

Fédération Internationale de Natation

Lausanne

Report of the statutory auditor
to the Bureau on the financial statements 2020



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 2020.

Treasurer's responsibility

The 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 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 2020 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 Treasurer.

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

PricewaterhouseCoopers SA



Philippe Tzaud
Audit expert
Auditor in charge



Mathieu Roth
Audit expert

Lausanne, 1 March 2021

Enclosure:

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

Balance sheet at December 31
(in Swiss Francs)

	Notes	31.12.2020	31.12.2019
Assets			
Current assets			
Cash and cash equivalents	3	36 836 127	31 321 276
Financial assets at fair value	3	100 771 632	109 126 640
Accounts receivable, net	4	15 565 554	8 043 961
Other short term receivables		147 704	372 942
Prepayments and accrued income	5	6 123 981	3 002 421
Total current assets		159 444 998	151 867 240
Non-current assets			
FINA Property	6	16 669 989	16 935 989
Other tangible fixed assets	6	1	1
Total non-current assets		16 669 990	16 935 990
Total assets		176 114 988	168 803 230
Liabilities and capital			
Current liabilities			
Accounts payable	7	2 702 770	6 830 862
Other short term payable	8	984 991	513 301
Accrued liabilities	9	7 540 836	7 933 688
Deferred income - short term	10	18 214 796	6 626 149
Host City guarantees in deposit	11	381 901	2 318 287
Total current liabilities		29 825 294	24 222 287
Non-current liabilities			
Deferred income - long term	10	52 303 356	27 482 445
Provisions	12	2 800 000	2 300 000
Host City Guarantees in deposit	11	6 191 590	8 286 031
Total non-current liabilities		61 294 946	38 068 476
Funds restricted capital	13	0	0
Organisation capital			
Tied capital	13	83 236 544	103 385 374
Free capital	13	1 758 204	3 127 093
Total liabilities and capital		176 114 988	168 803 230

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

	Notes	2020	2019
Income			
IOC Contributions and Olympic Games related income	14	267 821	255 903
FINA Events Income	15	6 458 367	67 609 491
Communication programmes		2 958	5 909
Penalty fees and other fees		298 605	494 686
Other Income		1 936 451	303 874
		8 964 202	68 669 863
Expenditure			
Olympic Games expenses		59 250	60 359
FINA Events expenses	16	9 171 139	56 189 725
Development activities	14, 18	6 571 847	6 877 635
Out of Competition doping control	17	2 198 116	3 398 151
Communication and promotion expenses		514 597	585 447
Rules and regulations control activities		126 833	105 321
Administration expenses	19	8 417 788	8 960 517
Movements on doubtful debtors provision		1 026 094	(502 950)
		28 085 664	75 674 205
		(19 121 462)	(7 004 342)
Operating result			
Financial activities - Gain (Loss)	20	(2 396 257)	6 476 904
		(21 517 719)	(527 438)
Result before change in fund capital			
Change in Funds restricted capital		0	0
		(21 517 719)	(527 438)
Annual result (loss) before allocation to organisation capital			
Organisation free capital at beginning of year		3 127 093	2 876 407
		(18 390 626)	2 348 969
Free capital prior allocation / release on tied capital			
Allocation and release on organisation tied capital 13, 26			
Event cancellation reserve		(16 573 246)	7 000 000
Functioning reserve		0	3 000 000
Financial assets fluctuation reserve		0	3 000 000
Development programmes		(3 575 584)	(3 778 124)
Digital projects		0	(10 000 000)
		(20 148 830)	(778 124)
		1 758 204	3 127 093
Organisation free capital as at December 31,			

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

	2020	2019
Result for the year gain (Loss)	(21 517 719)	(527 438)
Depreciation and amortisation	266 000	277 906
Decrease (increase) in receivables and other short term receivables	(7 296 355)	1 908 248
Decrease (increase) in prepayments and accrued income	(3 121 560)	(2 574 054)
(Decrease) increase in current liabilities	(3 656 402)	1 958 606
(Decrease) increase in deferred income	36 409 558	(8 739 852)
(Decrease) increase in guarantees	(4 030 827)	4 147 013
(Decrease) increase in non current provisions	500 000	872 000
(Decrease) increase in accrued liabilities	(392 852)	(2 990 341)
Cash flow from operating activities	(2 840 157)	(5 667 912)
Decrease (increase) in securities	8 355 008	(358 300)
Cash flow from investment activities	8 355 008	(358 300)
Cash flow from financing activities	0	0
Change in cash	5 514 851	(6 026 212)
Cash as at 1.1.	31 321 276	37 347 488
Cash as at 31.12	36 836 127	31 321 276
Evidence of change in cash	5 514 851	(6 026 212)

NOTES TO THE FINANCIAL STATEMENTS 2020**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).

1.1 Coronavirus impact

In January 2020, coronavirus outbreak occurred in China and spread to Europe, North America and other regions. This impacted the federation's business operation as most Events needed to be rescheduled or cancelled.

The FINA Calendar of Events was reassessed following the postponement of FINA's major Events and the Olympic Games Tokyo 2020 to 2021.

Necessary measures were taken by the Federation to plan operational activities in order to preserve the safety and health of the different stakeholders.

The postponement of FINA Events impacted negatively on FINA's Income statement. FINA benefitted from short time working compensations (RHT) and a loan from the International Olympic Committee.

Development programs were run, if needed remotely, to the benefit of National Federations and athletes.

NOTES TO THE FINANCIAL STATEMENTS 2020

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.

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		2020	2019
1 USD	Average rate	0.9615	0.9936
1 EURO	Average rate	1.08459	1.1125
1 USD	Year end rate	0.883944	0.9684
1 EURO	Year end rate	1.08155	1.0870

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.

NOTES TO THE FINANCIAL STATEMENTS 2020**2.5 Financial assets at fair value**

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.

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 2020

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

3. Cash and cash equivalents and financial assets at fair value

	December 31, 2020 CHF	December 31, 2019 CHF
Cash and cash equivalents	36 836 127	31 321 276
Fiduciary and term deposits, structured products	9 494 585	21 936 597
Marketable securities	91 277 047	87 190 043
Financial assets at fair value	100 771 632	109 126 640
Total cash, cash equivalents and financial assets at fair value	137 607 759	140 447 916
including Host Cities funds deposited as guarantee	6 320 565	6 389 691
Cash, cash equivalents and financial assets at fair value by currency		
In Swiss Francs	70 010 612	82 952 916
In US Dollars	51 534 206	38 474 482
In Euro	13 776 753	15 697 363
In other currencies	2 286 189	3 323 155
Total as above	137 607 759	140 447 916

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

Financial assets at fair value 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. As per the agreed terms of the Host City or staging contract, these funds will be returned after the Events they relate to will take place.

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 2020

	December 31, 2020 CHF	December 31, 2019 CHF
4. Accounts receivable, net		
Accounts receivable		
Federations	536 845	2 563 051
Host cities	8 163 270	4 346 716
Broadcasters and sponsors	8 736 487	1 718 522
FINA Family	42 249	11 362
Other debtors	131 876	423 413
	<u>17 610 727</u>	<u>9 063 064</u>
Provision for doubtful accounts	(2 045 173)	(1 019 103)
	<u>15 565 554</u>	<u>8 043 961</u>

Only accounts receivable overdue at December 31 and still unsettled 60 days past 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, 2020 CHF	December 31, 2019 CHF
5. Prepayments and accrued income		
Prepaid general expenses	99 248	87 825
Prepaid expenses for events	5 870 666	2 736 532
Accrued income on short term deposits and marketable securities	154 067	178 064
	<u>6 123 981</u>	<u>3 002 421</u>

Prepaid expenses comprise mainly accommodation, travel and ticket costs in relation with the Tokyo Olympic Games 2020 which have been reported to the year 2021.

They comprise also activated agents commissions in relation with sponsor and broadcasting contracts for future events.

NOTES TO THE FINANCIAL STATEMENTS 2020

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, 2019 CHF
Net carrying value as of January 1,	17 201 989	11 907	17 213 896
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	532 000	47 630	579 630
Depreciation	266 000	11 906	277 906
Disposals	0	0	0
Impairment	0	0	0
End of the period 31.12	798 000	59 536	857 536
Net carrying value as of December 31,	16 935 989	1	16 935 990
Depreciation rate per year	1.50%	40%	

in Swiss francs	FINA Property CHF	Other tangible fixed assets CHF	December 31, 2020 CHF
Net carrying value as of January 1,	16 935 989	1	16 935 990
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	798 000	59 536	857 536
Depreciation	266 000	0	266 000
Disposals	0	0	0
Impairment	0	0	0
End of the period 31.12	1 064 000	59 536	1 123 536
Net carrying value as of December 31,	16 669 989	1	16 669 990
Depreciation rate per year	1.50%	40%	

Investments in equipment, hardware and software services are taken to Income Statement. They are reported under Note 19 Administration costs. The position includes total costs of CHF 922 934 (2019: CHF 669 417).

NOTES TO THE FINANCIAL STATEMENTS 2020

	December 31, 2020 CHF	December 31, 2019 CHF
7. Accounts payable		
General suppliers		
Federations	489 909	2 020 593
Fina Family	14 780	51 175
Host Cities	701 334	968 307
Other suppliers	1 496 747	3 790 787
	2 702 770	6 830 862

	December 31, 2020 CHF	December 31, 2019 CHF
8. Other short term payable		
IOC Loan	883 944	0
Value added taxes	17 985	290 649
Employee related liabilities	83 062	222 652
	984 991	513 301

In liaison with the Covid 19 situation, the International Olympic Committee granted a loan of USD 1'000'000.- for the year 2020.

	December 31, 2020 CHF	December 31, 2019 CHF
9. Accrued liabilities		
Events related accruals	2 531 572	5 107 401
Agents fees payables	2 205 176	949 469
Staff related provisions	620 477	907 171
Other accrued expenses	2 183 611	969 647
	7 540 836	7 933 688

NOTES TO THE FINANCIAL STATEMENTS 2020

10. Deferred income	December 31, 2020 CHF	December 31, 2019 CHF
Changes in deferred income balances		
Net value as of January 1,	34 108 594	42 848 446
Additions	36 439 484	13 239 735
Release to income statement	(11 200)	(22 005 284)
Other adjustments	(18 726)	25 697
Value as of December 31	70 518 152	34 108 594
Deferred income by type of income		
Affiliation fees	4 400	11 800
Bid and registration fees	77 506	79 427
Host Cities (WCH) partnership rights and fees	39 336 063	29 465 977
Host Cities (WCH) HB and TV budgeted costs	9 926 977	282 196
Broadcasters and sponsors	19 733 898	3 111 305
Olympic Games related and other income	1 439 308	1 157 889
	70 518 152	34 108 594
As per balance sheet, short and long term liability		
Current liabilities deferred income - < 12 Months	18 214 796	6 626 149
Non current liabilities deferred income - > 12 months	52 303 356	27 482 445
	70 518 152	34 108 594

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 2020

	December 31, 2020 CHF	December 31, 2019 CHF
11. Host City guarantees held in deposit		
Changes in guarantees held in Deposit		
Carrying amount as of January 1,	10 604 318	6 457 305
Guarantees invoiced	23 018	4 172 126
Guarantees refunded or released	(4 053 845)	(25 113)
Carrying amount as of December 31,	6 573 491	10 604 318
As per balance sheet, short and long term liability		
Guarantees to release - < 12 months	381 901	2 318 287
Guarantees held - long term > 12 months	6 191 590	8 286 031
	6 573 491	10 604 318
Off balance sheet guarantees covered by bank guarantee	1 767 888	0

Guarantees are funds received in deposit as contractually provided in relation with the organisation of an Event. Contractual guarantees covered by a formal bank guarantee are recorded off balance sheet.

	December 31, 2020 CHF	December 31, 2019 CHF
12. Provisions		
Legal matters and other provisions	2 800 000	2 300 000
Provisions as of January 1	2 300 000	1 428 000
Constitution of provisions	500 000	872 000
Release of provisions	0	0
Provisions as of December 31	2 800 000	2 300 000

Legal matters and other provisions relate mainly to legal disputes and pending doping cases.

NOTES TO THE FINANCIAL STATEMENTS 2020

13. Restricted funds and organisation capital

Restricted funds and organisation capital for the year ended

Statement of changes in capital 2019	01.01.2019 CHF	Allocations CHF	Use of funds CHF	Internal transfer CHF	Total change CHF	Balance 31.12.2019 CHF
Organisation capital						
FINA Digital projects	16 573 246	0	0	(10 000 000)	(10 000 000)	6 573 246
Development programmes	34 590 252	0	(3 778 124)	0	(3 778 124)	30 812 128
Reserves						
Event cancellation reserve	35 000 000	0	0	7 000 000	7 000 000	42 000 000
FINA functioning reserve	10 000 000	0	0	3 000 000	3 000 000	13 000 000
Financial assets fluctuation reserve	8 000 000	0	0	3 000 000	3 000 000	11 000 000
Total tied capital	104 163 498	0	(3 778 124)	3 000 000	(778 124)	103 385 374
Free available capital	2 876 407	(527 438)	3 778 124	(3 000 000)	250 686	3 127 093
Total free capital	2 876 407	(527 438)	3 778 124	(3 000 000)	250 686	3 127 093
Total Organisation capital	107 039 905	(527 438)	0	0	(527 438)	106 512 467

Proposal of allocation for the year 2020

Statement of changes in capital 2020	Balance 1.1.2020 CHF	Allocations CHF	Use of funds CHF	Internal transfer CHF	Total change CHF	Balance 31.12.2020 CHF
Organisation capital						
FINA Digital projects	6 573 246	0	0	0	0	6 573 246
Development programmes	30 812 128	0	(3 575 584)	0	(3 575 584)	27 236 544
Reserves						
Event cancellation reserve	42 000 000	0	0	(16 573 246)	(16 573 246)	25 426 754
FINA functioning reserve	13 000 000	0	0	0	0	13 000 000
Financial assets fluctuation reserve	11 000 000	0	0	0	0	11 000 000
Total tied capital	103 385 374	0	(3 575 584)	(16 573 246)	(20 148 830)	83 236 544
Free available capital	3 127 093	(21 517 719)	3 575 584	16 573 246	(1 368 889)	1 758 204
Total free capital	3 127 093	(21 517 719)	3 575 584	16 573 246	(1 368 889)	1 758 204
Total Organisation capital	106 512 467	(21 517 719)	0	0	(21 517 719)	84 994 748

NOTES TO THE FINANCIAL STATEMENTS 2020

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 and market 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 2019/2018 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 2020

14. IOC Contributions and other OG related income	2020 CHF	2019 CHF
IF Development programmes	267 821	250 869
Other Olympic Games related income	0	5 034
	267 821	255 903

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 CHF 20.4 millions (USD 20.9 mio); at the end of 2020, the value of the fund is CHF 9.5 millions (2019 CHF 13.1 millions).

15. FINA Events income	2020 CHF	2019 CHF
Bid and registration fees		
World Championships	0	9 284
World Swimming Championships	0	(4 992)
Other Events	12 521	695 112
	12 521	699 404
Host Cities partnerships rights and fees		
World Championships	0	9 633 100
World Swimming Championships	0	0
Other Events	1 990 208	1 081 877
	1 990 208	10 714 977
TV Rights and sponsorship income		
World Championships	1 530 006	24 365 036
World Swimming Championships	19 923	203 474
Other Events	1 800 363	7 221 330
	3 350 292	31 789 840
Value in kind		
World Championships	282 902	19 086 553
World Swimming Championships	0	0
Other Events	450 000	2 995 120
	732 902	22 081 673
Other Income		
World Championships	0	319 488
World Swimming Championships	0	2 793
Other Events	372 444	2 001 316
	372 444	2 323 597
	6 458 367	67 609 491

NOTES TO THE FINANCIAL STATEMENTS 2020

16. FINA Events expenses	2020 CHF	2019 CHF
FINA Family Expenses		
Hotel, travel and per diem		
World Championships	1 669	2 693 872
World Swimming Championships	0	49 031
Other events	417 117	3 623 415
Members medical insurance	70 000	199 537
Professional and liability insurance	45 664	45 244
Protocol awards	106 273	273 268
Other expenses	32 275	943 915
	672 998	7 828 282
Third parties services		
Marketing agent		
World Championships	207 600	4 165 461
World Swimming Championships	1 841	(54 655)
Other Events	740 375	383 845
TV professional services and Host Broadcaster costs		
World Championships	0	9 726 740
World Swimming Championships	0	(31 095)
Other events	82 880	373 718
Value in kind on sponsorship contracts		
World Championships	(18 046)	4 732 383
World Swimming Championships	0	0
Other events	950 001	2 718 813
Legal services	2 807 295	3 144 511
Other third parties services	747 461	1 536 247
	5 519 407	26 695 968
Federations support		
World Championships	0	4 049 970
World Swimming Championships	0	0
Other FINA Events travel support and contributions	147 105	2 701 613
	147 105	6 751 583
Athletes support		
Prize monies and other athletes support		
World Championships	2 459	6 152 059
World Swimming Championships	0	(52 660)
Other FINA Events	2 829 170	8 814 493
	2 831 629	14 913 892
	9 171 139	56 189 725

NOTES TO THE FINANCIAL STATEMENTS 2020

17. Out of competition doping control	2020 CHF	2019 CHF
Out of competition tests	2 069 335	3 204 484
Other doping control related expenses	128 781	193 667
	2 198 116	3 398 151

In 2019 FINA contractually delegated the International Testing Agency (ITA) with the management and implementation of Out of competition doping control activities.

18. Development activities	2020 CHF	2019 CHF
Clinics, schools and certification programme	169 831	871 875
Scholarships athletes	1 265 221	1 554 175
Continental association contributions	474 999	440 199
Federation support (travel; accommodation)	0	265 323
Olympic Aquatic Support Programme (OASP)	3 575 583	3 503 751
Other programmes	156 408	242 312
Pools and training centers contributions	929 805	0
	6 571 847	6 877 635

Scholarship programmes offer financial and technical assistance to athletes as per the programmes regulations. Clinics and school expenses cover organisation support, boarding and travel expenses.

OASP provide financial support to FINA National Member Federations to develop aquatics within their territories.

Other programmes comprise Aquatic days, Swimming for All, Water Polo Development and E-learning platform.

19. Administration expenses	2020 CHF	2019 CHF
Payroll charges	6 759 669	7 487 582
Communication and software related consultancy services	883 514	657 624
FINA HQ Premises equipment and maintenance costs	335 498	335 596
General administration costs	173 107	201 809
Depreciation tangible assets	266 000	277 906
	8 417 788	8 960 517

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". Professional services rendered by FINA committee members with financial impact are reported under their related cost caption.

Payroll charges are net of insurance and short time working compensations (RHT). Total compensations cashed in in 2020: CHF 509 680 (2019: CHF 83 888)

NOTES TO THE FINANCIAL STATEMENTS 2020

20.	Financial activities	2020 CHF	2019 CHF
	Investment activities		
	Interest on bonds, money markets and derivatives	1 217 095	1 648 640
	Custody fee, commissions and bank charges	(714 309)	(799 990)
		<u>502 786</u>	<u>848 650</u>
	Valuation variations		
	Fluctuations on marketable securities reimbursed values	(2 036)	(12 596)
	Financial investments valued at true and fair view	(548 287)	6 039 089
		<u>(550 323)</u>	<u>6 026 493</u>
	Exchange difference fluctuations		
	Capital premium on structured products	894 458	839 200
	Realized and unrealized exchange differences	(3 243 178)	(1 237 439)
		<u>(2 348 720)</u>	<u>(398 239)</u>
	Financials results - net (Loss)	<u>(2 396 257)</u>	<u>6 476 904</u>

21.	Full-time positions	2020	2019
	Full-time positions at the end of the period	39.7	37.05
	Average positions through the year	39.9	37.5

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

22.	Fees paid to the auditors	2020 CHF	2019 CHF
	Internal audit services	28 271	59 348
	External audit services	58 320	49 634
		<u>86 591</u>	<u>108 982</u>

23. Pension Liabilities

FINA has joined two collective insurance foundations 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, the total liability towards the pension fund amounted to CHF 58 921 (2019 : CHF 58 423).

For the year under review, the contributions paid by FINA to the pension scheme amount to CHF 559 211 (2019: CHF 507 917)

NOTES TO THE FINANCIAL STATEMENTS 2020**24. Contingent liabilities**

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

25. Significant events occurring after the balance sheet date

None

26. Allocation of result

The overall excess of expenses against income of CHF 21.5 millions for the year 2020 was covered by FINA organisation free and tied capital.

Funds covering FINA's commitment towards OASP programmes over the period 2018-2021 were released to free available capital to reflect the decrease of the commitment in accordance with 2020 OASP disbursements; total release for the year 2020 amount to CHF 3.6 million (2019 CHF 3.8 million);

The remaining excess of expenses over income was covered by the release of CHF 16.6 million out of the "Event Cancellation" Reserve.
