
Fédération Internationale de Natation

Lausanne

Report of the statutory auditor to the Bureau on the financial statements 2018





Report of the statutory auditor to the Bureau of Fédération Internationale de Natation Lausanne

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Fédération Internationale de Natation, which comprise the balance sheet, income statement, cash flow statement and notes, for the year ended 31 December 2018.

Honorary Treasurer's responsibility

The Honorary Treasurer is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law, Swiss GAAP FER and the association's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Honorary Treasurer is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2018 comply with Swiss law, Swiss GAAP FER and the association's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 69b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 69b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Honorary Treasurer.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA



Guillaume Nayet
Audit expert
Auditor in charge



Mathieu Roth

Genève, 18 April 2019

Enclosure:

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

Balance sheet at December 31
(in Swiss Francs)

	Notes	31.12.2018	31.12.2017
Assets			
Current assets			
Cash and cash equivalents	3	37 347 488	36 624 854
Financial assets at fair value	3	108 768 340	99 546 398
Accounts receivable, net	4	10 083 382	3 640 591
Other short term receivables		241 769	59 749
Prepayments and accrued income	5	428 367	409 190
Total current assets		156 869 346	140 280 782
Non-current assets			
FINA Property	6	17 201 989	17 467 989
Other tangible fixed assets	6	11 907	35 722
Total non-current assets		17 213 896	17 503 711
Total assets		174 083 242	157 784 493
Liabilities, deferred income and funds			
Current liabilities			
Accounts payable	7	5 169 349	3 324 717
Other short term payable	8	216 208	158 679
Accrued liabilities	9	10 924 029	6 913 161
Deferred income - short term	10	21 464 571	2 086 452
Host City guarantees in deposit	11	2 066 944	175 336
Total current liabilities		39 841 101	12 658 345
Non-current liabilities			
Deferred income - long term	10	21 383 875	17 250 788
Provisions	12	1 428 000	1 428 000
Host City Guarantees in deposit	11	4 390 361	6 324 053
Total non-current liabilities		27 202 236	25 002 841
Funds restricted capital	13	0	0
Organisation capital			
Tied capital	13	104 163 498	108 500 000
Free capital	13	2 876 407	11 623 307
Total liabilities and capital		174 083 242	157 784 493

**Income Statement for the year ended
December 31
(in Swiss Francs)**

	Notes	2018	2017
Income			
IOC Contributions and Olympic Games related income	14	553 384	5 136 478
FINA Events Income	15	31 523 640	72 484 217
Communication programmes		36 581	50 436
Penalty fees and other fees		470 821	556 682
Other Income		31 254	81 084
		32 615 680	78 308 897
Expenditure			
Olympic Games expenses		532 498	14 984
FINA Events expenses	16	21 941 296	40 131 222
Development activities	17	6 031 412	2 231 659
Out of competition doping control		2 297 867	3 243 397
Communication and promotion expenses		830 730	840 549
Rules and regulations control activities		174 032	156 603
Administration expenses	18	8 353 497	8 112 582
Movements on doubtful debtors provision		1 949 038	2 349 396
		42 110 370	57 080 392
		(9 494 690)	21 228 505
Operating result			
Financial activities - Gain (Loss)	19	(3 588 712)	(257 981)
		(13 083 402)	20 970 524
Result before change in fund capital			
Change in Funds restricted capital		0	37 284
		(13 083 402)	21 007 808
Annual result (before allocation to organisation capital)			
Organisation free capital at beginning of year		11 623 307	13 115 499
		(1 460 095)	34 123 307
Free capital prior allocation / release on tied capital			
Allocations and release on organisation tied capital			
	13, 25		
Event cancellation reserve		0	5 000 000
FINA Headquarters fund		(18 000 000)	0
FINA Anti-doping Foundation		(15 000 000)	0
Functioning reserve		10 000 000	0
Financial assets fluctuation reserve		8 000 000	0
Development programmes reserves and funds		(3 409 748)	15 000 000
FINA 110th anniversary and Open House Ceremony		(2 500 000)	2 500 000
Digital projects		16 573 246	0
		(4 336 502)	22 500 000
		2 876 407	11 623 307
Organisation free capital as at December 31,			

**Cash flow statement for the financial year
ended 31 December
(in Swiss francs)**

	2018	2017
Result for the year (Loss)	(13 083 402)	21 007 808
Change in fund capital	0	(37 284)
Depreciation and amortisation	289 815	289 815
Decrease (increase) in receivables and other short term receivables	(6 624 811)	7 367 575
Decrease (increase) in prepayments and accrued income	(19 177)	1 093 182
(Decrease) increase in current liabilities	1 902 161	(755 920)
(Decrease) increase in deferred income	23 511 206	(22 870 736)
(Decrease) increase in guarantees	(42 084)	(27 854)
(Decrease) increase in accrued liabilities	4 010 868	101 388
Cash flow from operating activities	9 944 576	6 167 974
Decrease (increase) in securities	(9 221 942)	(30 670 344)
Investments in tangible fixed assets	0	(152 548)
Cash flow from investment activities	(9 221 942)	(30 822 892)
Cash flow from financing activities	0	0
Change in cash	722 634	(24 654 918)
Cash as at 1.1.	36 624 854	61 279 772
Cash as at 31.12	37 347 488	36 624 854
Evidence of change in cash	722 634	(24 654 918)

NOTES TO THE FINANCIAL STATEMENTS 2018**1. Activity**

The Fédération Internationale de Natation (FINA), the world governing body for the sport of Aquatics, domiciled in Lausanne, Switzerland, is an international non-governmental non-for-profit organization in the form of an association with legal personality ruling under article 60 ff of the Swiss Civil Code.

The objectives of FINA are:

- a) to promote and encourage the development of Aquatics in all possible regards throughout the world,*
- b) to provide fair and drug free sport,*
- c) to promote and encourage the development of international relations,*
- d) to encourage participation in Aquatic disciplines at all levels throughout the world regardless of age, gender or race,*
- e) to adopt necessary uniform rules and regulations and to hold competitions in swimming, open water swimming, diving, high diving, water polo, artistic swimming, and masters,*
- f) to promote and organise World Championships and other FINA competitions,*
- g) to encourage the increase of facilities for Aquatic' disciplines throughout the world with the support of other interested parties, and*
- h) to carry out such other activities as may be desirable to promote the sport.*

FINA's resources are generated by affiliation fees, Host Cities Event fees, Television broadcasting rights and sponsorships in relation to FINA's Events and quadrennial revenues from the participation at the Olympic Games.

These financial statements aim to present a clear and complete picture of the financial situation and results of FINA in line with the best practices in force within the major international sports federations.

The accounts are presented in accordance with Swiss GAAP RPC (Accounting and reporting recommendation).

The financial statements are presented in Swiss Francs (CHF).

2. Summary of significant accounting policies**2.1 Basis of preparation**

The financial statements have been prepared in accordance with the entire existing accounting principles of Swiss GAAP RPC.

FINA has adopted the key presentation and disclosure aspects of Swiss Gaap RPC 21 (Accounting for Charitable Non-Profit Organisations) which best reflects FINA's status of Non-Profit Organisation. The main impact of this presentation is reflected in changes in equity and remuneration disclosures.

Income statement was presented by activity-based costing method.

NOTES TO THE FINANCIAL STATEMENTS 2018

2.2 Foreign currencies

Transactions in foreign currencies are accounted at exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of those transactions are brought to the Income Statement.

Monetary assets and liabilities denominated in currencies other than Swiss francs are converted based on exchange rates ruling at December 31. Exchange differences resulting from these transactions are recorded in the Income Statement under Financial Income.

The exchange rates used for transactions conducted during the course of the year and for items in the income statement are the monthly AFC published exchange rates.

Non-monetary items, prepaid and deferred income in foreign currencies are reported using the historical exchange rate at the date of transaction.

The main exchange rates used are as follows:

Swiss francs against		2018	2017
1 USD	Average rate	0.9873	0.9846
1 EURO	Average rate	1.1709	1.1116
1 USD	Year end rate	0.9858	0.9745
1 EURO	Year end rate	1.1269	1.1702

2.3 Revenue recognition

Revenue is recognized if it is probable that the economic benefit will flow to FINA and the amount can be reliably estimated.

Revenue relating to FINA events and competitions is recorded when the events take place.

Revenue relating to Olympic Games Television Rights is recorded in the year they are received.

2.4 Cash and cash equivalents

Cash and cash equivalents are cash in hand and at bank, short term deposits and other financial investments easily convertible in liquidities with maturities up to 3 months.

Cash and cash equivalents are recorded at market fair value; cash and cash equivalents held in foreign currencies are converted into Swiss francs at year end rate.

2.5 Financial assets

Financial assets are short term deposits and investments held at the bank, easily convertible in liquidities. They are valued at fair market value; financial assets in foreign currencies are converted into Swiss Francs at the rate prevailing as of December 31.

Structured products are short term deposits including derivative financial instruments to hedge exposure against currency fluctuations; at year end these deposits are valued at fair value, being the market value on balance sheet date of the quoted structured product.

NOTES TO THE FINANCIAL STATEMENTS 2018**2.6 Accounts receivable**

Accounts receivable are recognised in the accounts at their fair value, invoiced amount less deduction of payment received if any; accounts receivable denominated in foreign currencies are converted at year end exchange rate.

Accounts receivable with contractual due date up to December 31, which have not been settled by the end of February of the following year and which impact the income statement, are considered uncertain and provided for until payment occurs.

2.7 Tangible assets

Property and equipment are stated in the balance sheet at historical cost.

FINA Property:

The value represents the property's purchase, construction and renovation costs. As FINA moved into its Headquarters in the fall of the year 2016, depreciation on the property (land and buildings) is recorded starting 2017, at 1.5% per year. Only costs which are directly linked to the construction / renovation were capitalised in the year 2017.

FINA vehicles:

Vehicles are recorded at purchase value and depreciated over 2.5 years using the straightline method.

Other purchased assets are brought to income statement at purchase date.

Depreciation:

Calculated depreciation is taken to income statement. Depreciation is calculated over the estimated useful life and usual practice.

Land and property: 1.5% per year on historic value.

Vehicles: 40% per year on acquisition value.

2.8 Deferred income, prepaid expenses and other current assets

Any revenues received in relation to future Events such as royalties from the licensing of Television rights, Sponsorships or Host City's fees are recognised and taken to income statement after full completion of the event they relate to.

Instalments received prior to this date are deferred as they may be repayable in full or in part up to the completion of the Event they relate to, should any unfortunate condition mentioned in the agreements occur.

Costs incurred on future events where impact is material are capitalized within "Prepaid expenses and other current assets" and are taken to the income statement in line with the recognition of the related revenue.

Deferred income is recorded applying the exchange rate prevailing on the date of invoicing. Provision is recorded where FINA's liability has increased due to exchange rate fluctuation.

NOTES TO THE FINANCIAL STATEMENTS 2018

2.9 Provision for doubtful accounts

Provision is made for accounts whose collection is considered by management to be uncertain; this is described as provision for doubtful accounts in the financial statements.

2.10 Provisions

A provision is recognised in the balance sheet when FINA has a legal or constructive present obligation as a result of a past event, when a risk exists at balance sheet date based on an internal analysis driven by appropriate department, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Accruals were the economic outflow did not take place are shown separately under the related expense.

3. Cash and cash equivalents and financial assets

	December 31, 2018 CHF	December 31, 2017 CHF
Cash and cash equivalents	37 347 488	36 624 854
Fiduciary and term deposits, structured products	20 038 179	22 251 071
Marketable securities	88 730 161	77 295 327
Financial assets	108 768 340	99 546 398
Total cash, cash equivalents and financial assets	146 115 828	136 171 252
including Host Cities funds deposited as guarantee	6 276 400	6 159 436

Cash, cash equivalents and financial assets by currency

In Swiss Francs	78 585 335	87 180 527
In US Dollars	45 742 279	41 888 602
In Euro	19 888 688	5 303 103
In other currencies	1 899 526	1 799 020
Total as above	146 115 828	136 171 252

Marketable securities are invested in bonds, equities and other investments.

Financial assets are considered to be highly liquid even for investments in bonds where official repayment date is above 12 months.

Above caption includes guarantees deposited by Host Cities as provided contractually. These funds will be returned after the Event they relate to as per the agreed terms of the Host City or staging contract.

Assets used to secure own liabilities and assets under reservation of ownership:

There are no pledged assets to cover liabilities besides usual transactions on structured products and guarantees held in deposit to secure FINA Events.

NOTES TO THE FINANCIAL STATEMENTS 2018

	December 31, 2018 CHF	December 31, 2017 CHF
4. Accounts receivable, net		
Accounts receivable		
Federations	2 815 796	1 974 550
Host cities	502 671	3 748 318
Broadcasters and sponsors	9 366 432	2 561 074
FINA Family	2 181	51 993
Other debtors	81 961	32 334
	12 769 041	8 368 269
Provision for doubtful accounts	(2 685 659)	(4 727 678)
	10 083 382	3 640 591

Only accounts receivable overdue at December 31 and still unsettled at the time of closing with impact on the Income Statement are considered as doubtful and have been provided for.

Accounts receivable denominated in foreign currencies are converted into swiss francs at year-end exchange rates.

	December 31, 2018 CHF	December 31, 2017 CHF
5. Prepayments and accrued income		
Prepaid general expenses	82 802	181 612
Prepaid expenses for events	120 635	33 112
Accrued income on short term deposits and marketable securities	224 930	194 466
	428 367	409 190

NOTES TO THE FINANCIAL STATEMENTS 2018

6. FINA Property and other tangible fixed assets

Statement of changes in FINA Property and other tangible fixed assets

in Swiss francs	FINA Property CHF	Other tangible fixed assets CHF	December 31, 2017 CHF
Net carrying value as of January 1,	17 640 978	0	17 640 978
Beginning of the period 01.01.	17 640 978	0	17 640 978
Additions	93 011	59 537	152 548
Disposals	0	0	0
End of the period 31.12	17 733 989	59 537	17 793 526
Accumulated depreciation			
Beginning of the period 01.01	0	0	0
Depreciation	266 000	23 815	289 815
Disposals	0	0	0
Impairment	0	0	0
End of the period 31.12	266 000	23 815	289 815
Net carrying value as of December 31,	17 467 989	35 722	17 503 711
Depreciation rate per year	1.50%	40%	
Statement of changes in FINA Property and other tangible fixed assets 2018			
in Swiss francs	FINA Property CHF	Other tangible fixed assets CHF	December 31, 2018 CHF
Net carrying value as of January 1,	17 467 989	35 722	17 503 711
Beginning of the period 01.01.	17 733 989	59 537	17 793 526
Additions	0	0	0
Disposals	0	0	0
End of the period 31.12	17 733 989	59 537	17 793 526
Accumulated depreciation			
Beginning of the period 01.01	266 000	23 815	289 815
Depreciation	266 000	23 815	289 815
Disposals	0	0	0
Impairment	0	0	0
End of the period 31.12	532 000	47 630	579 630
Net carrying value as of December 31,	17 201 989	11 907	17 213 896
Depreciation rate per year	1.50%	40%	

NOTES TO THE FINANCIAL STATEMENTS 2018

	December 31, 2018 CHF	December 31, 2017 CHF
7. Accounts payable		
General suppliers		
Federations	1 908 919	836 167
Fina Family	117 694	586 192
Host Cities	682 512	8 076
Other suppliers	2 460 224	1 894 282
	<u>5 169 349</u>	<u>3 324 717</u>
8. Other short term payable		
Value added taxes	15 559	(3 263)
Employee related liabilities	200 649	161 942
	<u>216 208</u>	<u>158 679</u>
9. Accrued liabilities		
Events related accruals	6 810 745	2 849 760
Agents fees payables	3 006 067	1 970 974
Staff related provisions	897 445	696 951
Other accrued expenses	209 772	1 395 476
	<u>10 924 029</u>	<u>6 913 161</u>

NOTES TO THE FINANCIAL STATEMENTS 2018

10. Deferred income	December 31, 2018 CHF	December 31, 2017 CHF
Changes in deferred income balances		
Net value as of January 1,	19 337 240	42 207 975
Additions	25 600 872	8 535 068
Release to income statement	(2 086 594)	(31 389 977)
Other adjustments	(3 072)	(15 826)
Value as of December 31	42 848 446	19 337 240
Deferred income by type of income		
Affiliation fees	4 800	5 800
Bid and registration fees	109 786	65 780
Host Cities (WCH) partnership rights and fees	30 297 840	19 024 386
Host Cities (WCH) HB and TV budgeted costs	5 198 208	174 895
Broadcasters and sponsors	7 237 812	61 894
Olympic Games related and other income	0	4 485
	42 848 446	19 337 240
As per balance sheet, short and long term liability		
Current liabilities deferred income - < 12 Monthes	21 464 571	2 086 452
Non current liabilities deferred income - > 12 monthes	21 383 875	17 250 788
	42 848 446	19 337 240

Deferred income relates to Instalments invoiced on a contractual basis for Events to be held in the future. Revenue will be taken to Income statement in the year where the Event related to the income takes place.

Deferred income in foreign currencies will be taken to Income at the transaction exchange rate prevailing on the date of invoicing.

NOTES TO THE FINANCIAL STATEMENTS 2018

	December 31, 2018 CHF	December 31, 2017 CHF
11. Host City guarantees held in deposit		
Changes in guarantees held in Deposit		
Carrying amount as of January 1,	6 499 389	6 527 243
Guarantees invoiced	253 028	2 517 211
Guarantees refunded or released	(295 113)	(2 545 065)
Carrying amount as of December 31,	6 457 305	6 499 389
As per balance sheet, short and long term liability		
Guarantees to release - < 12 monthes	2 066 944	175 336
Guarantees held - long term > 12 monthes	4 390 361	6 324 053
	6 457 305	6 499 389

Guarantees are funds received in deposit as contractually provided in relation with the organisation of an Event.

	December 31, 2018 CHF	December 31, 2017 CHF
12. Provisions		
Legal matters and other provisions	1 428 000	1 428 000
Provisions as of January 1	1 428 000	1 428 000
Constitution of provisions	0	0
Release of provisions	0	0
Provisions as of December 31	1 428 000	1 428 000

Legal matters and other provisions relate mainly to doping cases and other legal disputes currently pending for Court of Arbitration for Sport decision.

NOTES TO THE FINANCIAL STATEMENTS 2018

13. Restricted funds and organisation capital

Restricted funds and organisation capital for the year ended

Statement of changes in capital 2017	Balance 1.1.2017 CHF	Allocations CHF	Appropriation CHF	Internal transfer CHF	Total change CHF	Balance 31.12.2017 CHF
Fund capital						
Restricted funds						
Swimming world cup	37 284	0	(37 284)	0	(37 284)	0
Total fund capital	37 284	0	(37 284)	0	(37 284)	0
Organisation capital						
Restricted funds						
FINA 110th Anniversary and Open House	0	2 500 000	0	0	2 500 000	2 500 000
Development programmes	23 000 000	15 000 000	0	0	15 000 000	38 000 000
Reserves						
Funds for antidoping foundation	15 000 000	0	0	0	0	15 000 000
FINA Headquarters maintenance funds	18 000 000	0	0	0	0	18 000 000
Event cancellation reserve	30 000 000	5 000 000	0	0	5 000 000	35 000 000
Total tied capital	86 000 000	22 500 000	0	0	22 500 000	108 500 000
Free available capital	13 115 499	0	(1 492 192)	0	(1 492 192)	11 623 307
Total free capital	13 115 499	0	(1 492 192)	0	(1 492 192)	11 623 307
Total Organisation capital	99 115 499	22 500 000	(1 492 192)	0	21 007 808	120 123 307

Statement of changes in capital 2018	Balance 1.1.2018 CHF	Allocations CHF	Appropriation CHF	Internal transfer CHF	Total change CHF	Balance 31.12.2018 CHF
Organisation capital						
Restricted funds						
FINA 110th Anniversary and Open House	2 500 000	0	(926 754)	(1 573 246)	(2 500 000)	0
FINA Digital projects	0	0	0	16 573 246	16 573 246	16 573 246
Development programmes	38 000 000		(3 409 748)	0	(3 409 748)	34 590 252
Reserves						
Funds for antidoping foundation	15 000 000	0	0	(15 000 000)	(15 000 000)	0
FINA Headquarter maintenance funds	18 000 000	0	0	(18 000 000)	(18 000 000)	0
Event cancellation reserve	35 000 000	0	0	0	0	35 000 000
FINA functioning reserve	0	0	0	10 000 000	10 000 000	10 000 000
Financial assets fluctuation reserve	0	0	0	8 000 000	8 000 000	8 000 000
Total tied capital	108 500 000	0	(4 336 502)	0	(4 336 502)	104 163 498
Free available capital	11 623 307	(13 083 402)	4 336 502	0	(8 746 900)	2 876 407
Total free capital	11 623 307	(13 083 402)	4 336 502	0	(8 746 900)	2 876 407
Total Organisation capital	120 123 307	(13 083 402)	0	0	(13 083 402)	107 039 905

NOTES TO THE FINANCIAL STATEMENTS 2018

Tied capital and organisation free available capital for the year

Restricted funds are created either due to the explicit intent on the part of the donor or due to the specifics of the donation that imply a restriction on the part of the donor.

Funds for which the organisation itself has imposed a purpose are reported as restricted funds under organization capital.

Restricted funds, whether restricted on the part of the donor or the organisation have to be used for the purpose imposed.

Reserve funds are set up with the aim to secure the "going concern" and the "sustainability" of the organisation against any unforeseen event:

- *Event cancellation reserve* : The purpose of this reserve is to secure the organisation of FINA events, in case of any catastrophic event or fallback. Any utilisation or attribution to the fund is made by the FINA Bureau. Objective is to set up a reserve covering the expenses of a FINA World Championships.

- *FINA Headquarter maintenance funds* : This fund had been set up to cover commitments in relation with FINA's Headquarters and was released at construction completion.

- *FINA functioning reserve* : This reserve was set up to preserve the on-going concern and sustainability over one year activity of FINA's fixed expenses and administration.

- *Financial assets fluctuation reserve* : The purpose of this reserve is to cover the currency fluctuation risk on financial assets. At term, the reserve shall represent 10% of the covered financial positions.

- *Funds for antidoping foundation* : This fund was set up to cover the financial needs of a FINA Anti-doping foundation. Following the Bureau decision to contract ITA - International Testing Agency, the fund was released.

- *FINA Digital projects* : The Digital fund's purpose is to secure the financing of the FINA Digital projects needed to promote and lead FINA competitions into the Digital World.

- *Development programme funds* : The Development funds are set up to secure the FINA Development activities over the quadrennial period.

The Development programme funds comprise following funds which use is restricted to the purpose of their activity:

- *FINA Aquatics Support Programme*: The objective of this programme is to enable the Aquatics National Federations to develop and strengthen their activities. The programme shall be financed by the allocation of 70% of the Olympic Games Television Rights income. Funds spent on the OASP programme 2018 were released to the *Free available capital*.

- *Continental support programme*: the aim of this programme is to support the Continental Associations with a grant for the Development and Growth of Aquatics within their region.

- *Scholarships support programme*: This programme offers financial and technical assistance for potential elite athletes in their preparation and qualification for major Aquatics Events.

- *Development Centres*: Financing of development centres to be used for coaching and training purposes by FINA athletes.

- *Development general reserve*: funds aimed to finance the remaining development projects such as clinics, schools and other Aquatics Development activities.

NOTES TO THE FINANCIAL STATEMENTS 2018

14. IOC Contributions and other OG related income	2018 CHF	2017 CHF
IF Development programmes	219 186	1 721 094
Olympic Games share of TV Rights (Rio 2016)	0	3 415 384
Youth Olympic Games 2018	334 198	0
	553 384	5 136 478

FINA Bureau decided in 2017 to allocate 70% of the RIO 2016 Olympic Games Television Rights to finance the FINA Aquatics Support Programme, part of FINA Development activities.

Total funds allocated in 2017 to the quadrennial period 2018-2021 represented USD 20.9 mio; at the end of 2018, the value of the fund is USD 17 mio.

15. Events income	2018 CHF	2017 CHF
Bid and registration fees		
World Championships	0	18 869
World Swimming Championships	14 131	0
Other Events	164 237	1 942 628
	178 368	1 961 497
Host Cities partnerships rights and fees		
World Championships	0	18 960 975
World Swimming Championships	1 956 400	0
Partnership cancellation fees	0	6 846 000
	1 956 400	25 806 975
TV Rights and sponsorship income		
World Championships	4 886 677	21 945 941
World Swimming Championships	10 032 363	1 015 775
Other Events	8 478 740	5 740 187
	23 397 780	28 701 903
Value in kind		
World Championships	0	12 837 268
World Swimming Championships	2 836 806	8 926
Other Events	1 907 346	1 911 261
	4 744 152	14 757 455
Other Income		
World Championships	0	560 986
World Swimming Championships	198 112	(107 755)
Other Events	1 048 828	803 157
	1 246 940	1 256 388
	31 523 640	72 484 218

NOTES TO THE FINANCIAL STATEMENTS 2018

16. FINA Events expenses	2018 CHF	2017 CHF
FINA Family Expenses		
Hotel, travel and per diem		
World Championships	151 243	3 133 756
World Championships accrual release	(1 170 150)	0
World Swimming Championships	1 489 928	357 193
Other events	3 804 300	2 147 666
Members medical insurance	130 000	195 239
Professional and liability insurance	49 444	50 852
Protocol awards	388 615	309 587
Other expenses	238 174	511 863
	<u>5 081 554</u>	<u>6 706 156</u>
Third parties services		
Marketing agent		
World Championships	437 624	3 513 375
World Swimming Championships	1 610 335	(92 202)
Other Events	530 629	712 404
Value in kind and TV Host Broadcaster costs		
World Championships	0	9 092 520
World Swimming Championships	1 615 314	(15 232)
Other events	1 851 744	3 129 694
Legal services	54 924	559 719
Other third parties services	1 048 462	681 728
	<u>7 149 032</u>	<u>17 582 006</u>
Federations support		
World Championships	(5 551)	2 599 728
World Swimming Championships	1 130 673	(24 306)
Other FINA Events travel support and contributions	1 502 806	3 256 153
	<u>2 627 928</u>	<u>5 831 575</u>
Athletes support		
Prize monies		
World Championships	0	5 749 933
World Swimming Championships	2 229 436	19 332
Other FINA Events	4 853 346	4 242 220
	<u>7 082 782</u>	<u>10 011 485</u>
	<u>21 941 296</u>	<u>40 131 222</u>

NOTES TO THE FINANCIAL STATEMENTS 2018

17. Development activities	2018 CHF	2017 CHF
Clinics, schools and certification programme	1 182 193	428 184
Scholarships athletes	665 800	1 462 383
Continental association contributions	498 308	60 272
Federation support (travel; accommodation)	261 178	57 920
OASP Programme	3 621 683	0
Other programmes	802 250	222 899
Release of excess accrued expenses	(1 000 000)	0
	6 031 412	2 231 658

Scholarship programmes offer financial and technical assistance to athletes as per the programmes regulations. Clinics and school expenses consists in organisation support, boarding and travel expenses. Federations are granted support to attend other FINA Events in relation with Development.

One main project was postponed and related accrual released.

18. Administration expenses	2018 CHF	2017 CHF
Payroll charges	6 903 599	6 765 469
Communication and software related consultancy services	682 019	637 368
FINA HQ Premises equipment and maintenance costs	253 910	280 381
General administration costs	224 154	139 549
Depreciation tangible assets	289 815	289 815
	8 353 497	8 112 582

Payroll charges include salaries, social charges, benefits and other employee-related costs. Executive management comprises only the Executive Director.

FINA Executives, Bureau Members, Committee members and other FINA officials act on a volunteer basis and do not perceive a salary. They are indemnified with a daily indemnity (per diem) while on function for FINA and covered for accommodation and travel costs. These costs are included in the income statement under "FINA Events Expenses".

NOTES TO THE FINANCIAL STATEMENTS 2018

19. Financial activities	2018 CHF	2017 CHF
Investment activities		
Interest on bonds, money markets and derivatives	1 395 386	1 113 040
Custody fee, commissions and bank charges	(699 524)	(693 887)
	<u>695 862</u>	<u>419 153</u>
Valuation variations		
Financial assets provision fluctuation	0	8 295
Fluctuations on marketable securities reimbursed values	32 800	499 739
Financial investments valued at true and fair view	(4 255 176)	(1 391 423)
	<u>(4 222 376)</u>	<u>(883 389)</u>
Exchange difference fluctuations		
Capital premium on structured products	625 527	854 567
Realized and unrealized exchange differences	(687 725)	(648 312)
	<u>(62 198)</u>	<u>206 255</u>
Financials results - net (Loss)	<u>(3 588 712)</u>	<u>(257 981)</u>

20. Full-time positions	2018	2017
Full-time positions at the end of the period	35.5	32.75

The number of full time equivalents did not exceed 50 on an average basis.

21. Fees paid to the auditors	2018 CHF	2017 CHF
Audit services	<u>37 000</u>	<u>39 500</u>

22. Pension Liabilities

FINA has joined a collective insurance foundation providing full benefit coverage for its pension plans in Switzerland. FINA therefore has no economic obligation arising from pension solutions that has to be recognised in the balance sheet and FINA's responsibility is limited to the annual contributions. As at December 31, there were no liabilities towards the pension fund.

For the year under review, the contributions paid by FINA to the pension scheme amount to CHF 417 363.

23. Contingent liabilities

The Federation is involved in claims and legal disputes. Wherever a loss is possible and determinable, management has set up adequate provision.

24. Significant events occurring after the balance sheet date

None

NOTES TO THE FINANCIAL STATEMENTS 2018

25. Allocation of result

Funds spent on OASP programme and FINA Headquarter Opening ceremony were released to free available capital.

Funds earmarked for the FINA Anti-doping foundation were transferred to FINA Digital projects.

Funds secured for the FINA Headquarters were reallocated to cover to the FINA functioning reserve and to the financial fluctuation reserve. These funds are restricted in their use.