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To the General Meeting of
World Bridge Federation, Lausanne

Lausanne, 29 May 2019

Report of the statutory auditor on the limited statutory examination

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of World Bridge Federation for the financial year ended 31 December 2018.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the limited statutory examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

Ernst & Young Ltd

Licensed audit expert
(Auditor in charge)

Licensed audit expert

Enclosure

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

World Bridge Federation, Lausanne

Balance sheet as of 31 December 2018

	2018		2017	
	EUR	CHF	EUR	CHF
CURRENT ASSETS				
Cash and bank balances	1'888'463.77	2'125'352.67	1'968'122.24	2'302'899.83
Financial assets	653'988.25	736'024.54	686'877.00	803'714.78
Receivables	1 69'557.38	78'282.66	255'246.53	298'663.96
Inventory	3'851.20	4'334.29	3'851.20	4'506.29
Prepaid expenses	2 32'101.55	36'128.37	29'756.92	34'818.57
Total current assets	<u>2'647'962.15</u>	<u>2'980'122.53</u>	<u>2'943'853.89</u>	<u>3'444'603.43</u>
NON-CURRENT ASSETS				
Financial assets	3 30'000.00	33'763.20	30'000.00	35'103.00
Tangible fixed assets	4 13'987.26	15'741.82	11'754.76	13'754.24
Total non-current assets	<u>43'987.26</u>	<u>49'505.02</u>	<u>41'754.76</u>	<u>48'857.24</u>
TOTAL ASSETS	<u><u>2'691'949.41</u></u>	<u><u>3'029'627.55</u></u>	<u><u>2'985'608.65</u></u>	<u><u>3'493'460.67</u></u>
CURRENT LIABILITIES				
Trade payables	5 -76'139.28	-85'690.19	-253'608.79	-296'747.65
Deferred income	6 -49'666.67	-55'896.86	-141'242.94	-165'268.36
Accrued expenses	6 -33'203.73	-37'368.81	-8'962.68	-10'487.23
Guyana dues 2014 suspended	6 0.00	0.00	-235.00	-274.97
Rate differences investments	6 -7'946.88	-8'943.74	-17'231.01	-20'162.00
Total current liabilities	<u>-166'956.56</u>	<u>-187'899.60</u>	<u>-421'280.42</u>	<u>-492'940.21</u>
PROVISIONS AND FUNDS				
Provision	-8'348.10	-9'395.29	0	0.00
Competitions Fund	-75'000.00	-84'408.00	-150'000.00	-175'515.00
World Championships Book Fund	-14'000.00	-15'756.16	-15'400.00	-18'019.54
Youth Fund	-122'490.02	-137'855.17	-156'265.68	-182'846.47
Bridge Promotion and Development Fund	-99'236.11	-111'684.29	-97'310.35	-113'862.84
Total provisions and funds	<u>-319'074.23</u>	<u>-359'098.91</u>	<u>-418'976.03</u>	<u>-490'243.85</u>
EQUITY				
Capital	-1'939'133.53	-2'082'435.50	-1'939'133.53	-2'082'435.50
Retained earnings	-206'218.67	-229'162.58	0.00	0.00
Surplus/Deficit	-60'566.42	-69'930.80	-206'218.67	-229'162.57
Translation differences	0.00	-101'100.16	0.00	-198'678.53
Total Equity	<u>-2'205'918.62</u>	<u>-2'482'629.04</u>	<u>-2'145'352.20</u>	<u>-2'510'276.60</u>
TOTAL LIABILITIES	<u><u>-2'691'949.41</u></u>	<u><u>-3'029'627.55</u></u>	<u><u>-2'985'608.65</u></u>	<u><u>-3'493'460.66</u></u>

World Bridge Federation, Lausanne

Income statement as of 31 December 2018

		2018		2017	
		EUR	CHF	EUR	CHF
INCOME					
Income from Championships	7	170'682.51	197'072.30	380'587.96	422'932.18
Membership dues		515'051.49	594'685.32	580'075.26	644'614.43
Miscellaneous income		1'678.28	1'937.76	2'337.64	2'597.73
Total operating income		687'412.28	793'695.38	963'000.86	1'070'144.34
EXPENSES					
Salaries	8	-86'541.98	-99'922.52	-78'114.33	-86'805.33
Other committees	9	-18'930.11	-21'856.96	-28'542.88	-31'718.56
Publication and promotion	10	-43'905.58	-50'693.97	-45'776.03	-50'869.07
Depreciation of fixed assets	4	-6'468.43	-7'468.54	-5'687.65	-6'320.46
Other expenses	11	-407'177.98	-470'133.12	-393'139.02	-436'879.67
Other provisions	12	-8'348.10	-9'638.83	0.00	0.00
Total operating expenses		-571'372.18	-659'713.94	-551'259.91	-612'593.09
Operating result		116'040.10	133'981.44	411'740.95	457'551.25
Financial income		58'518.24	67'565.94	66'621.21	74'033.49
Financial expenses		-41'332.61	-47'723.18	-86'478.33	-96'099.91
Financial result		17'185.63	19'842.76	-19'857.12	-22'066.42
Income relating to other periods	13	1'245.40	1'437.96	914.26	1'015.98
Expenses relating to other periods	13	-23'977.05	-27'684.22	-39'519.18	-43'916.08
Other periods result		-22'731.65	-26'246.26	-38'604.92	-42'900.10
Funds variation	14	-49'927.66	-57'647.14	-147'060.24	-163'422.16
PROFIT/LOSS OF THE YEAR		60'566.42	69'930.80	206'218.67	229'162.57

World Bridge Federation, Lausanne

Notes to the financial statement as of 31 December 2018

Applicable accounting law:

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO) (effective 1 January 2013).

Exchange rates

The exchange rates used for the financial statements presented in CHF are as follow:

	2018	2017
Closing rate	1.13	1.17
Average rate	1.16	1.11

Information, breakdowns and explanations relating to balance sheet and income statement items:

	2018		2017	
	EUR	CHF	EUR	CHF
CURRENT ASSETS				
<u>1. Receivables</u>	69'557.38	78'282.66	255'246.53	298'663.96
	<u>69'557.38</u>	<u>78'282.66</u>	<u>255'246.53</u>	<u>298'663.96</u>
<u>2. Prepaid expenses</u>	32'101.55	36'128.37	29'756.92	34'818.57
	<u>32'101.55</u>	<u>36'128.37</u>	<u>29'756.92</u>	<u>34'818.57</u>
NON-CURRENT ASSETS				
<u>3. Financial assets</u>				
Cash guarantees	30'000.00	33'763.20	30'000.00	35'103.00
	<u>30'000.00</u>	<u>33'763.20</u>	<u>30'000.00</u>	<u>35'103.00</u>
<u>4. Tangible fixed assets</u>				
- General equipment	64'673.23	72'785.84	56'407.42	66'002.32
- Depreciation General equipment	-58'203.86	-65'504.95	-54'305.15	-63'542.46
- Hard ware - Others than Internet	52'011.23	58'535.52	47'643.31	55'747.44
- Depreciation Hard ware - Others than Internet	-48'493.34	-54'576.34	-45'990.82	-53'813.86
- Small equipment	39'915.85	44'922.89	39'915.85	46'705.54
- Depreciation Small equipment	-39'915.85	-44'922.89	-39'915.85	-46'705.54
- Software - Junior	5'038.67	5'670.72	5'038.67	5'895.75
- Depreciation Software - Junior	-5'038.67	-5'670.72	-5'038.67	-5'895.75
- Software - Other	16'867.87	18'983.78	16'867.87	19'737.09
- Depreciation Software - Other	-12'867.87	-14'482.02	-8'867.87	-10'376.29
	<u>13'987.26</u>	<u>15'741.83</u>	<u>11'754.76</u>	<u>13'754.24</u>
	<u>13'987.26</u>	<u>15'741.83</u>	<u>11'754.76</u>	<u>13'754.24</u>
CURRENT LIABILITIES				
<u>5. Current liabilities comprise</u>				
Various other	76'139.28	85'690.19	253'608.79	296'747.65
Accounts payable	76'139.28	85'690.19	253'608.79	296'747.65
	<u>76'139.28</u>	<u>85'690.19</u>	<u>253'608.79</u>	<u>296'747.65</u>
<u>6. Accrued expenses and deferred income</u>				
Accrued expenses	33'203.73	37'368.81	8'962.68	10'487.23
Guyana dues 2014 suspended	0.00	0.00	235.00	274.97
Deferred income World Bridge Series Orlando 2018	0.00	0.00	141'242.94	165'268.36
Rate differences investments	7'946.88	8'943.74	17'231.01	20'162.00
Deferred income sponsoring WWBC 2019	49'666.67	55'896.86	0.00	-
	<u>90'817.28</u>	<u>102'209.41</u>	<u>167'671.63</u>	<u>196'192.56</u>
	<u>90'817.28</u>	<u>102'209.41</u>	<u>167'671.63</u>	<u>196'192.56</u>

INCOME STATEMENT

7 Income from championships

This comprises the results of the following championships:

	Income	Expenses	Result 2018	Result 2018	Result 2017	Result 2017
	EUR	EUR	EUR	CHF	EUR	CHF
World Wide Bridge Contest	31'234.13	-40'405.83	-9'171.70	-10'589.77	-49'990.16	-55'552.07
WBF simultaneous pairs supporting youth	2'440.57	-690.24	1'750.33	2'020.95	1'795.47	1'995.23
Online Bridge Champ Ourgame/WBC	0.00	0.00	0.00	-	144'030.36	160'055.18
IOC grant	13'833.32	0.00	13'833.32	15'972.14	11'770.24	13'079.80
Zonal organisations arifs grant	0.00	-18'386.57	-18'386.57	-21'229.38	-28'551.59	-31'728.24
Lyon 2017	0.00	0.00	0.00	-	272'119.52	302'395.54
IMSA Elite M G 2017	0.00	0.00	0.00	-	38'573.85	42'865.58
Robot games	3'824.29	-101.38	3'722.91	4'298.52	-9'159.73	-10'178.84
2018 Orlando WBS	883'785.33	-705'635.95	178'149.38	205'693.65	0.00	-
2018 17th World Youth Teams Wujiang	130'598.46	-126'254.45	4'344.01	5'015.65	0.00	-
Asian games	0.00	-3'239.17	-3'239.17	-3'739.99	0.00	-
WBF First Youth Online Champ	0.00	-320.00	-320.00	-369.48	0.00	-
	<u>1'065'716.10</u>	<u>-895'033.59</u>	<u>170'682.51</u>	<u>197'072.29</u>	<u>380'587.96</u>	<u>422'932.18</u>

World Bridge Federation, Lausanne

Notes to the financial statement as of 31 December 2018

8 Salaries

	2018		2017	
	EUR	CHF	EUR	CHF
Milano office personel	-46'851.93	-54'095.86	-46'628.92	-51'816.85
Lausanne office personel	-39'690.05	-45'826.66	-31'485.41	-34'988.48
	-86'541.98	-99'922.52	-78'114.33	-86'805.33

9 Other committees

These expenses can be summarised as follows:

WBF Women Committee	-2'000.00	-2'309.23	-2'014.25	-2'238.36
Youth Committee	-374.24	-432.10	0.00	-
Economical & Financial Committee	-5'794.69	-6'690.63	-320.20	-355.83
Law Committee	-3'076.18	-3'551.80	-2'536.47	-2'818.68
Credential committee	0.00	-	-420.69	-467.50
Communication committee	0.00	-	-20.00	-22.23
Bridge & Science committee	-882.75	-1'019.23	-5'464.00	-6'071.92
Other Committees (law)	-676.24	-780.80	-9'628.59	-10'699.87
TD committee	-211.63	-244.35	0.00	-
Medical & anti-doping Committee	-5'802.60	-6'699.76	-8'138.68	-9'044.19
Technical Committee	-111.78	-129.06	0.00	-
	-18'930.11	-21'856.96	-28'542.88	-31'718.58

10 Publication and promotion expenses

This comprises the following:

Communication & Web management	-43'371.79	-50'077.65	-44'979.91	-49'984.37
Internet & WFB website	-533.79	-616.32	-796.12	-884.70
	-43'905.58	-50'693.97	-45'776.03	-59'913.26

11 Other expenses

This comprises the following:

President per diem, travel, meals and other expenses	-36'020.02	-41'589.20	-34'060.72	-37'850.32
Treasurer per diem, travel, meals and other expenses	-22'000.00	-25'401.49	-22'000.00	-24'447.72
Secretary per diem, travel, meals and other expenses	-4'166.67	-4'810.89	-4'708.10	-5'231.92
External consultants	-43'457.31	-50'176.39	-45'412.14	-50'464.69
Audit, accounting & legal charges	-50'842.69	-58'703.65	-46'288.04	-51'438.05
Insurance charges	-7'021.88	-8'107.56	-15'512.50	-17'238.42
Hearing commission	-8'201.62	-9'469.70	-45'150.02	-50'173.41
World bridge news	-107.04	-123.59	0.00	-
Travel and Public relations	-19'335.13	-22'324.60	-21'102.39	-23'450.24
Relations IOC, IMSA, IBPA	-31'687.32	-36'586.60	-16'500.97	-18'336.87
Meeting expenses	-99'570.52	-114'965.45	-75'454.30	-83'849.35
Milano office expenses	-36'951.46	-42'664.65	-38'736.30	-43'046.10
Lausanne office expenses	-19'741.17	-22'793.42	-20'496.66	-22'777.12
Warehouse expenses	-6'892.63	-7'958.32	-6'382.00	-7'092.06
WBF 60th anniversary	-21'182.52	-24'457.62	0.00	-
Bad debt allowance	0.00	-	-1'334.88	-1'483.40
	-407'177.98	-470'133.13	-393'139.02	-436'879.67

12 Other provisions

German case	-8'348.10	-9'638.83	0.00	0.00
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World Bridge Federation, Lausanne

Notes to the financial statements as of 31 December 2018

13 Result relating to other periods

Various costs relating to previous years unanticipated	-19'712.51	-22'760.33	0.00	-
Cancelation of prior year fees due by members	-4'264.54	-4'923.89	-2'075.18	-2'306.06
Correction dues/entry fees previous year	0.00	0.00	-37'444.00	-41'610.02
Various incomes for member accounts regularisation	1'245.40	1'437.96	914.26	1'015.98
	<u>-23'977.05</u>	<u>-27'684.22</u>	<u>-39'519.18</u>	<u>-43'916.08</u>

14 Funds variation

Bridge promotion and development fund	-43'833.32	-50'610.54	-35'290.00	-39'216.37
Youth development fund	-6'094.34	-7'036.61	-61'770.24	-68'642.80
general provision (2017)	0.00	0.00	-50'000.00	-55'563.00
	<u>-49'927.66</u>	<u>-57'647.15</u>	<u>-147'060.24</u>	<u>-163'422.17</u>

The average number of full-time equivalents for the year was:

The average number of full-time equivalents for the year was below 10.

Subsequent events:

No significant subsequent events that would require a restatement of assets and liabilities or an additional disclosure.