

# FINANCE REPORT



IWF Congress  
Las Vegas – March 2019

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Financial Advisor

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# Outlook



- **2018** audited accounts
  - Surplus of operating activities slightly better than the budget (loss 5'089k\$ vs budget 5'869)
  - Yearly result strongly impacted by the negative performance of the financial market in Q4 2018 (net surplus of expenses 6'500k\$, budget was 5'895)
- **2019** update
  - Operations : AD costs exploding, budget to be assessed and monitored closely – other expenses and incomes unchanged
  - Very good performance on the asset portfolio YTD, the 2018 loss has been almost recovered
- **Mid term plan**
  - Mid-term financial plan is confirmed – 20m\$ strategic reserves will be maintained until Tokyo 2020

# 2018 Audited Financial Statements

## Balance Sheet - summarised



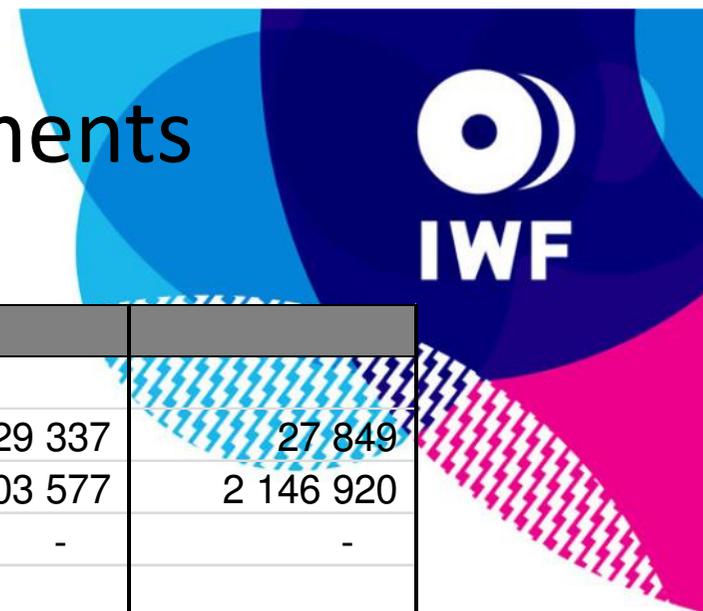
<b>Balance Sheet (kUSD)</b>	<b>2018</b>	<b>2017</b>
Current assets	1 967	2 919
Non-current assets	29 007	34 636
<b>Total assets</b>	<b>30 974</b>	<b>37 555</b>
Liabilities	1 437	1 518
Equity	29 537	36 037
<b>Total liabilities &amp; equity</b>	<b>30 974</b>	<b>37 555</b>

### **In a nutshell :**

- Still a very healthy financial situation
- No debts, strong reserves (more necessary than ever)

# 2018 Audited Financial Statements

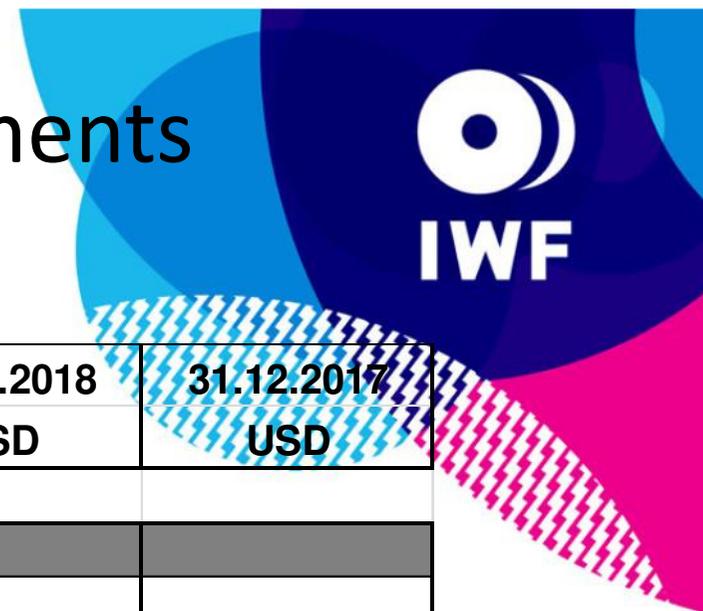
## Balance Sheet - detailed



<b>ASSETS</b>			
<b>Current assets</b>			
Petty cash		29 337	27 849
Cash at bank		1 003 577	2 146 920
Short term deposits		-	-
Accounts receivables from :			
- Membership fees		13 000	-
- Anti-doping fines		340 140	628 121
- Sponsors (barbell companies)		112 584	100 000
- World Championship (marketing agency)		129 013	-
- National Federations		-	5 024
- Other related parties		59 975	11 362
Prepaid expenses		279 426	-
<b>Total current assets</b>		<b>1 967 052</b>	<b>2 919 276</b>
<b>Non-current assets</b>			
Marketable securities		28 962 689	34 591 428
Deposits		44 569	44 569
<b>Total non-current assets</b>		<b>29 007 258</b>	<b>34 635 997</b>
<b>Total assets</b>		<b>30 974 310</b>	<b>37 555 273</b>

# 2018 Audited Financial Statements

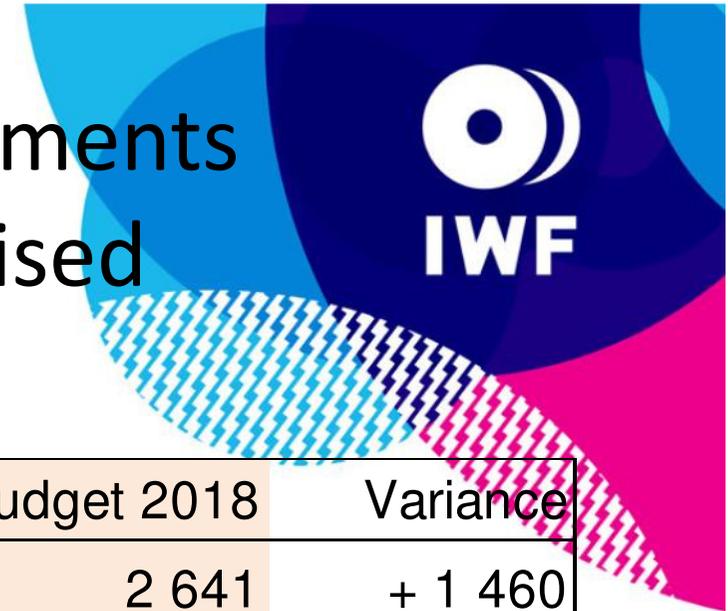
## Balance Sheet - detailed



<b>Balance Sheet</b>		<b>31.12.2018</b>	<b>31.12.2017</b>
		<b>USD</b>	<b>USD</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
	Account payables - general operations	161 572	568 070
	Account payables - development programs	18 647	23 042
	Accrued expenses	127 283	79 394
	Advances received	-	113 716
	Deferred revenue	979 500	584 000
	Provision	150 000	150 000
	<b>Total current liabilities</b>	<b>1 437 002</b>	<b>1 518 222</b>
<b>Equity (unrestricted funds)</b>			
	Special reserve (strategic)	20 000 000	20 000 000
	Net excess of -expenditure/income for the period	-6 499 744	-1 540 871
	Unrestricted funds brought forward	16 037 052	17 577 922
	<b>Total equity</b>	<b>29 537 308</b>	<b>36 037 051</b>
<b>Total liabilities and equity</b>		<b>30 974 310</b>	<b>37 555 273</b>

# 2018 Audited Financial Statements

## Income statement - summarised



<i>kUSD</i>	Actual 2018	Budget 2018	Variance
Revenues	4 101	2 641	+ 1 460
Expenses	-9 190	-8 510	- 680
Financial result	-1 411	-26	- 1 385
<b>Net result</b>	<b>-6 500</b>	<b>-5 895</b>	<b>- 605</b>

### In a nutshell :

- Higher incomes (WC Ashgabat)
- Expenses increasing as well (AD, competition) partially compensated by savings on administrative costs
- Bad financial performance – temporary situation (already recovered in February 2019)

# 2018 Income Statement – detailed

## Revenue increasing by 55 % vs budget



REVENUE	Actual 2018	Budget 2018	Variance Actual vs Budget 2018		Audited 2017	Variance 2018 vs 2017	
MEMBERSHIP FEES	77 500	76 000	+ 1 500	+2%	76 500	+ 1 000	+1%
TV AND MARKETING RIGHTS	2 913 788	1 615 000	+ 1 298 788	+80%	980 377	+ 1 933 411	+197%
FEES FOR ORGANISATION OF WCH.	79 289	40 000	+ 39 289	+98%	85 067	- 5 778	-7%
IOC REVENUES	191 982	70 000	+ 121 982	+174%	1 915 558	- 1 723 576	-90%
REIMBURSEMENTS OF ADVANCED COSTS	302 555	230 000	+ 72 555	+32%	270 218	+ 32 337	+12%
ANTI-DOPING REVENUES	484 238	530 000	- 45 762	-9%	445 508	+ 38 730	+9%
IWF TECHNOLOGIES (TIS, NCMS, TL)	20 969	25 000	- 4 031	-16%	0	+ 20 969	#DIV/0!
REFEREE CARDS AND LICENSES	20 320	20 000	+ 320	+2%	63 045	- 42 725	-68%
IWF SHOP SALES	6 279	5 000	+ 1 279	+26%	3 279	+ 3 000	+91%
SUBSCRIPTIONS TO WWM	40	0	+ 40	#DIV/0!	0	+ 40	#DIV/0!
OTHERS	3 823	30 000	- 26 177	-87%	16 085	- 12 262	-76%
<b>TOTAL</b>	<b>4 100 783</b>	<b>2 641 000</b>	<b>+ 1 459 783</b>	<b>+55%</b>	<b>3 855 637</b>	<b>+ 245 146</b>	<b>+6%</b>

# 2018 Revenue - comments



## **TV and marketing rights (+ 1'299k vs budget)**

- WC Ashgabat + 1'139k :
  - difference vs Peru +500k
  - TV right (new model with Lagardère) +564k
  - Partially compensated by additional costs
- WC Anaheim 2017 +100k received in 2018
- Barbell companies +60 (events)

# 2018 Income Statement – detailed Expenses + 956kUSD vs budget



EXPENSES	Actual 2018	Budget 2018	Variance		Audited 2017	Variance	
	janv.00		Actual vs	Budget 2018		2018 vs 2017	
DEVELOPMENT & EDUCATION	1 696 940	1 900 000	+ 203 060	+11%	1 455 696	- 241 244	-17%
MEETINGS	612 531	680 000	+ 67 469	+10%	962 297	+ 349 766	+36%
PARTICIPATION IN MEETINGS	63 531	50 000	- 13 531	-27%	17 469	- 46 062	-264%
COSTS RELATED TO COMPETITIONS	1 588 390	800 000	- 788 390	-99%	598 698	- 989 692	-165%
ANTI-DOPING ACTIVITY	2 256 112	1 250 000	- 1 006 112	-80%	1 282 032	- 974 080	-76%
PUBLICATIONS / PR	437 723	400 000	- 37 723	-9%	141 674	- 296 049	-209%
IWF LOGO ITEMS (Diplomas, etc.)	34 755	30 000	- 4 755	-16%	26 074	- 8 681	-33%
IWF TECHNOLOGIES (TIS, NCMS, TL)	29 751	40 000	+ 10 249	+26%	48 481	+ 18 730	+39%
CONTRIBUTION TO IWF OFFICIALS	666 000	1 000 000	+ 334 000	+33%	898 158	+ 232 158	+26%
OPERATION COSTS SECRETARIAT - BUD	724 015	1 065 000	+ 340 985	+32%	718 406	- 5 609	-1%
OPERATION COSTS SECRETARIAT - LSN	561 808	630 000	+ 68 192	+11%	622 879	+ 61 071	+10%
OPERATION COSTS GS OFFICE	273 565	250 000	- 23 565	-9%	167 183	- 106 382	-64%
LEGAL AND ADMIN. ASSISTANCE	146 333	170 000	+ 23 667	+14%	502 452	+ 356 119	+71%
MEMBERSHIP AND SUBSCRIPTION FEES	5 061	15 000	+ 9 939	+66%	47 690	+ 42 629	+89%
IWF MARKETING	61 704	200 000	+ 138 296	+69%	99 721	+ 38 017	+38%
OTHERS, MISCELLANEOUS	31 687	30 000	- 1 687	-6%	26 827	- 4 860	-18%
<b>TOTAL</b>	<b>9 189 906</b>	<b>8 510 000</b>	<b>- 679 906</b>	<b>-8%</b>	<b>7 615 737</b>	<b>- 1 574 169</b>	<b>-21%</b>

# 2018 Expenses - comments

## Development and Education

**(+203kUSD vs budget)**



	Actual	Budget	Variance
Financial support to Continental F.	350	350	- 0
Contribution to projects (MF, RF, CF)	1'153	1'000	- 153
IWF special projects	194	550	+ 356
Total	1'697	1'900	+ 203

- Again the IWF increased its support to the development projects and the federations
- IWF special projects : part of the costs allocated to communication and public relations

# 2017 Expenses - comments



## **Competitions (- 788kUSD vs budget) :**

- YOG Argentina : 88k (reimbursed by IOC)
- WC Ashgabat : 650k (compensation Peru 200k; consultants organisation 300k; TV production + 200)

## **AD activities (- 1'006kUSD vs budget) :**

- More controls/analysis
- Special program suspended MF
- Contract CCSE

## **Contribution to IWF officials, Administration of the IWF (BUD/LSN/AST) :**

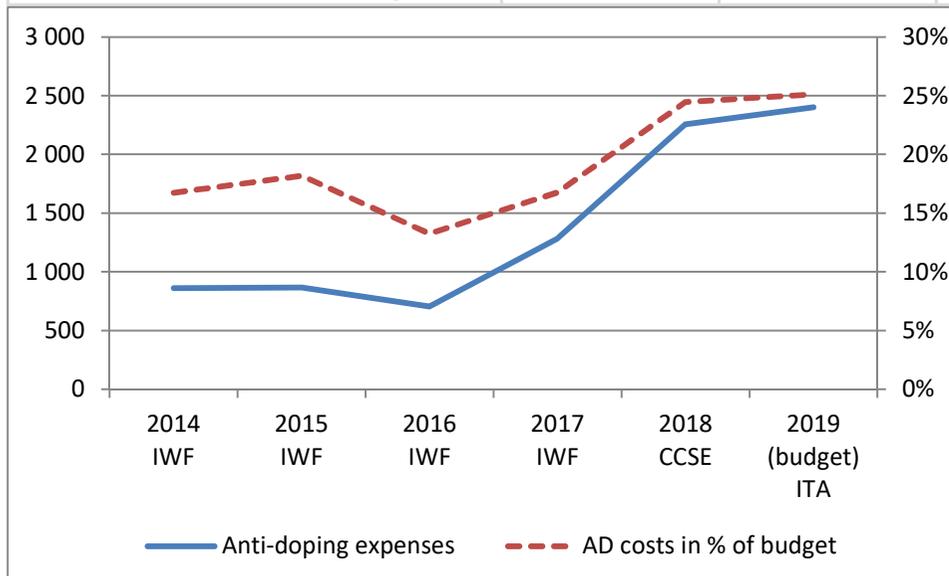
- Globally well below budget

# Cost of the fight against doping



2018 AD costs	
AD controls	1'232
Lab. analysis, transports, accessories	884
AD commission and others	140
<b>Total</b>	<b>2'257</b>

all amounts in '000 USD	2014 IWF	2015 IWF	2016 IWF	2017 IWF	2018 CCSE	2019 (budget) ITA
Anti-doping expenses	860	866	704	1 282	2 256	2 400
Total expenses	5 147	4 766	5 313	7 650	9 225	9 555
<i>AD costs in % of budget</i>	<i>17%</i>	<i>18%</i>	<i>13%</i>	<i>17%</i>	<i>24%</i>	<i>25%</i>



## Sustainable on the long run ?...

In the past, the costs were compensated by the incomes of fines, it's not the case anymore  
 Top priority for IWF, but we are probably close to the maximum we can afford

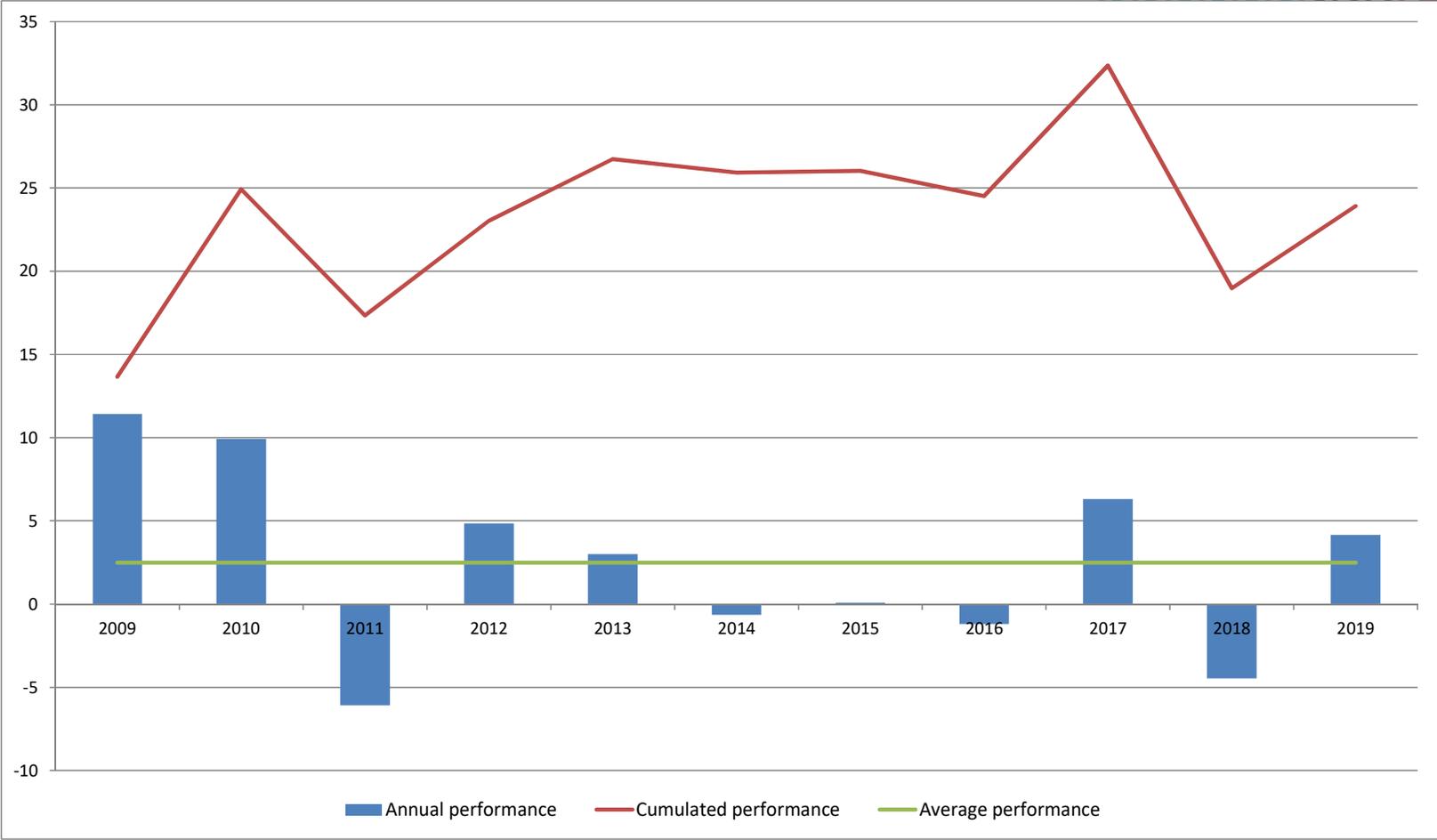
# Asset portfolio

## Yearly 2018 performance



# Asset portfolio

## Long term performance



# 2018 Audited Financial Statements



<b>SUMMARY</b>	<b>Actual 2018</b>	<b>Budget 2018</b>	<b>Variance Actual vs Budget 2018</b>		<b>Audited 2017</b>	<b>Variance 2018 vs 2017</b>	
TOTAL REVENUES	4 100 783	2 641 000	+ 1 459 783	+55%	3 855 637	+ 245 146	+6%
TOTAL EXPENSES	-9 189 906	-8 510 000	- 679 906	-8%	-7 615 737	- 1 574 169	+21%
<b>OPERATING RESULT</b>	<b>-5 089 123</b>	<b>-5 869 000</b>	<b>+ 779 877</b>	<b>+13%</b>	<b>-3 760 100</b>	<b>- 1 329 023</b>	<b>-35%</b>
FINANCIAL REVENUE (NET)	-1 375 735	4 000	- 1 379 735		2 253 370	- 3 629 105	
BANK CHARGES	-34 886	-30 000	- 4 886		-34 141	- 745	
FINANCIAL PROFIT / - LOSS (NET)	-1 410 621	-26 000	-1 384 621		2 219 229	-3 629 850	
<b>NET SURPLUS OF REVENUES (- EXPENSES)</b>	<b>-6 499 744</b>	<b>-5 895 000</b>	<b>- 604 744</b>	<b>-10%</b>	<b>-1 540 871</b>	<b>- 4 958 873</b>	<b>-322%</b>

# 2018 Auditors' report (KPMG)



**International Weightlifting Federation,  
Lausanne**

**Report of the Independent Auditor  
on the Financial Statements  
to the Executive Board  
Financial Statements 2018**

In our opinion, the financial statements for the year ended 31 December 2018 comply with Swiss law.

KPMG SA

A digital signature of Pierre-Henri Pingeon, written in black ink, is displayed on a light blue background with a subtle grid pattern. A small red Swiss cross icon is visible in the top right corner of the signature box.

Pierre-Henri Pingeon  
*Licensed Audit Expert  
Auditor in Charge*

A digital signature of Cédric Rigoli, written in black ink, is displayed on a light blue background with a subtle grid pattern. A small red Swiss cross icon is visible in the top right corner of the signature box.

Cédric Rigoli  
*Licensed Audit Expert*

# 2018 Audited Financial Statements

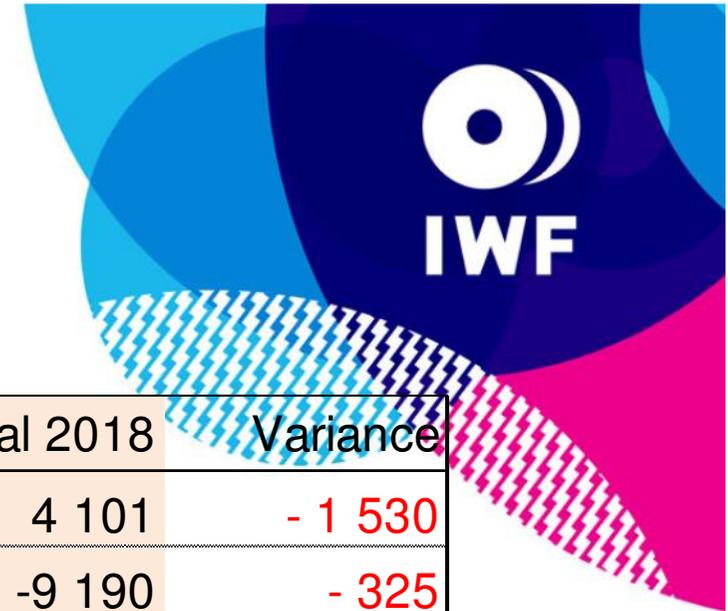


## **Proposal to the Congress:**

- Executive Board proposes the Congress to approve the 2018 audited financial report

# 2019 Budget

As approved by EB in Ashgabat

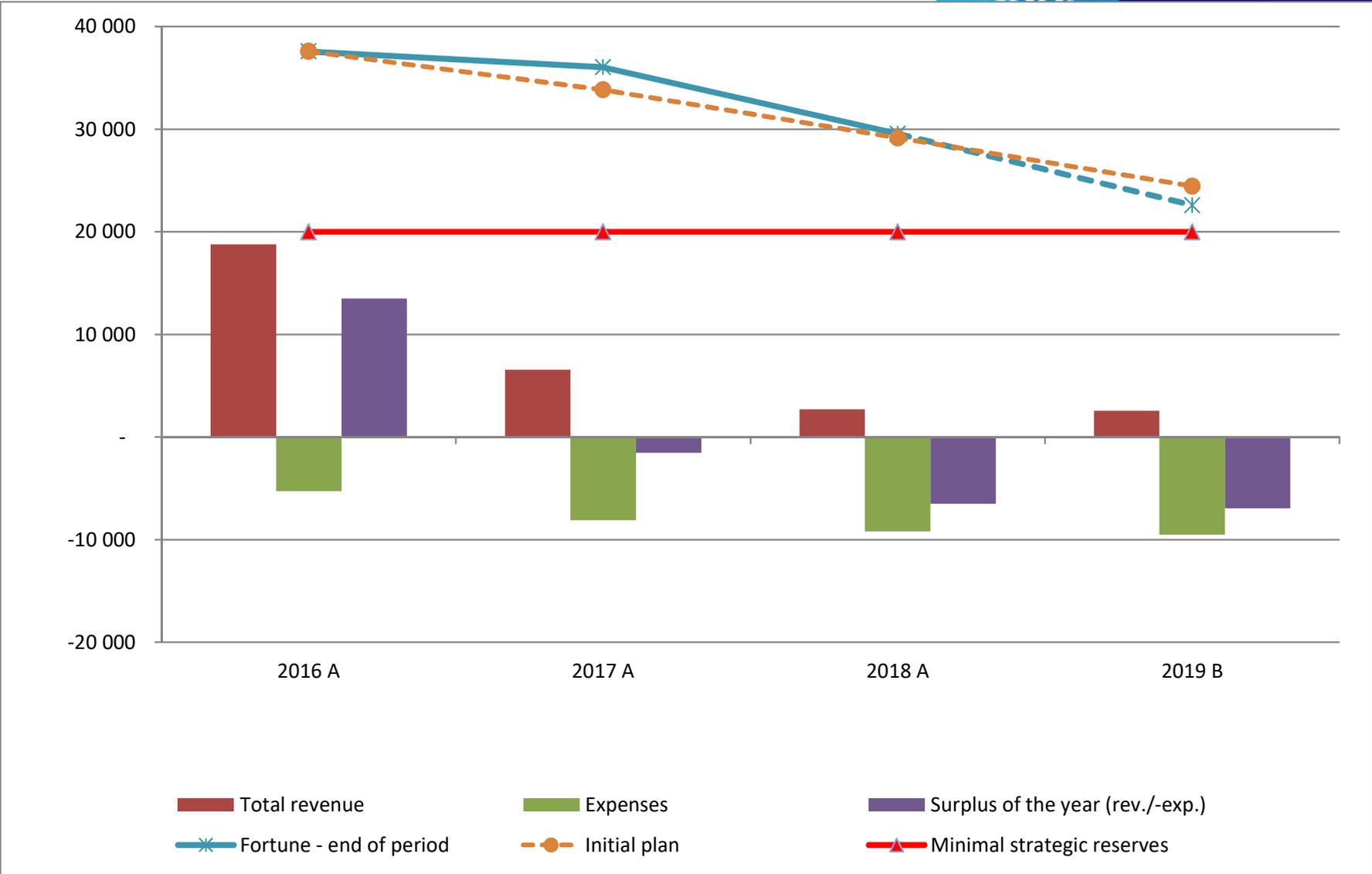


	<i>kUSD</i>	Budget 2019	Actual 2018	Variance
Revenues		2 571	4 101	- 1 530
Expenses		-9 515	-9 190	- 325
Financial result		-25	-1 411	+ 1 386
<b>Net result</b>		<b>-6 969</b>	<b>-6 500</b>	<b>- 469</b>

## Update

- AD costs : the budget was increased at 2'400k\$, might not be sufficient to finance the new model/partnership with ITA – to be assessed
- Financial result : as per today very positive + 1'200k\$
- Very early to make a full update, more information during the next meetings

# 2017-2020 Financial planning



## Conclusion / recommendation



- Healthy financial situation but higher risks and expenses increasing steadily
- Sound financial reserve strategy
- Monitoring of the contribution to the federations
- Strengthened financial processes and skills
- Resource allocation strategy (AD costs)
- Securing the tax exemption status in CH

Thank you for your attention !

