

WORLD CURLING FEDERATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2017

WORLD CURLING FEDERATION

BUSINESS INFORMATION

SECRETARIAT ADDRESS

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Perth, PH1 5NG
Scotland

BOARD

Kate Caithness – President
Bent Ramsfjell – Vice President (Europe)
Graham Prouse – Vice President (Americas)
Hugh Millikin – Vice President (Pacific-Asia)

Andy Anderson
Hew Chalmers
Catherine Lindahl
Toyo Ogawa

SECRETARY GENERAL

Colin Grahamslaw

REGISTERED OFFICE

Truehand-und Revisionsgesellschaft
Mattig-Suter und Partner
Neiderlassung Uri
Lehnplatz 9
6460 Altdorf UR
Switzerland

BANKERS

Royal Bank of Canada (Channel Islands) Limited
Jersey Branch
Gaspé House
66-72 Esplanade
St Helier JE2 3QT
Channel Islands

Canadian Imperial Bank of Commerce
Main Branch
Commerce Court West - Concourse
Toronto, Ontario M5L 1G9
Canada

The Royal Bank of Scotland plc
Perth Chief Office
PO Box 18, 12 Dunkeld Road
Perth PH1 5RB
Scotland

J.P. Morgan
Private Bank
1 Knightsbridge
London
SW1X 7LX

RBC Wealth Management
60 South 6th Street
Minneapolis MN 55402
USA

INDEPENDENT AUDITOR

Mazars LLP
Apex 2, 97 Haymarket Terrace
Edinburgh EH12 5HD
Scotland

ACCOUNTANTS AND BUSINESS ADVISERS

Mazars LLP
Apex 2, 97 Haymarket Terrace
Edinburgh EH12 5HD
Scotland

WORLD CURLING FEDERATION

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WORLD CURLING FEDERATION

BOARD RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

The Board is responsible for preparing the financial statements.

The constitution of the World Curling Federation requires the Board to prepare financial statements for each financial year. The Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). In preparing these financial statements, the Board:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and accounting estimates that are reasonable and prudent;
- states whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the Federation will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Federation's transactions and disclose with reasonable accuracy at any time the financial position of the Federation. The Board is also responsible for safeguarding the assets of the Federation and hence for taking reasonable prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE GENERAL ASSEMBLY OF THE WORLD CURLING FEDERATION

We have audited the financial statements of the World Curling Federation for the year ended 30th June 2017 which comprise the Income and Expenditure account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as amended for the recognition of income as set out in note 1, and the treatment of debtors falling due after one year as set out in note 13 to the financial statements.

Respective responsibilities of the Board and auditor

As explained more fully in the Board's responsibilities statement set out on page 3, the Board is responsible for the preparation of the financial statements and being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the Federation's members as a body. Our audit work has been undertaken so that we might state to the General Assembly those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Federation and the members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Federation's affairs as at 30 June 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice as amended for the recognition of income as set out in note 1 and the non-discounting of financial assets as set out in note 13 to the financial statements.

Date:
Apex 2, 97 Haymarket Terrace
Edinburgh
EH12 5HD

Mazars LLP
Statutory Auditor

WORLD CURLING FEDERATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 US \$	2016 US \$
Income			
Membership subscriptions		36,150	36,450
IOC monies	1	4,897,015	4,942,203
Marketing fees		1,266,768	1,294,466
Bank interest		7,532	19,135
Dividend income		157,509	163,764
Realised profits on investments		210,912	(10,179)
Rights fees		-	28,039
Broadcasting		725,463	505,169
Programs and services clinics		85,742	76,899
Legacy funds from the European Curling Federation	18	-	300
Miscellaneous income/ expenses		<u>40,663</u>	<u>4,526</u>
		<u>7,427,754</u>	<u>7,060,835</u>
Expenditure			
Board expenses & congress	2	355,030	342,620
Standing/ad hoc committee expenses		42,229	24,471
Operations	3	1,266,570	1,199,212
Programs and services – development	4	606,352	569,103
Programs and services – facilities and technical	5	40,408	167,827
Programs and services – other	6	90,992	37,307
Competitions	7	643,802	699,819
Finance	8	44,822	46,624
International and corporate relations		18,870	5,052
Media expenses		251,152	204,521
Administrative expenses		11,191	3,785
Marketing		1,053,459	982,253
Broadcasting	9	2,097,040	1,654,212
Bad debt		811	1,152
(Gain) on capital assets		-	(1,343)
Loss on foreign exchange transactions		153,100	182,601
Olympic Games		588	91,045
ECF Federation expenditure	18	8,000	881
World Anti Doping Agency		<u>48,132</u>	<u>35,178</u>
		<u>6,732,548</u>	<u>6,246,320</u>
Surplus for the Year		695,206	814,515
Reserves Brought Forward		<u>8,964,685</u>	<u>8,150,170</u>
Reserves Carried Forward		<u>9,659,891</u>	<u>8,964,685</u>

WORLD CURLING FEDERATION

BALANCE SHEET

AS AT 30TH JUNE 2017

	NOTE	2017 US \$	2016 US \$
Fixed Assets			
Tangible assets	10	1,578,692	841,989
Investments	11	<u>8,337,136</u>	<u>12,582,217</u>
		<u>9,915,828</u>	<u>13,424,206</u>
Other Assets			
Stock	12	342,175	376,695
Debtors and prepayments – due after one year	13	<u>1,731,872</u>	<u>1,394,187</u>
		<u>2,074,047</u>	<u>1,770,882</u>
Current Assets			
Debtors and prepayments – due within one year	14	1,696,831	1,398,600
Cash at bank and in hand	15	<u>1,768,011</u>	<u>2,553,181</u>
		<u>3,464,842</u>	<u>3,951,781</u>
Current Liabilities			
Creditors and accruals	16	<u>5,794,826</u>	<u>5,422,809</u>
Net Current Liabilities		<u>(2,329,984)</u>	<u>(1,471,028)</u>
Total Assets Less Current Liabilities		<u>9,659,891</u>	<u>13,724,060</u>
Long Term Liabilities	17	<u>-</u>	<u>4,759,375</u>
Total Assets Less Total Liabilities		<u>9,659,891</u>	<u>8,964,685</u>
Represented by:		<u>-</u>	<u>-</u>
Retained reserves	18	<u>9,659,891</u>	<u>8,964,685</u>

Approved on

.....
Kate Caithness
President

.....
A. M. Anderson
Director

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

Accounting Policies

Accounting Convention

The financial statements are prepared under the historical cost convention, and comply with United Kingdom Generally Accepted Accounting Practice, as amended for the recognition of income as set out in note 1, the treatment of investments as set out in note 11, and the treatment of debtors falling due after one year, as set out in note 13.

Fixed Assets

Provision is made for the depreciation of fixed assets in order to write off the cost or valuation of these assets over their expected useful lives.

The annual depreciation rates and methods are as follows:

Office Furniture	:	10% straight line
Office Equipment	:	33.33% straight line
Curling Equipment	:	10% straight line
Competition Curling Stones	:	5% straight line
Curling Venue Decoration	:	20% straight line
Portable Curling Facilities	:	5% straight line

Heritable property is carried at current year value at the balance sheet date. A full valuation will be obtained from a qualified valuer every four years in line with the Olympic cycle.

Investments

Investments are stated at cost less any permanent diminution in value on a portfolio basis.

Stock

Stock, which consists of curling stones and raw materials, is stated at cost. Cost is based on the value of the stones. Net realisable value is based upon estimated selling price.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into US Dollars at the rates of exchange ruling at the end of the period.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Differences arising due to exchange fluctuations have been reflected in the income and expenditure account.

Investment Income

Investment and interest receivable have been accounted for on an accruals basis and gains on investments are included when the relevant investments have been sold.

Payments

Expenses of the Federation are accounted for on an accruals basis.

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

Accounting Policies (continued)

Deferred Purchases

Where sale with deferred payment agreements for the sales of curling stones at cost to member associations have been entered into, no interest or finance charges are levied and amounts receivable are included within debtors with subsequent repayments reducing the debtor balance.

Taxation Status

The Federation is considered by HM Revenue & Customs to be non-resident for United Kingdom tax purposes.

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

1. **Income**

Income received from the IOC relating to the participation in the Winter Olympic Games will be deferred and split over the following Olympic cycle. Any subsequent additional payments are released to income over the remaining part of the four year cycle.

Income relating to rights fees are from the member associations who have held major competitions. This is accounted for on a receipts basis, where the income cannot be quantified until the surplus or deficit of the event has been calculated and the World Curling Federation's share can be accurately assessed. This process may take more than a year to complete.

2. **Board Expenses & Congress**

	2017 US \$	2016 US \$
Spring meeting	48,834	76,192
Congress	182,170	136,617
December meeting	19,086	-
Miscellaneous	7,707	7,694
Members at Large	6,754	27,451
President	63,482	71,140
Vice Presidents	<u>26,997</u>	<u>23,526</u>
	<u>355,030</u>	<u>342,620</u>

Included within the President's expenses is an honorarium of \$35,700 (2016: £\$35,000) approved by the Finance Commission.

3. **Operations**

	2017 US \$	2016 US \$
Employment costs	857,145	805,358
Office expenses	60,519	67,272
Communication	4,538	6,478
Printing, stationery and supplies	33,498	31,548
Travel expenses	5,769	18,390
Bank charges	13,348	15,666
Depreciation	60,760	67,258
Equipment maintenance	27,507	20,720
Staff expenses	110,248	72,857
Miscellaneous operations	<u>93,238</u>	<u>93,665</u>
	<u>1,266,570</u>	<u>1,199,212</u>

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

4. Programs and Services – Development

Included within Programs and services - development are the development costs in 47 countries (2016:40)

	2017 US \$	2016 US \$
Clinics	154,297	140,903
Development assistance programs	413,629	387,828
Development projects	36,771	34,795
Development administration	-	(272)
Manuals	<u>1,655</u>	<u>5,849</u>
	<u>606,352</u>	<u>569,103</u>

5. Programs and Services – Facilities and Technical

	2017 US \$	2016 US \$
Technical	3,849	147,299
Brush testing	20,205	-
Facilities projects	<u>16,354</u>	<u>20,528</u>
	<u>40,408</u>	<u>167,827</u>

6. Programs and Services - Other

	2017 US \$	2016 US \$
Other projects	34,163	4,886
Equipment	36,528	32,776
Cheeses & Ailserts	17,472	-
Freight charges	<u>2,829</u>	<u>(355)</u>
	<u>90,992</u>	<u>37,307</u>

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

7. Competitions

	2017 US \$	2016 US \$
World Men's Curling Championship	19,520	58,830
World Women's Curling Championship	71,573	11,009
World Junior Curling Championships	70,604	174,944
World Junior B Curling Championships	186,894	132,274
World Wheelchair Curling Championships	5,866	71,812
World Wheelchair B Curling Championships	25,082	-
World Mixed Doubles Curling Championship	43,377	47,224
World Seniors Curling Championship	35,038	38,176
FISU - WUG	7,163	-
European Junior Challenge	-	(4,119)
European Curling Championship – C Division	26,343	56,884
European Curling Championships	68,130	64,728
Pacific Asia Junior Curling Championship	-	(44,000)
WWhCQ	-	-
Pacific Asia Curling Championships	15,271	27,978
World Mixed Curling Championship	36,248	33,146
Americas Challenge	3,185	-
Statistics	<u>29,508</u>	<u>30,933</u>
	<u>643,802</u>	<u>699,819</u>

8. Finance

	2017 US \$	2016 US \$
Audit and accountancy	5,887	6,390
Other	<u>38,935</u>	<u>40,234</u>
	<u>44,822</u>	<u>46,624</u>

9. Broadcasting

In the year there were 3 major events (2016: 3) being Edmonton, Canada; Beijing, China and Braehead, Scotland (2016: Esbjerg, Denmark; Swift Current, Canada; and Basel Switzerland).

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

10. Tangible Fixed Assets

	Heritable property	Curling Stones	Office Furniture	Office Equipment	Portable Curling Facility	Curling Equipment	Curling Venue Decoration	Total
	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$
Cost								
At beginning	594,594	181,470	9,609	133,197	15,064	262,410	45,555	1,241,899
Additions	-	-	5,197	31,833	733,387	27,045	-	797,462
Disposals	-	-	-	-	-	-	-	-
	594,594	181,470	14,806	165,030	748,451	289,455	45,555	2,039,361
Depreciation								
At beginning	-	63,279	1,985	121,430	520	173,022	39,674	399,910
Charge for year	-	9,074	1,343	9,371	15,790	19,299	5,882	60,759
Disposals	-	-	-	-	-	-	-	-
	-	72,353	3,328	130,801	16,310	192,322	45,555	460,669
Net Book Value	594,594	109,117	11,478	34,229	732,141	97,133	-	1,578,692
Net Book Value At Beginning	594,594	118,191	7,624	11,767	14,544	89,388	5,881	841,989

11. Investments

	2017 US \$	2016 US \$
Cost		
Balance at beginning	12,582,217	11,989,717
Additions	357,370	4,201,210
Disposals	<u>(4,602,451)</u>	<u>(3,608,710)</u>
Balance at end	<u>8,337,136</u>	<u>12,582,217</u>

The market value of the investments at 30 June 2017 was \$8,638,816 (2016: \$12,567,155)

Investments are stated at cost, rather than at market value.

12. Stock

	2017 US \$	2016 US \$
Curling stones and raw materials	<u>342,175</u>	<u>376,695</u>

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

13. **Debtors: Amounts falling due after one year**

	2017 US \$	2016 US \$
Development loans advanced to member nations	913,530	593,750
Deferred purchase receivables	<u>818,342</u>	<u>800,437</u>
	<u>1,731,872</u>	<u>1,394,187</u>

Development loans advanced to member nations and deferred purchase receivables are interest free. Under UK GAAP such loans would be discounted based on an assessed market rate of interest. The Board have elected to carry these debts at full recoverable value.

14. **Debtors: Amounts falling due within one year**

	2017 US \$	2016 US \$
Sundry debtors	442,411	477,231
Goods and services tax/harmonised sales tax	-	4,177
VAT recoverable	54,684	37,477
Deferred purchase receivables	254,059	240,518
Development loans advanced to member nations	81,250	43,750
Prepayments and accrued income	<u>864,427</u>	<u>595,447</u>
	<u>1,696,831</u>	<u>1,398,600</u>

Included in deferred purchase receivables are 14 (2016: 13) ice-cutting machines that have been sold to member nations, subject to receipt of the debtor balances from the member nations. Title to the assets will not transfer to the member nation until all amounts have been received.

15. **Cash at bank and in hand**

Included in cash at bank and in hand are sums amounting to \$770,220 (2016: \$1,127,500) earmarked for lending to Member Associations.

16. **Creditors: Amounts falling due within one year**

	2017 US \$	2016 US \$
Trade creditors and accruals	1,019,088	648,743
Deferred income – IOC monies	4,759,375	4,759,375
Other taxes and social security costs	<u>16,363</u>	<u>14,691</u>
	<u>5,794,826</u>	<u>5,422,809</u>

17. **Creditors: Amounts falling due after one year**

	2017 US \$	2016 US \$
Deferred income – IOC monies	<u> -</u>	<u>4,759,375</u>

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

18. **Retained reserves**

Included within retained reserves is \$99,681 (2016: \$107,681) representing legacy funds from the European Curling Federation to be used under the direction of the European Zonal Commission.