



International Federation of Sport Climbing

Report of the independent auditor on the financial statements 2021

Independent auditor's report

To the Executive Board of the
International Federation of Sport Climbing

Opinion

We have audited the accompanying financial statements of International Federation of Sport Climbing, (the Company) as at December 31, 2021, which comprise the balance sheet, statement of income and notes to the financial statements, including a summary of significant accounting policies (together, the financial statements).

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at December 31, 2021 in accordance with those requirements of the Financial Reporting Framework in Switzerland relevant to preparing such financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Switzerland, 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.

Responsibility of Executive Board for the financial statements

Executive Board is responsible for the preparation of the financial statements in accordance with those requirements of the Financial Reporting Framework in Switzerland relevant to preparing such a financial statements, and for such internal control as management determines is necessary to enable the preparation of a financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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 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 this financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Executive Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Turin, February 28th, 2022

EY S.p.A.


Luigi Conti
(Legal Auditor)

Balance Sheet for the year ended December 31, 2021

International Federation of Sport Climbing

Account	Dec 31, 2021 EUR	Dec 31, 2020 EUR	Variance EUR
Assets			
Current Assets			
Accounts Receivable (net of provision for bad debts)	171.128	203.552	(32.424)
Deferred expenses	35.110	22.690	12.421
Cash			-
Cash On Hand	6.458	1.827	4.631
Banca Sella-checking	999.638	-	999.638
Crédit Suisse-checking USD	127.665	259.679	(132.014)
Crédit Suisse-checking CHF	173.657	267.945	(94.288)
Crédit Suisse-checking EUR	419.420	2.475.879	(2.056.459)
Fineco-checking	-	2.397	(2.397)
PayPal	12.095	3.184	8.910
UniCredit-checking	266.705	84.528	182.176
Credit Cards	15.912	12.683	3.229
Total Cash	2.021.549	3.108.123	(1.086.574)
Cash - Continental Councils			
IFSC Asian Council - Crédit Suisse-checking	77.243	69.396	7.847
IFSC European Council - UniCredit-checking	97.511	90.192	7.320
IFSC Oceania Council - Crédit Suisse-checking	12.498	-	12.498
IFSC Pan American Council - Crédit Suisse-checking	9.179	8.520	659
Total Cash - Continental Councils	196.431	168.107	28.324
Total Current Assets	2.424.218	3.502.471	(1.078.253)
Fixed Assets			
Computer Equipment	38.866	31.879	6.987
Office Equipment	14.426	12.345	2.081
Total Fixed Assets	53.292	44.224	9.068
Intangible Assets			
IFSC Identity - Trademark	6.608	7.572	(964)
Total Intangible Assets	6.608	7.572	(964)
Other Assets			
Long-term Investments			-
Life Insurance CBA Valore Capitale	500.000	-	500.000
Life Insurance CBA Valore Cedola	500.000	-	500.000
Life Insurance Unigarantito Plus	200.000	200.000	-
Total Long-term Investments	1.200.000	200.000	1.000.000
Total Other Assets	1.200.000	200.000	1.000.000
Total Assets	3.684.119	3.754.267	(70.148)

Account	Dec 31, 2021 EUR	Dec 31, 2020 EUR	Variance EUR
Liabilities & Equity			
Current Liabilities			
Accounts Payable	276.880	271.999	4.881
Accounts Payable to be received	46.326	47.973	(1.647)
Deferred Revenues	386.595	416.824	(30.230)
Provisions for risk	-	50.000	(50.000)
Total Current Liabilities	709.801	786.797	(76.995)
Non-current Liabilities			
COVID-19 Bridge Loan	268.389	332.963	(64.574)
Total Non-current Liabilities	268.389	332.963	(64.574)
Designated Funds			
Development Funds	114.725	228.725	(114.000)
IOC Contribution Funds	810.000	850.000	(40.000)
Total Designated Funds	924.725	1.078.725	(154.000)
Operating Funds			
Operating Funds, including current year result	1.373.528	1.259.316	114.212
Total Operating Funds	1.373.528	1.259.316	114.212
Equity			
Current Year Earnings	19.516	-	19.516
Foreign Currency Translation Reserve	126	-	126
Member Funds	388.033	296.465	91.567
Total Equity	407.675	296.465	111.210
Total Liabilities & Equity	3.684.119	3.754.267	(70.148)

Profit and Loss for the year ended December 31, 2021

International Federation of Sport Climbing

Account	2021 EUR	2020 (*) EUR	Variance EUR
Operating Revenues			
Continental Councils			
Continental Councils Fees	5.496	7.696	(2.199)
Total Continental Councils	5.496	7.696	(2.199)
IOC Funds			
IOC Annual Funds	66.693	70.223	(3.530)
IOC Funds / Covid-19 Contribution	98.000	587.877	(489.877)
Total IOC Funds	164.693	658.100	(493.407)
Institutional			
Membership fees	248.842	188.501	60.341
Total Institutional	248.842	188.501	60.341
Marketing			
Broadcasting Rights	632.007	541.971	90.036
Sponsorship	810.960	645.456	165.505
Total Marketing	1.442.967	1.187.427	255.541
Olympic Preparation			
IOC & TOCOG Funds for the Olympic Preparation	143.070	194.494	(51.423)
Total Olympic Preparation	143.070	194.494	(51.423)
Sport			
Appeals	5.180	280	4.900
Athlete Licences	82.145	29.365	52.780
Calendar Fees	354.015	103.200	250.815
Continental Councils Officials Courses revenues	3.820	-	3.820
Official Sport Equipment	145.771	56.317	89.453
Paralimbing training courses	-	-	-
Registration Fees	161.465	4.350	157.115
Total Sport	752.396	193.512	558.884
Other Revenues			
Other Income	132.646	1	132.645
Total Other Revenues	132.646	1	132.645
Total Operating Revenues	2.890.110	2.429.730	460.381

Account	2021 EUR	2020 (*) EUR	Variance EUR
Operating Costs			-
Administration			-
Bank costs	9.917	2.819	7.098
Insurance	19.060	40.356	(21.296)
IT	-	5.039	(5.039)
Legal	24.301	105.140	(80.839)
Office expenses and administration	99.922	91.994	7.928
Salaries & Social Charges	819.961	765.536	54.425
Travel Expenses & Hospitality	103.716	59.463	44.253
Total Administration	1.076.878	1.070.347	6.530
Anti-Doping			-
Anti-Doping	56.010	21.673	34.338
Total Anti-Doping	56.010	21.673	34.338
Communications			-
Content Production (prev. Media Relations and Tools)	45.390	7.787	37.603
Corporate Communication	65.973	36.146	29.827
Digital Tools	-	82.306	(82.306)
Website	34.956	1.528	33.428
Total Communications	146.319	127.767	18.552
Continental Councils			-
Continental Councils Return Fees	4.442	7.794	(3.352)
Total Continental Councils	4.442	7.794	(3.352)
Development			-
Development Programmes	82.321	-	82.321
Total Development	82.321	-	82.321
Institutional			-
Board Expenses / Indemnity & Per Diem	81.646	61.929	19.717
Board Expenses / Travel Expenses	59.165	27.675	31.490
Commissions	14.201	2.488	11.714
General Assembly & Institutional Meetings	23.536	-	23.536
International Associations Membership	4.727	5.624	(898)
International Representation & Governance	-	15.761	(15.761)
Total Institutional	183.274	113.478	69.796
Marketing			-
Promotion	210.890	253.967	(43.077)
TV Production (prev. Webcasting)	402.512	112.890	289.622
Total Marketing	613.403	366.857	246.545
Olympic Preparation			-
Olympic Preparation Consulting	94.075	142.324	(48.249)
Olympic Events Services	124.008	49.726	74.282
Total Olympic Preparation	218.082	192.049	26.033
Sport			-
Event preparation meetings	-	4.820	(4.820)
Continental Councils Officials Courses costs	3.083	-	3.083
Official Sport Equipment expenses (prev. Licencing)	1.110	4.091	(2.981)
Officials	284.268	74.239	210.029
Paralimbing training courses (Expenses)	20.806	373	20.433
Solidarity	-	2.361	(2.361)
Sport Data Management (prev. SD IT tools)	49.983	89.732	(39.749)
Sport Department Consulting	-	-	-
Sustainability	10.050	5.017	5.032
Trophies	8.036	4.840	3.196
Total Sport	377.336	185.472	191.864
Total Operating Costs	2.758.066	2.085.438	672.627
Gross Operating Profit	132.045	344.291	(212.247)

Account	2021 EUR	2020 (*) EUR	Variance EUR
Non-Operating Revenues			-
Asian Council - Income	-	72.577	(72.577)
European Council - Income	-	19.163	(19.163)
Oceania Council - Incomes	-	-	-
Pan-American Council - Income	-	9.182	(9.182)
IFSC return fees - incomes	-	-	-
Total Non-Operating Revenues	-	100.922	(100.922)
Non-Operating Costs			-
Asian Council - Expenditures	-	(40)	40
European Council - Expenditures	-	(21.442)	21.442
Oceania Council - Expenditures	-	-	-
Pan-American Council - Expenditures	-	(40)	40
IFSC return fees - costs	-	-	-
Total Non-Operating Costs	-	(21.523)	21.523
Depreciation			-
Depreciation expense	(18.041)	(12.712)	(5.328)
Total Depreciation	(18.041)	(12.712)	(5.328)
Foreign Currency Gains (Losses)			-
Foreign Currency Gains and Losses	24.726	(137.954)	162.680
Total Foreign Currency Gains (Losses)	24.726	(137.954)	162.680
Other Operating Revenues and Costs			-
Credit Losses	(102.358)	-	(102.358)
Use of Designated Funds for credit losses	56.000	-	56.000
Release of provisions for bad debts	42.000	-	42.000
Release of provisions for risks	50.000	-	50.000
Total Other Operating Revenues and Costs	45.643	-	45.643
Allocation / Use Operating Funds			-
Accrual to Operating Funds / Provisions	(164.883)	(273.024)	108.142
Total Allocation / Use Operating Funds	(164.883)	(273.024)	108.142
Net Profit	19.490	-	19.490

(*) Certain 2020 figures have been reclassified to give a better representation of IFSC income statement.

Notes to the Financial Statements
International Federation of Sport Climbing
For the year ended December 31, 2021

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

IFSC uses the accruals basis of accounting.

The financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963 CO).

Starting from Financial Statement as of December 31, 2021, IFSC figures include Continental Councils financial figures reported on a line-by-line basis. Any intercompany balance between IFSC and Continental Councils as of December 31, 2021 has been offset to avoid account duplication.

Taxation

IFSC has been granted exoneration from Swiss taxation on its result and net assets.

Salaries and Social Charges

Salaries and social charges have not been allocated to the various activities of IFSC and its Departments.

Designated Funds

Funds received from the International Olympic Committee (IOC) in the form of donation to overcome the consequences of the Covid-19 pandemic are available for expenditure exclusively on purposes defined by the Donation Deed signed between the IOC and IFSC. Such funds are recognised as income on an accrual basis.

The unexpended funds received from the IOC are assigned to Designated Funds (under Liabilities) and are held in cash and bank deposit accounts of IFSC.

Operating Funds

Operating Funds are those funds of the IFSC that have not been designated for any particular purpose and that are available to cover core business activities of IFSC. They represent the allocation of current and previous financial years results.

2. NOTES TO THE FINANCIAL STATEMENTS

The International Federation of Sport Climbing (IFSC) is an association established in Switzerland under the Swiss Civil Code. Its main aims include acting as the sole authority for all matters concerning competition climbing and as the world governing body for all aspects of sport climbing.

Current Assets

Below the details of the Current Assets as at December 31, 2021 compared to December 31, 2020.

Current Assets	2021	2020	2021-2020 Variance
Accounts Receivable	199.128	273.552	(74.424)
Bad debts provision	(28.000)	(70.000)	42.000
Deferred expenses	35.110	22.690	12.421
Cash	2.021.549	3.108.123	(1.086.574)
Cash - Continental Councils	196.431	168.107	28.324
Total Current Assets	2.424.218	3.502.471	(1.078.253)

The bad debts provision of Euro 28.000 has been calculated to cover potential losses of specific uncollectible invoices overdue as at December 31, 2021.

Fixed Assets

The Fixed Assets, net of depreciation and disposal of old assets, amount to Euro 53.292 as at December 31, 2021 and are composed as follows:

- *Computer Equipment* (Euro 38.866) includes computer hardware and software. Their average useful life is 4 years.
- *Office Equipment* (Euro 14.426) includes office furniture and appliances. Their average useful life is 5 years.

Depreciation of the Fixed Assets is calculated on a straight-line basis computed over the useful life of the assets.

Acquisition of the period amounts to Euro 23.588 and is mainly related to the purchase of computer hardware, equipment for the production of TV graphics, as well as new furniture for the Headquarters in Turin.

The table below reports the detail of Fixed Assets gross value and accumulated depreciation as at December 31, 2021 compared to December 31, 2020.

	Net Book value 31 Dec 2020	Additions, Disposals and other variations	Depreciation	Net Book value 31 Dec 2021
Computer Equipment	31.879	18.132	(11.145)	38.866
Office Equipment	12.345	8.014	(5.933)	14.426
Total Fixed Assets	44.224	26.146	(17.078)	53.292

Intangible Assets

The Intangible Assets at the net of depreciation amount to Euro 6.608 as at December 31, 2021 and include the IFSC Trademark (name, logo, tagline) depreciated based on an estimated useful life of 10 years.

The table below details the Intangible Assets gross value and accumulated depreciation as at December 31, 2021 compared to December 31, 2020.

	Net Book value 31 Dec 2020	Additions	Disposals	Depreciation	Net Book value 31 Dec 2021
IFSC Identity	7.572	-	-	(964)	6.608
Total Intangible Assets	7.572	-	-	(964)	6.608

Other Assets - Long Term Investments

The Long-Term investment amounts to Euro 1.200.000 as at December 31, 2021. The voice refers to a diversified portfolio of whole-life insurance products. The increase of Euro 1.000.000 is due to the following long-term investments occurred in 2021:

- “CBA Valore Capitale” was subscribed in June 2021 with a premium of Euro 500.000. It is a risk-free investment with a 10-year period and variable return rate;
- “CBA Valore Cedola” was subscribed in November 2021 with a premium of Euro 500.000. It is a risk-free investment with a 10-year period and variable return rate.

Current Liabilities

The Current Liabilities amount to Euro 709.801 as at December 31, 2021 and are composed as follows:

Current Liabilities	2021	2020	Variance
Accounts Payable and employees’ severance pay to personnel	276.880	271.999	4.881
Accounts Payable to be received <i>Expected costs for 2021 operations and whose invoices have not been received yet</i>	46.326	47.973	(1.647)
Deferred Revenues <i>Prepayment by clients for services have not been provided yet</i>	386.595	416.824	(30.230)
Provision for financial, litigation and operational risks	-	50.000	(50.000)
Total Current Liabilities	709.801	786.797	(76.995)

Accounts Payable include trade payable for Euro 70.163 and employees' severance pay (including taxes) for Euro 206.718.

Deferred Revenues of Euro 386.595 refer mainly to calendar fees already collected and related to sport events which will occur in 2022-2023 (Euro 263.500) and Official Sport Equipment related to 2022 season (Euro 121.700).

Provisions for risk have been entirely released in 2021 due to the related claim positively closed during the year. No further litigation or claims arose as at December 31, 2021.

Non-current Financial Liabilities

The Covid-19 Bridge Loan, granted in June 2020 by Crédit-Suisse at 0% interest rate, amounts to Euro 268.389 as at December 31, 2021. The maturity date is set at June 2025. The repayment of the year amounted to Euro 65 thousand.

Designated Funds

The table below reports the breakdown of the Designated Funds and related utilization occurred in FY 2021:

Description	Amount
IOC Covid-19 Funds received in 2020 <i>Original amount in USD: 2.000.000</i>	1.666.602
Use of Funds in 2020	(587.877)
Designated Funds as of December 31, 2020	1.078.725
Use of Funds in 2021 – IOC Contribution Funds <i>Support to cover loss generated by the cancellation of some events</i>	(40.000)
Use of Funds in 2021 – Development Funds <i>Investment in development programmes</i>	(58.000)
Use of Funds in 2021 – Development Funds <i>Cover of part of the uncollectible aged receivables</i>	(56.000)
Designated Funds as of December 31, 2021 <i>Support to cover future potential loss and to invest into development projects as outlined in the Strategic Plan (Event and Olympic Games delivery / Sport Development / Membership & Governance).</i>	924.725

Based on IOC agreement, the contribution received could be used to cover the future increase of operating costs (and potential operating losses arising from Covid-19 pandemic), as well as and to support new development programmes up to December 31, 2024.

The chart below summarizes the balance of the IOC Covid-19 contribution as of December 31, 2021:

Designated Funds	Dec 31, 2021	Dec 31, 2020	Variance
Development Funds	114.725	228.725	(114.000)
IOC Contribution Funds	810.000	850.000	(40.000)
Total Designated Funds	924.725	1.078.725	(154.000)

Operating Revenues

IOC Funds

IOC funds amount to Euro 164.693 for 2021. The decrease of Euro 493.407 is mainly referred to the extraordinary contribution received in 2020 to support the association in facing Covid-19 pandemic.

Description	2021	2020	Variance
IOC Annual Funds <i>Annual grant (original amount: 77.000 USD) for IF development programmes</i>	66.693	70.223	(3.540)
IOC Funds / Covid-19 Contribution <i>Ref. to paragraph above on Designated Funds</i>	98.000	587.877	(433.877)
Tot. IOC Funds	164.693	658.100	(493.407)

Marketing

Marketing revenues amount to Euro 1.442.976 for FY 2021. The figure includes broadcasting and sponsorship revenues, mainly related to the agreement with Dentsu. The increase of Euro 255.540 compared to 2020 is due to the higher number of events occurred during the year.

Description	2021	2020	Variance
Broadcasting revenues from agreement with Dentsu	475.317	503.979	(28.662)
Other broadcasting revenues	156.690	37.992	118.698
<i>Subtotal Broadcasting Rights</i>	<i>632.007</i>	<i>541.971</i>	<i>90.036</i>
Sponsorship revenues from agreement with Dentsu	489.460	480.456	9.004
Other sponsorship revenues	321.500	165.000	156.500
<i>Subtotal Sponsorship</i>	<i>810.960</i>	<i>645.456</i>	<i>165.505</i>
Total Marketing	1.442.967	1.187.427	255.541

Olympic Preparation

Olympic Preparation revenues amount to Euro 143.070 in 2021 and include TOCOG and IOC funds received to cover expenses incurred for the Olympic Games operations. The table below shows the breakdown of Olympic preparation revenues by categories:

Description	2021	2020	Variance
TOCOG Funds for the Olympic Preparation <i>Assigned to refund of International Technical Officials costs and reimbursement of unutilized services</i>	76.246	138.193	(61.947)
IOC Funds for the Olympic Preparation (additional funds for new sports) <i>Assigned to payment of IF Delegation services, such as accommodation and flights</i>	20.373	51.803	(31.430)
IOC Funds for the Olympic Preparation (strategic projects) <i>Assigned to broadcast, digital and social media engagement projects</i>	46.451	4.497	41.954
Tot. Olympic Preparation	143.070	194.494	(51.423)

Sport

2021 Sport revenues amount to Euro 752.396. The increase compared to 2020 of Euro 558.884 is due to the higher number of events occurred during the year. The table below shows the breakdown of Sport revenues by nature:

Description	2021	2020	Variance
Appeals fees	5.180	280	4.900
Athletes and registration fees	243.610	33.715	209.895
Calendar Fees	354.015	103.200	250.815
Continental Councils Officials Courses revenues	3.820	-	3.820
Official Sport Equipment	145.771	56.317	89.453
Tot. Sport	752.396	193.512	558.884

Other revenues

Other revenues of Euro 132.644 mostly refer to the refund of legal fees paid for the two CAS disputes.

Depreciation

The voice amounts to Euro 18.040 and refers to the annual depreciation of tangible and intangible assets.

Foreign currency Gains (Losses)

The chart below reports the amount of the Financial Adjustments as at December 31, 2021. The variance of the period is due to the fluctuation in the USD-EUR exchange rate applied for the conversion of the USD bank accounts (IOC contribution was received in 2020).

Description	2021	2020	Variance
Accounts Receivable and Payable Unrealised Gain (Loss)	(407)	(86)	493
Accounts Receivable and Payable Realised Gain (Loss)	(2.980)	1.124	(4.104)
Bank accounts Unrealised Gain (Loss)	28.112	(138.993)	167.105
Tot. Foreign Currency Gain (Loss)	24.726	(137.954)	162.680

Other operating revenues and costs

Description	2021	2020	Variance
Credit losses	(102.358)	-	(102.358)
Use of Designated Funds for credit losses	56.000	-	56.000
Release of provisions for bad debts	42.000	-	42.000
Release of provisions for risks	50.000	-	50.000
Total Other operating revenues and costs	45.643	-	45.643

Allocation / Use Operating Funds

Description	2021	2020	Variance
Accrual to Operating Funds & Provisions	(164.883)	(273.024)	108.142
Tot. Allocation / Use Operating Funds	(164.883)	(273.024)	108.142