

# FINANCE REPORT



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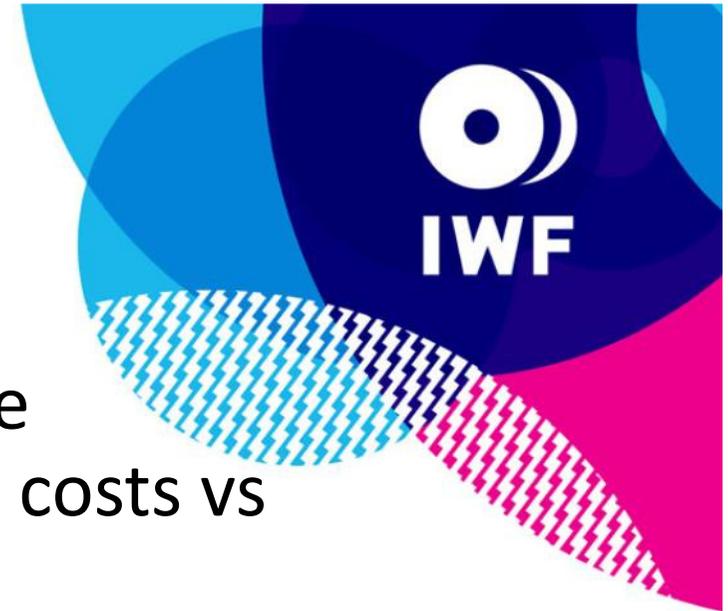
# Agenda

This presentation will cover :

1. Overview of the financial situation of the IWF
2. 2018 update/forecast
3. Presentation of the 2019 budget as approved by the IWF Executive Board



# Key messages - 1



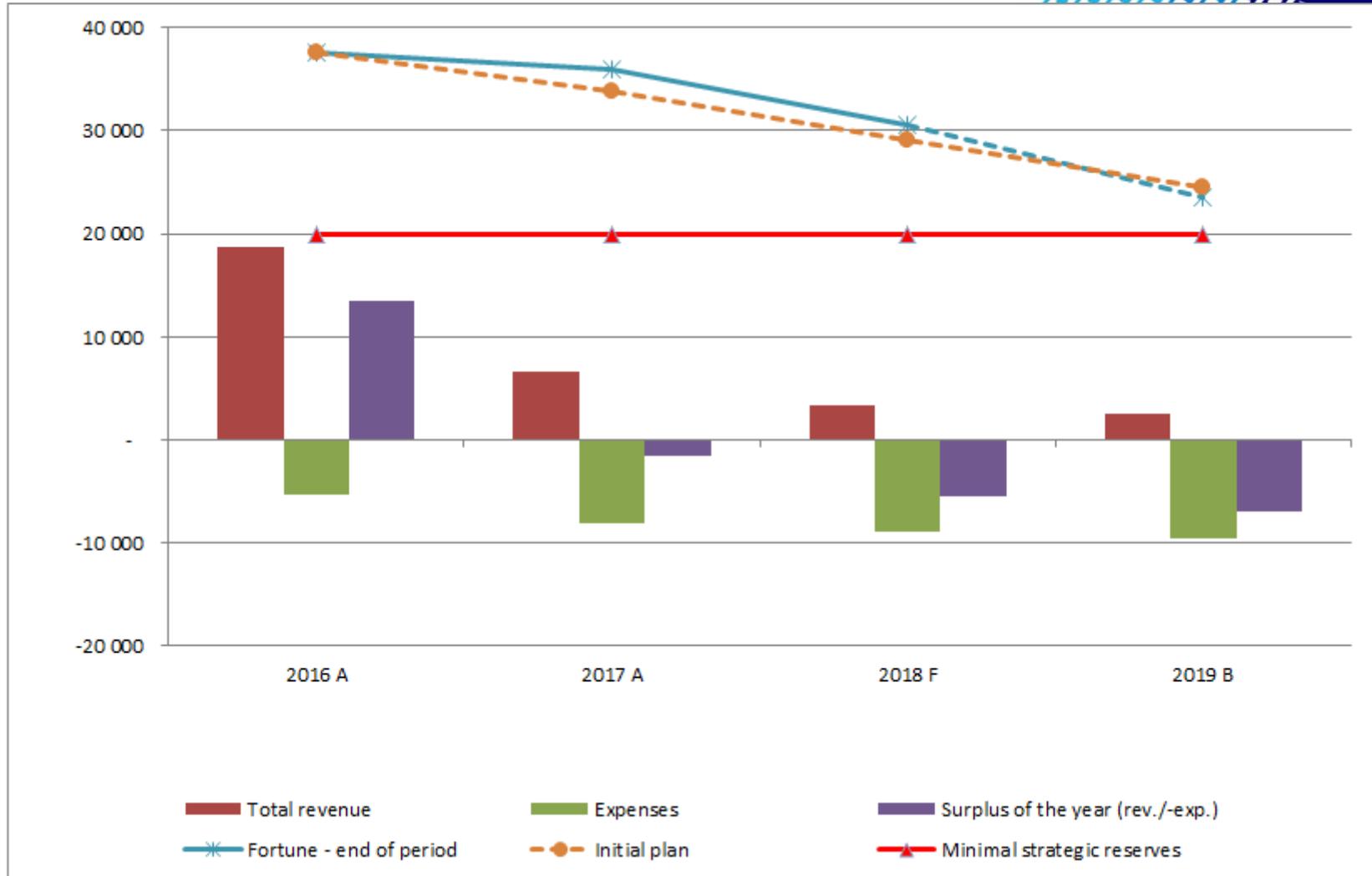
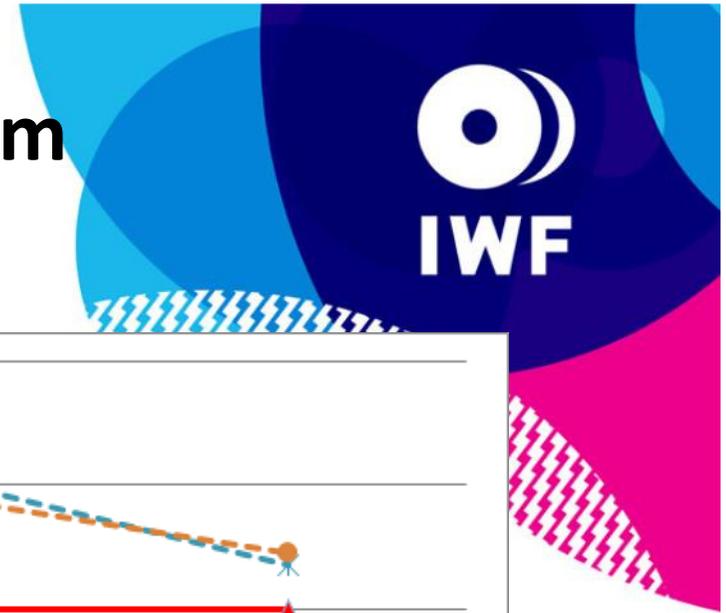
- **Strong financial situation** despite unfavourable context (additional costs vs moderate increase of revenue)
- Globally, **the 2018 result should be close to the amount budgeted**, with an approximate surplus of expenses of 5'500 kUSD
- The **budget proposed for 2019 reflects the current challenges the WL sport is facing** and the strategy decided by the EB to protect the sport (huge investments in AD fight and education, and also in communication)

## Key messages - 2



- Thanks to a conservative financial management of the day to day operation, **the amounts allocated to the development & education programs can be maintained in 2019**
- EB constant strategy to build and maintain **strong financial reserves permits secure the financing of all the activities/projects targeted**, even though revenue are not increasing as fast as expenses

# Well in line with the EB's mid-term Financial Reserve Strategy



# Strategic financial reserves : a must have, today more than ever



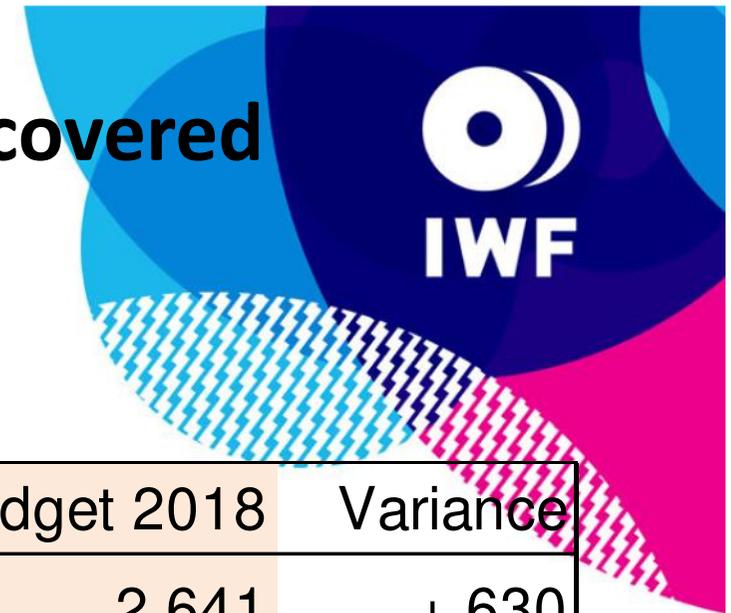
## Financial reserve policy (EB decisions):

- Increased to 20mUSD to cover approx. 4 years of expenses
- Can be increased or decreased (used) by decision of the EB
- Goal is to ensure IWF operations and activities even in case of big cut in the revenue (OG)

## What other federations do:

- IWF equity (all funds) projected end of 2018 = 3,4 \* yearly expenses
- Benchmark (5 IFs in CH) : between 1,2\* (cycling) and 5.8\* (canoe)

## 2018 forecast : unplanned costs covered by additional incomes



<i>kUSD</i>	Forecast 2018	Budget 2018	Variance
Revenues	3 271	2 641	+ 630
Expenses	-8 900	-8 510	- 390
Financial result	125	-26	+ 151
<b>Net result</b>	<b>-5 504</b>	<b>-5 895</b>	<b>+ 391</b>

### ***BEST ESTIMATE ... to be confirmed***

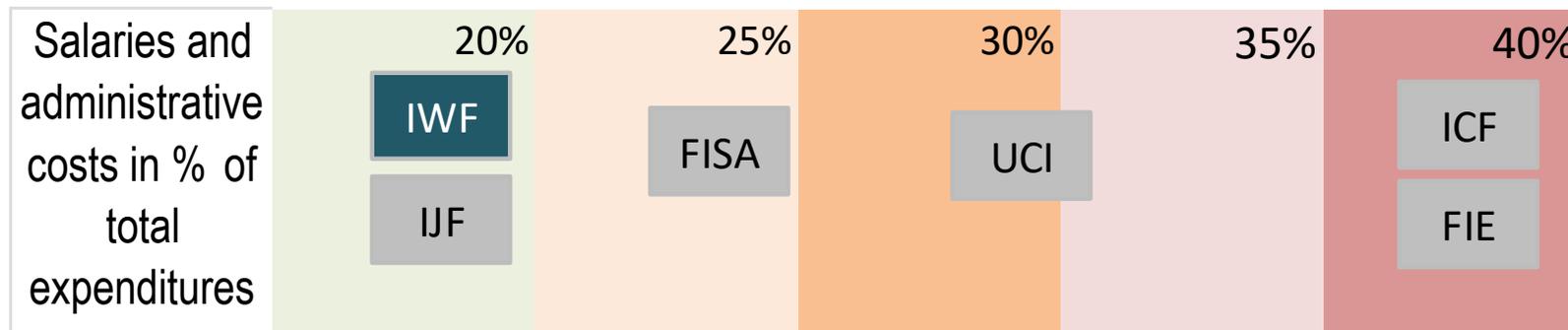
Net result (surplus of expenses) slightly better than budgeted.

Financial result still positive at 30.09.2018, but US bonds and stocks are under pressure -> risk for Q4 2018

# Salaries and administration expenses: a short benchmark



Rough analysis of the cost structure of 5  
“comparable” sport federations located in the  
Lausanne area

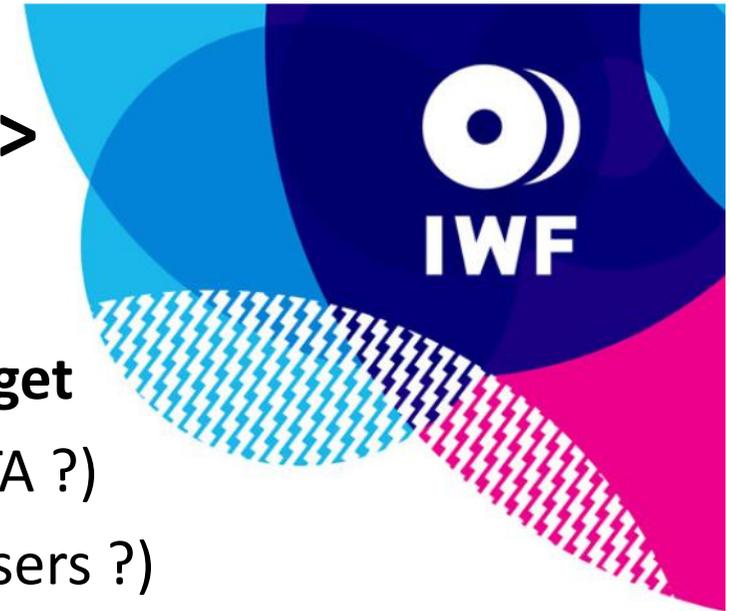


Small team of efficient and dedicated people (few key persons handling many activities/missions)

Favorable conditions in BP (low salaries, financial support of HOC)

Prudent use of the IWF financial resources

# 2019 : budgeting in uncertainty -> many open questions/issues



## Open decisions which may impact the budget

- Anti-Doping strategy and organisation (ITA ?)
- Allocation of the AD costs (IWF or organisers ?)
- Marketing strategy (collaboration with Lagardère)
- IWF development programs (global projects)

## Basic assumptions used for the preparation of the budget

- Upward trend in AD costs -> “worst case scenario” (hopefully)
- Moderate increase of the administration/operation costs
- No financial income, No AD fine income

# Conservative assumptions & careful management of the «controllable» costs



	<i>kUSD</i>	Budget 2019	Forecast 2018	Variance
Revenues		2 571	3 271	- 700
Expenses		-9 515	-8 900	- 615
Financial result		-25	125	- 150
<b>Net result</b>		<b>-6 969</b>	<b>-5 504</b>	<b>- 1 465</b>

*Subject to possible amendment when the impact of decisions of the EB board could be assessed and integrated*

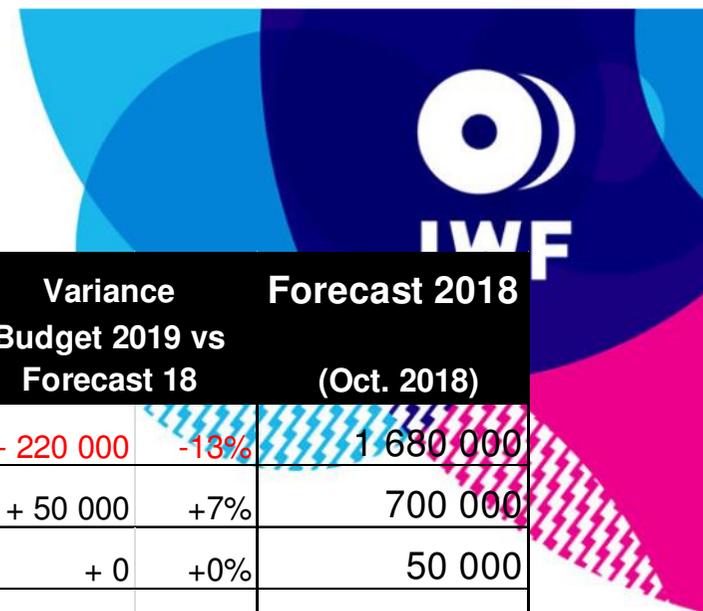
The direct costs of Anti-Doping are counted for 2,4mUSD = 25% of the total expenditures, or 35% of the average revenue for the 2016-2019 period. Adding indirect costs (salaries, etc.) it would mean more than 40% of the incomes. To my opinion : hardly sustainable on the long run.

# Budget 2019 vs Forecast 2018



REVENUE	Budget 2019 v1	Variance		Forecast 2018 (Oct. 2018)
		Budget 2019 vs Forecast 18		
MEMBERSHIP FEES	76 000	+ 0	+0%	76 000
TV AND MARKETING RIGHTS	2 185 000	- 80 000	-4%	2 265 000
FEES FOR ORGANISATION OF WCH.	45 000	+ 5 000	+13%	40 000
IOC REVENUES	70 000	- 70 000	-50%	140 000
REIMBURSEMENTS OF ADVANCED COSTS	30 000	- 260 000	-90%	290 000
ANTI-DOPING REVENUES	100 000	- 295 000	-75%	395 000
IWF TECHNOLOGIES (TIS, NCMS, TL)	15 000	- 10 000	-40%	25 000
REFEREE CARDS AND LICENSES	15 000	- 5 000	-25%	20 000
IWF SHOP SALES	5 000	- 5 000	-50%	10 000
SUBSCRIPTIONS TO WWM	0	+ 0	#DIV/0!	0
OTHERS	30 000	+ 20 000	+200%	10 000
<b>TOTAL</b>	<b>2 571 000</b>	<b>- 700 000</b>	<b>-21%</b>	<b>3 271 000</b>

# Budget 2019 vs Forecast 2018



EXPENSES	Budget 2019 v1	Variance Budget 2019 vs Forecast 18		Forecast 2018 (Oct. 2018)
DEVELOPMENT & EDUCATION	1 900 000	- 220 000	-13%	1 680 000
MEETINGS	650 000	+ 50 000	+7%	700 000
PARTICIPATION IN MEETINGS	50 000	+ 0	+0%	50 000
COSTS RELATED TO COMPETITIONS	850 000	+ 200 000	+19%	1 050 000
ANTI-DOPING ACTIVITY	2 400 000	- 450 000	-23%	1 950 000
PUBLICATIONS / PR	480 000	- 50 000	-12%	430 000
IWF LOGO ITEMS (Diplomas, etc.)	30 000	+ 0	+0%	30 000
IWF TECHNOLOGIES (TIS, NCMS, TL)	100 000	- 60 000	-150%	40 000
CONTRIBUTION TO IWF OFFICIALS	1 000 000	+ 0	+0%	1 000 000
OPERATION COSTS SECRETARIAT - BUD	915 000	- 115 000	-14%	800 000
OPERATION COSTS SECRETARIAT - LSN	645 000	- 5 000	-1%	640 000
OPERATION COSTS GS OFFICE	250 000	+ 0	+0%	250 000
LEGAL AND ADMIN. ASSISTANCE	150 000	+ 0	+0%	150 000
MEMBERSHIP AND SUBSCRIPTION FEES	15 000	+ 0	+0%	15 000
IWF MARKETING	50 000	+ 30 000	+38%	80 000
OTHERS, MISCELLANEOUS	30 000	+ 5 000	+14%	35 000
<b>TOTAL</b>	<b>9 515 000</b>	<b>- 615 000</b>	<b>-7%</b>	<b>8 900 000</b>

Thank you for your trust  
... and happy to answer any question

