

# World Baseball Softball Confederation

Pully

Report of the statutory auditors to the  
Congress

on the financial statements 2019

# Report of the statutory auditors

## on the limited statutory examination to the Congress of

### World Baseball Softball Confederation

### Pully

As statutory auditors, we have examined the financial statements of World Baseball Softball Confederation, which comprise the balance sheet, statement of income and expenditure and notes, for the year ended 31 December 2019.

These financial statements are the responsibility of the Executive Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of association personnel and analytical procedures as well as detailed tests of association documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the association's articles of incorporation.

PricewaterhouseCoopers SA



Philippe Tzaud  
Audit expert  
Auditor in charge



Patrick Wagner  
Audit expert

Lausanne, 8 October 2020

Enclosure:

- Financial statements (balance sheet, statement of income and expenditure and notes)

Balance sheet at December 31  
(in CHF)

2019

Assets

Cash and Cash Equivalents	12.697.352
Trade Receivables and Prepaid Expenses	5.745.335
Loans and Investments with Partner Companies	940.090
Other Financial Assets	1.389.836
Guarantees	7.682
Tangible Fixed Assets - New Headquarters	11.646.867
Provision on a Subsidiary	0

<b>Total assets</b>	<b>32.427.162</b>
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Liabilities and funds

Trade Payables and Short Term Liabilities	11.424.746
Mortgage Loan for New Headquarters	5.820.000
Swiss Government (Covid-19 Loan)	0
	<b>17.244.746</b>

Profit (Loss) carried forward	15.182.412
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<b>Total liabilities and funds</b>	<b>32.427.158</b>
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Statement of income and expenditure for the year ended December 31  
(in CHF)

	2019
Income	
<b>WBSC MEMBERSHIP FEES</b>	<b>48.021</b>
<b>WORLD TOURNAMENTS</b>	<b>362.598</b>
Participation and Organization Fees BB/SB/BB5	362.598
<b>SPONSORING - CONTRIBUTIONS</b>	<b>280.255</b>
Baseball - Softball	40.128
Other	0
IOC Contributions + OG Tokyo 2020	240.127
<b>TV RIGHTS - PARTNERS</b>	<b>34.430.736</b>
Baseball Softball World Cups	51.563
Premier 12 - 2023 - 2027 Contract	32.686.777
Major League Baseball	1.692.396
Other	0
<b>FINANCIAL INCOME</b>	<b>445.900</b>
Interest on Investments	281.624
Exchange Gain	164.276
<b>OTHER INCOMES</b>	<b>230.531</b>
Licensing	0
Miscellaneous Incomes	217.117
Development Projects	0
Profit/Loss on Debtors	13.414
	<b>35.798.041</b>

**World Baseball Softball Confederation, Pully**

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	2019
<b>Expenditures</b>	
<b>PERSONNEL DIRECT and INDIRECT EXPENDITURES</b>	<b>2.596.158</b>
Salaries (Including Social Charges)	2.089.452
Professional Mandates (External Consultants)	506.706
<b>ADMINISTRATION</b>	<b>1.233.286</b>
Rent, Maintenance and Premises Costs	321.521
Office Supplies and Other	202.618
Telecommunications	375.619
Personnel Travel Costs	131.104
Outside Services (Legal Fees, Account., Marketing, Agency Fees ecc.)	202.424
<b>FINANCIAL EXPENSES</b>	<b>906.101</b>
General Bank Costs	28.566
Currency Exchange Losses	877.535
<b>COMPETITION COSTS</b>	<b>1.389.183</b>
Marketing/TV Costs - Branding, Logistics	
Baseball Events Costs	
Softball Events Costs	1.361.892
Baseball5 Events Costs	
Antidoping Costs	27.291
<b>DEVELOPMENT PROGRAM</b>	<b>5.897.401</b>
<b>PREMIER 12 TOURNAMENT EXPENSES</b>	<b>17.172.482</b>
<b>OLYMPIC REINSTATEMENT CAMPAIGN</b>	<b>404.204</b>
<b>COMMISSIONS</b>	<b>154.392</b>
<b>INSTITUTIONAL BODIES</b>	<b>845.451</b>
Executive Committee and Presidential Council Meetings	395.350
Executive Members	414.511
Executive Director	35.590
<b>CONGRESS and OTHER CONFERENCES</b>	<b>263.563</b>
<b>OTHER EXPENDITURES</b>	<b>1.775.730</b>
New Projects	114.617
WBSC Commercial Projects	1.258.801
Other - Olympic Games Tokyo 2020	333.264
New Headquarters - Taxes, Financial Interests and Various Expen.	69.048
<b>DEPRECIATIONS</b>	<b>20.282</b>
	<b>32.658.233</b>
<b>Excess of (expenditure)/income for the year</b>	<b>3.139.808</b>

**Notes to the financial statements 2019  
(in CHF)**

**1. Activity**

The World Baseball Softball Confederation (WBSC) is the world-wide Baseball & Softball sports organization, the headquarters of which are located in Lausanne, Switzerland.

The main objectives of WBSC are to promote and encourage the development of Baseball & Softball in all possible manifestations throughout the world, to promote and encourage the development of international relations, to organise World Championships and WBSC events and to adopt rules for the various competitions.

**2. Summary of significant accounting policies**

**2.1 Basis of accounting**

WBSC is a not for profit association governed by the provisions of the Swiss Civil Code.

These 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 963b CO, effective since 1 January 2013).

Deferred income received for events to be held in the future, where reimbursement of these funds would be necessary in the case of event cancellation, are deferred in the balance sheet and not recognised as income until the event for which the funds were received has taken place.

**2.2 Accounting for foreign currencies**

Assets and liabilities denominated in currencies other than Swiss franc are recorded based on exchange rates ruling at the year-end. Transactions denominated in other than Swiss franc are recorded at monthly rates. All exchange losses and realised exchange gains are recognised in the statement of income and expenditure.

Closing rate	2019
USD / CHF	0.96837
EUR / CHF	1.08700

**December 31,  
2019**

**2.3 Revenue recognition**

Revenues for services provided is generally recorded when earned and collection is reasonably assured. Marketing & Media Rights revenues is recorded related to the contractual agreements and invoices related issued.



**Notes to the financial statements 2019  
(in CHF)**

**2.4 Receivables**

Trade receivables and other short-term receivables are carried at their nominal value. Impairment charges are calculated for these assets on an individual basis.

<b>3. Investments</b>	<b>31.12.2019</b>
Teammate Sport International s.r.l. - San marino	Votings rights
Share capital . EUR 26'000	70%
 BASE INTERNATIONAL SA - Pully	 65%
Share capital : CHF 100'000	
 <b>4. Tangible fixed assets</b>	 <b>31.12.2019</b>
WBSC Headquarter	8'830'000
Headquarter renovation expenditure capitalized	2'801'221
Other tangible fixed assets	15'646
	<u>11'646'867</u>
 <b>5. Gurantees, other indemnities and assets pledged in favour of third parties</b>	 <b>31.12.2019</b>
Mortgage titles	4'000'000
WBSC Headquarter (Pully)	8'830'000
 <b>6. Funds</b>	
At beginning of year	12'042'607
Integration of Baseball federation 1 January 2018	0
Result of the year	3'139'808
At end of year	<u>15'182'415</u>
 <b>7. Partners</b>	
Major League Baseball	1'692'396
ISF - International Softball Federation	0
	<u>1'692'396</u>

Notes to the financial statements 2019  
(in CHF)

8. Premier 12

The Premier12 competition contract for the next editions -- as the major part of the WBSC growth strategy -- will significantly help the WBSC over the next years, especially in the short- and mid-term, resulting in sustained financial security, which will allow the WBSC to improve its overall operations and potential for increasing revenue generation and asset performance.

As Marketing & Media Rights contracts often foresee advance payments, revenues in connection with future Premier 12 tournaments (2023 and 2027 editions) are recognized as per contractual agreements and invoicing related, based on cash received.

The following table shows the revenue recognized for future Premier12 events as well as the amount of aggregate payments invoiced for the 2019 edition.

In case any Premier 12 event will be canceled due the fault of WBSC (Force Majeure matters excluded) the advance payments needs to be paid back.

WBSC estimates that there is no risk of cancellation other than possible force majeure and based on this recognize revenues as per contractual payment terms (based on cash received).

Revenue	
Premier 12 - 2019	28'640'777
Premier 12 - 2023 and 2027	4'046'000
	<u>32'686'777</u>

Advanced payments related to future competitions	31.12.2019
Premier 12- 2019	0
Premier 12 - 2023 and 2027	11'680'400
- Payments received in 2018	7'634'400
- Payments received in 2019	4'046'000
	<u>11'680'400</u>

9. Administration expenditure

Consultants and staff mandate	506'706
Communications	375'619
Rent and maintenance	321'521
Office supplies and other	202'618
Outsides services	202'424
Personnel travel expenses	131'104
	<u>1'739'991</u>



Notes to the financial statements 2019  
(in CHF)

**10. Executive Committee**

Executive Committee Meetings	395'350
Executive Members	293'947
Executive Director	35'590
Division Chairman	120'564
	<u>845'451</u>

**11. Other expenditure**

Olympic Games Tokyo 2020	333'264
New Project - Baseball 5	114'617
WBSC commercial projects	1'258'801
Support contribution for ISF functioning	0
	<u>1'706'682</u>

**12. Workforce**

The number of full-time equivalents was between 10 and 50 on an annual average basis.

**13. Subsequent events**

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken to contain the virus have affected economic activity and the WBSC business in various ways:

- Postponing of Events
- Postponing of Marketing & Media Rights revenues as events are postponed
- Implementation of New Projects are delayed

The entity applied for a government-supported loan of CHF 3.600.000, which has been granted on 31.07.2020 at an interest rate of 0,0% for the first 500.000 CHF and 0,5% for the remaining amount.

The entity applied for short-shift working compensation (Kurzarbeitsentschädigung / indemnité en cas de réduction de l'horaire de travail) for the majority of the Lausanne based staff, which has been approved on 21.04.2020. Additional staff that was not entitled for short work voluntarily accepted a reduction of the payments for the same period.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the WBSC may experience, deferral of compensation, negative results and liquidity restraints. The exact impact on our activities in the remainder of 2020 and thereafter cannot be predicted.