
World Archery Federation

Lausanne

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

***on the financial statements
2017***





Report of the auditor

to the Congress and to the Executive Board of the

World Archery Federation

Lausanne

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 2017.

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 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 2017 comply with Swiss law.

PricewaterhouseCoopers SA

Guillaume Nayet

Audit expert

Patrick Wagner

Audit expert

Lausanne, 14 June 2018

Enclosure:

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

Balance sheet at December 31

	Notes	CHF 2017	CHF 2016
Assets			
Current assets			
Cash and cash equivalents	2	7,190,974	10,955,785
Marketable securities	2	1,030,093	0
Accounts receivable	3	160,314	204,691
Other receivables		64,913	14,094
Inventory		72,676	188,773
Prepayments		77,924	58,558
Total current assets		8,596,894	11,421,901
Fixed assets			
Tangible fixed assets, net:			
Administrative building		1,615,473	1,615,473
Office furniture and equipment		1,287	2,573
Vehicle		5,814	9,456
Computer equipment		1,967	7,490
Event Tool Box equipment		14,749	26,492
Total fixed assets		1,639,289	1,661,483
TOTAL ASSETS		10,236,183	13,083,384
Liabilities and funds			
Current liabilities			
Accounts payable		141,593	1,091,699
Other payables		37,326	0
Accruals	4	432,469	131,920
Membership fees 2017 / 2016		60,600	80
Total current liabilities		671,988	1,223,699
Funds			
Unrestricted funds		9,564,194	11,859,684
TOTAL LIABILITES AND FUNDS		10,236,183	13,083,384

Statement of income and expenditure for the year ended December 31

	Notes	CHF 2017	CHF 2016
Income			
Operating Income:			
Various Income & Fees	5	620,109	546,424
		620,109	546,424
Olympics Revenue	6	2,052,153	15,688,903
Commercial Revenue	7	1,586,896	2,442,956
Total Income		4,259,158	18,678,283
Expenses			
Administration Expenses:			
Salaries & Social Charges		-1,665,986	-1,609,630
Staff Expenses		-48,893	-46,387
Office Administration	8	-195,430	-202,719
Office Projects & Activities	9	-96,646	-105,421
Accounting & Legal fees	10	-12,730	-30,764
		-2,019,685	-1,994,921
Operating Expenses:			
Communications/Marketing/Sponsorship	11	-458,390	-248,840
Consulting (Fees, Think-Tank/Event Bidding)		-48,000	-48,000
Audiovisual Production	12	-801,301	-662,195
Congress Expenses		-105,052	0
Executive Board & Executive Expenses	13	-104,265	-119,870
Committee Expenses	14	-89,678	-349,078
Continental Confederations	15	-131,225	-178,648
Development Programs	16	-43,771	-92,563
Global Sport Development		-101,550	-72,134
Olympic Solidarity		-22,051	-120,320
Olympic Games		0	-658,591
Paralympic Games		-87,220	-92,659
World Championships Costs	17	-459,175	-277,964
Other Games, Bids & Future Events		-76,083	-97,296
Event Tool Box		-3,211	-108,447
Event Services		-40,349	-112,770
World Cups	18	-1,181,119	-1,545,794
Loss on Debtors		-49,718	-11,342
		-3,802,157	-4,796,511
Depreciation:			
Depreciation	19	-22,194	-25,310
		-22,194	-25,310
Financial Income and Expenses:			
Financial Income	20	44,067	46,036
Bank/Credit Card Charges		-6,980	-3,638
Financial Expenses	21	-23,904	-8,371
Exchange Rate Differences		-158,076	-76,620
		-144,893	-42,593
Extraordinary Expenses:			
Extraordinary Expenses		32,848	-5,553
FIDTA/WAEC	22	-598,568	-3,057,292
		-565,720	-3,062,845
Total Expenses		-6,554,649	-9,922,180
excess of income (+) / expenses (-) over income for the year		-2,295,490	8,756,103
Unrestricted funds at beginning of the year		11,859,685	3,103,582
Unrestricted funds at end of the year		<u>9,564,194</u>	<u>11,859,685</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 accounts and other receivables 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 2017, the liability to the pension scheme amounted to CHF 0.

1.10 Staff

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

1.11 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 2017 will be approved during our Congress 2019.

Notes to the financial statements

	CHF	CHF
	December 31, 2017	December 31, 2016
2. Cash and cash equivalents		
Cash	2,074	3,254
Credit Cards	3,713	0
BCV Current accounts	402,696	181,509
UBS Current account	0	465
BCV Mandat accounts	6,678,642	10,585,451
YapiKredi/Garanti Turkish account	24,572	164,010
BCV GSD/USD account	79,277	21,096
	<u>7,190,974</u>	<u>10,955,785</u>

During 2017, World Archery Federation entered into put and call options on foreign currencies. As of 31 December 2017, the put and call options cumulative contract value was CHF 2,100,000.- and the cumulative market value was CHF -361

During 2016, World Archery Federation entered in forward contracts. As of 31 December 2016, the forward purchase and sale contracts (CMD) cumulative contract value was CHF 1,969,000.- and the cumulative replacement value was CHF -43,000.- which has been booked as an expense within the statement of income and expenditure.

3. Accounts receivable

Associate Members	10,000	0
Members Associations	92,258	48,243
Other Debtors	67,029	156,448
Bad Debts	-8,974	0
	<u>160,314</u>	<u>204,691</u>

4. Accruals

Accruals	432,469	131,920
	<u>432,469</u>	<u>131,920</u>

In 2017, a provision for untaken holiday as of 31 December 2017 for a total amount of CHF 245,164.- has been accrued for.

Notes to the financial statements

	CHF December 31, 2017	CHF December 31, 2016
5. Various Income & Fees		
WA Registered Tournaments	32,745	34,430
Interpretation Fee	700	0
Merchandising	65,700	35,308
Accreditations & Upgrade cards	4,802	0
Association Members Fees	68,711	64,951
Associate Members Fees	227,000	171,500
Rebilling Travel/Accommodation	6,027	0
Income Video/DVD	51,855	3,080
Sundry, Income, Postage, etc	0	46
Development Partner fees	0	9,909
Global Sport Development	101,550	74,753
Income Event Tool Box	28	25,833
Income Event Services	60,991	99,283
Extraordinary income	0	27,331
	<u>620,109</u>	<u>546,424</u>
6. Olympics revenue		
Various Incomes (IPC, etc)	26,522	98,510
IOC Income	1,934,699	15,289,323
Other Olympic Income	0	70,576
Ticket Income	0	46,772
Olympic Solidarity	20,828	113,953
Grant IOC/Olympic Solidarity IF	70,105	69,769
	<u>2,052,153</u>	<u>15,688,903</u>
7. Commercial Revenue		
Licences - Royalties	0	30,000
Sponsors (incl. VIK)	830,948	2,223,548
Donations	1,282	0
Internet Revenue	15,209	15,346
TV Revenue	84,357	69,975
Bid Cities	655,101	104,087
	<u>1,586,896</u>	<u>2,442,956</u>

Notes to the financial statements

	CHF December 31, 2017	CHF December 31, 2016
8. Office Administration		
Building Service costs	-54,392	-53,989
Office Supply, Maintenance & Cleaning	-26,555	-21,658
Phone & Fax	-17,262	-18,690
Electricity	-2,627	-2,283
Postage	-506	-2,270
Lease Payments	-4,476	-4,581
Computing Costs & Internet costs	-63,552	-64,811
Insurances	-24,366	-31,274
Meeting Expenses	-559	-695
Freight & Customs	-1,135	-2,468
	<u>-195,430</u>	<u>-202,719</u>
9. Office Projects & Activities		
Clean Sport Management	-96,646	-105,421
	<u>-96,646</u>	<u>-105,421</u>
10. Accounting & Legal Fees		
Accounting & Audit Fees	-28,730	-22,293
Legal Fees	16,000	-8,471
	<u>-12,730</u>	<u>-30,764</u>
11. Communications/Marketing/Sponsorship		
Subscription to associations	-6,319	-6,327
Publications, Target, Arrow, Advertising	0	-15,946
Merchandising/Flags, Pin's, Ties & Others	-136,417	-17,101
Sponsorship costs	-188,440	-130,805
Public Relations	-62,406	-40,961
Postage - Merchandising	-5,152	0
Graphic Design	0	-754
Renewing event equipment	-56,756	-35,971
Rental storage event equipment	-2,900	-975
	<u>-458,390</u>	<u>-248,840</u>

Notes to the financial statements

	CHF December 31, 2017	CHF December 31, 2016
12. Audiovisual Production		
TV Distribution	-511,370	-439,589
Expenses Video/DVD	-81,085	9,931
Internet - Development/Digital Media	-125,572	-132,708
TV Consulting	-52,565	-39,812
Graphics Development	-30,709	-60,017
	<u>-801,301</u>	<u>-662,195</u>
13. Executive Board & Executive Expenses		
Executive Board	-6,977	-26,845
Executive	-97,287	-93,025
	<u>-104,265</u>	<u>-119,870</u>
14. Committee Expenses		
<u>Boards</u>		
Finance & Audit	-6,981	-7,851
	<u>-6,981</u>	<u>-7,851</u>
<u>Committee</u>		
Const. & Rules Committee	-3,647	-1,755
Technical Committee	0	-6,453
Target Archery Committee	-204	-6,202
Field Committee	-198	-4,303
Judges Committee & Conference & Uniforms	-40,079	-219,072
Medical Committee	4,111	-41,193
Coaches Committee	-2,858	-4,665
Athletes' Committee	0	-5,989
ParaArchery	-20,590	-30,757
	<u>-63,464</u>	<u>-320,389</u>
<u>Ad Hoc Committees & Coordinators</u>		
Continental Games Work Group	0	-4628
Good Governance	-18,906	-4470
Gender Equity	-327	-8,707
WA Strategic Planning	0	-3,033
	<u>-19,233</u>	<u>-20,838</u>
	<u>-89,678</u>	<u>-349,078</u>



Notes to the financial statements

	CHF December 31, 2017	CHF December 31, 2016
15. Continental Confederations		
WA Oceania incl. MA's fees	-7,916	-8,084
WA Africa incl. MA's fees	-7,192	-53,741
WA Americas incl. MA's fees	-58,968	-59,354
WA Asia incl. MA's fees	-12,069	-12,382
WA Europe incl. MA's fees	-45,080	-45,087
	<u>-131,225</u>	<u>-178,648</u>
16. Development Programs		
Equipment	-12,860	-9,655
Bangkok Center	0	-67,735
Development Programs	-30,911	-15,173
	<u>-43,771</u>	<u>-92,563</u>
17. World Championships Costs		
WA3D - Robion 2017, FRA	-12,356	0
WAYC - Rosario 2017, ARG	-126,865	0
WAC - Mexico 2017, MEX	-319,954	0
WAIC - Ankara 2016, TUR	0	-213,056
WAFC - Dublin 2016, IRL	0	-63,235
WAC - Copenhagen 2015, DEN	0	-1,673
	<u>-459,175</u>	<u>-277,964</u>

Notes to the financial statements

	CHF December 31, 2017	CHF December 31, 2016
18. World Cups - WC		
<i>Outdoor World Cup - OWC</i>		
OWC Travel & Accommodation	-127,703	-197,554
OWC Marketing & Media	-11,956	-10,715
OWC Anti-Doping	0	-7,637
OWC Various	-158,275	-292,706
OWC Prize Money	-216,571	-195,348
OWC Results/Timing	-79,733	-84,449
OWC TD & Judges Costs	-1,989	-2,366
OWC TV Production	-379,663	-462,965
OWC Transportation & Logistics	-97,539	-288,158
OWC ET Box	0	-3,896
	-1,073,428	-1,545,794
<i>Indoor World Cup - IWC</i>		
IWC Travel & Accommodation	-45,605	0
IWC Marketing & Media	-2,269	0
IWC Anti-Doping	-5,909	0
IWC Various	-26,847	0
IWC Prize Money	-1,025	0
IWC Results/Timing	-2,584	0
IWC TV Production	-19,103	0
IWC Transportation & Logistics	-4,348	0
	-107,690	0
	-1,181,119	-1,545,794

In 2016, the IWC expenses were accounted in Other Games. From 2017, it is in a separate account.

19. Depreciation		
Office Furniture & Equipment depreciation	-1,286	-1,103
Computer Equipment depreciation	-5,523	-6,550
Event Tool Box Equipment depreciation	-11,743	-11,354
Vehicle depreciation	-3,642	-6,303
	-22,194	-25,310

Notes to the financial statements

	CHF December 31, 2017	CHF December 31, 2016
20. Financial Income		
Interests	6,186	46,036
Profits on Investments	37,882	0
	<u>44,067</u>	<u>46,036</u>
21. Financial Expenses		
Interest and Charges	-877	-5,871
Loss on investments	-23,027	-2,500
	<u>-23,904</u>	<u>-8,371</u>
22. FIDTA/WAEC		
WAEC - Sponsorship*	0	-2,600,000
WAEC - Contributions Operating expenses	-598,568	-300,000
WAEC - Opening ceremony	0	-157,292
	<u>-598,568</u>	<u>-3,057,292</u>

Sponsorship:

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 2017 is CHF 8,000,000.-. The total contribution of World Archery Federation is expected to be CHF 10,600,000.- which is be paid according to the following timeline:

2016	2,600,000
2018	722,000
2020	3,500,000
2024	3,778,000
Total	<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.