



BUSINESS REPORT 2017





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From the beach to the mountains and everywhere in-between: the global development of volleyball continues

Few sports are practised around the world more widely than volleyball, but the International Volleyball Federation (FIVB) is not resting on its laurels as it attempts to ensure the sport fulfils its enormous potential.

The Beach Volleyball World Tour 2018 has got underway with great success and the introduction of the 5 star rating system has ensured more countries than ever before are hosting events, bringing the sport to more fans than ever before.

In indoor volleyball, the ground-breaking Volleyball Nations League (VNL) will be introduced later this year with the ambition of becoming one of the best sports events in the world. The VNL will present volleyball to fans in a way that has never been experienced before, pushing the boundaries of technology, innovation and digital and broadcasting.

And away from indoor venues and sunny beaches, the FIVB is making great progress in the development of snow volleyball. The cool new event drew global interest at a Snow Volleyball Night in PyeongChang during the Olympic Winter Games and the European Snow Volleyball Championships were held with great success in Austria at the end of March.

No matter where you are or what the weather is like, there is no excuse not to get involved in volleyball.

BALANCE SHEET

AS OF DECEMBER 31ST

2017
(in CHF)

2016
(in CHF)

ASSETS

CURRENT ASSETS

Cash and equivalents	19'454'783	27'081'006
Liquidity	11'547'451	20'948'262
Portfolio cash	5'743'997	2'697'468
Short Term Investment	2'163'335	3'435'277
Trade receivables	12'524'637	10'363'925
Trade receivables - third parties	8'197'495	7'244'046
Trade receivables - related parties	5'728'618	4'746'069
Provision for doubtful debtors	(1'401'477)	(1'626'191)
Other current receivables	144'574	438'972
Other Debtors	92'466	127'509
Withholding tax	52'109	311'462
Accrued income and prepaid expenses	1'303'495	1'167'562
Prepaid expenses	1'303'495	1'167'562

TOTAL CURRENT ASSETS	33'427'489	39'051'465
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NON-CURRENT ASSETS

Financial assets	95'055'085	84'338'253
Securities (Global Custody)	95'055'085	84'338'253
Tangible fixed assets	18'380'880	19'446'002
Operating fixed assets	327'401	481'363
Property	18'053'478	18'964'638
Intangible fixed assets	310'781	615'556
IT Licence	196'887	425'024
Promotional Devices	113'893	190'532

TOTAL NON-CURRENT ASSETS	113'746'745	104'399'811
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TOTAL ASSETS	147'174'234	143'451'276
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LIABILITIES

CURRENT LIABILITIES

Trade creditors	5'290'672	3'614'521
Trade creditors - third parties	3'000'509	1'841'778
Trade creditors - related parties	2'290'163	1'772'743
Other creditors	6'648'322	8'632'110
Other creditors	6'648'322	8'632'110
Deferred income and accrued expenses	17'389'099	19'214'150
Deferred income	17'389'099	19'214'150

TOTAL CURRENT LIABILITIES	29'328'092	31'460'781
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NON-CURRENT LIABILITIES

Provisions and similar items required by law	848'413	1'084'103
Provision for litigations	165'848	165'848
Provision general	682'565	918'256

TOTAL NON-CURRENT LIABILITIES	848'413	1'084'103
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EQUITY

Capital at the beginning of the period	110'906'391	110'270'761
Final result for the period	6'091'338	635'631

TOTAL EQUITY	116'997'729	110'906'391
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TOTAL LIABILITIES	147'174'234	143'451'276
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PROFIT AND LOSS

FOR THE PERIOD JANUARY 1ST TO DECEMBER 31ST

	notes	2017 (in CHF)	2016 (in CHF)
REVENUES		62'834'290	65'739'048
<i>Net proceeds from sales</i>	1	56'666'708	52'172'976
Yearly subscriptions, broadcast and various rights		53'978'434	49'343'029
Transfer fees		2'688'273	2'829'946
<i>IOC funds</i>	2	4'879'171	12'075'930
IOC funds		4'879'171	12'075'930
<i>Other income</i>	3	1'288'411	1'490'142
Other income		1'288'411	1'490'142
EXPENDITURE		(31'391'758)	(40'774'525)
International competitions	4	(22'863'744)	(24'345'962)
Olympic Games	5	(50'579)	(5'708'216)
FIVB Programs	6	(2'085'082)	(538'835)
Confederations allocations	7	(1'859'148)	(3'750'000)
Development	8	(2'272'486)	(4'134'845)
Transfer refunds	9	(2'260'718)	(2'296'669)
OPERATING RESULT		31'442'532	24'964'522
Salaries and social charges	10	(9'704'394)	(10'187'000)
Administrative costs	11	(9'994'763)	(11'455'188)
Other operating costs	12	(5'048'338)	(3'581'219)
Depreciation and amortization	13	(1'578'583)	(1'578'012)
Extraordinary result, net	14	(491'644)	19'609
OPERATIONAL RESULT		4'624'810	(1'817'288)
Financial result, net	15	1'466'528	2'452'919
FINAL RESULT OF THE PERIOD		6'091'338	635'631

CASH FLOW STATEMENT

AS OF DECEMBER 31ST

2017
(in CHF)

2016
(in CHF)

NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Cash flow	7'613'857	1'430'574
Net Result	6'091'338	635'631
Depreciation	1'578'583	1'578'012
Net financial result	3'823'534	815'460
Others non-cash items	(235'690)	194'716
Unrealized gains/losses of financial assets	(3'643'908)	(1'793'245)
Working capital variation	(4'134'936)	11'508'850
Trade receivables	(2'160'712)	3'160'980
Other current receivables	294'397	629'536
Accrued income and prepaid expenses	(135'933)	304'070
Trade creditors	1'676'150	(4'794'842)
Other creditors	(1'983'788)	1'299'349
Deferred income and accrued expenses	(1'825'051)	10'909'757

NET CASH PROVIDED BY OPERATING ACTIVITIES

3'478'921

12'939'424

NET CASH PROVIDED BY INVESTING ACTIVITIES

Financial assets	(7'072'924)	(4'211)
Securities (Global Custody)	(7'072'924)	(4'211)
Tangible fixed assets	(208'685)	(1'476'517)
Operating fixed assets	(110'655)	(303'821)
Property	(98'031)	(1'172'696)
Intangible fixed assets	0	(149'019)
IT Licence	0	0
Promotional Devices	0	(149'019)

NET CASH PROVIDED BY INVESTING ACTIVITIES

(7'281'610)

(1'629'747)

NET CASH USED IN FINANCING ACTIVITIES

NET CASH USED IN FINANCING ACTIVITIES

0

0

CASH AND CASH EQUIVALENTS AS AT 1 JANUARY

27'081'006

16'586'789

Effect of exchange rate fluctuations

(3'823'534)

(815'460)

Net decrease/increase in cash and equivalents

(3'802'689)

11'309'677

CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER

19'454'783

27'081'006



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Notes to the financial statements 31.12.2017

1) General information on the federation

Goal of the federation

The FIVB support the development and the growth of the volleyball worldwide in all its forms and promote the creation of national federations; the FIVB ensure to promote, coordinate, spread, regulate, lead and govern volleyball around the world.

Head office

The FIVB has its headquarters located in Lausanne, Switzerland.

Legal form

The FIVB is an association governed by the articles 60 and following of the Swiss Civil Code.

Public interest

Through its role of helping and promoting the volleyball worldwide, the FIVB is recognized as public interest by the Swiss authorities and is a non-governmental entity.

Connection to the International Olympic Committee (IOC)

For several years the FIVB is recognized by the IOC as the sport federation for Volleyball and Beach Volleyball.

Confederation and national federation connection

As of the 31st December 2017, 222 (2016: 222) national federations are connected to the FIVB. The national federations are distributed among the following confederations:

AVC (Asia)

CAVB (Africa)

CEV (Europe)

CSV (South America)

NORCECA (Central and North America)



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2) Financial organisation of the federation

The President

Dr. Ary Da Silva Graça Filho

The Treasurer

Sr. Roberto Wilfrido Escobar Gonzalez

The Finance Director

Mr. Yves Eymann

The Finance team is made up of 5 staff members

Board of Administration

Dr. Ary Da Silva Graça Filho	President
Mr. Jizhong Wei	Honorary Life President
Sr. Cristobal Marte Hoffiz	1 st Executive Vice-President
Mr. Aleksandar Boricic	2 nd Executive Vice-President
Sr. Roberto Wilfrido Escobar Gonzalez	Executive Vice-President
Dr. Amr M. Elwani	Executive Vice-President
Dr. Saleh Ahmad Bin Nasser	Executive Vice-President
Dr. Rafael Llordea Currea	Executive Vice-President
Mrs. Rita Subowo	Executive Vice-President
Mrs. Bouchra Hajj	Executive Vice-President
Mr. Habu Ahmed Gumel	Executive Vice-President
Mrs. Marta Eugenia Centeno O. De Sajche	Executive Vice-President
Mr. Essa Hamza Ahmad Al Failakawi	Executive Vice-President
Mr. Renato Arena	Executive Vice-President
Mr. Stav Jacobi	Executive Co-Opted Member
Mr. Dancho Lazarov	Executive Co-Opted Member



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Mr. Pietro Bruno Cattaneo	Executive Co-Opted Member
Mr. Kenji Shimaoka	Executive Co-Opted Member
Mr. Shanrit Wongprasert	Board of Administration Member
Mr. Stanislav Shevchenko	Board of Administration Member
Cdor. Julio Perez Alfaro	Board of Administration Member
Mr. Mirosław Przedpelski	Board of Administration Member
Mr. Majoré Louis Timba	Board of Administration Member
Mr. Yi Cai	Board of Administration Member
Mr. Mushtaque Mohammed	Board of Administration Member
Mr. Marco Tullio Teixeira	Board of Administration Member
Mr. Glenn Quinlan	Board of Administration Member
Mr. Achilleas Mavromatis	Board of Administration Member
Mr. Ozkan Mutlugil	Board of Administration Member
Mr. Hugh R. Graham	Board of Administration Member
Mr. Michael Petrus Christiaan Everaert	Board of Administration Member
Mr. Lubor Halanda	Board of Administration Member
Mr. Hanno Pevkur	Board of Administration Member
Mr. Houkba Gougam	Board of Administration Member
Mr. Ibrahim Abdul Malik Mohammed	Board of Administration Member
Mr. Mohammadreza Davarzani	Board of Administration Member
Mrs. Alejandrina Mireya Luis Hernandez	Board of Administration Member

Finance Commission

Mr. Habu Ahmed Gumel	President
Mr. Essa Hamza Ahmad Al Failakawi	Secretary
Mrs. Bouchra Hajj	Member
Mr. Alberto Arreola Sanchez	Member



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Mr. Majoré Louis Timba	Member
Mr. Ozkan Mutlugil	Member
Mr. Marco Tulio Teixeira	Member
Mr. Kenji Kimura	Member
Mr. Mohammadreza Davarzani	Member
Mr. Achilleas Mavromatis	Member

The Controller

Mr. Olivier Zysset

The Internal Auditors

Mr. Nasiwu Zaid Sadik

Mr. Wilbur Alister Harrigan

Mr. Rogerio de Macedo e Oliveira

The External Auditors

Deloitte SA

3) Financial statements

The financial statements of the FIVB consist of the following elements:

- The profit and loss
- The balance sheet
- The cash-flow
- The notes to the financial statements



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4) Basis of preparation of the financial statements

The financial statements are presented in accordance with the Swiss Code of Obligations. Title 32 of the Swiss Code of Obligations deals with the commercial accounting and financial reporting.

The accounting of the FIVB respects the principle of regularity. This principle contains in particular:

- a) The complete, truthful and systematic recording of transactions and circumstances
- b) Documentary proof for individual accounting procedures
- c) Clarity
- d) Fitness for purpose given the form and size of the undertaking
- e) Verifiability.

The accounts of the FIVB reflect the economic situation of the company in such a manner that third parties can make a reliable assessment.

Expenditure and income are entered separately depending on the date and nature of the transaction.

The following principles in particular apply to the financial statements:

- a) Clarity and intelligibility ;
- b) Completeness ;
- c) Reliability ;
- d) Relative importance ;
- e) Consistency of presentation and evaluation ;
- f) Prohibition of offsetting assets and liabilities, as well as expenses and income.

The sum entered for the individual items on the balance sheet is proven by an inventory or by some other method.



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5) Currencies

The accounting of the FIVB is kept in Swiss Francs (CHF). Income and expenses are translated into Swiss Francs at the monthly average rate

The exchange rates used in the balance sheet at the annual closing are the following:

Currency	31.12.2017	31.12.2016
EUR	1.1702	1.0720
GBP	1.3183	1.2559
JPY = for 100 yen	0.8650	0.8713
USD	0.9745	1.0164

The exchange differences are recorded in the income statement.

6) Related parties

The confederations and national federations as member of the FIVB are considered as related parties. The members of the Board of Administration are also part of the related parties. The assets and liabilities of the related parties are presented separately in the financial statements.

7) Legal information

- Fees associated with the revision of the annual accounts

2016 : CHF 86'320.-

2017 : CHF 60'000.-

- Number of full time equivalent employees

2016 : 57

2017 : 63



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- Contingent liabilities

Contractual engagements related to the development.

Year	31.12.2017 (in kCHF)	31.12.2016 (in kCHF)
2017	0	120
2018	378	75
2019	145	56
2020	81	24
Totals	604	275

Forward exchange contracts as of

31st December 2017.

Currency	Amount	Underlying	Rate	Maturity
CHF	750'000.-	USD	0.981900	15.03.2018
EUR	480'000.-	USD	0.844773	15.03.2018
EUR	2'455'000.-	USD	0.847314	26.02.2018

31st December 2016

Currency	Amount	Underlying	Rate	Maturity
CHF	575'000.-	USD	1.003299	17.03.2017
EUR	500'000.-	USD	0.933902	17.03.2017
EUR	1'750'000.-	USD	0.924984	17.02.2017

Amounts due to the pension funds

2016 : CHF 84'459.-

2017 : CHF 57'395.-



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8) Internal system of control

The internal system of control (ISC) of the FIVB is based on the principles of the Swiss Code of Obligations. The ISC covers all the aspects of the bookkeeping and the preparation of the financial statements. The documentation of the ISC was implemented in order to comply with the legal principles and mainly the article 728a of the Swiss Code of Obligations.

9) Financial risk management

Credit risk

The credit risk concurs with the risk of non-recovery of the amount of the current assets in the balance sheet. The amounts to be received by the FIVB are the subject of a regular monitoring. The economic risk of non-recovery is provisioned based on analysis performed at each closing and based on available information.

Financial investment risk

The risk on financial investments is low. The strategy of the portfolio is based on the yield and not on the growth of the portfolio. This means that the strategy is based on a minimal risk and that the investments are focused on high-security bonds.

Investment allocation

A corridor related to the evolution of the investments has been defined. When the investments are out of this corridor a review of the position is made in order to know if the position is kept or sold.

Currency risk

The major currencies used are the Swiss Francs, the American Dollar and the Euro. The currency management is realized considering the needs in foreign currency.

Most of the expenses linked to the competition are paid in Dollar whereas most of the overhead costs are paid in Swiss Francs.

The contracts are as far as possible negotiated according to our needs by currency.



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10) Notes on the profit and loss

Revenue

	2017	2016
	(in CHF)	(in CHF)
1. Net proceeds from sales	56'666'708	52'172'976
TV rights	27'056'965	24'734'974
Hosting fees	8'424'318	6'418'601
Licence fees / Entry fees	7'759'537	9'207'059
Sponsoring fees	6'140'879	6'627'793
Transfer fees	2'688'273	2'829'946
Betting rights	2'218'400	405'520
Homologation rights for material	1'364'411	1'468'524
Commerical rights	544'775	146'205
Others	469'149	334'353

Please note that in 2017 we corrected the income allocation in order to correspond more specifically to the nature of the contracts. Therefore for purpose of comparison we changed accordingly the repartition in 2016.

This change in presentation did not have any impact on the total net proceeds from sales and final results of the period 2017 and 2016.

Revenue recognition

The income of yearly competitions are recognized the year of the event.

The deposits received for multiannual competitions are recognized in accordance with the deposits schedules in the contracts, corresponding to the status of the preparatory work.



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	2017	2016
	<u>(in CHF)</u>	<u>(in CHF)</u>
2. IOC Funds	4'879'171	12'075'930
Olympic Games - IOC contributions	4'879'171	12'075'930

The funds for the Rio Olympic Games are allocated over a period of 4 years, as followed:

- 50% in 2016
- 20% in 2017
- 15% in 2018
- 15% in 2019

	2017	2016
	<u>(in CHF)</u>	<u>(in CHF)</u>
3. Other income	1'288'411	1'490'142

This includes any other source of income not linked directly to the previous categories.



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Expenditure

The expenses are recorded at the time of the engagement of the FIVB. The imparity principle is used to allocate costs during the year concerned.

	2017	2016
	(in CHF)	(in CHF)
4. International competitions	-22'863'744	-24'345'962
Prize Money	-18'358'095	-18'439'223
Travel, hotel and per diem	-2'552'130	-4'977'844
Awards & Recognitions	-422'273	-197'805
Banners & Stand	-178'718	45'516
Commentaries costs	-36'927	-57'462
Others	-1'315'600	-719'143
	2017	2016
	(in CHF)	(in CHF)
5. Olympic Games	-50'579	-5'708'216
Travel, hotel and per diem	-28'570	-1'497'616
Agency Fees	-1'903	-2'425'108
Other Competition Costs	0	-1'367'733
Others	-20'107	-417'758
	2017	2016
	(in CHF)	(in CHF)
6. FIVB Programs	-2'085'082	-538'835
Support to national federation organizer	-1'792'880	-259'711
Antidoping	-243'915	-211'221
Others	-48'287	-67'903
	2017	2016
	(in CHF)	(in CHF)
7. Confederations allocations	-1'859'148	-3'750'000
Confederations allocations	-1'859'148	-3'750'000



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	2017	2016
	(in CHF)	(in CHF)
8. Development	-2'272'486	-4'134'845
Development centers	-142'478	-261'002
Zonal volleyball association	-540'000	-505'440
Coaching support	-386'065	-380'117
Confederation support	-311'110	-2'031'821
National federation support	-434'446	-246'057
Travel, hotel and per diem	-221'772	-559'314
Others	-236'616	-151'093
	2017	2016
	(in CHF)	(in CHF)
9. Transfer refunds	-2'260'718	-2'296'669
Transfer refunds	-2'260'718	-2'296'669
	2017	2016
	(in CHF)	(in CHF)
10. Salaries and social charges	-9'704'394	-10'187'000
Gross salaries	-8'063'792	-7'892'330
Social insurances	-1'592'756	-2'270'997
Others	-47'846	-23'673
	2017	2016
	(in CHF)	(in CHF)
11. Administrative Costs	-9'994'763	-11'455'188
Office Costs	-851'856	-865'161
FIVB property costs	-135'349	-139'055
IT & Office equipment costs	-1'509'720	-803'537
Telecommunications costs	-126'960	-153'670
Courrier costs	-380'096	-593'900
Audit fees	-68'028	-123'696
Translation fees	-15'892	-20'705
Consultant fees	-1'282'035	-980'709
Management expenses	-1'680'168	-2'171'439
Publication costs	-56'039	-34'111
Communication costs	-746'408	-813'146
Insurance premiums	-223'170	-267'551
Travel, hotel and per diem	-2'664'723	-4'339'591
Others	-254'318	-148'918



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	2017	2016
	(in CHF)	(in CHF)
12. Other operating costs	-5'048'338	-3'581'219
Legal fees	-437'435	-521'766
Agency fees	-4'477'623	-2'481'830
Taxes	-62'897	-89'371
Provision on debtors	224'714	-142'283
Others	-295'097	-345'969

	2017	2016
	(in CHF)	(in CHF)
13. Depreciation and amortization	-1'578'583	-1'578'012
Depreciation on assets	-569'392	-568'912
Depreciation on property	-1'009'191	-1'009'100

	2017	2016
	(in CHF)	(in CHF)
14. Extraordinary result	-491'644	19'609
Extraordinary income	318'384	1'027'217
Extraordinary costs	-810'027	-1'007'608

The extraordinary income consist of the cancellation of previous years' amount due. The extraordinary costs is primarily the cancellation of invoices linked to insolvent debtors and the Swiss stamp collection from 2014 to 2016.

	2017	2016
	(in CHF)	(in CHF)
15. Financial result	1'466'528	2'452'919
<i>Financial income</i>	9'955'373	10'271'280
Exchange gains realized	3'071'479	5'703'157
Portfolio income	6'830'418	4'529'572
Other income	53'476	38'551
<i>Financial costs</i>	-8'488'845	-7'818'361
Exchange losses realized	-7'392'645	-4'844'034
Portfolio losses	-978'552	-2'525'470
Other costs	-117'648	-448'856



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11) Notes on the balance sheet

Cash and equivalents

Cash and equivalents consist of all the BCV and Postfinance current accounts as well as the current account and the short term investment of the portfolio and the petty cash.

An amount of CHF 353'351.15 (2016: 334'930.95) concerns deposits blocked linked to various guarantees.

Trade receivables

The trade receivables are split between the related parties and the third parties. In addition a provision for doubtful debtors is included.

Accrued income and prepaid expenses

This consists of the expenses paid in advance and the income to be invoiced.

Securities (Global Custody)

The financial assets are the securities held by the FIVB through the bank Pictet in Switzerland. Management mandates have been given to 3 banks as of the 31st December 2017. The main investment vehicles are the following:

- Shares
- Bonds
- Investment funds
- Structured products
- Liquid assets

The securities are recognized at their nominal value at the time of the acquisition and converted with the daily exchange rate. For the sale of securities the average value is used to calculate the realized gain or loss. At the end of the year all securities are converted at their market value to calculate an unrealized gain or loss.



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Fixed assets

The tangible and intangible fixed assets represent the assets which have a useful life longer than a year.

These assets are allocated in the following sections:

- Operating fixed assets
- Property
- IT Licence
- Promotional devices

All the fixed assets are capitalized at the nominal value of the invoice and converted with the rate of the day of the acquisition.

The depreciation rates used are the following:

0% for all assets under construction

4% for all assets linked to the property

25% for all other assets

	Operating fixed assets	Property	IT Licence	Promotional devices
Balance as at 31 December 2015	441'679	18'801'043	653'162	118'151
Acquisitions	303'821	1'172'696	0	149'019
Disposals	0	0	0	0
Depreciation	(264'136)	(1'009'100)	(228'137)	(76'639)
Balance as at 31 December 2016	481'363	18'964'638	425'024	190'532
Acquisitions	110'655	98'031	0	0
Disposals	0	0	0	0
Depreciation	(264'616)	(1'009'191)	(228'137)	(76'639)
Balance as at 31 December 2017	327'401	18'053'478	196'887	113'893



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Trade creditors

The trade creditors are split between the related parties and the third parties.

Other creditors

Other creditors is composed primarily of provisions made for the payment of the social charges as well as the possible payment for the pending litigation for the commissions of Mr. Acosta. In addition the amount due for the VAT is also included.

Deferred income and accrued expenses

This consists of the expenses to be paid and the income received in advance.

Provisions

Consistent with the risks linked to pending disputes. The provisions cover with a reasonable assurance the amounts potentially due.

RESULT 2017 VS BUDGET CONGRESS

Description	Realised 2017	Congress 2017	%
<u>Volleyball events</u>			
1) Fees and various rights such as Marketing and TV rights	56'382'042.15	60'191'018.71	93.67
2) TV rights from Olympic Games (IOC Funds)	4'879'170.64	5'051'000.00	96.60
Rights Olympic Games Existing Contracts	1'461'181.69	1'873'921.00	77.97
5) International Competition Expenses	-26'684'849.20	-33'754'346.05	79.06
Volleyball events result	36'037'545.28	33'361'593.66	108.02
<u>Operating and management</u>			
7) Operating expenses	-11'159'082.17	-9'524'578.80	117.16
8) Management expenses	-5'853'047.26	-5'365'100.00	109.09
9) Commission expenses (meetings)	-533'846.96	-874'485.00	61.05
3) Other revenue	0.00	0.00	
6) Marketing/Communications & Innovation	-6'667'550.10	-8'485'962.02	78.57
Operating and management expenses	-24'213'526.49	-24'250'125.82	99.85
<u>Return on investments</u>			
4) Interest and other financial income	5'638'786.83	2'020'400.00	279.09
10) Interest and other financial expenses	0.00	0.00	
Return on investments result	5'638'786.83	2'020'400.00	279.09
Result of the year	17'462'805.62	11'131'867.84	156.87
At disposal for Volleyball support	17'462'805.62	11'131'867.84	156.87
<u>Support to Volleyball</u>			
11) Continental Confederations Investments	-1'859'148.26	-3'750'000.00	49.58
12) Sport Programme Investments	-2'462'310.49	-3'351'843.18	73.46
13) Confederations' development programs	-254'070.17	-1'797'930.26	14.13
Total support to Volleyball	-4'575'528.92	-8'899'773.44	51.41
Net result from the budget	12'887'276.70	2'232'094.40	577.36
14) Result Outside Budget	-6'795'938.97	0.00	
Net result of the year	6'091'337.73	2'232'094.40	272.90

1) Fees and various rights	Realised 2017	Congress 2017	%
Rights & Homologation for Material	1'118'635.00	2'020'154.00	55.37
Rights for Beach Volleyball WT	6'214'903.38	9'186'074.80	67.66
Rights for Beach Volleyball WCHS	2'876'588.69	2'864'394.15	100.43
Rights for Beach Volleyball WCHU-19	0.00	104'404.17	0.00
Rights for Beach Volleyball WCHU-21	0.00	104'404.17	0.00
Rights for Beach Volleyball Other events	2'003.00	20'204.00	9.91
Rights for Beach Volleyball Continental Cup	0.00	0.00	
Rights for World League	10'690'808.02	10'830'246.69	98.71
Rights for World Grand Prix	9'218'282.55	5'787'946.79	159.27
Rights for Club World Championship Men	331'519.50	734'946.95	45.11
Rights for Club World Championship Women	553'585.99	0.00	
Rights For World Championship U-23 Men	12'500.00	10'000.00	125.00
Rights For World Championship U-23 Women	35'966.17	10'000.00	359.66
Rights for World Championship Men	8'089'321.07	7'652'989.06	105.70
Rights for World Championship Women	4'517'021.07	4'084'308.37	110.59
Rights for World Championship Men's Junior	17'505.25	114'404.17	15.30
Rights for World Championship Women's Junior	15'750.00	114'404.17	13.77
Rights for World Championship Men's Youth	15'000.00	114'404.17	13.11
Rights for World Championship Women's Youth	11'250.00	114'404.17	9.83
Rights for World Cup M/W	6'853'746.26	7'522'839.16	91.11
Rights for World Grand Champions Cup M/W	2'933'685.26	1'818'360.00	161.34
Contributions and other Rights	185'697.73	2'292'129.73	8.10
Rights for Olympic Qualification	0.00	0.00	
Sales	0.00	2'090'000.00	0.00
Revenue from Transfers	2'688'273.21	2'600'000.00	103.40
Total fees and various rights	56'382'042.15	60'191'018.71	93.67

2) Rights designated to the FIVB development program	Realised 2017	Congress 2017	%
TV rights from Olympic Games	6'340'352.33	6'924'921.00	91.56
Total rights for FIVB development program	6'340'352.33	6'924'921.00	91.56

3) Other revenue	Realised 2017	Congress 2017	%
Congress income	0.00	0.00	
Total other revenue	0.00	0.00	0.00

4) Interest and other financial income	Realised 2017	Congress 2017	%
Net gain on securities (cash management)	5'638'786.83	2'020'400.00	279.09
Total interest	5'638'786.83	2'020'400.00	279.09

5) International Competition Expenses	Realised 2017	Congress 2017	%
Senior Men's WCH	-107'123.34	-10'000.00	1'071.23
Senior Women's WCH	-2'918.63	-10'000.00	29.19
Men's U - 21 WCH	-393'716.71	-706'019.25	55.77
Women's U - 20 WCH	-416'575.69	-807'722.25	51.57
Boy's U-19 WCH	-421'110.16	-1'531'674.88	27.49
Girl's U-18 WCH	-431'014.53	-1'114'900.25	38.66
World League	-7'877'832.95	-10'008'225.21	78.71
Men's U23 WCH	-270'078.40	-532'891.25	50.68
Women's U23 WCH	-309'580.60	-542'347.25	57.08
Beach Volleyball WT	-5'326'875.81	-10'263'531.85	51.90
Beach Volleyball WCH	-1'312'387.43	-1'113'498.20	117.86
Beach Volleyball WCH U-19 & 17	0.00	0.00	
Beach Volleyball WCH U-21	-127'757.43	-146'569.70	87.16
Beach Volleyball WCH U-23	0.00	0.00	
Beach Volleyball Continental Cup	0.00	0.00	
Olympic Games operational	-28'570.32	-50'000.00	57.14
Olympic Qualification Tournaments	0.00	0.00	
World Cup Men - Women	0.00	0.00	
World Women's Grand Prix	-4'933'643.06	-5'140'347.00	95.98
Grand Champions Cup	-1'554'980.10	-69'918.79	2'223.98
Men's Club WCH	-343'364.82	-37'248.10	921.83
Women's Club WCH	-561'770.05	-37'146.10	1'512.33
Snow Volleyball, Street Volleyball & Others	-711.67		
Multi Sports Events	0.00	-2'000.00	0.00
Other expenses	0.00	-30'306.00	0.00
Transfer reimbursements to NF and Confederations	-2'264'837.50	-1'600'000.00	141.55
Total International Competition Expenses	-26'684'849.20	-33'754'346.05	79.06

6) Marketing/Communication&Innovation	Realised 2017	Congress 2017	%
New Projects and Hospitality	-1'161'609.52	-852'500.00	136.26
Promotion and Videos	-2'1148.97	-286'000.00	7.39
Branding and Entertainment	-326'017.99	-1'030'150.00	31.65
TV Production	-1'378'400.40	-2'637'444.04	52.26
TV Competition Costs	-1'865'861.93	-735'370.90	253.73
World Volley News	0.00	-75'000.00	0.00
Volley World	0.00	0.00	
Communication, Press & Visuals	-944'459.30	-1'384'811.08	68.20
Printed matters	-48'820.00	-165'000.00	29.59
Technology & innovation	-921'231.99	-1'319'686.00	69.81
Total Marketing/Communication&Innovation	-6'667'550.10	-8'485'962.02	78.57

7) Operating expenses	Realised 2017	Congress 2017	%
Salaries and Social Charges	-9'593'904.95	-7'905'000.00	121.37
Rental, Heating, Electricity	-475'115.22	-456'000.00	104.19
Maintenance offices	-180'354.26	-190'800.00	94.53
Office supplies + Food and Beverage	-92'495.29	-60'000.00	154.16
IT costs	-171'694.84	-227'198.80	75.57
Info Technology Development	0.00	-100'000.00	0.00
Office equipment rental	-132'920.67	-106'980.00	124.25
Office furniture and equipment	-6'459.92	-36'000.00	17.94
Car expenditures	-12'456.53	-10'200.00	122.12
Telecommunications	-124'550.36	-108'000.00	115.32
Postage	-121'954.12	-50'000.00	243.91
Translation fees	0.00	-12'000.00	0.00
Website hosting fees	-169'060.44	-190'400.00	88.79
Other operating expenses	-78'115.57	-72'000.00	108.49
Total operating expenses	-11'159'082.17	-9'524'578.80	117.16

8) Management expenses	Realised 2017	Congress 2017	%
Management allocations	-2'106'196.30	-2'689'000.00	78.33
Travelling expenses	-769'840.20	-180'000.00	427.69
Accommodation expenses	0.00	-8'200.00	0.00
Insurances and guarantees	-77'969.95	-50'400.00	154.70
BJD travel Insurance	-145'200.00	-110'000.00	132.00
Bank charges	-115'088.42	-480'000.00	23.98
Mandate fees	-1'171'979.92	-636'000.00	184.27
Taxes	-25'671.00	150'000.00	-17.11
Sales Department Expenses	-286'291.04	-250'000.00	114.52
Congress	-6'211.20	0.00	
EC & BOA meetings	-438'385.82	-451'500.00	97.10
Legal matters	-475'684.17	-410'000.00	116.02
Auditing and Accounting	-234'529.24	-250'000.00	93.81
Total Management expenses	-5'853'047.26	-5'365'100.00	109.09

9) Commission expenses (Meetings)	Realised 2017	Congress 2017	%
Sports Events Council	-168'529.34	-70'000.00	240.76
Rules of the Game Commission	-74'737.51	-92'485.00	80.81
Refereeing Commission	0.00	-106'000.00	0.00
Finance Commission	-50'129.29	-90'000.00	55.70
Coaching Commission	0.00	-35'000.00	0.00
Medical Commission	-20'055.40	-38'000.00	52.78
Legal Commission	-27'978.05	-45'000.00	62.17
Press Commission	-14'985.50	-35'000.00	42.82
Technical Commission	-23'041.10	-45'000.00	51.20
Development Commission	-37'592.78	-44'000.00	85.44
Television & New Media Commission	0.00	-64'000.00	0.00
Beach Volleyball Council & Permanent Committee	-92'289.05	-140'000.00	65.92
Athletes Commission	-24'508.94	0.00	
World League council&Host broadcasters	0.00	-35'000.00	0.00
World Grand Prix council	0.00	-35'000.00	0.00
Steering Committee	0.00	0.00	
Total Commission Expenses	-533'846.96	-874'485.00	61.05

10) Interest and other financial expenses	Realised 2017	Congress 2017	%
Investments charges on the Portfolio			
Total interest and other financial expenses	0.00	0.00	

11) Continental Confederation	Realised 2017	Congress 2017	%
Africa	-623'934.50	-750'000.00	83.19
Asia	0.00	-750'000.00	0.00
Norceca	-614'546.48	-750'000.00	81.94
South America	-545'667.28	-750'000.00	72.76
Europe	-75'000.00	-750'000.00	10.00
Total Cont. Confederation Investments	-1'859'148.26	-3'750'000.00	49.58

12) Sport Programme Investments	Realised 2017	Congress 2017	%
Anti-Doping Tests	-223'233.13	-235'000.00	94.99
Anti-Doping Operational + Education	-51'954.61	-5'000.00	1'039.09
Printed Didactic Material	-22'398.09	-140'000.00	16.00
Research and Studies	-34'035.00	-27'500.00	123.76
Formation of Technicians	-335'290.09	-231'258.10	144.99
FIVB Special Project	-469'990.90	0.00	
IRCC Course	0.00	-50'000.00	0.00
VCP (former SAP)	-1'006.50	-359'164.68	0.28
Coaching support (instructors)	-193'102.50	-110'000.00	175.55
National Federation support (material)	0.00	-700'000.00	0.00
Volley All Festivals	-302'430.04	-270'000.00	112.01
Support to Development Centres	-279'942.24	-535'920.40	52.24
Support to Zonal Associations	-540'000.00	-638'000.00	84.64
Volleyball World Vision 2016	-8'927.39	-50'000.00	17.85
Total Sport programme investments	-2'462'310.49	-3'351'843.18	73.46

13) Confederations' development programs	Realised 2017	Congress 2017	%
Development Funds	-254'070.17	-1'797'930.26	14.13
Total Confederations' development programs expenses	-254'070.17	-1'797'930.26	14.13

14) Result Outside Budget	Realised 2017	Congress 2017	%
<i>Income</i>			
National Federation Fees	37'350.00	0.00	
Financial Income	3'126'630.11	0.00	
Other Income	14'550.03	0.00	
Extraordinary Income	376'278.68	0.00	
<i>Costs</i>			
Financial Costs	-8'050'102.56	0.00	
Depreciation	-1'578'583.02	0.00	
Museum	-15'812.91	0.00	
Extraordinary Costs	-706'249.30	0.00	
Total Result Outside Budget	-6'795'938.97	0.00	



BUDGETS 2019 - 2020

Budget proposals 2019-2020

Description	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
Volleyball events			
1) Fees and various rights such as Marketing and TV rights	61'357'057	67'827'804	60'311'795
2) Rights from Olympic Games	5'556'100	4'623'604	12'794'149
5) International Competition Expenses	-31'165'037	-35'512'372	-32'305'767
Volleyball events	35'748'120	36'939'037	40'800'177
Operating and management expenses			
7) Operation expenses	-9'592'579	-11'203'104	-11'147'934
8) Management expenses	-6'615'100	-5'733'602	-7'033'602
9) Meetings of the FIVB Commissions	-874'485	-712'960	-722'960
3) Other revenue	100'000	0	100'000
6) Marketing/Communications & Innovation/Digital	-8'824'328	-14'943'450	-15'833'242
Operating and management expenses	-25'806'491	-32'593'116	-34'637'738
Return on investments			
4) Interest and other financial income	2'121'420	4'862'900	4'862'900
10) Interest and other financial expense	0	0	0
Return on investments	2'121'420	4'862'900	4'862'900
Result of the year	12'063'049	9'208'821	11'025'339
Support to Volleyball Development			
11) Continental Confederations Investments	-5'988'000	-3'749'327	-3'491'666
12) Sport Programme Investments	-2'833'843	-1'572'503	-1'468'003
13) Confederations' development programs	-1'797'930	0	0
Support to Volleyball Development	-10'619'773	-5'321'830	-4'959'669
Net result of the year	1'443'276	3'886'991	6'065'670

	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
1) fees and various rights			
Rights for Beach Volleyball WT	14'235'809	8'927'834	8'999'581
Rights for Beach Volleyball WCHS	1'041'992	2'219'102	1'296'549
Rights for Beach Volleyball WCH Underage	196'989	0	0
Rights for Beach Volleyball Other events	20'204	0	0
Rights for Beach Volleyball Continental Cup	0	0	0
Rights for Volleyball Nations League	17'339'309	14'739'334	15'408'176
Rights for Challenger Cup	0	524'188	524'188
Rights for World Championship Men	4'206'182	5'241'863	4'523'610
Rights for World Championship Women	4'173'202	5'241'863	4'523'610
Rights for Club World Championship Men	725'098	924'291	924'291
Rights for Club World Championship Women	0	515'322	515'322
Rights for World Championship Underage	393'978	0	0
Rights for World Cup M/W	7'675'520	9'158'549	7'855'715
Rights for World Grand Champions Cup M/W	1'818'360	0	0
Rights for Olympic Qualification	0	10'912'283	749'620
Rights & Homologation for Material	2'320'154	1'147'715	1'147'715
Contributions and other Rights	2'520'261	60'000	60'000
Sponsorship Sales	2'090'000	4'471'135	5'998'015
Revenue from Transfers	2'600'000	2'700'000	2'700'000
Digital (Microsoft and OTT)	0	1'044'326	5'085'406
Total fees and various rights	61'357'057	67'827'804	60'311'795

	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
2) rights for FIVB development program			
TV rights from Olympic Games	5'556'100	4'623'604	12'794'149
Total rights for FIVB development program	5'556'100	4'623'604	12'794'149

	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
3) other revenue			
Congress income	100'000	0	100'000
Total other revenue	100'000	0	100'000

	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
4) interest			
Net gain on securities (cash management) / Net gain on securities (cash management) Portfolio JPM/SG	2'121'420	4'862'900	4'862'900
Total interest	2'121'420	4'862'900	4'862'900

5) International Competition Expenses	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
Beach Volleyball WT	-15'673'195	-10'919'450	-10'997'401
Beach Volleyball WCH	0	-1'454'300	0
Beach Volleyball WCH Underage	-166'570	-156'371	-166'371
Beach Volleyball Continental Cup	0	0	0
Volleyball Nations League	-15'148'572	-14'855'118	-13'766'188
Challenger Cup	0	-671'828	-671'828
Senior Men's WCH	-10'000	-10'000	-35'000
Senior Women's WCH	-10'000	-10'000	-35'000
Men's Club WCH	-37'248	-586'038	-586'038
Women's Club WCH	-37'146	-573'052	-555'415
WCH Underage	0	-1'672'192	0
World Cup Men - Women	0	-2'547'591	0
Grand Champions Cup	0	0	0
Olympic Games operational	-50'000	-610'000	-4'710'000
Olympic Qualification Tournaments	0	-954'966	0
Snow Volleyball, Street Volleyball & Others	0	-491'465	-782'526
Multi Sports Events	-2'000	0	0
Other expenses	-30'306	0	0
Total International Competition Expenses	-31'165'037	-35'512'372	-32'305'767

6) Marketing/Communication & Innovation/Digital	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
New Projects (VNL/VCC/Data Intel/Research)	-730'000	-4'023'000	-4'873'000
Promotion + Videos	-250'000	-520'000	-250'000
Branding (Concept + Production)	-1'135'000	-345'000	-1'145'000
Content Production / Archive (Betting Commission)	-3'053'631	-1'098'360	-648'360
TV Competitions Costs	-731'199	-223'800	-123'800
World Volley News	-75'000	0	0
Volley World	0	0	0
Communication, Press & Visuals	-1'434'811	-1'582'832	-1'582'832
Printed matters	-95'000	-95'000	-95'000
Technology & Innovation	-1'319'686	-1'688'933	-1'688'933
Digital (Microsoft and OTT)	0	-5'366'524	-5'426'317
Total Marketing/Communication & Innovation/Digital	-8'824'328	-14'943'450	-15'833'242

7) operating expenses	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
Salaries and Social Charges	-7'905'000	-9'500'000	-9'500'000
Rental, Heating, Electricity	-456'000	-340'000	-260'000
Maintenance offices	-190'800	-150'000	-150'000
Office supplies + Food and Beverage	-60'000	-110'000	-110'000
IT costs	-227'199	-622'904	-647'734
Info Technology Development	-150'000	0	0
Office equipment rental	-106'980	-120'000	-120'000
Office furniture and equipment	-36'000	-10'000	-10'000
Car expenditures	-10'200	-10'200	-10'200
Telecommunications	-108'000	-140'000	-140'000
Postage	-50'000	-200'000	-200'000
Translation fees	-30'000	0	0
Website hosting fees	-190'400	0	0
Other operating expenses	-72'000	0	0
Total operating expenses	-9'592'579	-11'203'104	-11'147'934

8) Management expenses	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
Management allocations	-2'689'000	-2'160'000	-2'160'000
Travelling expenses	-180'000	-800'000	-800'000
Accommodation expenses	-8'200	0	0
Insurances and guarantees	-50'400	-80'000	-80'000
BJD travel Insurance	-110'000	-150'000	-150'000
Bank charges	-480'000	-120'000	-120'000
Mandate fees	-636'000	-990'000	-990'000
Taxes	150'000	150'000	150'000
Other management expenses	0	0	0
Sales Department Expenses	-300'000	-433'602	-433'602
Congress	-1'300'000	0	-1'300'000
EC & BOA meetings	-451'500	-400'000	-400'000
Legal matters	-310'000	-500'000	-500'000
Auditing and Accounting	-250'000	-250'000	-250'000
Total Management expenses	-6'615'100	-5'733'602	-7'033'602

9) Meetings of the FIVB Commissions	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
Sports Events Council & VNL Council	-140'000	-170'000	-170'000
Rules of the Game and Refereeing Commission	-198'485	-132'960	-142'960
Finance Commission	-90'000	-50'000	-50'000
Medical Commission	-38'000	-30'000	-30'000
Legal Commission	-45'000	-30'000	-30'000
Communication Commission	-99'000	-30'000	-30'000
Technical and Coaching Commission	-80'000	-40'000	-40'000
Development Commission	-44'000	-40'000	-40'000
Beach Volleyball Commission	-140'000	-100'000	-100'000
Athletes Commission	0	-90'000	-90'000
Total Meetings of the FIVB Commissions	-874'485	-712'960	-722'960

10) Interest an other financial expenses	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
Investments charges on the Portfolio	0	0	0
Total Interest an other financial expenses	0	0	0

11) Continental Confederation	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
Africa	-750'000	-276'747	-190'860
Asia	-750'000	0	0
Norceca	-750'000	-271'976	-190'860
South America	-750'000	-300'605	-209'946
Europe	-750'000	0	0
Transfer reimbursements to NF and Confederations	-1'600'000	-2'300'000	-2'300'000
Support to Zonal Associations	-638'000	-600'000	-600'000
Total Continental Confederation	-5'988'000	-3'749'327	-3'491'666

12) Sport programme investments	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
Anti-Doping Tests	-235'000	-197'000	-235'000
Anti-Doping Operational + Education	-5'000	-147'500	-5'000
Printed Didactic Material	-140'000	-140'000	-140'000
Research and Studies	-27'500	-27'500	-27'500
Formation of Technicians	-231'258	-200'154	-200'154
FIVB Special Project (Project platform)	0	-450'000	-450'000
IRCC Course	-50'000	0	0
VCP (former SAP)	-359'165	0	0
Coaching support (instructors)	-110'000	-353'091	-353'091
National Federation support (material)	-820'000	0	0
Volley All Festivals	-270'000	0	0
Support to Development Centres	-535'920	-57'258	-57'258
Volleyball World Vision 2016	-50'000	0	0
Total Sport programme investments	-2'833'843	-1'572'503	-1'468'003

13) Condederations' development programs expenses	BUDGET 2018 Congress Approved	BUDGET 2019	BUDGET 2020
Development Funds	-1'797'930	0	0
Total Condederations' development programs expenses	-1'797'930	0	0



DELOITTE EXTERNAL AUDITOR'S REPORT

Deloitte.



Comprehensive Report to the Board of Administration

Fédération Internationale de Volleyball (FIVB) –
Audit of the year ended 31 December 2017

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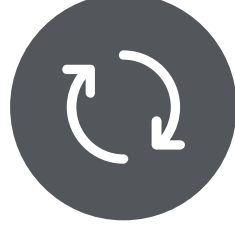
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To the Board of Administration,

We have completed our audit of the financial statements of the International Federation of Volleyball for the year ended December 31st, 2017. The audit was performed in accordance with our engagement letter of December 8, 2017.

The detailed report to the Board of Administration contains our major findings regarding the accounting, the internal control system, and the execution and results of our audit (article 728b paragraph 1 Swiss Code of Obligations (CO)).

The collaboration and communication with the FIVB finance team was constructive and transparent which allowed for an effective audit to take place. We would like to thank Management and the staff of the Fédération Internationale de Volleyball for the support provided to us during our audit.

Yours faithfully,

Deloitte SA

Annik Jaton Hüni
Licensed Audit Expert
Auditor in Charge

Alexandre Ribordy

Lausanne, April 23, 2018



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Term of the audit

The audit was performed in accordance with our engagement letter of December 8, 2017.

Key dates

-  **04.05.2017**
Board of Administration
-  **08.12.2017**
Engagement letter issuance
-  **31.12.2017**
Year ended

Audit procedures

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement and whether an internal control system exists. We report to you on those matters in accordance with article 728b CO and SAS 260.

Timing of the audit procedures

Audit procedures – FY2017



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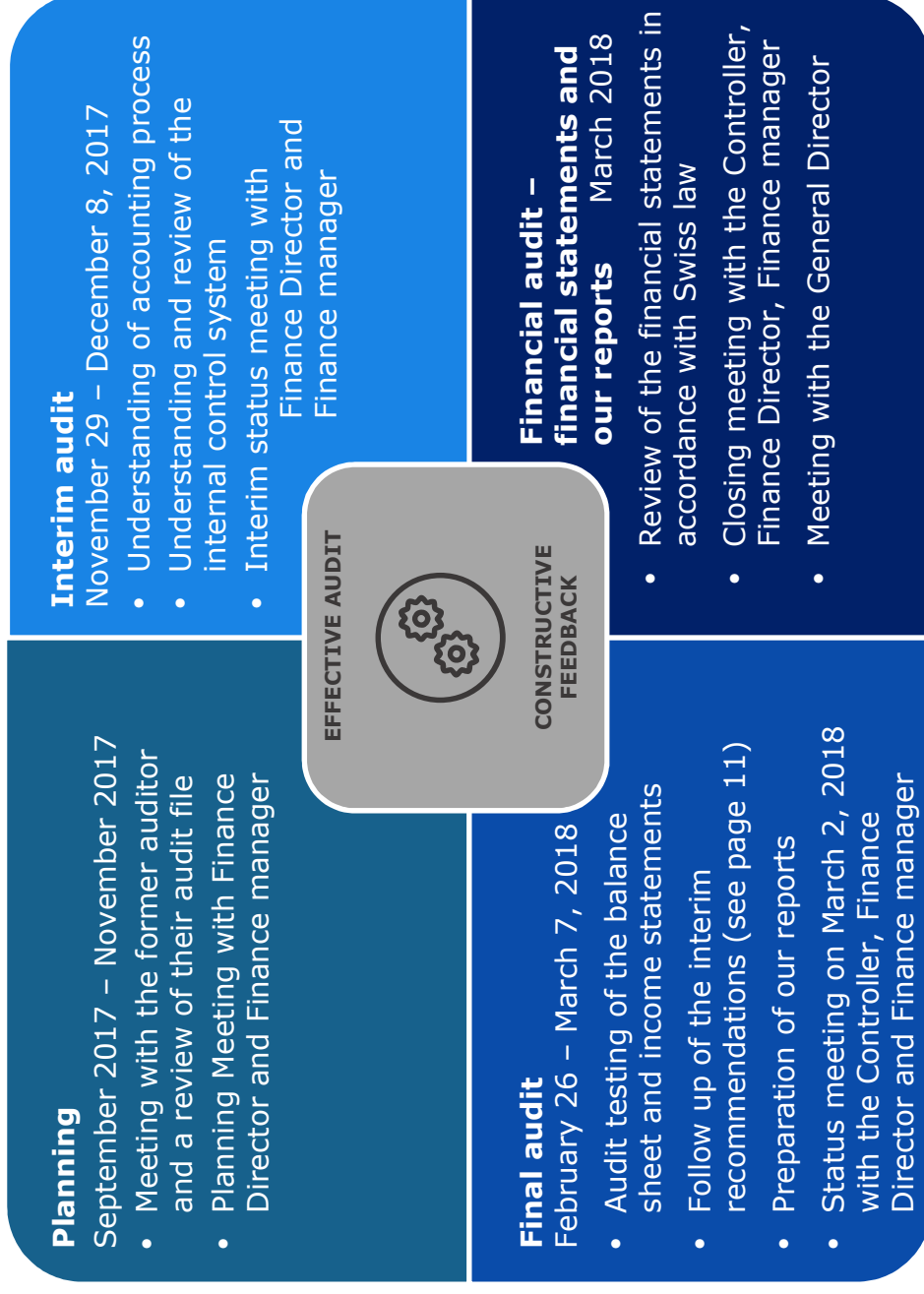
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Key audit risks

Management override controls

We present below the audit work performed to address the audit risks identified above. We also note that all other main items in the balance sheet and the income statement have also been subject to specific audit procedures.

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Audit risk

Management override of controls*: the risk that management could manipulate the financial statements through invalid postings of journals or use of bias in financial estimates

Internal controls are safeguards put in place in part to protect financial resources from fraud and abuse by employees. Executive management is responsible for ensuring the internal controls are implemented and respected by employees.

Management override of internal controls is the intervention by managers in handling financial information and making decisions outside of standard internal control policy. Management override of internal controls may result in or be associated with a major violation of an accounting policy.

Estimates are being used to determine the following balances, amongst others:

KCHF	2017	2016
Trade receivables	13'925	11'990
Provision for doubtful debtors	(1'401)	(1'626)
Other creditors	6'589	7'214

Our answer

During our interim and final audit, we have updated our understanding of FIVB's policies in this regard and how they are applied as well as performing the following audit tests, keeping in mind the risk of management override :

- review and testing of a sample of journal entries;
- audit of key judgements and estimates made by management; and
- consideration of any material proposed changes in presentation or accounting policies
- fraud discussions with management and members of the finance team.

We have not identified any issues arising from inappropriate management override.

**audit risks presumed according to Swiss Auditing Standards*

Independence



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Independence

We confirm that we meet the licensing and independence requirements as stipulated by Swiss law. Specifically we are independent according to the independence guidelines of EXPERTSuisse: the Swiss Expert Association for Audit, Tax and Fiduciary.



Audit misstatements

Summary of uncorrected audit misstatements

As part of our audit, we have identified the following uncorrected adjustments:

<u>Description</u>	<u>Comptes</u>	<u>Amount (CHF)</u>
NONE		

Summary of corrected audit misstatements

As part of our audit, we identified the following corrected adjustments :

<u>Description</u>	<u>Comptes</u>	<u>Amount (CHF)</u>
NONE		



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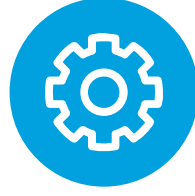
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Going concern

During audit work performed and discussions with management, we did not note any issues regarding the going concern assumption used in the preparation of the financial statements of FIVB.

Principle of consistency

Through our audit procedures we have noted no limitations to the principles of consistency;

- Valuation;
- Presentation;
- Recording; or
- Cut-off.



Material events after the balance sheet date

Based on discussions with management, no subsequent events have come to our attention that would have a material impact on either the consolidated or the standalone financial statements.



Related parties

Based on our understanding of the organization and our observations through our audit procedures, we did not identify unusual or complex related party transactions.

Internal Control System

The ultimate responsibility for the risk assessment is with the Board of Administration. In addition, the Board of Administration is ultimately responsible for setting up, documenting and implementing a system of internal control over financial reporting (ICFR) that considers the size, complexity and risks of the FIVB.

Internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Board of Administration, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Swiss law.

Rules and procedures

Maintenance of records that, in reasonable details, accurately and fairly reflects the transactions and dispositions of the assets of the entity.

Reasonable assurance

Transactions are recorded to allow accurate preparation of financial statements in accordance with reporting framework, and that income and expenditure of the entity are appropriately authorised by management.

Prevention or timely detection

Unapproved or uncorrected economic transactions of the entity that could lead to a material misstatement in the financial statements.

Management and the controller performs an assessment of the risks and reviews the relevance of the measures undertaken to reduce them.

This analysis is included with controller report submitted to the Board of Administration.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Internal control system

In the course of our audit, examination of processes and internal controls documentations meet several requirements :

- 1) Design of the controls** – the auditor should acquire a knowledge of the internal control relevant to the audit, so as to adapt his detailed tests and guide his audit procedures to sections for which risks have been identified.
- 2) Existence of the controls** – confirmation by the auditor on the existence of an ICS, in accordance with article 728 and Swiss Auditing Standard 890.
- 3) Operating effectiveness** – this approach enables the external auditor to reduce the quantity of samples for the testing, especially in business cycles with many transactions with small amounts being recorded. In the course of our audit strategy of FIVB, we decided not to test operating effectiveness due to the small size of the organization and some of the controls lacking formalization.

Management Letter

We confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Administration. In accordance with our normal practice, we draw the attention of management to certain matters which we identified during the performance of our audit of the statutory financial statements of the FIVB for the year ended December 31, 2017. This management letter has the purpose to indicate potential areas of improvements.

In the next page, we present a summary of the recommendations discussed and communicated to management.

Fédération Internationale de Volleyball

Management Letter

Process	Recommendations	Status and deadline	Priority
Entity level controls	<p>Documentation of internal procedures exists, nevertheless an update of the description of control procedures together with the improvement of a contract management process is on-going We also recommend to retain a copy of the approval of cash entries</p> <p>Controls documentation improvements: Closing checklist/ Annual review of FIVB contracts list / Account receivable provision</p>	<p>Open 2018</p> <p>Closed</p>	<p>High</p> <p>Low</p>
Fixed assets	<p>Review of the unamortized components, of the existing fixed assets (inventory), of the reconciliation and depreciation is not materialized</p> <ul style="list-style-type: none"> - Fixed assets are presented on a net basis in the financial statements and in the notes. Assets under constructions not being amortized are not presented separately. - Depreciation should start on the more precise date or month 	<p>Open 2018</p> <p>Open 2018</p>	<p>Medium</p> <p>Low</p>
Purchase and suppliers	<ul style="list-style-type: none"> - Supplier Database should be reviewed regularly especially for changes - Maintenance Supplier Database in one accounting system would improve reconciliation process 	<p>Open 2018</p>	<p>Medium</p>
Cash and equivalent	<p>FIVB should follow best practice and have joint signature for all levels across the organization. Payments should be only authorized jointly and from person of different departments, in line with delegated matrix of the signatures being implemented.</p>	<p>Open 2018</p>	<p>Medium</p>
Payroll	<p>Departure of an employee: during our interviews for the review of internal controls, we understand that when an employee leaves the FIVB, the steps to follow in this situation such as computer access restriction are not formalized in a written document.</p>	<p>Open 2018</p>	<p>Medium</p>
IT	<p>Password renewal for Abacus & Windows sessions should be implemented</p> <p>External consultants should use specific sessions to use the system.</p>	<p>Open 2018</p> <p>Open 2018</p>	<p>Medium</p> <p>Medium</p>
Other	<p>Financial Market Infrastructure Act (FMIA) and Data protection are new requirements that FIVB should review in order to ensure compliance during 2018</p>	<p>Open 2018</p>	<p>Medium</p>



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Conclusion on the financial statements

Following the reception of the signed management representation letter and approval of the financial statements by the Board of Administration, we will issue an unqualified audit opinion to the World Congress. We will issue an audit opinion confirming that the financial statements for the year ended December 31, 2017 comply with Swiss law and the article of incorporation.

We will include in our report the following information:

- The financial statements of the company for the year ended December 31, 2016 were audited by another auditor whose report, dated April 6, 2017, expressed an unqualified opinion on those financial statements.
- We draw attention to the fact that the financial statements of the association for the year ended December 31, 2016 will be approved by the biennial Congress in 2018. The profit and loss statement and balance sheet for the year ended December 31, 2016 were approved by the Board of Administration in 2017.

Finally, we will also issue a recommendation to approve the annual accounts for the year end December 31, 2017, subject to approval of the financial statements ended December 31, 2016.

Conclusion on the internal controls system

In accordance with article 728a para. 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 Board of Administration



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Exécution de la
révision



Résultat de nos
travaux de
vérification



Commentaires sur
les états financiers



Votre système de
contrôle interne



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INTERNAL AUDITOR'S REPORT

To: Board of Administration & Congress
(Fédération Internationale de Volleyball (FIVB))

From: Internal Auditors
- Sadik Zaid Nasiwu, ACCA, CPA(U)
- Wilbur Alister Harrigan, OBE, B Comm. (Hons) CA, CPA, CFE

Subject: **INTERNAL AUDIT REPORT FOR THE TWO
YEARS ENDED 31ST DECEMBER, 2017**

Date: 20th April 2018

I. SCOPE OF REVIEW

- a. We were elected to perform a two year internal audit review for the years ended 31st December, 2016 and 31st December, 2017.
- b. Our mandate was undertaken in accordance with Section 3.6 (2)(2) of the FIVB Constitution. The Section states, "the internal auditors shall report to the Board of Administration and The Congress on the auditing of:
 - i) The balance sheet and profit and loss of the two previous fiscal years.
 - ii) The revenue and expense results of the two previous fiscal years.
 - iii) The budget and
 - iv) Any other financial matter that they consider necessary".
- c. We were also engaged to ascertain as to whether the annual audited financial reports for 31st December, 2016 and 31st December, 2017 were:
 - Opined upon by the External Auditors.
 - Presented and approved by the Finance Commission
 - Ratified by the Executive Committee and the Board of Administration.
- d. The Findings set out below arose from reviewing and/or examining the following source documents and/or communicating with key management and staff of the organisation.
 1. FIVB Constitution
 2. Manual of the Internal Control System (ICS)
 3. External Auditor's Audited Financial Statements for 2015, 2016 and 2017.
 4. Extract of schedules from the External Auditor's audit working papers for 2016 and 2017
 5. Management Reports for 2016 and 2017
 6. "Closing-out" External Auditors Report to Management.
 7. Discussions with the CEO, CFO and Controller.

- e. In addition, to guide us in our discussions and/or reviews we utilised a Fraud Questionnaire and a Risk Assessment Questionnaire.

II. FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

- a. It is our view that FIVB's Constitution was clear as to our mandate. In this regard, we discharged our responsibilities and no significant exceptions were noted during the course of our work.
- b. The *Manual of Internal Control System (ICS)* provided a frame of reference for our review. However, by way of recommendation we suggest that the Manual required improvement in the following areas:
 1. Certain documents are required to be translated to English.
 2. Documents that were updated are required to be indicated as such.
 3. A number of documents that are in the process of been approved and implemented should be labeled draft and inserted in a designated section.

Our review of the system of internal controls has revealed that since our last visit the internal control environment has significantly improved. Management should be commended for their efforts. However, there is some evidence that there are certain inherent inefficiencies arising out of this push to "get it right"; in that there were some duplication of efforts. This, we believe, is not considered to be a major problem and it will likely correct itself in the fullness of time.

- c. We enquired about risks in the areas of *Environmental, Operational, Financing, Integrity and Strategic*. The Controller under the direction from the Board was responsible for Risk Assessment. In these areas, management's represented that the Organisation is not unduly exposed and we found no evidence contrary to this position. A fundamental cornerstone of effective governance is the *tone-from-the-top*. We believe the communication down was consistent with a properly functioning organisation of this nature.

During the course of our review we found no evidence that they were not embracing their responsibilities.

- d. Staffing

The staff compliment at Head Office was 57 at the time of our visit. In our assessment the number of employees is sufficiently large and diverse to necessitate the formalisation of existing policies, practices and procedures in a comprehensive Employee Manual. Such a document should cover all relevant matters and in particular, establish clear expectations of performance and behaviour (to include such matters of expense reimbursement, and measures to prevent perceived or actual conflicts of interest).

- e. Disaster Recovery Plan

We enquired as to the existence and implementation of a comprehensive Disaster Recovery Plan. We were advised that this Plan is still under consideration.

We suggest that in light of the growth plans and expectations in terms of managing more and more events, management, in consultation with the Board, should formalize various contingency planning relating to various potential "What-If's" catastrophic events. We understand that currently this type of contingency planning is done on an informal basis.

f. Nine (9) Point Plan

Our discussions with management on the Nine Point Plan/Vision 2020 revealed that certain aspects thereof have been completed; other aspects have been revised while others are ongoing.

It is our view, notwithstanding that it has been a top down project, valuable insights could be obtained if ideas are communicated and feedback sought from the various stakeholders and/or Federations. Through such a dynamic inclusionary process, there will be significant synergies identified and ultimate results optimized.

g. Timing of Internal Audit Review

The internal audit review is carried out once every two years to coincide with the timing of the Congress. It is our recommendation that with the objective of enhancing efficiency and effectiveness, the review should be undertaken on an annual basis or alternatively extend the period by two days. The Internal Audit function is an important component the effectiveness of the organisation's governance.

h. Accounting and Auditing Standards

The reader should understand that the financial statements opined upon were prepared in accordance with Article 69 (b) of the Swiss Civil Code. As a result the accounting treatment of certain balance sheet and profit and loss statement items are not presented in accordance with International Financial Reporting Standards (IFRS).

III. PROCEDURE TESTS

a. General

It was our considered opinion that it was reasonable and appropriate to rely upon the work carried out by the External Auditors – Deloitte SA. This was their first year, having rotated Auditors (Ernst & Young); As such, our procedure tests was limited to - two revenue items and two expense items. No exceptions were noted.

b. Profit and Loss Movement (000s)

	2017 -----	2016 -----	2015 -----
Profit and (loss) for the year	\$6,091	\$636	\$(4,764)

The year 2015 was a non-Olympic year and did not attract any excess revenue stream from the IOC Games. However, in 2015, Olympic rights revenue of \$8.3 M was received which assisted in offsetting certain costs involving various international competitions for the year.

The Matching Revenue and expenses resulted in a net loss of approximately \$4.8M in 2015.

The overall revenue was increased from \$61M in 2015 to \$66M in 2016. This increase was attributable to Olympic revenue of \$12M – 50% allocated for the 2016 Olympic games, and a reduction in the rights revenue from \$56M to \$49M. There was no matching Olympic rights revenue of \$8.3M in 2016 and no Olympic games revenue in 2015.

The profit of \$0.636 M (in 2016) was realized as a result of a net increase in the Revenue of approximately \$4.8M and net expenses fluctuations of \$4.1M. The material fluctuations were:-

	(000)
Decrease Travel & Hotel costs	(4,879)
Decrease in awards and other costs	(1,848)
Increase in 2016 Olympic expenses	5,283
Decrease in FIVB programme expenses	(1,505)
Decrease in Development Center cost	(726)
Increase in Direct assistance to coaching	362
Increase in salaries	587
Increase Social Security (arrears)	1,638
Increase in Administration – Travel and Hotel	1,658
Increase in Administration - Insurance	125
Decrease in Administration – Management fees	(243)
Increase in Administration - communication	1,198
Decrease in publication	(268)
Increase in legal fees	233
Increase in bad debts	225
Increase in exchange gains/losses	2,293

Net Increase in Expenses	\$4,133
	=====

The performance in 2016, which was an Olympic year, realized a profit of approximately \$0.636M. In this said year (2016) Olympic revenue allocated was approximately \$12M.

However, it should be noted that there was a change in the accounting policy for the Olympic Games Revenues. Where as in 2012, the revenue was spread over 3 years (2012, 2013 & 2014)

in 2016 it was decided that the revenue would be spread over four years – 2016 – 50%; 2017 – 20%; 2018 – 15%; 2019 – 15%.

The increase in the profit performance from \$0.636M in 2016 to \$6.1M in 2017 was attributable to net revenue decrease of \$3M and a decrease in expenses between years of \$9M.

There was an increase in TV rights and hosting and license fees of \$4.6M and decrease in Olympic games revenue of \$7.2M. Other income increased by \$0.342 over 2016.

The pertinent **expenses** headings that were effected during 2017 were as follows:

International competition	<u>(000)</u>
Decrease in travel and hotel	(2,426)
Increase in other	943
Decrease in Olympic games	(5,658)
Increase in support programme	1,546
Decrease in support for Confederation	(1,891)
Development	
Decrease in Confederation support	(1,862)
Decrease in Social Security	(483)
Administrative	
Decrease in Management	(491)
Decrease in Travel & Hotel	(1,675)
Increase in Office equipment cost	706
Increase in Agency fees	1,467
Decrease in unrealized gains	986
Adjustments (Net)	(158)

Total net	\$(8,996)
	=====

In 2017, in accordance with the accounting policy change in 2016, pertaining to the recognition of revenue from the Olympic Games, Revenue of \$4.9 Million was recognised. However, there were no expenses to be matched against this revenue in that all of the expenses were recorded in 2016.

In addition to the 20% revenue allocation for the 2016 Olympic Games there were increases for TV rights and Match fees of approximately \$4.6 Million that were not available in 2016.

Consequently, the profit for the year 2017 was due primarily to the revenue fluctuations indicated above together with the reduction of the expenses that were consistent with the events that occurred in 2017 as well as there were cutbacks in certain expense areas such as, administrative costs and social charges offset by an increase in other operating cost.

c. Balance Sheet (000s)

Cash and equivalent	2017	2016	2015
	-----	-----	-----
Liquidity	11,547	20,948	5,592
Portfolio	5,744	2,697	6,040
Short-term Investments	2,163	3,435	4,955
	-----	-----	-----
Total Cash and equivalent	\$19,854	\$27,080	\$16,587
	=====	=====	=====

The movement of cash balances between years was consistent with management's policy of investing excess cash. The large cash balance at the end of 2016 was directly related to the 2016 Olympic Games proceeds (net) plus the amounts derived from TV rights and match fees. The excess cash was placed in the investment portfolios.

Investment Portfolio	2017	2016	2015
	-----	-----	-----
Stocks, Bonds and CD's	95,055	84,338	82,541

The Investment Portfolio is the largest single figure on the Balance Sheet. As such, it is inherently the asset most exposed to impairment. Thus, this item was critically reviewed to assess its ultimate reliability.

Our review focused on the organisation's investment risk policy, which we determined to be conservative and best characterised as "low-risk". We extended our review to the month of April, 2018 and were satisfied that the Investment have met this risk criteria.

Management has engaged two Agents to ensure that the Investment Portfolio is properly and effectively managed.

V. CONCLUSION

We recommend approval for the financial statements for the years 31st December, 2016 and 2017.

(We need to see

- *The final Financial Statements*
- *Ratification by Executive Committee and Board of Administration.)*

We take this opportunity to thank the Management and Staff for their support, candor, and full cooperation during the course of our work'.

.....
Sadik Nasiwu

.....
Wilbur A. Harrigan, OBE



FIVB CONTROLLER'S REPORT

FIVB Controller's report 2017

The logo for FIVB (Fédération Internationale de Volleyball) features the word "FIVB" in a bold, blue, sans-serif font. A blue arc is positioned below the letters, and a small "TM" trademark symbol is located to the right of the letter "B".

FIVBTM

FÉDÉRATION INTERNATIONALE
DE VOLLEYBALL

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FIVB Controller
Licensed audit expert

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Lausanne, on the 1st April 2018



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4. Internal organization
5. Risks perspectives
6. Conclusion

1. Roles of the Controller



1. Roles of the Controller

As Controller for the FIVB and on the basis of the mandate entrusted to me, I have verified the bookkeeping and organization of the accounting system of the Federation for the period from 1 January 2017 to 31 December 2017.

Mandate according to the constitution

The role of the Controller is to ensure strict compliance with the accounting controls and administrative and financial procedures and that all the financial transactions are authorised by the President or in accordance with signatures rules.

Work carried out

During the period under review, the following work was carried out:

- Review of and assistance with drawing up the annual financial statements
- Miscellaneous work related to taxation and social charges
- Monitoring the management of the securities portfolio
- Attendance at the meetings of the Finance Committee
- Various control on the development funds
- Verifications of invoices and contracts
- Various work requested by the President or the General Director
- Various discussions with the Treasurer and/or the President

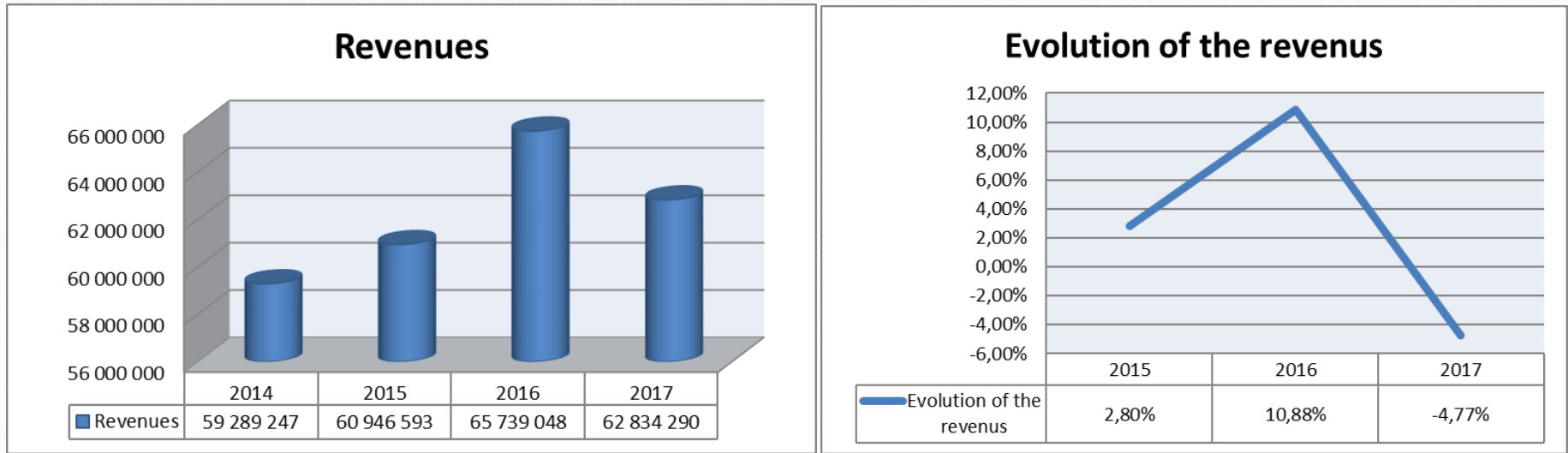
Comments

All the work was carried out in collaboration with the Finance Department, the department heads and the Treasurer and/or President.

2. Analysis of the Profit and Loss statement



2. Analysis of the Profit and Loss statement



Revenues

Revenues : Yearly subscriptions, broadcast and various rights, transfer fees and IOC funds

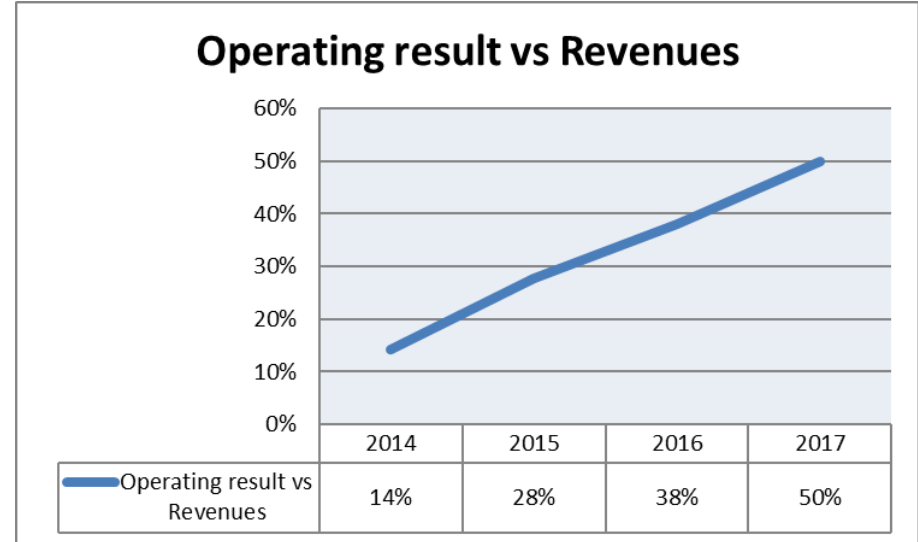
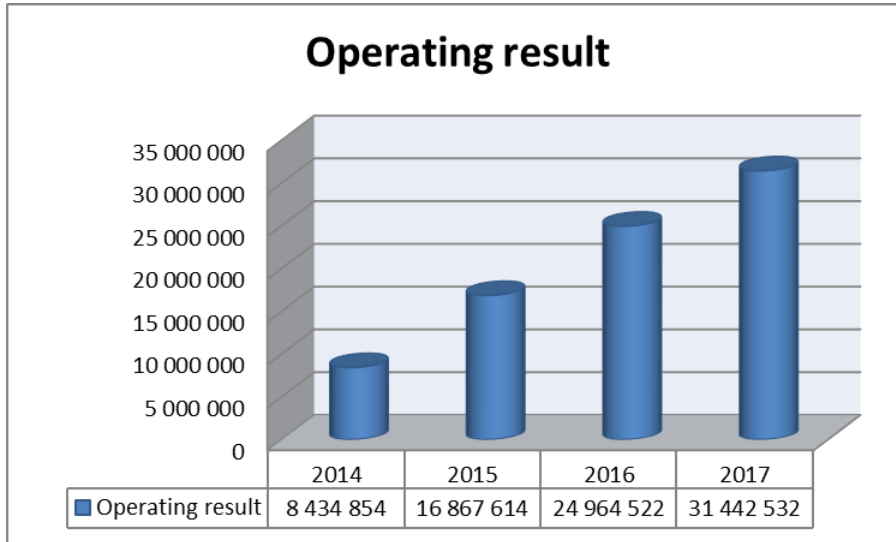
Comments:

Income is increased on the TV rights for an amount of TCHF 2'322 as well as on the Hosting fees for an amount of TCHF 2'006. The revenues of transfers remained stable.

The reduction of income results from the application of the distribution of income acquired during the last Olympics. Indeed, this income was taken into account at the level of 50 % in 2016, 20 % in 2017. The balance of this income will be imputed during 2018 and 2019 at the level of 15 %.

It should be noted that a special effort has to be made in the monitoring of contracts (signing, promotion and legal review). The process must be adapted on this subject, it must be improved and especially applied by all.

2. Analysis of the Profit and Loss statement



Operating result

Revenues : Yearly subscriptions, broadcast and various rights, transfer fees and IOC funds

Expenses : International competitions, Olympic Games, FIVB programs, Confederations allocations, development and transfer refunds

Comments:

The operating profit increased by TCHF 6'479 or 25% included the decrease of TCHF 2'905 in connection with revenues.

Expenses in connection with the international competitions decreased in TCHF 1'682 mainly because of the decrease of the travel expenses, the hotel and the per diem for these competitions.

The Olympics costs in Brazil were residual during 2017.

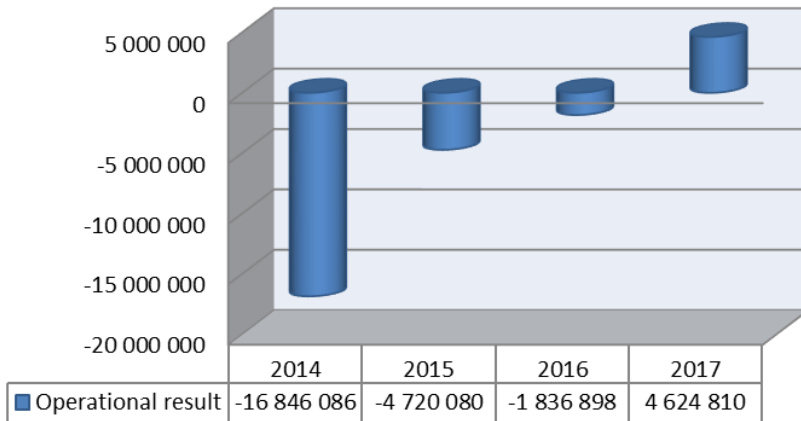
The FIVB programs increased by TCHF 1'547. TCHF 1'533 is linked with support in the national federations for the organization of events.

Expenses in connection with the allowances to Confederations are in decrease of TCHF 1'891.

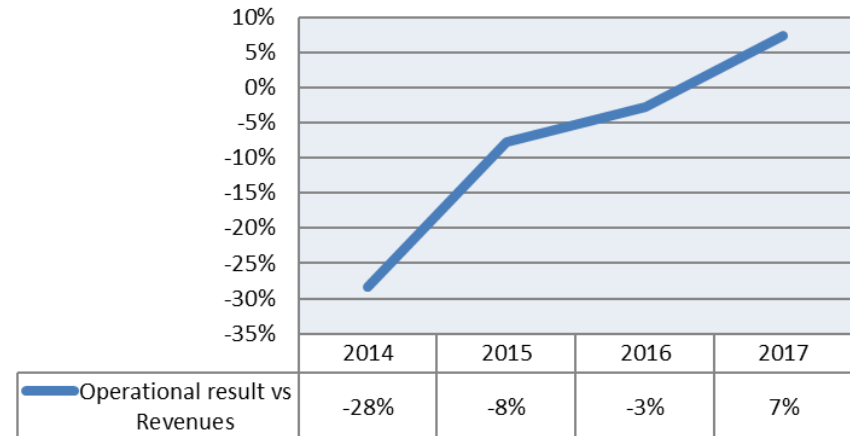
The investment in the development was directed. The amount is in reduction of TCHF 1'862.

2. Analysis of the Profit and Loss statement

Operational result



Operational result vs Revenues



Operational result

Operating result

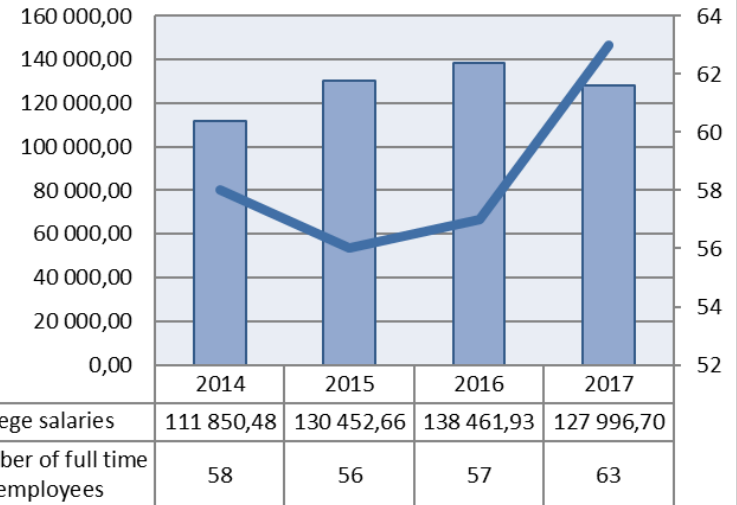
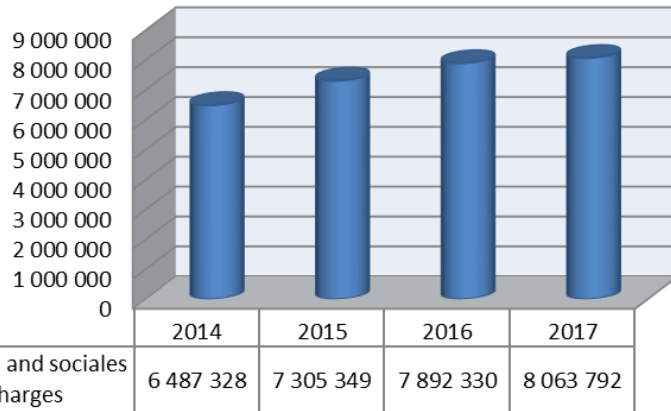
Expenses : Salaries and social charges, administratives costs, depreciation and amortization

Comments:

The operational result is increasing by TCHF 6'441. This increase is mainly due to the good result (profit) of the main activity given that the overheads are stable between 2017 and 2016. TCHF 26'818 in 2017 and CHF 26'781 in 2016.

2. Analysis of the Profit and Loss statement

Salaries and sociales charges



Salaries and social charges

Salaries, social charges and other cost of employees.

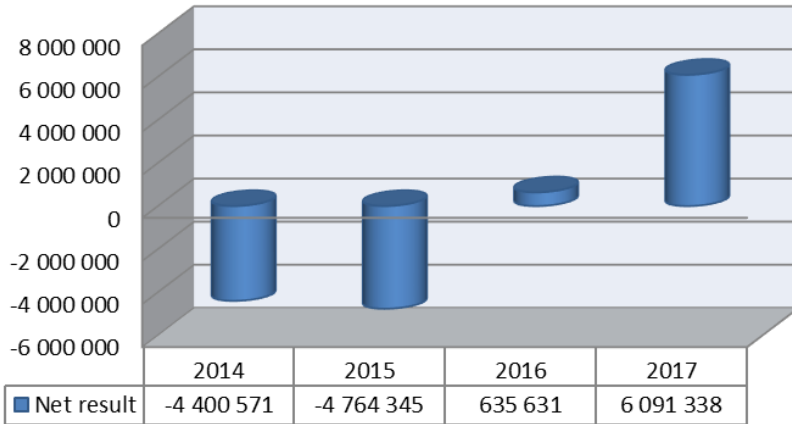
Comments:

The number of employees has increased during the year. 63 full-time employees are employed to the FIVB as of 31.12.2017 (57 at 31.12.2016).

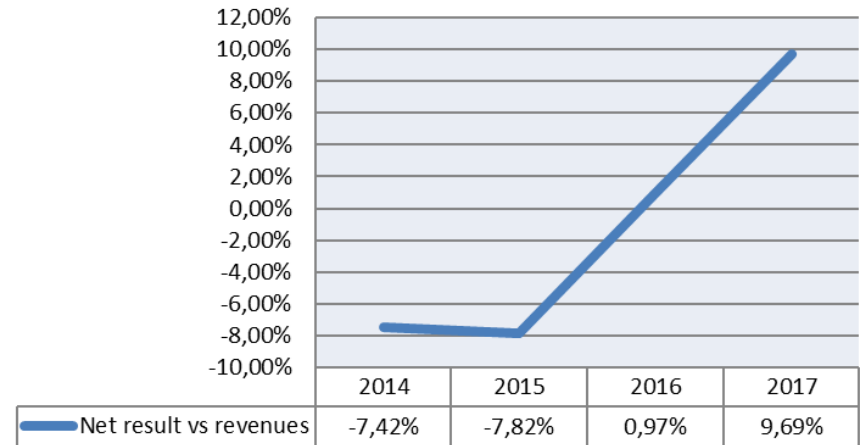
In the other side, the average salaries decrease of 8%.

2. Analysis of the Profit and Loss statement

Net result



Net result vs revenues



Net result

Operational result

Financial result and Extraordinary result

Comments :

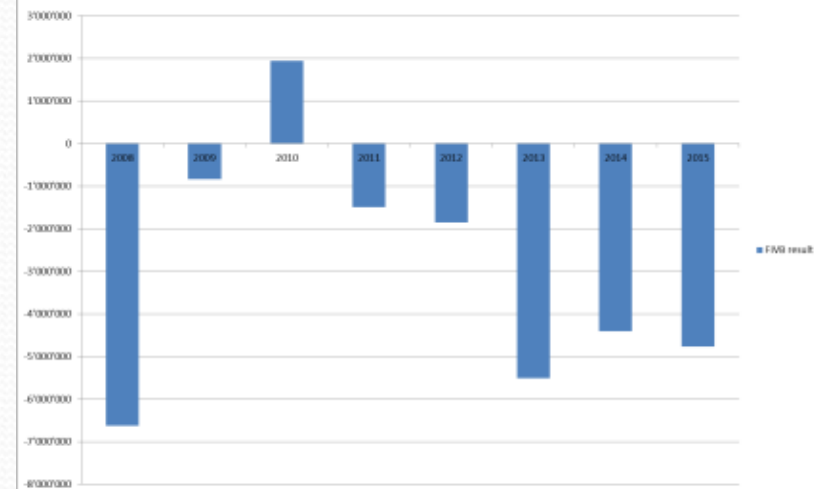
The profit of this year confirms the resumption of the finances of the FIVB.

The financial result is TCHF 1'171 (Portfolio result and exchange rate result).

The portfolio's net return in dollar is 6,77% without exchange rate impact. (2016 : 1.83%).

Net extraordinary income and expenses are not significant.

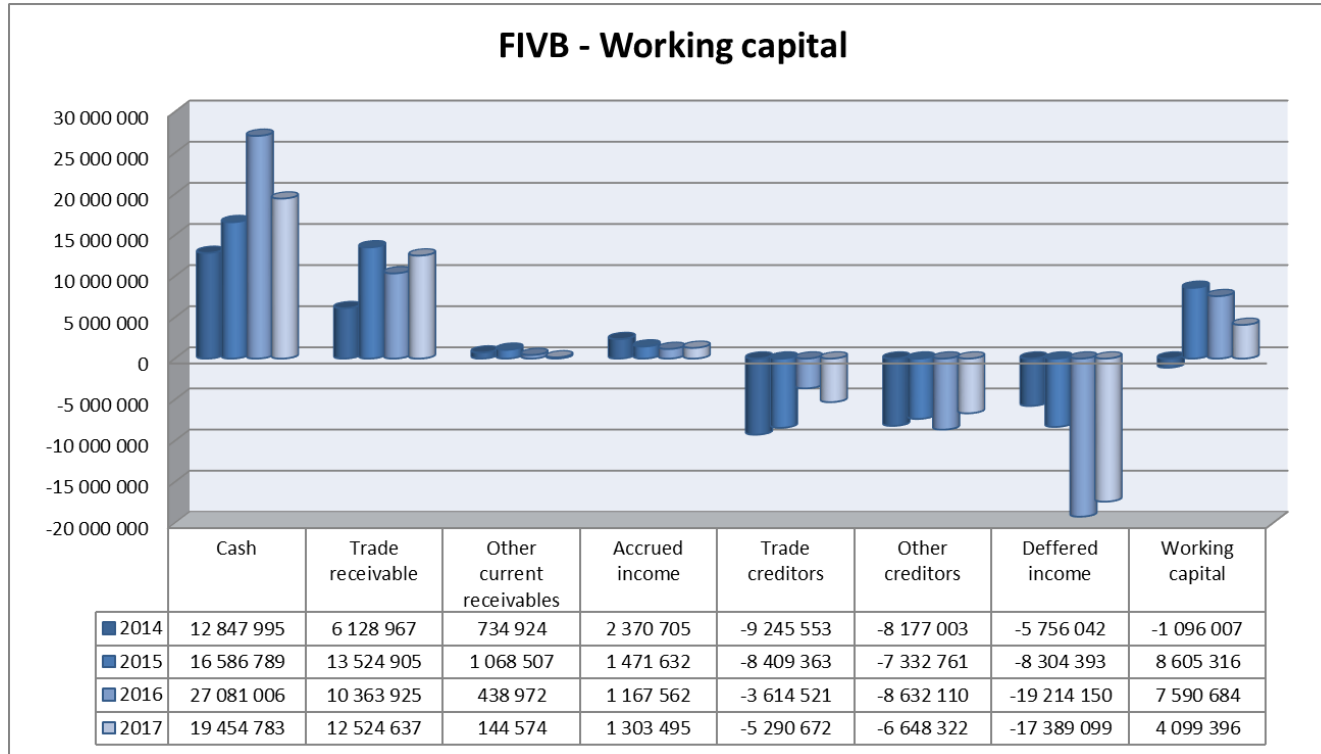
FIVB result



3. Analysis of the Balance sheet



3. Analysis of the Balance Sheet statement



Working capital

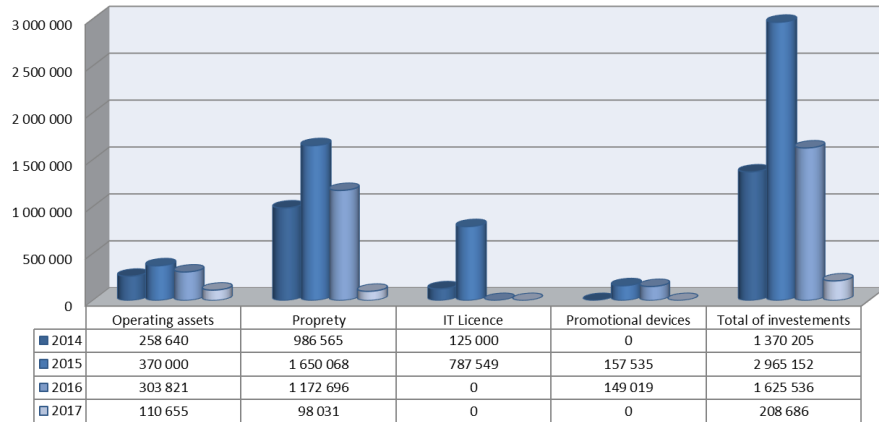
Comments:

The working capital is sufficient to respect in the commitments of the FIVB. This "short- and medium-term" working capital does not take account of the securities portfolio.

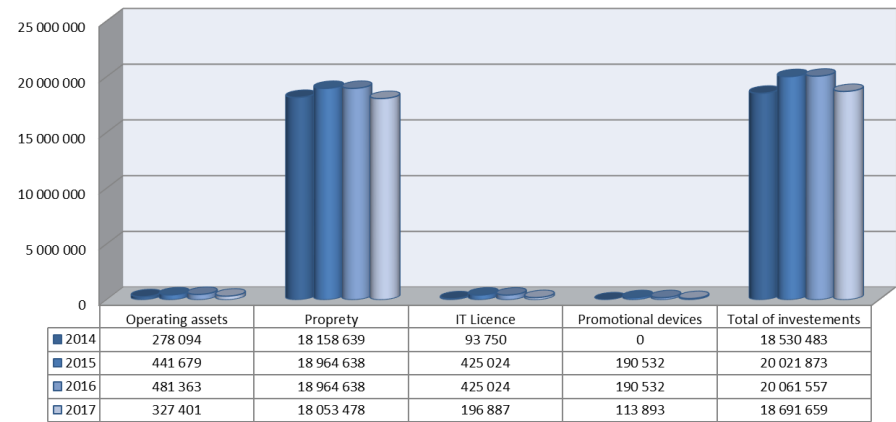
In the differed income are included the amount received for the last Rio Olympics Games but not considered as income in 2016. This amount is TCHF 7'500.

3. Analysis of the Balance Sheet statement

FIVB - Investements during the year



FIVB - Fixes assets



Investements

Comments:

Investments continue in several sector of the FIVB. We need to continue to improved the capacity of the FIVB to be in a high level of the sports federations. All the investments are amortized and the amount of this represent this year a amount of TCHF 208.

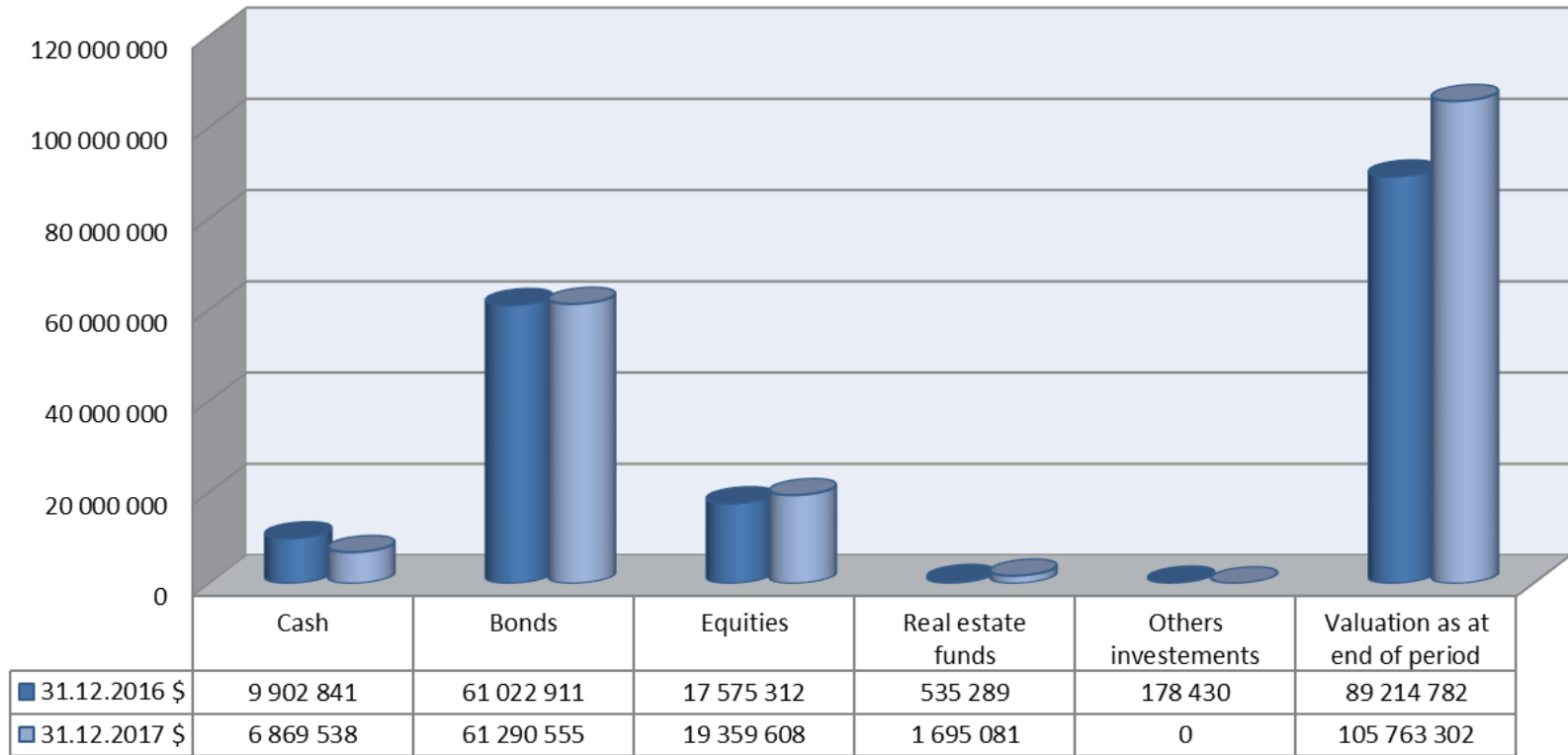
We inform you that all the amounts of the fixed assets are booked at the purchase price minus the depreciations.

This is a fact that the property is underestimated in the economic value, in reason of the amortizations imputed in the financial statements.

3. Analysis of the Balance Sheet statement

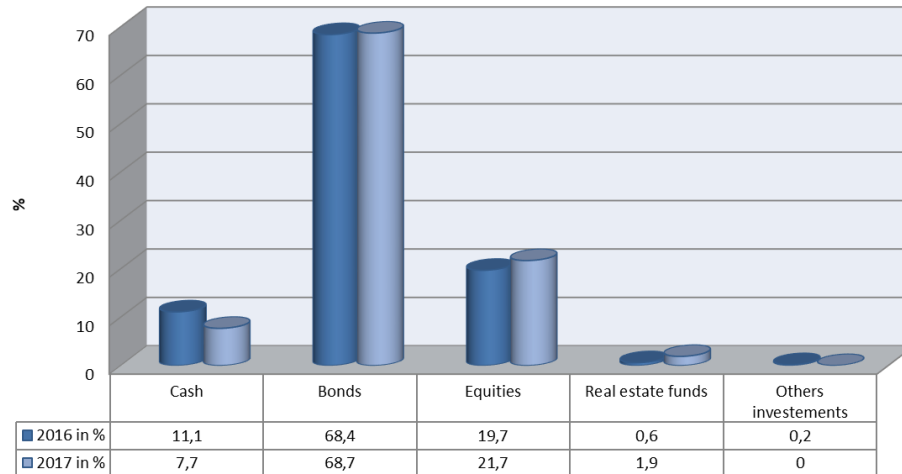
Financial assets

FIVB - Portfolio at 31.12.2017 \$

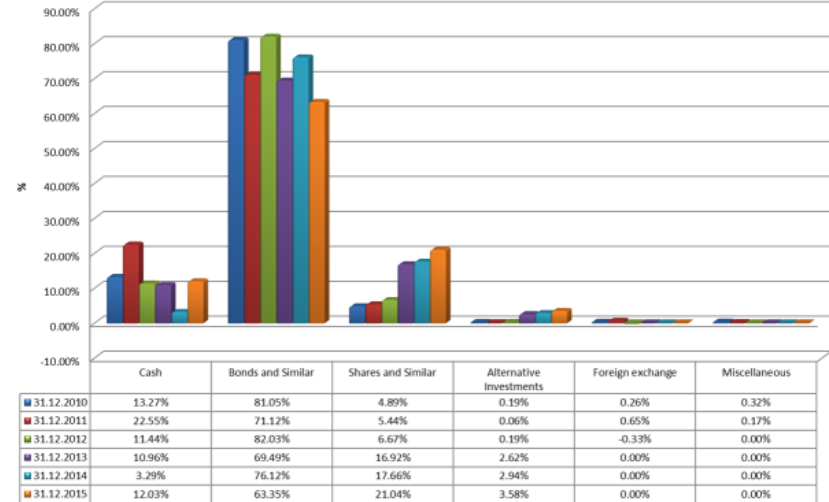


3. Analysis of the Balance Sheet statement

FIVB - Portfolio by assets class at 31.12.2017



FIVB - Assets repartition



Financial assets

Comments:

I note that the investment strategy of the FIVB is based on a very low level of risk. The banks define this level as follows:

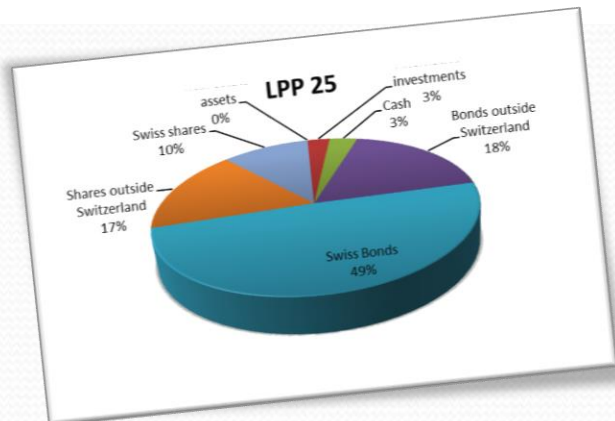
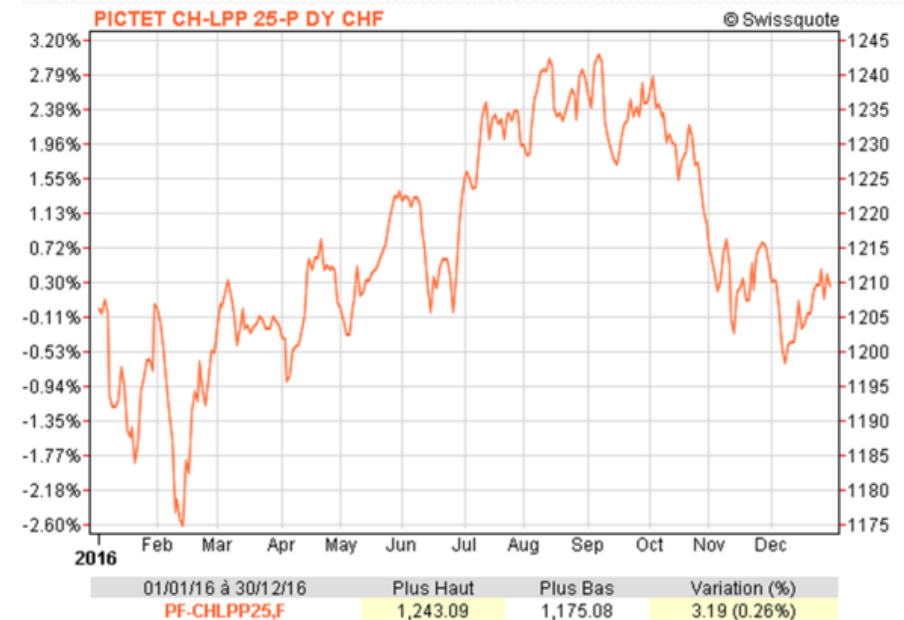
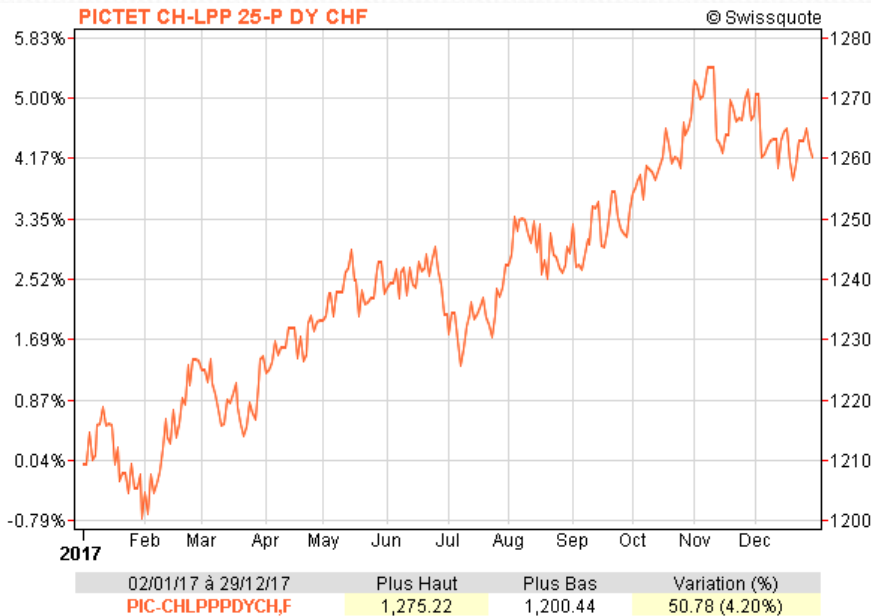
Conservative : Long-term increase in the real value of the principle by seeking a progressive increase in value within the limits of fluctuation of values. Cash and short-term instruments and fixed-income investments represent a large portion of investments made. Equity investments and alternative investments are in a minority.

In terms of risk, there are 5 levels of risk, which are : fixed income - conservative - balanced - dynamic - Swiss domestic asset management.

We reduce the level of cash at the end of the year, many opportunities was detected at this time.

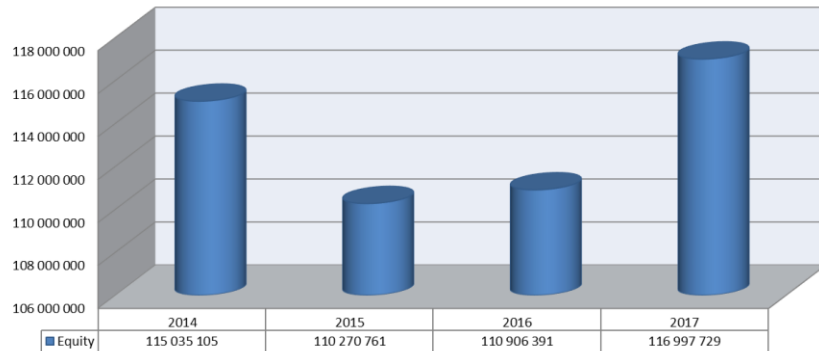
3. Analysis of the Balance Sheet statement

Financial assets

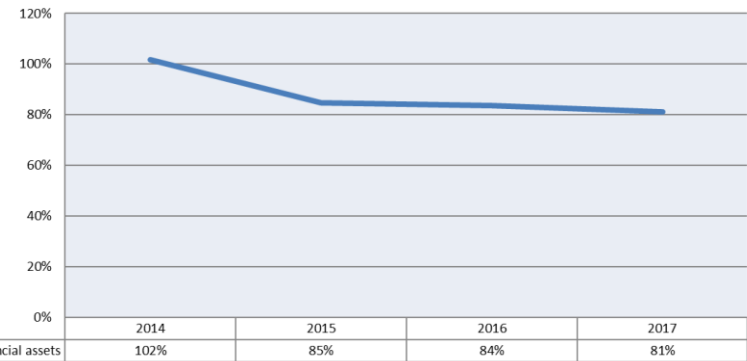


3. Analysis of the Balance Sheet statement

FIVB - Equity



FIVB - Equity vs Financial assets



Equity

Comments:

I note that the equity of the FIVB are in a very good level. This equity are represented in the asset by the portfolio. That means that our equities are liquid.

Equities are bigger (economically speaking), if we take into account, the hidden reserve that exists on the building of the FIVB. The sale price of this asset can be evaluated between TCHF 10'000 and TCHF 15'000 more that the accounting value at the end of this year.

4. Internal organization



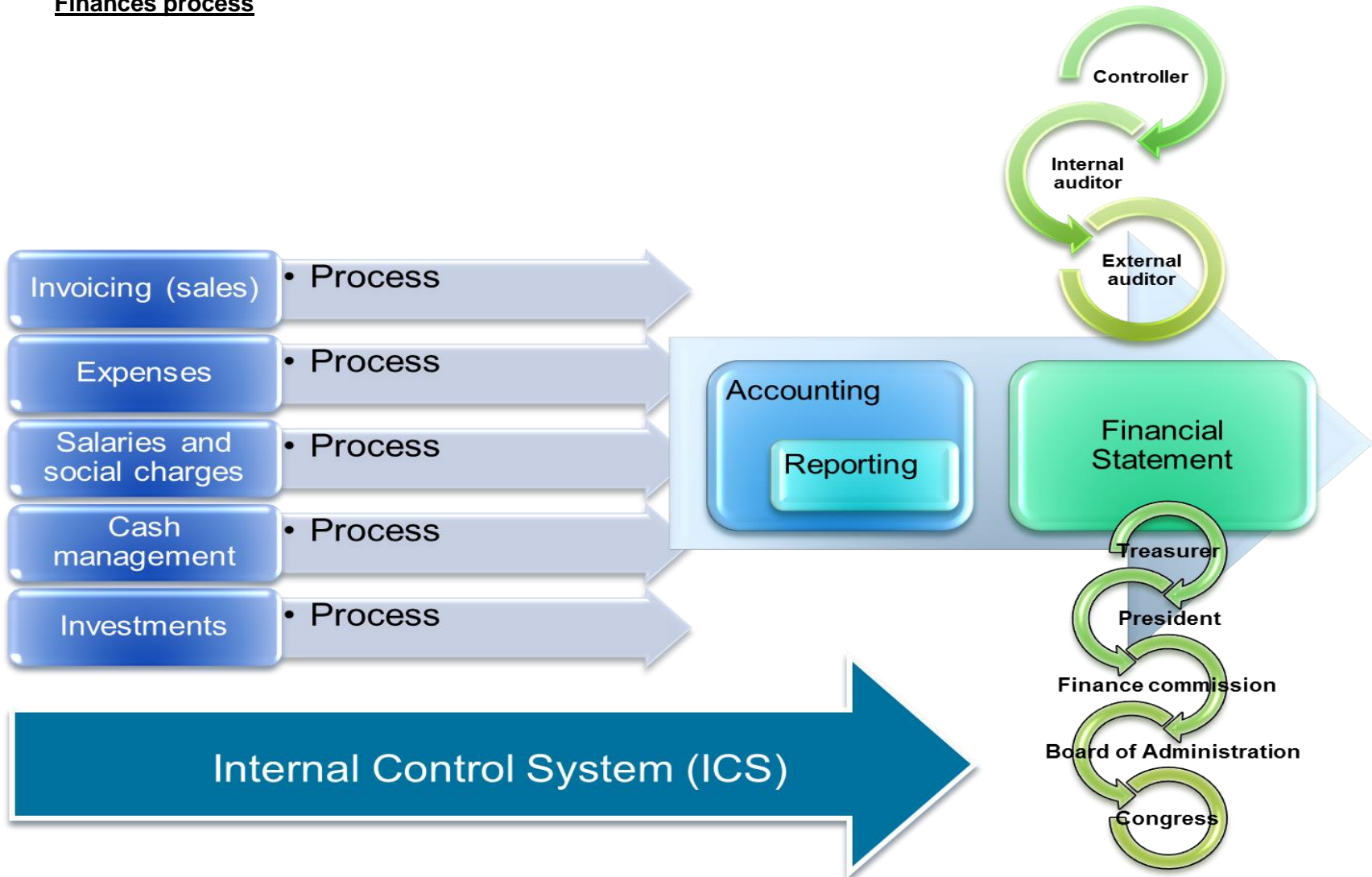
4. Internal organization

Approval process for the financial statement



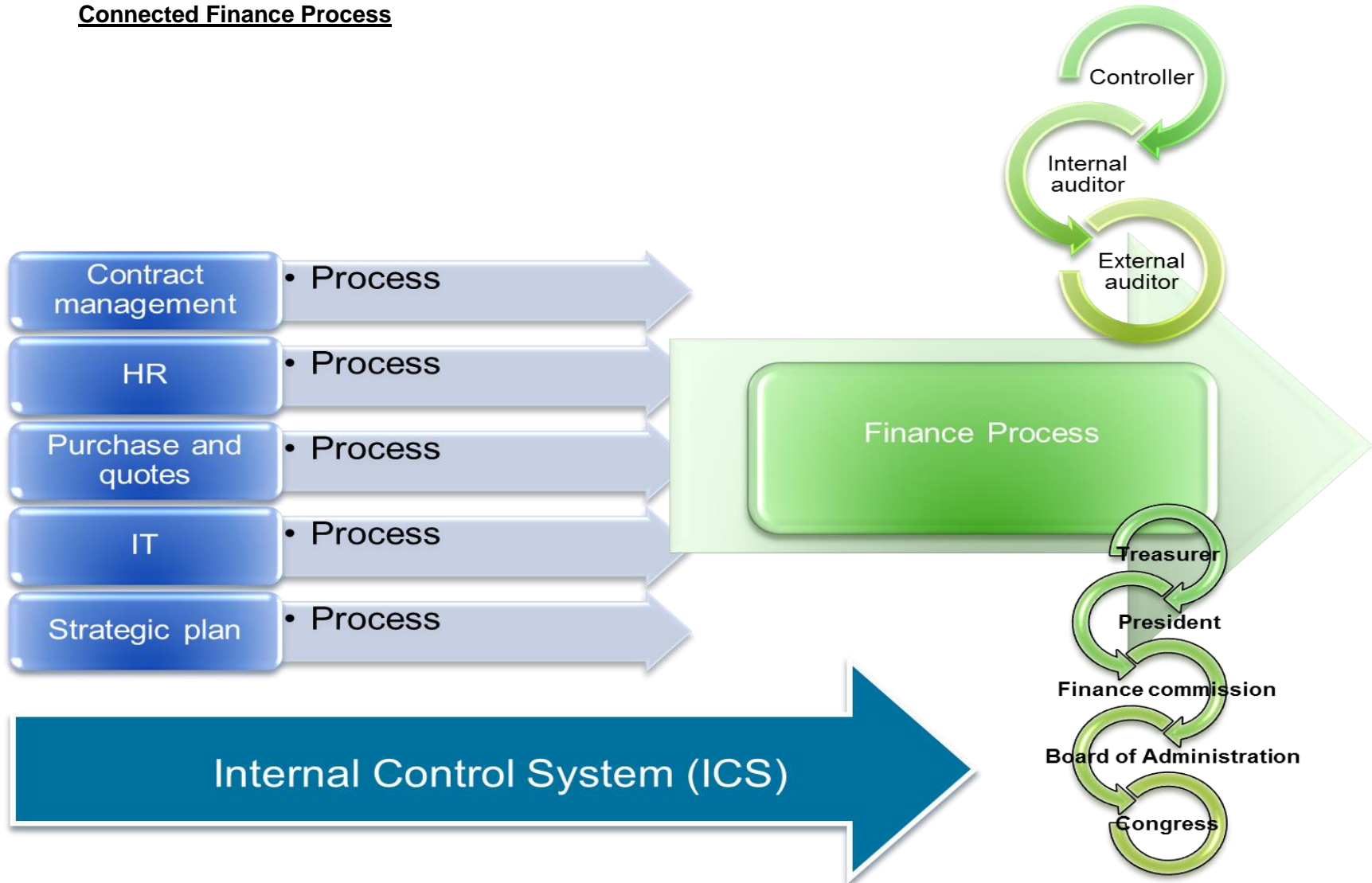
4. Internal organization

Finances process



4. Internal organization

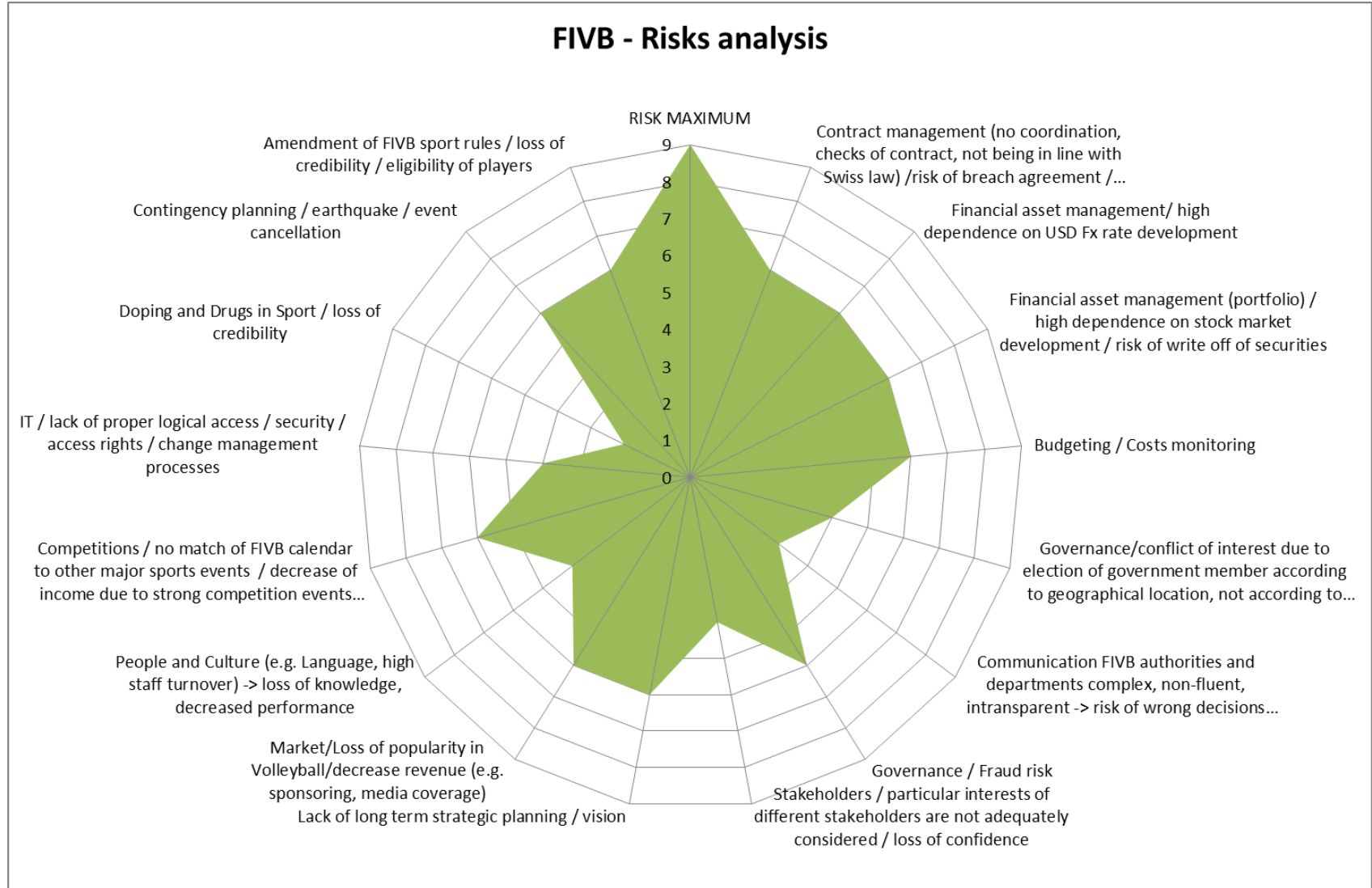
Connected Finance Process



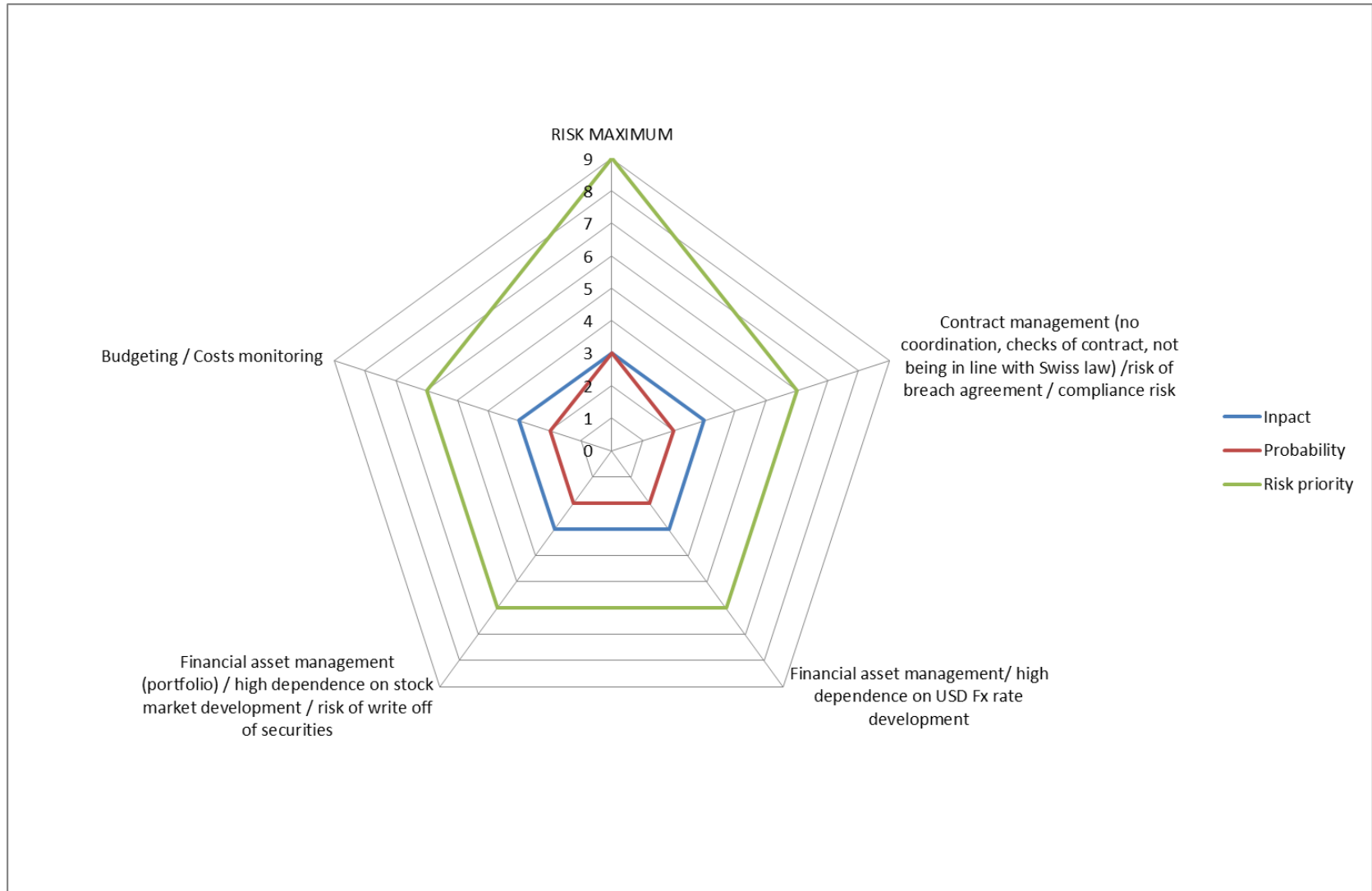
5. Risks perspectives



5. Risks perspectives



5. Risks perspectives - Finance



5. Risks perspectives

Control risks

The risk of control is stable.

The software ABACUS was fully utilized during 2017. We must now quickly implement the contract software to manage correctly all the FIVB commitments.

The financial statements closing process is described. There is used for the closing of the annual accounts 2016 and 2017. It is a useful and effective tool.

The controls put in place at the FIVB limit the possibility of using funds in an unjustified manner.

It's a fact that we use at the FIVB the principle of 4 eyes. Before a payment, all the appropriate signatures and reconciliations are made as follow :



5. Risks perspectives

Control risks

AUTHORISED SIGNATURES TABLE C : E-BANKING	
PERSONS	SIGNATURES
PRESIDENT	INDIVIDUAL SIGNATURE
CEO + PRESIDENT OFFICE DIRECTOR	JOINT SIGNATURES
CEO + ADMINISTRATIVE DIRECTOR	JOINT SIGNATURES
FINANCE DIRECTOR + ADMINISTRATIVE DIRECTOR	JOINT SIGNATURES

AUTHORISED SIGNATURES TABLE A : INCOME CONTRACTS		
LEVEL	AMOUNTS	SIGNATURES
1	CHF 0 to 100'000.-	Directors of the Departments Finance + Administrative Departments Directors
2	CHF 101'000.- to 500'000.-	Directors of the Departments Finance + Administrative Departments Directors
3	CHF 500'001.- to 1 million	CEO + General Secretary
4	Bigger than CHF 1 million	PRESIDENT

AUTHORISED SIGNATURES TABLE B : PURCHASE & SUPPLIERS CONTRACTS				
LEVEL	AMOUNTS	SIGNATURES	QUOTES	SPECIAL DOC
1	CHF 0 to 5'000.-	Director of the Department	0	
2	CHF 5'001.- to 20'000.-	Director of the Department & CEO	1	Authorisation Form
		OR Finance Director + Administrative Director		Must Be completed
3	CHF 20'001.- to 50'000.-	Director of the Department & CEO	2	Authorisation Form
		OR Finance Director + Administrative Director		Must Be completed
4	CHF 50'001.- to 100'000.-	Director of the Department	2	Authorisation Form
		CEO + General Secretary		Must Be completed
5	CHF 100'001.- and ABOVE	Director of the Department	3	Authorisation Form
		CEO + General Secretary + PRESIDENT		Must Be completed

5. Risks perspectives

Compliance risks

Compliance with internal control rules is improving and should continue to improve. The signatures and validations must allow for adequate monitoring and assurance as FIVB must use funds correctly in accordance with the constitution.

Accounting is well and regularly updated. The use of procedures must be useful and used to increase the level of assurance required on the financial statements.

The questions relating to social insurance have been fully apprehended and, following the agreements obtained, are under control.

The various tax laws are increasingly complex and are changing more and more frequently. Legal and fiscal follow-up must be put in place to ensure that new developments in this sector are considered, both at Swiss and International level.

In the same way, all banks, in accordance with the money laundering law, control the source and use of cash.

In terms of governance, it is necessary to communicate changes regularly, in the organization of the FIVB. Departments should be aware of the objectives assigned to them in the achievement of strategic and financial objectives.



5. Risks perspectives

Budgeting risks

Budget monitoring is also a point that has been improved in 2017. It is still perfectible, but the basis is well understood and the aspect of expenditure control is an effective monitoring tool.

For large investments, three bids must be submitted. This process will take time, but to be safe and pragmatic, it is the only way to ensure a fair price and ideas that can be innovative.

For next year, we need to improve the descriptions in the budget, with the help of all department or activities.



5. Risks perspectives



Internal control

The organization has appropriate internal controls and a suitable risk management system.

FIVB takes care of appropriate internal controls and a suitable risk management system as regards

- a. achieving the strategic goals of the organization
- b. effective and efficient performance
- c. transparent and honest reporting, accounting and communication
- d. compliance with laws, standards and values of the organization (Compliance)
- e. prevention and combating of corruption

The organization applies the following controls in particular:

- a. Collective signatory powers generally apply for legally binding transactions.
- b. Collective signatory powers generally apply for payment transactions.
- c. Single signature exceptions must be set down in writing and suitably restricted.
- d. There is an appropriate segregation of duties.

**Realized
To be continued**

5. Risks perspectives



Annual financial statement

The annual financial statement provides a true view, in accordance with Swiss law, of the financial position, results of operations and cash flows.

The FIVB prepares its annual financial statement in accordance with Swiss law accounting standards.

Realized



Any investments made by the FIVB are sustainable and in accordance with investment regulations.

The FIVB puts investment regulations in place for financial investments and investment property.

These regulations consider the risk tolerance and liquidity requirements of the FIVB, the income objectives of its financial investments and the purpose of the FIVB.

Realized

5. Risks perspectives



External audit et FIVB Controller

The annual financial statement is audited by independent and professionally qualified auditors.

The FIVB has its annual financial statement audited in accordance with Swiss law by independent, professionally qualified auditors and FIVB Controller:

- a. The FIVB is legally obliged to perform an audit. A ordinary audit is carried out on the annual financial statement in accordance with legal requirements.
- b. The audit is carried out in accordance with Swiss auditing standards by EXPERTSuisse company.
- c. FIVB appoints a certified auditor or audit expert to perform the audit.

The auditor produces a written report on the results of the audit. The report contains:

The auditor's opinion on whether the annual financial statement provides a true view of the financial situation, results of operations and cash flows in accordance with Swiss law.

**Realized
100%**

5. Risks perspectives

Currencies risks

The currencies risks, on current operations, exists due to the financial statements based on Swiss franc. Approximately 50% of the expenses are in Swiss francs and the main sources of income are in dollars (for example IOC revenues).

The dollar was decreasing regular during the full year 2017.

Between January 1st, 2017 and December 31st, 2017, the exchange rate of dollars, in comparison with the Swiss franc, lost 4.81 %.

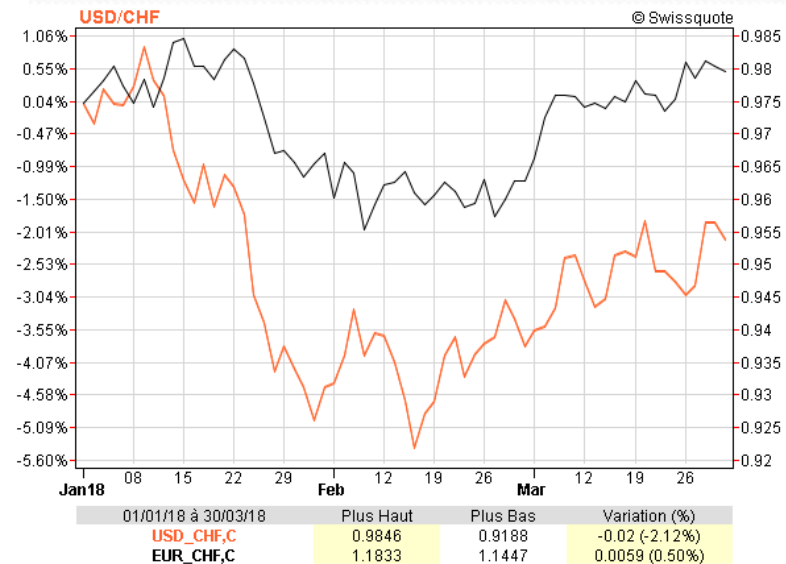
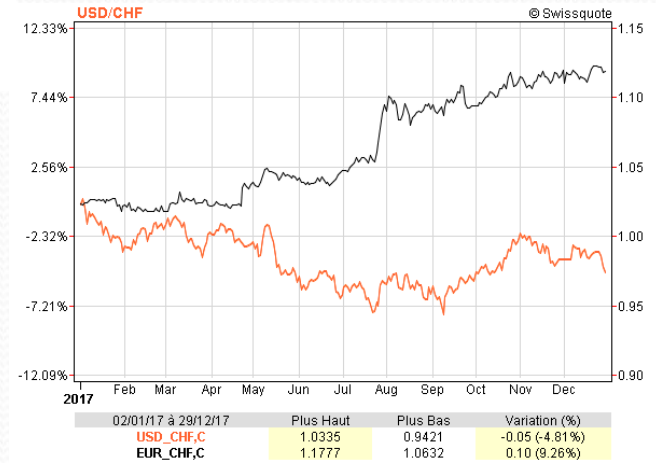
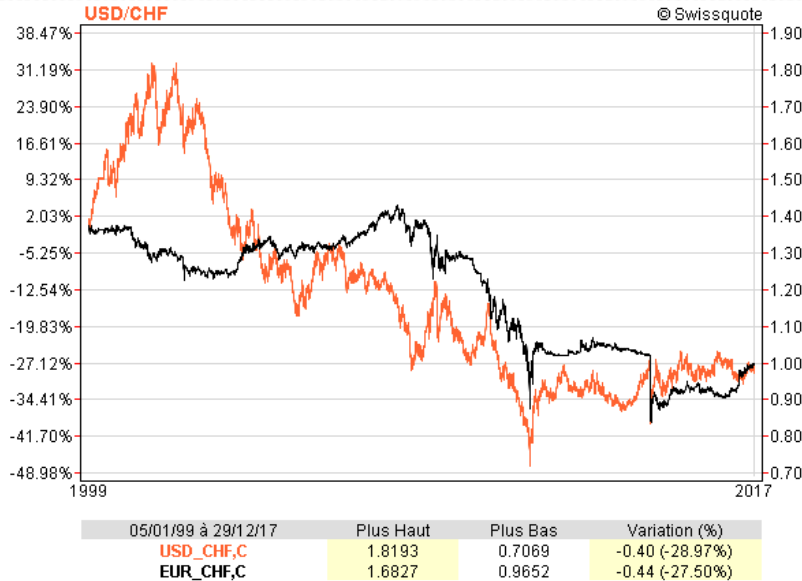
Year 2018 begins on the same way that on 2017, with a decrease of the dollar of 2 % at the end of March, 2018.

The Euro was stable during the first quarter of 2017 (+ 0.28%).



5. Risks perspectives

Currencies risks



6. Conclusion

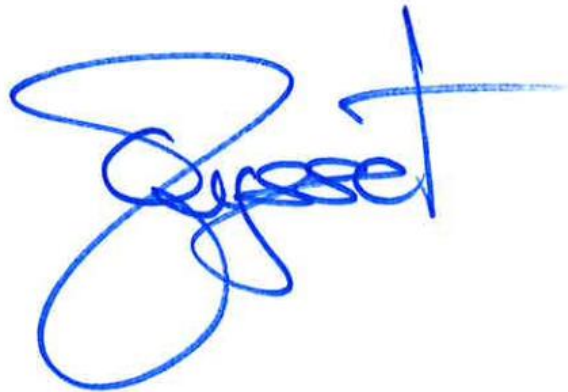


6. Conclusion

- The Finance Department is the most heavily verified department of FIVB.
- The existence of the internal control system has been validated and controlled by me and Deloitte.
- During my verifications, I did not encounter anything causing me to conclude that the annual financial statements are not compliant with the law and the Articles of Association.

Lausanne, on 1st April 2018

FIVB CONTROLLER
Olivier Zysset
Certified Swiss Accountant
Licensed Audit Expert





FIVB INVESTMENT REPORT PORTFOLIO 2017



FIVB

FÉDÉRATION INTERNATIONALE DE VOLLEYBALL

**INVESTMENT MANAGEMENT
ADVISORY SERVICES**

SUMMARY REPORT

December 2017

PORTFOLIO PERFORMANCE

December was another favorable month for the markets. All economic indicators continued to support synchronized global growth and the approval of the tax reform bill in the US Congress gave equities markets a boost. Central banks continued to indicate moves towards normalization of monetary policy as the Fed raised the base rate by 0.25%, the third hike in the year. A preliminary agreement on Brexit was reached, reducing somewhat its uncertainty. To complete the good news at a macro level, the flow of economic statistics released during December indicated sustained job creation in the US, the Tankan business survey in Japan registered its highest reading for 11 years, and the Flash PMI for the euro area pointed towards continuing growth in December.

In general, 2017 was a favorable year for investors who were prepared to take risks. All major asset classes had positive returns. Much of it should be attributed to the generous policies of the world's leading central banks. They kept interest rates at rock-bottom levels, as inflationary pressures were non-existent in all developed economies. Moreover, growth in the developed world gave fresh impetus to emerging-nation economies and commodities markets.

In a favorable month in December, our portfolio had a positive return of 0.49%, with gains both in bonds and in equities. This represented a gain in wealth of USD 514.330 in the month and USD 6.569.577 in the full year. The gains in wealth since inception in July 2013 reached USD 14.317.510. The return in 2017 reached 6.78%, well above market averages for a conservative portfolio.

The results for December 2017 and the year were:

- Portfolio Valuation at the end of December: USD 105.763.302;
- Portfolio Valuation at the end of November: USD 105.248.972;
- No Withdrawals or Deposits in December;
- Portfolio Gains in December: USD 514.330;
- Wealth Gains in the year: USD 6.569.577;
- Wealth generated since inception: USD 14.317.510.
- Return in the month: 0.49%;
- Return in the year to December: 6.78%.



FINANCE COMMISSION PROPOSALS

1. To approve the Financial Report

- **2017 Accounts, Profit & Loss and Balance Sheet**
- **Budget compared to realised 2017**

To endorse and support the FIVB partnership with Microsoft

2. To approve the External Auditors' Report - Deloitte

3. To approve the report of the FIVB Internal Auditors

1. To modify the article 3.6.2.2 of the Constitution as follows:

3.6.2.2 – The internal auditors shall report to the Board of Administration and the Congress on the following:

a) Financial Report

- **Bookkeeping is correctly represented in the Financial Statement according to the standard decided by the FIVB Board of Administration.**
- **Accounts, Profit & Loss and Balance Sheet**

b) External Auditors' Report

- **Control whether the external report has done by an external auditors' company**

c) Budget compared to realised of the previous 2 years

d) Controller Report

- **Control whether the FIVB Controller has done a report according to the FIVB Constitution**

- 5. To approve the report of the FIVB Controller**
- 6. To approve the 2019 – 2020 budget and to recommend the approval of the FIVB BOA and Congress**
- 7. To approve Investment Portfolio Report.**
- 8. To cancel article 3 of the Financial Regulation and to approve Homologation Regulation as a separate document.**
- 9. To review and improve the advertising fees on uniforms**