

BUSINESS REPORT 2020





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2020 – a year of challenges and opportunities.

2020 was a difficult year for most of the world due to the COVID-19 pandemic, and the sports industry was no exception to this. However, because of the strong foundations the FIVB has built thanks to our tireless efforts over the past few years, as well as the decisions we have taken, we have been able to weather the storm.

We were able to assist our incredible athletes via the FIVB Athletes' Relief Support fund. In total, 80 players from a wide range of countries in Europe, Asia, Oceania and the Americas received financial support for basic needs.

And we supported you, the National Federations, through our development projects, a key part of our Nucleus Plan. Since the launch of the platform in 2017 until 2019, the FIVB has supported a total of 276 approved projects from 158 National Federations. And even during the pandemic, we were able to open the platform to support our National Federations with coaches, equipment and knowledge. In 2020 we received 142 applications, of which 131 were approved. As such, from 2017 to 2020, we have approved 407 projects from 179 National Federations, with a total investment of more than 6.6 million USD.

Even without volleyball and beach volleyball competitions, millions of fans across the globe could enjoy engaging volleyball content thanks to our innovative digital strategy. This is showcased by our strong following on social media, with more than 8 million followers across all our online platforms. And our digital efforts have continued to be recognised by renowned studies and rankings.

The FIVB's team of professionals have working tirelessly in 2020, looking for new and innovative opportunities for the sport to both adapt to, and overcome, the challenges presented by the pandemic. As a result, the FIVB, together with CVC Capital Partners, one of the leading private equity companies in the world and former partner of Formula 1, launched Volleyball World in early 2021. This new partnership has already begun to drive innovation, growth and investment in volleyball around the globe.



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The FIVB truly believes that the money that comes from the sport must be reinvested back into the sport. Therefore, the finances secured through the partnership with CVC will be reinvested in developing national volleyball and beach volleyball teams around the world through the visionary Volleyball Empowerment program in the years ahead.

The FIVB looks forward to 2021 with cautious optimism as the world continues to recover and more sports events are reestablished. With the Beach Volleyball World Tour, Volleyball Nations League and the Olympic Games Tokyo 2020, among other events, volleyball and beach volleyball will continue to grow and attract even more fans in key markets around the world. 2022 will also be a remarkable year for our sport with the volleyball and beach volleyball World Championships, our flagship events, set to be hosted across four countries.

In summary, 2020 was a challenging year for the FIVB, as it was for others in sport and other industries around the globe. However, as always, the FIVB is continually striving to innovate and progress, and will continue to seize opportunities that benefit our sport in the years to come.

BALANCE SHEET

AS OF DECEMBER 31ST		2020 (in CHF)	2019 (in CHF)
ASSETS			
CURRENT ASSETS			
<i>Cash and equivalents</i>		12'056'088	19'839'776
Liquidity	A	5'266'571	16'390'249
Portfolio cash	B	2'962'040	631'559
Short Term investment	C	3'827'478	2'817'968
<i>Trade receivables</i>		1'137'005	17'365'651
Trade receivables - third parties	D	1'238'096	11'363'042
Trade receivables - related parties	E	2'082'240	6'489'839
Provision for doubtful debtors	T	(2'183'331)	(487'230)
<i>Other current receivables</i>		622'628	336'712
Other Debtors	F	341'141	160'013
Withholding tax	G	52'349	73'818
VAT	H	229'138	102'881
<i>Accrued income and prepaid expenses</i>		6'739'509	5'280'387
Accrued income	I	2'021'040	2'590'605
Prepaid expenses	J	4'718'469	2'689'782
TOTAL CURRENT ASSETS		20'555'230	42'822'527
NON-CURRENT ASSETS			
<i>Financial assets</i>		92'594'154	105'682'529
Securities (Global Custody)	J	92'594'154	105'682'529
<i>Tangible fixed assets</i>		15'811'618	17'118'242
Operating fixed assets	L	267'438	401'280
Property	M	15'544'181	16'716'962
<i>Intangible assets</i>		754'083	1'346'949
IT Licence	N	754'083	1'346'949
Promotional Devices	O	0	0
<i>Participation</i>		1'000'000	0
Participation VW	Z	1'000'000	0
TOTAL NON-CURRENT ASSETS		110'159'855	124'147'720
TOTAL ASSETS		130'715'086	166'970'247
LIABILITIES			
CURRENT LIABILITIES			
<i>Trade creditors</i>		6'853'258	3'545'129
Trade creditors - third parties	P	3'012'917	3'203'421
Trade creditors - related parties	Q	3'840'341	341'708
<i>Other creditors</i>		4'731'343	7'010'627
Other creditors	R	4'731'343	7'010'627
<i>Deferred income and accrued expenses</i>		2'468'746	37'883'302
Deferred income	S	3'286	33'648'637
Accrued expenses	S	2'465'460	4'234'665
TOTAL CURRENT LIABILITIES		14'053'347	48'439'059
NON-CURRENT LIABILITIES			
Provision for litigations	U	350'000	360
Provision general	V	1'004'914	654'946
Liabilities to the subsidiary	W	29'815'289	0
TOTAL NON-CURRENT LIABILITIES		31'170'203	655'306
EQUITY			
Capital at the beginning of the period	X	117'875'883	113'936'486
Final result for the period		(32'384'348)	3'939'397
TOTAL EQUITY		85'491'535	117'875'883
TOTAL LIABILITIES AND EQUITY		130'715'086	166'970'247

PROFIT AND LOSS STATEMENT

FOR THE PERIOD JANUARY 1ST TO DECEMBER 31ST

	notes	2020 (in CHF)	2019 (in CHF)
REVENUES		14'676'828	61'022'914
<i>Net proceeds from sales</i>		14'253'572	55'579'051
Yearly subscriptions, broadcast and various rights	1	11'524'338	52'531'429
Transfer fees	1	2'729'234	3'047'622
<i>IOC funds</i>		0	3'633'239
IOC funds	2	0	3'633'239
<i>Other income</i>		423'256	1'810'624
Other income	3	423'256	1'810'624
EXPENDITURE		(8'288'754)	(32'783'903)
International competitions	4	(2'300'017)	(2'781'623)
Olympic Games	5	(93'671)	(78'627)
FIVB Programs	6	(24'918)	(907'453)
Confederations allocations	7	(18'000)	(72'000)
Development	8	(3'667'453)	(1'853'576)
Transfer refunds	9	(2'184'694)	(2'056'014)
OPERATING RESULT		6'388'074	28'239'011
Salaries and social charges	10	(8'094'841)	(9'957'246)
Administrative costs	11	(8'814'397)	(14'770'592)
Other operating costs	12	(4'333'845)	(5'748'540)
Depreciation and amortization	13	(1'926'974)	(2'005'170)
Other (income) / charges, net	14	18'904	(91'954)
OPERATIONAL RESULT		(16'763'079)	(4'334'491)
Financial result, net	15	(11'856'697)	8'273'888
Extraordinary result, net	16	(3'764'571)	0
FINAL RESULT OF THE PERIOD		(32'384'348)	3'939'397

CASH FLOW STATEMENT

AS OF DECEMBER 31ST

2020
(in CHF)

2019
(in CHF)

NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES

<i>Operating Cash flow</i>	(27'563'064)	1'269'255
Net Result	(32'384'348)	3'939'397
Depreciation/ Provisions	4'322'683	2'005'170
Exchange rate impact on operating activities	(1'859'403)	4'770'487
Others non-cash items	699'608	(225'488)
Unrealized gains/losses of financial assets recorded in financial result	1'658'395	(9'220'312)
<i>Working capital variation</i>	7'517'477	19'025'961
Trade receivables	13'832'937	5'174'757
Other current receivables	(285'915)	277'003
Accrued income and prepaid expenses	(1'459'122)	(369'725)
Trade creditors	3'308'129	(5'322'776)
Other creditors	(2'279'285)	(39'115)
Deferred income and accrued expenses	(5'599'267)	19'305'818

NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES

(20'045'587)

20'295'216

NET CASH USED IN INVESTING ACTIVITIES

<i>Financial assets</i>	10'429'980	(1'248'192)
Securities (Global Custody)	11'429'980	(1'248'192)
Participation VW	(1'000'000)	0
<i>Tangible fixed assets</i>	(27'484)	(1'350'852)
Operating fixed assets	0	(452'491)
Property	(27'484)	(898'361)

NET CASH USED IN INVESTING ACTIVITIES

10'402'496

(2'599'044)

CASH AND CASH EQUIVALENTS AS AT 1 JANUARY

19'839'776

6'914'091

Effect of exchange rate fluctuations	1'859'403	(4'770'487)
Net decrease/increase in cash and equivalents	(9'643'091)	17'696'172
Emprunt		

CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER

12'056'088

19'839'776



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Notes to the financial statements 31.12.2020

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 2020, 222 (2019: 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 2 staff members

Executive Committee / Comité Exécutif

Dr. Ary DA SILVA GRAÇA FILHO	FIVB President	(BRA)
Mr. Jizhong WEI	Honorary Life President and Advisor to the Board	(CHN)
Mr. Cristóbal MARTE HOFFIZ	1st Executive Vice President	(DOM)
Mr. Aleksandar BORICIC	2nd Executive Vice President	(SRB)
Mr. Roberto ESCOBAR GONZALEZ	Treasurer & Executive Vice-President	(PAR)
Mrs. Rita SUBOWO	Executive Vice-President	(INA)
Mrs. Bouchra HAJJ	Executive Vice-President	(MAR)
Mr. Marco Tullio TEIXEIRA	Executive Vice-President	(BRA)
Mrs. Alejandrina Mireya LUIS HERNANDEZ	Executive Vice-President	(CUB)
Mrs. Ann Margaret FLEMMING	Executive Vice-President	(SCO)
Mr. Habu Ahmed GUMEL	Executive Vice-President	(NGR)
Mr. Renato ARENA	Executive Vice-President	(ITA)
Mr. Hugh GRAHAM	Executive Vice-President	(COK)



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Mr. Mushtaque MOHAMMED

Executive Vice-President

(TTO)

Finance Commission

Mr. Essa Hamzah A. AL FAILAKAWI	President	KUW
Mr. Habu Ahmed GUMEL	Secretary	NGR
Mr. Majoré Louis TIMBA	Member	CMR
Mr. Mohammed DAVARZANI	Member	IRI
Mr. Ozkan MUTLUGIL	Member	TUR
Mrs. Valentina BIFFLIN	Member	CRO
Mrs. Margarette GRAHAM	Member	HAI
Mr. Terry SASSER	Member	MSH
Ms. Margaret Ann FLEMING	Member	SCO
Mr. Jihad KHALFAN	Member	BRN
Mr. Julio PEREZ ALFARO	Member	URU



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Board of Administration

Mr. Kenji SHIMAOKA	Board of Administration Member	(JPN)
Mr. Yi CAI	Board of Administration Member	(CHN)
Mr. Glenn QUINLAN	Board of Administration Member	(SKN)
Mr. Sanga ISSOUF KONE	Board of Administration Member	(CIV)
Mr. Daniel MOLAODI	Board of Administration Member	(BOT)
Mr. Michel EVERAERT	Board of Administration Member	(NED)
Mr. Lubor HALANDA	Board of Administration Member	(SVK)
Mr. Zdeslav BARAC	Board of Administration Member	(CRO)
Mr. Juan Antonio GUTIERREZ	Board of Administration Member	(ARG)
Mr. Mark ECKERT	Board of Administration Member	(CAN)
Mr. Mohammadreza DAVARZANI	Board of Administration Member	(IRI)
Mr. Geert DE DOBBELEER	Board of Administration Member	(BEL)
Mr. Felix Ambrosio Sabio GONZALEZ	Board of Administration Member	(HON)
Mrs. Annie PEYTAVIN	Board of Administration Member	(FRA)
Mr. Stanislav SHEVCHENKO	Board of Administration Member	(RUS)
Mr. Kiattipong RADCHATAGRIENKA	Board of Administration Member	(THA)
Mr. Yuji SAEKI	Board of Administration Member	(JPN)
Mr. Craig CARRACHER	Board of Administration Member	(AUS)
Mr. Fabio AZEVEDO	Board of Administration Member	(BRA)
Mrs. Cecilia TAIT VILLACORTA	Board of Administration Member	(PER)
Mrs. Madelein MEPPÉLINK	Board of Administration Member	(NED)



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The Controller

Mr. Olivier Zysset

The Internal Auditors

Mr. Majoré Louis Timba

Mr. Terry Sasser

Mr. Julio Perez Alfaro

The External Auditors

Deloitte SA

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3) Financial statements

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

- The profit and loss statement
- The balance sheet
- The cash-flow statement
- 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.

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	31.12.2020	31.12.2019
EUR	1.0815	1.0870
GBP	1.2083	1.2828
JPY = for 100 yen	0.8561	0.8910
USD	0.8839	0.9683

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

- Number of full time equivalent employees

2019 : 67

2020 : 62

- Information on the participations

FIVB held 66.7% of the shares as well as 66.7% of voting rights of its subsidiary, VW Volleyball World SA, 1006 Lausanne.

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- Contingent liabilities

Contractual engagements related to the development.

Year	31.12.2020(in kCHF)	31.12.2019 (in kCHF)
2020		3'750
2021	4'690	
Totals	4'690	3'750

Forward exchange contracts as of

31st December 2020

Currency	Amount	Underlying	Rate	Maturity
USD	716'933	EUR	1.1949	26.03.2021
USD	1'179'170.-	EUR	1.1792	19.01.2021

31st December 2019.

Currency	Amount	Underlying	Rate	Maturity
USD	894'843.-	CHF	0.96835	13.03.2020
USD	631'571.00	EUR	1.1225	13.03.2020
USD	1'105'750.-	EUR	1.1225	15.01.2020

- Amounts due to the pension funds

2019 : CHF 0.-

2020 : CHF 0.-

- Fees associated with the revision of the annual accounts

2019 : CHF 84'227.-

2020 : CHF 97'615.-

Fees for services other than the audit of the annual accounts: CHF 38,000

- Amount of Hidden reserve released:

In 2020, CHF 238,045 of hidden reserves was released (in 2019: CHF 225,487)



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Additional information

Legal dispute

In the normal course of business, FIVB is involved in various pending legal proceedings for and against the Association. These claims may include disputes with suppliers or customers or others. Provision for litigation, disputes and miscellaneous risks are recognized based on an assessment of the probability of loss of economic benefit and a reliable estimate of the amount of the loss. When the timing and amount of any financial obligations or other consequences are not possible to predict and estimate at the end of the reporting period, no present obligation exists and consequently no liability are recognised in relation to these matters.

In 2019, a dispute arose with a supplier of IT services to the Association. FIVB contends that the mandate given to the company was not respected on this date in violation of the agreement signed between the parties. This led the FIVB to suspend its payments to the company and commenced legal proceedings. The Association has engaged external legal counsel to assist the Association in responding to the claims and to perform additional investigations at the request of Management.

The Fivb and Microsoft Schweiz are still negotiating concerning the payment of USD 340'922.58 as a settlement of the final balance, together with the payment for an amount of CHF 537'869.20 for another transaction. Based on the current situation, the liabilities currently recorded in regards to the above dispute are sufficient to cover its obligations.

Significant events

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. The Fivb had to cancel several volleyball and beach volleyball competitions during 2020 and increase its support to athletes. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the Federal government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Association in future periods. The continuity of the operations and the going concern of the association is not in doubt.



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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

	2020	2019
	(in CHF)	(in CHF)
1. Net proceeds from sales	14'253'572	55'579'051
TV rights	4'142'567	19'899'345
Hosting fees	1'321'007	12'208'079
Licence fees / Entry fees	-266'105	7'003'444
Sponsoring fees	5'192'986	7'873'433
Transfer fees	2'729'234	3'047'622
Betting rights	0	3'151'775
Commerical rights	-4'320	748'725
Homologation rights for material	777'008	853'013
Others	361'195	793'616

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.

	2020	2019
	(in CHF)	(in CHF)
2. IOC Funds	0	3'633'239
Olympic Games - IOC contributions	0	3'633'239

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

	2020	2019
	(in CHF)	(in CHF)
3. Other income	423'256	1'810'624
Various income	423'256	1'810'624

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.

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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.

	2020	2019
	(in CHF)	(in CHF)
4. International competitions	-2'300'017	-27'816'233
Prize Money	-730'932	-16'894'915
Competition Costs	-942'910	-6'647'983
Travel, hotel and per diem	-343'562	-3'922'843
Awards & Recognitions	-6'441	-298'635
Banners & Stand	-1'820	-20'929
Commentaries costs	-2'178	-30'928
Others	-272'175	0

	2020	2019
	(in CHF)	(in CHF)
5. Olympic Games	-93'671	-78'627
Travel, hotel and per diem	-64'753	-78'627
Agency Fees	-7'869	0
Others	-21'049	0

	2020	2019
	(in CHF)	(in CHF)
6. FIVB Programs	-24'918	-907'453
Support to organiser national federation	0	-489'687
Antidoping	-24'918	-396'764
Others	0	-21'003



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	2020	2019
	(in CHF)	(in CHF)
7. Confederations allocations	-18'000	-72'000
Confederations allocations	-18'000	-72'000

	2020	2019
	(in CHF)	(in CHF)
8. Development	-3'667'453	-1'853'576
Development centers	-82'698	-60'324
Zonal volleyball association	-840'000	90'000
Coaching support	-45'068	-196'231
Confederation support	0	0
National federation support	-2'221'780	-1'309'647
Travel, hotel and per diem	-57'884	-184'196
Others	-420'024	-193'178

	2020	2019
	(in CHF)	(in CHF)
9. Transfer refunds	-2'184'694	-2'056'014
Transfer refunds	-2'184'694	-2'056'014

	2020	2019
	(in CHF)	(in CHF)
10. Salaries and social charges	-8'094'841	-9'957'246
Gross salaries	-6'572'030	-8'198'266
Social insurances	-1'532'827	-1'675'303
Others	10'016	-83'676



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	2020	2019
	(in CHF)	(in CHF)
11. Administrative Costs	-8'814'397	-14'770'592
Office Costs	-633'987	-649'014
FIVB property costs	-100'737	-211'801
IT & Office equipment costs	-1'758'546	-2'526'963
Telecommunications costs	-109'347	-146'946
Courrier costs	-270'723	-731'688
Audit fees	-477'927	-84'228
Translation fees	-16'259	-35'525
Consultant fees	-1'500'176	-1'455'333
Management expenses	-1'541'762	-1'788'087
Publication costs	-2'484	-190'128
Communication costs	-1'128'918	-1'668'597
Insurance premiums	-178'686	-278'920
Travel, hotel and per diem	-721'996	-4'721'879
Others	-372'850	-281'483

	2020	2019
	(in CHF)	(in CHF)
12. Other operating costs	-4'333'845	-5'748'540
Legal fees	-951'344	-410'145
Agency fees	-1'383'036	-6'497'778
Taxes	0	-64'908
Provision on debtors (Increase/decrease)	-1'696'101	1'540'806
Others	-303'364	-316'514

	2020	2019
	(in CHF)	(in CHF)
13. Depreciation and amortization	-1'926'974	-2'005'170
Depreciation on assets	-726'709	-1'112'613
Depreciation on property	-1'200'265	-892'557

2020

2019



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	(in CHF)	(in CHF)
14. Other Income / Charges, Net	18'904	-91'954
Other income	18'904	402'968
Other costs	0	-494'922
	2020	2019
	(in CHF)	(in CHF)
15. Financial result	-11'856'697	8'273'888
<i>Financial income</i>	5'129'747	16'289'776
Exchange gains realized	1'864'272	6'797'962
Portfolio income	3'217'315	9'400'254
Other income	48'161	91'560
<i>Financial costs</i>	-16'986'445	-8'015'888
Exchange losses realized	-12'260'069	-8'777'245
Portfolio losses	-4'683'362	918'315
Other costs	-43'014	-156'957
	2020	2019
	(in CHF)	(in CHF)
16. Extraordinary Results, net	-3'764'571	0
Extraordinary Expense	-7'071'552	
Extraordinary Income	3'306'981	

Extraordinary Expense includes CHF 7'071'552 resulting from the new license agreement signed with the subsidiary and explained in Note "Subsequent events" in page 24. Extraordinary income includes a reversal of provision for CHF 2'009'943 following a court decision and a deduction of charges of CHF 1'297'038 resulting from the new license agreement signed with the subsidiary and explained in Note "Subsequent events" in page 24.



BUSINESS REPORT 2020

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 194'316.- in 2020 (2019: 194'319.-) 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 2020. 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.



BUSINESS REPORT 2020

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

FIXED ASSETS

	Operating fixed assets	Property	IT Licence	Promotional devices
Balance as at 31 December 2018	131'283	17'011'156	1'939'816	37'255
Acquisitions	452'491	898'361	0	0
Disposals	0	0	0	0
Depreciation	(182'494)	(1'192'555)	(592'866)	(37'255)
Balance as at 31 December 2019	401'280	16'716'962	1'346'949	(0)
Acquisitions	0	27'484	0	0
Disposals	0	0	0	0
Depreciation	(133'842)	(1'200'265)	(592'866)	0
Balance as at 31 December 2020	267'438	15'544'180	754'083	(0)



BUSINESS REPORT 2020

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.

Subsequent events

Nf-Russia World Championships 2022 amount due to Volleyball World SA:

Following the creation of the subsidiary of the FIVB, VW Volleyball World SA on December 23, 2020, a shareholder agreement was signed on June 30th 2021 between FIVB, Vivaldi Holding Sàrl (CVC Capital partners) and VW Volleyball World SA. In the context of the shareholder agreement, a license agreement between FIVB (Licensor) and VW Volleyball World SA (Licensee) was signed on June 30th June 2021 with effective date starting 1 January 2021. Specifically, in regards to the World Championship 2022, the licensor appoints the Licensee as its sub-contractor to perform the Contract for World Championship 2022. The Licensor will pay the Licensee all amounts received by Licensor as Advanced Payments minus any specified prepaid expenses identified and incurred by the Licensor and all amounts received by Licensor as Future Payments. The amount due by the Licensor as WCH 2022 Net Advanced Payment shall be payable to Licensee in Spring 2023.

Accordingly, based on the license agreement with VW Volleyball World SA, as at December 31, 2020, the FIVB shall pay the amount of CHF 31'996'271 deducted of CHF 1'297'038, which constitute related deductible expenses and adjusted for other specific items. The net amount of CHF 29'815'289 is recorded as Long-term payable due to affiliate in 2023.



BUSINESS REPORT 2020

In regards to the above, the main contract impacted is WCH 2022 and resulted in the following impacts in the financial statements for this contract. CHF 21,214,656 related to the WCH 2022 contract recorded by FIVB under Deferred Income in 2019 has been reclassified as Liabilities to subsidiary in 2020. In addition, in 2020, a liability to the subsidiary and related charges for CHF 7'071'552 was recognized under Extraordinary result in order to recognize the total liability due to VW Volleyball World SA.

FIVB™



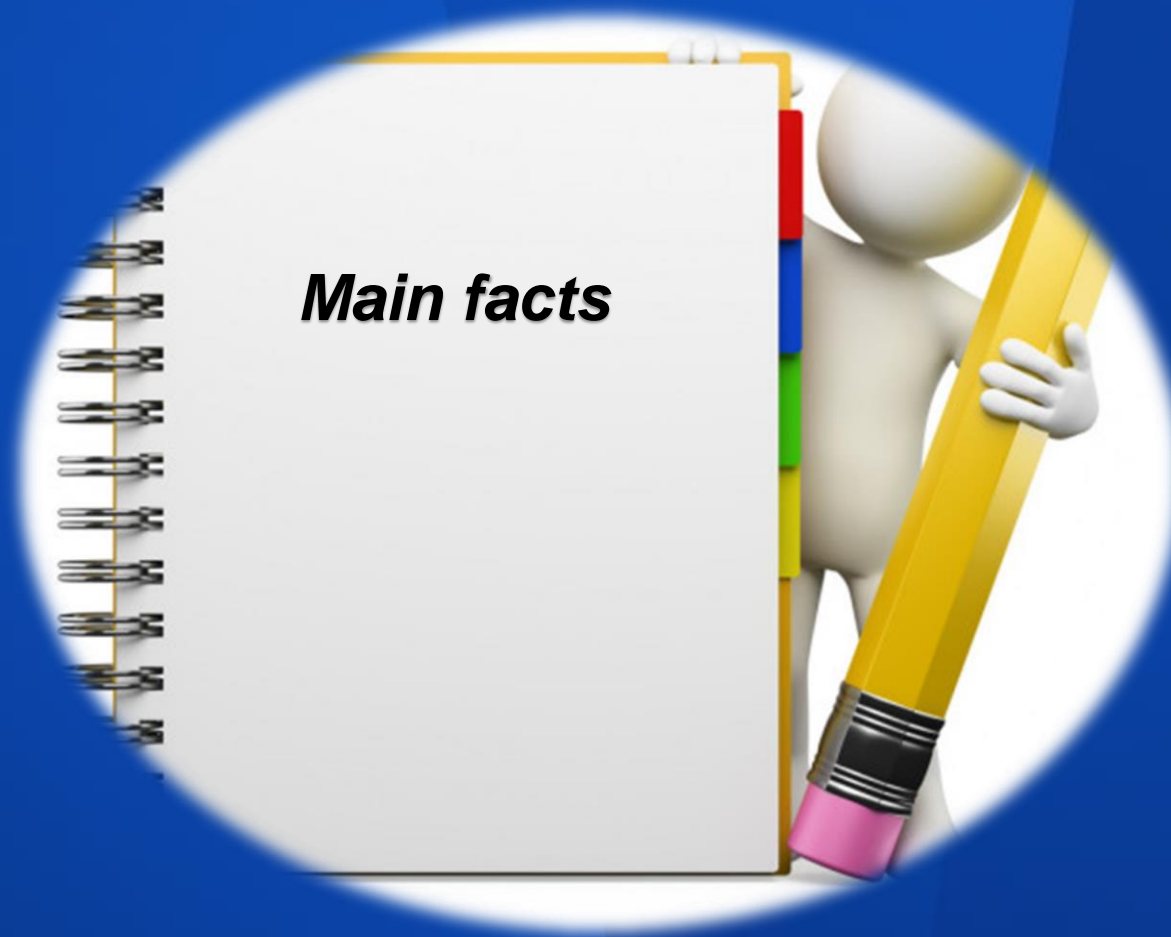
FÉDÉRATION INTERNATIONALE
DE VOLLEYBALL

FIVB Controller's report 2020

Index of Contents

Main facts

1. Role of the Controller
2. Analysis of the Profit and Loss statement
3. Analysis of the Balance Sheet statement
4. Internal organization
5. Financial risks perspectives
6. Conclusion



Main facts

Total asset
CHF 130'715'086

Revenus
CHF 14'676'828

Operating result
CHF 6'388'074

Number of employees
62

Total portefeuille
CHF 92'594'154

Result of the period
CHF – 32'384'348

Main facts

PANDEMIC

The year 2020 was marked by an extremely violent pandemic.

From the beginning of the year, the competitions, the Olympic Games, the sporting events were cancelled, postponed or realized without spectator.

All incomes have been affected by this very active and deadly rising virus in all countries of the world.

This year 2020 must be considered as “exceptional” as the impact on the financial statements is considerable.

However, all the measures, that could be taken, were taken to limit the impact.

The main measures taken were:

- Cancellation of competitions, postponement or modification of the competition concept
- The partial unemployment of employees
- Reduction of overhead costs

Despite all the measures, the financial statement closed with an operating loss.

Organizational processes, during this period of telework, had to be rethought. Physical signatures and validation were nevertheless maintained.

Computer systems were used extensively during the pandemic. They have, despite a larger data load, guaranteed a continuation of administrative management.

PARTNERSHIP

During 2020, negotiations with CVC Capital for a partnership intensified.

Indeed, during the year 2020, the preparation of the documentation as well as the audits and due diligence have succeeded to materialize the data necessary for the partnership. The Finance Department was consulted in the production of elements necessary for the construction of the various projects necessary for the completion of the partnership.

The impact of the negotiation on the 2020 annual financial statements is two points :

- Creation of Volleyball World SA with a share capital held by FIVB on 31 December 2020 of CHF 1,000,000.
- Redefining revenues in relation to future competition contracts in relation to the partnership

The negotiations closed in 2021 with the purchase of 33% of the share capital of Volleyball World SA by CVC Capital.

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 2020 to 31 December 2020.

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
- 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

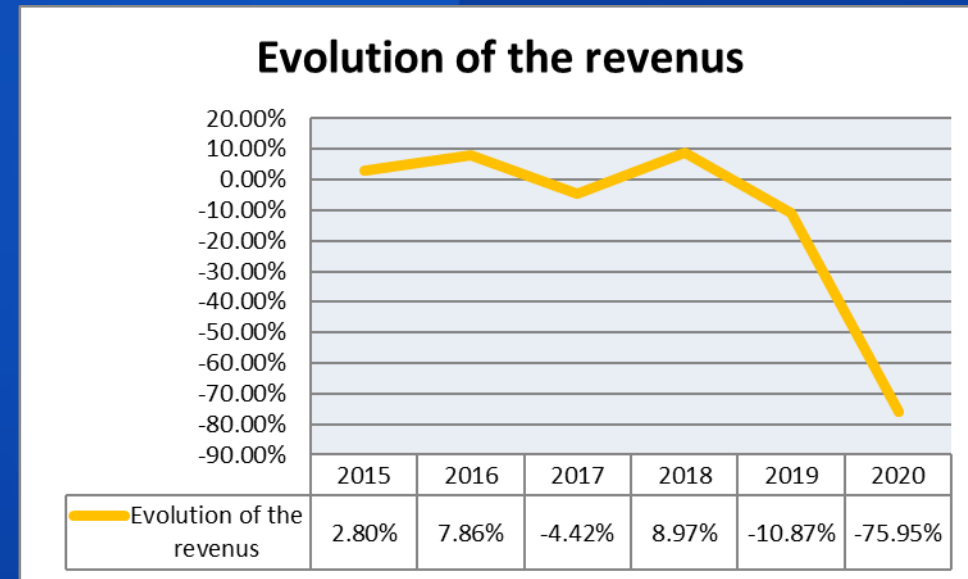
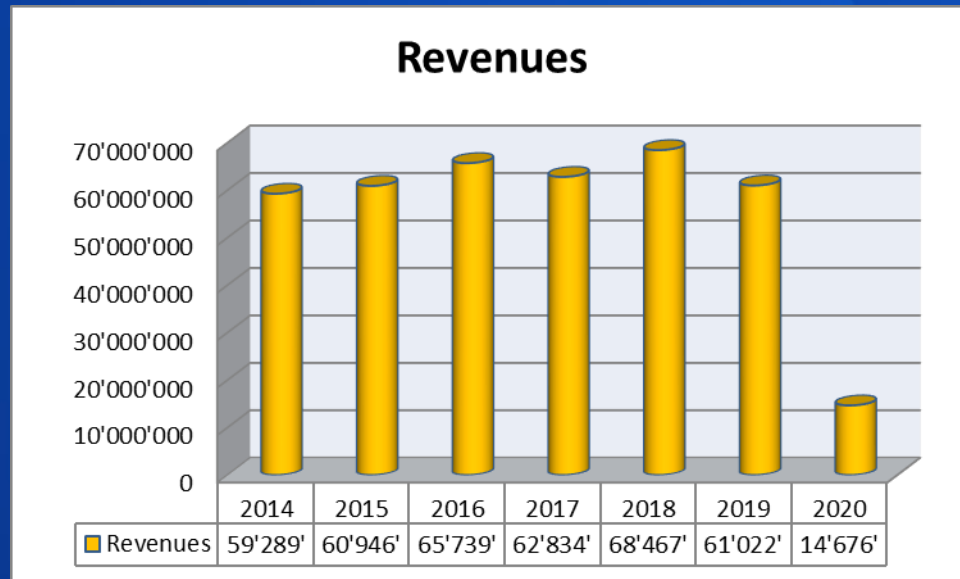
Comments

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

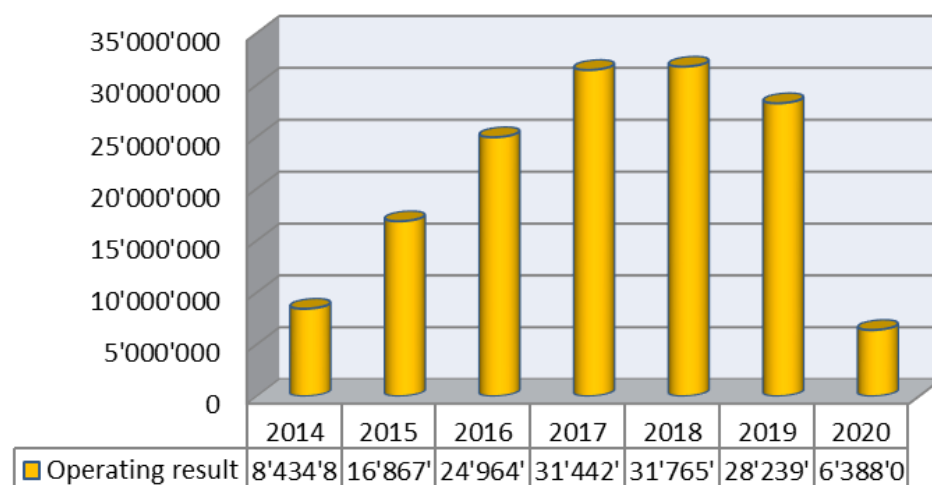
Revenues : Yearly subscriptions, broadcast and various rights, transfer fees and IOC funds

Comments:

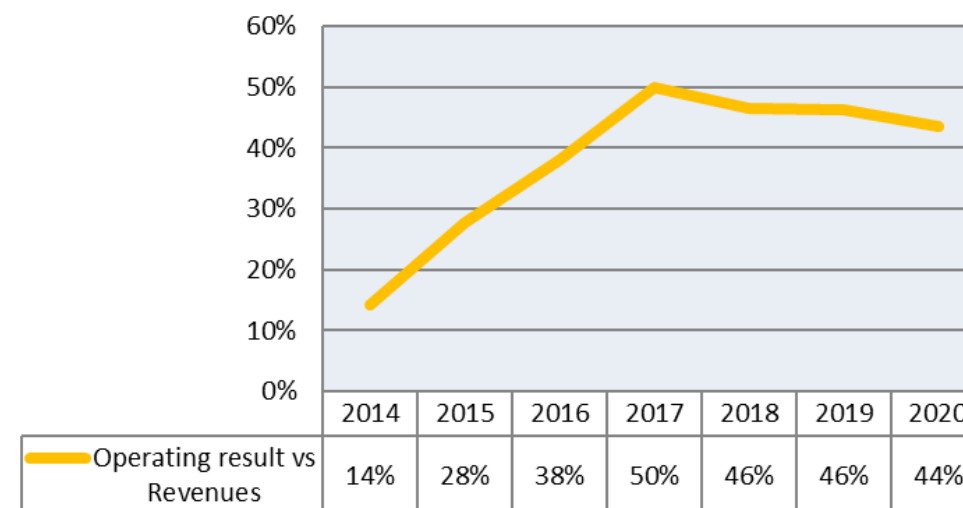
During the pandemic, most of the competitions were stopped and the Olympic Games were postponed.

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

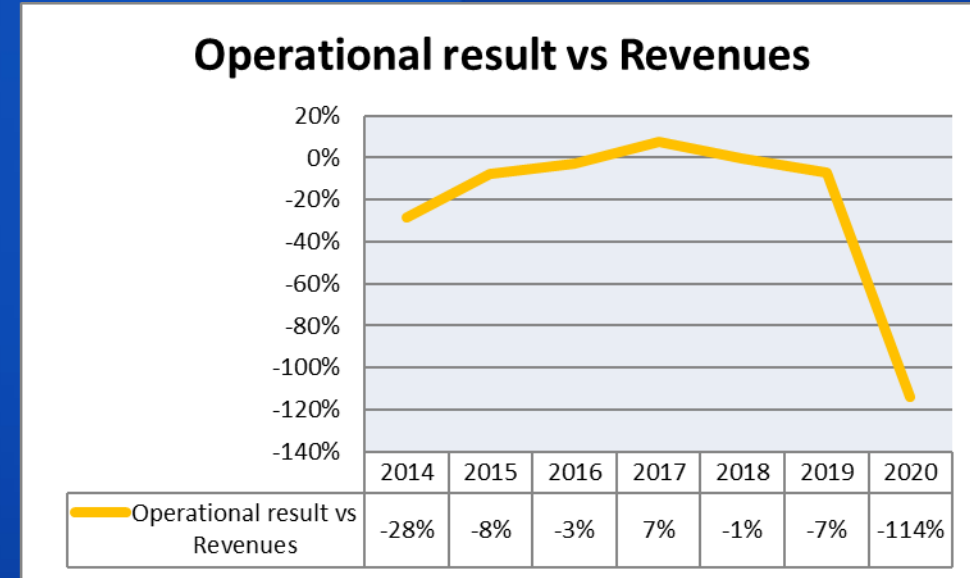
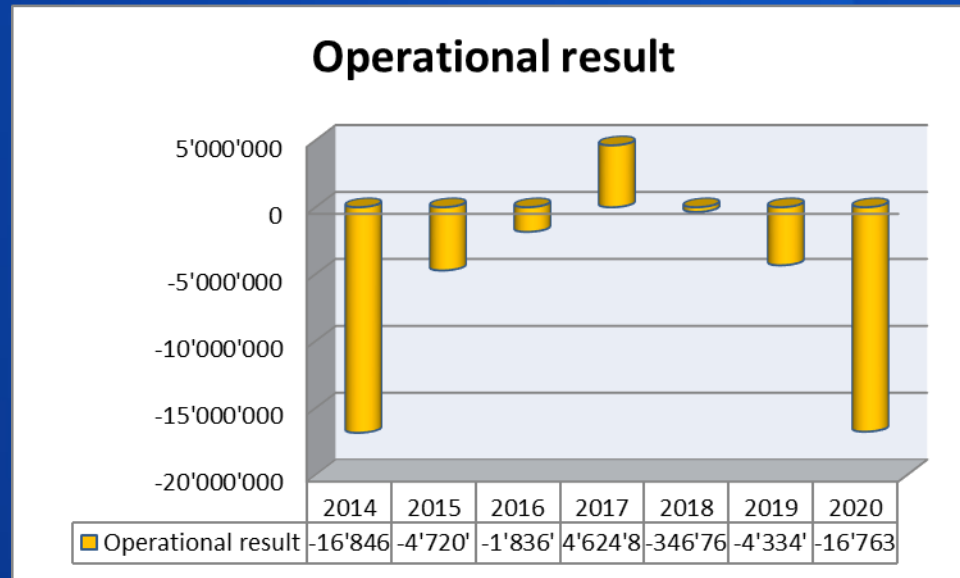
Expenses : International competitions, Olympic Games, FIVB programs, Confederations allocations, development and transfer refunds

Comments:

Competitions and Olympic Games have been postponed or cancelled.

Development and support activities for athletes and federations have, as far as possible, continued their efforts..

2. Analysis of the Profit and Loss statement



Operational result

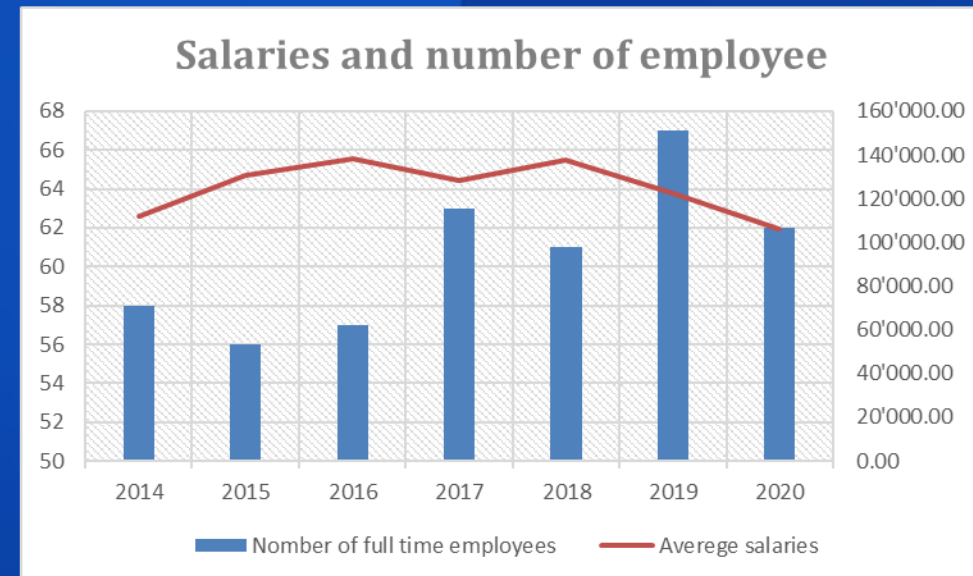
Operating result

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

Comments:

Operating expenses decreased by 29% compared to the previous year. However, since operating expenses are mostly fixed costs, the decrease is not equal to the decrease in revenues.

2. Analysis of the Profit and Loss statement



Salaries and social charges

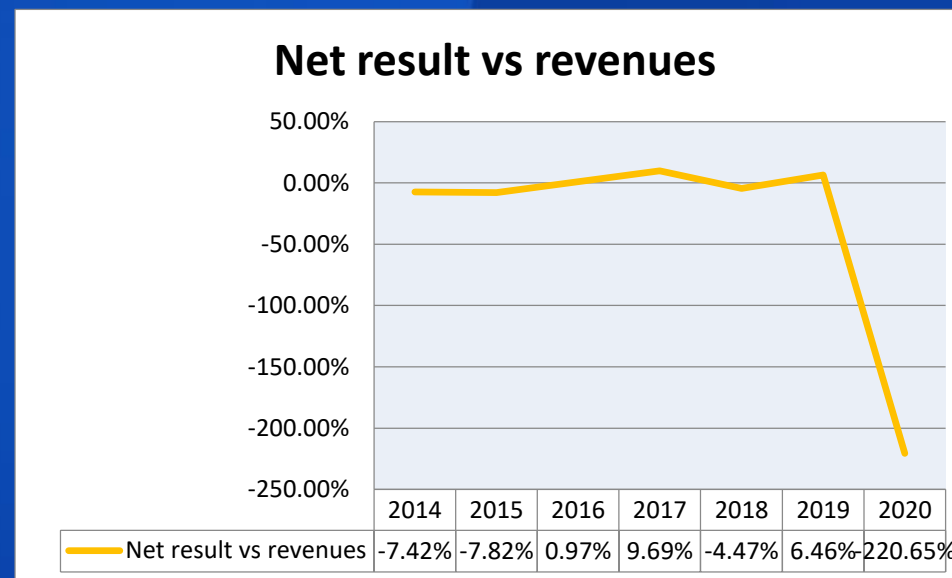
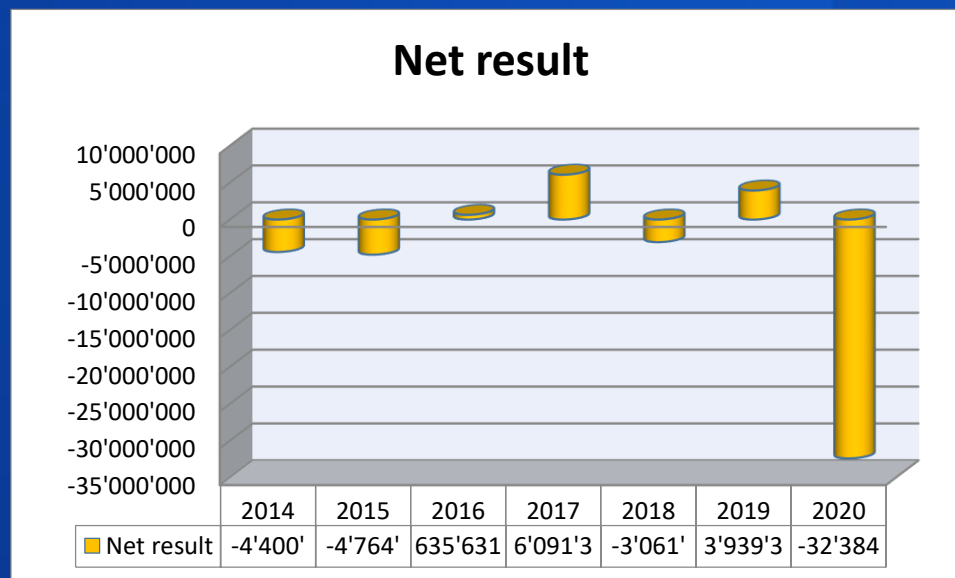
Salaries, social charges and other cost of employees.

Comments:

The number of employees are decreased during the year. 62 full-time employees work to the FIVB as of 31.12.2020.

Salaries and social charges decreased during this period. The Swiss authorities have paid a part of salaries during 2020.

2. Analysis of the Profit and Loss statement



Net result

Operational result

Financial result and Extraordinary result

Comments :

This year's gain is explained by financial aspect.

The financial result is a loss of TCHF 11'856.

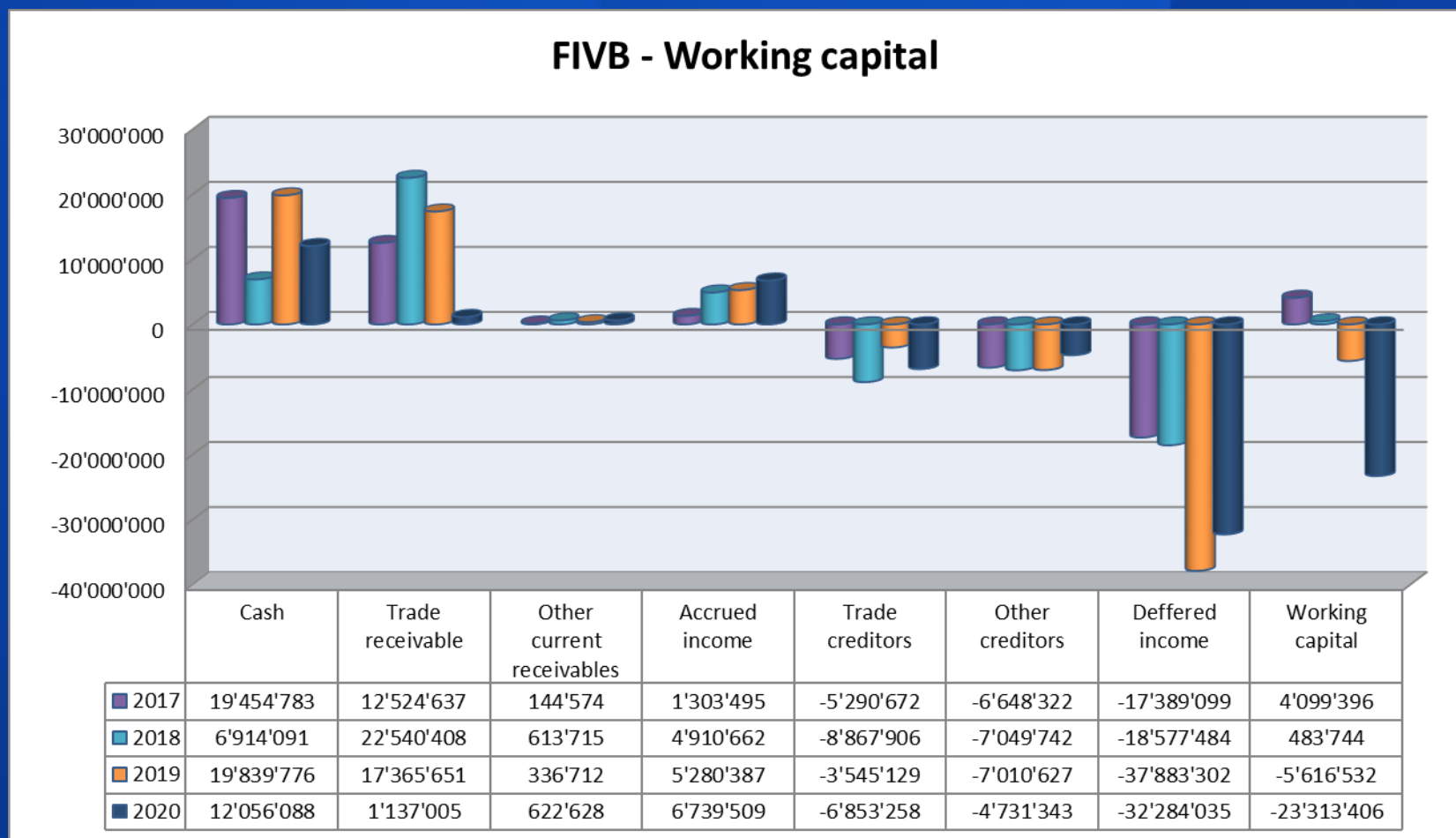
The dollar was stable during the year.

Net extraordinary income and expenses are low.

3. Analysis of the Balance sheet



3. Analysis of the Balance Sheet statement

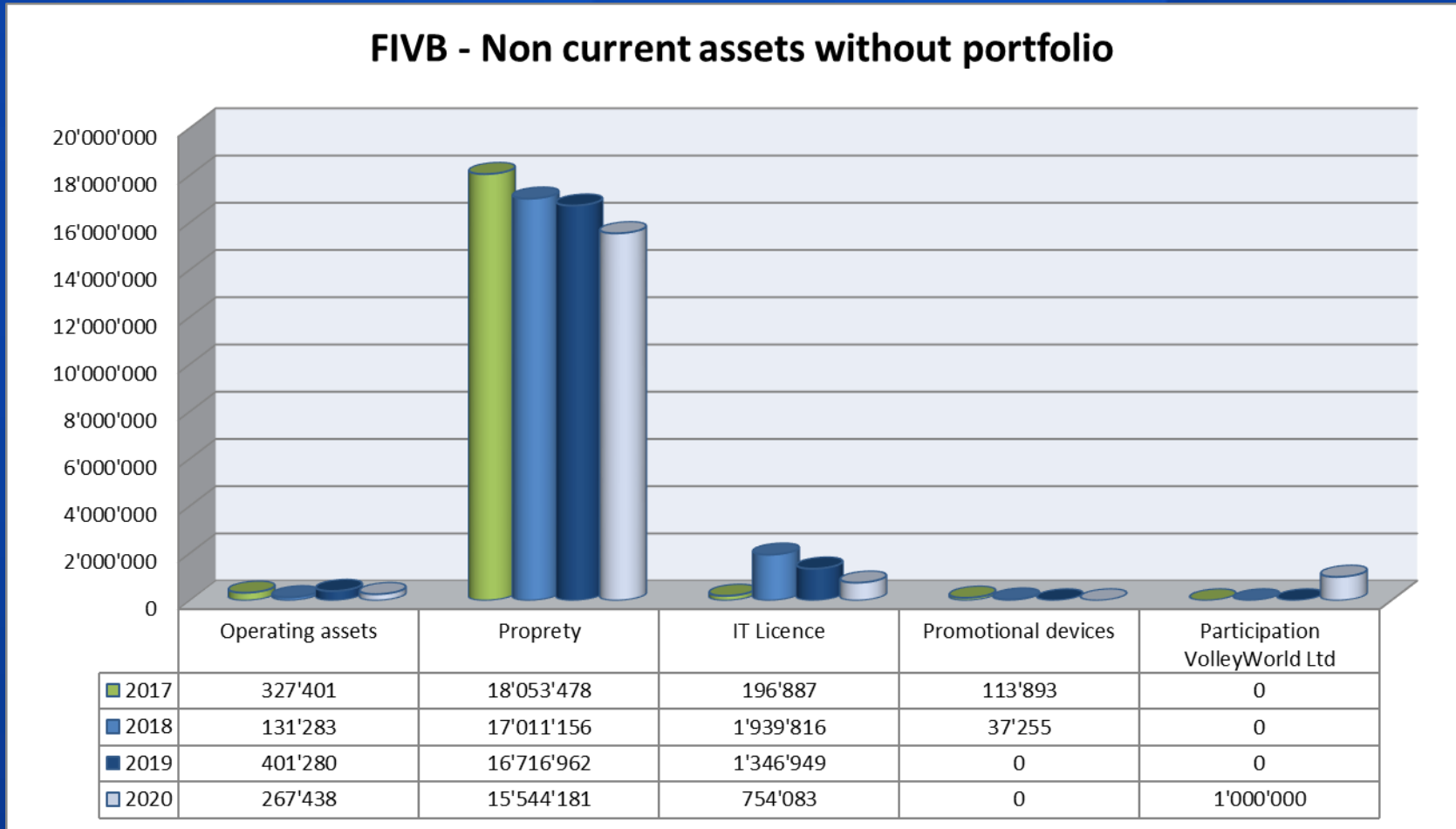


Working capital

Comments:

The working capital has undergone a significant correction during this year due to the agreement made during the new partnership. This decrease is due to the WCHRUS 2022.

3. Analysis of the Balance Sheet statement



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.

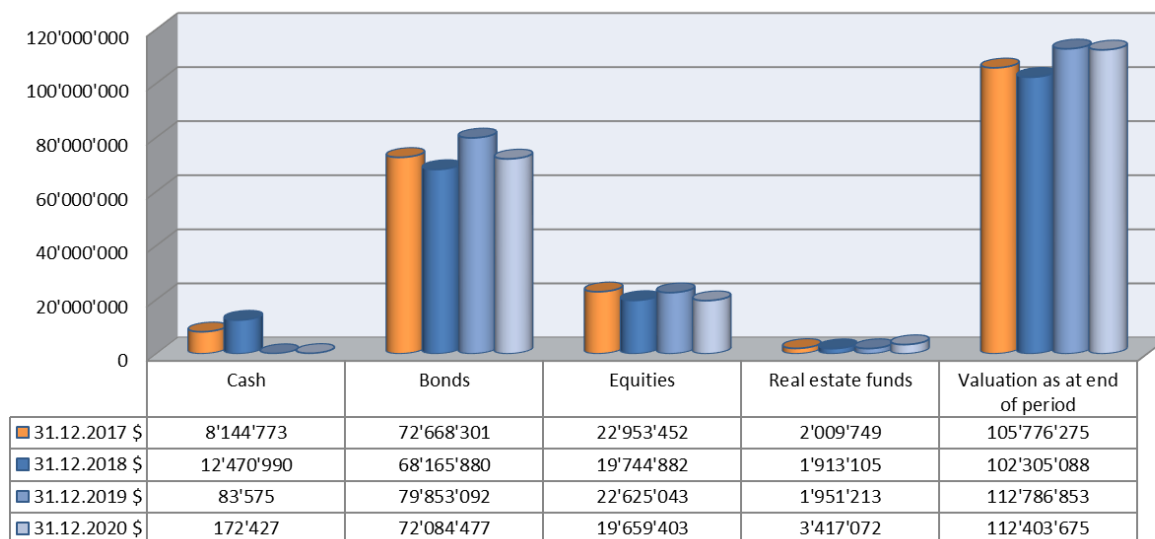
We inform you that all the amounts of the fixed assets are booked at the purchase price minus the depreciations.

Participation is the 100% of the capital of VolleyWorld Ltd created in December 2020 by FIVB.

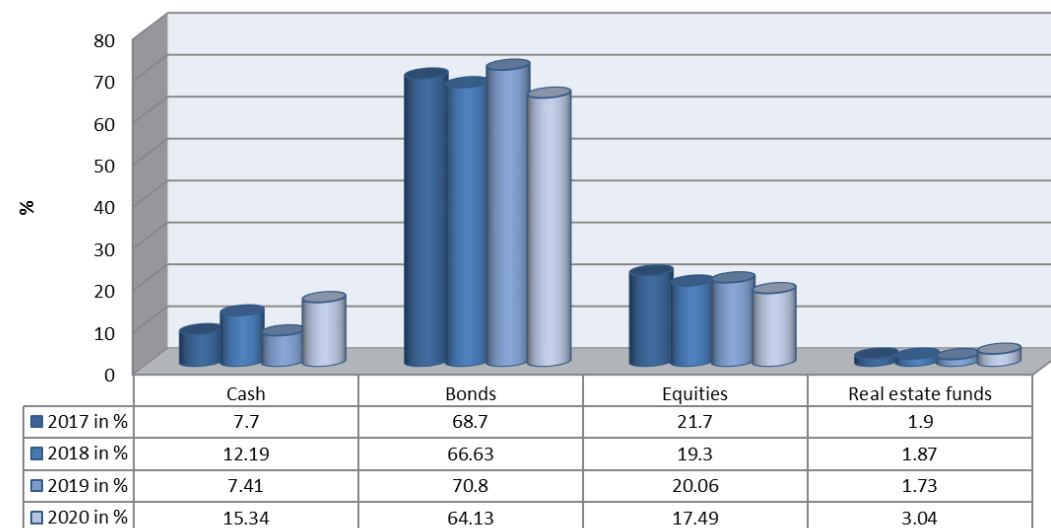
This is a fact that the property is underestimated in the economic value, in reason of the amortizations imputed in the financial statements.

3. Analysis of the Balance Sheet statement

FIVB - Portfolio at 31.12.2020 \$



FIVB - Portfolio by assets class at 31.12.2020



Financial assets

Comments:

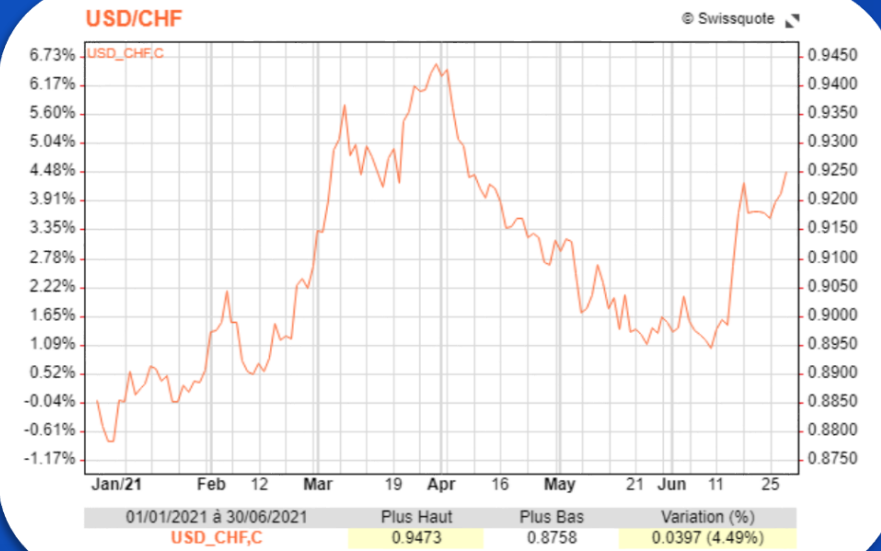
I note that the investment strategy of the FIVB is based on a very low level of risk. The banks define this level as follows:

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.

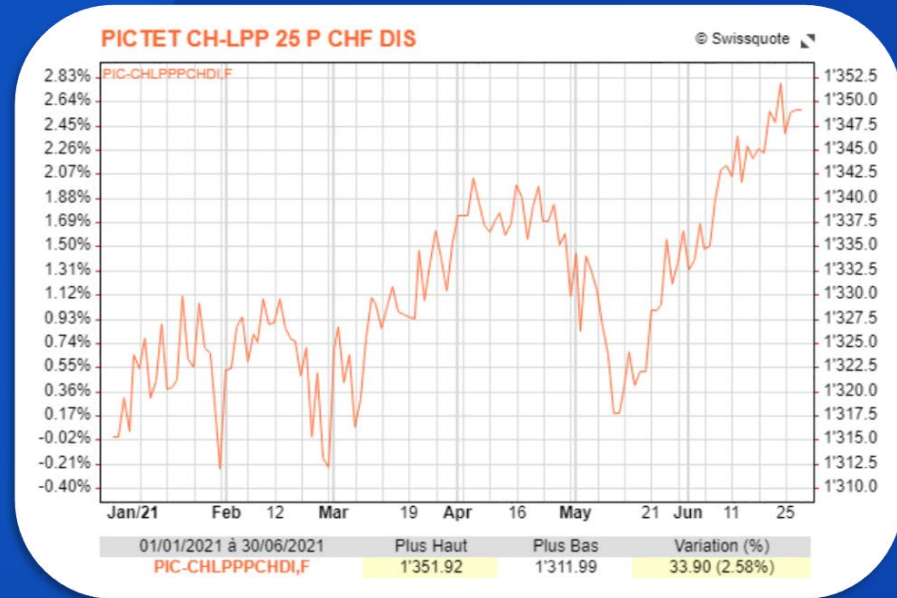
In terms of risk, there are 5 levels of risk, which are : fixed income – conservative – balanced – dynamic – Swiss domestic asset management.

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

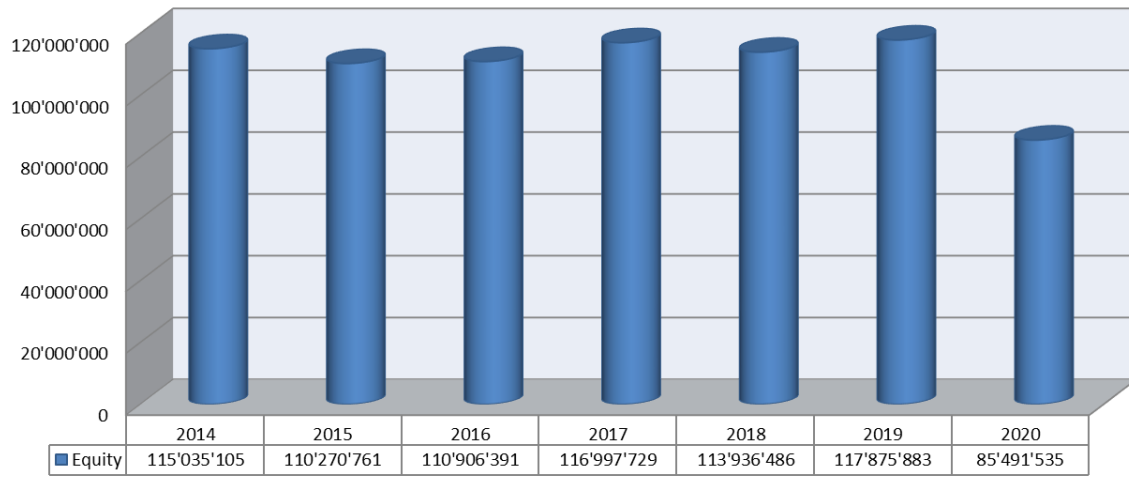


3. Analysis of the Balance Sheet statement

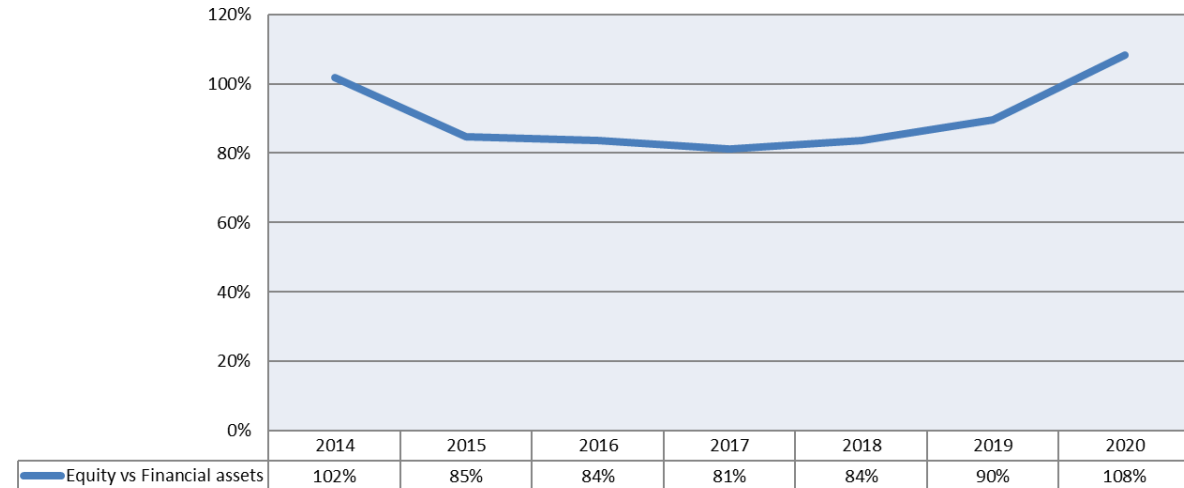


3. Analysis of the Balance Sheet statement

FIVB - Equity



FIVB - Equity vs Financial assets



Equity

Comments:

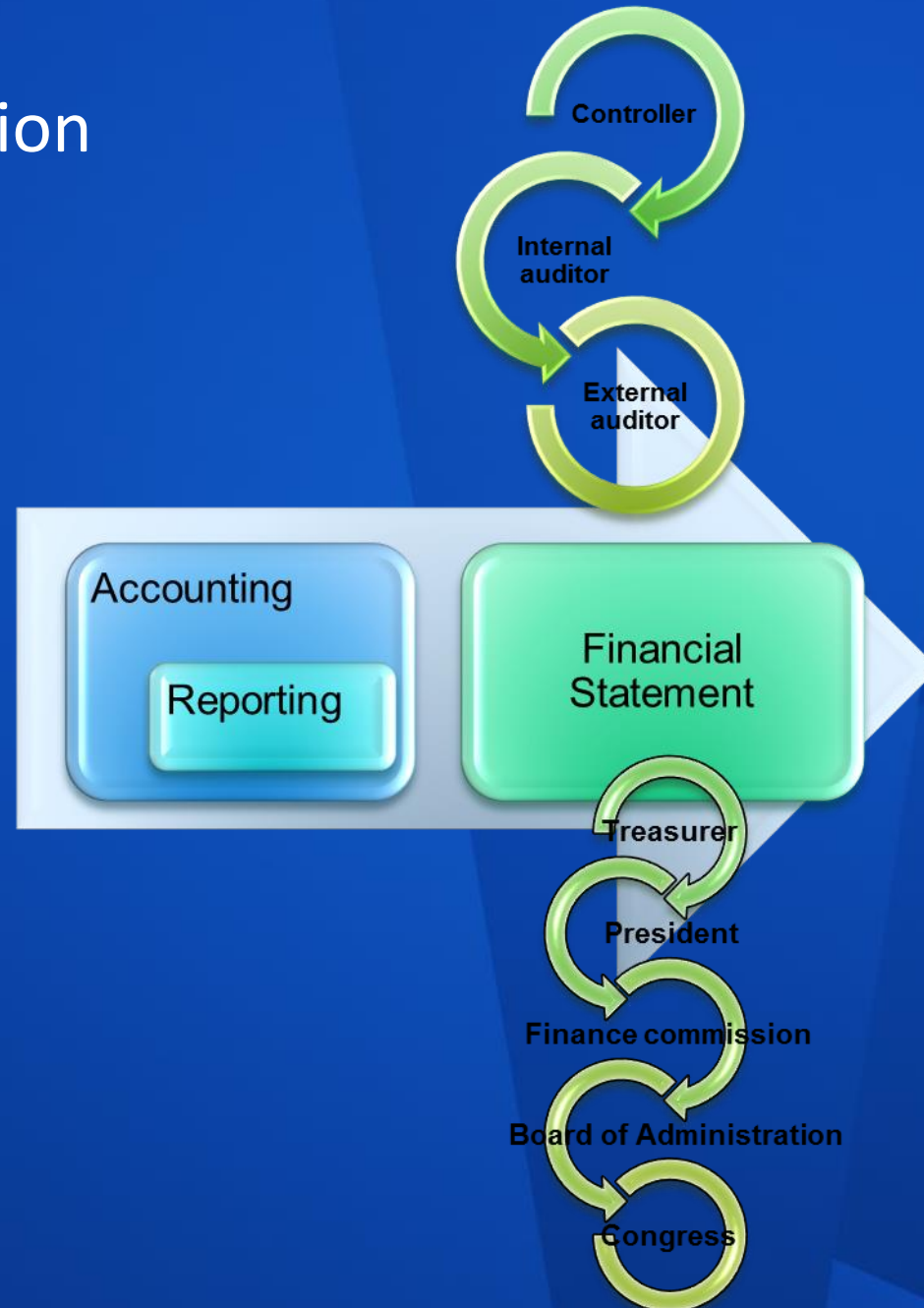
I note that the equity of the FIVB are in a very good level. This equity are represented in the asset by the portfolio. That means that our equities are liquid.

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



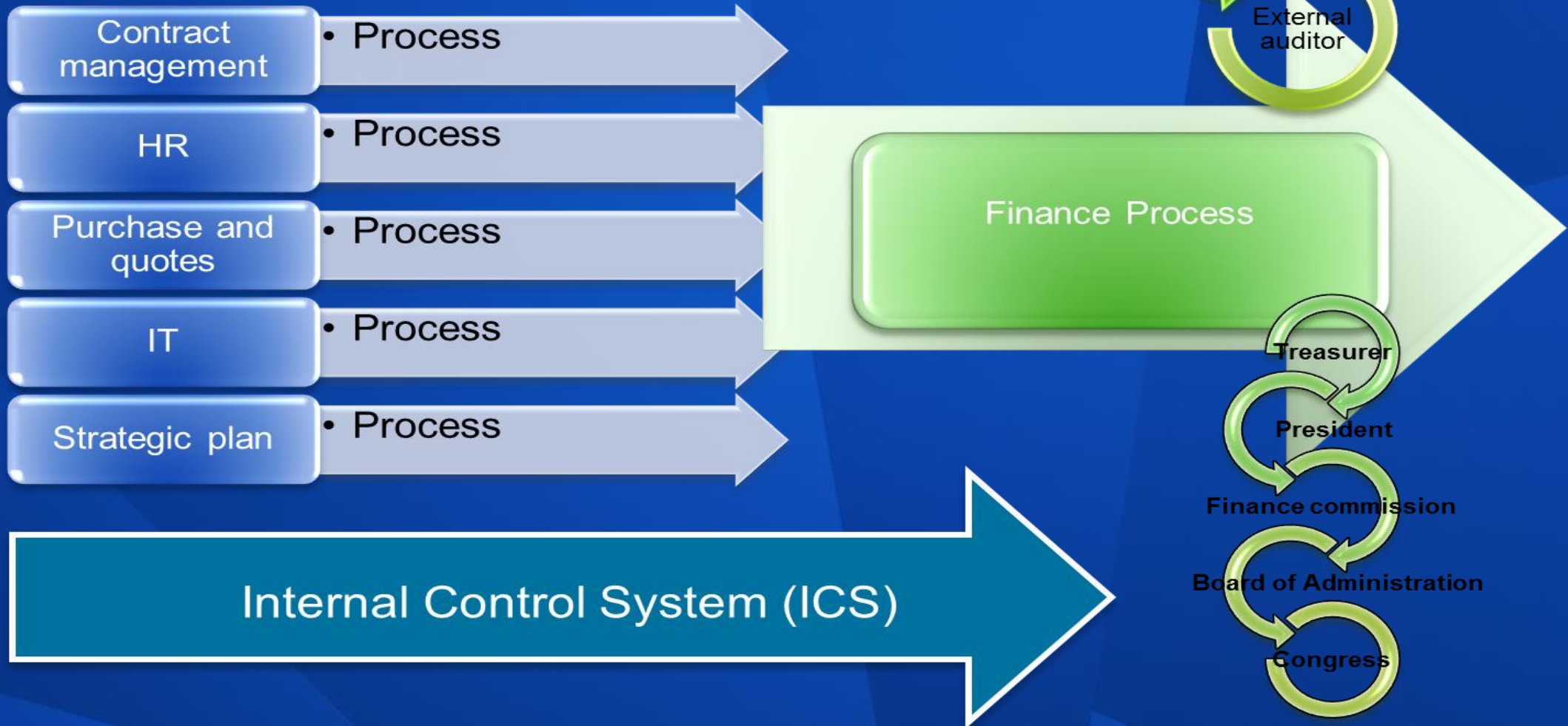
4. Internal organization



4. Internal organization



4. Internal organization

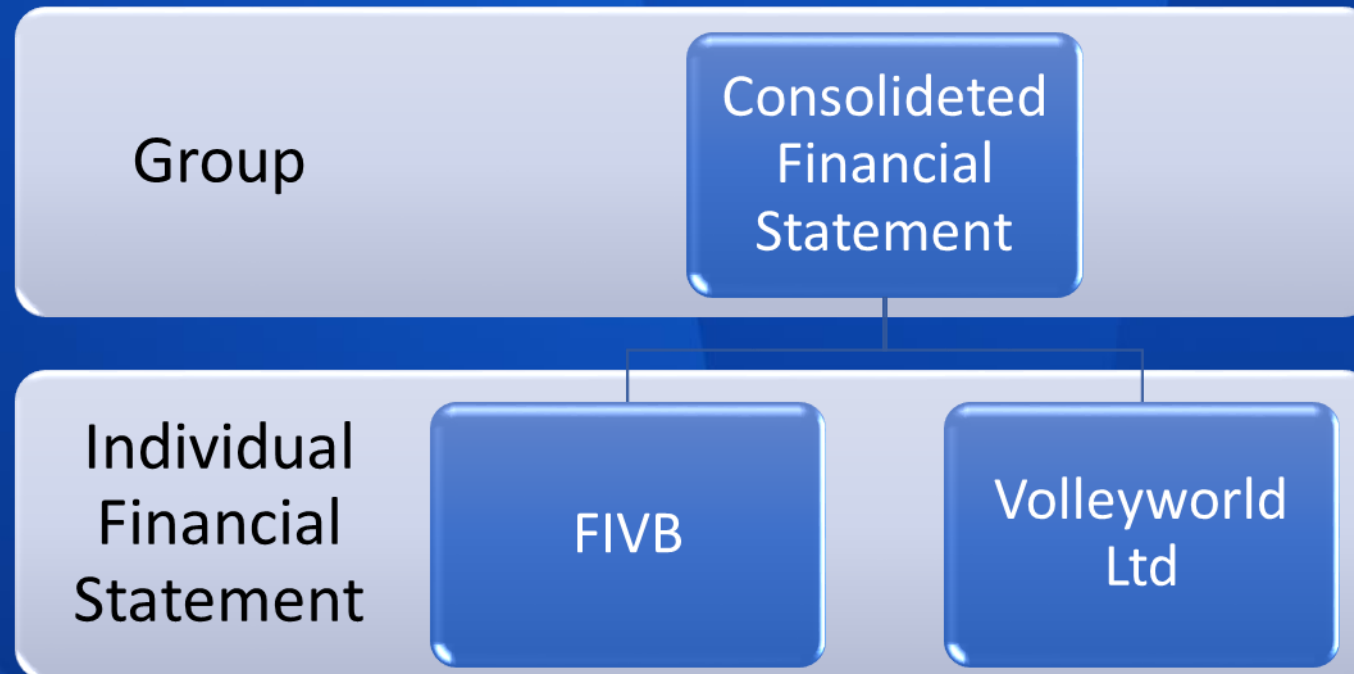


4. Internal organization

For 2021

FIVB is majority owner of Volleyworld Ltd.

Due to the amounts constituting this holding and in accordance with Swiss law, FIVB will be required, in addition to the individual financial statements, to prepare consolidated financial statements.



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%
b	Occasional "C"	Once evry year	10%
a	Remote "D"	Once evry two years	3%
b	Improbable "E"	Once evry four years	1%
i	Eliminated "F"	Eliminated	
t			
y			

FIVB RISK ASSESSMENT MATRIX		Severity			
		Catastrophic "1"	Critical "2"	Marginal "3"	Negligible "4"
P r o b a b l e l i m 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

NEW FIVB RISKS –Pandemic (health risks)

Context

FIVB activities are organized around the world. Health risks can stop sports activities or significantly reduce opportunities to create events.

Risks

Cessation of sports activities.

Event Revenue Reduction.

Change in administrative procedures.

Unable to promote volleyball.

Followed

Rules and contracts of events.

Contract linked with revenues.

Cash flow monitoring.

Opportunities to reduce costs over a short or long period of time.

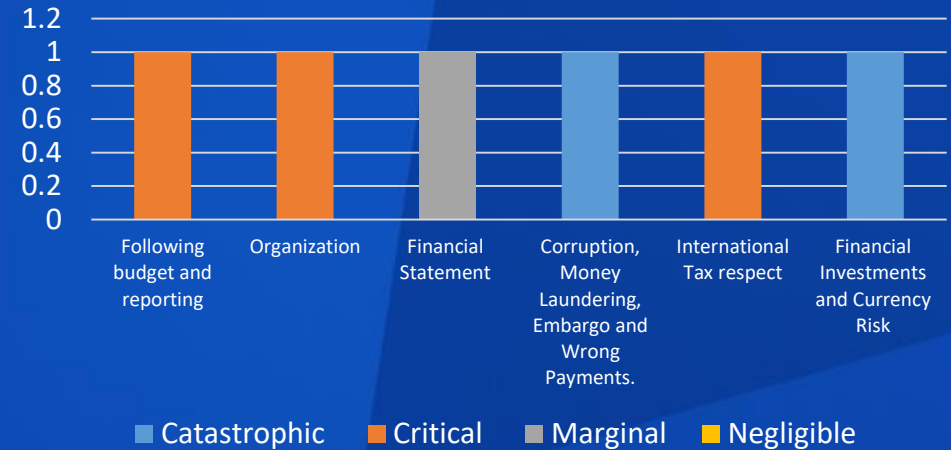
FIVB RISK ASSESSMENT MATRIX		Severity			
		Catastrophic "1"	Critical "2"	Marginal "3"	Negligible "4"
P r o b a b i l i t y	Frequent "A"	High	High	Serious	Medium
	Probable "B"	High	High	Serious	Medium
	Occasional "C"	High	Serious	Medium	Low
	Remote "D"	Serious	Medium	Medium	Low
	Improbable "E"	Medium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

5. Financial risks perspectives

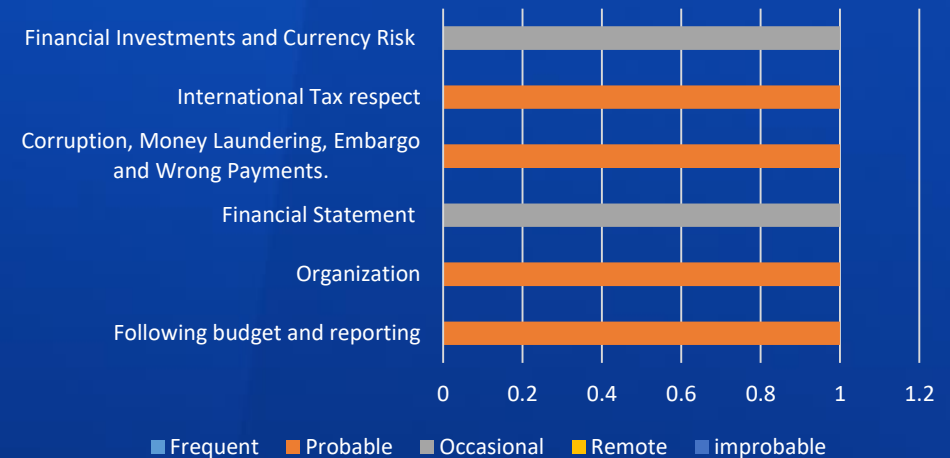
FIVB RISKS – Global Analysis



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"
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 - 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 financial statements closing process is described. There is used for the closing of the annual accounts 2020 It is a useful and effective tool.

The controls put in place at the FIVB limit the possibility of using funds in non authorized 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.

The FIVB must at all levels implement the principle of double signature, as required by the principle of good governance.

A major effort must be 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 what we expect of return about allocation of funds.



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 respect of the periodicity for income is explain in the note.
- 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.

Lausanne, on 13 October 2021

FIVB CONTROLLER
Olivier Zysset
Certified Swiss Accountant
Licensed Audit Expert



Comprehensive Report to the Board of Administration

Fédération Internationale de Volleyball (FIVB) –
Audit of the year ended 31 December 2020

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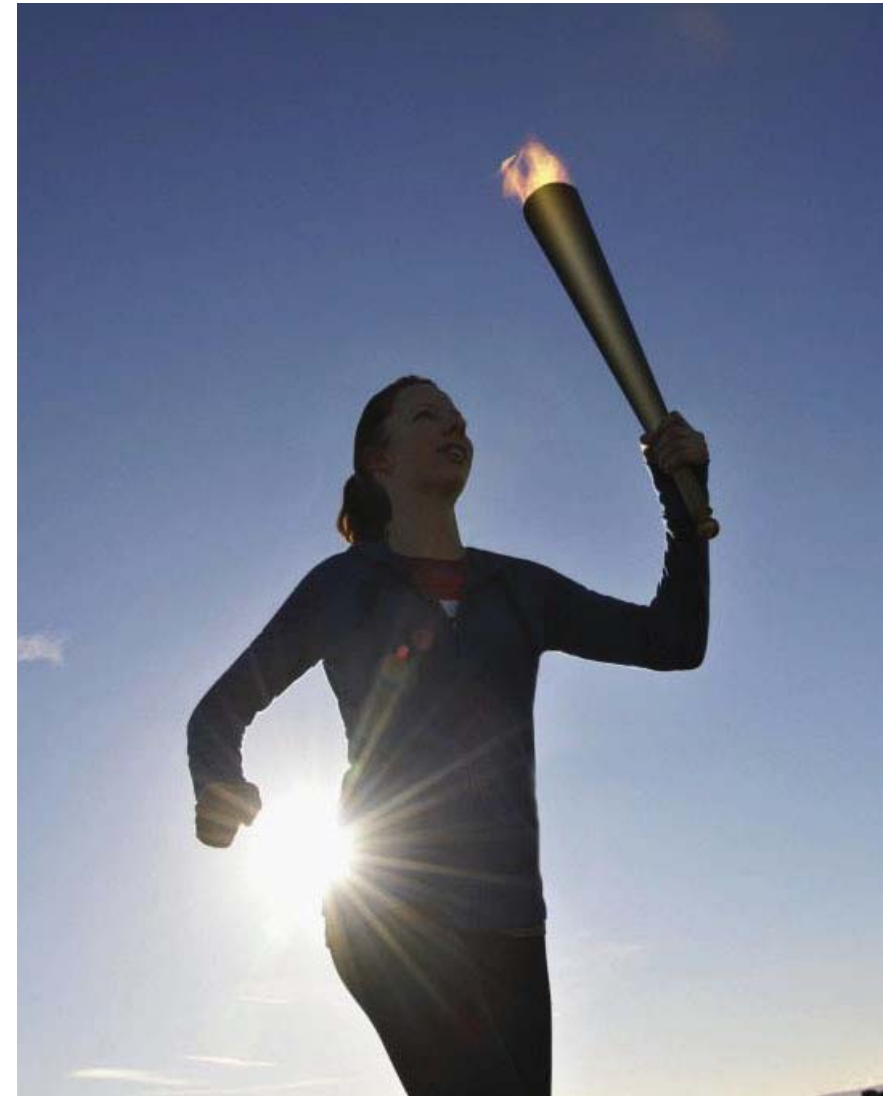
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Introduction

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, 2020. The audit was performed in accordance with our engagement letter of October 30th, 2020.

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.

We note that the finalization of the audit had some challenges during the interim and final weeks of the audit due to conflicting priorities with the special projects linked to the establishment of the new subsidiary. In addition, a large portion of the audit was performed remotely due to the COVID-19 pandemic and the related restrictions.

We would like to thank Management and the staff of FIVB for the support provided to us during our audit and this special situation.

Yours faithfully,

Deloitte SA



Annik Jatón Hüni
Licensed Audit Expert
Auditor in Charge



Alexandre Ribordy
Licensed Auditor

Lausanne, October 18, 2021



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Term of the audit

The audit was performed in accordance with our engagement letter of October 30th, 2020

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

30 Oct 2020
Engagement letter issuance

31 Dec 2020
Year ended


October 25, 2021
Board of Administration





Timing of the audit procedures


Audit procedures – FY2020


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Planning

Oct 28, 2020

- Planning Meeting with Finance Director and Finance Manager

Final audit

Feb. – Mar, and April 2021 (finalization)

- Audit testing of the balance sheet and income statements
- Follow up on interim recommendations (see page 15)
- Closing calls with Finance Director

Interim audit

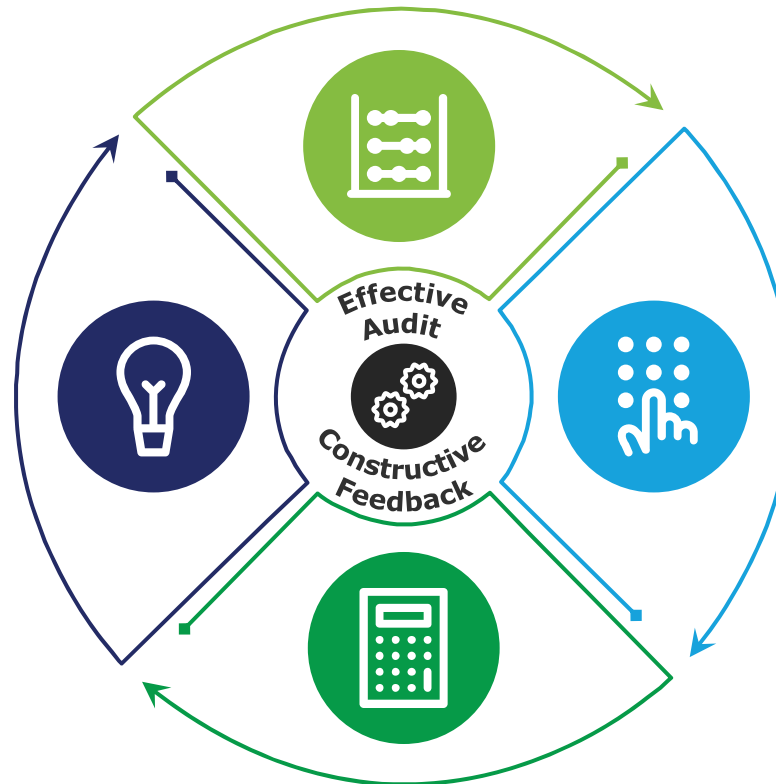
Dec 2020

- Understanding of and testing the existence of the internal control system
- Audit testing for Expenses and Revenue
- Meetings with the person responsible for IT and for Development Fund
- Interim status call with Finance Director and Finance Manager

Financial audit – financial statements and our reports

May – October 2021

- Complete audit procedures on the liability to the subsidiary
- Verification of the financial statements in accordance with Swiss law
- Preparation of our reports
- Call with General Director, Controller and Finance Director on May 12, 2021



Key audit risks (1/3)

Management override of 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



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.

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 known and implemented 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.

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:

- understanding and evaluating the financial reporting process and controls over journal entries;
- 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 (2/3)

Management override of controls (continued)



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Audit risk



Management override of controls (continued)

We have followed up on specific transactions identified and discussed in 2018 and 2019. We have reviewed the application of the related accounting policies reviewed:

1. Review of the significant provisions and liabilities with a management estimate, specifically review of the provision for doubtful debtors and the liabilities in other creditors to cover a litigation.
2. Project Microsoft: The partnership with Microsoft was signed in 2017 and the main costs were incurred in 2018. Part of those costs are capitalized creating an intangible asset related to a new platform. Other related costs to this project were expensed in 2018. In 2019, a dispute arose with a supplier of IT services to the Association. FIVB contends that the mandate given to the company was not respected on this date in violation of the agreement signed between the parties. This led the FIVB to suspend its payments to the company and commenced legal proceedings. In view of the above, a conciliation between the two parties was still underway at the beginning of 2021 and an agreement has been found during 2021.

Our answer



We have specifically reviewed the contracts, related accounting policies and recording for the mentioned transactions.

1. Following our review of the provisions and liabilities, we noted that those are prudent. The current provision for doubtful debtors includes an estimated hidden reserve of CHF 749k. Regarding the liabilities in other creditors to cover a litigation, part of the liability was released for CHF 2 million and recorded in extraordinary results following a first decision by the court which indicated the amount due by the FIVB for this litigation.
2. We concur with management's conclusion that the outcome of the proceedings with Microsoft is now known at the date of this report and that the FIVB has properly recorded sufficient liabilities to cover the final amount due. The association kept a hidden reserve of CHF 1 million to cover any other risks. Concurrently, the related financial elements are properly accounted for with the exception of a non-material reclassification of CHF 754k from liabilities to intangible assets to present an impairment for the IT platform (see uncorrected misstatements in page 9). The IT platform was at the beginning of the project capitalized as assets on the Balance Sheet and amortized over 4 years.

Key audit risks (3/3)

Management override of controls (continued)



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Audit risk



Our answer



Management override of controls (continued)

3. At year end FY2020, the subsidiary VW Volleyball World SA ("VW") of the FIVB was created. Following its creation, several contracts were put in place between the shareholders and between FIVB and the new subsidiary.

The main contracts structuring the creation of the new entity and its relationship with FIVB were the shareholder agreement, the license agreement and the service agreement.

Specifically, the license agreement effective on January 1, 2021, indicates that the future revenue contracts with clients in relation to the operations of the new entity VW will be directly signed by VW. For the existing contracts, there were split in two:

- Assigned: contract will be assigned/amended to be with VW
- Retained: contract will be retained by FIVB and FIVB will be the intermediary to collect the revenue and then transfer it to VW.

Among other smaller retained contracts, the license contract for the Championship Men in Russia in 2022 is part of the retained contracts. As such, FIVB collects the revenues and will then transfer them to VW deducted of the costs already incurred for such contract and event. As a result of the license agreement between FIVB and VW, the revenues received until December 31, 2020 deducted from the cost of the contracts and events incurred for the identified retained contracts represent a liability of the FIVB toward its subsidiary.

3. We have specifically reviewed the contracts, related to the creation of the new subsidiary to assess their impact on the financial statements of the FIVB at December 31, 2020.

We concur that the related financial elements are properly accounted for and presented in the financial statements. A long-term liability to the subsidiary on the face of the balance sheet is shown separately for an amount of CHF 29.8 millions.

As a consequences of the impact of the entry into force of the licence agreement and the needs to recognize its liability toward VW, FIVB recorded an extraordinary expenses of CHF 5.7 millions.


Based on the above procedures, we have not identified any issues arising from management override of controls.


For the proposed non-material reclassification for the impairment of the IT platform, see page 9


Audit differences (1/2)


As part of our audit, we did not identify any major anomalies related to accounting and the presentation of the financial statements. All the elements are correctly presented in the financial statements. Below we present the differences identified during our audit which are not material to the financial statements.


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Summary of uncorrected audit differences

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

Description	Type of adjustments	Assets Dr. (Cr.)	Liabilities Dr. (Cr.)	Equity Dr. (Cr.)	P&L Dr. (Cr.)
Following a settlement agreement with Microsoft, a part of the liabilities used to cover the risk related to settlement agreement should be reclassified to cover the impairment of the IT License related to this case.	Factual	(754,086)	754,086		

Audit differences (2/2)

As part of our audit, we did not identify any major anomalies related to accounting and the presentation of the financial statements. All the elements are correctly presented in the financial statements. Below we present the differences identified during our audit which are not material to the financial statements.

Summary of corrected audit differences

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

Description	Type of adjustments	Assets Dr. (Cr.)	Liabilities (Cr.)	Dr. Equity Dr. (Cr.)	P&L Dr. (Cr.)
Reclassification and presentation of the amount due to the new subsidiary regarding World Championship 2022 following the shareholder agreement signed between FIVB, Vivaldi Holding Sàrl (CVC Capital partners) and VW Volleyball World SA and the related license agreement between FIVB and VW. As a result, CHF 21,214,656 recorded in 2019 and 2020 under deferred income related to the WCH 2022 contract and CHF 7'071'552 recorded in 2020 under provision have been presented now separately under Liabilities to subsidiary as non-current liabilities. This represents a reclassification in the liabilities section and has no impact on the other captions.	Factual		21,214,656 7,071,552 (28,286,208)		
Reclassification and presentation of the amount due to the new subsidiary regarding World Championship 2022 following the related license agreement between FIVB and VW related to other retained contracts. This includes other contract that were recognized as deferred income and the deduction of costs for the contracts and events already paid by the FIVB.	Factual		2,826,119 (2,826,119) 1,297,038		(1,297,038)
As the contract and the income of the World Championship 2022 are now with the VW and the recognition modalities have changed, the recognition of the development fund have also be modified. To reflect this change, the initial accounting entry into Accrued assets of CHF 1'368'900 and credit Credit 67020 FIVB National Federation support must be reversed.	Factual	(1,368.900)			1,368,900
Foreign exchange rate used was not updated to the latest available exchange rate. This was corrected during the audit.	Factual		(261,659)		261,659



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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.

Quality of application of Swiss law

We did not note any non-compliance with applicable regulations and Swiss law based on our audit procedures. However, an audit does not include a systematic search for fraud or violation of legal or other regulations (including, but not limited to, direct taxes, VAT, social security, environmental laws, etc.) except as relevant to the statutory financial statements taken as a whole.

Financial Market Infrastructure Act, FMIA

As part of our ordinary audit, in accordance with Art. 116 FMIA (in conjunction with Art. 113f. FMIO) we have examined whether FIVB complied with the provisions of the FMIA on derivatives trading in the financial year 2020. Based on our audit activities, we concluded FIVB complied with the requirements of the Financial Market Infrastructure Act.

Extraordinary and material transactions with related parties

The following are considered as related parties of the association: the confederations and national federations member of the FIVB, and the members of the Board of Administration, and the subsidiary. Based on our understanding of the organization and our observations through our audit procedures, we identified the extraordinary and material transactions related to the creation a liability toward the subsidiary to meet the new contractual obligation of the licensor agreement between the two parties. No other unusual or complex related party transactions were identified.

Fraud and suspicion of fraud

In the course of our audit procedures, we have not identified any instances or increased suspicion of fraud.

Comments on financial statements



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Principle of consistency

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

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



Going concern

During audit work performed and discussions with management, we did not note any issues with regards to the going concern assumption used in the preparation of the statutory financial statements of FIVB. In light of the COVID-19 outbreak and global stock market decline, management evaluated the potential impacts on the financial statements as of 31 December 2020 and related disclosures.

Management considers that the going concern basis is appropriate for the preparation of the financial statements.

We have considered the impact of the current market conditions and the appropriateness of management's use of the going concern assumption in the preparation of the financial statements. Following the events that occurred regarding the outbreak of the COVID-19 and its impact on the global world economy, a focus was made by the audit team the potential impact on FIVB operations. We concluded the continued adoption of the going concern basis be appropriate.




Material events after the balance sheet date


The license agreements signed with the subsidiary is considered as an adjusting event for the year ended December 31, 2020 and this has been reflected correctly in the financial statements. This subsequent event has been properly disclosed in the notes.


Based on our procedures and discussion with management, no other subsequent events have come to our attention that would have a material impact on the statutory financial statements.

Internal Control System

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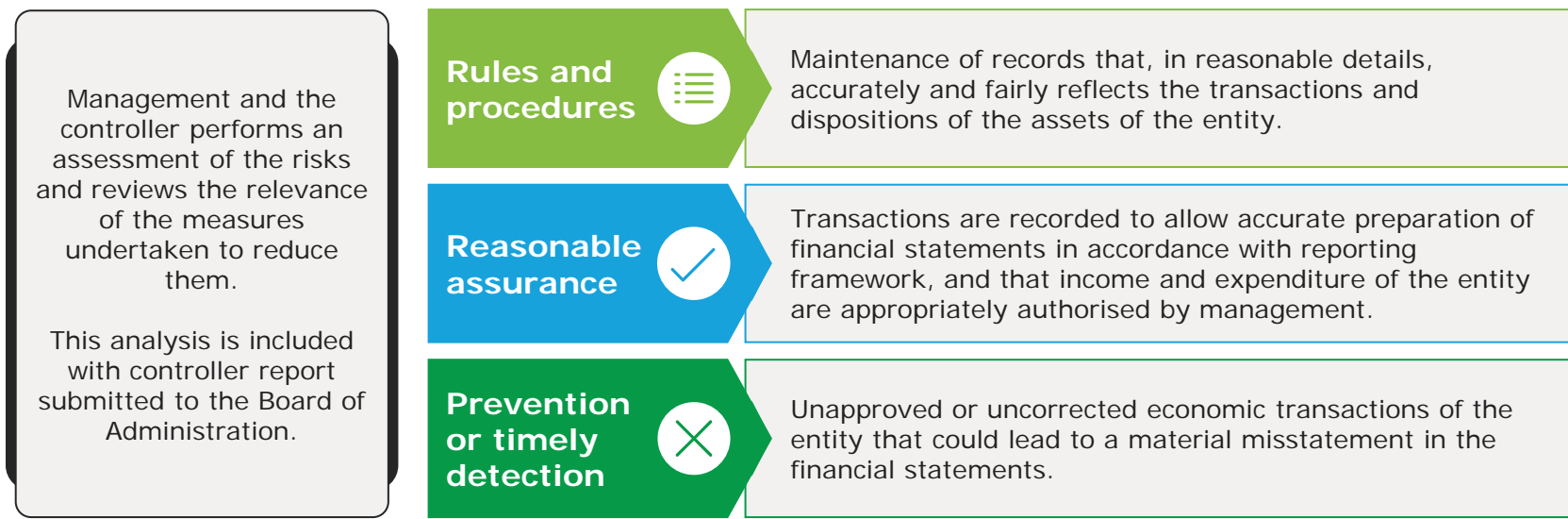
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 The ultimate responsibility for the risk assessment is with the Board of Administration. In addition, the Board of Administration is ultimately responsible for setting up, documenting and implementing a system of internal control over financial reporting (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.



 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 include the following procedures:

- 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, 2020. 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



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Process	Recommendations	Status and deadline	Priority	Page
Contributions for development programs	We observed the FIVB has strengthened its controls around the contributions for development programs including technical visits at the location. To reinforce this control and where substantial funds are provided for specific development programs, we would recommend that an external and independent auditor review the use of contributions.	Open 2021	Medium	4
Internal Accounting Policy	In 2018, we recommended that a revenue recognition policy be strengthened and more complete in order to allow consistency in applying established criteria and recognizing the different revenues at the FIVB. Following a change in the policy for provision for doubtful debtors in 2020, we also recommend to detail the provision policy for doubtful debtors and confirm with an analysis that the new policy cover the risk of recoverability for past amount due.	Open 2021	Medium	5
Contract process	We recommend setting up a platform in order to manage the contracting process more automatically and transparently	Open 2021	Low	6
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 2021	High	7
Fixed assets	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 2021	Low	8
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 joint signature of related persons or persons in the same department in the delegated matrix of the signatures.	Open 2021	Medium	9

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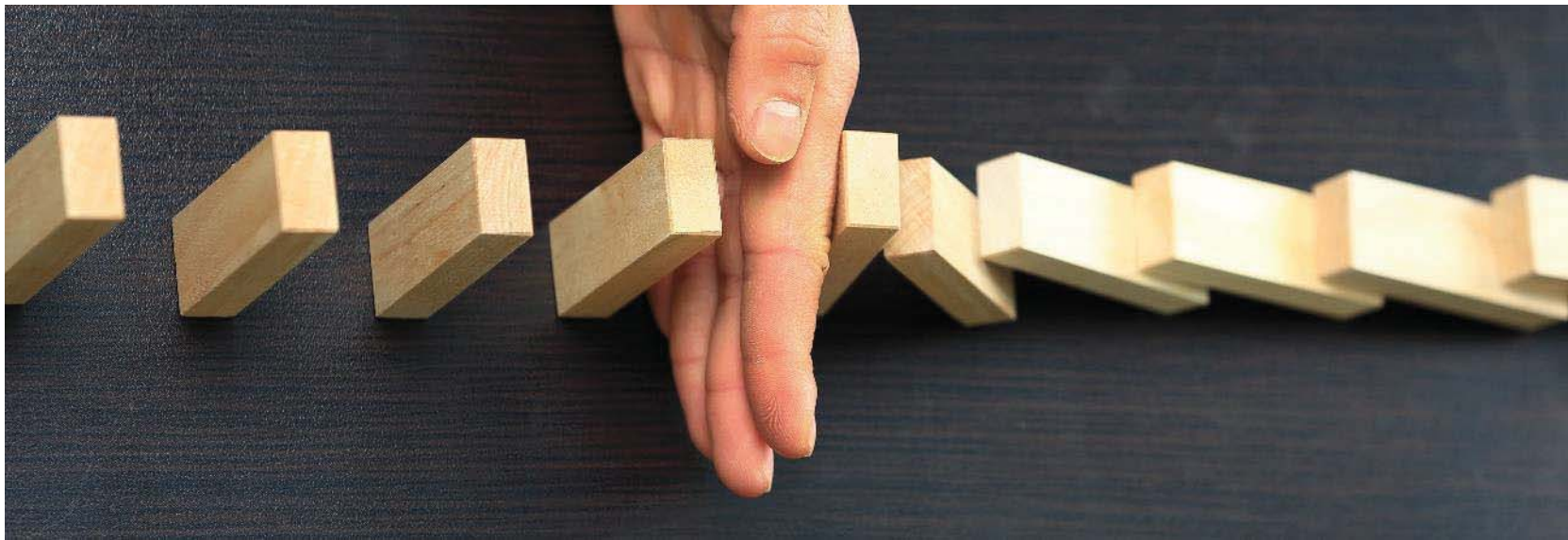
Conclusion on the financial statements

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, 2020, 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, 2020.

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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BOARD OF ADMINISTRATION MEETING

**FINANCE COMMISSION PROPOSALS
TO THE BOARD OF ADMINISTRATION**

1. To approve the Financial Report of the 2020 Accounts, Profit & Loss, Balance Sheet.
2. To approve the FIVB Controller's report.
3. To approve Deloitte's External Auditors' report.
4. To approve the revision of the Budget 2021-2022 as per new structure and split of activities between FIVB and Volleyball World.