

International Committee of Sport for the Deaf (ICSD)

Lausanne

Report of the auditor no 2 of the statutory financial accounts of 2018

(period from January 1st, to December 31st, 2018)

August 20th, 2020
2-1/JPD/EM

Report of the auditor
to members at the general meeting of

International Committee of Sports for the Deaf (ICSD), Lausanne

Preamble

On October 16th, 2019, we had issued our first audit report concerning the statutory financial accounts 2018 of the International Committee of Sports for the Deaf (ICSD). This report highlighted that there were several elements that did not allow us to express an audit opinion, so we recommended sending the account submitted back to the Executive Board.

In that report, in accordance with article 728a para. 1 item 3 CO, due to the fact that there was no written documentation we could not confirm the existence of an internal control system (ICS).

Following the issuance of this report, the Executive Board took the necessary measures relating to the internal control system and to the presentation and documentation in order to approve the financial statement. Therefore, we produce this report (No 2).

In our capacity as auditor, we have audited the enclosed statutory financial accounts of the International Committee of Sports for the Deaf (ICSD) including the balance sheet, the profit and loss account and notes for the year 2018 ended on December 31st, 2018.

Responsibility of the Executive Board

The Executive Board is responsible for preparing the statutory financial accounts in accordance with the laws and regulations and the by-laws. That responsibility encompasses the designing, application and maintenance of an internal control system in respect of the establishment of statutory financial accounts so that these do not contain significant anomalies, whether as a result of fraud or error. Further, the Executive Board is responsible for selecting and applying the appropriate accounting methods and suitable accounting estimations.

Responsibility of the auditor

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 ended December 31st, 2018 comply with Swiss law and the company's articles of incorporation

Report on Other Legal Requirements

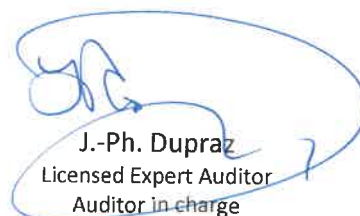
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss auditing standard 890, we confirm that an internal control system (ICS) exists, which has been designed for the preparation of the financial statements according to the instructions of the Executive Board.

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

Lausanne, August 20th, 2020
2-1/JPD/EM

Fidexaudit révision SA



J.-Ph. Dupraz
Licensed Expert Auditor
Auditor in charge



E. Mercanton-Malikov
Licensed Expert Auditor

Enclosures: Financial statements

BALANCE SHEET AS AT DECEMBER 31st, 2018

(with comparisons to 2017)

(expressed in US Dollars)

	Notes	31.12.2018	31.12.2017
ASSETS			
Banks		58'876.12	283'752.52
<i>Cash and cash equivalents</i>		58'876.12	283'752.52
Accounts receivables		169'327.51	323'440.51
Less value adjustments		-147'502.81	-17'140.00
<i>A/C receivables from sales or services rendered</i>		21'824.70	306'300.51
Other receivables from third parties		274'308.13	61'274.54
Less value adjustments		-54'748.00	-61'274.54
<i>Other short term receivables</i>		219'560.13	-
Subsidy to be received	C1	172'480.00	-
Regulation accounts		1'861.64	-
<i>Regulation accounts</i>		174'341.64	-
<i>Current assets</i>		474'602.59	590'053.03
Computer equipments		1'214.18	3'644.30
<i>Tangible fixed assets</i>		1'214.18	3'644.30
<i>Fixed assets</i>		1'214.18	3'644.30
TOTAL ASSETS		475'816.77	593'697.33
LIABILITIES			
Debtors momentarily suppliers		64'145.52	64'890.52
Other short term debts		24'000.00	-
<i>Other short term debts</i>		88'145.52	64'890.52
Short term provision		64'707.59	20'500.00
<i>Defferred income, accrued expenses and provisions</i>		64'707.59	20'500.00
<i>Short term liabilities</i>		152'853.11	85'390.52
<i>Total liabilities</i>		152'853.11	85'390.52
Board designated		219'496.85	219'496.85
Result carried forward		288'809.96	210'626.77
Annual result		-185'343.15	78'183.19
<i>Equity as at December 31st</i>		322'963.66	508'306.81
<i>Total equity</i>		322'963.66	508'306.81
TOTAL LIABILITIES AND EQUITY		475'816.77	593'697.33

The International Committee of Sports for the Deaf (ICSD)

Lausanne

**PROFIT AND LOSS STATEMENT
AS AT DECEMBER 31st, 2018**

(with comparisons to 2017)

(expressed in US Dollars)

	Annexe	2018	2017
Audiogram		16'740.00	17'400.00
Excess Officials		-	27'750.00
Media		-	22'750.00
Non-Starting		-	400.00
Participation		21'210.00	203'520.00
Sanction Host		1'000.00	500.00
Violation		-	3'130.00
Withdrawal		-	25'000.00
Losses on customers		-	-4'420.00
<i>Total fees</i>		38'950.00	296'030.00
Membership		48'350.00	40'832.00
Other revenues		34'199.38	1'365.00
<i>Total income</i>		121'499.38	338'227.00
Personnal charges (external and internal)		-169'855.29	-223'584.06
Office rental costs		-18'408.22	-19'591.21
Accounting, auditing and legal fees		-47'974.47	-22'016.75
Legal and professional		-13'860.46	-18'613.63
Deaflympics media		-	-8'410.00
Internet, fax, pager, phone		-1'637.36	-6'557.29
Lodging		-20'523.59	-11'822.74
Meals and refreshments		-147.00	-382.83
Panamades event		-	-5'000.00
Per Diem		-13'211.39	-14'367.00
Printing		-637.14	-507.20
Professional membership		-6'549.74	-3'113.97
Summer Youth programs		-	-5'232.79
Supplies		-880.52	-14'991.12
Travel		-37'897.64	-14'680.78
Marketing		-15'165.00	-
<i>Other operational costs</i>		-346'747.82	-368'871.37
<i>Operating result before financial result, tax, depreciation and value corrections</i>		-225'248.44	-30'644.37
Taxes		-427.48	-
Depreciation		-2'430.12	-1'262.52
Valuation adjustments on other receivables		-123'836.27	-61'274.54
<i>Operating result before financial result and taxes</i>		-351'942.31	-93'181.43
Financial charges		-5'880.84	-2'502.01
Financial incomes		-	36.63
<i>Operating result before IOC Financial Support</i>		-357'823.15	-95'646.81
IOC Financial Support		172'480.00	173'830.00
ANNUAL RESULT		<u>-185'343.15</u>	<u>78'183.19</u>

NOTES TO THE FINANCIAL STATEMENTS
CLOSING AS AT DECEMBER 31ST, 2018

(with comparisons to 2017)

(expressed in US Dollars)

A Informations regarding the applied accounting principles, when not prescribed by the law

These annual financial statements have been established in accordance with the principles of the Swiss law, especially the articles regarding the bookkeeping and the presentation of the commercial accounting described in the Code of Obligations (art. 957 à 962).

Foreign currency items : the accountancy is kept in USD.

Exchange rates :

	Balance Sheet	Income Statements	Balance Sheet	Income Statements
	31.12.2018	2018	31.12.2017	2017
1 USD/CHF	0.985784	0.9780439	0.974475	0.98461269

Year-end balances of assets and liabilities are converted into CHF on the basis of the exchange rate applying on December 31st .

Profit and loss statement transactions are converted into CHF using average exchange rate of the year 2017. The equity (Board designated of USD 219'496.85 and Result carried forward of USD 210'626.77) are converted into CHF on the basis of the exchange rate applying on April 24th, 2017, the date of the Articles of Association before the registration of the Association in Switzerland.

Tangible fixed assets : Tangible fixed assets are directly amortized. The depreciations are carry out according to the degressive method.

B Number of full-time employees

The number of full-time employees is lower than 10.

	31.12.2018	31.12.2017
C1 Subsidy to be received	172'480.00	-

The expected subsidy from the International Olympic Committee (IOC) was recorded on the basis of an estimate.

In the event that this subsidy should be less than the expected amount, the result would be affected by as much.

BALANCE SHEET AS AT DECEMBER 31st, 2018

(with comparisons to 2017)

(expressed in Swiss Francs)

	Notes	31.12.2018	31.12.2017
ASSETS			
Banks		58'039.14	276'509.74
<i>Cash and cash equivalents</i>		58'039.14	276'509.74
Accounts receivables		166'920.35	315'184.69
Less value adjustments		-145'405.91	-16'702.50
<i>A/C receivables from sales or services rendered</i>		21'514.44	298'482.19
Other receivables from third parties		270'408.57	59'710.51
Less value adjustments		-53'969.70	-59'710.51
<i>Other short term receivables</i>		216'438.86	-
Subsidy to be received		170'028.02	-
Regulation accounts		1'835.17	-
<i>Regulation accounts</i>		171'863.20	-
<i>Current assets</i>		467'855.64	574'991.93
Computer equipments		1'196.92	3'551.28
<i>Tangible fixed assets</i>		1'196.92	3'551.28
<i>Fixed assets</i>		1'196.92	3'551.28
TOTAL ASSETS		469'052.56	578'543.21
LIABILITIES			
Debtors momentarily suppliers		63'233.63	63'234.19
Other short term debts		23'658.82	-
<i>Other short term debts</i>		86'892.44	63'234.19
Short term provision		63'787.71	19'976.74
<i>Defferred income, accrued expenses and provisions</i>		63'787.71	19'976.74
<i>Short term liabilities</i>		150'680.15	83'210.93
<i>Total liabilities</i>		150'680.15	83'210.93
Board designated		218'516.58	218'516.58
Result carried forward		286'666.27	209'686.11
Annual result		-181'273.74	76'980.16
Translation differences		-5'536.70	-9'850.57
<i>Equity as at December 31st</i>		318'372.41	495'332.28
<i>Total equity</i>		318'372.41	495'332.28
TOTAL LIABILITIES AND EQUITY		469'052.56	578'543.21

**PROFIT AND LOSS STATEMENT
AS AT DECEMBER 31st, 2018**

(with comparisons to 2017)

(expressed in Swiss Francs)

	Annexe	2018	2017
Audiogram		16'372.45	17'132.26
Excess Officials		-	27'323.00
Media		-	22'399.94
Non-Starting		-	393.85
Participation		20'744.31	200'388.37
Sanction Host		978.04	492.31
Violation		-	3'081.84
Withdrawal		-	24'615.32
Losses on customers		-	-4'351.99
<i>Total fees</i>		38'094.81	291'474.89
Membership		47'288.42	40'203.71
Other revenues		33'448.49	1'344.00
Total income		118'831.73	333'022.60
Personnal charges (external and internal)		-166'125.93	-220'143.70
Office rental costs		-18'004.05	-19'289.75
Accounting, auditing and legal fees		-46'921.14	-21'677.97
Legal and professional		-13'556.14	-18'327.22
Deaflympics media		-	-8'280.59
Internet, fax, pager, phone		-1'601.41	-6'456.39
Lodging		-20'072.97	-11'640.82
Meals and refreshments		-143.77	-376.94
Panamades event		-	-4'923.06
Per Diem		-12'921.32	-14'145.93
Printing		-623.15	-499.40
Professional membership		-6'405.93	-3'066.05
Summer Youth programs		-	-5'152.27
Supplies		-861.19	-14'760.45
Travel		-37'065.56	-14'454.88
Marketing		-14'832.04	-
<i>Other operational costs</i>		-339'134.59	-363'195.43
Operating result before financial result, tax, depreciation and value corrections		-220'302.86	-30'172.84
Taxes		-418.09	-
Depreciation		-2'376.76	-1'243.09
Valuation adjustments on other receivables		-121'117.31	-60'331.69
Operating result before financial result and taxes		-344'215.03	-91'747.62
Financial charges		-5'751.72	-2'463.51
Financial incomes		-	36.07
Operating result before IOC Financial Support		-349'966.75	-94'175.06
IOC Financial Support		168'693.01	171'155.22
ANNUAL RESULT		-181'273.74	76'980.16

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