

**WORLD CURLING FEDERATION
AND SUBSIDIARY COMPANY**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

WORLD CURLING FEDERATION AND SUBSIDIARY COMPANY

BUSINESS INFORMATION

SECRETARIAT ADDRESS

3 Atholl Crescent
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
Laura Lochanski
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
P. O. Box 194
St Helier JE4 8RR
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 AND SUBSIDIARY COMPANY

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WORLD CURLING FEDERATION AND SUBSIDIARY COMPANY

BOARD RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

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
AND SUBSIDIARY COMPANY**

We have audited the financial statements of the World Curling Federation and Subsidiary Company for the year ended 30th June 2016 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 2016 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 AND SUBSIDIARY COMPANY

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 US \$	2015 US \$
Income			
Membership subscriptions		36,450	26,450
IOC monies	1	4,942,203	4,874,624
Marketing fees		1,294,466	1,227,454
Investment income receivable		172,783	332,126
Rights fees		28,039	-
Broadcasting		505,169	143,759
Programs and services clinics		76,899	93,345
Legacy funds from the European Curling Federation	18	300	108,262
Miscellaneous income/ expenses		<u>4,526</u>	<u>(22,087)</u>
		<u>7,060,835</u>	<u>6,783,933</u>
Expenditure			
Board expenses & congress	2	342,620	357,719
Standing/ad hoc committee expenses		24,471	16,750
Operations	3	1,199,212	1,242,168
Programs and services – development	4	569,103	513,384
Programs and services – facilities and technical	5	167,827	18,958
Programs and services – other	6	37,307	58,026
Competitions	7	699,819	612,421
Finance	8	46,624	42,055
International and corporate relations		5,052	9,929
Media expenses		204,521	192,142
Administrative expenses		3,785	152
Marketing		982,253	1,065,216
Broadcasting	9	1,654,212	1,674,919
Bad debt		1,152	-
(Gain) on capital assets		(1,343)	(6,316)
Loss on foreign exchange transactions		182,601	433,949
Olympic Games		91,045	7,609
ECF Federation expenditure	<u>18</u>	881	-
World Anti Doping Agency		<u>35,178</u>	<u>52,935</u>
		<u>6,246,320</u>	<u>6,292,016</u>
Surplus for the Year		814,515	491,917
Reserves Brought Forward		<u>8,150,170</u>	<u>7,658,253</u>
Reserves Carried Forward		<u>8,964,685</u>	<u>8,150,170</u>

WORLD CURLING FEDERATION AND SUBSIDIARY COMPANY

BALANCE SHEET

AS AT 30TH JUNE 2016

	NOTE	2016 US \$	2015 US \$
Fixed Assets			
Tangible assets	10	841,989	868,762
Investments	11	<u>12,582,217</u>	<u>11,989,717</u>
		<u>13,424,206</u>	<u>12,858,479</u>
Other Assets			
Stock	12	376,695	417,115
Debtors and prepayments – due after one year	13	<u>1,394,187</u>	<u>1,654,129</u>
		<u>1,770,882</u>	<u>2,071,244</u>
Current Assets			
Debtors and prepayments – due within one year	14	1,398,600	1,445,988
Cash at bank and in hand	15	<u>2,553,181</u>	<u>6,864,644</u>
		<u>3,951,781</u>	<u>8,310,632</u>
Current Liabilities			
Creditors and accruals	16	<u>5,422,809</u>	<u>5,571,435</u>
Net Current (Liabilities)/Assets		<u>(1,471,028)</u>	<u>2,739,197</u>
Total Assets Less Current Liabilities		<u>13,724,060</u>	<u>17,668,920</u>
Long Term Liabilities	17	<u>4,759,375</u>	<u>9,518,750</u>
Total Assets Less Total Liabilities		<u>8,964,685</u>	<u>8,150,170</u>
Represented by:			
Retained reserves	18	<u>8,964,685</u>	<u>8,150,170</u>

Approved on

.....
Kate Caithness
President

.....
A. M. Anderson
Director

WORLD CURLING FEDERATION AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

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, and the treatment of debtors falling due after one year, as set out in note 13.

The financial statements combine the transactions of World Curling Federation and its subsidiary company, The World Curling Federation Limited, a company registered in Canada.

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 AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

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 AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

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**

	2016 US \$	2015 US \$
Spring meeting	76,192	49,945
Congress	136,617	193,812
December meeting	-	20,349
Miscellaneous	7,694	5,877
Members at Large	27,451	16,266
President	71,140	53,275
Vice President	<u>23,526</u>	<u>18,195</u>
	<u>342,620</u>	<u>357,719</u>

Included within the President's expenses is an honorarium of \$35,000 (2015: \$28,539) approved by the General Assembly (Belgrade, 2015).

3. **Operations**

	2016 US \$	2015 US \$
Employment costs	805,358	843,600
Office expenses	67,272	100,534
Communication	6,478	11,504
Printing, stationery and supplies	31,548	21,789
Travel expenses	18,390	5,317
Bank charges	15,666	17,653
Depreciation	67,258	68,014
Equipment maintenance	20,720	28,084
Staff expenses	72,857	77,910
Miscellaneous operations	<u>93,665</u>	<u>67,763</u>
	<u>1,199,212</u>	<u>1,242,168</u>

WORLD CURLING FEDERATION AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

4. Programs and Services – Development

Included within Programs and services - development are the development costs in 40 countries (2015:40)

	2016 US \$	2015 US \$
Clinics	140,903	153,310
Development assistance programs	387,828	354,288
Development projects	34,795	2,490
Development administration	(272)	92
Manuals	<u>5,849</u>	<u>3,204</u>
	<u>569,103</u>	<u>513,384</u>

5. Programs and Services – Facilities and Technical

	2016 US \$	2015 US \$
Technical	147,299	7,120
Facilities projects	20,528	11,620
Facilities administration	<u>-</u>	<u>218</u>
	<u>167,827</u>	<u>18,958</u>

6. Programs and Services - Other

	2016 US \$	2015 US \$
Other projects	4,886	15,799
Equipment	32,776	35,398
Freight charges	<u>(355)</u>	<u>6,829</u>
	<u>37,307</u>	<u>58,026</u>

WORLD CURLING FEDERATION AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

7. Competitions

	2016 US \$	2015 US \$
World Men's Curling Championship	58,830	22,389
World Women's Curling Championship	11,009	79,238
World Junior Curling Championships	174,944	106,262
World Junior B Curling Championships	132,274	-
World Wheelchair Curling Championships	71,812	40,343
World Mixed Doubles Curling Championship	47,224	26,327
World Seniors Curling Championship	38,176	20,925
FISU & EYOF (2016 FISU only)	-	1,920
European Junior Challenge	(4,119)	48,283
European Curling Championship – C Division	56,884	12,120
European Curling Championships	64,728	64,203
Pacific Asia Junior Curling Championship	(44,000)	87,324
WWhCQ	-	23,427
Pacific Asia Curling Championships	27,978	25,687
European Mixed Curling Championship	-	22,952
World Mixed Curling Championship	33,146	-
Americas Challenge	-	126
Statistics	<u>30,933</u>	<u>30,895</u>
	<u>699,819</u>	<u>612,421</u>

8. Finance

	2016 US \$	2015 US \$
Audit and accountancy	6,390	6,911
Other	<u>40,234</u>	<u>35,144</u>
	<u>46,624</u>	<u>42,055</u>

9. Broadcasting

In the year there were 3 major events (2015: 3) being Esbjerg ,Denmark; Swift Current, Canada; and Basel Switzerland (2015: Champéry, Switzerland; Sapporo, Japan; and Halifax, Canada).

WORLD CURLING FEDERATION AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

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	2,234	128,852	-	249,630	45,555	1,202,335
Additions	-	-	7,375	4,345	15,064	12,780	-	39,564
Disposals	-	-	-	-	-	-	-	-
	594,594	181,470	9,609	133,197	15,064	262,410	45,555	1,241,899
Depreciation								
At beginning	-	54,206	1,657	89,759	-	157,388	30,563	333,573
Charge for year	-	9,073	328	31,671	520	15,634	9,111	66,337
Disposals	-	-	-	-	-	-	-	-
	-	63,279	1,985	121,430	520	173,022	39,674	399,910
Net Book Value	594,594	118,191	7,624	11,767	14,544	89,388	5,881	841,989
Net Book Value At Beginning	594,594	127,264	577	39,093	-	92,242	14,992	868,762

11. Investments

	2016 US \$	2015 US \$
Cost		
Balance at beginning	11,989,717	6,134,558
Additions	4,201,210	11,258,287
Disposals	(3,608,710)	(5,403,128)
Balance at end	<u>12,582,217</u>	<u>11,989,717</u>

The market value of the investments at 30 June 2016 was \$12,567,155 (2015: \$12,031,519)

12. Stock

	2016 US \$	2015 US \$
Curling stones and raw materials	<u>376,695</u>	<u>417,115</u>

WORLD CURLING FEDERATION AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

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

	2016 US \$	2015 US \$
Development loans advanced to member nations	593,750	637,500
Deferred purchase receivables	<u>800,437</u>	<u>1,016,629</u>
	<u>1,394,187</u>	<u>1,654,129</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**

	2016 US \$	2015 US \$
Sundry debtors	477,231	529,065
Goods and services tax/harmonised sales tax	4,177	12,637
VAT recoverable	37,477	73,526
Deferred purchase receivables	240,518	170,666
Development loans advanced to member nations	43,750	18,602
Prepayments and accrued income	<u>595,447</u>	<u>641,492</u>
	<u>1,398,600</u>	<u>1,445,988</u>

Included in deferred purchase receivables are 13 (2015: 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 \$1,127,500 (2015: \$1,108,899) earmarked for lending to Member Associations.

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

	2016 US \$	2015 US \$
Trade creditors and accruals	648,743	794,386
Deferred income – IOC monies	4,759,375	4,759,375
Other taxes and social security costs	<u>14,691</u>	<u>17,674</u>
	<u>5,422,809</u>	<u>5,571,435</u>

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

	2016 US \$	2015 US \$
Deferred income – IOC monies	<u>4,759,375</u>	<u>9,518,750</u>

WORLD CURLING FEDERATION AND SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2016

18. **Retained reserves**

Included within retained reserves is \$107,681 (2015: \$108,262) representing legacy funds from the European Curling Federation to be used under the direction of the European Zonal Commission.