

FINANCIAL REPORT 2011-12

As at 4 September, 2012

Mr President,
Ladies and Gentlemen Members of Honour,
Ladies and Gentlemen Presidents of Federations,
Ladies and Gentlemen attendees of the Congress,

I am pleased to submit for your approval the profit and loss account and the balance sheet for the financial year ending on 30 June 2012, as well as the proposed budget for the financial year July 1, 2013, to June 30, 2014.

I hope this document helps you understand the balance sheet and the profit and loss account.

1. INCOME AND EXPENDITURE ACCOUNT

SUMMARY

The income and expenditure accounts for the financial period submitted for your approval show an excess of income over expenditure of CHF 91,648.

These balances are CHF 213,698 better than budgeted, with both expenditure and income above budget.

This successful financial result is largely due to due the greater than budgeted donation by the President and the recovery in the value of the US dollars in our accounts when measured in Swiss Franc (CHF), our bookkeeping currency.

EXPENDITURE

- 1) **Total Administration costs, within budget** **CHF 2,385,343.**
Within this total:-
 - 2) Personnel costs: **CHF 1,149,121**; above budget but below the estimate identified at last December's congress
 - 3) Administrative costs, **CHF 534,979**, 18% under budget.
The main categories are:

Office rental	CHF 120,841
Chief financial officer	CHF 100,023
Travel	CHF 44,060
Translation services	CHF 35,740
Legal services	CHF 34,144
Purchases (incl. medals)	CHF 31,082
Insurance	CHF 30,467
Postal and telecommunications	CHF 27,748
Maintenance and repair	CHF 21,694
Office extension	CHF 19,873
Accounting services	CHF 19,500
Other subcontracted services	CHF 12,688
Salary management	CHF 12,312
Other rental	CHF 11,414
Computer installation	CHF 4,586
 - 4) Philadelphia Congress – **CHF 142,043**, 42% over budget.
 - 5) Central Office ('Bureau') and Executive - **CHF 351,123**, 13% over budget.
 - 6) Commissions - **CHF 208,077**, 26% under budget:-
 - Refereeing, 2 meetings. **CHF 29,525**
 - Discipline; No activities. -
 - Legal. One meeting . **CHF 15,078**
 - SEMI. One meeting. **CHF 31,264**

- Medical/doping. Sportaccord anti-doping management services, out-of-competition dope testing and anti-doping promotion (CHF 75,592).
One commission meeting (CHF 16,956), **CHF 92,548**
- PP. One meeting. **CHF 10,657**
- Rules. One meeting. **CHF 14,937**
- Special Commission/Working Group, involving sabre gloves/Protection. **CHF 14,068**

7) Total Competitions costs, CHF 509,676, marginally below budget. Within this total:-

- 8) Junior/Cadet World Championships, Moscow – 12% over budget, at **CHF 123,085**
- 9) Senior World Championships in Catania and Kiev plus the Veterans' Championships (Catania CHF 146,257, Kiev CHF 31,574) – on budget. **CHF 179,276**
- 10) Olympics (test event) - **CHF 21,868**, 9% above budget.
- 11) Grand Prix, World Cups and Zonal Championships - **CHF 185,447**, 12% over budget.

12-19) Development plan, NF/CONF (PDC).

Within the framework of the Confederations Development Plan, the FIE organised and financed various actions for a total expenditure of **CHF 2,892,493**. These included:

A) Actions specific to each Confederation: Each confederation received help from the FIE to support its development plan, as follows:-

- Africa - CHF 217,187 (CHF 173,256 paid to the confederation, the rest for tickets etc paid directly by the FIE).
- America - CHF 295,557 (CHF 162,845 paid to the confederation, the rest for tickets etc paid directly by the FIE).
- Asia - CHF 357,165 (CHF 271,929 paid to the confederation, the rest for tickets etc paid directly by the FIE).
- Europe - CHF 241,462 (CHF 185,073 paid to the confederation, the rest for tickets etc paid directly by the FIE).
- Oceania - CHF 44,681 (CHF 37,596 paid to the confederation, the rest for tickets etc paid directly by the FIE).

These amounts included the FIE's subsidy for the participation of:

- 1 athlete for each national federation at the 2011 Catania World Championships
- 1 athlete for each national federation at the 2012 Moscow J/C World Championships
- 1 athlete for each national federation at the appropriate 2011 and 2012 senior zonal championships
- the President of each national federation at the 2011 Philadelphia Congress.

B) Other actions:

- Equipment aid – CHF 989,371
- Schools and courses – CHF 448,695
- Athletes training camps – CHF 182,704
- Referees' training and exams – CHF 115,671.

Equipment aid was received by 105 national federations, as follows

- Africa – 23 federations, to a value of CHF 246,198
- Americas – 29 federations, to a value of CHF 262,692
- Asia – 26 federations, to a value of CHF 235,085
- Europe – 25 federations, to a value of CHF 225,781
- Oceania – 2 federations, to a value of CHF 19,284

20) Total Media costs, CHF 419,626 against a budget of CHF 580,000. The remaining Media spend (CHF 149,032) is being depreciated over several years and is therefore allocated to that element of the Balance Sheet. Within the total Media spend:-

- 21)** Revue - at **CHF 114,759**, 50% of budget, due to retaining only one printed edition a year, the remainder being electronically published.
- 22)** Remaining Media - **CHF 304,867**
- 23) Total Financial costs, CHF 87,063** – see details in 24) and 25) below.
- 24)** Adjustments in currency value - no negative impact (see income).
- 25)** Exchange losses - **CHF 74,708**, significantly above budget.
- 26)** Financial costs - **CHF 12,355** - bank charges, below budget.
- 27)** Depreciation, **CHF 140,075**; 40% above budget, partly due to the depreciation on the 2011-12 acquisitions, which were significant.
- 28) Provisions and losses - **CHF 240,500**. A provision of CHF 240,500 against this year's revenue from gain in the value of our US dollars against the CHF.

INCOME

- | | |
|--|----------------------|
| 1) Gifts: the President's support; above budget at | CHF 5,326,004 |
| 2) <u>Total Income from the Federations – CHF 541,759, 11% above budget. Within this:-</u> | |
| 3) Annual membership fees, marginally below budget. | CHF 71,224 |
| 4) Organisation fees (World Cup competitions), as budgeted | CHF 127,200 |
| 5) International licences. 20% above budget. | CHF 245,735 |
| 6) Referee exam entry fees; below budget. | CHF 13,372 |
| 7) Other receipts: 39% over budget. Predominantly piste homologation fees and fees for late entry of fencers for competitions. | CHF 83,402 |
| 8) <u>Total Sponsoring and Media – CHF 186,299, 33% below budget. Within this:-</u> | |
| 9) Revue sales and advertising, below budget due to the restructuring of the Revue. | CHF 25,457 |
| 10) Sponsorship; significantly below budget – when the budget was established sponsoring of the video refereeing at Grand Prix competitions was still assumed. | CHF 115,000 |
| 11) World Championship TV rights plus Internet rights - above budget. | CHF 45,842 |
| 12) IOC Programme for development. | CHF 63,105 |
| 13) Finances - interest, significantly below budget due to the continuation of extremely low interest rates. | CHF 17,218 |
| 14) Adjustments in currency value. The gain in the value of the US dollar against the Swiss franc since end-June 2011. | CHF 620,576 |
| 15) Income from previous years. | CHF 1,109 |
| 16) Dissolution of provisions. | CHF 11,181 |
| 17) Surplus. The excess of income over expenditure for the year was: | CHF 91,648 |
| This is CHF 213,698 better than budgeted. | |

2: BALANCE SHEET

SUMMARY

Our balance sheet at end-June was satisfactory to maintain a long-term reserve as requested and supported by the President and, with the income and expenditure budgeted over the forthcoming period, to maintain the FIE finances in a healthy state.

ASSETS

Fixed assets

- 1) Office and computer equipment - The gross value of this equipment, at CHF 898,019, reflects an increase of **CHF 169,731**, of which CHF 149,032 relates to our media programme. This equipment is now written down to CHF 220,900.
- 2) Office furniture – increase in gross value of CHF 13,377, related to the office extension, to a total of **CHF 47,637** (now written down to CHF 11,936).
- 3) Sporting equipment – increase in gross value of CHF 3,644, to **CHF 317,518** (total now valued at CHF 13,863).
- 4) General equipment – increase in gross value of CHF 3,000, to **CHF 10,755**.
- 5) Other fixed assets – **CHF 28,458**, all written off.

Deposits and guarantees – no change.

Current assets

- 1) Stock (ties, scarves, flags) – **CHF 16,053** in value.
- 2) Debtor federations - at **CHF 59,808**, significantly lower than at end-June 2011. The provision against this sum has been set at **CHF 5,853**.
- 3) Accrued income (*Produits à recevoir*) - **CHF 47,324**, which represents payments owed to the FIE.
- 4) Other clients, **CHF 66,093** - payments due for invoices issued by the FIE during the last financial year, the majority consisting of CHF 29,235 of internal FIE transactions between Lausanne and Moscow, etc, CHF 19,817 for TV rights and CHF 17,042 for advertising in our magazine and on our website.
- 5) Prepayments (*Charges payées d'avance*), **CHF 531,412**: Main categories were:-

London 2012 Olympics	CHF 386,588
Refereeing	CHF 37,006
Computer equipment	CHF 20,922
Executive Committee	CHF 17,600
Social security	CHF 17,062
Insurance	CHF 13,520
Media	CHF 8,543
Annual subscriptions	CHF 4,219
Courses, schools, travel	CHF 6,631

Due to the increasing CHF value of the dollar, prepayments also includes some upwards adjustments for exchange rates.
- 6) Sundry debtors: **CHF 26,516**, relates to tax paid in advance.
- 7) Banks and cash: **CHF 12,460,563**, of which CHF 10 million represents the long-term reserve that the President wishes to maintain.

LIABILITIES

- 1) Equity (*'Fonds propres'*)
 The 'capital as at 1.07' represents the FIE's financial position at the start of the financial year.

 Excess of income over expenditure (CHF 91,648) is the outcome of the profit and loss account described above. Together with a transfer from the long term reserve (the long term reserve has been modified from CHF 11,371,371 to CHF 10,000,000), this results in capital as of 30 June 2012 of CHF 2,908,336.

 This is augmented by the long-term reserve of CHF 10,000,00, giving a figure for 'TOTAL EQUITY' of CHF 12,908,336
- 2) A provision of CHF 240,500 has been taken out against any reversal in the increase in our equity experienced in 2011-12 caused by fluctuations in currencies.
- 3) Creditors and accruals (*Fournisseurs et Charges à payer*) totalled **CHF 215,779**, of which the bulk was:

Video refereeing	CHF 72,012
World Championships	CHF 29,948
Anti-doping	CHF 29,139

Media	CHF 20,883
COMEX	CHF 16,117
Provisions	CHF 14,500
Travel	CHF 9,063
Equipment aid	CHF 7,308
Fees	CHF 6,322
Zonal championships	CHF 4,578
Communications	CHF 4,108
4) Social security, CHF 39,781	
5) Deferred income (<i>Produits encaissés d'avance</i>) – CHF 54,420:-	
Income for the 2011-2012 financial year received before the end of June, of which the great majority was:	
London 2012	CHF 41,516
2014 Youth Olympics	CHF 5,065
Advertisements in the Revue	CHF 3,820
2011-12 FIE subscriptions/organising rights	CHF 2,671
6) Other creditors - nil this year	

May I thank our administrative staff who, under the direction of our CEO, Mme Nathalie Rodriguez M.-H., have handled the administration of our finances with great efficiency and patience.