

**WORLD KARATE FEDERATION**  
**INCOME & EXPENDITURE STATEMENT**  
**YEAR ENDED 31 DECEMBER 2022**

	NOTE	2022 chf	2021 chf
<b>INCOME</b>			
Membership Fees		232.537	225.674
WKF Championships		256.742	213.963
Other WKF Events		341.387	282.099
Referee Courses Fees		205.868	123.583
Coach Course Fees		431.850	345.233
IOC Grant	2	1.012.077	1.497.391
Merchandising		32.369	53.708
Sponsorship Net		797.767	518.842
Other Income		26.170	60.301
Extraordinary Income	3	575.000	429.000
<b>TOTAL INCOME</b>		<b>3.911.767</b>	<b>3.749.794</b>
<b>EXPENDITURE</b>			
Event Management		461.277	392.498
ISB Broadcasting Fee		176.245	163.749
Executive Committee Expenses		60.517	10.490
President's Office Expenses		50.000	50.000
Secretary's Office Expenses		26.000	26.000
Treasurer's Office Expenses		26.000	26.000
Organising Commission		12.351	756
Sports Commission		22.257	3.410
Referee Commission		22.572	966
Medical Commission		1.740	617
Technical Commission		526	1.453
Athletes Commission		7.487	2.508
Public Relations		40.199	22.149
Affiliations		7.059	9.962
General Expenditure		39.007	24.839
Website Management		27.597	27.244
Audit		8.302	7.079
IOC, ASOIF, Sport Accord - Issues Management		13.989	228
Olympic Issues Management		0	256.642
Development Programmes		18.678	60.973
WKF Tokyo Office		0	100.000
Legal & Translations		50.943	53.553
HQ Staff Structure		312.134	262.852
Olympic Games Programme	4	306.314	519.000
Communications		45.412	59.436
Anti Doping Programme		70.062	102.932
Other Expenses		71.907	39.223
COVID-19		90.993	138.428
Extraordinary Contingency	4	999.600	300.000
Extraordinary IOC	4	732.127	975.927
Depreciation and Amortisation		9.990	7.872
<b>TOTAL EXPENDITURE</b>		<b>3.711.285</b>	<b>3.646.786</b>
<b>NET SURPLUS (DEFICIT) FOR YEAR BEFORE TAX</b>		<b>200.482</b>	<b>103.008</b>

**WORLD KARATE FEDERATION**

**INCOME & EXPENDITURE STATEMENT  
YEAR ENDED 31 DECEMBER 2022**

	<b>NOTE</b>	<b>2022</b>	<b>2021</b>
		<b>chf</b>	<b>chf</b>
<b>NET SURPLUS (DEFICIT) FOR YEAR BEFORE TAX</b>		200.482	103.800
Income Tax Expense		<u>27.672</u>	<u>1.362</u>
<b>NET SURPLUS (DEFICIT) FOR YEAR</b>		172.810	101.646
Retained Earnings at beginning of financial year		<u>2.246.857</u>	<u>2.145.211</u>
<b>RETAINED EARNINGS AT END OF FINANCIAL YEAR</b>		<u>2.419.667</u>	<u>2.246.857</u>

**WORLD KARATE FEDERATION****BALANCE SHEET  
AS AT 31 DECEMBER 2022**

	NOTE	2022 CHF	2021 CHF
<b>NON-CURRENT ASSETS</b>			
Intangible assets	6	11.686	10.721
Building - HQ Office	5	848.939	829.052
		<u>860.625</u>	<u>839.773</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3.374.996	3.754.338
Receivables		105.622	192.007
Prepaid Expenditure		55.404	55.715
Vouchers Travel Agency		0	7.817
Long-Term Investments		964.217	
		<u>4.500.239</u>	<u>4.009.877</u>
<b>TOTAL ASSETS</b>		<b>5.360.864</b>	<b>4.849.650</b>
<b>CURRENT LIABILITIES</b>			
Payables		709.470	551.866
Provisions	4	2.231.727	2.050.927
<b>TOTAL LIABILITIES</b>		<u>2.941.197</u>	<u>2.602.793</u>
<b>NET ASSETS</b>		<u><b>2.419.667</b></u>	<u><b>2.246.857</b></u>
<b>MEMBERS FUNDS</b>			
Retained earnings		<u>2.419.667</u>	<u>2.246.857</u>

# WORLD KARATE FEDERATION

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WORLD KARATE FEDERATION

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of the World Karate Federation, which comprises the balance sheet as at 31 December 2022, the income and expenditure statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Treasurer on the annual statements giving a true and fair view of the financial position and performance of the Federation.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Federation as at 31 December 2022 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Federation's Statutes.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of Matter*

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Federation to meet the requirements of the Federation's Statutes. As a result, the financial report may not be suitable for another purpose.

We draw attention to Note 4 to the financial statements which details the provisions of 2,231,727 CHF at 31/12/2022 in order to:

- develop an Olympic campaign leading up to the 2028 Olympics.
- implement the WKF Strategic Plan for 2022-2025.
- assist in overcoming the consequences of the Covid-19 pandemic and managing and dealing with future crises and similar contingencies.

The adjustment of provisions during the financial year has resulted in a net charge to income and expenditure of 180,800 CHF detailed as follows:-

Provisions at 31/12/2021	CHF 2,050,927
Net increase charged to income and expenditure	180,800
Provisions at 31/12/2022	<u>2,231,727</u>

The audit opinion expressed in this report has been formed on the above basis and is not modified in respect of the above matters.

#### *Responsibilities of the Committee for the Financial Report*

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the World Karate Federation and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report 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 the Australian Auditing Standards 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 report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee'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 association'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 report 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 association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the committee 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.



Norman Hoare  
Registered Company Auditor

Morris & Batzloff  
Chartered Accountants  
141 Logan Road, Woolloongabba  
Queensland, Australia

Dated: 12/4/2023