

WORLD CURLING FEDERATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019

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)

Beau Welling
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
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WORLD CURLING FEDERATION

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WORLD CURLING FEDERATION

BOARD RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

The Board is responsible for preparing the non-statutory 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

Opinion

We have audited the non-statutory financial statements of World Curling Federation for the year ended 30 June 2019 which comprises the Income and Expenditure account, the Balance Sheet and the related notes, including a summary of significant accounting policies. 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, the treatment of investments 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Federation's affairs as at 30 June 2019 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, the recording of investments at cost as set out in note 11 and the non-discounting of financial assets as set out in note 13 to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Federation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The terms on which the United Kingdom may withdraw from the European Union and it is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy, and currency fluctuations.

We considered the impact of Brexit on the federation as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for the federation and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the organisations ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in

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

the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board

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, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is are responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Board, in accordance with our engagement letter dated 29 July 2019. Our audit work has been undertaken so that we might state to the Board those matters we are required to state to them in an auditor's 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 Board for our audit work, for this report, or for the opinions we have formed.

Mazars LLP
Auditor
Date:

Apex 2, 97 Haymarket Terrace
Edinburgh
EH12 5HD

WORLD CURLING FEDERATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 US \$	2018 US \$
Income			
Membership subscriptions		37,750	37,750
IOC monies	1	5,356,528	4,899,448
Marketing fees		1,033,301	1,156,143
Bank interest		64,206	28,473
Dividend income		109,211	86,324
World Cup income		3,405,000	-
Realised profits on investments		43,478	180,731
Rights fees		526,083	157,936
Programs and services clinics		77,296	84,449
Miscellaneous income		78,073	64,270
Broadcasting		<u>903,640</u>	<u>1,137,204</u>
		<u>11,634,566</u>	<u>7,832,728</u>
Expenditure			
Board expenses & congress	2	400,289	380,974
Standing/ad hoc committee expenses		50,321	41,586
Operations	3	1,580,064	1,419,251
Programs and services – development	4	769,642	652,789
Programs and services – facilities and technical	5	21,878	65,598
Programs and services – other	6	75,661	101,912
Competitions	7	881,039	712,692
World Cup		3,592,676	-
Finance	8	18,348	35,246
International and corporate relations		9,592	12,110
Media expenses		257,569	280,765
Administrative expenses		331	7,533
Marketing		759,940	1,352,601
Broadcasting	9	2,403,708	3,033,007
Bad debts		153,484	63,686
Gain on capital assets		-	4,344
Olympic Games		(13,223)	523,527
World Anti-Doping Agency		86,910	91,341
Exceptional item – deficit on property revaluation		-	119,286
Loss on foreign exchange transactions		<u>190,998</u>	<u>249,432</u>
		<u>11,239,227</u>	<u>9,147,700</u>
Surplus/(Deficit) for the Year		395,339	(1,314,972)
Reserves Brought Forward		<u>8,344,919</u>	<u>9,659,891</u>
Reserves Carried Forward		<u>8,740,258</u>	<u>8,344,919</u>

WORLD CURLING FEDERATION

BALANCE SHEET

AS AT 30TH JUNE 2019

	NOTE	2019 US \$	2018 US \$
Fixed Assets			
Tangible fixed assets	10	1,563,431	1,584,564
Investments	11	<u>16,886,577</u>	<u>7,230,473</u>
		18,450,008	8,815,037
Other Assets			
Stock	12	202,714	279,392
Debtors and prepayments – due after one year	13	<u>1,678,261</u>	<u>1,524,931</u>
		1,880,975	1,804,323
Current Assets			
Debtors and prepayments – due within one year	14	2,831,290	2,194,008
Cash and cash equivalents	15	<u>2,350,949</u>	<u>11,955,217</u>
		5,182,239	14,149,225
Current Liabilities			
Creditors and accruals	16	<u>6,411,773</u>	<u>6,471,166</u>
Net Current (Liabilities)/Assets		(1,229,534)	7,678,059
Total Assets Less Current Liabilities		19,101,449	18,297,419
Long Term Liabilities	17	<u>10,361,191</u>	<u>9,952,500</u>
Total Assets Less Total Liabilities		8,740,258	8,344,919
Represented by:			
Retained reserves	18	<u>8,740,258</u>	<u>8,344,919</u>

Approved on

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Kate Caithness
President

.....
Cathrine Lindahl
Director

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2019

General information

World Curling Federation is a non profit making association regulated by the present Constitution and By-Laws, and accessorially by the articles 60 and following of the Civil Code of Switzerland. The address of its registered office is Truehand-und Revisionengesellschaft, Mattig-Suter und Partner, Neiderlassung Uri, Lehnplatz 9, 6460 Altdorf UR Switzerland.

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
Curling Stones	:	5% straight line
Curling Venue Decoration	:	20% straight line
Portable Curling Facility	:	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 the lower of cost and net realisable value. Cost is based on the value of the stones. Net realisable value is based upon estimated selling price.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2019

Accounting Policies (continued)

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

The treatment of debtors falling due after one year are treated the same as short term debtors rather than being discounted as a financial asset.

Creditors

Creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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.

Deferred Purchases

Where 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.

Pension

The Federation operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Federation pays fixed contributions into a separate entity. Once the contributions have been paid the Federation has no further payment obligations. The contributions are recognised as an expense in the Income and Expenditure Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Federation in independently administered funds.

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2019

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

	2019 US \$	2018 US \$
Spring meeting	49,530	55,392
Congress	167,043	179,580
December meeting	35,273	-
Miscellaneous	6,350	5,516
Members at Large	19,599	18,839
President	84,073	90,868
Vice Presidents	<u>38,422</u>	<u>30,779</u>
	<u>400,289</u>	<u>380,974</u>

Included within the President's expenses is an honorarium of \$49,998 (2018: \$49,998) approved by the Finance Commission.

3. Operations

	2019 US \$	2018 US \$
Employment costs	1,031,290	970,852
Office expenses	56,562	53,478
Communication	5,675	4,704
Printing, stationery and supplies	17,978	22,968
Travel expenses	14,142	3,039
Bank charges	17,410	14,863
Depreciation	95,722	90,430
Equipment maintenance	46,984	33,116
Staff expenses	154,175	146,245
Investment fees	132,056	65,519
Miscellaneous operations	<u>8,071</u>	<u>14,037</u>
	<u>1,580,064</u>	<u>1,419,251</u>

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2019

4. Programs and Services – Development

Included within Programs and services - development are the development costs in 47 countries (2018:48)

	2019 US \$	2018 US \$
Clinics	125,808	146,100
Development assistance programs	430,193	442,120
Development projects	201,991	61,598
Manuals	<u>11,650</u>	<u>2,971</u>
	<u>769,642</u>	<u>652,789</u>

5. Programs and Services – Facilities and Technical

	2019 US \$	2018 US \$
Technical	7,912	-
Brush testing	17,391	59,598
Facilities projects	<u>-3,425</u>	<u>6,000</u>
	<u>21,878</u>	<u>65,598</u>

6. Programs and Services - Other

	2019 US \$	2018 US \$
Equipment	27,619	41,487
Cheeses and ailserts	60,351	44,245
Freight charges	<u>-12,309</u>	<u>16,180</u>
	<u>75,661</u>	<u>101,912</u>

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2019

7. Competitions

	2019 US \$	2019 US \$
World Men's Curling Championship	29,568	78,793
World Women's Curling Championship	62,986	20,301
World Junior Curling Championships	157,564	110,221
World Junior B Curling Championships	152,266	148,519
World Wheelchair Curling Championships	42,611	826
World Wheelchair B Curling Championships	33,664	-
World Mixed Doubles Curling Championship	59,118	54,500
World Seniors Curling Championship	44,299	41,606
Curling World Cup	3,592,676	-
WQE	45,852	-
FISU - WUG	7,125	-
EYOF	8,867	-
European Curling Championship – C Division	33,043	52,293
European Curling Championships	104,604	72,403
Pacific Asia Curling Championships	34,852	38,394
World Mixed Curling Championship	32,262	31,079
Americas Challenge	2,915	130
OQE	-	33,233
Statistics	<u>29,445</u>	<u>30,394</u>
	<u>4,473,715</u>	<u>712,692</u>

8. Finance

	2019 US \$	2019 US \$
Audit and accountancy	6,305	6,163
Other	<u>12,043</u>	<u>29,083</u>
	<u>18,348</u>	<u>35,246</u>

9. Broadcasting

In the year there were 8 major events (2018: 5) being Lethbridge, Canada; Silkeborg, Denmark; Tallinn, Estonia; Gangneung, South Korea; Curling World Cup 1 in Suzhou, China; Curling World Cup 2 in Omaha, USA; Curling World Cup 3 in Jonkoping, Sweden and Curling World Cup 4 in Beijing, China. (2018: Las Vegas, USA; North Bay, Canada; St Gallen, Switzerland; Erina, Australia and Pilzen, Czech Republic.)

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2019

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 or Valuation								
At beginning	475,308	262,968	14,806	158,381	831,919	323,187	45,555	2,112,124
Additions	-	10,884	-	27,708	-	35,997	-	74,589
	475,308	273,853	14,806	186,089	831,919	359,184	45,555	2,186,714
Depreciation								
At beginning	-	82,827	4,748	125,956	56,731	211,743	45,555	527,560
Charge for year	-	13,693	1,275	19,638	41,596	19,520	-	95,722
	-	96,520	6,023	145,595	98,326	231,264	45,555	623,282
Net Book Value At End	475,308	177,333	8,783	40,494	733,593	127,921	-	1,563,431
Net Book Value At Beginning	475,308	180,141	10,058	32,425	775,188	111,444	-	1,584,565

During the previous year the property was revalued and a deficit of \$119,286 has been recognised in the Income and Expenditure Account.

11. Investments

	2019 US \$	2018 US \$
Cost		
Balance at beginning	7,230,473	8,337,136
Additions	13,734,579	3,009,352
Disposals	<u>(4,079,224)</u>	<u>(4,116,015)</u>
Balance at end	<u>16,886,577</u>	<u>7,230,473</u>

The market value of the investments at 30 June 2019 was \$17,867,762 (2018: \$7,473,744)

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

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2019

12.	Stock	2019	2018
		US \$	US \$
	Curling stones and raw materials	<u>202,714</u>	<u>279,392</u>

13.	Debtors: Amounts falling due after one year	2019	2018
		US \$	US \$
	Development loans advanced to member nations	1,100,901	935,280
	Deferred purchase receivables	<u>577,360</u>	<u>589,651</u>
		<u>1,678,261</u>	<u>1,524,931</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	2019	2018
		US \$	US \$
	Sundry debtors	1,188,212	756,477
	VAT recoverable	50,610	9,414
	Deferred purchase receivables	247,795	288,116
	Development loans advanced to member nations	131,379	81,250
	Prepayments and accrued income	<u>1,213,294</u>	<u>1,058,751</u>
		<u>2,831,290</u>	<u>2,194,008</u>

Included in deferred purchase receivables are 14 (2018: 18) 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 and cash equivalents

Included in cash and cash equivalents are sums amounting to \$532,720 (2018: \$748,470) earmarked for lending to Member Associations

16	Creditors: Amounts falling due within one year	2019	2018
		US \$	US \$
	Trade creditors and accruals	1,213,486	3,137,160
	Deferred income – IOC monies	5,180,595	3,317,500
	Other taxes and social security costs	<u>17,692</u>	<u>16,506</u>
		<u>6,411,773</u>	<u>6,471,166</u>

WORLD CURLING FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2019

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

	2019	2018
	US \$	US \$
Deferred income – IOC monies	<u>10,361,191</u>	<u>9,952,500</u>

18. **Retained reserves**

Included within retained reserves is \$97,681 (2018: \$99,681) representing legacy funds from the European Curling Federation to be used under the direction of the European Zonal Commission.