

**FINANCIAL DIRECTOR'S REPORT TO THE SESSION THAT WILL BE HELD ON THE 24th OF OCTOBER
2021 FOR THE ACCOUNTING YEARS ENDED DECEMBER 31ST, 2019 AND DECEMBER 31st, 2020**

I report to you in the context of my appointment as Financial Director. This report includes my opinion to the financial statements, information received and an analysis of the Profit & Loss account and cash position.

FINANCIAL REPORT

Introduction

General

I have received the documents and Excel sheet prepared by the President regarding the cash flow of the years 2019 and 2020.

As the gathering of information was extraordinary since accounting year 2018, I started with the excel sheets of our President, which is a cash flow bookkeeping. Based on the year before and the available information of the year after, I drafted the balance sheets for 2019 and 2020.

The report is in the currency USD.

Project based reporting

Our President has used projects to connect to the expenditures. In my report, I am using the standard accounting principles. It is my opinion that in order to report per project, you need to have following procedure:

- Define in detail the project content
- Provide a budget per project
- The persons who would like to work on a project should make an application with financials
- The execution of the project should be monitored by the JJIF office, both on the technical and the financial aspect.
- Finally, you can make a financial report on the projects to be presented to the Board.

Analysis of the Balance sheet and P/L account 2019

Costs 2019:

There were invoices/cost claims for a total amount of 255,940.15 USD with following breakdown:

		USD
<u>Analysis</u>	<u>Total declared costs/invoices</u>	255 940.15
23.42%	BetheOne IOC Consultant	59 943.49
55.73%	ITA	142 632.82
2.15%	Memberships AIMS/GAISF	5 515.11
0.70%	WADA Consultancy	1 804.14
17.99%	Travel Costs & others	46 044.59
100.00%		

This means that more than 79% of all costs are attributed to the Anti-Doping and IOC recognition.

All costs could be connected to a document/invoice.

Income 2019:

There were outgoing invoices for a total amount of 335.015,74 USD, with following breakdown:

Analysis paid turnover		
Membership fees	61.500,00	18,36%
Championships and related	173.575,74	51,81%
Sponsorships	99 940,00	29,83%
Income	335.015,74	100.00%

Balance sheet 2019

1. Current Assets:

There is an amount of 184.319,34 as unpaid income. Regarding the membership fees, 66.67% were not paid and regarding the championships and related income, 82.57% was not paid in time.

The amount of 50.541,74 relates to unpaid invoices regarding the accounting year 2018.

All unpaid invoices related to the accounting years 2017 and earlier are considered to be 100% doubtful and should be considered as a loss.

Since those are substantial amounts and causing structural losses, I urge all national federations to follow the Statutes and rules. It is not the task of the Financial Director to chase federations to collect in cash from those federations that do not want to meet their obligations. I refer to the financial rules. Following the Statutes, those members should be expelled. But then again, our federation would end with only few members.

Taking 2019 as an example (no Covid year), we would have 41 members:

Oceania	1	2,43%
Asia	15	36,59%
Europe	20	48,78%
Africa	3	7,32%
America	2	4,88%
Total	41	100%

2. Advance SportAccord

This amount was paid for the exhibitions in Australia (2019) and China (2020). All invoices were booked in the accounting year 2020 as the payments occurred in 2019.

3. Cash position as per 31/12/2019 in USD: 171.912,09

4. Current Liabilities

- As in the previous year, the loan of Mr. Panagiotis Theodoropoulos was still unpaid.
- The 3rd parties are invoices/cost claims that are paid in the year 2020 and 2021.
- Other Warranties/debts 2018 are liabilities that have their origin in previous years. Those liabilities are decreasing every year (non-cash transactions).
- Accruals are estimated costs that are booked into the accounting system. In 2018 this was included in the 3rd parties amount. This will have a positive balance sheet effect in 2021 (non-cash transactions).

Analysis of the Balance sheet and P/L account 2020

Costs 2020:

There were invoices/cost claims for a total amount of 107.648,93 USD with following breakdown:

Analysis	Total declared costs/invoices	USD
		107.648,93
25,30% SportAccord/exhibitions		27.238,40
57,14% ITA		61.508,72
2,99% Memberships AIMS/GAISF		3.214,56
1,74% Legal Costs		1.875,00
12,83% Travel Costs & AdminCost		13.812,25
100.00%		

This means that more than 82% of all costs are attributed to the Anti-Doping and SportAccord.

All costs could be connected to a document/invoice.

Income 2020:

There were outgoing invoices for a total amount of 63.758,27 with following breakdown:

Analysis paid turnover		
Membership fees	61.500,00	96,46%
Other Income	2.258,27	3,54%
Sponsorships	0,00	0%
Income	63.758,27	100.00%

Balance sheet 2020

1. Current Assets:

There is an amount of 101.501,89 as unpaid income related to 2019 & 2020. Regarding the membership fees 2020 83,19% was not paid.

The amount of 50.541,74 relates to unpaid invoices regarding the accounting year 2018 and are considered as a loss. Therefore I took 100% of that amount as doubtful.

Regarding the collection of the membership fees, I refer to my reasoning regarding the 2019 balance sheet.

Taking 2020 (Covid year), we would have 24 members:

Oceania	1	4,17%
Asia	6	25,00%
Europe	15	62,50%
Africa	0	0,00%
America	2	8,33%
Total	24	100%

2. Cash position as per 31/12/2020 in USD: 140.744,65

3. Current Liabilities

- The 3rd parties are invoices/cost claims that are paid (or will be paid) in the year 2021.
- Other Warranties/debts 2018 are liabilities that have their origin in the previous years. Those liabilities are decreasing every year. (non-cash transactions)
- Accruals are estimated costs that are booked into the accounting system. The increase is because of the provision for ITA anti-doping.

Antwerp, the 23rd of October 2021

Luc Mortelmans

Financial Director JJIF