

FINANCIAL REPORT 2002-3

12 February, 2004

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

I am pleased to submit for your approval the balance sheet and the profit and loss account for the financial year ending on 30 September, 2003, as well as the proposed budget for the financial year October 1, 2004 to September 30, 2005.

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

1: BALANCE SHEET

ASSETS

Fixed assets

a) Office and computer equipment

The gross value of this equipment shows an increase of **CHF180,658**, as follows:

New FIE web-site	CHF 177,000
Laptop computer, Paris	CHF2,130
ADSL facility and installation, Lausanne	CHF1,528

b) Office furniture – no change to the gross value.

c) Transportation equipment – no change, fully written down.

d) General equipment – no change, fully written down.

e) Sporting equipment – no change to the gross value

f) Other fixed assets - no change to the gross value.

Deposits and guarantees – no change.

Circulating assets

a) Debtor federations.

CHF25,934

Similar to end-2002. By 12 February 2004, CHF13,360 of these debts had been paid. A provision of CHF9,500 has been made, as last year.

b) Accrued income (*Produits a recevoir*) (**CHF17,429**), which represents repayments which have all now been received.

c) Suppliers' payments on account, **CHF19,180** – for advertisements in the Revue. A provision of CHF3,150 has been made.

d) Advances to personnel – permanent advance on travelling expenses of CHF5000.

e) Prepayments (*Charges payées d'avance*) (**CHF342,429**): Main categories were:-

Advances on Cuba television, equipment and services costs, and cash floats, since repaid	CHF135,649
Preparation and airplane tickets for Havana World Championships	CHF137,352
Masters' school advances	CHF17,375
Insurance	CHF13,894
Leipzig congress preparation and purchases	CHF11,859

Ad-hoc commission travel (Havana)	CHF4,686
Athens Olympics visits	CHF3,952

f) 'Sundry debtors' (**CHF33,386**) is a net figure concerning VAT. A provision has been made against the risk of non-repayment of French VAT.

g) Banks and cash; **CHF2,143,480**.

LIABILITIES

a) Equity (*'Fonds propres'*)

The 'capital and reserves' shown represents the FIE's financial position as of end-September 2002.

The excess of expenditure over income shown (**CHF1,483,938**) is the outcome of the profit and loss account that follows and the 'TOTAL' the resultant position at end-September 2003.

b) Provision. **CHF51,000**, against potential loss of gains resulting from changes in exchange rates of our bank accounts.

c) Creditors and accruals (*'Charges à payer'*) totalled **CHF238,713**, of which the bulk were:

'France-Lames-contingency	CHF66,511
Revue	CHF45,567
Web-site	CHF33,571
Havana training camp-elite training	CHF20,833
Travel	CHF18,107
Provision	CHF14,500
Innovation	CHF14,353
External services	CHF12,934
International subscription	CHF3,469

d) Social creditors, at **CHF33,589**:-

Paris	CHF34,794
Lausanne	CHF-1,205

e) Deferred income (*'Produits encaissés d'avance'*) – **CHF332,917**:-

f) Payments before the end of September for 2003-4 season, of which the bulk were:

Havana World Championships sponsorship/UER first instalments	CHF192,937
Havana World Championships entry fees	CHF72,220
2003-4 FIE licences	CHF40,110
2003-4 FIE subscriptions/organising rights	CHF14,650
Last quarter 2003 Olympic Solidarity receipt	CHF13,000

2. PROFIT AND LOSS ACCOUNT

EXPENDITURE

a) Purchases –at **CHF20,154**, below budget. The main categories were:

Administrative supplies	CHF12,626
Licence cards	CHF3,344
Electricity	CHF3,049

b) Depreciation; as per budget.

c) Innovation support. Below budget, at **CHF13,846**, predominantly support for the wire-less sabre system at Grand prix competitions.

d) External services – CHF244,790 . The main categories were:	
Postal and telecommunications	CHF51,978
Property rental	CHF49,938
Insurance	CHF33,597
Fees	CHF31,583
Other rental	CHF22,834
Subcontracted services	CHF19,341
Bank charges	CHF13,567
Maintenance, cleaning and repairs of premises and equipment	CHF7,218
Fairs/exhibitions	CHF7,202

Our thanks are once again due to Cabinet ROCH for so generously placing at our disposal without charge our premises in Paris.

- e) Taxes. **CHF10,027**.
- f) Staff expenses. Under budget, at **CHF572,210**.
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|----------------|------------|
| Wages | CHF458,205 |
| Social charges | CHF103,561 |
| Other costs | CHF10,444 |
- g) Travel – **CHF46,921**. The under-run is due to a re-attribution of many travel costs to the ‘Bureau and Executive’ account.
- h) Revue - At **CHF198,397**, over-run versus budget partly because five editions were published in the financial year, instead of four. Subtracting the costs (CHF40,500) of the edition carried over from 2001-2 (published in October 2002) would still result in an over-run.
- i) International organisation annual fees. AGFIS, ASOIF, etc.
- j) Help to confederations – **CHF47,046**. Under-run due to the cancellation of part of the European confederation aid.
- k) Junior/Cadet World Championships – at **CHF182,564**, 30% over budget but 24% below the comparable 2002 cost.
- l) Senior/Veteran World Championships – at **CHF768**, Veterans Championships.
- m) Proficiency courses – **CHF89,990**; support for fencers, selected in collaboration with the confederations, to train before and participate at Trapani, and Havana. The budget supposed other activities which have not been implemented.
- n) Training of fencing masters – **CHF147,891**. This heading includes expenditure both from the core FIE budget and from the Olympic Solidarity support (CHF56,000). Schools involved are shown in the Annual Report of the Executive Committee (**‘Rapport moral’**).
The “School operating costs” are the expenditures of the “French governmental aid”, which we did not receive (see “Income”).
The main reason why expenditure on fencing schools this year was below that budgeted was the delay in starting the South American school in Bolivia.
- o) Equipment aid to federations – **CHF88,496**. As sums are now shown net of all discounts/rebates, the CHF160,000 budget is the equivalent of CHF80,000 of the expenditure.
- p) General Assembly (Trapani) – at **CHF8,996**. a small overrun.
- q) Central Office (Bureau) and Executive At **CHF137,984**, the over-run is partly due to the redistribution of a number of travel costs to this account. Travel (CHF104,415) accounted for 76% of these costs.

r)	Commissions; the Refereeing Commission was always planned to meet twice, but a number of other commissions also held an extra meeting in autumn 2002, postponed from the 2001-2 financial year.	
	• Refereeing, 43% over budget (2 extended meetings).	CHF49,985
	• Discipline. One meeting and tribunals. Over budget.	CHF31,359
	• Legal. One meeting. Below budget.	CHF14,702
	• SEMI. Two meetings.	CHF40,068
	• Medical. Two meetings.	CHF31,163
	• PP. Two meetings.	CHF40,236
	• Rules One meeting.	CHF20,051
	• Special and Athletes Commissions. No meeting, sundry travel	CHF1,033
s)	Other financial.	CHF2,000
t)	Provision/losses.	CHF66,400
	Provision against potential loss of exchange gains	CHF51,000
	Provision on French VAT	CHF10,500
	Provision on suppliers /write-off of federation debts	CHF4,900

INCOME

a)	Annual membership fees. No comments.	CHF55,500
b)	Organisation fees (World Cup competitions). No comments.	CHF150,000
c)	International licences. An improvement on 2001-2.	CHF180,542
d)	Referee examination fees.	CHF4,600
e)	Revue sales and advertising. A success	CHF60,830
f)	Television rights No significant rights as no senior World Championships. Rights were budgeted as the Havana championships were assumed to occur at end-September	CHF2,518
g)	Junior World Championship entry fees. On estimate but 15% below Antalya. Budget clearly pessimistic!	CHF101,446
h)	Olympic Solidarity; contribution to fencing master schools. Below budget As payment made in US\$ (slide in exchange rate)	CHF56,000
i)	French governmental aid in support of fencing master schools - discontinued.	
j)	Official supplier sponsoring, cancelled due to bankruptcy of France-Lames.	NIL
k)	Supplier rebate on equipment aid. See comment on expenditure.	NIL
l)	Interest, slightly below budget due to worldwide drop in interest rates.	CHF56,812
m)	Sundry: mainly fines for failure to provide referees and the writing off of a number of untraceable historic credits.	CHF12,490

- n) Net gain on exchange rates. The devaluation of the US dollar versus the Swiss Franc has been more than offset by the increase in the value of the Euro. **CHF58,629**
Unrealised, on bank deposits CHF51,478
On debits and credits CHF7,151
- o) Deficit. The excess of expenditure over routine income for the year was **CHF 1,483,938**.
This is CHF242,312 below budget.

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