



10. Presentation of New Business Plan 2018-2020

11. AIBA Finance Report & Approval 4 Years Audit Report



## AGENDA:

### A. Intro

- A1. Reports in AIBA.org
- A2. Equity summary
- A3. Profit & Loss summary
- A4. Net Result vs Equity
- A5. Progress Report last 12M

#### Auditors Presentations

### B. Audit Recommendations

- B1. Internal Controls
- B2. VAT procedures
- B3. Receivables
- B4. Payables
- B5. Sub ledgers

#### Introduction of new Auditors

#### Approval of 4 years financials

### C. Report on Actuals & Budget 2014 to 2021

- C1. Revenue
- C2. Expenses
- C3. Other Non-Operating
- C4. Recap Profit & Loss
- C5. Returning to a positive Equity

### D. New Business Plan for 2018 – 2020

- D1. projected Revenue from Jul'18 to Sep'18
- D2. projected Expenses from Jul'18 to Sep'18
- D3. projected Non-Operating from Jul'18 to Sep'18

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## Finance reports

### A1. Reports in AIBA.org:

#### 1. Annual reports:

- a) Auditor reports AIBA, WSB & BMA from 2013 to 2018  
<https://www.aiba.org/annual-reports/>

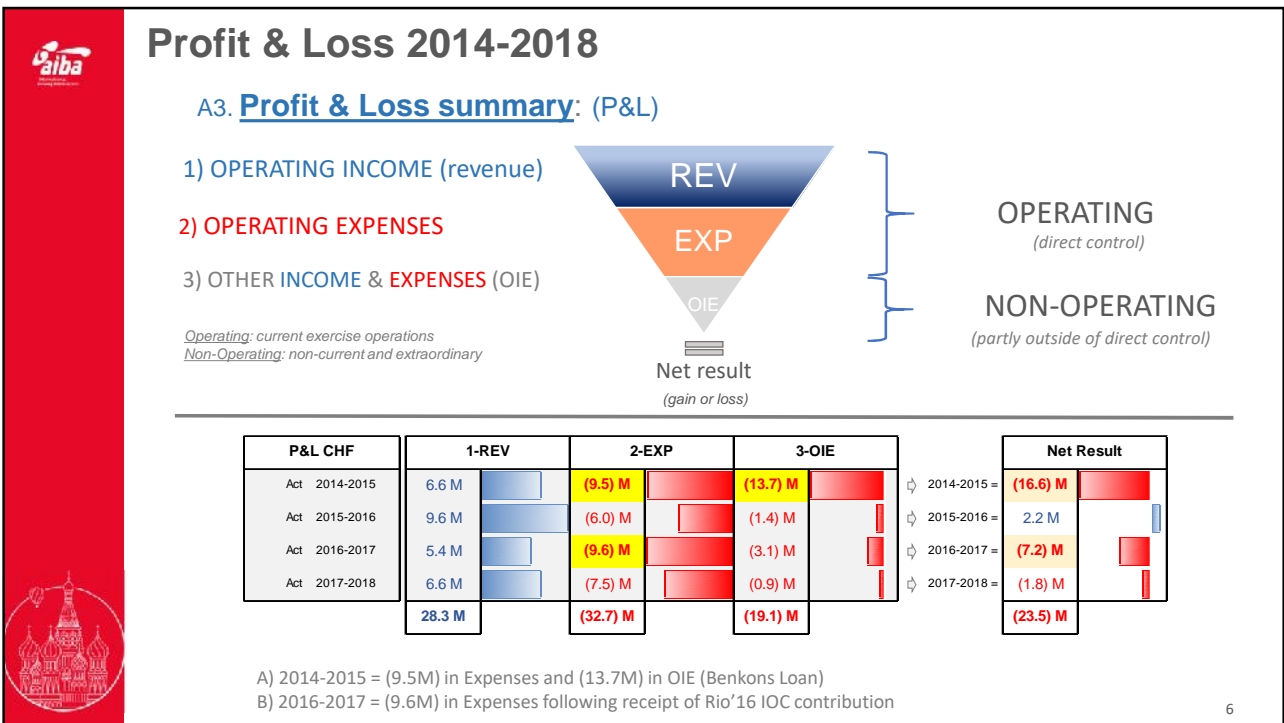
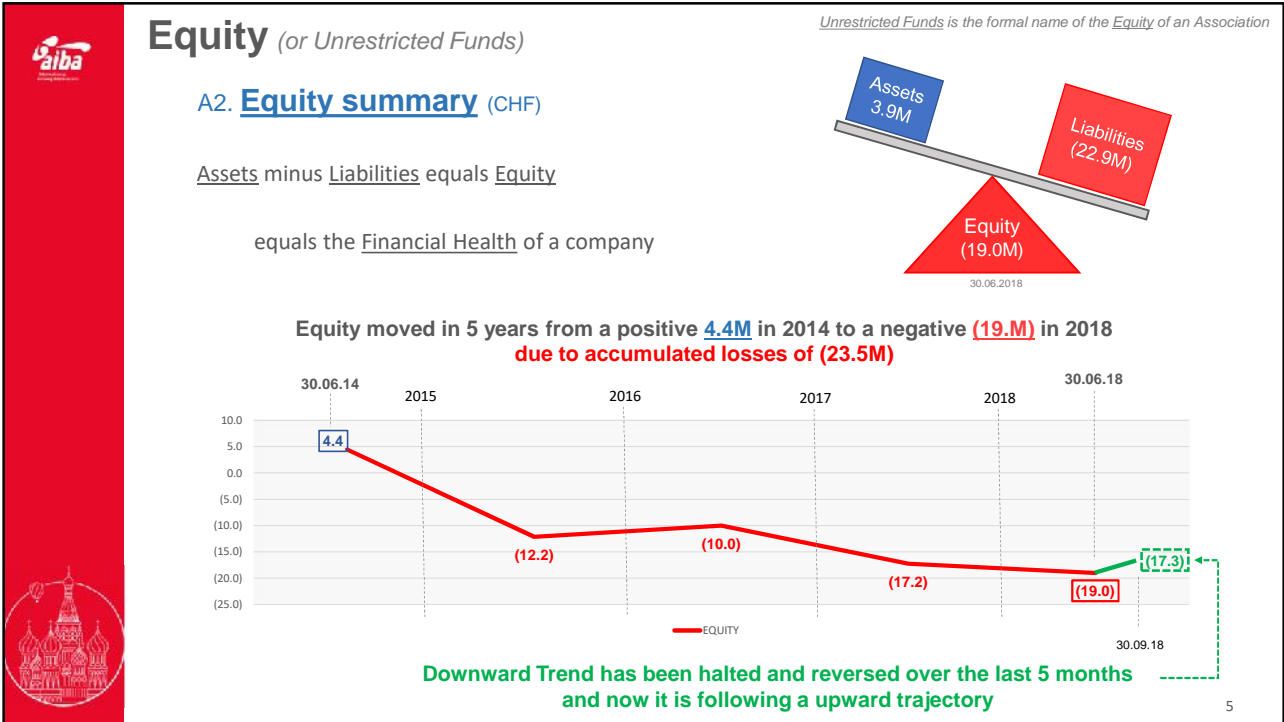
#### 2. Budget 2018 to 2021:

- a. Version September 2018  
<https://www.aiba.org/annual-reports/>

#### 3. Codes, regulations and rules:

- a. Financial regulations  
<https://www.aiba.org/official-aiba-rules-documents/>
- b. Accounting Policies and Procedures Manual  
<https://www.aiba.org/official-aiba-rules-documents/>

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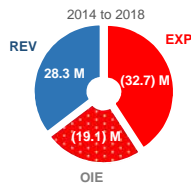




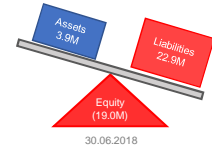
## Actuals 2014 to 2018

### A4. Net Results vs Equity:

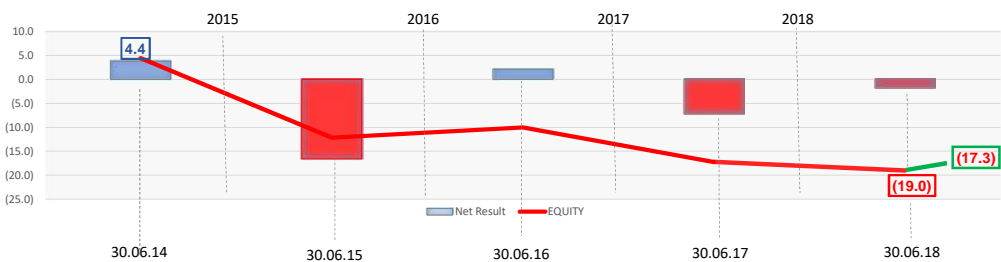
Equity moved in 5 years from a positive **4.4M** in 2014 to a negative **(19.M)** in 2018



RESULTS	PER YEAR	ACCUMULATED
<b>P&amp;L (CHF '000)</b>	<b>Net Result</b>	<b>Equity</b>
Jun'14		4.4 M
Act 2014-2015	(16.6) M	(12.2) M
Act 2015-2016	2.2 M	(10.0) M
Act 2016-2017	(7.2) M	(17.2) M
Act 2017-2018	(1.8) M	(19.0) M
		<b>(23.5M)</b>



### NET RESULTS VS EQUITY



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## Progress Report

### A5. Last 12 months:

- 2017/Q4:**  
Expenditure reforms: review of all existing contracts and clearing of prior 9 months dues
- 2018/Q1:**  
Expenditure savings allocated to essentials (e.g. Anti-Doping, Ethics, etc..)
- 2018/Q2:**  
Expenditure: additional savings (e.g. EC meeting, Travel, etc.)  
Sales Prospects: new contracts signed (approved by EC in Jul'18)
- 2018/Q3:**  
Income + 1.7M (within the quarter) ←  
Income + 2.M (deferred next 2 years) ←  
Expenditure savings: Congress, Legal Fees, etc..  
Sales Prospects: new contracts in negotiation (+5M to +10M)

n.b. sales prospects = only secured/signed contracts are included in projections

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Auditors  
Presentations

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Audit  
Recommendations



## Audit recommendations

### B1. Internal controls findings:

#### E&Y Recommendation:

We recommend AIBA to perform a risk assessment, define and implement key controls in order to mitigate the key risks. These key risks and controls have to be formalized in a proper internal control system matrix. This will help as well the AIBA's new employees to understand quickly what are the key controls they have to perform in their day-to-day tasks.

#### AIBA status Apr'18:

We have finalized the draft of the "Accounting Policies and procedures" manual which upon approval will be implemented along with our SOPs (standard operating procedures) & SoD (separation of duties) documents.

#### AIBA status Jun'18:

Policies and procedures have been reviewed and approved by Executive Director in May-Jun'18. Quarterly review will happen in the next year (next version Sep'18) and will be available soon in our website. Since Apr'18, we have implemented new processes for Budget, Cash Flow, Cash Inventory, Analytical Coding, BU approvals, PL report, Travel & Expense, Payroll Rec and Inventory. They are monitored via a monthly check list.

#### AIBA current status:

**Task  
Complete**





## Audit recommendations

### B2. Sub ledgers:

#### E&Y Recommendation:

Sub ledgers (AR&AP) are on an Excel basis which may lead to manual errors.  
We recommend to implement automated sub ledgers.

#### AIBA status Apr'18:

A Sub ledger system has been purchased. It will be implemented in the next 2-3 months.

#### AIBA status Jun'18:

Pre-preparation work has been made with supplier name coded within the transactions description.  
This facilitates analysing all the transactions per supplier.  
The implementation has been scheduled for Jul'18.

#### AIBA current status:

Sub ledger has been launched.  
We are loading historical transactions.  
We will be running the sub in parallel until 01.01.2019.



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## Audit recommendations

### B3. VAT procedures:

#### E&Y Recommendation:

Substandard VAT processes lead to recurrent late filings.  
We recommend to implement formal internal VAT reporting procedures to ensure timely filings.

#### AIBA status Apr'18:

We had engaged a VAT consultant to assess the situation and also review our new internal procedures.  
A check list has been prepared to support this process.  
Implementation will be finalized in May-Jun 2018.

#### AIBA status Jun'18:

Several meetings have been conducted with our VAT experts.  
Followed by actions made with the Authorities (self-declaration).  
Process documentation is on-going and will be finalized by August.  
The 4-eye principle is applied over all this section.

#### AIBA current status:

**Task  
Complete**



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## Audit recommendations

### B4. Receivables:

#### E&Y Recommendation:

We recommend AIBA to implement a formal review procedure of the outstanding amount on a regular and defined basis. The review should be done by the accounting team and formally reviewed by a supervisor (4-eye principle basis). The aim is to ensure the collect process on a timely manner and identify as soon as possible the appropriated bad debt provision to book.

#### AIBA status Apr'18:

The review procedure was included in the monthly balance sheet review process with a 4-eye principle (prepared by accountant et review by the finance director). The procedure was abandoned in May 2017 and has been re-implemented from December 2017. In addition we had AR tracker including commentaries of all actions made. This will be re-implemented from May 2018.

#### AIBA status Jun'18:

We have a matching process and report fully implemented involving the full accounting team with the Finance Director and the Executive Director. We also conduct balance sheet reconciliation on Monthly basis. The 4-eye principle is applied over all this section.

#### AIBA current status:

**Task  
Complete**



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## Audit

### B5. Payables:

#### E&Y Recommendation:

Trade payables with aging above 5 years were identified. We recommend to implement a formal review the trade payables position on a regular basis.

#### AIBA status Apr'18:

For the current AP (same as AR) the review procedure was included in the monthly balance sheet review process with a 4-eye principle (prepared by accountant et review by the finance director). We have an Internal review process that monitors the current trade payables (AP) updated every week. We acknowledge that old items (4-7 years old) were booked but not dealt with. We will review and clear all old items in the next 4-6 weeks.

#### AIBA status Jun'18:

Several daily, weekly and monthly processes are now running. A new staff has been hired to complete the team and focus on Account payable. A report is presented twice a month to the Finance Director, to the Executive Director and to the Interim President. The 4-eye principle is applied over all this section.

#### AIBA current status:

**Task  
Complete**

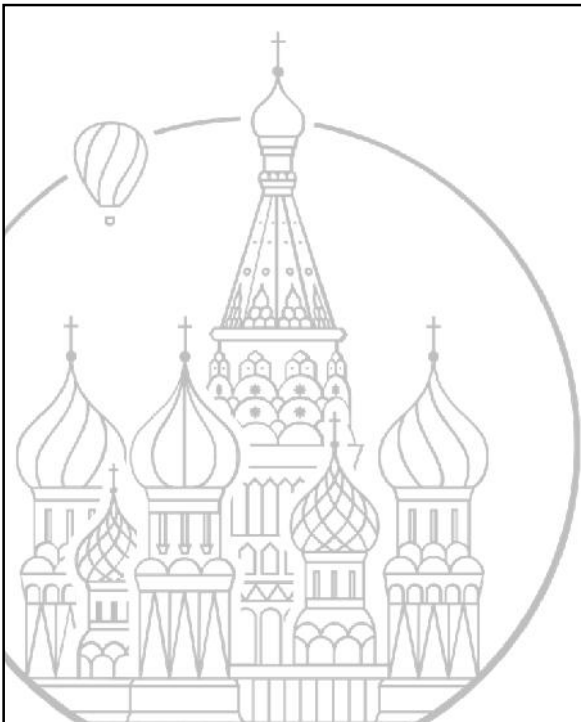


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Approval Financials  
2014 to 2018



Introduction of  
New Auditors



## Moore Stephens Presentation – AIBA audit engagement –




MOORE STEPHENS  
REFIDAR SA

Moore Stephens Presentation  
Oct 18

## Moore Stephens International

- A global network of independent professional service firms
- First office opened in London in 1907
- Top 10 globally
- 271 independent firms and 614 offices in 112 countries
- Moore Stephens member firms across the globe share common values: integrity, personal service, quality, knowledge and a global view.

MOORE STEPHENS  
REFIDAR SA



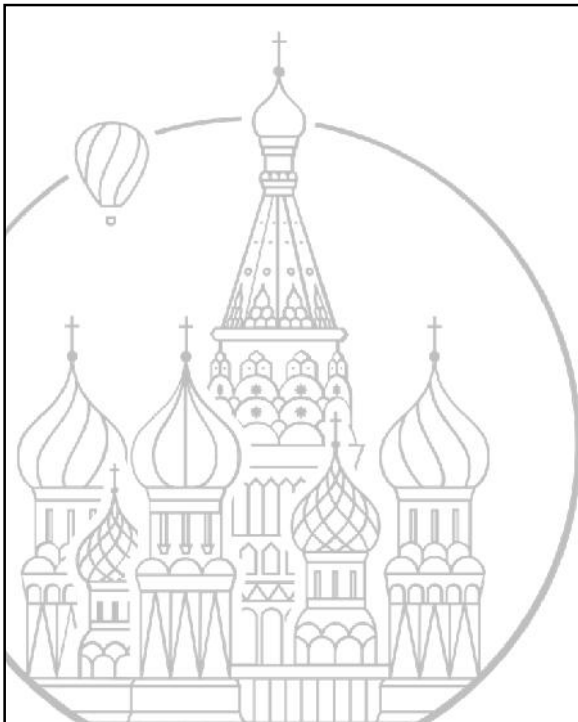
Moore Stephens Presentation

## Moore Stephens Refidar SA

located in Geneva, Nyon, Lausanne

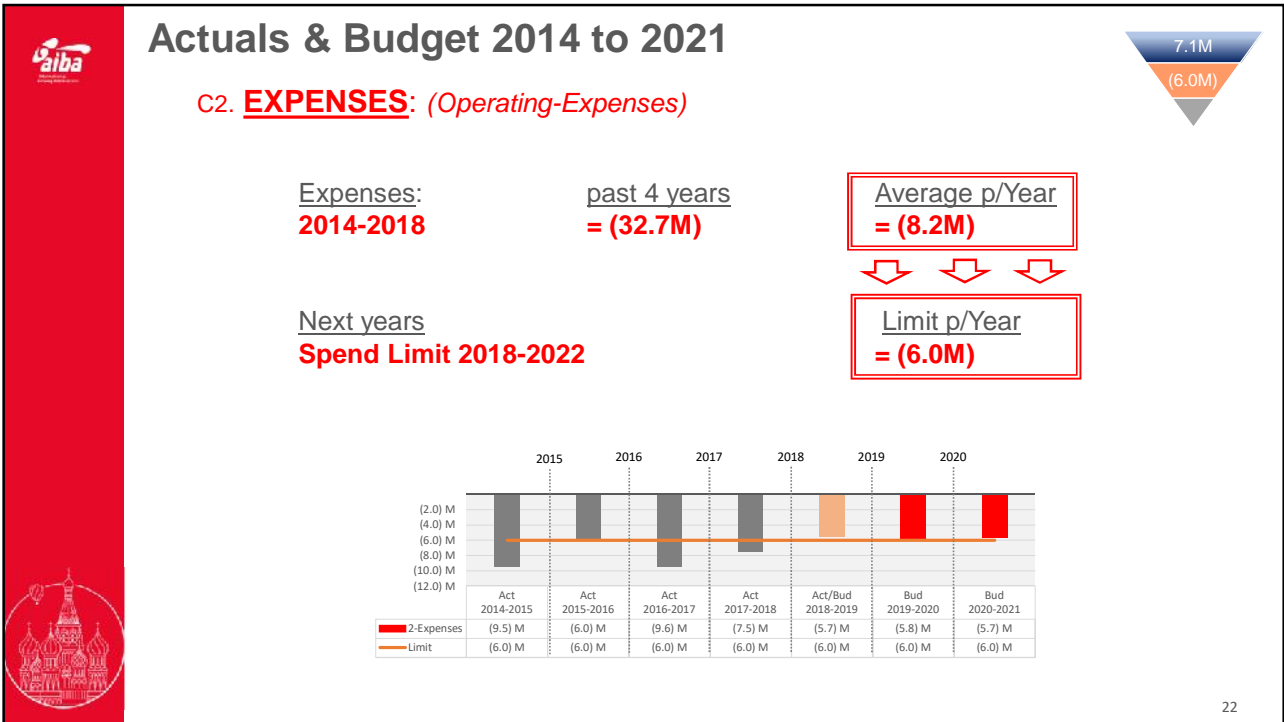
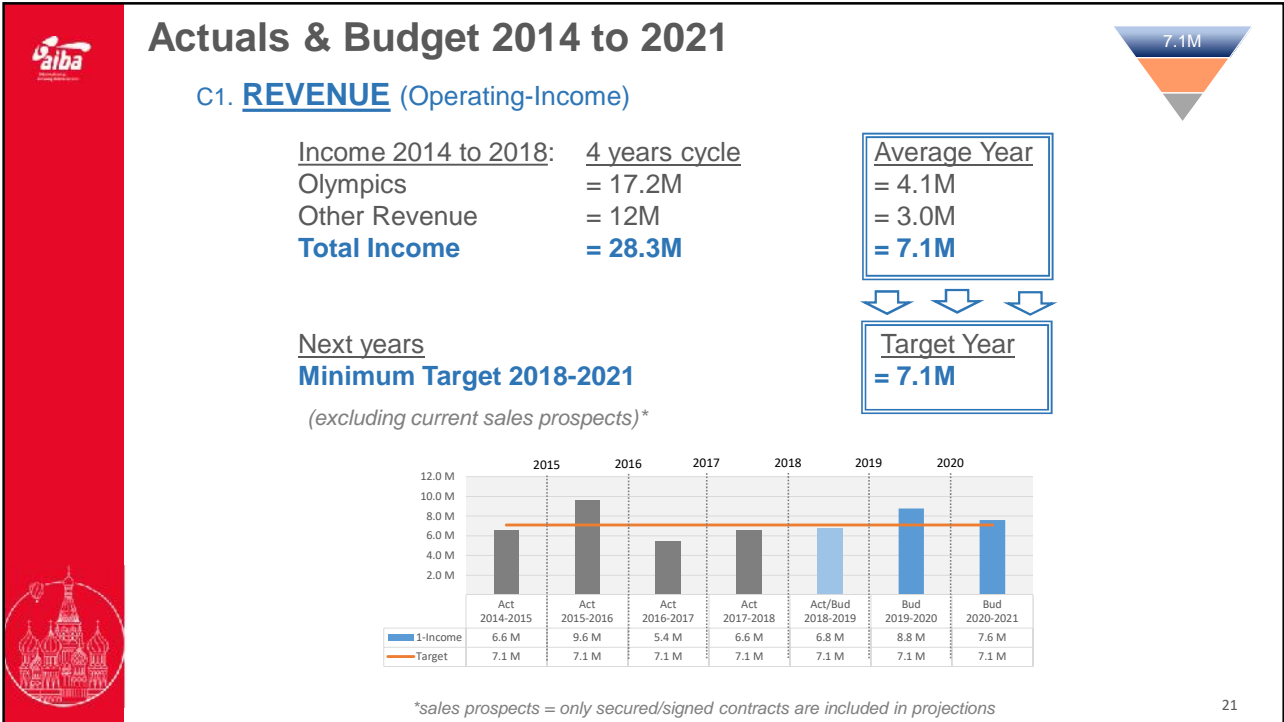
- 9 partners, over 40 employees, 3 offices
- 'Licensed audit expert' certification by the Federal Audit Oversight Authority (FAOA)
- Member of 'EXPERT Suisse' (Swiss Chamber of CPA's)
- Engagement partner :  
Laurent Rigoli, Swiss chartered accountant, Licensed audit expert
- Reviewing partner :  
Yanick Platel, Swiss fiduciary expert, Licensed audit expert


MOORE STEPHENS  
REFIDAR SA




New Business Plan

2018 to 2020





## Actuals & Budget 2014 to 2021



C3. OIE (Non-Operating)


Expenses 2014-2018:  
**Total**


past 4 years  
**= (19.1M)**

OIE was driven by litigations, Interest, forex and other one off items (e.g. 10M loan).

Presidential directives:

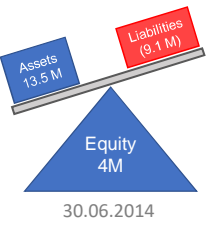
- Development revenue streams
- Strictly secured revenues will be included in our projections
- Keep Expenses as low as possible and always below the spend limit
- Eliminate Litigations and related costs


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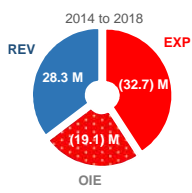
## Actuals & Budget 2014 to 2021

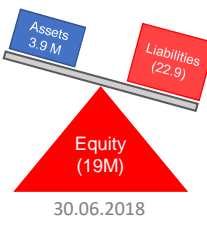
C4. Recap P&L and Equity:



30.06.2014

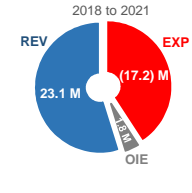
**Losses (23.5) M**

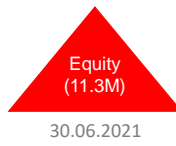




30.06.2018


**Gains (7.8) M**

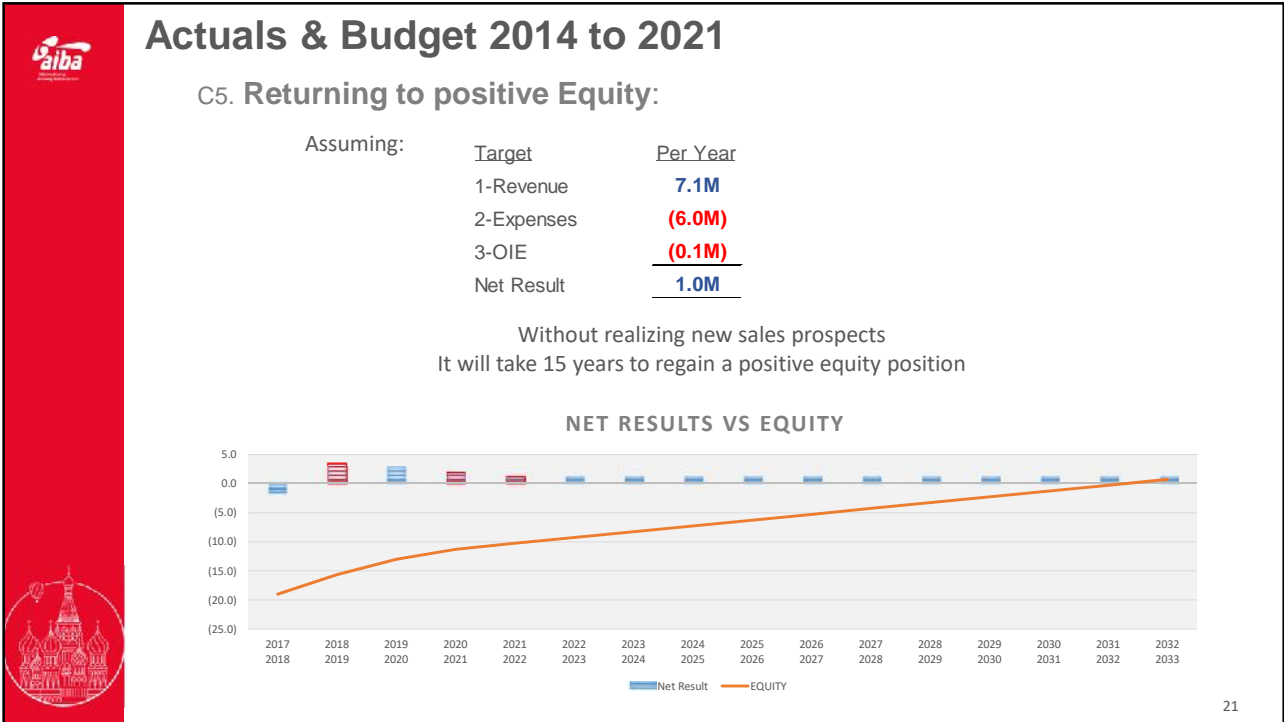




30.06.2021

Progress report Jan'18 to Sep'18:  
Equity'2021 projection went from (15.5M) to (11.3M)


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## New Budget 2018-2020

### D1. projected Revenue from Jul'18 to Jun'21:

numbers posted on AIBA's website:

1) INCOME (CHF '000)	ACT 2017-2018	BUD 2018-2019	BUD 2019-2020	BUD 2020-2021
300.Olympics	4'305.4	4'408.6	2'152.7	4'500.0
310.Advertising revenue	757.6	1'583.3	2'000.0	2'000.0
320.Licensing	2.2	315.9	338.2	338.2
330.Sport Events	2'098.1	800.0	4'000.0	480.0
335.Subsidies	53.2	203.6		
340.Membership Fees	49.5	48.8	48.8	48.8
350.Sales of Merchandising Products	10.1	4.0	3.6	3.6
355.Examination Fees	133.6	266.6	320.0	320.0
360.Miscellaneous income	19.2	32.7	20.4	20.4
703.Provision for bad debts	(803.7)	(885.6)	(120.0)	(120.0)
<b>Total Operating Income</b>	<b>6'625.3</b>	<b>6'777.8</b>	<b>8'763.7</b>	<b>7'591.0</b>

Remarks:  
Sponsorship = **+2M** deal signed Jul'18 included, **+3M** deal in negotiation (not included)

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## New Budget 2018-2021

### D2. projected Expenses from Jul'18 to Jun'21:

numbers posted on AIBA's website:

2) EXPENSES (CHF '000)	ACT 2017-2018	BUD 2018-2019	BUD 2019-2020	BUD 2020-2021
420. Personnel costs	(2'045.3)	(2'274.2)	(2'436.3)	(2'436.3)
400. President's Office	(184.6)	(36.0)	(48.0)	(48.0)
425. Rent & Utilities	(153.7)	(140.8)	(157.4)	(157.4)
426. Office expenses	(201.5)	(178.0)	(180.0)	(180.0)
427. External services	(1'632.5)	(490.5)	(147.0)	(132.0)
428. Travel & Expenses	(84.5)	(104.5)	(120.0)	(120.0)
450. AIBA Representatives Expenses	(248.3)	(194.9)	(244.8)	(180.0)
470. Marketing Expenses				
490. Communication expenses	(565.5)	(257.3)	(276.0)	(276.0)
500. Continental Confederations	(243.5)	(285.1)	(250.0)	(250.0)
510. Commissions	(20.2)	(210.9)	(120.0)	(120.0)
550. AIBA Meetings	(417.9)	(623.6)	(200.0)	(700.0)
660. AOB Events	(203.4)	(278.1)	(714.2)	(200.0)
610. Ethics & Antidoping	(191.4)	(327.2)	(618.7)	(553.3)
620. Development Expenses	(107.0)	(159.9)	(200.0)	(220.0)
750. Purchases	(5.1)	(2.3)	(3.0)	(3.0)
700. Miscellaneous Expenses	(2.2)	(0.3)		
760. Expenses from WSB	(1'100.7)			
770. Depreciation	(139.3)	(120.3)	(120.0)	(120.0)
<b>Total Operating Expenses</b>	<b>(7'546.7)</b>	<b>(5'683.8)</b>	<b>(5'835.4)</b>	<b>(5'696.0)</b>

#### Remarks:

2018-Q3 savings versus prior Forecast = **253K** (Communication, Ext-Services & President)

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## New Budget 2018-2021

### D3. projected Non-Operating from Jul'18 to Jun'21:

numbers posted on AIBA's website:

3) OIE (CHF '000)	ACT 2017-2018	BUD 2018-2019	BUD 2019-2020	BUD 2020-2021
Financial Income	22.4	0.0		
Financial Expense	(363.5)	(24.6)		
Foreign Exchange Gain	181.2	23.8		
Foreign Exchange Loss	(182.7)	(23.4)		
Income related to previous period	54.9	1'866.3		
Expenses related to previous period				
Extraordinary Income		450.0		
Extraordinary Expenses	(578.6)		(300.0)	(150.0)
Tax	(2.9)	(2.9)	(2.9)	(2.9)
<b>Total OIE</b>	<b>(869.2)</b>	<b>2'289.2</b>	<b>(302.9)</b>	<b>(152.9)</b>

NET RESULT (CHF '000)	ACT 2017-2018	BUD 2018-2019	BUD 2019-2020	BUD 2020-2021
Total Operating Income	6'625.3	6'777.8	8'763.7	7'591.0
Total Operating Expenses	(7'546.7)	(5'683.8)	(5'835.4)	(5'696.0)
Total OIE	(869.2)	2'289.2	(302.9)	(152.9)
<b>NET RESULT</b>	<b>(1'790.6)</b>	<b>3'383.3</b>	<b>2'625.4</b>	<b>1'742.1</b>
<b>ACCUMULATED LOSSES</b>	<b>(19'015.4)</b>	<b>(15'632.1)</b>	<b>(13'006.7)</b>	<b>(11'264.6)</b>

#### Remarks:

Income previous period = **+1.9M** Interest waives on Benkons Loan

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2018  
**AIBA CONGRESS**  
MOSCOW  
Nov. 2-3