



BOARD OF ADMINISTRATION MEETING
LAUSANNE ♦ 23 & 24 MAY 2019

- *2018 Accounts & Results*



BUSINESS REPORT 2018





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FIVB taking volleyball to new heights around the world

The International Volleyball Federation (FIVB) continues to develop the global presence of volleyball with the introduction of new events and disciplines, as well as creating a fun and interactive experience for fans, both on and off the field of play.

In 2018, the first edition of the annual Volleyball Nations League (VNL) put fan experience first with consistent event format and high-quality TV production and distribution throughout. With 260 matches hosted across 23 territories, the VNL was competition “made of volleyball”, and provided hours of content on various platforms, including the FIVB-owned OTT Platform, Volleyball TV, as well as via the Volleyball App, developed in partnership with Microsoft.

2018 was also the year of the highly successful FIVB Volleyball World Championships, with the men’s edition being co-hosted by Italy and Bulgaria and women’s tournament being staged in Japan. A total of 666 players from 24 teams per gender proudly represented their nations and all competing for the ultimate glory and titles of the World Champions.

By hosting these events in some of the most iconic countries, cities and stadiums in the world, the FIVB provided memories that will last a lifetime for athletes, officials and fans.

The FIVB Volleyball World Championships have continued to grow in popularity with every edition – sold out stadiums throughout Italy, Bulgaria and Japan speak for themselves. It is no surprise that many countries are interested in hosting this prestigious event. As we have already announced, the hosts for the 2022 edition will be Russia for the men’s event and the Netherlands and Poland jointly hosting the women’s.

The confirmation of our latest global sponsor, Ganten Water, is another milestone to add to the FIVB’s successful 2018 story.

This year we look forward to the Beach Volleyball World Championships in Hamburg, Germany, which never fails to entertain. 2019 also marks another historic moment for our sport as we launch the first ever Snow Volleyball World Tour.

The FIVB is delighted to have teamed up with NGO Ghost Fishing to launch Good Net on Copacabana beach in Rio de Janeiro, Brazil. Good Net aims to recover lost or abandoned “ghost nets” from the oceans and transform them into volleyball nets. This sustainability project has been welcomed by the IOC/UN Clean Seas campaign.

The FIVB looks forward to continuing work on its existing projects and initiatives throughout 2019, bringing the joy of volleyball to the communities all over the world.

BALANCE SHEET

AS OF DECEMBER 31ST

		2018 (in CHF)	2017 (in CHF)
ASSETS			
CURRENT ASSETS			
<i>Cash and equivalents</i>	A	6'914'091	19'454'783
Liquidity		1'396'375	11'547'451
Portfolio cash		1'406'997	5'743'997
Short Term Investment		4'110'719	2'163'335
<i>Trade receivables</i>	B	22'540'408	12'524'637
Trade receivables - third parties		10'744'232	8'197'495
Trade receivables - related parties		13'824'212	5'728'618
Provision for doubtful debtors		(2'028'035)	(1'401'477)
<i>Other current receivables</i>		613'715	144'574
Other Debtors		112'301	92'466
Withholding tax		86'695	52'109
VAT		414'719	0
<i>Accrued income and prepaid expenses</i>	C	4'910'662	1'303'495
Accrued income		2'477'182	101'323
Prepaid expenses		2'433'480	1'202'172
TOTAL CURRENT ASSETS		34'978'876	33'427'489
NON-CURRENT ASSETS			
<i>Financial assets</i>		95'214'025	95'055'085
Securities (Global Custody)	D	95'214'025	95'055'085
<i>Tangible fixed assets</i>	E	17'142'438	18'380'880
Operating fixed assets		131'283	327'401
Property		17'011'156	18'053'478
<i>Intangible assets</i>	E	1'977'071	310'781
IT Licence		1'939'816	196'887
Promotional Devices		37'255	113'893
TOTAL NON-CURRENT ASSETS		114'333'534	113'746'745
TOTAL ASSETS		149'312'411	147'174'234
LIABILITIES			
CURRENT LIABILITIES			
<i>Trade creditors</i>	F	8'867'906	5'290'672
Trade creditors - third parties		3'507'476	3'000'509
Trade creditors - related parties		5'360'430	2'290'163
<i>Other creditors</i>	G	7'049'742	6'648'322
Other creditors		7'049'742	6'589'053
VAT		0	59'268
<i>Deferred income and accrued expenses</i>	H	18'577'484	17'389'099
Deferred income		11'169'862	15'310'838
Accrued expenses		7'407'623	2'078'261
TOTAL CURRENT LIABILITIES		34'495'132	29'328'092
NON-CURRENT LIABILITIES			
<i>Provisions and similar items required by law</i>	I	880'793	848'413
Provision for litigations		165'848	165'848
Provision general		714'946	682'565
TOTAL NON-CURRENT LIABILITIES		880'793	848'413
EQUITY			
Capital at the beginning of the period		116'997'729	110'906'391
Final result for the period		(3'061'244)	6'091'338
TOTAL EQUITY		113'936'486	116'997'729
TOTAL LIABILITIES		149'312'411	147'174'234

PROFIT AND LOSS

FOR THE PERIOD JANUARY 1ST TO DECEMBER 31ST

	notes	2018 (in CHF)	2017 (in CHF)
REVENUES		68'467'974	62'834'290
<i>Net proceeds from sales</i>	1	62'696'782	56'666'708
Yearly subscriptions, broadcast and various rights		59'722'176	53'978'434
Transfer fees		2'974'606	2'688'273
<i>IOC funds</i>	2	3'633'239	4'879'171
IOC funds		3'633'239	4'879'171
<i>Other income</i>	3	2'137'952	1'288'411
Other income		2'137'952	1'288'411
EXPENDITURE		(36'702'860)	(31'391'758)
International competitions	4	(28'308'525)	(22'863'744)
Olympic Games	5	0	(50'579)
FIVB Programs	6	(480'846)	(2'085'082)
Confederations allocations	7	(2'135'952)	(1'859'148)
Development	8	(3'692'947)	(2'272'486)
Transfer refunds	9	(2'084'591)	(2'260'718)
OPERATING RESULT		31'765'113	31'442'532
Salaries and social charges	10	(10'121'541)	(9'704'394)
Administrative costs	11	(13'251'534)	(9'994'763)
Other operating costs	12	(6'288'098)	(5'048'338)
Depreciation and amortization	13	(2'009'291)	(1'578'583)
Extraordinary result, net	14	(441'418)	(491'644)
OPERATIONAL RESULT		(346'769)	4'624'810
Financial result, net	15	(2'714'475)	1'466'528
FINAL RESULT OF THE PERIOD		(3'061'244)	6'091'338

CASH FLOW STATEMENT

AS OF DECEMBER 31ST

	2018 (in CHF)	2017 (in CHF)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES		
<i>Operating Cash flow</i>	4'097'479	7'613'857
Net Result	(3'061'244)	6'091'338
Depreciation	2'009'291	1'578'583
Net financial result	(404'378)	3'823'534
Others non-cash items	32'380	(235'690)
Unrealized gains/losses of financial assets recorded in financial result	5'521'429	(3'643'908)
<i>Working capital variation</i>	(8'925'039)	(4'134'936)
Trade receivables	(10'015'771)	(2'160'712)
Other current receivables	(469'141)	294'397
Accrued income and prepaid expenses	(3'607'167)	(135'933)
Trade creditors	3'577'234	1'676'150
Other creditors	401'420	(1'983'788)
Deferred income and accrued expenses	1'188'385	(1'825'051)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(4'827'560)	3'478'921
NET CASH USED IN INVESTING ACTIVITIES		
<i>Financial assets</i>	(5'680'369)	(7'072'924)
Securities (Global Custody)	(5'680'369)	(7'072'924)
<i>Tangible fixed assets</i>	(65'675)	(208'685)
Operating fixed assets	0	(110'655)
Property	(65'675)	(98'031)
<i>Intangible fixed assets</i>	(2'371'466)	0
IT Licence	(2'371'466)	0
NET CASH USED IN INVESTING ACTIVITIES	(8'117'510)	(7'281'610)
NET CASH USED IN FINANCING ACTIVITIES	0	0
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	19'454'783	27'081'006
Effect of exchange rate fluctuations	404'378	(3'823'534)
Net decrease/increase in cash and equivalents	(12'945'070)	(3'802'689)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	6'914'091	19'454'783



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Notes to the financial statements 31.12.2018

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 2018, 222 (2017: 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 organization 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 4 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
Mr. Essa Hamza Ahmad Al Failakawi	Executive Vice-President
Mr. Renato Arena	Executive Vice-President
Sra. Alejandrina Mireya Luis Hernandez	Executive Vice-President
Mr. Shanrit Wongprasert	Board of Administration Member
Mr. Stanislav Shevchenko	Board of Administration Member



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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. Michel 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
Sr. Edgar Alvarado Ardon	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
Mr. Majoré Louis Timba	Member
Mr. Ozkan Mutlugil	Member
Mr. Marco Tulio Texeira	Member
Mr. Kenji Kimura	Member



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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

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.



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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.

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	31.12.2018	31.12.2017
EUR	1.1269	1.1702
GBP	1.2555	1.3183
JPY = for 100 yen	0.8984	0.8650
USD	0.9858	0.9745

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.



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7) Legal information

- Fees associated with the revision of the annual accounts

2017 : CHF 60'000.-

2018 : CHF 60'000.-

- Number of full time equivalent employees

2017 : 63

2018 : 61

- Contingent liabilities

Contractual engagements related to the development.

Year	31.12.2018 (in kCHF)	31.12.2017 (in kCHF)
2018	0	378
2019	854	145
2020	82	81
Totals	936	604

Forward exchange contracts as of

31st December 2018.

Currency	Amount	Underlying	Rate	Maturity
EUR	373'000.-	USD	0.853989	21.03.2019
CHF	756'000.-	USD	0.989750	28.02.2019
EUR	642'000.-	USD	0.879642	28.02.2019
EUR	2'150'000.-	USD	0.881756	15.02.2019

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



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Amounts due to the pension funds

2017 : CHF 57'395.-

2018 : CHF 140'178.-

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

	2018	2017
	(in CHF)	(in CHF)
1. Net proceeds from sales	62'696'782	56'666'708
TV rights	27'531'170	27'056'965
Hosting fees	13'574'825	8'424'318
Licence fees / Entry fees	6'588'697	7'759'537
Sponsoring fees	6'550'786	6'140'879
Transfer fees	2'974'606	2'688'273
Betting rights	2'691'675	2'218'400
Commerical rights	1'407'342	544'775
Homologation rights for material	848'462	1'364'411
Others	529'220	469'149

The revenue recognition is based on the installments in the contracts, the competition cycles or in link with the costs and/or investments made prior to the event.

Revenue from the hosting contract signed in 2018 for the World Championship taking place in 2022 is recognized on a straight line basis over 5 years. The first part is recognized in 2018 given the existence of related costs and investments in 2018 for the 2022 World Championship.

USD 10 million was billed in 2018 of which USD 2 million was recorded as deferred income and USD 8 million was recognized under hosting fees and TV Rights in 2018.

	2018	2017
	(in CHF)	(in CHF)
2. IOC Funds	3'633'239	4'879'171
Olympic Games - IOC contributions	3'633'239	4'879'171

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



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	2018	2017
	(in CHF)	(in CHF)
3. Other income	2'137'952	1'288'411
Various income	2'137'952	1'288'411

This includes any other source of income not linked directly to the previous categories such as the video challenge and per diem reimbursed by the organizers and ticketing for the Volleyball Nations League.

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.

	2018	2017
	(in CHF)	(in CHF)
4. International competitions	-28'308'525	-22'863'744
Prize Money	-15'877'531	-18'358'095
Competition Costs	-7'429'797	-1'315'600
Travel, hotel and per diem	-4'461'020	-2'552'130
Awards & Recognitions	-408'357	-422'273
Banners & Stand	-120'258	-178'718
Commentaries costs	-10'648	-36'927
Others	-913	0

The increase of costs in the International Competitions is linked to the organization of the finals of the Men Volleyball Nations League and FIVB's involvement in the organization of the Men World Championships in Italy and Bulgaria.

	2018	2017
	(in CHF)	(in CHF)
5. Olympic Games	0	-50'579
Travel, hotel and per diem	0	-28'570
Agency Fees	0	-1'903
Others	0	-20'107



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	2018	2017
	(in CHF)	(in CHF)
6. FIVB Programs	-480'846	-2'085'082
Support to organiser national federation	-99'820	-1'792'880
Antidoping	-362'310	-243'915
Others	-18'716	-48'287

	2018	2017
	(in CHF)	(in CHF)
7. Confederations allocations	-2'135'952	-1'859'148
Confederations allocations	-2'135'952	-1'859'148

	2018	2017
	(in CHF)	(in CHF)
8. Development	-3'692'947	-2'272'486
Development centers	-38'575	-142'478
Zonal volleyball association	-970'000	-540'000
Coaching support	-429'331	-386'065
Confederation support	0	-311'110
National federation support	-1'898'676	-434'446
Travel, hotel and per diem	-77'786	-221'772
Others	-278'579	-236'616

As part of the contract for the organization of the 2022 Men World Championship (see note 1), development funds are due to the national federation by the FIVB over the period of the contract. In 2018, USD 1.6 million was recorded as accrued expenses and recognized under National federation support.

	2018	2017
	(in CHF)	(in CHF)
9. Transfer refunds	-2'084'591	-2'260'718
Transfer refunds	-2'084'591	-2'260'718



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	2018	2017
	(in CHF)	(in CHF)
10. Salaries and social charges	-10'121'541	-9'704'394
Gross salaries	-8'399'362	-8'063'792
Social insurances	-1'705'391	-1'592'756
Others	-16'788	-47'846

	2018	2017
	(in CHF)	(in CHF)
11. Administrative Costs	-13'251'534	-9'994'763
Office Costs	-763'187	-851'856
FIVB property costs	-339'666	-135'349
IT & Office equipment costs	-3'723'961	-1'509'720
Telecommunications costs	-156'678	-126'960
Courier costs	-744'883	-380'096
Audit fees	-73'469	-68'028
Translation fees	-8'825	-15'892
Consultant fees	-1'566'827	-1'282'035
Management expenses	-1'744'765	-1'680'168
Publication costs	-35'853	-56'039
Communication costs	-497'139	-746'408
Insurance premiums	-209'171	-223'170
Travel, hotel and per diem	-3'143'187	-2'664'723
Others	-243'922	-254'318

	2018	2017
	(in CHF)	(in CHF)
12. Other operating costs	-6'288'098	-5'048'338
Legal fees	-403'698	-437'435
Agency fees	-4'872'681	-4'477'623
Taxes	-78'299	-62'897
Provision on debtors (Increase/decrease)	-626'558	224'714
Others	-306'862	-295'097

	2018	2017
	(in CHF)	(in CHF)
13. Depreciation and amortization	-2'009'291	-1'578'583
Depreciation on assets	-901'295	-569'392
Depreciation on property	-1'107'997	-1'009'191



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	2018	2017
	(in CHF)	(in CHF)
14. Extraordinary result	-441'418	-491'644
Extraordinary income	422'653	318'384
Extraordinary costs	-864'071	-810'027

The extraordinary income consist of the cancellation of previous years' amount due. The extraordinary costs is primarily for 2018 the cancellation of fixed assets and for 2017 the cancellation of invoices linked to insolvent debtors and the Swiss stamp collection from 2014 to 2016.

	2018	2017
	(in CHF)	(in CHF)
15. Financial result	-2'714'475	1'466'528
<i>Financial income</i>	9'825'079	9'955'373
Exchange gains realized	8'772'717	3'071'479
Portfolio income	921'142	6'830'418
Other income	131'220	53'476
<i>Financial costs</i>	-12'539'554	-8'488'845
Exchange losses realized	-8'511'051	-7'392'645
Portfolio losses	-3'880'632	-978'552
Other costs	-147'871	-117'648



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11) Notes on the balance sheet

Cash and equivalents (A)

Cash and equivalents consist of all the BCV, Credit Suisse 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 344'357.- (2017: 353'351.-) concerns deposits blocked linked to various guarantees.

Trade receivables (B)

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 (C)

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

Securities (Global Custody) (D)

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 2018. 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 which is recorded in the income statement.



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Fixed assets (E)

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 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
Acquisitions	0	913'781	2'371'466	0
Disposals	0	(848'106)	0	0
Depreciation	(196'119)	(1'107'997)	(628'537)	(76'639)
Balance as at 31 December 2018	131'283	17'011'156	1'939'816	37'255



BUSINESS REPORT 2018

Trade creditors (F)

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

Other creditors (G)

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.

Deferred income and accrued expenses (H)

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

Provisions (I)

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

RESULT 2018 VS BUDGET CONGRESS

Description	Realised 2018	Congress 2018	%
Volleyball events			
1) Fees and various rights such as Marketing and TV rights	63'457'936.23	61'357'057.18	103.42
2) TV rights from Olympic Games (IOC Funds)	3'633'238.69	3'788'250.00	95.91
Rights Olympic Games Existing Contracts	1'272'289.02	1'767'850.00	71.97
5) International Competition Expenses	-31'133'017.94	-32'765'036.81	95.02
Volleyball events result	37'230'446.00	34'148'120.37	109.03
Operating and management			
7) Operating expenses	-11'578'196.14	-9'592'578.80	120.70
8) Management expenses	-7'042'167.59	-6'615'100.00	106.46
9) Commission expenses (meetings)	-660'055.13	-874'485.00	75.48
3) Other revenue	52'453.88	100'000.00	52.45
6) Marketing/Communications & Innovation	-8'465'854.01	-8'824'327.53	95.94
Operating and management expenses	-27'693'818.99	-25'806'491.33	107.31
Return on investments			
4) Interest and other financial income	-3'068'294.11	2'121'420.00	-144.63
10) Interest and other financial expenses	0.00	0.00	
Return on investments result	-3'068'294.11	2'121'420.00	-144.63
Result of the year	6'468'332.90	10'463'049.04	61.82
At disposal for Volleyball support	6'468'332.90	10'463'049.04	61.82
Support to Volleyball			
11) Continental Confederations Investments	-2'215'997.51	-3'750'000.00	59.09
12) Sport Programme Investments	-2'107'401.17	-3'471'843.02	60.70
13) Confederations' development programs	-2'015'915.79	-1'797'930.26	112.12
Total support to Volleyball	-6'339'314.47	-9'019'773.27	70.28
Net result from the budget	129'018.43	1'443'275.76	8.94
14) Result Outside Budget	-3'190'262.14	0.00	
Net result of the year	-3'061'243.71	1'443'275.76	-212.10

1) Fees and various rights	Realised 2018	Congress 2018	%
Rights for Beach Volleyball WT	8'108'859.94	14'235'808.99	56.96
Rights for Beach Volleyball WCHS	1'749'122.29	1'041'991.72	167.86
Rights for Beach Volleyball WCH Underage	1'854.85	196'989.00	0.94
Rights for Beach Volleyball Other events	172'026.52	20'204.00	851.45
Rights for Beach Volleyball Continental Cup	0.00	0.00	
Rights for Volleyball Nations League	14'837'834.03	17'339'308.92	85.57
Rights for Challenger Cup	120'582.00	0.00	
Rights for World Championship Men	18'301'718.62	4'206'182.40	435.11
Rights for World Championship Women	7'697'050.92	4'173'201.72	184.44
Rights for Club World Championship Men	532'403.24	725'097.50	73.43
Rights for Club World Championship Women	687'503.96	0.00	
Rights For World Championship Underage	0.00	393'978.00	0.00
Rights for World Cup M/W	7'079'753.87	7'675'520.43	92.24
Rights for World Grand Champions Cup M/W	423'668.00	1'818'360.00	23.30
Rights for Olympic Qualification	0.00	0.00	
Rights & Homologation for Material	600'000.00	2'320'154.00	25.86
Contributions and other Rights	130'420.80	2'520'260.50	5.17
Sponsorship Sales	0.00	2'090'000.00	0.00
Revenue from Transfers	2'974'605.99	2'600'000.00	114.41
Digital (Microsoft and OTT)	40'531.20	0.00	
Total fees and various rights	63'457'936.23	61'357'057.18	103.42

2) Rights designated to the FIVB development program	Realised 2018	Congress 2018	%
TV rights from Olympic Games	4'905'527.71	5'556'100.00	88.29
Total rights for FIVB development program	4'905'527.71	5'556'100.00	88.29

3) Other revenue	Realised 2018	Congress 2018	%
Congress income	52'453.88	100'000.00	52.45
Total other revenue	52'453.88	100'000.00	52.45

4) Interest and other financial income	Realised 2018	Congress 2018	%
Net gain on securities (cash management)	-3'068'294.11	2'121'420.00	-144.63
Total interest	-3'068'294.11	2'121'420.00	-144.63

5) International Competition Expenses	Realised 2018	Congress 2018	%
Beach Volleyball WT	-9'175'020.06	-15'673'194.70	58.54
Beach Volleyball WCH	41'440.12	0.00	
Beach Volleyball WCH Underage	-153'314.58	-166'569.70	92.04
Beach Volleyball Continental Cup	0.00	0.00	
Volleyball Nations League	-13'774'372.21	-15'148'572.21	90.93
Challenger Cup	-688'737.67	0.00	
Senior Men's WCH	-2'671'539.02	-10'000.00	26'715.39
Senior Women's WCH	-1'387'805.39	-10'000.00	13'878.05
Men's Club WCH	-421'120.89	-37'248.10	1'130.58
Women's Club WCH	-623'801.36	-37'146.10	1'679.32
WCH Underage	0.00	0.00	
World Cup Men - Women	0.00	0.00	
Grand Champions Cup	0.00	0.00	
Olympic Games operational	-690.94	-50'000.00	1.38
Olympic Qualification Tournaments	0.00	0.00	
Snow Volleyball, Street Volleyball & Others	0.00	0.00	
Multi Sports Events	-193'464.96	-2'000.00	9'673.25
Other expenses	0.00	-30'306.00	0.00
Transfer reimbursements to NF and Confederations	-2'084'590.98	-1'600'000.00	130.29
Total International Competition Expenses	-31'133'017.94	-32'765'036.81	95.02

6) Marketing/Communication&Innovation	Realised 2018	Congress 2018	%
New Projects (VNL/VCC/Data Intel/Research)	-2'126'187.69	-730'000.00	291.26
Promotion + Videos	-164'958.19	-250'000.00	65.98
Branding (Concept + Production)	-1'026'812.13	-1'135'000.00	90.47
Content Production / Archive (Betting Commission)	-152'112.69	-3'053'631.45	4.98
TV Competition Costs	-422'023.45	-731'199.00	57.72
World Volley News	0.00	-75'000.00	0.00
Volley World	0.00	0.00	
Communication, Press & Visuals	-773'836.32	-1'434'811.08	53.93
Printed matters	-3'081.99	-95'000.00	3.24
Technology & innovation	-1'023'309.92	-1'319'686.00	77.54
Digital (Microsoft and OTT)	-2'773'531.63	0.00	
Total Marketing/Communication&Innovation	-8'465'854.01	-8'824'327.53	95.94

7) Operating expenses	Realised 2018	Congress 2018	%
Salaries and Social Charges	-10'003'117.33	-7'905'000.00	126.54
Rental, Heating, Electricity	-398'654.33	-456'000.00	87.42
Maintenance offices	-173'993.92	-190'800.00	91.19
Office supplies + Food and Beverage	-83'386.75	-60'000.00	138.98
IT costs	-200'920.03	-227'198.80	88.43
Info Technology Development	0.00	-150'000.00	0.00
Office equipment rental	-124'953.54	-106'980.00	116.80
Office furniture and equipment	-18'334.19	-36'000.00	50.93
Car expenditures	-8'727.23	-10'200.00	85.56
Telecommunications	-123'905.66	-108'000.00	114.73
Postage	-218'222.20	-50'000.00	436.44
Translation fees	0.00	-30'000.00	0.00
Website hosting fees	-186'865.78	-190'400.00	98.14
Other operating expenses	-37'115.18	-72'000.00	51.55
Total operating expenses	-11'578'196.14	-9'592'578.80	120.70

8) Management expenses	Realised 2018	Congress 2018	%
Management allocations	-2'209'655.95	-2'689'000.00	82.17
Travelling expenses	-537'174.29	-180'000.00	298.43
Accommodation expenses	0.00	-8'200.00	0.00
Insurances and guarantees	-61'591.87	-50'400.00	122.21
BJD travel Insurance	-147'579.61	-110'000.00	134.16
Bank charges	-145'481.52	-480'000.00	30.31
Mandate fees	-1'413'094.28	-636'000.00	222.18
Taxes	-29'925.00	150'000.00	-19.95
Sales Department Expenses	-406'849.18	-300'000.00	135.62
Congress	-1'165'576.39	-1'300'000.00	89.66
EC & BOA meetings	-240'539.06	-451'500.00	53.28
Legal matters	-445'926.94	-310'000.00	143.85
Auditing and Accounting	-238'773.50	-250'000.00	95.51
Total Management expenses	-7'042'167.59	-6'615'100.00	106.46
9) Commission expenses (Meetings)	Realised 2018	Congress 2018	%
Sports Events Council & VNL Council	-193'180.28	-140'000.00	137.99
Rules of the Game Commission & Refereeing Commission	-102'112.46	-198'485.00	51.45
Finance Commission	-36'549.97	-90'000.00	40.61
Medical Commission	-30'455.96	-38'000.00	80.15
Legal Commission	-47'274.43	-45'000.00	105.05
Communication Commission	-19'171.79	-99'000.00	19.37
Technical and Coaching Commission	-15'773.87	-80'000.00	19.72
Development Commission	-25'981.51	-44'000.00	59.05
Beach Volleyball Council & Permanent Committee	-109'940.93	-140'000.00	78.53
Athletes Commission	-79'613.93	0.00	
Total Commission Expenses	-660'055.13	-874'485.00	75.48
10) Interest and other financial expenses	Realised 2018	Congress 2018	%
Investments charges on the Portfolio			
Total interest and other financial expenses	0.00	0.00	
11) Continental Confederation	Realised 2018	Congress 2018	%
Africa	-496'112.80	-750'000.00	66.15
Asia	-373'800.00	-750'000.00	49.84
Norceca	-382'273.84	-750'000.00	50.97
South America	-424'755.00	-750'000.00	56.63
Europe	-539'055.87	-750'000.00	71.87
Total Cont. Confederation Investments	-2'215'997.51	-3'750'000.00	59.09
12) Sport Programme Investments	Realised 2018	Congress 2018	%
Anti-Doping Tests	-357'782.83	-235'000.00	152.25
Anti-Doping Operational + Education	-16'874.30	-5'000.00	337.49
Printed Didactic Material	-127'598.51	-140'000.00	91.14
Research and Studies	-16'650.00	-27'500.00	60.55
Formation of Technicians	-103'709.75	-231'258.10	44.85
FIVB Special Project (Project platform)	-140'295.90	0.00	
IRCC Course	0.00	-50'000.00	0.00
VCP (former SAP)	0.00	-359'164.55	0.00
Coaching support (instructors)	-321'243.21	-109'999.97	292.04
National Federation support (material)	0.00	-820'000.00	0.00
Volley All Festivals	-7'395.75	-270'000.00	2.74
Support to Development Centres	-43'937.29	-535'920.40	8.20
Support to Zonal Associations	-970'000.00	-638'000.00	152.04
Volleyball World Vision 2016	-1'913.63	-50'000.00	3.83
Total Sport programme investments	-2'107'401.17	-3'471'843.02	60.70
13) Confederations' development programs	Realised 2018	Congress 2018	%
Development Funds	-2'015'915.79	-1'797'930.26	112.12
Total Confederations' development programs expenses	-2'015'915.79	-1'797'930.26	112.12
14) Result Outside Budget	Realised 2018	Congress 2018	%
<i>Income</i>			
National Federation Fees	37'050.00	0.00	
Financial Income	8'903'936.85	0.00	
Other Income	1'022.97	0.00	
Extraordinary Income	436'092.86	0.00	
<i>Costs</i>			
Financial Costs	-9'446'767.09	0.00	
Depreciation	-2'009'291.44	0.00	
Museum	-248'235.52	0.00	
Extraordinary Costs	-864'070.77	0.00	
Total Result Outside Budget	-3'190'262.14	0.00	



BOARD OF ADMINISTRATION MEETING
LAUSANNE ♦ 23 & 24 MAY 2019

- *Budget 2019 update*

Budget proposals 2019

Description	BUDGET 2019	2019 Budget 1st Revision	%
<u>Volleyball events</u>			
1) Fees and various rights such as Marketing and TV rights	67'827'804	100'142'393	148
2) Rights from Olympic Games	4'623'604	4'863'495	105
5) International Competition Expenses	-37'812'372	-37'443'350	99
Volleyball events	34'639'037	67'562'538	195
<u>Operating and management expenses</u>			
7) Operation expenses	-11'203'104	-11'629'314	104
8) Management expenses	-5'733'602	-6'162'344	107
9) Commission expenses (meetings)	-712'960	-657'534	92
3) Other revenue	0	0	0
6) Marketing/Communications & Innovation/Digital	-14'943'450	-14'450'071	97
Operating and management expenses	-32'593'116	-32'899'263	101
<u>Return on investments</u>			
4) Interest and other financial income	4'862'900	5'156'417	106
10) Interest and other financial expense	0	0	0
Return on investments	4'862'900	5'156'417	106
Result of the year	6'908'821	39'819'692	576
At disposal for Volleyball support	6'908'821	39'819'692	576
<u>Support to Volleyball Development</u>			
11) Continental Confederations Investments	-849'327	-1'215'824	143
12) Sport Programme Investments	-2'172'503	-1'850'390	85
13) Confederations' development programs	0	-8'545'200	0
Support to Volleyball Development	-3'021'830	-11'611'413	384
Net result of the year	3'886'991	28'208'279	726

1) fees and various rights	BUDGET 2019	2019 Budget 1st Revision	%
Rights for Beach Volleyball WT	8'927'834	7'485'488	84
Rights for Beach Volleyball WCHS	2'219'102	990'834	45
Rights for Beach Volleyball WCH Underage	0	0	0
Rights for Beach Volleyball Other events	0	0	0
Rights for Beach Volleyball Continental Cup	0	0	0
Rights for Volleyball Nations League	14'739'334	13'408'346	91
Rights for Challenger Cup	524'188	555'255	106
Rights for World Championship Men	5'241'863	42'520'222	811
Rights for World Championship Women	5'241'863	6'344'797	121
Rights for Club World Championship Men	924'291	408'652	44
Rights for Club World Championship Women	515'322	785'711	152
Rights for World Championship Underage	0	93'348	0
Rights for World Cup M/W	9'158'549	9'323'146	102
Rights for World Grand Champions Cup M/W	0	0	0
Rights for Olympic Qualification	10'912'283	7'804'036	72
Rights & Homologation for Material	1'147'715	650'595	57
Contributions and other Rights	60'000	60'000	100
Sponsorship Sales	4'471'135	7'011'965	157
Revenue from Transfers	2'700'000	2'700'000	100
Digital (Microsoft and OTT)	1'044'326	0	0
Total fees and various rights	67'827'804	100'142'393	148

2) rights for FIVB development program	BUDGET 2019	2019 Budget 1st Revision	%
TV rights from Olympic Games	4'623'604	4'863'495	105
Total rights for FIVB development program	4'623'604	4'863'495	105

3) other revenue	BUDGET 2019	2019 Budget 1st Revision	%
Congress income	0	0	0
Total other revenue	0	0	0

4) interest	BUDGET 2019	2019 Budget 1st Revision	%
Net gain on securities (cash management) / Net gain on securities (cash management) Portfolio JPM/SG	4'862'900	5'156'417	106
Total interest	4'862'900	5'156'417	106

5) International Competition Expenses	BUDGET 2019	2019 Budget 1st Revision	%
Beach Volleyball WT	-10'919'450	-9'552'304	87
Beach Volleyball WCH	-1'454'300	-1'511'900	104
Beach Volleyball WCH Underage	-156'371	-96'741	62
Beach Volleyball Continental Cup	0	0	0
Volleyball Nations League	-14'855'118	-14'603'279	98
Challenger Cup	-671'828	-1'535'956	229
Senior Men's WCH	-10'000	-10'000	100
Senior Women's WCH	-10'000	-24'407	244
Men's Club WCH	-586'038	0	0
Women's Club WCH	-573'052	-617'057	108
WCH Underage	-1'672'192	-964'112	58
World Cup Men - Women	-2'547'591	-3'390'467	133
Grand Champions Cup	0	0	0
Olympic Games operational	-610'000	-958'348	157
Olympic Qualification Tournaments	-954'966	-1'099'616	115
Snow Volleyball, Street Volleyball & Others	-491'465	-779'163	159
Multi Sports Events	0	0	0
Other expenses	0	0	0
Transfer reimbursements to NF and Confederations	-2'300'000	-2'300'000	100
Total International Competition Expenses	-37'812'372	-37'443'350	99

6) Marketing/Communication & Innovation/Digital	BUDGET 2019	2019 Budget 1st Revision	%
New Projects (VNL/VCC/Data Intel/Research)	-4'023'000	-4'285'000	107
Promotion + Videos	-520'000	-440'000	85
Branding (Concept + Production)	-345'000	-390'000	113
Content Production / Archive (Betting Commission)	-1'098'360	-500'789	46
TV Competitions Costs	-223'800	-742'773	332
World Volley News	0	0	0
Volley World	0	0	0
Communication, Press & Visuals	-1'582'832	-1'605'000	101
Printed matters	-95'000	0	0
Technology & Innovation	-1'688'933	-1'693'732	100
Digital (Microsoft and OTT)	-5'366'524	-4'792'777	89
Total Marketing/Communication & Innovation/Digital	-14'943'450	-14'450'071	97

7) operating expenses	BUDGET 2019	2019 Budget 1st Revision	%
Salaries and Social Charges	-9'500'000	-10'000'000	105
Rental, Heating, Electricity	-340'000	-270'000	79
Maintenance offices	-150'000	-150'000	100
Office supplies + Food and Beverage	-110'000	-110'000	100
IT costs	-622'904	-619'114	99
Info Technology Development	0	0	0
Office equipment rental	-120'000	-120'000	100
Office furniture and equipment	-10'000	-10'000	100
Car expenditures	-10'200	-10'200	100
Telecommunications	-140'000	-140'000	100
Postage	-200'000	-200'000	100
Translation fees	0	0	0
Website hosting fees	0	0	0
Other operating expenses	0	0	0
Total operating expenses	-11'203'104	-11'629'314	104

8) Management expenses	BUDGET 2019	2019 Budget 1st Revision	%
Management allocations	-2'160'000	-2'160'000	100
Travelling expenses	-800'000	-800'000	100
Accommodation expenses	0	0	0
Insurances and guarantees	-80'000	-80'000	100
BJD travel Insurance	-150'000	-150'000	100
Bank charges	-120'000	-120'000	100
Mandate fees	-990'000	-1'280'000	129
Taxes	150'000	150'000	100
Other management expenses	0	0	0
Sales Department Expenses	-433'602	-572'344	132
Congress	0	0	0
EC & BOA meetings	-400'000	-400'000	100
Legal matters	-500'000	-500'000	100
Auditing and Accounting	-250'000	-250'000	100
Total Management expenses	-5'733'602	-6'162'344	107

9) Commission Expenses (Meetings)	BUDGET 2019	2019 Budget 1st Revision	%
Sports Events Council & VNL Council	-170'000	-200'000	118
Rules of the Game and Refereeing Commission	-132'960	-157'534	118
Finance Commission	-50'000	-50'000	100
Medical Commission	-30'000	-10'000	33
Legal Commission	-30'000	-10'000	33
Communication Commission	-30'000	-10'000	33
Technical and Coaching Commission	-40'000	-10'000	25
Development Commission	-40'000	-10'000	25
Beach Volleyball Commission	-100'000	-100'000	100
Athletes Commission	-90'000	-100'000	111
Total Commission Expenses (Meetings)	-712'960	-657'534	92

10) Interest an other financial expenses	BUDGET 2019	2019 Budget 1st Revision	%
Investments charges on the Portfolio	0	0	0
Total Interest an other financial expenses	0	0	0

11) Continental Confederation	BUDGET 2019	2019 Budget 1st Revision	%
Africa	-276'747	-293'451	106
Asia	0	0	0
Norceca	-271'976	-288'392	106
South America	-300'605	-318'749	106
Europe	0	-315'233	0
Total Continental Confederation	-849'327	-1'215'824	143

12) Sport programme investments	BUDGET 2019	2019 Budget 1st Revision	%
Anti-Doping Tests	-197'000	-197'000	100
Anti-Doping Operational + Education	-147'500	-147'500	100
Printed Didactic Material	-140'000	-140'000	100
Research and Studies	-27'500	-27'500	100
Formation of Technicians	-200'154	-215'273	108
FIVB Special Project (Project platform)	-450'000	0	0
IRCC Course	0	0	0
VCP (former SAP)	0	0	0
Coaching support (instructors)	-353'091	-374'403	106
National Federation support (material)	0	0	0
Volley All Festivals	0	0	0
Support to Development Centres	-57'258	-60'714	106
Support to Zonal Associations	-600'000	-638'000	106
Volleyball World Vision 2016	0	-50'000	0
Total Sport programme investments	-2'172'503	-1'850'390	85

13) Condederations' development programs expenses	BUDGET 2019	2019 Budget 1st Revision	%
Development Funds	0	-8'545'200	0
Total Condederations' development programs expenses	0	-8'545'200	0



BOARD OF ADMINISTRATION MEETING
LAUSANNE ♦ 23 & 24 MAY 2019

- *Deloitte External Auditors'
Report*



**Comprehensive Report to the Board of
Administration**

Fédération Internationale de Volleyball (FIVB) –
Audit of the year ended 31 December 2018

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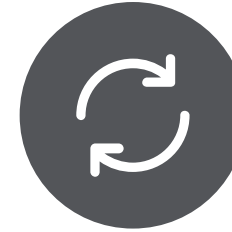
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audit**

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Results from our audit

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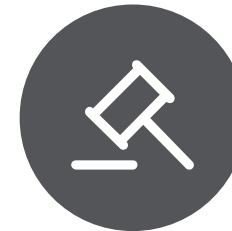
**Financial accounting
and reporting findings**

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Introduction

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, 2018. The audit was performed in accordance with our engagement letter of November 28th, 2018.

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 Jatón Hüni
Licensed Audit Expert
Auditor in Charge

Alexandre Ribordy

Lausanne, May 8, 2019



Introduction



Execution of the audit



Results from our audit



Financial accounting and reporting findings



Internal control



Conclusion

Execution of the audit



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Term of the audit

The audit was performed in accordance with our engagement letter of November 28th, 2018.

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.

Key dates



14-16 Nov 2018

World Congress



28 Nov 2018

Engagement letter issuance



31 Dec 2018

Year ended




23-24 May 2019

Board of Administration


Timing of the audit procedures

Audit procedures – FY2018

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Planning

December 3, 2018

- Planning Meeting with Finance Director and Finance manager

Interim audit

December 3 – December 7, 2018

- Understanding and review of the internal control system
- Audit testing for Expenses and Revenue
- Interim status meeting with Finance Director and Finance manager

Final audit

February 25 – March 8, 2019

- Audit testing of the balance sheet and income statements
- Follow up of the interim recommendations (see page 11)
- Preparation of our reports
- Status meeting on March 1, 2019 with Finance Director and Finance manager

Financial audit – financial statements and our reports

March – April 2019

- Review of the financial statements in accordance with Swiss law
- Closing meeting with the Controller, Finance Director, Finance manager
- Meeting with the General Director

EFFECTIVE AUDIT



CONSTRUCTIVE FEEDBACK







Key audit risks (1/2)

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.

Audit risk	Our answer
<p>Management override of controls* is the risk that management could manipulate the financial statements through invalid postings of journals or use of bias in financial estimates.</p> <p>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.</p> <p>Management override of internal controls is the intervention by managers in handling financial information and making decisions outside of standard internal control policy.</p> <p>Management override of internal controls may result in or be associated with a major violation of an accounting policy.</p> <p>Main estimates are being used to determine the following balances:</p> <ul style="list-style-type: none"> - Provision for doubtful debtors (CHF 2 million) and - Other Creditors (CHF 7 million) 	<p>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 :</p> <ul style="list-style-type: none"> ▪ 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.







*audit risks presumed according to Swiss Auditing Standards

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Key audit risks (2/2)

Management override controls (continued)

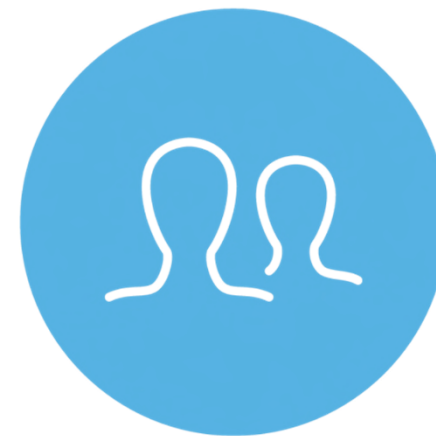
Audit risk	Our answer
<p>Management override of controls (continued)</p> <p>Specifically in 2018, two new and specific transactions were recorded and the application of the related accounting policies reviewed:</p> <ol style="list-style-type: none"> 1. Men World Championship 2022: FIVB entered into a contract in 2018 for the 2022 World Championship. The revenue from this hosting contract signed in 2018 for the World Championship taking place in 2022 is recognized on a straight line basis over 5 years. The first part is recognized in 2018 given the existence of related costs and investments in 2018 for the 2022 World Championship. Also, as part of the contract for the organization of the 2022 Men World Championship, development funds are due to the national federation by the FIVB over the period of the contract. 2. Project Microsoft: FIVB provided hours of content on various platforms, including the FIVB-owned OTT Platform, Volleyball TV, as well as via the Volleyball App, developed in partnership with Microsoft. The partnership with Microsoft was signed in 2017 and main costs incurred in 2018. Part of those costs are capitalized creating an intangible asset as future generation of income is planned for this new platform. Other related costs to this project are expensed. 3. The following expenses require attention in regards to the controls and approval in place: confederations allocations (CHF 2.1 million), development costs (CHF 3.6 million), consultant fees (CHF 1.5 million) 	<p>We have specifically reviewed the contracts, related accounting policies and recording for the mentioned transactions.</p> <ol style="list-style-type: none"> 1. We concur with management in the recognition Men World Championship 2022 contract. Specially, we note that USD 10 million was billed in 2018 of which USD 2 million was recorded as deferred income and USD 8 million was recognized under hosting fees and TV Rights in 2018. In relation to the contract, development funds due to the national federation by the FIVB of USD 1.6 million was recorded in 2018 as accrued expenses and recognized under National federation support. 2. We concur with management decision to capitalize a portion of the Microsoft project relating to the set-up of the platform for CHF 2.3 million. This amount is amortized over the estimated period of use of 4 years. 3. For specific expenses on confederation, development and consultant, we have trace back to: <ul style="list-style-type: none"> • Approval including approval on the new platform and the federation's report on the use of funds • Supporting documents such as the contract, invoice and payments <p>We have not identified any issues arising from inappropriate management override.</p>

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Independence

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.



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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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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 stand-alone 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, 2018. 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
Contributions for development programs	In order to ensure this objective is reached, we recommend that an external and independent auditor review the use of contributions where substantial funds are provided for specific development programs	New 2019	Medium
Revenue	We recommend that a revenue recognition policy be strengthened and clarified in order to allow consistency in applying established criteria and recognizing the different revenues at the FIVB	New 2019	Medium
Contract process	We recommend setting up a platform in order to manage the contracting process more automatically and transparently	New 2019	Low
Review of accruals	We recommend that the departments answer in due time in order to receive complete information	New Open	Low
Entity level controls	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	Open 2019	High
	We recommend that the structure of the department and more specifically the roles and responsibilities be specific and clearly described in an organigram	New 2019	High
Fixed assets	An annual physical review of the fixed assets is not performed (e.g IT) Fixed assets are presented on a net basis in the financial statements and in the notes. We also noted assets under constructions not being amortized are not presented separately	Open 2019	Medium
Purchase and suppliers	Database: some of the open supplier are still maintain in the prior accounting system and extracted and follow up under excel	Open 2019	Low
Cash and equivalents	Right of initiation to payments: we recommend to follow the best practice where joint signature should be applied to all level within the organization. For the validation of FIVB payments, there should be only an authorization with joint signature for bank accounts and in the organization. We also recommend to avoid any conflict of interest in line the delegated matrix of the signatures being implemented.	Open 2019	Medium
Other	Financial Market Infrastructure Act (FMIA) and Data protection are new requirements that FIVB should review in order to ensure compliance during 2018	Open 2019	Low



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Conclusion

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, 2018 comply with Swiss law and the article of incorporation.

Finally, we will also issue a recommendation to approve the annual accounts for the year end December 31, 2018.

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



Introduction



Exécution de la révision



Résultat de nos travaux de vérification



Commentaires sur les états financiers



Votre système de contrôle interne



Conclusion



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BOARD OF ADMINISTRATION MEETING
LAUSANNE ♦ 23 & 24 MAY 2019

- *FIVB Controller's Report*

FIVBTM



FÉDÉRATION INTERNATIONALE
DE VOLLEYBALL

FIVB Controller's report 2018

FIVBTM



FÉDÉRATION INTERNATIONALE
DE VOLLEYBALL

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2. Analysis of the Profit and Loss statement
3. Analysis of the Balance Sheet statement
4. Internal organization
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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 2018 to 31 December 2018.

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 roles.

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 controls on the development funds
- Verifications of invoices
- Sample contracts review
- Analysis of the organisation of the Finance Department
- Various work requested by the President or the General Director
- Various discussions with the President

Comments

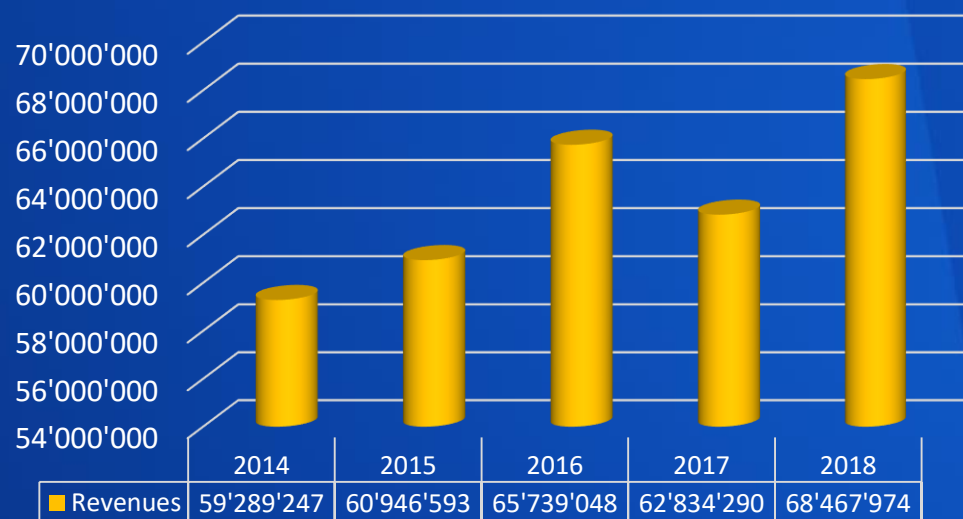
All the work was carried out in collaboration with the Finance Department, the General Director and the President.

2. Analysis of the Profit and Loss statement

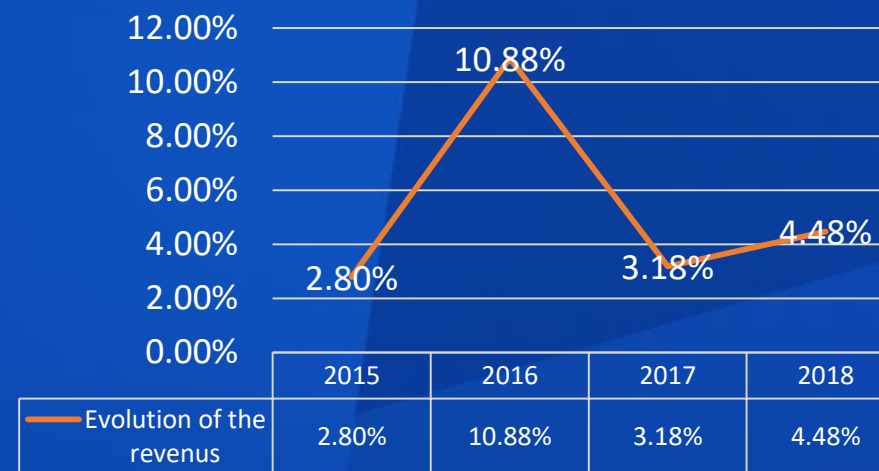


2. Analysis of the Profit and Loss statement

Revenues



Evolution of the revenues



Revenues

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

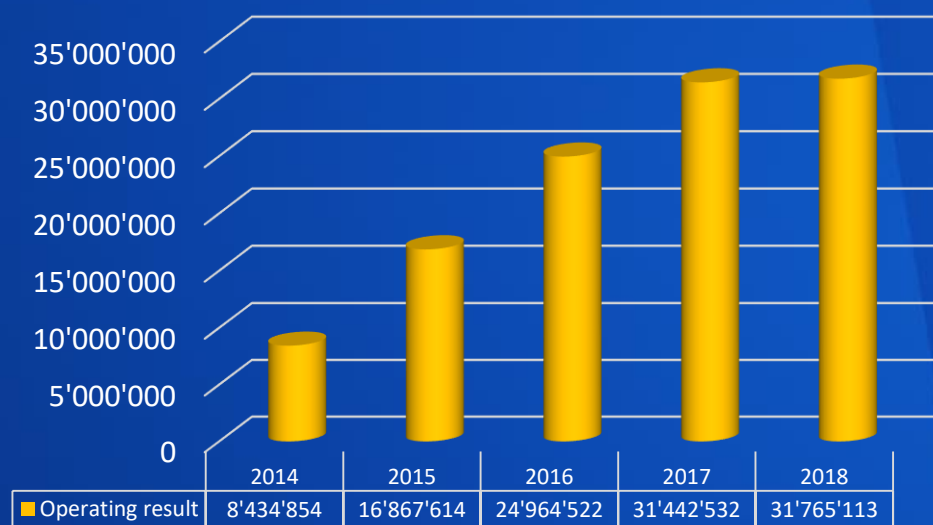
Comments:

IOC funds, as mentioned in the note, are reported in the financial statement 2018 in the level of **15%** of the revenues realized during the last Olympic Games.

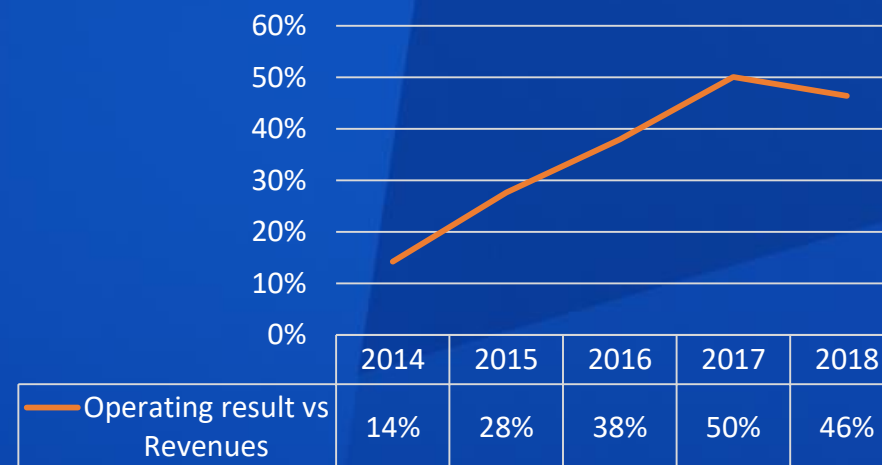
It should be noted that a special effort must to be made in the monitoring of contracts (signing, promotion and legal review). The financial aspect as currencies, VAT, tax and others cash aspects must be reviewed by the Head of Finances, before final version.

2. Analysis of the Profit and Loss statement

Operating result



Operating result vs Revenues



Operating income

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

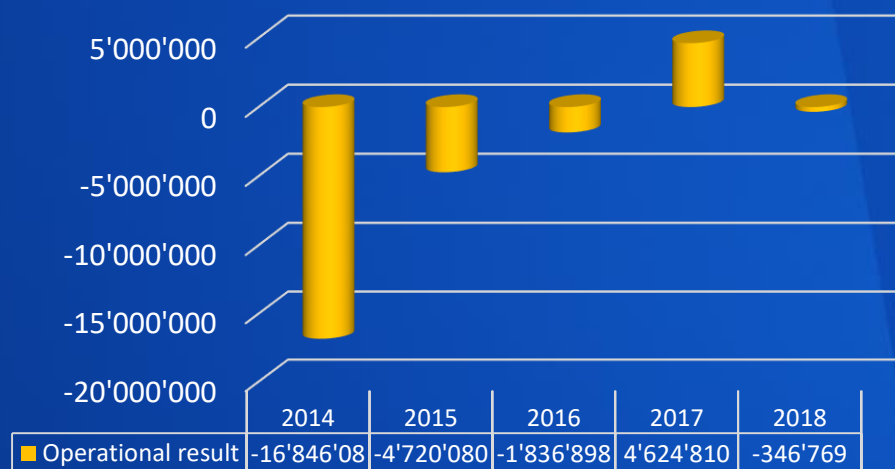
Comments:

The revenues increase during the period. The principals increased are dues to Hosting Fees + TCHF 5' 150.

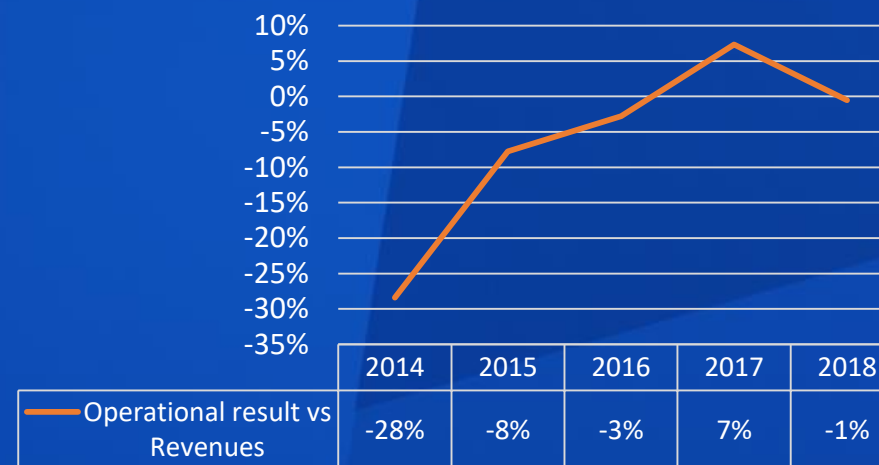
Operating expenses are higher that last year but in line with the budget. It should be noted, however, that competition costs is a significant increase TCHF 6'114. New competition format explaine this change.

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

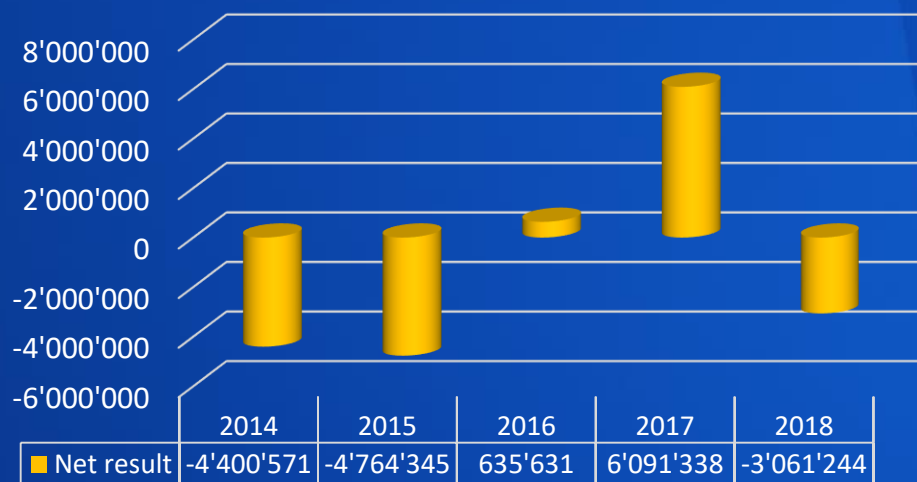
Comments:

Operational result decreased by approximately TCHF 4,970 during the year. However, it should be noted that operating expenses are increasing in line with the budget.

The increase in IT and office equipment is due to implement new technologies in the FIVB, this increase represent an amount of TCHF 2'214. In a other side, the Congress explain the increase of travel, hotel and per diem.

2. Analysis of the Profit and Loss statement

Net result



Net result

Operational result

Financial result and Extraordinary result

Comments :

This year's loss is explained by financial aspect.

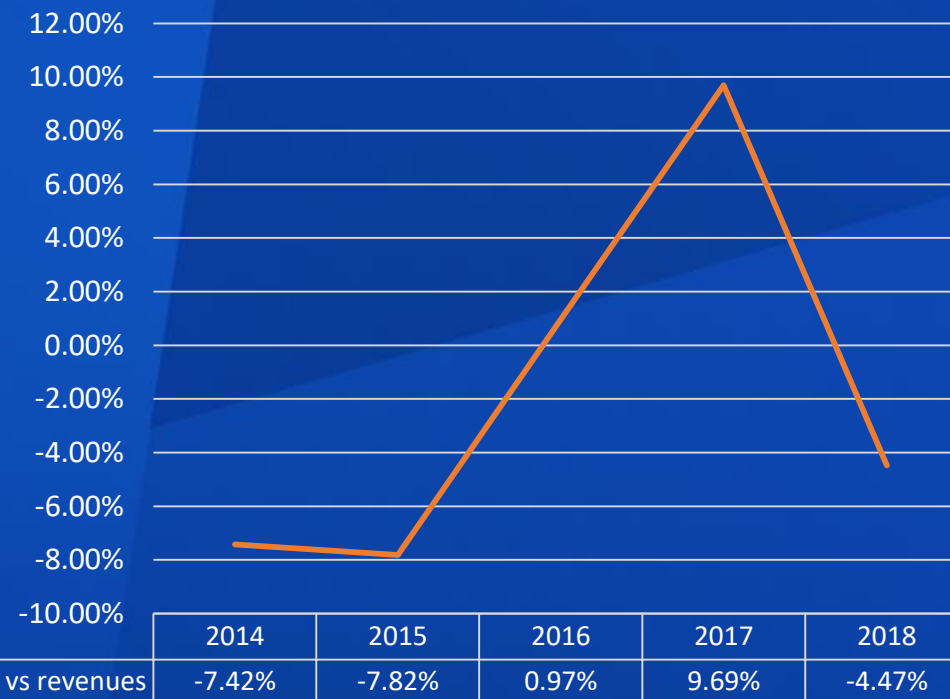
The financial result is a loss of TCHF 2'714.

The dollar was stable during the year

The portfolio's net return in dollar is negative of 3.28%.

Net extraordinary income and expenses are low.

Net result vs revenues



3. Analysis of the Balance sheet



3. Analysis of the Balance Sheet statement

FIVB - Working capital



Working capital

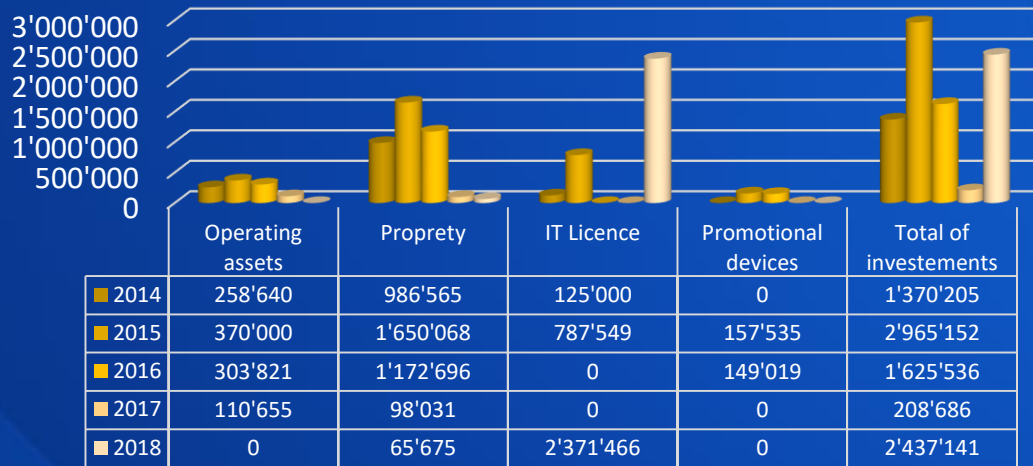
Comments:

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

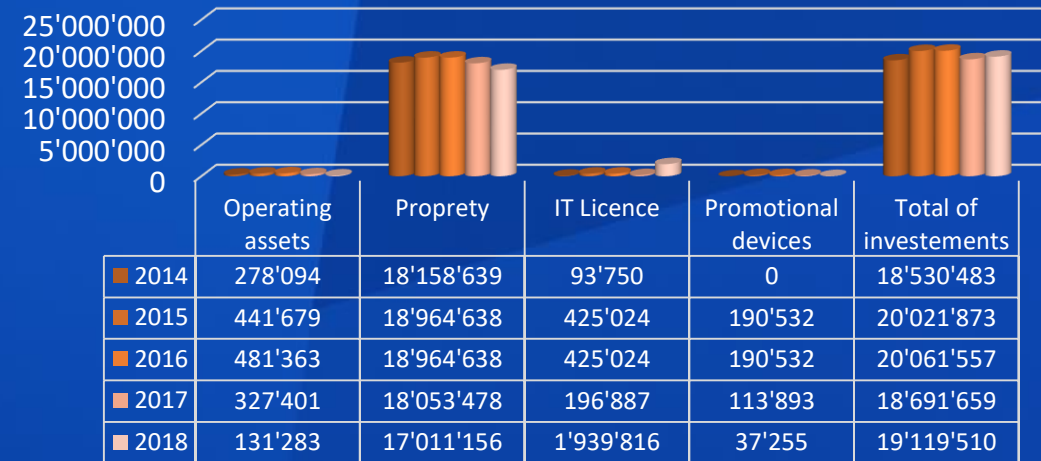
In the differed income are included the amount received for the last Olympics Games but not considered as income in 2018. We find also in the accrued income a part of the next WCH in Russia accepted in the POC method this year.

3. Analysis of the Balance Sheet statement

FIVB - Investements during the year



FIVB - Fixes assets



Investements

Comments:

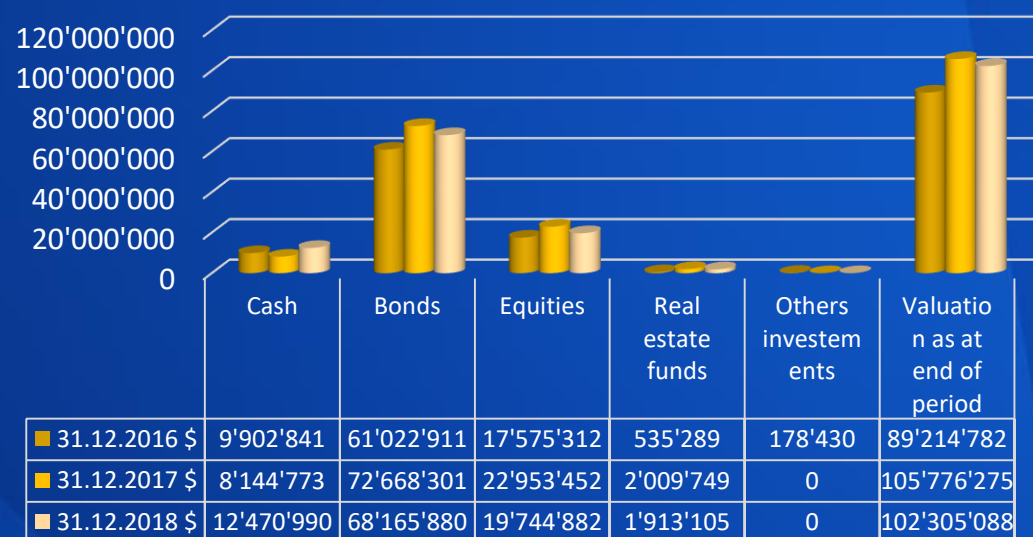
Investments continue in several sector of the FIVB. We need to continue to improved the capacity of the FIVB to be in a high level of the sports federations. All the investments are amortized and the amount of this represent this year a amount of TCHF 2'009.

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

FIVB - Portfolio at 31.12.2018 \$



FIVB - Portfolio by assets class at 31.12.2018



Financial assets

Comments:

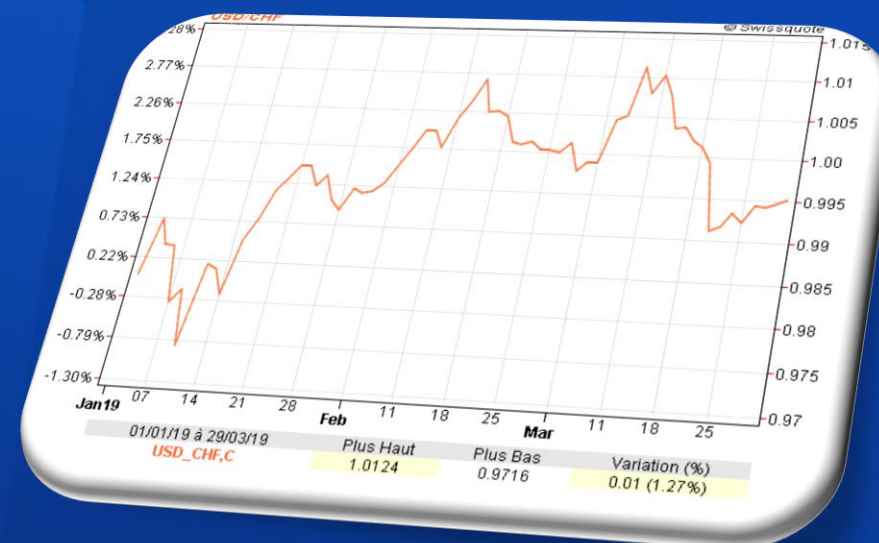
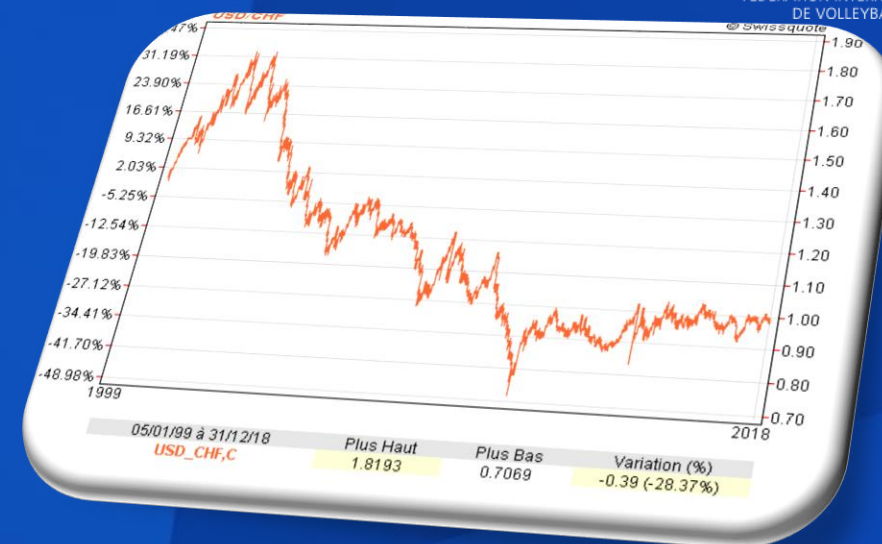
I note that the investment strategy of the FIVB is based on a very low level of risk. The banks define this level as follows:

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.

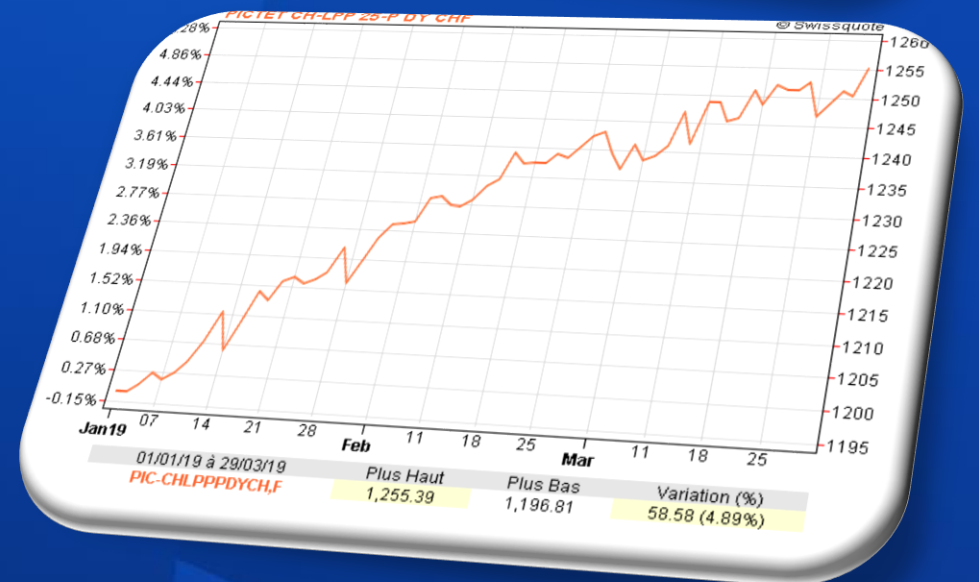
In terms of risk, there are 5 levels of risk, which are : fixed income – conservative – balanced – dynamic – Swiss domestic asset management.

We must try to reduce the level of cash, if we think that we can have good investments opportunities.

3. Analysis of the Balance Sheet statement

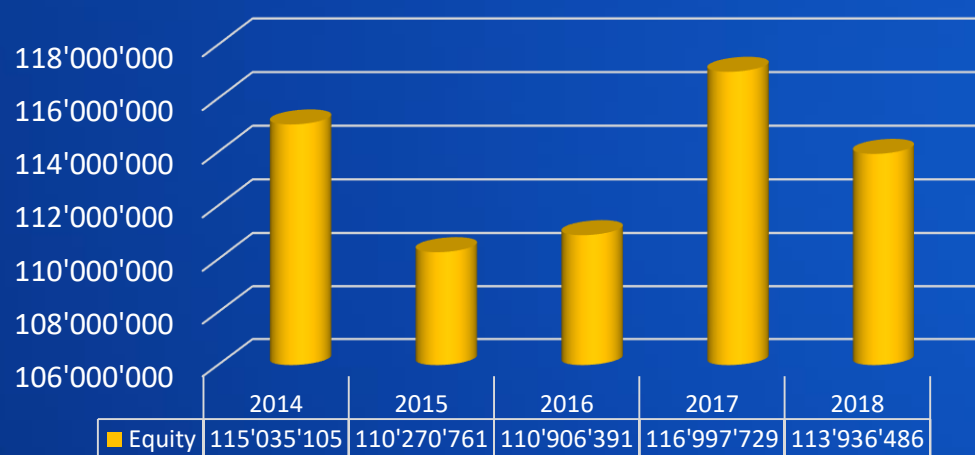


3. Analysis of the Balance Sheet statement

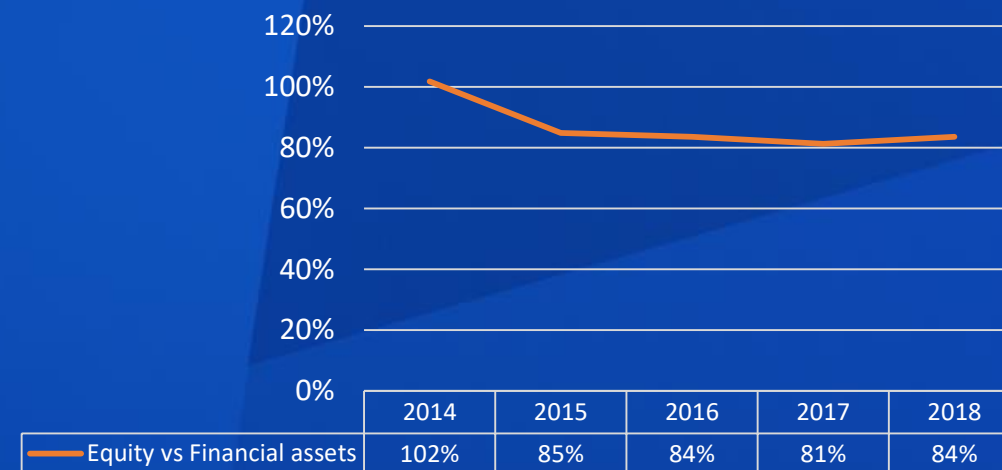


3. Analysis of the Balance Sheet statement

FIVB - Equity



FIVB - Equity vs Financial assets



Equity

Comments:

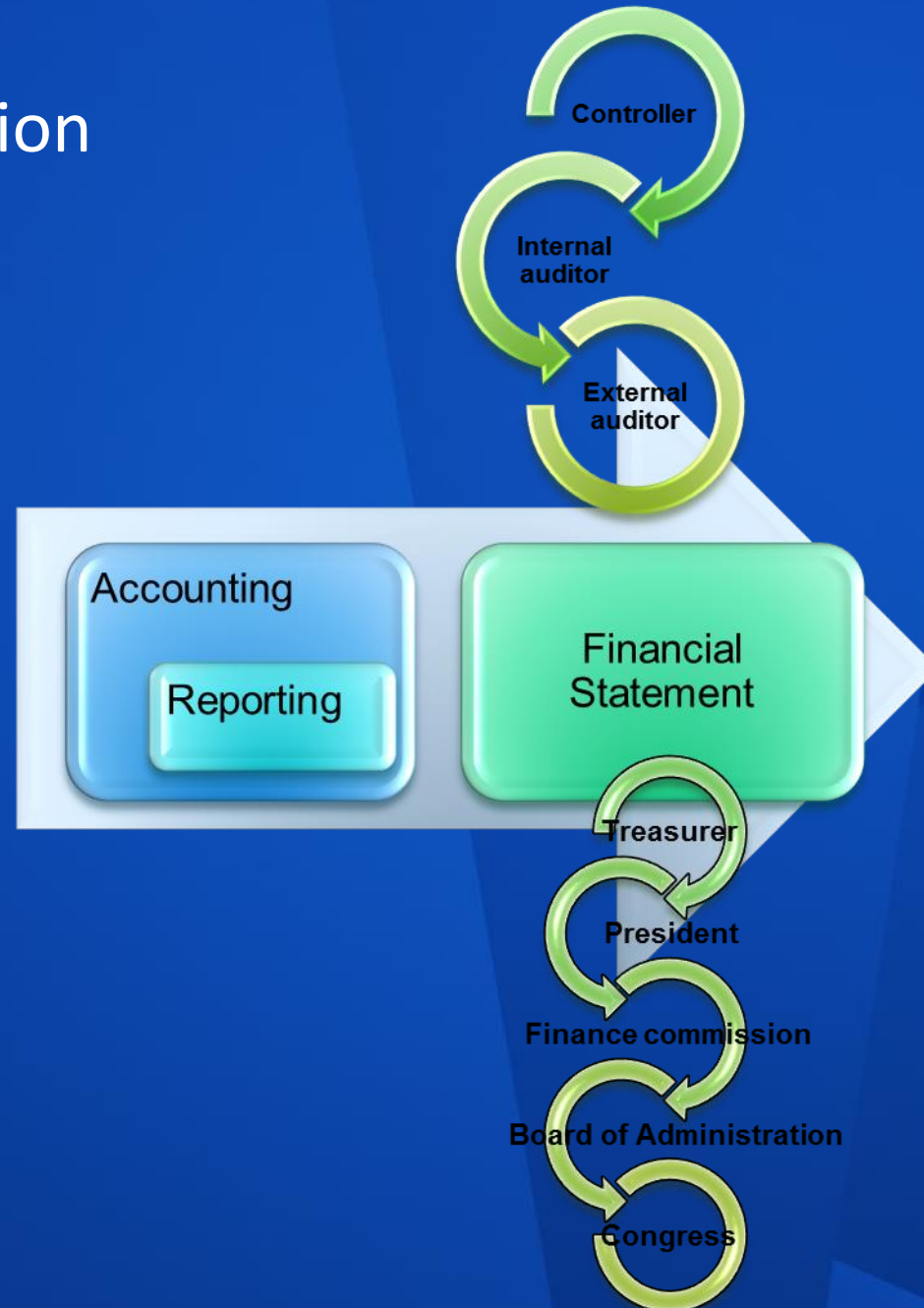
I note that the equity of the FIVB are in a very good level. This equity are represented in the asset by the portfolio. That means that our equities are liquid.

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



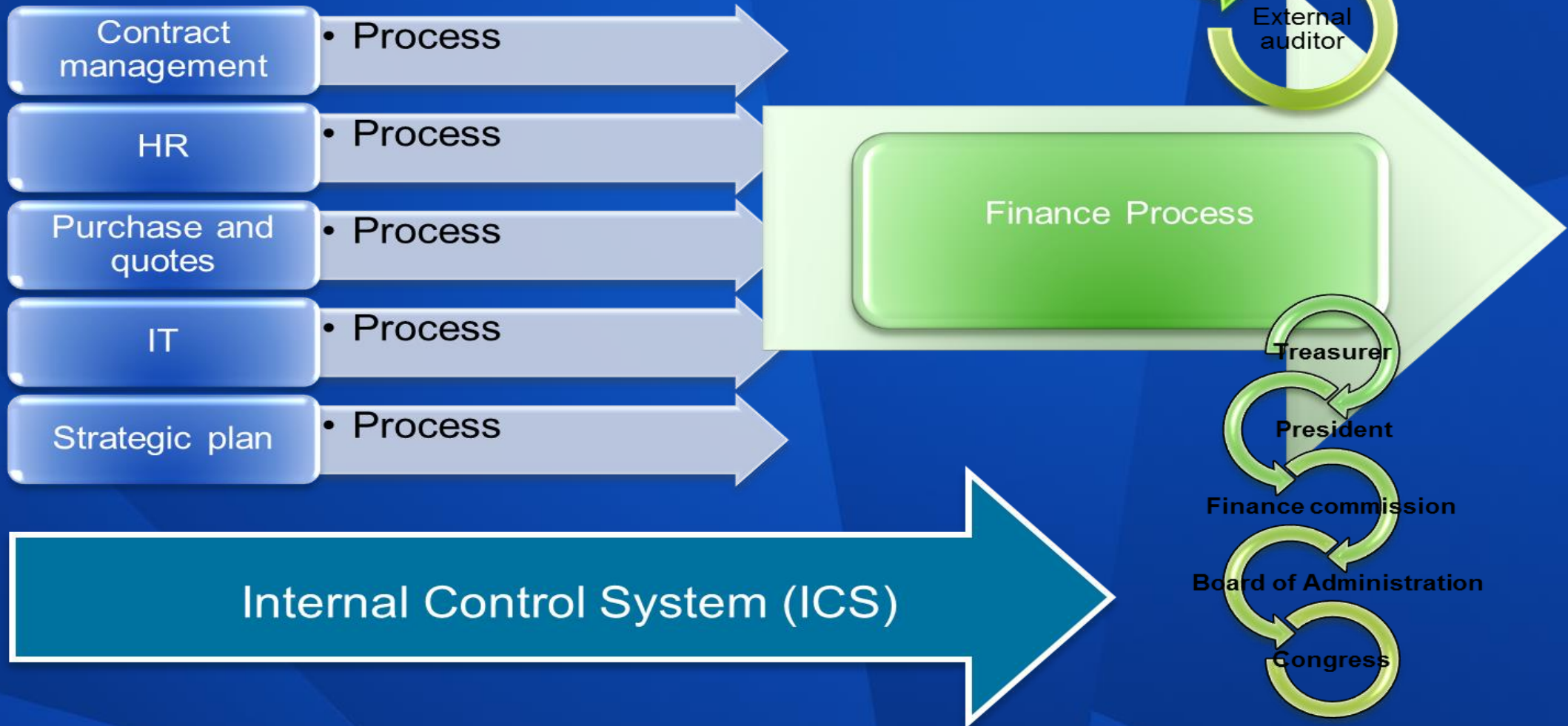
4. Internal organization



4. Internal organization



4. Internal organization



5. Financial risks perspectives



5. Financial risks perspectives

FIVB RISKS – Metodology

Probability

P	Frequent "A"	Once by month	100%
r	Probable "B"	Once evry quartal	30%
a	Occasional "C"	Once evry year	10%
b	Remote "D"	Once evry two years	3%
i	Improbable "E"	Once evry four years	1%
l	Eliminated "F"	Eliminated	
i			
t			
y			

FIVB RISK ASSESSMENT MATRIX		Severity			
		Catastrophic "1"	Critical "2"	Marginal "3"	Negligible "4"
P r o b a b l i t y	Frequent "A"	High	High	Serious	Medium
	Probable "B"	High	High	Serious	Medium
	Occasional "C"	High	Serious	Medium	Low
	Remote "D"	Serious	Medium	Medium	Low
	Improbable "E"	Medium	Medium	Medium	Low
	Eliminated "F"	Eliminated			

Severty

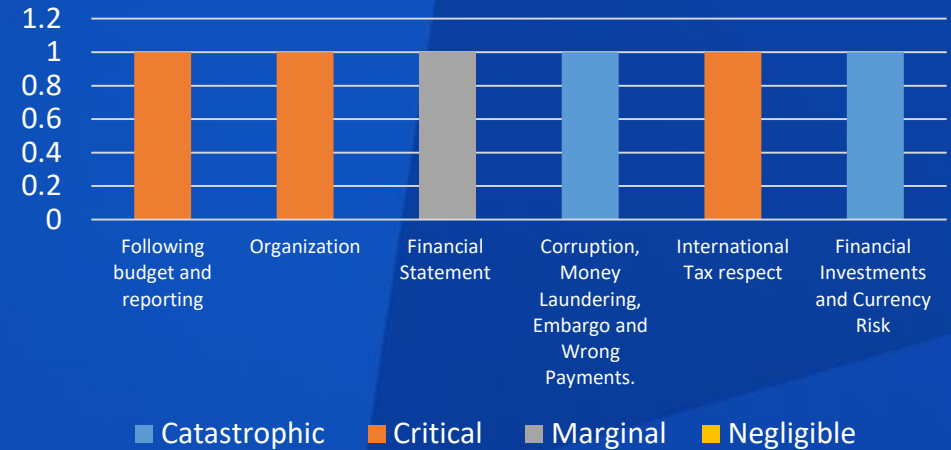
S	Catastrophic "1"	impact the life of FIVB	TCHF 50'000
e	Critical "2"	Impact directly the going concern of FIVB	TCHF 20'000
v	Marginal "3"	Impact the current year	TCHF 7'500
r	Negligible "4"	Impact can be financed by EBTD	TCHF 5'000
i			
t			
y			

5. Financial risks perspectives

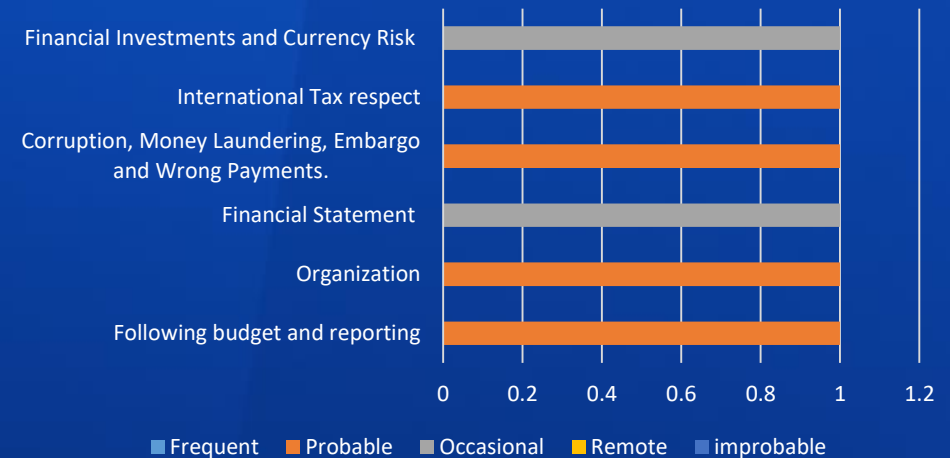
FIVB RISKS – Global Analysis



Risks severity



Risks probability



5. Financial risks perspectives

FIVB RISKS – Following budget and reporting

Context

The budget and cost tracking process is carried out in collaboration between the departments and the finance department. The necessary information is evaluated taking into account the information available when the budgets are drawn up. The monitoring of revenues and expenses is based on these elements.

Risks

- Extrapolation of the future always difficult.
- Information available not completely reliable.
- Change in the structure of the FIVB.

Followed

- Multilevel budget review.
- Review of annual budgets.
- Quarterly review of receipts and expenses.
- Cash flow monitoring.

FIVB RISK ASSESSMENT MATRIX		Severity			
		Catastrophic "1"	Critical "2"	Marginal "3"	Negligible "4"
P r o b a b i l i t y	Frequent "A"	High	High	Serious	Medium
	Probable "B"	High	High	Serious	Medium
	Occasional "C"	High	Serious	Medium	Low
	Remote "D"	Serious	Medium	Medium	Low
	Improbable "E"	Medium	Medium	Medium	Low
	Eliminated "F"	Eliminated			

5. Financial risks perspectives

FIVB RISKS - Organization

Context

Changes in activities can lead to changes in the structure of the FIVB. The responsibilities given to employees (signature, commitments, etc.) must be up to date.

Risks

- Signature of non-compliant contracts.
- Engagement by unauthorized collaborators.
- Tracking budgets and reporting non-compliant.
- Loss of productivity.

Followed

- Authorization of signatures by the Board of Directors.
- Organizational chart.
- Verification of payments by the FIVB Controller.
- Inter-departmental collaboration.

FIVB RISK ASSESSMENT MATRIX		Severity			
		Catastrophic "1"	Critical "2"	Marginal "3"	Negligible "4"
Probability	Frequent "A"	High	High	Serious	Medium
	Probable "B"	High	High	Serious	Medium
	Occasional "C"	High	Serious	Medium	Low
	Remote "D"	Serious	Medium	Medium	Low
	Improbable "E"	Medium	Medium	Medium	Low
	Eliminated "F"	Eliminated			

5. Financial risks perspectives

FIVB RISKS - Financial Statement

Context

The financial statements must enable stakeholders to make a correct financial assessment of the FIVB. This representation must also be legally correct in relation to the Swiss Code of Obligations. In addition, the presentation of financial statements must comply with legal and statutory deadlines.

Risks

Financial statements not in accordance with the law.
 Failure to meet deadlines
 Auditor's report with important errors.
 Impact on the image of the FIVB.

Followed

Continuing education within the finance department.
 Control by the Controller of the FIVB
 Verification by the external auditor.

FIVB RISK ASSESSMENT MATRIX		Severity			
		Catastrophic "1"	Critical "2"	Marginal "3"	Negligible "4"
P r o b a b i l i t y	Frequent "A"	High	High	Serious	Medium
	Probable "B"	High	High	Serious	Medium
	Occasional "C"	High	Serious	Medium	Low
	Remote "D"	Serious	Medium	Medium	Low
	Improbable "E"	Medium	Medium	Medium	Low
	Eliminated "F"	Eliminated			

5. Financial risks perspectives

FIVB RISKS - Corruption, Money Laundering, Embargo and Wrong Payments

Context

The amounts paid annually are very important within the FIVB. It is important that the organization can ensure that the payments made are legally and economically justified payments. Geopolitical changes are also to be followed in the context of embargoes.

Risks

Payments of amounts not justified by a real economic fact.

Payment on an erroneous bank account.

Payment of an amount to persons representing risks in terms of money laundering or in connection with an embargo.

Impact on the image of the FIVB.

Followed

Important collaboration with the bank and financial team.

Verification when changing a bank account of a supplier or service provider.

Rules for signing contracts and tenders.

Verification of contracts during major payments.

Justification of the development funds granted.

FIVB RISK ASSESSMENT MATRIX		Severity			
		Catastrophic "1"	Critical "2"	Marginal "3"	Negligible "4"
Probability	Frequent "A"	High	High	Serious	Medium
	Probable "B"	High	High	Serious	Medium
	Occasional "C"	High	Serious	Medium	Low
	Remote "D"	Serious	Medium	Medium	Low
	Improbable "E"	Medium	Medium	Medium	Low
	Eliminated "F"	Eliminated			

5. Financial risks perspectives

FIVB RISKS - International Tax respect

Context

As the FIVB is present on all Continents, it must respect all the rules in force that may affect competitions and signed contracts.

Risks

Penalties in countries where the rules are not respected.

Suspension of competitions.

Impact on the image of the FIVB.

Followed

Contracting process.

Sharing knowledge and experience.

Collaboration between Legal and Finance teams.

FIVB RISK ASSESSMENT MATRIX	Severity				
	Catastrophic "1"	Critical "2"	Marginal "3"	Negligible "4"	
Probability	Frequent "A"	High	High	Serious	Medium
	Probable "B"	High	High	Serious	Medium
	Occasional "C"	High	Serious	Medium	Low
	Remote "D"	Serious	Medium	Medium	Low
	Improbable "E"	Medium	Medium	Medium	Low
Eliminated "F"	Eliminated				

5. Financial risks perspectives

FIVB RISKS - Financial Investments and Currency Risk

Context

The securities portfolio of the FIVB must be able to guarantee development and global economic changes. As such, it is important that investments can support FIVB but without excessive risk taking.

Risks

Volatility of the markets.

World crisis.

Liquidity needs.

Followed

Work with several banks.

Portfolio monitoring by an external person.

Define an investment strategy.

Currency distribution

FIVB RISK ASSESSMENT MATRIX		Severity			
		Catastrophic "1"	Critical "2"	Marginal "3"	Negligible "4"
P r o b a b i l i t y	Frequent "A"	High	High	Serious	Medium
	Probable "B"	High	High	Serious	Medium
	Occasional "C"	High	Serious	Medium	Low
	Remote "D"	Serious	Medium	Medium	Low
	Improbable "E"	Medium	Medium	Medium	Low
	Eliminated "F"	Eliminated			

5. Risks perspectives

Control risks

The risk of control is stable.

The software ABACUS was fully utilized during 2016.

The financial statements closing process is described. There is used for the closing of the annual accounts 2018. 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.

A major effort is currently being made to monitor the allocation of funds for development. We must ensure that :

- a) The legal basis exists (contract);
- b) Ensure that funds are properly used;
- c) There is no prohibition on the payment of funds in the country (embargo);
- d) The project is in line with the aim and strategy of the FIVB

It's also important to describe :

- 1) What is donation (maximum amount)
- 2) What is a development funds with needed ROI (control, estimation and return on investment)



5. Risks perspectives

Control risks

SIGNATURES VALIDATED BY THE BOARD OF DIRECTORS

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

6. Conclusion



6. Conclusion



Internal control

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



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.



Annual financial statement

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



External audit et FIVB Controller

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

6. Conclusion

- All new contracts were approved by the President.
- The list of contracts to 31 December 2018 was approved by the President.
- The respect of the periodicity for income is explain in the note.
- The Finance Department is the most heavily verified department of FIVB.
- The existence of the internal control system has been validated 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.

FIVB CONTROLLER
Olivier Zysset
Certified Swiss Accountant
Licensed Audit Expert



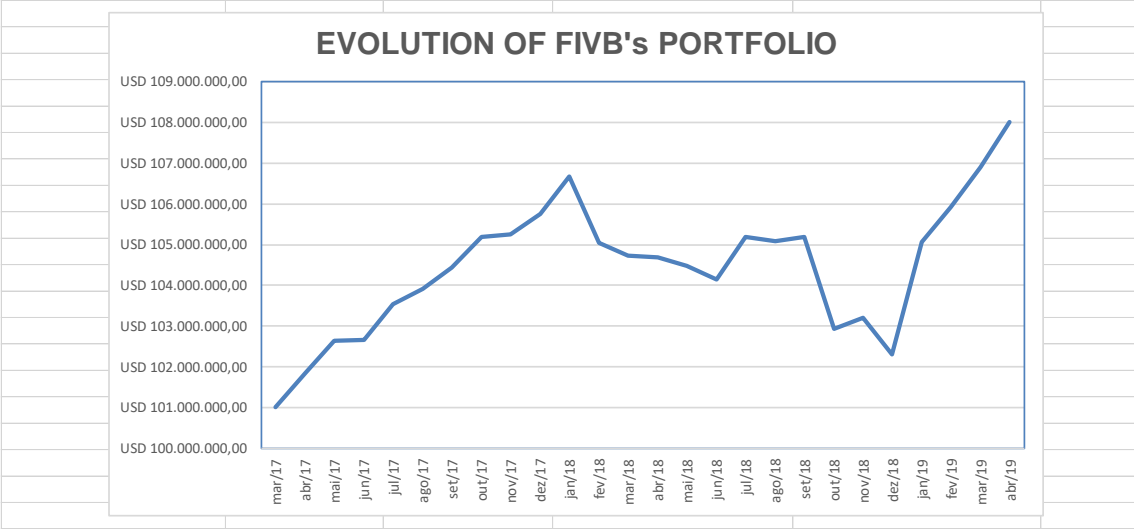


BOARD OF ADMINISTRATION MEETING
LAUSANNE ♦ 23 & 24 MAY 2019

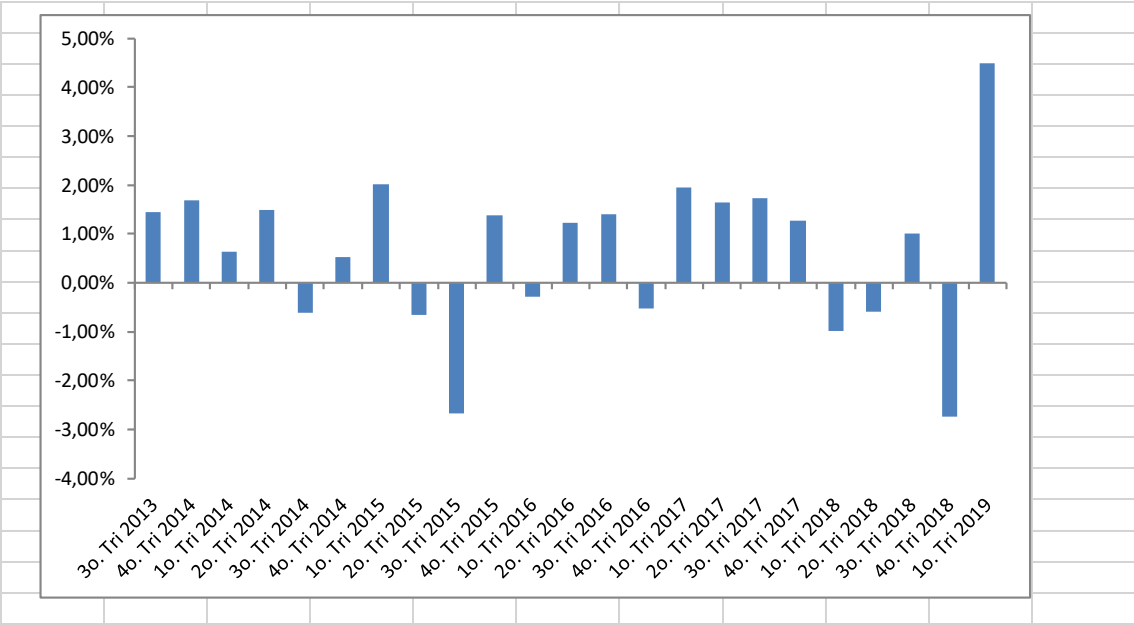
- *FIVB Investment Portfolio
2018*

PORTFOLIO VALUATION AND QUARTERLY RETURNS

VALUATION MAR 17 – MAR 19



QUARTERLY RETURNS SINCE INCEPTION





BOARD OF ADMINISTRATION MEETING
LAUSANNE ♦ 23 & 24 MAY 2019

- *Finance Commission
Proposals*

FINANCE COMMISSION PROPOSALS

1. To approve the Financial Report of the 2018 Accounts, Profit & Loss, Balance Sheet & Budget compared to realised in 2018.
2. To approve the FIVB Controller's report.
3. To approve Deloitte's External Auditors' report.
4. To approve the FIVB Investment portfolio 2018.
5. To approve the updated Budget 2019.