

## FINANCIAL REPORT 2017

16 September 2018

Dear President,  
Ladies and Gentlemen and Honorary Members,  
Ladies and Gentlemen and Presidents of Federations,  
Ladies and Gentlemen and Congress participants,

I am pleased to submit for your approval the balance sheet and income statement for the financial year 2017 (1<sup>st</sup> January to 31<sup>st</sup> December), together with the budget for 2019 (1<sup>st</sup> January to 31<sup>st</sup> December).

### 1. INCOME STATEMENT

#### SUMMARY

The income and expenditure accounts for the financial period submitted for your approval indicate an excess of revenues over expenses amounting to CHF 1 643 883.

I would like to express once again my appreciation to the President of our Federation for his generous donation of CHF 4 950 000, which allowed us to implement our programs without any budget overrun.

#### EXPENSES

**Total administrative charges:**    **CHF 3 239 047**    *0.79% below budget*

Of which:

- 1) Payroll expenses:                            **CHF 1 469 539; 4.97% above budget.**
- 2) Administration expenses:                **CHF 463 577; 2.40% below budget.**

The main categories are:

Office rental	CHF 125 610
Fees	CHF 45 966
Translation services	CHF 78 649
IT	CHF 30 699
Miscellaneous insurances	CHF 32 904
Post and telecommunications	CHF 38 397

- 3) Organization of the FIE Congress in Dubai – **CHF 294 298; 1.90% below budget.**
- 4) Bureau and Executive Committee (meetings) - **CHF 348 616; 0.40% below budget.**
- 5) Executive Committee and personnel expenses for travel (CHM) –  
**CHF 109 799; 8.50% below budget.**

The categories are:

Executive Committee expenses for travel CHF 38 877  
 Per diem for the Executive Committee CHF 24 064  
 Employees' expenses for travel CHF 46 858

6) Commissions and Councils - **CHF 391 742**; 2.06% below budget.

Refereeing	Three meetings
Legal	Two meetings
SEMI	Two meetings
Medical	Two meetings
PP	Two meetings
Rules	Two meetings
Veterans	Two meetings
Women	Two meetings
Coaches	Two meetings
Athletes	One meeting
Fair-play	Two meetings

7) SPORT ACCORD anti-doping management services, out-of-competition testing and promoting anti-doping- **CHF 109 628**; 8.64% below budget.

8) Amortisation - **CHF 51 848**; 48.15% below budget.

**Total financial charges:** **CHF 25 025** 150.25% above budget.

1) Financial expenses - bank charges **CHF 25 025**, 150.25% above budget.

2) Provisions/losses - **CHF 0.**

As the accounts are presented in CHF, currency revaluation (receipts being mainly in USD), shows a **theoretical** loss of 755 634 CHF.

**Total charges for Sport department:** **CHF 3 205 590**  
 1.59 % above budget.

1) Subsidies to the Confederations – **CHF 223 322**; 2.05% below budget.

2) Equipment for the Federations – **CHF 555 011; 7.50% below budget.**

<b>Continent</b>	<b>Number of Federations</b>	<b>Amount in CHF</b>	<b>%</b>
Africa	20	102,142	18.40%
Americas	26 including 3 countries during training camps	136,034	24.51%
Asia	22	108,751	19.60%
Europe	33	198,103	35.69%
Oceania	2	9,980	1.80%
<b>TOTAL</b>	<b>103</b>	<b>555,011</b>	<b>100%</b>

3) Schools and training for Fencing Masters - **CHF 597 162; 0.47 % below budget.**

4) Training course prior to World Championships – **CHF 136 959; 36.96 % above budget.**

5) Refereeing: examinations, seminars, bonuses - **CHF 326 708; 6.65 % below budget.**

6) Assistance to the Federations (1+1+1) - **CHF 514 954; 7.28% above budget.**

7) J/C World Championships – **CHF 155 702; 59.69% above budget.**

The budget overrun is caused by the assistance granted to the organizers of Plovdiv (equipment) of CHF 57 285.

8) Seniors/veterans World Championships - **CHF 234 902; 70.84% above budget.**

The budget overrun is caused by the assistance granted to the organizers of the CHM in Leipzig of CHF 116 988.

9) Grand Prix, World Cups, CHZ – **CHF 244 004; 26.76% above budget.**

10) Service providers - **CHF 72 753; 3.93% above budget.**

11) "Athletes Career" program - **CHF 5 082; 89.84% below budget.**

- 12) Confederations' sporting directors - **CHF 117 555; 21.63% below budget.**
- 13) Projects - **CHF 21 477 ; 78.52% below budget.**

**Communication/Marketing/TV:** **CHF 2 712 893**  
*2.78% below budget*

- 1) Video portal/ Digital content / Website - **CHF 199 493; 33% above budget.**
- Digital content - CHF 176 540  
 Video portal - CHF 9 180  
 Website - CHF 13 772
- 2) Magazines - **CHF 194 041; 9.63% above budget.**
- 3) Communication - **CHF 37 701; 5.75% below budget.**
- 4) Marketing - **CHF 82 223; 17.78% below budget.**
- 5) Events - **CHF 352 462; 14.35% below budget.**
- 6) Service providers - **CHF 63 063; 36.94% below budget.**
- 7) Specific projects - **CHF 10 281; 14.32% below budget.**
- 8) TV Broadcast (Eurosport, Euronews, CNN) - **CHF 1 773 629; 1.47% below budget.**

**Total FIE expenses are 9 182 555 CHF, i.e. 0.52% below the planned budget of 9 321 000 CHF.**

**INCOME**

- 1) Donations: donation from the President - **CHF 4 950 000**
- 2) Income from the Federations - **CHF 439 626 ; 28.17% below budget.**
- Of which:
- Annual fees from Federations- **CHF 60 327; 24.59% below budget.**
  - Organization fees (Grands Prix, World Cup) - **CHF 95 555; 30.25% below budget.**
  - International licences - **CHF 208 329; 32.80% below budget.**
  - Referees' examination fees - **CHF 11 938; 20.41% below budget.**
  - Other income - **CHF 63 466 ; 9.33% below budget.**
- 3) Finances - **CHF 29 783; 77.09% below budget.**

<b>Finances</b>	<b>CHF 29 783</b>
Interest	29,783
Adjustments of currency values	0
Realised foreign exchange gain	0
Income from previous years	0
Provision for release	0

- 4) IOC - **CHF 67 200**; *3.38% above budget.*
- 5) Income from Olympic Games -  
(Provisions set up in 2016) **CHF 5 764 000**, *identical to budget.*
- 6) Communication/Marketing/TV - **CHF 331 463**; *50.67% above budget.*
- Advertising in magazine- **CHF 54 088**; *9.85% below budget.*
  - Sponsoring - **CHF 202 500**; *125% above budget.*
  - TV rights - **CHF 74 875**; *6.96% above budget.*

## **BALANCE SHEET**

### **SUMMARY**

Our balance sheet at the end of December was positive, due to an income surplus for the year –

**CHF 1 643 883.**

Capital at 31 December 2017: CHF 6 321 780.

Long-term reserve: CHF 20 000 000.

Short-term capital: CHF 381 716

Long-term capital: CHF 0

Total liabilities **CHF 26 703 495.**

### **ASSETS**

- Tangible fixed assets - **CHF 6405**

- 1) Office and IT equipment - Gross value of this equipment - CHF 3 398
- 2) Office furniture - CHF 1 137
- 3) Sports equipment - CHF 0
- 4) General facilities - CHF 1 870

- Financial fixed assets - **CHF 5 401**
- Intangible assets - **CHF 0**

**Total fixed assets: CHF 11 806.**

## Current assets

- 1) Stock (ties, scarves, flags) – **CHF 24 061**
- 2) Debtor federations - **CHF 23 192**
- 3) Accruals - **CHF 323**
- 4) Other clients - **CHF 99 984**  
(VAT deduction. Invest / Fixed assets CHF 1 941 and others CHF 98 043)
- 5) Prepayments (prepaid expenses) **CHF 488 555**
  - Prepayment in EUR 339 584 CHF 397 042
  - Prepayment in CHF CHF 91 513
  - Prepayment in USD CHF 0
  - Accruals CHF 0

## LIABILITIES

- 1) Equity  
The capital as of 01.01.2017 (CHF 4 677 897) represents the FIE's financial situation at the beginning of the year.

The surplus of income over expenses (CHF 1 643 883) is the result from the profit and loss account described above.

Capital as of 31 December 2017 of CHF 6 321 780.

The long-term reserve is CHF 20 000 000.

Foreign long-term capital (IOC) is CHF 0

Foreign short-term capital is CHF 381 716

**“TOTAL CAPITAL” is CHF 26 703 495.**

- 2) Suppliers and accrued liabilities for a total amount of: **CHF 282,971**
  - Suppliers **CHF 30 087**
  - Accrued liabilities **CHF 252 884**

Accrued liabilities CHF		CHF 199,027
Accrued liabilities EURO	EUR 34 051	CHF 39,813
Accrued liabilities USD	USD 14 389	CHF 14,044
Provision from release		CHF 14,500

- 3) Income received in advance - **CHF 74 156**

- 4) Other creditors - **CHF 295** – VAT due

I would like to express my gratitude to all the staff from the Finance and Administration Department for their cooperation, with special thanks to our CEO, Madame Nathalie Rodriguez M.-H.

Ferial Salhi  
Secretary -Treasurer

FEDERATION INTERNATIONALE D'ESCRIME

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BALANCE SHEET

<b>ASSETS</b>	<b>31-12-2017</b>	<b>31-12-2016</b>
	<b>CHF</b>	<b>CHF</b>
Cash funds	7 478	7 564
Bank balances	26 029 453	29 469 672
<b>Cash</b>	<b>26 036 931</b>	<b>29 477 237</b>
Federation receivables	23 192	12 949
Other short-term receivables	115 987	17 946
Stocks	24 061	32 488
Accrued income	323	1 698 956
Prepaid expenses	491 194	177 653
<b>Accruals – assets</b>	<b>491 518</b>	<b>1 876 610</b>
	<hr/>	<hr/>
<b>Current assets</b>	<b>26 691 689</b>	<b>31 417 230</b>
	<hr/>	<hr/>
<b>Long-term financial assets</b>	<b>5 401</b>	<b>5 401</b>
Office and IT equipment	3 398	15 747
Office furniture	1 137	1
Sports equipment	0	13 124
General facilities	1 870	4 058
<b>Tangible fixed assets</b>	<b>6 405</b>	<b>32 929</b>
Media	0	19 935
<b>Intangible fixed assets</b>	<b>0</b>	<b>19 935</b>
	<hr/>	<hr/>
<b>Fixed assets</b>	<b>11 806</b>	<b>58 265</b>
	<hr/>	<hr/>
<b>Total assets</b>	<b>26 703 495</b>	<b>31 475 495</b>
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BALANCE SHEET

LIABILITIES AND EQUITY	31-12-2017 CHF	31-12-2016 CHF
Liabilities resulting from the purchase of goods and services	307 264	416 766
Other short-term liabilities (VAT payable)	295	545 949
Income received in advance	74 157	70 883
	<hr/>	<hr/>
<b>Foreign short-term capital</b>	<b>381 716</b>	<b>1 033 598</b>
	<hr/>	<hr/>
Provision for deferred contributions from the IOC	0	5 764 000
	<hr/>	<hr/>
<b>Foreign long-term capital</b>	<b>0</b>	<b>5 764 000</b>
	<hr/>	<hr/>
Initial capital	4 677 897	314 100
Surplus of income over expenses	1 643 883	4 363 797
<b>Final capital</b>	<b>6 321 780</b>	<b>4 677 897</b>
Reserve fund	20 000 000	20 000 000
	<hr/>	<hr/>
<b>Total equity</b>	<b>26 321 780</b>	<b>24 677 897</b>
	<hr/>	<hr/>
<b>Total liabilities and equity</b>	<b>26 703 495</b>	<b>31 475 495</b>
	<hr/>	<hr/>



**FEDERATION INTERNATIONALE D'ESCRIME**

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**INCOME STATEMENT**

	Notes	2017 CHF	2016 CHF
Donations	4	4 950 000	4 850 000
Income from the Federations	5	439 626	383 893
Contributions from the IOC	7	67 200	69 300
OG receipts	8.1	5 764 000	15 027 488
Attribution of deferred contributions from the IOC	8.2	0	-5 764 000
Communication and marketing products	9	331 463	186 951
<b>TOTAL INCOME</b>		<b>11 552 289</b>	<b>14 753 632</b>
Salaries		-1 307 626	-1 273 614
Payroll taxes		-164 292	-180 410
Other employment costs		2 378	-4 848
<b>Payroll costs</b>	<b>1.1</b>	<b>-1 469 539</b>	<b>-1 458 872</b>
Operating costs	1.2	-463 577	-499 873
Organisation of the Congress	1.3	-294 298	-283 937
Secretariat and Executive Committee	1.4	-348 616	-456 923
Executive Committee's travel expenses	1.5	-109 799	-17 922
Commissions and Councils	1.6	-391 742	-72 802
Anti-doping	1.7	-109 628	-131 732
<b>Administrative expenses</b>		<b>-1 717 660</b>	<b>-1 463 189</b>
Sports expenses	2	-3 205 590	-3 316 137
Communication and marketing expenses	3	-2 712 893	-2 975 528
RIO 2016 Olympic Games expenses		0	-1 655 956
<b>OPERATING PROFIT BEFORE INTEREST, TAXES AND DEPRECIATION (EBITDA)</b>		<b>2 446 607</b>	<b>3 883 950</b>
Depreciation	1.8	-51 848	-81 214
Foreign exchange losses (re-evaluation of foreign currency accounts from EUR/USD to CHF)		-755 634	0
Financial expenses	1.9	-25 025	-16 482
<b>Financial expenses</b>		<b>-780 660</b>	<b>-16 482</b>
Interest	6.1	29 783	-6 150
Realised foreign exchange gain	6.2	0	583 693
<b>Financial income</b>	<b>6</b>	<b>29 783</b>	<b>577 543</b>
<b>SURPLUS OF INCOME OVER EXPENSES</b>		<b>1 643 883</b>	<b>4 363 797</b>

# FEDERATION INTERNATIONALE D'ESCRIME

## LAUSANNE

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2017

#### 1. Accounting principles applied and not prescribed by the law:

- 1.1. The 'Fédération Internationale d'Escrime' (hereinafter the "FIE") is an international non-governmental non-profit organisation, having the legal form of an association under Swiss law and having its registered office in Lausanne, Switzerland.

It is recognised by the International Olympic Committee (IOC) as the world governing body for fencing. The FIE lays down the rules governing the organisation of international competitions and supervises their application.

- 1.2. The financial statements are presented in Swiss francs (CHF) in accordance with the accounting standards governed by the Swiss Code of Obligations, the regulations and bylaws of the FIE and the following

1.3. *Items denominated in foreign currencies*

Transactions in foreign currencies are converted into Swiss francs (CHF) at the exchange rate in effect at the time when they are effected. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect on the year-end date.

The rates applicable to the balance sheet below correspond to the year-end rates at 31 December 2017.

	31-12-2017	31-12-2016
	CHF	CHF
EUR/CHF	<u>1.1692</u>	<u>1.0736</u>
USD/CHF	<u>0.976</u>	<u>1.0188</u>

1.4. *Federations and other short-term receivables*

The receivables from the Federations, as well as the other short-term receivables, are recognised at their nominal value. Individual value corrections are made and then the residual balance is the subject of a flat-rate value correction of 5%.

1.5. *Stocks*

The stocks are valued at their acquisition cost or cost of production. The acquisition cost and the production cost of the stocks are determined in accordance with the weighted cost method.

FEDERATION INTERNATIONALE D'ESCRIME

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2017

1.6. *Tangible fixed assets*

The tangible fixed assets are recognised on the balance sheet at their historical cost, after deduction of the accumulated depreciation. The amortisation charges are made in accordance with the straight-line method. Any immediate amortisation charges are made within the framework of the limits of tax deductibility, on the basis of a decision by the Treasurer.

The amortisation rates are fixed in accordance with the estimated useful life of the assets:

Office and IT equipment	2-3 years
Office furniture	4 years
Sports equipment	5 years
General facilities	3-5 years
Media	3 years

2. Information and comments on the principal balance sheet and income statement items:

	31-12-2017	31-12-2016
	CHF	CHF
2.1. <i>Cash balances by currency</i>		
CHF	1 296 097	4 686 568
EUR 1,001,607.77	1 171 080	4 849 676
USD 24,149,339.60	23 569 755	19 940 993
	<u>26 036 932</u>	<u>29 477 237</u>

2.2. *Profits and losses*

The details of the headings are given in the attached table, with the annual budget for comparison purposes.

FEDERATION INTERNATIONALE D'ESCRIME

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2017

**3. Average annual full-time headcount:**

As an annual average, the number of full-time posts is between 10 and 50.

**4. Lease-credit transaction:**

Commercial lease expiring on 30 September 2021, not recognised on the balance sheet

31-12-2017 CHF	31-12-2016 CHF
<u>468 117</u>	<u>592 948</u>

**5. Liabilities due to the social insurance bodies:**

31-12-2017 CHF	31-12-2016 CHF
<u>0.00</u>	<u>24 963.70</u>

**6. Total amount of sureties constituted in favour of third parties:**

Bank guarantee concerning any lease taken by an employee

31-12-2017 CHF	31-12-2016 CHF
<u>5 401.45</u>	<u>5 400.90</u>

**2. INCOME STATEMENT FROM 1 JANUARY TO 31 DECEMBER 2017**  
**SWISS FRANCS (CHF)**

	EXPENSES			REVENUES	
	Jan/Dec 2017	Jan/Dec 2017		Jan/Dec 2017	Jan/Dec 2017
	Budget 2017	Expenses 2017		Budget 2017	Revenues 2017
<b>1A. Administration</b>	<b>3 265 000</b>	<b>3 239 047</b>	<b>4. Donations</b>	<b>5 000 000</b>	<b>4 950 000</b>
1.1 Payroll expenses	1 400 000	1 469 539	4.1 Donations by the President	5 000 000	4 950 000
1.2 Operating expenses	475 000	463 577			
1.3 Organisation of the Congress/Participation by the President of each NF in the Congress	300 000	294 298			
1.4 Bureau and Executive Committee (meetings)	350 000	348 616			
1.5 Executive Committee and personnel expenses for travel to the WCH	120 000	109 799	<b>5. Federations</b>	<b>612 000</b>	<b>439 626</b>
1.6 Commissions and Councils (meetings)	400 000	391 742	5.1 Federations' annual fees	80 000	60 337
1.7 Anti-doping	120 000	109 628	5.2 Organisation fees	137 000	95 555
1.8 Amortization	100 000	51 848	5.3 International licences	310 000	208 329
<b>1B. Finances</b>	<b>20 000</b>	<b>25 025</b>	5.4 Referee examination fees	15 000	11 938
1.9 Financial expenses	10 000	25 025	5.5 Other receipts	70 000	63 466
1.10 Provisions/losses	10 000	-			
<b>2. Sport</b>	<b>3 155 500</b>	<b>3 205 590</b>	<b>6. Finances</b>	<b>130 000</b>	<b>29 783</b>
2.1 Subsidies to the confederations	228 000	223 322	6.1 Interest	30 000	29 783
2.2 Equipment for the federations	600 000	555 011	6.2 Realised foreign exchange gain	80 000	-
2.3 Schools, Maîtres d'armes training formation	600 000	597 162	6.3 Income from prior years	20 000	-
2.4 Training camps at the championships	100 000	136 959			
2.5 Refereeing (examinations, seminars, bonuses)	350 000	326 708			
2.6 Aid to the federations	480 000	514 954			
2.7 J/C World Championships	97 500	155 702			
2.8 Seniors/veterans World Championships	137 500	234 902			
2.9 World Cups, GP, CHZ	192 500	244 004			
2.10 Service providers	70 000	72 753			
2.11 Athletes' career program	50 000	5 082	<b>7. IOC</b>	<b>65 000</b>	<b>67 200</b>
2.12 Confederations' sports directors	150 000	117 555	7.1 IOC subsidy for assistance with development	65 000	67 200
2.13 Projects	100 000	21 477			
<b>3. Com/Mkt/TV</b>	<b>2 790 500</b>	<b>2 712 893</b>			
3.1 Video portal/Digital content/Website	150 000	199 493			
3.2 Magazines	177 000	194 041			
3.3 Communication	40 000	37 701			
3.4 Marketing	100 000	82 223			
3.5 Events	411 500	352 462			
3.6 Service providers	100 000	63 063	<b>8. Proceeds from the Olympic Games</b>	<b>5 764 000</b>	<b>5 764 000</b>
3.7 Specific projects	12 000	10 281	8.1 RIO 2016 receipts	5 764 000	5 764 000
3.8 TV Broadcast (Eurosport, Euronews, CNN)	1 800 000	1 773 629			
			<b>9. Com/Mkt/TV</b>	<b>220 000</b>	<b>331 463</b>
			9.1 Escrime magazine	60 000	54 088
			9.2 Sponsorship	90 000	202 500
			9.3 Television rights	70 000	74 875
			<b>10. Other revenues</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENSES</b>	<b>9 231 000</b>	<b>9 182 555</b>	<b>TOTAL RECEIPTS</b>	<b>11 791 000</b>	<b>11 582 072</b>
Foreign exchange losses (re-evaluation of foreign currency accounts from EUR/USD to CHF)	-	755 634			
<b>12. Surplus of receipts</b>	<b>2 560 000</b>	<b>1 643 883</b>			
<b>TOTAL</b>	<b>11 791 000</b>	<b>11 582 072</b>	<b>TOTAL</b>	<b>11 791 000</b>	<b>11 582 072</b>

**Auditors' report on the limited audit**  
with annual accounts as of **31 December 2017** of  
**Fédération Internationale d'Esgrime, Lausanne**



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To the Congress of the members of the  
**International Fencing Federation (FIE), Lausanne**

Lausanne, 24 May 2018  
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## **Auditors' report on the limited audit**

In our capacity as statutory auditors, we have audited the annual accounts (balance sheet, income statement and notes to the accounts) of the Fédération Internationale d'Escrime (International Fencing Federation) for the year ended 31 December 2017.

Responsibility for the preparation of the annual accounts falls to the management, while our task consists of auditing those accounts. We declare that we meet the legal requirements for approval and independence.

Our audit was performed in accordance with the Swiss rules on limited audits. These rules require the audit to be planned and carried out in such a way that any significant irregularities in the annual accounts can be identified. A limited audit chiefly covers interviews, analytical checks and appropriate detailed verifications of the available documents in the audited company. However, verifications of operating cash flows and the internal control system, as well as hearings and other audit operations intended to detect fraud or other violations of the law, do not form part of this audit.

During our audit, we did not discover any element that might lead us to conclude that the annual accounts are not in accordance with the law (Arts. 957 et seq. of the Code of Obligations) and the Statutes.

Ernest & Young SA

Serge Clément  
Approved auditor  
(Chief auditor)

Pascal Tréhan  
Approved auditor

### **Annexe**

- ▶ Annual accounts (balance sheet, income statement and notes to the accounts)