u>	<u>600'000</u>

Opening a mortgage loan with BCV for CHF 600,000 on 02.03.20, interest rate 0.95%

8. Long-term loan		
Long-term loan	366'000	2'575'860
	<u>366'000</u>	<u>2'575'860</u>

In 2021, the position comprises the IOC Loan for USD 2,500,000 and the Swiss Confederation support: credit COVID-19 for CHF 366,000.

In 2022, it includes the Swiss Confederation support: credit COVID-19 for CHF 366,000.



Notes to the financial statements

	CHF December 31, 2021	CHF December 31, 2020
9. Operating Revenue		
WA Performance award		
WA Registered Tournaments	34'835	17'580
Interpretation Fee	0	300
Merchandising	35'302	26'467
Accreditations & Upgrade cards	3'615	0
Members Associations Fees	75'000	74'400
Associate Members Fees	351'970	260'500
Rebilling Travel/Accommodation	494'739	0
Inscription Event	77'156	0
Rebilling Antidoping tests/TUE's	28'836	0
Seminar/Conference (ITO/CC)	0	5'237
e-learning course	2'544	510
Office renting	22'841	0
Global Sport Development	0	133'215
Income Event Services	77'945	18'221
	<u>1'204'783</u>	<u>536'430</u>
10. Olympics revenue		
Various Incomes (IPC, etc)	21'775	27'655
IOC Income	4'000'000	0
Olympic Solidarity	4'408	5'547
Grant IOC/Olympic Solidarity IF	64'631	68'509
	<u>4'090'814</u>	<u>101'711</u>
11. Commercial Revenue		
Sponsors (incl. VIK)	1'196'347	558'349
Donations/Grant	37'000	0
Internet Revenue	249'498	33'523
TV Revenue	176'051	0
Bid Cities	96'000	60'504
	<u>1'754'896</u>	<u>652'376</u>



Notes to the financial statements

	CHF December 31, 2021	CHF December 31, 2020
12. Office Administration		
Building Service costs	-67'274	-56'564
Office Supply, Maintenance & Cleaning	-11'979	-16'068
Phone	-10'276	-10'166
Electricity	-2'165	-2'175
Postage	-636	467
Lease Payments	-15'170	-18'867
Computing Costs & Internet costs	-68'112	-63'254
Insurances	-25'904	-23'098
Meeting Expenses	-265	-1'070
Freight & Customs	-796	-1'286
	<u>-202'577</u>	<u>-192'081</u>
13. Office Projects & Activities		
Clean Sport Management	-141'138	-138'652
	<u>-141'138</u>	<u>-138'652</u>
14. Accounting & Legal Fees		
Accounting & Audit Fees	-29'453	-31'887
Legal Fees	-12'347	-40'888
	<u>-41'800</u>	<u>-72'775</u>
15. Communications/Marketing/Sponsorship		
Subscription to associations	-5'830	-6'805
Publications, Target, Arrow, Advertising	25'000	15'000
Merchandising/Flags, Pin's, Ties & Others	-12'564	-16'678
Sponsorship costs	-188'874	-74'548
Public Relations	-25'144	-28'459
Postage - Merchandising	-5'000	-4'105
Renewing event equipment	-18'383	-4'103
Rental storage event equipment	-2'900	-2'900
	<u>-233'695</u>	<u>-122'598</u>



Notes to the financial statements

	CHF December 31, 2021	CHF December 31, 2020
16. Audiovisual Production		
TV Distribution	-427'275	-23'500
Video Production	-39'444	-25'766
Internet - Development/Digital Media	-143'328	-102'327
TV Consulting	-13'878	0
Brand Development	-5'793	0
	<u>-629'718</u>	<u>-151'592</u>
17. Executive Board & Executive Expenses		
Executive Board	-27'794	-3'126
Executive	-38'480	-38'651
Executive: President remuneration	-141'955	0
	<u>-208'228</u>	<u>-41'777</u>
18. Committee Expenses		
<u>Boards</u>		
Finance & Audit	-2'617	-4'133
	<u>-2'617</u>	<u>-4'133</u>
<u>Committee</u>		
Const. & Rules Committee	-1'178	0
Judges Committee & Conference & Uniforms	-46'376	-8'349
Medical Committee	-2'126	-214
Coaches Committee	0	-4'012
Athletes' Committee	-579	0
ParaArchery	-272	0
	<u>-50'531</u>	<u>-12'576</u>
<u>Ad Hoc Committees</u>		
Good Governance		
Gender Equity	-545	0
Para Archery Classifiers	-13'681	-30'560
	<u>-14'226</u>	<u>-30'560</u>
	<u>-67'375</u>	<u>-47'269</u>



Notes to the financial statements

	CHF December 31, 2021	CHF December 31, 2020
19. Continental Confederations		
WA Oceania incl. MA's fees	-8'550	-6'148
WA Africa incl. MA's fees	-5'000	-2'312
WA Americas incl. MA's fees	-65'720	-48'305
WA Asia incl. MA's fees	-23'872	-13'385
WA Europe incl. MA's fees	-42'366	-42'107
	<u>-145'508</u>	<u>-112'257</u>
20. Development Programs		
Equipment	-1'507	-7'015
Development Programs	-14'182	-32'411
	<u>-15'689</u>	<u>-39'425</u>
21. World Championships Costs		
WAYC - Wroclaw 2021, POL	-71'527	0
WAC - Yankton 2021, USA	-274'207	0
WAFC - 2021 VIK Errea staff uniform (event postponed)	-3'312	0
WAFC - Yankton 2020, USA (cancelled COVID-19)	0	-9'067
	<u>-349'046</u>	<u>-9'067</u>



Notes to the financial statements

	CHF December 31, 2021	CHF December 31, 2020
22. World Cups - WC		
<u>Outdoor World Cup -</u>		
OWC Travel & Accommodation	-498'848	-6'556
OWC Marketing & Media	-14'995	283
OWC Anti-Doping	-3'929	0
OWC Various	-311'166	-46'719
OWC Prize Money	-257'726	-3'000
OWC Results/Timing	-97'037	-12'378
OWC TV Production	-423'870	-47'898
OWC Transportation & Logistics	-108'344	-3'250
OWC TV Distribution	-108'520	0
	-1'824'437	-119'518
<u>Indoor World Series - IWS</u>		
IWS Travel & Accommodation	-5'470	-19'102
IWS Marketing & Media	-808	-2'351
IWS Anti-Doping	-4'715	-8'196
IWS Various	-5'229	-17'833
IWS Prize Money	-9'848	-66'956
IWS Results/Timing	-13'742	-10'167
IWS TD & Judges Costs	0	-777
IWS TV Production	-41'233	-40'584
IWS Transportation & Logistics	-1'830	-1'645
IWS TV Distribution	-1'750	-1'771
	-84'625	-169'382
	-1'909'061	-288'900

In 2021, OWC Travel & accommodation includes all the costs linked to the Stage 2 (Lausanne, SUI) organised by World Archery, hence a difference compared to 2020.



Notes to the financial statements

	CHF December 31, 2021	CHF December 31, 2020
23. FIDTA/WAEC		
WAEC - Contributions Operating expenses	-565'044	-67'179
	<u>-565'044</u>	<u>-67'179</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 remaining commitment as of December 31, 2021 is CHF 4,950,000. The total contribution of World Archery Federation is expected to be CHF 10,600,000 to be paid according to the following timeline. However, at this stage the financing or debt restructuring is under discussion with financial institutions.

2016	2'600'000	2'600'000
2018	722'000	722'000
2021	2'200'000	2'500'000
2022	-1'500'000	0
2024	1'350'000	3'000'000
2028	1'800'000	1'778'000
2032	1'800'000	0
2035	1'628'000	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.

24. Depreciation

Office Furniture & Equipment depreciation	-2'263	-2'565
Computer Equipment depreciation	-4'887	-5'706
Event Tool Box Equipment depreciation	0	-853
	<u>-7'150</u>	<u>-9'124</u>



Notes to the financial statements

	CHF December 31, 2021	CHF December 31, 2020
25. Financial Income		
Interests	0	288
Profits on Investments	6'723	0
Other interests	640	1'282
	<u>7'363</u>	<u>1'570</u>
26. Financial Expenses		
Interest and Charges	-813	-769
Loss on investments	-5'589	0
Provision loss loan to FIDTA	-2'200'000	0
	<u>-2'206'402</u>	<u>-769</u>
27. Extraordinary Income		
Extraordinary Income	347'836	1'122
	<u>347'836</u>	<u>1'122</u>
28. Extraordinary Expenditures		
Extraordinary Expenditures	-3'046	-1'123
	<u>-3'046</u>	<u>-1'123</u>

In 2021, the extraordinary income were related to Vaud Canton (Cas de rigueur) and payment from a debtor related to an invoice in 2019.

In 2020, the extraordinary income were related to the 2020 Redistribution tax CO2 from the Caisse AVS de la Federation Patronale Vaudoise and from a refund on profit & capital tax 2018 from Vaud Canton Finance Department.

In 2021, the extraordinary expenses was related to unused barter amount from Turkish Airlines.

In 2020, the extraordinary expenses was related to Tax of source December 2019.



Notes to the financial statements

29. Significant events occurring after the balance sheet date

Following the spread of the new Coronavirus COVID-19 and the restrictions imposed by the Swiss Federal Council, the WAF has implemented several measures to ensure the continuity of its operations. Indeed, the teleworking tools put in place for its employees have made it possible to guarantee continuity in the services provided. In view of the World Archery Federation activity and the current situation, management believes that the repercussions related to COVID-19, while important are under control.

30. Excess of liabilities over assets

The financial statements disclose an excess of liabilities over assets of CHF 743,282. This is mainly due to the excess of expenses over income of CHF 1,827,609, as a consequence of the provision recorded on the loans receivable towards FIDTA, illustrated above. The Executive Board is putting in place the necessary measures to decrease the operating budget in 2022 by 5% and is confident about the Federation's ability to continue as a going concern.