

IBA – INTERNATIONAL BOXING ASSOCIATION, LAUSANNE

REVIEW REPORT OF THE INDEPENDENT AUDITOR
ON THE FINANCIAL STATEMENTS

ENDED 30 JUNE 2024



MOORE



Review Report of the auditor
to the Board of Directors of
IBA – International Boxing Association
Lausanne

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Review Report on the financial statements

We have reviewed the accompanying financial statements of IBA – International Boxing Association including the balance sheet, income statement and notes, prepared as of June 30, 2024.

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the articles of incorporation. Our responsibility is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with Swiss law and Swiss Auditing Standards 910. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Even if IBA – International Boxing Association shows positive unrestricted funds, the ability to continue operating for next 12 months is conditional upon adherence to approved budget, the capacity of IBA to continue to find sources of revenues and to whether the risk of a potential litigation mentioned in note 6 materializes. We are aware of ongoing arrangements with regards to revenue agreements negotiations which have a direct impact on the going concern assumption. While these arrangements remain incomplete and the deals are not final, multiple uncertainties persist about the ability of the organization to continue as a going concern. As a result of these matters, we were unable to assess the going concern assumption.

Due to the possible effect of the matter described in the preceding paragraph, we are not in a position to express a conclusion based on our review.

Lausanne, 11 November 2024

MOORE STEPHENS REFIDAR SA


Angelo Musaro
Licensed Audit Expert
Auditor in charge


Patrick Baer
Licensed Audit Expert

Enclosures: Financial statements (including the balance sheet, income statement and notes)



IBA
International Boxing Association, Lausanne

STATUTORY ACCOUNTS

AS OF

30 JUNE 2024

Lausanne, 4 November 2024

IBA - INTERNATIONAL BOXING ASSOCIATION, LAUSANNE

BALANCE SHEET AS OF 30 JUNE 2024

	30 June 2024 CHF	30 June 2023 CHF
A S S E T S		
CURRENT ASSETS		
Cash and Cash Equivalents	5 985 504	9 099 218
Trade Receivables:		
- Receivables from third parties	975 738	4 410 494
- Receivables from related company - WSB	0	1 153 408
- Receivables from related group company - FBB	118 065	117 135
- Accruals on receivables	0	(4 317 748)
Other Current Receivables	131 882	80 663
Prepaid Expenses and Accrued Income	2 319 902	848 694
Prepaid Expenses Valuation Adjustment	(804 867)	(804 867)
TOTAL CURRENT ASSETS	8 726 224	10 586 997
NON-CURRENT ASSETS		
Investments:		
- Investment in WSB	1	1
Property, Plant and Equipment:		
- Furniture and equipment	8 616	12 924
- Building	502 606	575 235
- Vehicles	57 908	0
Intangible assets:		
- Licences and other intangible assets	10 240	14 469
TOTAL NON-CURRENT ASSETS	579 371	602 629
TOTAL ASSETS	9 305 595	11 189 626
LIABILITIES AND FUNDS		
CURRENT LIABILITIES		
Trade Account Payable:		
- Payables due to third parties	2 274 603	6 658 024
Other Current Liabilities:		
- Other current liabilities	465 199	419 630
Accruals and deferred income:		
- Accruals	681 568	1 631 511
- Other Deferred income	1 118 989	45 544
- Unrealized Gain	317 544	660 938
TOTAL CURRENT LIABILITIES	4 857 903	9 415 647
TOTAL LIABILITIES	4 857 903	9 415 647
UNRESTRICTED FUNDS		
Unrestricted operating funds	1 773 979	4 470 722
Result of the year - Gain / (Loss)	2 673 712	(2 696 742)
TOTAL UNRESTRICTED FUNDS	4 447 692	1 773 979
TOTAL LIABILITIES AND FUNDS	9 305 595	11 189 626

IBA - INTERNATIONAL BOXING ASSOCIATION, LAUSANNE

**INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2024**

	Full Exercise 01.07 - 30.06 2023 - 2024 12 months CHF	Full Exercise 01.07 - 30.06 2022 - 2023 12 months CHF
OPERATING INCOME		
Revenue from Sale of Goods and Services:		
Sponsorship and TV Rights Revenue	22 837 543	11 816 194
Licensing	496 133	766 259
Sport Events	517 099	6 201 636
Membership Fees invoiced	2 150	16 264
Miscellaneous income	2 716	15 491
TOTAL REVENUES	23 855 641	18 815 844
Impairment on receivables and accrued	(95 749)	(3 671 411)
TOTAL OPERATING INCOME	23 759 892	15 144 433
OPERATING EXPENSES		
Personnel Expenses	(3 071 013)	(3 586 681)
HQ - Rent & Utilities	(91 157)	(119 623)
HQ - Office expenses	(70 903)	(152 709)
HQ - Travel expenses	(44 222)	(96 866)
HQ - External services	(1 745 196)	(801 678)
Reform & Investigation	(168 142)	(638 971)
IBA representatives travel & expenses	0	(23 936)
Marketing Expenses	(569 168)	(471 376)
Communication Expenses	(1 026 422)	(315 558)
Confederation Support	(1 556 583)	(808 962)
IBA Meetings	(860 580)	(775 710)
AOB Championships & Events	(13 836 375)	(9 692 554)
Training & Education expenses	(81 174)	(46 216)
Ethics & Anti-doping	(566 414)	(502 458)
Depreciation	(95 642)	(108 785)
TOTAL OPERATING EXPENSES	(23 782 992)	(18 142 083)
OPERATING RESULT - GAIN / (LOSS)	(23 100)	(2 997 650)
OTHER INCOME AND EXPENSES		
Financial Income	0	7 518
Financial Expenses	(99 041)	(111 966)
Foreign Exchange Gain	660 938	69 568
Foreign Exchange Loss	(466 861)	(233 845)
Extraordinary non-recurring Income	2 725 653	655 001
Extraordinary non-recurring Expenses	(118 683)	(73 649)
TOTAL OTHER INCOME AND EXPENSES	2 702 006	312 627
RESULT BEFORE TAXES	2 678 907	(2 685 023)
Taxes and duties	(5 195)	(11 719)
RESULT OF THE YEAR	2 673 712	(2 696 742)

IBA – International Boxing Association, Lausanne

Notes to the financial statements for the period of 01 July 2023 to 30 June 2024

A. General information

0. General information

International Boxing Association is a not for profit association governed by the provisions of the Swiss Civil Code, with registered office in Lausanne (Vaud, Switzerland).

In the course of the previous business year, the Association has changed its name from AIBA to IBA - International Boxing Association.

1. Accounting principles

The accounts have been prepared based on the principles set out in the Swiss code of obligations (CO) in particular CO 957 – 962. The financial statements for the period ended 30 June 2024 have been prepared in accordance with the provisions of the Swiss Law regarding accounting and financial reporting.

Currency and exchange rates

The accounts are maintained in Swiss Francs (CHF).

Assets and liabilities denominated in currencies other than Swiss Francs are recorded in the balance sheet based on exchange rates at the year-end. Transactions denominated in currencies other than Swiss Francs are recorded at monthly average rates; all exchange losses and realized exchange gains are recognized as financial income or expense.

	Closing rates	
	30.06.2024	30.06.2023
1 USD / CHF	0.9090	0.9081
1 EUR / CHF	0.9710	0.9863
1 GBP / CHF	1.1470	1.1400

2. Going Concern

At end of June 2024, IBA cashed the sponsorships related to the future periods, these incomes are reported in the Other Deferred income for the amount of 1'073'989 CHF. As well as IBA prepaid the Championship Events for the future period 2024-2025 for the total amount of 1'673'864 CHF, the amount reported in Prepaid Expenses.

In addition, the management is preparing cash flow report on weekly basis for the upcoming months to follow its engagements. It shows the association has been able to secure sufficient cash thanks to agreements for sponsorship the upcoming months. The Board of Directors conclusion is that IBA will remain as a going concern over the next twelve months.

3. Information, breakdowns and explanations relating to items on the balance sheet and in the profit and loss account

Balance Sheet

3.1 Cash and Cash Equivalents

IBA has the accounts in Switzerland and Dubai (IBA Branch).

3.2 Fixed assets

Fixed assets are recorded on the balance sheet at the acquisition value and depreciated on a straight line basis.

Useful life:

Furniture and equipment	8 years
IT equipment	3 years
Leasehold improvements	8 years
Other electronic device, office machine	5 years
Building	25 years
Vehicle	2.5 years
License and other intangible assets	5 years

3.3 Taxes

IBA is exonerated from its liabilities to income and capital taxes because its activity is considered as of pure public usefulness.

3.4 Receivables Valuation Adjustment

Adjustments to the value of receivables have been made based on the following principle:

- Falling due within 12 months – no adjustment
- Falling due within 12 to 24 months – 50% adjustment
- Falling due after 24 months – 100% adjustment

The provision schedule has been accelerated when specific risks were identified.

3.5 Financial engagements / lease commitments

IBA has no any lease commitments as at 30.06.2024 (lease commitments as at 30.06.2023 : 108'714.42 CHF)

3.6 Liabilities due to Pension fund

	30.06.2024	30.06.2023
	CHF	CHF
Vita Zurich Assurance - employees pension fund	-	93 865.09

3.7 World Series of Boxing SA

World Series of Boxing SA (WSB) is a Swiss corporation with its registered office in Lausanne. Its statutory purpose is to develop a single professional boxing championship. It is wholly owned by IBA, as of prior year the share capital amount has been fully impaired to a nominal value of CHF 1 from the original share capital amount of CHF 300'000.

The balance of receivables WSB in the accounts of IBA is 288'822 CHF, the amount is fully provisionned, valuation adjustment. WSB is put in liquidation procedures on 28.02.2024.

3.8 Revenues from Sale of Goods and Services Olympics

In the year of the Olympic Summer Games, IBA used to receive a Contribution from the International Olympic Committee (IOC). It was considered that these proceeds, which are only received once every four years, represent a core financing of IBA both for the year of the Games and the succeeding three years. It is recognized as income and made available for operating expenditure on a prorata basis over four years, starting with the year of the Olympic Summer Games. As a reminder IBA (ex-AIBA) received a total of USD 17.3 million (CHF 17.2 million) in 3 instalments for the 2016 Olympic Games.

In May and June 2019, the International Olympic Committee (IOC) decided to provisionally suspend IBA's recognition and to remove from IBA the organisation of the Olympic Boxing Tournament Tokyo 2020. IOC Session, which met remotely on 22 June 2023, has decided to withdraw recognition of the International Boxing Association (IBA), in accordance with Rule 3.7 of the Olympic Charter (OC). As an additional consequence of the above decision, the IOC Session has decided that the IBA will not organise the Olympic Games LA28 boxing tournament.

In June 2023 IBA appealed at CAS (Court of Arbitration for Sport) against this decision. Case management conference was held on 30 October 2023 and the hearing was held in person on 16 November 2023 at the CAS headquarters in Lausanne. The Court of Arbitration for Sport (CAS) on 2 April 2024 issued its award to reject the IBA appeal against the International Olympic Committee.

IBA did not agree with the CAS award and submitted its appeal to the Swiss Federal Tribunal (SFT), which in turn opened the case following the appeal of IBA. The parties of the proceedings had two rounds of exchange their submissions, and currently they are waiting a decision of SFT.

3.9 Unrestricted Funds (Equity)

IBA being an association, all the cumulated profit & loss are presented under the account 'Unrestricted Funds'.

Profits and loss

3.10 Revenue Recognition and related expenditure

Revenues and expenses related to IBA are recognized in the appropriate period.

Instalments received in advance are stated on the liabilities side of the balance sheet under "Deferred income", unrealized foreign exchange gain is also reported in "Deferred income" while due expenses are on the assets side of the balance sheet under "Prepaid expenses".

3.11 Extraordinary Income and Expenses

Extraordinary Income

Extraordinary income as at 30.06.2024 is mainly due to the reversal of the previous year's provisions, mainly the host fees provisioned in 2023 for the events in Uzbekistan and India for the total amount of 2'532'698 CHF, the fees were cashed in 2024. Extraordinary income in 2023 was mainly due to the reversal of previous years provisions

Extraordinary Charges

Extraordinary charges as at 30.06.2024 are mainly due to reversal of some receivables, value corrections and a provision for a litigation with a former employee.

B. Detailed information (CO 959c al. 2)

4 Number of full-time positions on annual average

The business year review closed with 12 full-time positions (compared to 15 FTE for the prior year).

5 Investments in affiliated companies

IBA holds the following direct and indirect participations:

Direct investments :

- 100% of the shares and voting rights in WSB, Lausanne, i.e. 300 shares of a nominal value of CHF 1'000

6 Contingent liabilities and legal matters

A. First Commitment International Trade (FCIT) has initiated a debt enforcement procedure on 30th September 2020 by having an order to pay served on IBA for CHF 18'991'229 + 5% interest since 10 December 2016, resulting in a total claim of around CHF 24'350'000 as of today. A further procedure was initiated in October 2022 to renew the claim and prevent its automatic closure.

IBA filed an objection to each order to pay and rejects this claim on the basis that IBA does not owe anything to FCIT. The rejected claim of CHF 18'991'229 actually relates to a loan between FCIT and BMA, which is now dissolved. Consequently no booking has been made into the accounts, however CHF 300'000 has been accrued in provision for potential legal costs.

FCIT interrupted a limitation period. Interruption of the limitation period triggers a new period. The day on which the interrupted act took place is not taken into account when calculating the new time limit. The previous time limit is no longer relevant. The duration of the new limitation period is in principle equal to that of the interrupted period. Thus, a new limitation period shall expire on 6 October 2025.

B. India hosted Women's World Boxing Championships 2023 in New Delhi. Boxing Federation of India (BFI) did not respect the Hosting Agreement. In particular, BFI did not pay to IBA the full Host Fee and other services, leaving an outstanding balance of CHF 667'301.70. After more than 1 year delay and several written notifications to BFI, IBA submitted a claim against BFI to the CAS as per arbitration clause provided for in the Hosting Agreement.

C. On 3 March 2023, the former employee filed a lawsuit against IBA claiming compensation (for the total amount of CHF 407'095) for an alleged termination without just cause, moral damages, overtime, pending holidays, pending salary and requested a meeting for conciliation, which was unfruitful. In July 2024, the former employee and IBA signed the settlement agreement, according to which IBA, without acknowledging liability, agreed to pay the gross sum of CHF 205'000. Another former employee filed a lawsuit against IBA without claiming a detailed compensation except his salaries during period he/she pretend to be sick. A provision has been booked.

D. On 26 August 2024, IBA submitted its complaint against the IOC to the Swiss Competition Commission. In its complaint IBA stated that, the IOC occupies a dominant position in the world market for the organization and marketing of the Olympic Games and the exploitation of the various rights relating thereto. The IOC takes advantage of this position by excluding from the Olympic Games boxers whose National Federation is a member of the IBA. Insofar as it cannot be justified on objective grounds, this behavior is unlawful within the meaning of art. 7 para. 1 of the Anti-Cartel Law.

E. On 23 October 2023, IBA submitted an official complaint to World Boxing, a rival boxing association, for use by the latter of IBA owned trademarks "World Boxing" and "World Boxing Tour", both of which are registered properties of IBA. According to IBA, the official name of World Boxing, its domain and logo are similar to IBA trademarks. IBA is currently in consultations about potential claim against World Boxing for illegal use of IBA trademarks.

7 Subsequent events & future perspectives

Currently, IBA has 3 (three) branches outside Switzerland:

- 1) Branch in Abu Dhabi,
- 2) Branch in Dubai,
- 3) Branch in Tajikistan.

So far, Dubai and Tajikistan branches did not have any business activity.

Strategic positioning for IBA is indeed crucial for achieving success in all regards. By carefully analysing the current landscape, understanding the competition, and identifying unique value propositions, IBA can be effectively positioned to stand out from the rest as the gap between amateur and professional boxing, and to attract our key target audiences. This strategic approach not only helps in differentiating the strength of the brand, but also in creating a sustainable competitive advantage. Through continuous monitoring and adaptation, IBA can ensure that our brand positioning remains relevant and resonates with our customers, ultimately leading to long-term success and growth to be commercially competitive and strong. The office in UAE will ensure that IBA remains at the very centre of the Middle East; time for change, time for growth, time for the International Boxing Association (IBA) to be the lead boxing organisation across the globe.

To conclude, good in an IBA business sense encompasses various elements that contribute to overall success and sustainability. This includes effective leadership that inspires and motivates departments to perform at their best, strategic planning that aligns with market trends and respective consumer demands, strong financial management to ensure profitability and growth, as well as a focus on development, innovation and adaptation to stay ahead of the competition. Additionally, fostering a positive and inclusive culture, building strong partnerships within our industry stakeholders, and prioritizing the well-being of athletes and employees are all crucial components of what "good" looks like in a sporting operational context. Ultimately, achieving success requires a combination of strategic vision, operational excellence, and a commitment to ethical practices that uphold the values of the organisation. We must successfully 'buy in' and strive to achieve the above outcomes and ensure that IBA remains at the very forefront of international and global boxing.

On 24 March 2023, IBA opened its branch in Abu Dhabi (UAE), particularly, in Masdar Free Zone. The Branch is an integral part of IBA, legally and financially.

The Branch has bank accounts in USD and AED in Dubai Islamic Bank, one of the biggest banks in UAE. This has now become a functioning bank account.

There is no other information to be disclosed as per article CO 959c (Swiss code of obligations).

Lausanne, 4 November 2024