

## **Agenda Item 4.4.2**

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### **R E P O R T**

Regarding the Closing of the Books

as of December 31st, 2015

of the

International Shooting Sport Federation, ISSF

Munich

I. Commission and Execution thereof

1. We were commissioned by Mr. Franz Schreiber, Secretary General of the International Shooting Sport Federation, to audit the balance as of 31st December 2015, and submit a professional audit report.

The audit of the vouchers was executed by Mrs. Heuner-Piebler, who also is responsible for the accounting for 2015.

The audit of the income and expenditures is effected by the Committee of Auditors.

2. We executed this commission in our offices in February/March 2016.
3. Full particulars were given by: Franz Schreiber, Secretary General  
Angelika Heuner-Piebler, accountant
4. All necessary books and vouchers of the International Shooting Sport Federation (registered society) were placed at our disposal.
5. According to the given statements this final balance includes all items of assets and liabilities as well as all transactions subject to the observance of the principles of orderly bookkeeping.

II. Legal Situation

Name of the Federation: International Shooting Sport Federation (registered society), ISSF

Headquarters: 80336 Munich, Bavariaring 21, GER

Statutes: effective as of July 27<sup>th</sup>, 1980, last change on April 11<sup>th</sup>, 2008

Register for Societies: District Court in Munich No. 10152 registered on 5<sup>th</sup> August 1981, last change on 4<sup>th</sup> September 2012

Financial Year: Calendar Year

Purpose: Promotes and guides the development of the amateur shooting sports, without discrimination on political, racial or religious grounds and strengthens bonds of friendship between shooting associations of all nations.

Members: 165 National shooting associations from 152 countries.

Board: President: Olegario Vázquez Raña, businessman in Mexico

Secretary General: Franz Schreiber, senior executive in Munich

The President and the Secretary General have individual right of representation.

### III. Status of Taxation

The International Shooting Sport Federation, legally registered at the Munich court has been recognized as a non profitable organization by act of the Bavarian State Taxation Department dated 22<sup>nd</sup> September 2014 and decision according to § 60a, paragraph 1 AO dated 5<sup>th</sup> June 2014.

Duty to pay taxes is restricted to the business operations (sale of stickers and pins, commissions for video tapes, advertisements in the ISSF News or in championships as well as in the internet).

In all other operations the ISSF is exempt from taxes (corporation tax, trade tax, property and capital tax) because of exclusive and direct pursuance of tax aided beneficial objects by promoting the sports.

The ISSF has been audited by the government until 31<sup>st</sup> December 2013.

Tax office Munich with tax number 143/217/40716.

### IV. Financial Situation

For budgeting reasons the IOC Subsidy is divided in 4 equal parts to the years 2012 - 2015. One quarter will be added each year to the Income. With this budgeting rule the year 2015 shows a surplus of € 130.831,09.

Again in 2015 the income could be increased slightly. Compared to the previous year, expenditures decreased slightly. A significant decrease in expenditures was prevented by the high legal costs resulting from proceedings before the Court of Arbitration for Sport (CAS). Due to the fact that, in comparison to the previous year, currency gains dropped considerably, only profits similar to the ones in the previous year could be drawn despite an increasing income and decreasing expenditures. Therefore - with the proportionate IOC's subsidies taken into account – a profit could still be achieved even after reserves were raised.

With regard to the ISSF NEWS, a slight yield reduction in subscribers as well as advertisements had to be faced for the first time in years. The successful website does not only add to and support the distribution of ISSF NEWS and the placement of insertions, but is also more and more replacing printed news. The significant cost reduction is primarily due to a fallen number of pages in consequence of having had less major events in the reporting year. Therefore, total losses made by the ISSF NEWS could be reduced considerably.

	2015	2014 €	Changes €
<b>Income:</b>			
Subscriptions	17.441,00	19.651,07	-2.210,07
Advertisements	<u>126.581,50</u>	<u>128.683,00</u>	<u>-2.101,50</u>
	<b>144.022,50</b>	<b>148.334,07</b>	<b>-4.311,57</b>
<b>Expenditures:</b>			
Printing costs	51.325,82	59.462,04	-8.136,22
Production Costs for Artworks	112.836,00	137.952,00	-25.116,00
Remunerations, Commissions, etc.	99.864,35	93.383,35	6.480,43
Value Adjustment Subscriptions	<u>949,56</u>	<u>202,54</u>	<u>747,02</u>
	<b>264.975,73</b>	<b>290.999,93</b>	<b>-26.024,77</b>
<b>Surplus/Deficit:</b>	<b>-120.953,23</b>	<b>-142.665,86</b>	<b>21.712,63</b>

V. Certificate of the Closing of the books as of 31<sup>st</sup> December 2015

1. Evidence

The fixed assets are entered in the inventory. The inventory audit had been conducted by Franz Schreiber, Secretary General.

The claims and other assets are proven by balance statements.

The cash on hand is shown in the cash amount book and bank statements of accounts.

2. Assessment

The methods of assessment correspond with the principles of orderly bookkeeping.

The general principles of assessment according § 252, line 1 Commercial Code have been observed such as

- balance continuity
- going concern of management activities
- single and effective day assessment
- precaution principle (impartiality and realization principle)
- definition of periods
- constancy principle

3. Certificate

The structure of the annual account was arranged according the rules of commercial law.

The balance is established in the form of accounts.

The order according to § 266, line 2 and 3 of the German Commercial Code was observed.

The profit-and-loss account was established in progressive rates according to the total-cost-procedure according to § 266 of the German Commercial Code.

VI. Completeness and signing

1. Completeness

I declare, that the documents and statements for the bookkeeping and for the closing of the books as of 31<sup>st</sup> December 2015 and all informations and evidence are complete and correct.

2. Signing

The statement of completeness and the following report on the closing of the books are herewith signed.

Munich, 22<sup>nd</sup> March 2016

(signature)

Franz Schreiber

VII. The Bookkeeping

The financial bookkeeping is prepared with the DATEV-bookkeeping system by Mrs. Heuner-Piehler. The vouchers are orderly remitted, sufficiently explained and filed clearly.

According to our audit the bookkeeping corresponds to the legal regulations.

The annual report was produced on the basis of the submitted bookkeeping.

VIII. Final comment and closing certificate

In reference to our audit on the closing of the books as of 31<sup>st</sup> December 2015 we give the following certificate:

The establishment of the annual report according statement and valuation of the assets was conducted under strict observance of legal regulations. No objections exist to the organisation of the bookkeeping.

The report regarding the closing of the books was produced by us on the basis of the submitted bookkeeping, the submitted documents and the given particulars. The outcome certifies completeness and correctness of given particulars and statements.

The annual report was produced under strict observance of the principles of orderly bookkeeping according to the regulations of the commercial law.

Munich, 24<sup>th</sup> March 2016

(Signature)

Alfred Reitmeier

Tax Advisor - Chartered Accountant – Law Assistant - Auditor

Details of the items of the balance account as of 31<sup>st</sup> December 2014

**A. A S S E T S**

1. Establishment ISSF Headquarters

	2015 €	2014 €
Office technology (includes Target Sprint)	14.383,00	53.193,50
Office equipment	<u>44.150,50</u>	<u>14.665,00</u>
	<b>58.533,50</b>	<b>67.858,50</b>

2. Stock of Badges, Rules and Books

	2015 €	2014 €
Stock of books, badges and similar	34.279,36	29.317,11
Stock of rules	4.620,40	6.435,12
Stock of DVDs	412,50	457,50
Stock of Equipment Control tools	<u>30.599,00</u>	<u>0,00</u>
	<b>69.911,26</b>	<b>36.209,73</b>

The stock on hand is made by physical inventory on the setting day of the closing of the books.

3. Claims from supplies

	2015 €	2014 €
Other activities	67.048,10	82.079,73
On subscribers ISSF NEWS	1.285,60	2.183,40
On sales of rule books	101,95	1.742,00
On judges licenses	4.600,00	1.365,00
On advertisers ISSF-NEWS	<u>12.907,12</u>	<u>26.590,97</u>
	<b>85.942,77</b>	<b>113.961,10</b>

4. Claims from Membership fees, ID Numbers

	2015 €	2014 €
On Memberships fees	17.133,09	1.039,41
On ID Numbers	<u>3.380,00</u>	<u>2.930,00</u>
	<b>20.513,09</b>	<b>3.969,41</b>

5. Other claims

	2015 €	2014 €
Claims on various taxes 2014	70.527,44	47.115,12
Claims on transfers assets	<u>0,00</u>	6.030,00
	<b>70.527,44</b>	<b>53.145,12</b>

6. Cash Account, Postal Account and Bank Account balance

	2015 €	2014 €
Cash Account I Munich €	19.908,63	25.718,58
Cash Account Munich US Dollars \$	6.276,79	6.996,40
Cash Account Swiss Francs SFR	3.256,77	3.566,90
Postal Giro Account (2158 45-801) €	40.573,84	10.050,42
Hypo-Vereinsbank Munich (2719320) €	456.432,50	296.568,36
Hypo-Vereinsbank Munich US Dollar Account (802129106) \$	1.031.009,26	2.066.026,47
Hypo-Vereinsbank Munich Swiss Francs Account (800128390) SFR	18.424,89	18.129,93
Hypo-Vereinsbank Munich US Dollar (800332850) \$	0,00	243.289,27
Deutsche Bank US Dollar (121093900) \$	-2,72	255,16
Deutsche Bank Euro (121093900)	5.203,75	0,00
Deutsche Bank US Dollar (121093900 financial account) \$	0,00	812.737,84
Deutsche Bank US Dollar (121093900 financial account) \$	0,00	810.964,24
	<b>1.581.083,71</b>	<b>4.294.303,57</b>

Proof has been furnished by the cash account book and bank statements of account. The value was established by a rate of exchange of € 1,08270 (TW) for Swiss Francs and 1,08770 for the US Dollar.

	31. Dec 2015 US Dollars / Swiss Francs	Rate of exchange	Balance amount in €
Cash account Munich US Dollar	6.827,26	1,08770	6.276,79
Hypo-Vereinsbank Munich US Dollar Account (802129106)	1.121.428,77	1,08770	1031009,26
Deutsche Bank US Dollar (121093900) \$	-2,96	1,08770	-2,72
Hypo-Vereinsbank Munich Swiss Francs Account (800128390)	19.948,63	1,08270	18.424,89
Cash account Munich Swiss Francs	3.526,10	1,08270	3.256,77

7. Deferred charges

	2015 €	2014 €
Deferred charges	67.400,39	6.217,04



## **B. LIABILITIES**

### 1. Capital

For budgeting reasons the IOC subsidy was divided in 4 equal parts. The first part is added to 2015.

	2015 €	2014 €
General Capital		
Situation 1 <sup>st</sup> January 2015	975.483,29	912.755,70
./. profit 2015 (profit 2014)	<u>5.831,09</u>	<u>62.727,59</u>
Situation 31 <sup>st</sup> December 2015	<b>981.314,38</b>	<b>975.483,29</b>
Capital according § 58 Nr. 7a AO (Tax Law)		
Situation 1 <sup>st</sup> January 2015	500.000,00	400.000,00
Surplus exchange differences	<u>125.000,00</u>	<u>100.000,00</u>
Situation 31 <sup>st</sup> December 2015	<b>625.000,00</b>	<b>500.000,00</b>
Special Capital (US \$ 15.596.471,05) (Subsidy IOC 2012-2015)		
Situation 1 <sup>st</sup> January 2015	2.972.115,08	5.944.230,15
Closing 1/4 of € 11.888.460,29	-2.972.115,08	<u>-2.972.115,07</u>
Situation 31 <sup>st</sup> December 2015	<b>0,00</b>	<b>2.972.115,08</b>
	<b>1.606.314,38</b>	<b>4.447.598,37</b>

### 2. Set back

	2015 €	2014 €
Set back for charges of Audit and Tax declaration	6.500,00	7.500,00
Set back for taxes	265,60	0,00
	<b>6.765,60</b>	<b>7.500,00</b>

3. Liabilites on account of advance payments

	2015 €	2014 €
Membership fees	1.035,28	6.049,97
Subscription fees ISSF NEWS	<u>567,31</u>	<u>1.089,26</u>
	<b>1.602,59</b>	<b>7.139,23</b>

4. Other Liabilities

	2015 €	2014 €
Olympic Solidarity for Asia Qualifying Competition	322.224,27	0,00
Other Liabilities	3.910,34	100.609,43
Wage Tax and Social Security	<u>13.094,98</u>	<u>12.817,44</u>
	<b>339.229,59</b>	<b>113.426,87</b>

Details to the items of the Profit and Loss Account for the period of 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2015

Reference is made to the enclosure 2. In view of the extensive specification of income and expenditures in the Profit-and-Loss Account, a detailed report may be dispensed with.

A. Income

ISSF-Membership Fees

	2015 €	2014 €
ISSF Membership fees	<b>104.881,18</b>	<b>99.145,79</b>

Entry fees/ID Numbers

	2015 €	2014 €
Entry fees	73.317,50	44.340,00
ISSF ID Numbers	9.023,66	12.243,66
	<b>82.341,16</b>	<b>56.583,66</b>

ISSF-NEWS

	2015 €	2014 €
Invoices subscription	14.141,57	15.503,32
Advertisements (foreign countries)	93.852,00	95.453,50
Advertisements (domestic)	32.729,50	33.229,50
postage refund	3.299,43	4.147,75
	<b>144.022,50</b>	<b>148.334,07</b>

Rules

	2015 €	2014 €
Rules	<b>68.093,55</b>	<b>70.950,30</b>

Fees from "official suppliers of ISSF"

	2015 €	2014 €
Fees from "official suppliers of ISSF"	<b>10.000,00</b>	<b>13.000,00</b>

Donations and subsidies (reimbursements)

	2015 €	2014 €
Subsidy GER Ministry of the Interior	10.000,00	6.000,00
Subsidy from IOC for Training Academy	62.611,81	51.538,80
Income from written off asset	0,00	765,69
Income from ISSF TV production	2.972,43	3.320,58
Reimbursements Ad Hoc Committee	51.226,02	19.881,01
Income Sponsoring (Sius)	67.048,10	61.855,67
Reimbursements WCF (WCH)	0,00	21.036,21
Insurance refund	4.109,25	3.715,45
	<b>197.967,61</b>	<b>168.113,41</b>

B. Expenditures

Expenditures for Personal charges

	2015 €	2014 €
Salaries	355.406,04	347.264,30
Social security costs	139.743,50	157.076,50
Withholding wage and church tax	187.445,13	169.025,33
Temporary time sharing employees	<u>3.277,34</u>	<u>8.571,48</u>
	<b>685.872,01</b>	<b>681.937,61</b>

Value adjustment

	2015 €	2014 €
Amount written of to bad debts from ISSF NEWS	<b>949,56</b>	<b>202,54</b>

Other Liabilities, loss on exchange rates, charges for parcel costs, advertisement etc.

	2015 €	2014 €
Loss on exchange rates	-415.543,99	-516.895,21
Bank fees	115,60	0,00
Parcel and courier service costs (DHL)	7.849,64	14.330,05
Costs for cars	45.296,20	38.466,29
I-Pad production costs	62.938,38	63.208,34
External Translation costs	29.101,31	56.843,67
Inventory correction, close out of unusable office and computer equipment	241,00	178,50
Representation costs	1.173,20	1.044,23
Costs for production for shop equipment	<u>14.300,00</u>	<u>11.700,00</u>
	<b>-254.528,66</b>	<b>-331.124,13</b>

Training Accademy

	2015 €	2014 €
Income for Training Academy (See page 15)	39.910,43	83.641,18
Subsidy from IOC for Training Academy (see page 12)	62.611,81	51.538,80
Expenditures Training Academy (See page 16)	<u>-151.033,45</u>	<u>-117.014,65</u>
	<b>-48.511,21</b>	<b>18.165,33</b>

For more details reference is made to Enclosures 1 and 2.

Enclosure 1

**Balance Sheet as of 31<sup>st</sup> December 2015  
of the International Shooting Sport Federation, Munich**

<b>ASSETS</b>		
	2015 €	2014 €
<b>I. INVESTED CAPITAL</b>		
Establishment of ISSF Headquarters (see page 7)	58.533,50	67.858,50
<b>II. WORKING CAPITAL</b>	0,00	0,00
1. Stock of badges, rules and books (see page 7)	69.911,26	36.209,73
2. Claims on supplies and services (see page 7)	85.942,77	113.961,10
3. Claims on Membership fees (see page 7)	20.513,09	3.969,41
4. Other claims (see page 7)	70.527,44	53.145,12
5. Cash, Postal and Bank Account (see page 8)	1.581.083,71	4.294.303,57
<b>III. Interests</b>	<u>67.400,39</u>	<u>6.217,04</u>
	<b>1.953.912,16</b>	<b>4.575.664,47</b>

<b>LIABILITIES</b>		
	2015 €	2014 €
<b>I. CAPITAL (see page 9)</b>	1.606.314,38	4.447.598,37
<b>II. OUTSTANDING DEBTS</b>	0,00	0,00
Set back (see page 9)	6.765,60	7.500,00
<b>III. LIABILITIES</b>	0,00	0,00
1. Advance payments on Membership fees (see page 10)	1.035,28	6.049,97
2. Advance payments on ISSF NEWS (see page 10)	567,31	1.089,26
3. Other Liabilities (see page 10)	<u>339.229,59</u>	<u>113.426,87</u>
	<b>1.953.912,16</b>	<b>4.575.664,47</b>

Enclosure 2

**Profit-and-Loss Account for the period  
of 1st January to 31<sup>st</sup> December 2015**

<b>INCOME</b>		
	2015 €	2014 €
Membership fees	104.881,18	99.145,79
Issue of Judges Licenses	13.780,59	10.823,15
Regulations, Rules and Books	68.093,55	70.950,30
Income for ISSF NEWS (see page 3)	144.022,50	148.334,07
Entry Fees	82.341,16	56.583,66
Olympic Games	161.919,68	56.265,25
Income of interests	6.862,96	10.704,06
Fees for licenses "official suppliers of ISSF"	10.000,00	13.000,00
Income of Training Accademy (see page 13)	39.910,43	83.641,18
Subsidy IOC for Training Academy (see page 13)	62.611,81	51.538,80
Subsidy GER Ministry of the Interior (see page 12)	10.000,00	6.000,00
Reimbursements Ad Hoc Committee (see page 12)	51.226,02	19.881,01
Income from ISSF TV production	2.972,43	3.320,58
Income from written off asset (see page 12)	0,00	765,69
Income Sponsoring (Sius)	67.048,10	61.855,67
Reimbursements WCH	0,00	21.036,21
Insurance refund	<u>4.109,25</u>	<u>3.715,45</u>
<b>Income</b>	<b>829.779,66</b>	<b>717.560,87</b>
Differenz 3715,45 muss richtig 717560,87	=====	=====

<b>EXPENDITURES</b>		
	2015 €	2014 €
Personal charges (see page 13)	685.872,01	681.937,61
Premises	54.874,13	53.350,29
Postage, Telephone, Telefax	52.307,32	45.412,62
Expenses for the Internet	47.178,24	61.621,01
Expenses for ISSF TV	446.610,52	559.959,75
Expenses for Press News and Public Relations	278.851,31	107.556,93
Travelling and promotion expenses	16.064,42	24.484,94
Expenses General Assembly	3.461,68	403.040,08
Expenses Administrative Council	66.426,59	62.497,20
Expenses Section Committees	65.905,50	42.756,72
Expenses Ad Hoc Committees	115.304,82	63.273,60
Olympic Games	325.526,45	107.788,64
Expenses for Technical Committee	26.148,05	4.141,99
Executive Committee	51.299,93	56.014,90
IOC/ASOIF/AGFIS/WADA	299.058,42	181.317,62
World Cups	83.668,53	51.012,75
World Cup Final	95.951,24	46.902,21
Junior World Cups	10.644,38	0,00
World Championships	47.243,27	221.639,58
Continental and other Championships/Games	19.251,43	4.816,78
Charges for machines on lease	9.145,25	11.711,01
Depreciation equipment	22.094,34	18.195,26
Costs of upkeep headquarters	29.573,74	32.487,16
Charges for book and cash audit	13.876,20	15.771,89
Charges for legal advises	204.059,71	83.342,98
Office costs through external services	43.664,35	35.373,77
Taxes	175.549,88	159.550,72
Contributions to insurances	16.556,84	15.387,58
Variations on exchange rates and bank fees	7.565,18	8.498,81
Printed Matters, forms, Office supplies	12.100,34	17.031,48
Other liabilities (see page 13)	-254.528,66	-331.124,13
Charges for ISSF NEWS (see page 3) a) Printing	51.325,82	59.462,04
b) Production of artworks	112.836,00	137.952,00
c) Remunerations, commissions	99.864,35	93.383,35
Coordination costs	63.550,00	72.300,00
Value adjustments on claims	949,56	202,54
Books, Rules, Medals, etc.	120.199,16	200.882,02
Training Academy (see page 13)	151.033,45	117.014,65
<b>Expenditures</b>	<b>3.671.063,75</b>	<b>3.526.948,35</b>
Deficit of the year	-2.841.283,99	-2.809.387,48
IOC Subsidy Part (see page 9)	+2.972.115,08	+2.972.115,07
Capital according § 58 Nr. 7a AO (Tax Law)	-125.000,00	-100.000,00
<b>Balance Surplus (see page 9)</b>	<b>5.831,09</b>	<b>62.727,59</b>