

IOC Annual Report 2015

Credibility, Sustainability and Youth



4. Financial Statements

Financial Highlights of the 2013-2016 Olympiad

The IOC is a non-profit association committed to leading the Olympic Movement and contributing to building a better world through sport. Its operations are based on four-year periods called Olympiads, during which both a Winter and a Summer Olympic Games are held. The Olympiad currently under review covers the period from 2013-2016.



Financial Highlights of the 2013-2016 Olympiad (continued)

To ensure the credibility of the Olympic Movement, its values and its mission, the IOC must set an example for others to follow by demonstrating good governance in all of its practices. This includes increasing the transparency of its operations, which was one of the recommendations outlined in Olympic Agenda 2020.

Although the IOC is under no obligation to apply International Financial Reporting Standards (IFRS), it strongly believes that to do so will help it achieve more transparency, comparability and higher quality in its financial statements.

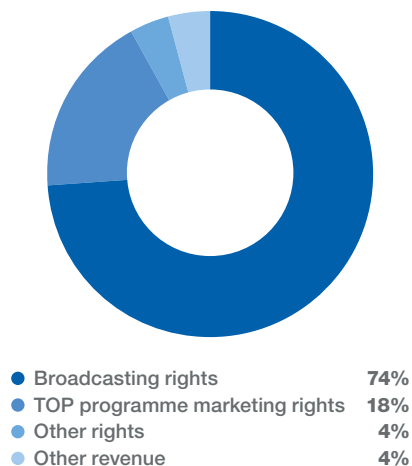
The IOC's strong financial foundation is driven by its partnerships with sponsors and broadcasters, which provide sustainable revenue streams to ensure the independent financial stability of the Olympic Movement. The continued growth of these partnerships supports the IOC's work towards promoting the worldwide development of sport, supporting the staging of the Olympic Games and assisting in the global promotion of the Olympic Movement.

IOC Sources of Revenue

The IOC, and the organisations within the Olympic Movement, are entirely privately funded.

The IOC generates revenue through several programmes, including the sale of broadcasting rights, the worldwide TOP sponsorship programme and the IOC official supplier and licensing programme.

IOC revenue 2013-2016 (% forecast)



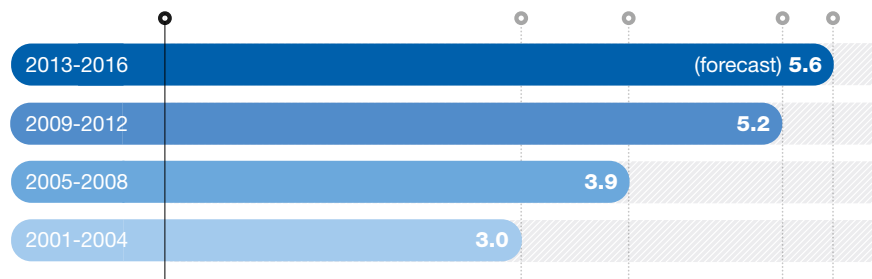
The IOC's forecast 2013-2016 total revenue of USD 5.6 billion has increased by 6.2% compared to the 2009-2012 revenue. The main drivers of the increase are television broadcasting rights and the TOP programme marketing rights.

Olympic broadcasting revenue forecast for 2013-2016 has increased by 7.1% to USD 4.1 billion compared to the 2009-2012 Olympiad. In 2015, the IOC signed sponsorship and TV contracts worth more than USD 4 billion. By committing themselves, in one case through 2032, all of these partners demonstrated huge confidence in the future of the Olympic Movement and in Olympic Agenda 2020.

Furthermore, in a sign of the continuing appeal of the Olympic Games and the Olympic values, partnership agreements for the eighth edition of the TOP programme (TOP VIII), covering the 2013-2016 Olympiad, have increased to over USD 1 billion, which represents a 7.6% growth compared to the previous TOP programme (TOP VII).

The figures in the financial statements and tables have been rounded; totals may therefore deviate from the sum of the individual items. The figures 0 and 0.0 are rounded values representing less than half of the unit used, yet more than zero (rounded zero). A dash (-) in place of a number stands for zero (absolute zero).

IOC total revenue in USD billion

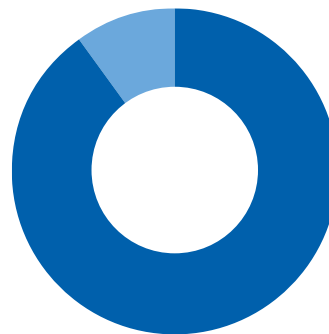


IOC Revenue Distribution

In order to support the staging of the Olympic Games, promote the worldwide development of sport and the Olympic Movement, the IOC distributes 90% of its revenue of an Olympiad to organisations throughout the Olympic Movement. This is the equivalent of USD 3.25 million a day, every day of the year.

The IOC retains 10% of Olympic revenue for IOC activities to develop sport and operational costs of governing the Olympic Movement.

IOC revenue distribution (%)



- Distribution, Olympic Games, Promotion of Olympic Movement **90%**
- IOC activities to develop sport and operations of the IOC **10%**

Distributable revenue includes cash and value-in-kind revenue from broadcasting rights, TOP programme rights and ticket royalty income. Revenue distributed to OCOGs and the United States Olympic Committee (USOC) and Olympic Games-related expenditure are deducted from the revenue to calculate the equal shares attributable to the International Federations, Olympic Solidarity, National Olympic Committees and the IOC.

Financial Highlights of the 2013-2016 Olympiad (continued)

Distributable revenue of the IOC is allocated through direct IOC contributions towards different organisations within the Olympic Movement, as well as various IOC activities, projects and programmes aimed at supporting the staging of the Games and promoting the worldwide development of sport and the Olympic Movement. Among others, this includes distribution to the following recipients:

The Olympic Games and the Organising Committees for the Olympic Games (OCOGs)

The IOC contribution supports the staging of the Summer and Winter editions of the Games. This includes direct contributions to the OCOGs (through the share of the television broadcasting rights and TOP rights), considerable costs that previously had been borne by the OCOG, such as the host broadcasting operation, and various forms of Games support to the OCOG, including through its “Transfer of Knowledge” programmes. The OCOGs also raise additional revenue through domestic commercial activities facilitated by the authorised use of the Olympic marks together with the OCOGs symbols.

IOC Contribution to Support the Games (USD million)

Olympic Summer Games

2004 Athens	965
2008 Beijing	1,250
2012 London	1,374

Olympic Winter Games

2002 Salt Lake	552
2006 Turin	561
2010 Vancouver	775
2014 Sochi	833

Source: IOC's audited financial statements

Olympic Solidarity / National Olympic Committees (OS/NOCs)

The IOC distributes revenue to each of the 206 NOCs throughout the world to train and develop their Olympic hopefuls, athletes and teams. The IOC also contributes revenue to Olympic Solidarity, an autonomous commission that distributes revenue to NOCs. The 2014 Sochi revenue distribution to Olympic Solidarity and NOCs was more than double compared to 2002 Salt Lake City.

Gross Revenue to NOCs (USD million)

Olympic Summer Games

2004 Athens	234
2008 Beijing	301
2012 London	520

Olympic Winter Games

2002 Salt Lake	87
2006 Turin	136
2010 Vancouver	215
2014 Sochi	199

Source: IOC's audited financial statements

International Federations (IFs)

The IOC provides revenue to the IFs. These funds, which are used to support the development of sport worldwide, are distributed after the completion of the Games in which the federation is active. The 2014 Sochi revenue distribution to International Federations was more than double compared to 2002 Salt Lake City.

Gross Revenue to IFs (USD million)

Olympic Summer Games

2004 Athens	257
2008 Beijing	297
2012 London	520

Olympic Winter Games

2002 Salt Lake	92
2006 Turin	128
2010 Vancouver	209
2014 Sochi	199

Source: IOC's audited financial statements

Recognised Organisations and Federations

The IOC contributes Olympic revenue to recognised international organisations, including the World Anti-Doping Agency, the Court of Arbitration for Sport, the International Olympic Academy and the International Paralympic Committee. The IOC also supports the International Paralympic Committee by enabling the Paralympic Games athletes to compete in the same city as the Olympic Games, benefit from the same Organising Committee, use the same sports venues and facilities, and enjoy the same conditions for official travel and accommodation as Olympic athletes.

Funds Earmarked (USD million)

Olympic Summer Games

2004 Athens	57
2008 Beijing	69
2012 London	81

Olympic Winter Games

2002 Salt Lake	28
2006 Turin	33
2010 Vancouver	39
2014 Sochi	40

Source: IOC's audited financial statements

The Youth Olympic Games and the Youth Olympic Games Organising Committees (YOGOCs)

The IOC contribution supports the staging of the Youth Olympic Games (YOG). Celebrated for the first time in Singapore in 2010, the YOG launched a new Olympic tradition that engages young people through sport, education and cultural programmes.

IOC Contribution to Support the YOGs (USD million)

Summer YOG

2010 Singapore	40
2014 Nanjing	50

Winter YOG

2012 Innsbruck	20
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Source: IOC's audited financial statements

The Olympic Foundation

The IOC founded the Olympic Foundation in December 1992 with the objective of covering IOC operations over an Olympiad in the event that an edition of the Games is cancelled. After 23 years, the fund stands at USD 874 million. The IOC Executive Board determines the level of funding for the Olympic Foundation.

Financial Highlights of 2015

The financial statements of the IOC are prepared according to International Financial Reporting Standards (IFRS), even though the IOC is not legally required to do so.

Consistent with recommendation 29 of Agenda 2020 – to increase transparency – the IOC 2015 Financial Statements have been enhanced in line with IFRS best practices, ensuring fairer and more meaningful presentation. This increases and supports the IOC's efforts to achieve greater transparency.

Overview

From a financial point of view, 2015 is on track to achieve the overall objective of 90% distribution of the 2013-2016 Olympiad to support the development of sport worldwide. The IOC's financial performance remains strong, showing both a healthy growth in revenue and the distribution of this revenue.

The year under review, 2015, is the third year of the 2013-2016 Olympiad. It is a non-Games year in which IOC television broadcasting rights, Games costs and distribution are deferred. Therefore, only non-Games related revenue and expenditures are presented in the 2015 statement of activities.

Along with the preparation of the Olympic Games and the development of sport, the IOC continues its commitment to lead and support the Olympic Movement, including through the implementation of Olympic Agenda 2020 across all IOC activity streams.

Financial highlights of 2015 include the following:

- The IOC's sound financial position is demonstrated by:
 - IOC fund balance stands at USD 1.4 billion, covering 57% of the total liabilities, providing financial stability.
 - IOC current assets stand at USD 2.4 billion, which covers 95% of the total liabilities.
 - Total IOC assets increased by 22% compared to the previous year to reach USD 3.9 billion, due to future Olympic Games-related advances and income that is received during 2015.
- The IOC continues to support the Olympic Movement with a total of USD 292 million distributed for sport, the Olympic Games and the promotion of the Olympic Movement from its fund in 2015.
- TOP programme marketing rights stand at USD 143 million in 2015.
- The IOC's other rights and revenues of 2015 stand at USD 14 million and are comprised of revenue from suppliers, rights of use of Olympic Sequences, and the Olympic Museum operational revenues, among others.

Statement of Financial Position

Total IOC assets increased by 22% in 2015 compared to the previous year due to future Olympic Games-related advances and income received during the year. These Olympic Games-related advances and income are accumulated during non-Games years and will be released to the statement of financial activities during the relevant Games year.

IOC current assets stand at USD 2.4 billion, covering 95% of the total liabilities, which is proof of the IOC's sound financial position. Cash and financial assets represent 66% of the IOC's total assets.

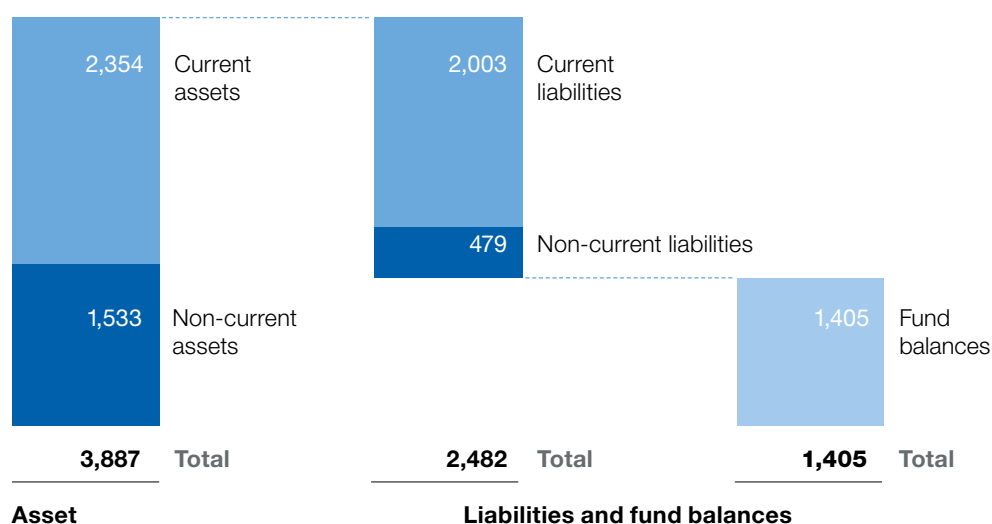
The liabilities side of the statement of financial position fluctuates following the four-year cycle with one Olympic Summer Games and one Olympic Winter Games two years apart. Olympic Games advances and income related to the Summer Olympic Games Rio 2016 and the Youth Olympic Games Lillehammer 2016 inflate the current liabilities in 2015, whereas they were considered as non-current liabilities in 2014.

The IOC fund balance stands at USD 1.4 billion, which represents 36% of the total financial position. Of the fund balances, 79% are undesignated to cover the expenditures and contributions planned during a non-Games year, as well as the Olympic Foundation. The IOC designated

fund, at almost 21% of total fund balances, is designated for the financing of the annual programmes of Olympic Solidarity in order to secure financial assistance to the NOCs.

The IOC designates certain derivatives as hedges of foreign exchange risks exposure, as the IOC deals with different foreign currencies in its operations. IOC revenue, IOC contributions and its operating expenditures are denominated in various currencies including USD, CHF, EUR, GBP, AUD, CAD and JPY. Amount of related FX gains and losses are accumulated in fund balances and will be reclassified to the statement of activities when the related hedged transactions occur in the future.

IOC combined statements of financial position at December 31, 2015 in USD million



Source: IOC audited financial statements

Financial Highlights of 2015 (continued)

Statement of Activities

For the 2013-2016 Olympiad, the IOC is on track to realise a USD 5.6 billion total revenue target, which would allow it to achieve the overall objective of 90% distribution to support the development of sport worldwide.

The IOC recognises an excess of expenditure of USD 326 million in 2015 due to the accounting treatment during a non-Games year, whereby IOC Olympic Games-related revenue (such as TV broadcasting revenue and OCOG marketing programmes), Games distribution and expenditures are deferred in the statements of financial position until the related Games year.

The IOC continues to support the Olympic Movement with a total of USD 292 million distributed for sport, the Olympic Games and the promotion of the Olympic Movement. Within this, USD 102 million is distributed through

the Olympic Solidarity programmes, USD 122 million is distributed through the TOP programme, USD 15 million is distributed through various IOC grants, contributions and special projects, and USD 53 million benefited the promotion of the Olympic Movement.

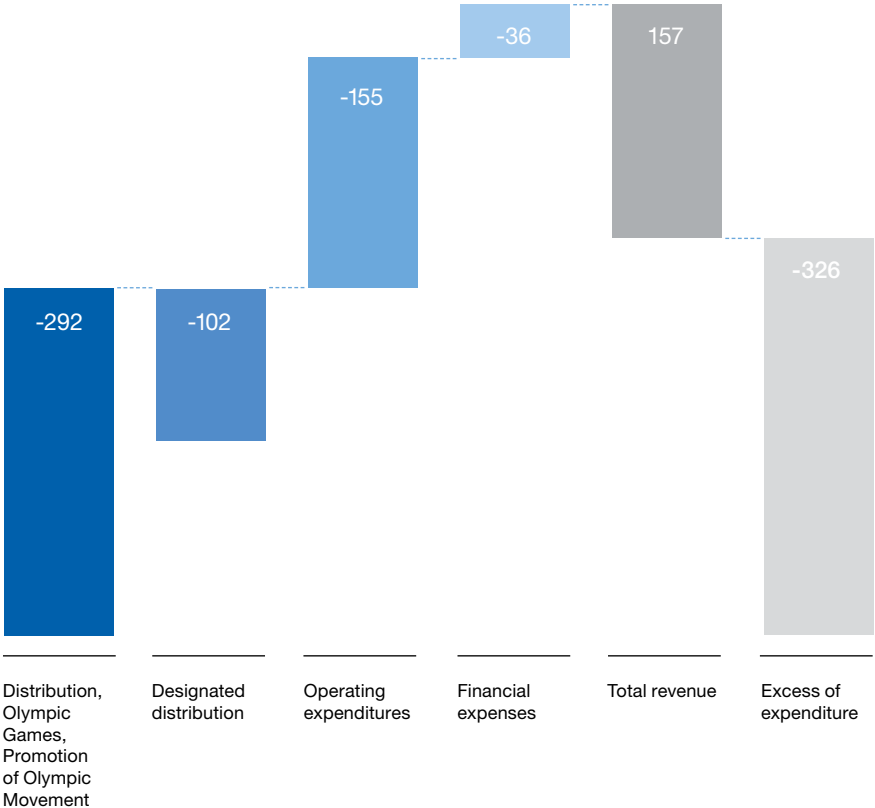
The financial statement line item 'Promotion of the Olympic Movement' has been added in order to achieve meaningful and fairer presentation of the financial statements, consistent with recommendation 29 of Olympic Agenda 2020 – to Increase Transparency. This encompasses the engagement of the IOC towards its mission to promote Olympism throughout the world as executed by the Olympic Foundation for Culture and Heritage (USD 42 million) as well as the Olympic Channel (USD 11 million), which commenced in April 2015.

A part of the IOC total revenue is used to cover IOC operating expenses of USD 155 million. This includes the

salaries, social charges and operating costs of the IOC administration in order to be able to deliver its role in ensuring the regular celebration of the Olympic Games and putting athletes at the heart of the Olympic Movement, as well as leading the Olympic Movement.

The IOC realised USD 157 million of revenue in 2015. The revenue from the TOP programme marketing rights in 2015 stands at USD 143 million and represents the TOP revenue instalments that become due during the year. The IOC's other rights and revenue of 2015 stand at USD 14 million and are comprised of revenue from suppliers, rights of use of Olympic Sequences, and the Olympic Museum operational revenue, among others.

IOC combined statements of activities for the year ended December 31, 2015 in USD million



Source: IOC audited financial statements

Combined Financial Statements 2015

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Report of the Auditors

Report of the statutory auditor on the combined financial statements

As statutory auditor, we have audited the accompanying combined financial statements of the International Olympic Committee, which comprise the statement of financial position, statement of activities, statement of comprehensive income, statement of cash flow, statement of changes in fund balances and notes (pages 138 to 180), for the year ended 31 December 2015.

Executive Board's responsibility

The Executive Board is responsible for the preparation and fair presentation of the combined financial statements in accordance with the International Financial Reporting Standards (IFRS), the requirements of Swiss law and the Olympic Charter. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error. The Executive Board 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 combined financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan

and perform the audit to obtain reasonable assurance whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 and fair presentation of the combined 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 the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the combined 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 combined financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International

Financial Reporting Standards (IFRS) and comply with Swiss law and the Olympic Charter.

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 combined financial statements according to the instructions of the Executive Board.

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

PricewaterhouseCoopers SA



Michael Foley
Audit expert
Auditor in charge



Pierre-Alain Dévaud
Audit expert

Lausanne, 2 June 2016

Combined Statement of Financial Position

as at 31 December (in thousands of US dollars)

	Notes	2015	2014
ASSETS			
Current assets			
Cash and cash equivalents	4	417 632	261 205
Financial assets at fair value through profit or loss	5	954 858	1 073 686
Receivables and other current assets	7	832 813	95 033
Olympic Games-related deferred expenditure	11	148 817	–
		<u>2 354 120</u>	<u>1 429 924</u>
Non-current assets			
Financial assets	5	1 205 665	1 418 757
Investments in associates	6	11 104	11 415
Tangible fixed assets	8	209 358	194 500
Intangible fixed assets	9	47 737	48 413
Olympic Games-related deferred expenditure	11	59 470	82 209
		<u>1 533 334</u>	<u>1 755 294</u>
Total assets		<u>3 887 454</u>	<u>3 185 218</u>
LIABILITIES AND FUND BALANCES			
Current liabilities			
Accounts payable and accrued expenses	10	133 897	232 861
Olympic Games-related advances	11	1 698 148	–
Deferred income	11	133 327	–
Earmarked funds	12	38 046	49 743
		<u>2 003 418</u>	<u>282 604</u>
Non-current liabilities			
Olympic Games-related advances	11	413 244	1 064 123
Deferred income	11	32 127	34 866
Earmarked funds	12	–	23 228
Net pension plan obligation	13	33 482	20 390
Other non-current liabilities		61	149
		<u>478 914</u>	<u>1 142 756</u>
Fund balances			
Undesignated		1 110 605	1 346 474
Designated		292 753	399 323
Cumulative translation adjustment		29 494	29 081
Cash flow hedges		(27 730)	(15 020)
		<u>1 405 122</u>	<u>1 759 858</u>
Total liabilities and fund balances		<u>3 887 454</u>	<u>3 185 218</u>

The notes on pages 143 to 180 are an integral part of the financial statements.

Combined Statement of Activities

for the years ended 31 December (in thousands of US dollars)

	Notes	Undesignated	2015 Designated (note 2K)	Total	2014 Total
REVENUE					
Television broadcasting rights	14	–	–	–	1 292 560
TOP programme marketing rights		143 015	–	143 015	309 009
Other rights	15	5 628	–	5 628	123 154
Other revenue	16	8 106	–	8 106	103 046
		156 749	–	156 749	1 827 769
EXPENDITURE					
Olympic Games-related expenditure, contributions and special projects					
Olympic Games-related expenditure	17	–	–	–	(325 718)
Youth Olympic Games-related expenditure	18	–	–	–	(49 603)
Grants and contributions		(6 877)	–	(6 877)	(7 117)
Funds earmarked for allocation	12	–	–	–	(40 000)
Olympic Solidarity programme	19	–	(101 670)	(101 670)	(96 330)
Special projects		(8 423)	–	(8 423)	(11 655)
		(15 300)	(101 670)	(116 970)	(530 423)
Distribution of revenue to OCOG, NOC, USOC and IF					
Revenue distribution	20	–	–	–	(698 304)
TOP programme marketing	20	(121 544)	–	(121 544)	(283 762)
		(121 544)	–	(121 544)	(982 066)
Promotion of the Olympic Movement	22	(53 019)	–	(53 019)	(46 330)
Operating expenditures	21	(149 911)	(4 900)	(154 811)	(140 747)
Excess of (expenditure)/revenue before financial income					
		(183 025)	(106 570)	(289 595)	128 203
Financial expenses, net	23	(36 573)	–	(36 573)	(61 006)
Share of profit/(loss) of associates	6	394	–	394	(180)
Excess of (expenditure)/revenue		(219 204)	(106 570)	(325 774)	67 017

The notes on pages 143 to 180 are an integral part of the financial statements.

Combined Statement of Comprehensive Income

for the years ended 31 December (in thousands of US dollars)

	2015	2014
Excess of (expenditure)/revenue	(325 774)	67 017
Other comprehensive income:		
Items that will not be reclassified to the statement of activities		
Remeasurements of defined benefit obligations	(16 665)	(25 728)
Items that may be subsequently reclassified to the statement of activities		
Cash flow hedge	(12 710)	(15 020)
Translation adjustment	413	(12 201)
Other comprehensive income for the year	(28 962)	(52 949)
Total comprehensive income for the year	(354 736)	14 068

The notes on pages 143 to 180 are an integral part of the financial statements.

Combined Statement of Cash Flows

for the years ended 31 December (in thousands of US dollars)

	2015	2014
Operating activities		
Excess of revenue (expenditure)	(325 774)	67 017
Adjustments for:		
Excess of television broadcasting rights revenue over distribution	–	(594 256)
Allocation to earmarked funds	–	40 000
Recognition of Olympic Games-related deferred income and expenditure, net	–	18 637
Financial expense, net	33 107	57 979
Depreciation and amortisation	32 298	34 147
Share of profit/(loss) of associates	(394)	180
Foreign exchange differences	6 898	(25 700)
	(253 865)	(401 996)
Changes in:		
Olympic Games-related deferred income and expenditure, net	4 512	(30 432)
Receivables and other current assets	(10 436)	150 605
Accounts payable and accrued expenses	(72 080)	(11 025)
	(78 004)	109 148
TV rights receipts and allocations		
Receipt of Olympic Games-related advances	1 124 993	980 967
Disbursement of Olympic Games-related advances	(77 724)	(349 422)
Increase in OCOG receivable	(247 344)	(236 273)
Use of earmarked funds	(34 925)	(32 842)
(Increase)/decrease in television broadcasting rights receivable	(531 876)	331 332
	233 124	693 762
Interest received	34 674	49 056
Interest paid	(4)	(1)
	34 670	49 055
Net cash generated by/(used in) operating activities	(64 075)	449 969
Investing activities		
Purchases of fixed assets	(47 508)	(48 176)
Purchase of financial assets at fair value through profit or loss	(620 240)	(1 414 146)
Proceeds from sales of financial assets at fair value through profit or loss	886 107	699 618
Dividends from associates	262	–
Proceeds from sale of associate	389	–
Net cash generated by/(used in) investing activities	219 010	(762 704)
Increase/(decrease) in cash and cash equivalents	154 935	(312 735)
Movement in cash and cash equivalents		
At start of year	261 205	574 305
Increase/(decrease)	154 935	(312 735)
Effects of exchange rate changes	1 492	(365)
At end of year	417 632	261 205

The notes on pages 143 to 180 are an integral part of the financial statements.

Combined Statement of Changes in Fund Balances

for the years ended 31 December (in thousands of US dollars)

	Undesignated funds	Designated funds	Cumulative translation adjustments	Cash flow hedges	Total
Balance at 1 January 2014	1 358 027	346 481	41 282	–	1 745 790
Excess of revenue/(expenditure) recognised in statement of activities	14 175	52 842	–	–	67 017
Other comprehensive income/(loss) for the year	(25 728)	–	(12 201)	(15 020)	(52 949)
Total comprehensive income/(loss) for the year					14 068
Balance at 31 December 2014	1 346 474	399 323	29 081	(15 020)	1 759 858
Excess of revenue/(expenditure) recognised in statement of activities	(219 204)	(106 570)	–	–	(325 774)
Other comprehensive income/(loss) for the year	(16 665)	–	413	(12 710)	(28 962)
Total comprehensive income/(loss) for the year					(354 736)
Balance at 31 December 2015	1 110 605	292 753	29 494	(27 730)	1 405 122

The notes on pages 143 to 180 are an integral part of the financial statements.

Notes to the Combined Financial Statements

1. Activity

The International Olympic Committee (IOC), domiciled in Lausanne, Switzerland, is an international non-governmental not-for-profit organisation in the form of an association with the status of a legal person. The mission of the IOC is to lead the Olympic Movement in accordance with the Olympic Charter. The Olympic Movement encompasses organisations, athletes and other persons who agree to be guided by the Olympic Charter, including, in addition to the IOC, the International Sports Federations (IFs), the National Olympic Committees (NOCs) including the United States of America Olympic Committee (USOC) and the Organising Committees for the Olympic Games (OCOGs).

The IOC's revenue are largely generated from royalties on licensing television broadcasting rights for Olympic Games, as well as revenue from the commercial exploitation of the Olympic symbol and Olympic emblems.

In addition to the activities of the IOC, these combined financial statements include the activities of the following organisations and programmes:

- The Olympic Foundation for Culture and Heritage (OM), a foundation governed by the provisions of the Swiss Civil Code. It has been entrusted by the IOC with the task of depicting the history and development of the Olympic Movement and to associate the movement with art and culture for specialists and the public at large worldwide.
- The Olympic Foundation (OF), a foundation governed by the provisions of the Swiss Civil Code. It has been entrusted by the IOC to give support to the activities of the Olympic Movement notably in the areas of culture, education and sports.
- Olympic Solidarity (OS), a programme developed jointly by the IOC and the National Olympic Committees (NOCs). Its purpose is to assist the officially recognised NOCs, especially those most in need, to fulfil their mission and in making known the ideals of the Olympic Movement.
- IOC Television and Marketing Services SA (IOCTMS), a company fully owned by the OF which manages the IOC's worldwide sponsorship programme, all its other marketing activities and activities related to broadcasting rights and new media.
- The Olympic Partner (TOP) Programme, the IOC's worldwide sponsorship programme which is managed by IOCTMS.
- Olympic Broadcasting Services SA (OBS SA), a company fully owned by the OF that supplies all services relating to the establishment and management of the Host Broadcasting function of the Olympic Games.
- Olympic Broadcasting Services SL (OBS SL), a company that provides services to OBS SA, fully owned subsidiary of OBS SA.
- Olympic Channel Services SA (OCS SA), a company fully owned by the OF which provides any types of services in relation to audio-visual programmes relating to the Olympic Movement and to sports and to ensure the distribution of such programmes through all available media including through digital and linear broadcasting.
- Olympic Channel Services Spain SL (OCS SL), a company that provides services to OCS SA, fully owned subsidiary of OCS SA.

The activities of the OM, the OF, OS, IOCTMS, TOP, OBS SA, OBS SL, OCS SA and OCS SL have been combined with those of the IOC (together, the IOC or the Group) on the basis of the fact that the latter has a 100% shareholding or control of the Boards of each organisation and programme.

2. Summary of significant accounting policies

a) Basis of preparation

The combined financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS). The significant accounting policies are described below and have been consistently applied to the years presented, unless otherwise stated. The financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss and derivative financial instruments which are shown at fair value. Transactions and balances among the combined organisations and programmes have been eliminated.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and also requires the exercise of judgment in the application of the accounting policies. In particular, significant assumptions are used in the calculation of the defined benefit obligations (note 13).

These combined financial statements have been approved by the Executive Board of the IOC on 2 June 2016.

The amounts shown in these combined financial statements are presented in US dollars, in view of the international nature of the IOC's operations and due to the majority of its revenue being earned in that currency.

The television broadcasting revenues are received in USD, EUR, JPY, GBP, CAD and AUD. The related distributions are paid in USD and EUR.

Change in presentation

In order to give a more meaningful and fairer presentation of the Group's engagement in the Olympic Movement promotion, the Group reviewed the presentation of its Operating expenses within the combined statement of activities. As a result of this review, the Culture and Heritage expenses, amounting to USD 41.873 million (2014: USD 46.330 million) are now presented as part of the Promotion of the Olympic Movement (note 22) as opposed to their previous classification within Operating expenditures. Prior year presentation has been restated accordingly.

In order to give a more meaningful and fairer presentation of the Group's financial instruments, the restricted financial assets have been reclassified in the financial assets at fair value through profit and loss (USD 1,509 million in 2015 and USD 1,020 million in 2014) and in the TV broadcasting rights receivables (USD 575 million in 2015 and USD 43 million in 2014). Prior year presentation of these amounts has been changed to conform to the revised presentation.

In order to give a more meaningful and fairer presentation of the Group's fixed assets, intangible assets have been presented separately from the tangible assets. Prior year presentation has been restated accordingly.

Certain comparative statement of financial position figures have been reclassified to conform to the current year's presentation.

Amendments to published standards coming into effect in 2015

The following new standards, amendments or interpretations becoming effective for the annual period beginning on or after 1 January 2015 have been applied for the first time. The list is not exhaustive but only discloses the changes relevant to the IOC's combined financial statements.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the annual combined financial statements.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant, since employee contributions were already recognised as a reduction in the service cost in the period in which the service is rendered.