

World Bridge Federation

3. Financial statements for the year ended on December 31, 2012

AUDITOR'S REPORT

To the Executive Council of the
World BRIDGE FEDERATION

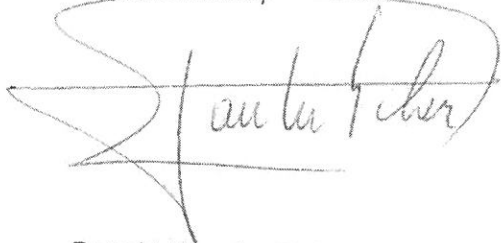
We have audited the financial statements of the World Bridge Federation, for the year ended 31 December 2012 showing a balance sheet total of € 1.026.787,35 and a profit for the year of € 65.527,86. These financial statements are the responsibility of the Executive Council of the World Bridge Federation. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with Generally Accepted Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Executive Committee, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements give a true and fair view of the financial position of the World Bridge Federation at 31 December 2012 and of the result for the year then ended in accordance with Generally Accepted Accounting Standards.

Antwerp, 22 April 2013

Ernst & Young Bedrijfsrevisoren BCVBA
represented by



Ronald Van den Ecker
Partner

Ref.: 13RVE0131

WORLD BRIDGE FEDERATION

3.1 Balance sheet as per December 31, 2012

| | | 2012 | | 2011 | |
|---|---|------------|-------------------|--------------|-------------------|
| | | EUR | EUR | EUR | EUR |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 3 | 32.677,71 | | 54.937,65 | |
| Total fixed assets | | | 32.677,71 | | 54.937,65 |
| Investments | 4 | 0,00 | | 0,00 | |
| Total investments | | | 0,00 | | 0,00 |
| CURRENT ASSETS | | | | | |
| Inventory | | 26.763,08 | | 26.763,08 | |
| Receivables | 5 | 94.900,71 | | 37.288,67 | |
| Prepaid expenses | 6 | 57.772,71 | | 19.861,81 | |
| Cash and bank balances | | 396.238,32 | | 560.124,47 | |
| Bank Delen Suisse portfolio | | 418.434,82 | | 410.460,11 | |
| Merril Lynch account | | 0,00 | | 0,00 | |
| Total current assets | | 994.109,64 | | 1.054.498,14 | |
| CURRENT LIABILITIES | | | | | |
| Current liabilities | 7 | -47.788,69 | | -224.281,94 | |
| Prepaid income | 7 | 0,00 | | 0,00 | |
| Accrued expenses | 8 | -37.894,75 | | -15.497,82 | |
| PROVISIONS | | | | | |
| Provision World Championships Book | | -5.180,00 | | -7.400,00 | |
| Youth fund | | -6.479,85 | | | |
| Provision withhold tax | | -1.660,16 | | | |
| Current assets less provisions and current liabilities | | | 895.106,19 | | 807.318,38 |
| TOTAL ASSETS LESS PROVISIONS AND CURRENT LIABILITIES | | | <u>927.783,90</u> | | <u>862.256,03</u> |
| EQUITY | | | | | |
| Balance January 1 | | 862.256,04 | | 690.823,85 | |
| Surplus/Deficit | | 65.527,86 | | 171.432,18 | |
| Balance December 31 | 9 | | 927.783,90 | | 862.256,03 |
| | | | <u>927.783,90</u> | | <u>862.256,03</u> |

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3.2 Statement of income and expenses

| | | 2012 | 2011 |
|------------------------------|----|------------|------------|
| | | EUR | EUR |
| INCOME | | | |
| Income from Championships | 10 | 44.590,49 | 184.628,43 |
| Subtotal variable income | | 44.590,49 | 184.628,43 |
| Membership dues | | 476.708,20 | 465.966,47 |
| Investment income | 11 | 220,16 | 100,24 |
| Miscellaneous income | | 27.879,58 | 13.664,29 |
| Total income | | 549.398,43 | 664.359,43 |
| EXPENSES | | | |
| Executive committee | 12 | 0,00 | 0,00 |
| Other committees | 13 | 15.815,43 | 14.117,88 |
| Publication and promotion | 14 | 52.171,55 | 50.613,26 |
| Depreciation of fixed assets | 3 | 18.878,99 | 23.852,29 |
| Depreciation of stock | | 0,00 | 0,00 |
| Other expenses | 15 | 397.004,60 | 404.343,81 |
| Other provisions | 16 | 0,00 | 0,00 |
| Total fixed expenses | | 483.870,57 | 492.927,24 |
| INCOME/LOSS | | 65.527,86 | 171.432,19 |
| PROFIT/LOSS OF THE YEAR | | 65.527,86 | 171.432,19 |

WORLD BRIDGE FEDERATION

FIXED ASSETS

| 3.3 Tangible fixed assets | 2012 EUR | 2011 EUR |
|---|------------------|------------------|
| - General equipment | 66.252,70 | 64.582,90 |
| - Depreciation General equipment | -51.657,25 | -40.349,91 |
| - Hard ware - Internet | 33.371,46 | 33.371,46 |
| - Depreciation Hard ware - Internet | -32.645,27 | -30.252,87 |
| - Hard ware - Junior | 8.978,42 | 8.978,42 |
| - Depreciation Hard ware - Junior | -8.978,42 | -8.978,42 |
| - Hard ware - Others than Internet | 91.047,39 | 82.413,16 |
| - Depreciation Hard ware - Others than Internet | -79.419,50 | -67.682,86 |
| - Small equipment | 42.970,21 | 42.084,49 |
| - Depreciation Small equipment | -39.777,46 | -36.279,66 |
| - Software - Internet | 8.358,83 | 8.358,83 |
| - Depreciation Software - Internet | -7.924,79 | -7.017,65 |
| - Software - Junior | 15.047,91 | 15.047,91 |
| - Depreciation Software - Junior | -14.174,53 | -12.511,77 |
| - Software - Other | 33.012,15 | 31.755,84 |
| - Depreciation Software - Other | -31.784,14 | -28.582,22 |
| | <u>32.677,71</u> | <u>54.937,65</u> |
| 3.4 Investments | | |
| Balance 31.12.2012 | <u>0,00</u> | <u>0,00</u> |

CURRENT ASSETS

3.5 Receivables

| | | |
|-------------|------------------|------------------|
| Receivables | 94.900,71 | 37.288,67 |
| | <u>94.900,71</u> | <u>37.288,67</u> |

3.6 Prepaid expenses

| | | |
|--|------------------|------------------|
| | <u>57.772,71</u> | <u>19.861,81</u> |
|--|------------------|------------------|

WORLD BRIDGE FEDERATION

CURRENT LIABILITIES

3.7 Current liabilities comprise

| | <u>2012</u> | <u>2011</u> |
|---------------------|------------------|-------------------|
| | EUR | EUR |
| Beijing cash prizes | 0,00 | 185.000,00 |
| Various other | 47.788,69 | 39.281,94 |
| Prepaid income | 0,00 | 0,00 |
| | <u>47.788,69</u> | <u>224.281,94</u> |
| Accounts payable | | |

3.8 Accrued expenses

| | | |
|------------------|------------------|------------------|
| Accrued expenses | <u>37.894,75</u> | <u>15.497,82</u> |
| | <u>37.894,75</u> | <u>15.497,82</u> |

3.9 Equity

The movement in equity results only from the profit made in the year

| | | |
|--|-------------------|-------------------|
| | <u>927.783,90</u> | <u>862.256,03</u> |
|--|-------------------|-------------------|

3.10 Income from championships

This comprises the results of the following championships:

| | <u>income</u> | <u>Expenses</u> | <u>Result 2012</u> | <u>Result 2011</u> |
|---|-------------------|-------------------|--------------------|--------------------|
| | EUR | EUR | EUR | EUR |
| Lille 2012 | 506.502,00 | 466.531,87 | 39.970,13 | 181.624,56 |
| Youth 2012 | 69.681,19 | 59.899,99 | 9.781,20 | -10.693,31 |
| World Wide Bridge Contest 2012 | 32.034,98 | 19.744,05 | 12.290,93 | 13.799,51 |
| Sportaccord World Mind Games 2012 Beijing | 222.832,94 | 218.849,85 | 3.983,09 | 4.998,57 |
| Zonal organisations arifs grant | 4.192,97 | 15.068,07 | -10.875,10 | -5.100,90 |
| Transport material | 0,00 | 10.559,76 | -10.559,76 | 0,00 |
| | <u>835.244,08</u> | <u>790.653,59</u> | <u>44.590,49</u> | <u>184.628,43</u> |

3.11 Investment income

| | <u>2012</u> | <u>2011</u> |
|-------------------|---------------|---------------|
| | EUR | EUR |
| Investment income | <u>220,16</u> | <u>100,24</u> |

3.12 Executive Committee

This comprises indemnities granted to the Executive Committee and expenses incurred by the Executive Committee.

| | <u>2012</u> | <u>2011</u> |
|------------------------------|-------------|-------------|
| | EUR | EUR |
| Executive Committee meetings | <u>0,00</u> | <u>0,00</u> |

3.13 Other committees

These expenses can be summarised as follows:

| | 2012 | 2011 |
|----------------------------------|------------------|------------------|
| | EUR | EUR |
| WBF Women Committee | 4.153,13 | 3.002,16 |
| Youth Committee | 300,00 | 8.307,43 |
| Women Committee | 0,00 | 2.532,22 |
| Economical & Financial Committee | 327,10 | 0,00 |
| Other Committees (law) | 6.661,28 | 276,07 |
| Medical & anti-doping committee | 2.102,98 | 0,00 |
| ICT Committee | 2.270,94 | 0,00 |
| Finance | 0,00 | 0,00 |
| | <u>15.815,43</u> | <u>14.117,88</u> |

3.14 Publication and promotion expenses

This comprises the following:

| | 2012 | 2011 |
|--------------------------------|------------------|------------------|
| | EUR | EUR |
| Communication & Web management | 44.515,00 | 34.658,11 |
| Internet & WBF website | 3.942,67 | 0,00 |
| World Championship book | 0,00 | 9.620,00 |
| World Bridge news (webversion) | 3.713,88 | 6.335,15 |
| | <u>52.171,55</u> | <u>50.613,26</u> |

3.15 Other expenses

This comprises the following:

| | 2012 | 2011 |
|-----------------------------------|-------------------|-------------------|
| | EUR | EUR |
| Audit, accounting & legal charges | 43.985,49 | 35.298,75 |
| Bank charges & rate differences | -8.255,65 | 20.374,69 |
| Insurance charges | 14.927,00 | 9.605,93 |
| Secretarial services | 0,00 | 0,00 |
| Internet | 0,00 | 0,00 |
| Travel and Public relations | 33.297,12 | 44.015,93 |
| Relations IOC, IMSA, IBPA | 24.099,39 | 20.056,44 |
| Meeting expenses | 63.675,19 | 54.606,02 |
| President expenses | 32.147,78 | 28.506,41 |
| Treasurer expenses | 18.570,00 | 18.500,00 |
| Secretary expenses | 0,00 | 7.400,00 |
| Milano office expenses | 85.537,54 | 74.105,71 |
| Athens office expenses | 0,00 | 0,00 |
| Lausanne office expenses | 24.120,50 | 26.760,15 |
| Paris office expenses | 0,00 | 5.000,18 |
| London office expenses | 23.573,80 | 23.947,58 |
| Masterpoints (M. Newton) | 8.913,32 | 8.880,00 |
| Operations director (Di Sacco) | 12.034,60 | 12.035,93 |
| Warehouse expenses | 5.150,80 | 2.943,29 |
| Rent for Storage | 0,00 | 0,00 |
| Other expenses previous years | 6.231,98 | 5.999,49 |
| Miscellaneous expenses | 983,89 | 2.734,21 |
| Gifts and Grants | 0,00 | 0,00 |
| Allowance for bad debts | 8.011,85 | 3.573,10 |
| | <u>397.004,60</u> | <u>404.343,81</u> |

3.16 Other provisions

| | | |
|------------------------|-------------|-------------|
| Youth development fund | <u>0,00</u> | <u>0,00</u> |
|------------------------|-------------|-------------|