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# ***World Archery Federation***

***Lausanne***

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

***on the financial statements  
2018***





# ***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 2018.

#### ***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 2018 comply with Swiss law.

PricewaterhouseCoopers SA

Philippe Tzaud

Audit expert

Patrick Wagner

Audit expert

Lausanne, 13 March 2019

Enclosure:

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

**Balance sheet at December 31**

	Notes	CHF 2018	CHF 2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	3'453'587	7'190'974
Marketable securities		1'084'362	1'030'093
Accounts receivable	3	129'874	160'314
Other receivables		100'921	64'913
Inventory		70'915	72'676
Prepayments		777'486	77'924
<b>Total current assets</b>		<b>5'515'830</b>	<b>8'596'894</b>
<b>Fixed assets</b>			
Tangible fixed assets, net:			
Administrative building		1'615'473	1'615'473
Office furniture and equipment		4'762	1'287
Vehicle		0	5'814
Computer equipment		6'724	1'967
Event Tool Box equipment		3'117	14'749
		<b>1'630'076</b>	<b>1'639'289</b>
Financial fixed assets:			
Guarantee deposit			
Loan Long Term - FIDTA	4	722'000	0
Loss on loan - FIDTA		-722'000	0
		<b>0</b>	<b>0</b>
<b>Total fixed assets</b>		<b>1'630'076</b>	<b>1'639'289</b>
<b>TOTAL ASSETS</b>		<b>7'145'906</b>	<b>10'236'183</b>
<b>Liabilities and funds</b>			
<b>Current liabilities</b>			
Accounts payable		101'747	141'593
Other payables		23'316	37'326
Accruals	5	290'473	361'768
Membership fees 2018 / 2017		72'920	60'600
Deferred income		1'004'560	70'701
<b>Total current liabilities</b>		<b>1'391'701</b>	<b>671'988</b>
<b>Funds</b>			
Unrestricted funds		5'754'205	9'564'194
<b>TOTAL LIABILITES AND FUNDS</b>		<b>7'145'906</b>	<b>10'236'183</b>



**Statement of income and expenditure for the year ended December 31**

	Notes	CHF 2018	CHF 2017
<b>Income</b>			
Operating Income:			
Various Income & Fees	6	673'822	620'109
		673'822	620'109
Olympics Revenue	7	273'058	2'052'153
Commercial Revenue	8	1'847'819	1'586'896
<b>Total Income</b>		<b>2'794'699</b>	<b>4'259'158</b>
<b>Expenses</b>			
Administration Expenses:			
Salaries & Social Charges		-1'448'100	-1'665'986
Staff Expenses		-25'274	-48'893
Office Administration	9	-219'243	-195'430
Office Projects & Activities	10	-117'224	-96'646
Accounting & Legal fees	11	-42'539	-12'730
		-1'852'380	-2'019'685
Operating Expenses:			
Communications/Marketing/Sponsorship	12	-265'357	-458'390
Consulting (Fees, Think-Tank/Event Bidding)		-22'984	-48'000
Audiovisual Production	13	-657'523	-801'301
Congress Expenses		0	-105'052
Executive Board & Executive Expenses	14	-126'404	-104'265
Committee Expenses	15	-209'914	-89'678
Continental Confederations	16	-130'357	-131'225
Development Programs	17	-89'745	-43'771
Global Sport Development		-107'890	-101'550
Olympic Solidarity		-67'642	-22'051
Youth Olympic Games		-95'721	0
Paralympic Games		0	-87'220
World Championships Costs	18	-263'532	-459'175
Other Games, Bids & Future Events		-63'602	-76'083
Event Tool Box		-1'240	-3'211
Event Services		-26'196	-40'349
World Cups	19	-1'419'919	-1'181'119
Loss on Debtors		-360	-49'718
FIDTA/WAEC	20	-570'168	-598'568
		-4'118'554	-4'400'724
Depreciation:			
Depreciation	21	-15'980	-22'194
		-15'980	-22'194
Financial Income and Expenses:			
Financial Income	22	57'808	44'067
Bank/Credit Card Charges		-7'930	-6'980
Financial Expenses	23	-700'803	-23'904
Exchange Rate Differences		26'312	-158'076
		-624'613	-144'893
<b>Total Expenses</b>		<b>-6'611'527</b>	<b>-6'587'497</b>
Extraordinary Income & Expenditures			
Extraordinary Income	24	11'100	92'601
Extraordinary Expenditures	25	-4'261	-59'753
		6'839	32'848
<b>Total Extraordinary Income &amp; Expenditures</b>		<b>6'839</b>	<b>32'848</b>
excess of income (+) / expenses (-) over income for the year		-3'809'989	-2'295'490
Unrestricted funds at beginning of the year		9'564'194	11'859'685
Unrestricted funds at end of the year		5'754'205	9'564'194

## 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 2018, 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 2018, three in respect of cars and the fourth in respect of one multifunction photocopier. As of 31 December 2018, the remaining contractual lease payments amounted to CHF 47,683.75 and CHF 9,641.30 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 2018 will be approved during our Congress 2019.



## Notes to the financial statements

	CHF	CHF
	December 31, 2018	December 31, 2017
<b>2. Cash and cash equivalents</b>		
Cash	2'265	2'074
Credit Cards	0	3'713
BCV Current accounts	134'504	402'696
UBS Current account	0	0
BCV Mandat accounts	3'177'919	6'678'642
Garanti Bank Turkish account	23'482	24'572
BCV GSD/USD account	115'417	79'277
	<u>3'453'587</u>	<u>7'190'974</u>

During 2018, World Archery Federation entered into put and call options on foreign currencies. As of 31 December 2018, the put and call options cumulative contract value was CHF 2,400,000.- and the cumulative market value was CHF -2.

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.

<b>3. Accounts receivable</b>		
Associate Members	0	10'000
Members Associations	83'716	92'258
Other Debtors	46'158	67'029
Bad Debts	0	-8'974
	<u>129'874</u>	<u>160'314</u>
<b>4. Loan Long Term</b>		
Loan Long Term - FIDTA	722'000	0
	<u>722'000</u>	<u>0</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, 2018	CHF December 31, 2017
<b>5. Accruals</b>		
Accruals	290'473	361'768
	<u>290'473</u>	<u>361'768</u>
In 2018, a provision for untaken holiday as of 31 December 2018 for a total amount of CHF 223,254.- was accrued for.		
In 2017, a provision for untaken holiday as of 31 December 2017 for a total amount of CHF 245,164.- was accrued for.		
<b>6. Various Income &amp; Fees</b>		
WA Performance award		
WA Registered Tournaments	38'025	32'745
Interpretation Fee	600	700
Merchandising	72'755	65'700
Accreditations & Upgrade cards	3'993	4'802
Members Associations Fees	61'794	68'711
Associate Members Fees	276'030	227'000
Rebilling Travel/Accommodation	0	6'027
Income Video/DVD	18'878	51'855
Seminar/Conference (ITO)	34'129	0
Global Sport Development	100'240	101'550
Income Event Tool Box	566	28
Income Event Services	54'413	60'991
Other Income	12'399	0
	<u>673'822</u>	<u>620'109</u>
<b>7. Olympics revenue</b>		
Various Incomes (IPC, etc)	29'215	26'522
IOC Income	102'493	1'934'699
Olympic Solidarity	71'042	20'828
Grant IOC/Olympic Solidarity IF	70'308	70'105
	<u>273'058</u>	<u>2'052'153</u>
<b>8. Commercial Revenue</b>		
Sponsors (incl. VIK)	1'613'328	830'948
Donations	0	1'282
Internet Revenue	24'411	15'209
TV Revenue	127'272	84'357
Bid Cities	82'808	655'101
	<u>1'847'819</u>	<u>1'586'896</u>

## Notes to the financial statements

	CHF December 31, 2018	CHF December 31, 2017
<b>9. Office Administration</b>		
Building Service costs	-56'745	-54'392
Office Supply, Maintenance & Cleaning	-16'681	-26'555
Phone & Fax	-16'512	-17'262
Electricity	-2'860	-2'627
Postage	139	-506
Lease Payments	-37'333	-4'476
Computing Costs & Internet costs	-55'871	-63'552
Insurances	-31'460	-24'366
Meeting Expenses	-1'149	-559
Freight & Customs	-771	-1'135
	<u>-219'243</u>	<u>-195'430</u>
<b>10. Office Projects &amp; Activities</b>		
Clean Sport Management	-117'224	-96'646
	<u>-117'224</u>	<u>-96'646</u>
<b>11. Accounting &amp; Legal Fees</b>		
Accounting & Audit Fees	-35'593	-28'730
Legal Fees	-6'946	16'000
	<u>-42'539</u>	<u>-12'730</u>
<b>12. Communications/Marketing/Sponsorship</b>		
Subscription to associations	-7'171	-6'319
Publications, Target, Arrow, Advertising	-25'000	0
Merchandising/Flags, Pin's, Ties & Others	-18'010	-136'417
Sponsorship costs	-146'736	-188'440
Public Relations	-41'295	-62'406
Postage - Merchandising	-5'428	-5'152
Renewing event equipment	-18'817	-56'756
Rental storage event equipment	-2'900	-2'900
	<u>-265'357</u>	<u>-458'390</u>



## Notes to the financial statements

	CHF December 31, 2018	CHF December 31, 2017
<b>13. Audiovisual Production</b>		
TV Distribution	-448'975	-511'370
Expenses Video/DVD	-20'320	-81'085
Internet - Development/Digital Media	-99'619	-125'572
TV Consulting	-66'153	-52'565
Graphics Development	-22'456	-30'709
	<u>-657'523</u>	<u>-801'301</u>
<b>14. Executive Board &amp; Executive Expenses</b>		
Executive Board	-14'195	-6'977
Executive	-112'209	-97'287
	<u>-126'404</u>	<u>-104'265</u>
<b>15. Committee Expenses</b>		
<i>Boards</i>		
Finance & Audit	-5'840	-6'981
	<u>-5'840</u>	<u>-6'981</u>
<i>Committee</i>		
Const. & Rules Committee	-8'812	-3'647
Technical Committee	-4'869	0
Target Archery Committee	-6'680	-204
Field Committee	-7'120	-198
Judges Committee & Conference & Uniforms	-96'228	-40'079
Medical Committee	-10'154	4'111
Coaches Committee	-14'903	-2'858
Athletes' Committee	-4'644	0
ParaArchery	-20'592	-20'590
	<u>-174'002</u>	<u>-63'464</u>
<i>Ad Hoc Committees &amp; Coordinators</i>		
Good Governance	-3'527	-18'906
Gender Equity	-8'536	-327
Para Archery Classifiers	-18'009	0
	<u>-30'072</u>	<u>-19'233</u>
	<u>-209'914</u>	<u>-89'678</u>



**Notes to the financial statements**

	<b>CHF December 31, 2018</b>	<b>CHF December 31, 2017</b>
<b>16. Continental Confederations</b>		
WA Oceania incl. MA's fees	-8'156	-7'916
WA Africa incl. MA's fees	-7'612	-7'192
WA Americas incl. MA's fees	-59'026	-58'968
WA Asia incl. MA's fees	-10'468	-12'069
WA Europe incl. MA's fees	-45'095	-45'080
	<u>-130'357</u>	<u>-131'225</u>
<b>17. Development Programs</b>		
Equipment	-24'311	-12'860
Development Programs	-65'434	-30'911
	<u>-89'745</u>	<u>-43'771</u>
<b>18. World Championships Costs</b>		
WAIC - Yankton 2018, USA	-178'412	0
WAFC - Cortina 2018, ITA	-85'120	0
WA3D - Robion 2017, FRA	0	-12'356
WAYC - Rosario 2017, ARG	0	-126'865
WAC - Mexico 2017, MEX	0	-319'954
	<u>-263'532</u>	<u>-459'175</u>

**Notes to the financial statements**

	<b>CHF December 31, 2018</b>	<b>CHF December 31, 2017</b>
<b>19. World Cups - WC</b>		
OWC Travel & Accommodation	-124'380	-127'703
OWC Marketing & Media	-14'051	-11'956
OWC Various	-149'946	-158'275
OWC Prize Money	-209'516	-216'571
OWC Results/Timing	-111'287	-79'733
OWC TD & Judges Costs	-2'942	-1'989
OWC TV Production	-516'700	-379'663
OWC Transportation & Logistics	-103'433	-97'539
OWC TV Distribution	-121'598	0
	<u>-1'353'853</u>	<u>-1'073'428</u>
 <i><u>Indoor World Cup - IWC</u></i>		
IWC Travel & Accommodation	-14'802	-45'605
IWC Marketing & Media	-1'331	-2'269
IWC Anti-Doping	-6'569	-5'909
IWC Various	-10'809	-26'847
IWC Prize Money	-1'002	-1'025
IWC Results/Timing	0	-2'584
IWC TD & judges costs	-642	0
IWC TV Production	-12'741	-19'103
IWC Transportation & Logistics	-1'613	-4'348
	<u>-49'509</u>	<u>-107'690</u>
 <i><u>Indoor World Series - IWS</u></i>		
IWS Travel & Accommodation	-8'432	0
IWS Anti-Doping	-2'777	0
IWS Results/Timing	-4'564	0
IWS TV Distribution	-784	0
	<u>-16'557</u>	<u>0</u>
	<u>-1'419'919</u>	<u>-1'181'119</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**

	<b>CHF December 31, 2018</b>	<b>CHF December 31, 2017</b>
<b>20. FIDTA/WAEC</b>		
WAEC - Contributions Operating expenses	-570'168	-598'568
	<u>-570'168</u>	<u>-598'568</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 2018 is CHF 7,278,000.-. 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
<b>Total</b>	<u><u>10'600'000</u></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.

<b>21. Depreciation</b>		
Office Furniture & Equipment depreciation	-1'936	-1'286
Computer Equipment depreciation	-2'412	-5'523
Event Tool Box Equipment depreciation	-11'632	-11'743
Vehicle depreciation	0	-3'642
	<u>-15'980</u>	<u>-22'194</u>
<b>22. Financial Income</b>		
Interests	7'080	6'186
Profits on Investments	49'344	37'882
Other interests	1'384	0
	<u><u>57'808</u></u>	<u><u>44'067</u></u>

**Notes to the financial statements**

	CHF December 31, 2018	CHF December 31, 2017
<b>23. Financial Expenses</b>		
Interest and Charges	-1'830	-877
Loss on investments	23'027	-23'027
Provision loss loan to FIDTA	-722'000	0
	<u>-700'803</u>	<u>-23'904</u>
<b>24. Extraordinary Income</b>		
Extraordinary Income	11'100	92'601
	<u>11'100</u>	<u>92'601</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.

In 2017, the extraordinary income was mainly related to a donation received to support the Mexico schools reconstruction for CHF 60,835.70.

<b>25. Extraordinary Expenditures</b>		
Extraordinary Expenditures	-4'261	-59'753
	<u>-4'261</u>	<u>-59'753</u>

In 2017, the extraordinary expenses was related to a donation to UNICEF for the Mexico earthquake for USD 57,000.-