

To the Congress of members of the
Fédération Internationale d'Esgrime, Lausanne

Lausanne, 13 June 2024

Auditors' report on the limited audit

In our capacity as auditor, we have checked the annual accounts (balance sheet, income statement and annexes to the financial statements) of the Fédération Internationale d'Esgrime for the financial year ending 31 December 2023.

Responsibility for drawing up the annual accounts rests with management, whereas our task is to audit those accounts. We confirm our compliance with the legal requirements regarding approval and independence.

Our audit was carried out according to the Swiss standard relating to a limited audit. This standard requires the audit to be planned and conducted in such a way that significant anomalies in the annual accounts may be ascertained. A limited audit primarily consists of hearings, analytical audit operations and appropriate detailed checks of the documents available in the audited company. However, checks of operating flow and the internal auditing system as well as other audit operations and hearings aimed at detecting fraud or other breaches of the law do not form part of this audit.

In the course of our audit, we did not encounter anything to lead us to conclude that the annual accounts do not comply with the law and statutes.

Ernst & Young SA



Alfred
Widmann
(Qualified
Signature)

Senior Auditor
(Audit Manager)



Pascal Tréhan
(Qualified
Signature)

Senior Auditor

Attached

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

FEDERATION INTERNATIONALE D'ESCRIME

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BALANCE SHEET

ASSETS	31.12.2023 CHF	31.12.2022 CHF
Cash funds	58 009	42 637
Bank balances	1 216 011	7 347 287
Securities	21 173 848	21 989 159
Treasury	22 447 869	29 379 083
Receivables from Federations	18 238	20 792
Other short-term receivables	80 064	44 984
Stock	21 787	12 489
Accrued income (net)	0	4 308
Prepaid expenses	185 456	123 439
Accruals – assets	185 456	127 747
Current assets	22 753 414	29 585 094
Office and IT equipment	28 643	2 882
General facilities	0	7 665
Tangible fixed assets	28 643	10 547
Fixed assets	28 643	10 547
Total assets	22 782 057	29 595 641

FEDERATION INTERNATIONALE D'ESCRIME

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BALANCE SHEET

LIABILITIES	31.12.2023 CHF	31.12.2022 CHF
Debts arising from the purchase of services	286 141	268 296
Other short-term liabilities (VAT payable)	0	0
Accruals - liabilities	500 104	798 818
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Foreign short-term capital	786 245	1 067 114
	<hr/>	<hr/>
Initial capital	8 528 526	15 286 078
Loss in the financial year	-6 532 714	-6 757 552
Final capital	1 995 812	8 528 526
Reserve fund	20 000 000	20 000 000
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Total equity	21 995 812	28 528 526
	<hr/>	<hr/>
Total liabilities	22 782 057	29 595 641
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FEDERATION INTERNATIONALE D'ESCRIME

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INCOME STATEMENT

	Notes	2023 CHF	2022 CHF
Net income from Federations	6	412 497	349 862
Contributions from the IOC	8	62 818	66 570
Communication and marketing income	10	123 938	92 000
TOTAL INCOME		599 253	508 432
Salaries		-927 148	-1 081 342
Social security charges		-149 096	-157 747
Other personnel expenses		-7 289	-5 492
Staff costs	1.1	-1 083 534	-1 244 581
Operating expenses	1.2	-366 468	-455 170
Organisation of the Congress	1.3	-289 163	-416 470
Bureau and Executive Committee	1.4	-98 492	-194 790
Travel expenses of Executive Committee	1.5	-99 665	-103 571
Commissions and Councils	1.6	-63 223	-78 849
Antidoping	1.7	-208 687	-158 292
Administrative expenses		-1 125 698	-1 407 142
Sports expenses	2	-2 646 480	-2 520 292
Communication and marketing expenses	3	-1 230 980	-1 223 271
Global Support Plan	4	-725 635	-1 221 737
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)		-6 213 075	-7 108 591
Amortisation	1.8	-18 805	-14 748
Release of provisions	1.10 + 7.4	66 408	-494
Interest and bank charges	1.9+1.9.1	-117 977	-97 724
Losses on financial investments		0	-301 305
Foreign exchange losses (revaluation of foreign currency accounts from EUR/USD to CHF)	11	-1 405 585	
Financial expenses		-1 523 563	-399 029
Bank interest	7,1	62	42
Interest on financial investments	7,1	485 909	259 486
Gains on financial investments	7,1	632 201	88 664
Net foreign exchange gain (revaluation)	7,2	0	210 322
Financial income	7	1 118 173	558 514
Exceptional expenses	4Bis	-27 715	-11 552
Extraordinary income	45 358,0	65 863	218 348
Exceptional results	4Bis + 7.3	38 148	206 796
RESULT FOR THE FINANCIAL YEAR		-6 532 714	-6 757 552

FEDERATION INTERNATIONALE D'ESCRIME

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2023

1. Accounting principles applied and not prescribed by 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 statutes of the FIE and the following accounting methods.

- 1.3. *Investment securities*

Investment securities are managed by a recognised banking institution and are marked to market daily.

- 1.4. *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 made. 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 2023.

	31.12.2023	31.12.2022
	CHF	CHF
EUR/CHF	<u>0.9287</u>	<u>0.9858</u>
USD/CHF	<u>0.8412</u>	<u>0.9234</u>

- 1.5. *Receivables from Federations and other short-term receivables*

Receivables from Federations and other short-term receivables are carried at their nominal value. Individual value corrections are made, with the residual balance subject to a flat-rate value correction of 5% and 10%.

- 1.6. *Stock*

Stock is valued at acquisition cost or production cost. The acquisition cost and production cost of stock are determined by the weighted cost method.

1.7. Tangible fixed assets

Tangible fixed assets are recognised on the balance sheet at their historical cost, after deduction of the accumulated depreciation. Depreciation charges are calculated according to the straight-line method. Any immediate depreciations are recognised within the tax deductibility limits, on the basis of a decision by the Treasurer.

Depreciation rates are set in accordance with the estimated useful life of the assets:

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

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

2.1. Cash balances by currency	31.12.2023 CHF	31.12.2022 CHF
CHF	573 974	6 746 635
HUF, 6'160	15	15
EUR, 495'773,61	460 425	531 358
USD, 284'180,61	239 053	110 411
AED, 238,81	55	801
EGP 54'996,59	135	214
GBP, 440	364	490
	<u>1 274 021</u>	<u>7 389 924</u>

2.2. Securities by currency	31.12.2023 CHF	31.12.2022 CHF
CHF	3 791 033	1 000 000
EUR, 2'729'936,44	2 686 438	4 880 514
USD, 17'469'458	14 696 377	16 108 646
	<u>21 173 848</u>	<u>21 989 159</u>

2.3. Income statement

The breakdown of the headings is provided in the attached table with the annual budget for comparison.

2.3.1 Expenses from previous years/extraordinary expenses in 2022:

This concerns the waiver of fees linked to the YOG 2022 and fees 2018-19 KCHF 3, 2021 service invoices not received for KCHF 9

Income from previous years/extraordinary income in 2022:

Abandonment of the 2020 global aid plan, reimbursement of airline tickets for the Tokyo Olympics, heating bills for 2021 and correction of LAA and IND rates for KCHF 16, resumption of athletes' provisions and equipment aid 2021 of KCHF 203.

Expenses from previous years/extraordinary expenses in 2023:

This concerns invoices for services 2022 not received for KCHF 20, such as equipment aid, transport,

as well as the resumption following the VAI audit 2017-2021 of Kchf 7.

Income from previous years/extraordinary expenses in 2023:

This involves the reimbursement of an invoice paid twice and heating bills for 2022 for Kchf 3, as well as abandonment of the 2020 global aid plan and resumption of equipment aid for 2021 and 2022 for Kchf 63.

3. Average annual number of full-time jobs:

As an annual average, the number of full-time posts is between 10 and 20 people.

	31.12.2023 CHF	31.12.2022 CHF
4. Leasing transaction and other non-cancellable long-term commitments:		
Commercial lease expiring on 30 September 2026, not recognised on the balance sheet	<u>343 286</u>	<u>468 117</u>
	31.12.2023 CHF	31.12.2022 CHF
5. Liability to pension and welfare funds:	<u>0</u>	<u>0</u>

2. INCOME STATEMENT FROM 1 JANUARY TO 31 DECEMBER 2023

SWISS FRANCS (CHF)

	EXPENSES			REVENUE	
	Jan/Dec 2023	Jan/Dec 2023		Jan/Dec 2023	Jan/Dec 2023
	Budget 2023	Expenses 2023		Budget 2023	Revenue 2023
IA. Administration	2 355 000	2 228 037	5. Donations		
1.1 Payroll expenses	1 190 000	1 083 534			
1.2 Operating expenses	425 000	366 468			
1.3 Organisation of the Congress/participation by the President of each NF in the Congress	220 000	289 163			
1.4 Bureau and Executive Committee	100 000	98 492	6. Federations	399 100	412 497
1.5 Executive Committee and personnel expenses for travel to the WCH	100 000	99 665	6.1 Annual fees of Federations	55 000	54 553
1.6 Commissions and Councils	70 000	63 223	6.2 Organisation fees	92 100	94 582
1.7 Antidoping	200 000	208 687	6.3 International licences	200 000	175 914
1.8 Depreciation & amortisation	20 000	18 805	6.4 Referee examination fees	12 000	10 816
IB. Finances and provisions		119 401	6.5 Other revenue	40 000	76 631
1.9 Bank financial expenses	25 000	77 084			
1.9.1 Financial expenses Lombard Odier investments	-	40 893			
1.10 Provisions/losses on receivables	5 000	1 424			
2. Sport	2 658 000	2 646 480	7. Finances and provisions	50 000	1 251 868
2.1 Subsidies to the confederations	240 000	344 840	7.1 Financial income	50 000	1 118 173
2.2 Equipment for the Federations	600 000	523 576	7.2 Net foreign exchange gain (Revaluation)	-	-
2.3 Schools, training for Fencing Masters	600 000	269 457	7.3 Income from previous years	-	65 863
2.4 Training camps at the championships	100 000	92 055	7.4 Release of provisions	-	67 832
2.5 Refereeing - bonuses	240 000	151 901			
2.6 Aid to the Federations	480 000	479 565			
2.7 J/C World Championships	100 000	66 711	8. IOC	67 200	62 818
2.8 Seniors/veterans World Championships	123 000	106 288	8.1 IOC subsidy to aid development	67 200	62 818
2.9 World Cups, GP, CHZ	75 000	135 165			
2.10 Service providers	100 000	90 549			
2.11 Projects (Donate your fencing gear)	-	5 850	9. Com/Mkt/TV	80 000	123 938
2.12 Implementation of criteria/conditions for AIN status	-	380 524	9.1 Escrime magazine	55 000	8 742
			9.2 Sponsorship		
3. Com/Mkt/TV	1 685 000	1 230 980	9.3 Television rights	25 000	115 196
3.1 Video portal/Digital content/Website	350 000	209 233			
3.2 Magazines	120 000	56 785			
3.3 Communication	85 000	80 947			
3.4 Marketing	80 000	68 866			
3.5 Events	300 000	165 886			
3.6 Service providers	200 000	166 173	10. Other revenues (Reserve)	6 833 700	-
3.7 TV Broadcast (Eurosport)	550 000	483 090			
4. FIE support for organisers (Swiss Timing 2022-2023 season) for senior GPs and WCHs	732 000	725 635			
4 Bis Previous years' expenses (invoices received after the accounts have been closed)	-	27 715			
SUBTOTAL	7 430 000	6 978 249	SUBTOTAL	7 430 000	1 851 121
11. Revaluation of foreign currency accounts		1 405 585			
12. Income surplus			13. Expense surplus	-	6 532 714
TOTAL	7 430 000	8 383 835	TOTAL	7 430 000	8 383 835

FINANCIAL STATEMENTS (REVENUE AND EXPENSES) ACCORDING TO THE BUDGET FROM 1 JANUARY TO 31 DECEMBER 2023					
SWISS FRANCS (CHF)					
	EXPENSES			REVENUE	
	Budget 2023	Expenses 2023		Budget 2023	Revenue 2023
1.A Administration	2 355 000	2 306 546	5. Donations		
1.1 Payroll expenses	1 190 000	1 083 534			
1.2 Operating expenses (fees, insurance, translations, rent, IT, etc.)	425 000	366 468			
1.3 Congress					
1.3a Congress participation by the President of each NF in the Congress, flight tickets, rooms, transportation, meals	220 000	252 273			
1.3 b Extraordinary Congress		36 890			
1.4 Bureau and Executive Committee	100 000	98 492	6. Federations	399 100	412 497
1.5 Executive Committee and personnel travelling to the WCH			6.1 Federation annual fees	55 000	54 553
1.5.a Flights, rooms and visa at the WCH - Junior and Cadet		12 968	6.2 Organisation fees	92 100	94 582
1.5.b Per diem WCH - Junior and Cadet	100 000	6 662	6.3 International licences	200 000	175 914
1.5.c Flights, rooms and visa at the WCH Senior		56 548	6.4 Referee examination fees	12 000	10 816
1.5.b Per diem WCH Senior		23 488	6.4 Other revenue	40 000	76 631
1.6 Commissions and Councils	70 000	63 223			
1.7 Antidoping	200 000	187 411			
1.7.1 Expenses for antidoping panel		21 276	7. Finances and provisions	50 000	1 183 259
1.B Finances and provisions	50 000	97 314	7.1 Financial income	50 000	1 077 280
1.8 Amortisation	20 000	18 805	7.2 Net foreign exchange gain (Revaluation)	-	-
1.9 Financial bank charges (bank transfer charges and management fees)	25 000	77 084	7.3 Income from previous years	-	38 148
1.10 Provisions/Losses on receivables	5 000	1 424	7.4 Release of provisions	-	67 832
2. Sport	2 658 000	2 646 480			
2.1 Subsidies to the confederations	240 000	344 840			
2.2 Equipment for the Federations	600 000	523 576	8. IOC	67 200	62 818
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2.11 Projects (Donate Your Fencing Gear)	-	5 850	9.2 Sponsorship	-	-
2.12 Implementation of criteria/conditions for AIN status		380 524	9.3 Television rights	25 000	115 196
3. Com/Mkt/TV	1 685 000	1 230 980			
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4. FIE support for organisers (Swiss Timing 2022-2023 season) for senior GPs and WCHs	732 000	725 635			
4 Bis Previous years' expenses (invoices received after the accounts have been closed)				7 430 000	1 782 512
SUBTOTAL	7 430 000	6 909 641			
11. Revaluation of foreign currency accounts		1 405 585			
12. Income surplus			13. Expense surplus	-	6 532 714
TOTAL	7 430 000	8 315 226	TOTAL	7 430 000	8 315 226