

FINANCIAL REPORT 2003-4

28 January, 2005

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, 2004, as well as the proposed budget for the financial year October 1, 2005 to September 30, 2006.

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 **CHF28,825**, as follows:

Extension of the FIE web-site	CHF14,160
Computers	CHF12,263
Fax machine	CHF2,402

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 – the gross value of this equipment shows an increase of **CHF46,841**, consisting of additional score boards and their boxes, and replacement score board transporting boxes.

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

Deposits and guarantees – no change.

Circulating assets

a) Debtor federations. At **CHF 30,174**, more than in 2002-3 (CHF25,934). By 25 January, 2005, CHF26,750 of these debts had been paid. A provision of CHF6,400 has been made.

b) Accrued income (*Produits a recevoir*) (**CHF35,781**), which represents repayments, 62% of which had been received by 25 January.

c) *Other clients* - suppliers' payments on account, **CHF1,200**– for advertisements in the Revue.

d) Advances to personnel – permanent advance on travelling expenses of **CHF5,000**.

e) Prepayments (*Charges payées d'avance*) (**CHF47,412**): Main categories were:-

Masters' school advances	CHF17,375
Prepayments for the Elective Congress	CHF14,104
Insurance	CHF8,168

f) 'Sundry debtors' (**CHF343**) relates to VAT for creditors and accruals and deferred income.

g) Banks and cash; **CHF450,556**.

LIABILITIES

a) Equity (*Fonds propres*)

The 'capital and reserves' shown represents the FIE's financial position as of end-September 2003.

The excess of expenditure over income (**CHF1,757,117**) is the outcome of the profit and loss account and the 'TOTAL' the resultant position at end-September 2004.

- b) The provision of **CHF51,000** against potential loss of gains resulting from changes in exchange rates of our bank accounts made in September 2003 has been cancelled. Losses due to exchange rate changes in 2003-4 are to be found in the Profit and Loss Account.
- c) Creditors and accruals (*Charges à payer*) totalled **CHF214,410**, of which the bulk were:
- | | |
|------------------------------------|-----------|
| France-Lames-contingency | CHF66,511 |
| Olympic Games and referee training | CHF47,709 |
| External services, various | CHF24,582 |
| Web-site | CHF17,103 |
| Provision | CHF14,500 |
| VAT | CHF10,239 |
| Training courses | CHF7,075 |
| New York World Championships | CHF7,000 |
| Congress report, Leipzig | CHF6,860 |
| COMEX/Commissions | CHF5,317 |
| Personnel costs | CHF3,637 |
- d) Social creditors, at **CHF27,690:-**
- | | |
|----------|-----------|
| Paris | CHF34,548 |
| Lausanne | CHF-6,858 |
- e) Deferred income (*Produits encaissés d'avance*) – **CHF93,355:-**
 Payments before the end of September for 2004-5 season, of which the bulk were:
- | | |
|--|-----------|
| 2004-5 FIE licences | CHF67,025 |
| Last quarter 2004 Olympic Solidarity receipt | CHF12,600 |
| 2003-4 FIE subscriptions/organising rights | CHF9,830 |

2. PROFIT AND LOSS ACCOUNT

EXPENDITURE

- a) Purchases –at **CHF14,701**, below budget. The main categories were:
- | | |
|-------------------------|-----------|
| Administrative supplies | CHF11,334 |
| Electricity | CHF2,530 |
- b) Depreciation, **CHF153,929**; over budget, as the major development of the web-site in 2003 had not originally been budgeted.
- c) Innovation support. Over budget, at **CHF162,789**, predominantly:-
- | | |
|--|------------|
| Transparent masks, prizes at Havanna and purchase of masks, including for Athens | CHF121,419 |
| Support for the wire-less sabre at Grand prix events and the Olympics | CHF36,662 |
- d) External services – **CHF272,985**. Slightly over budget. The main categories were:
- | | |
|---|-----------|
| Property rental | CHF50,246 |
| Postal and telecommunications | CHF38,894 |
| Insurance | CHF38,417 |
| Fees | CHF36,561 |
| Computer equipment, development, servicing and repair | CHF32,574 |
| Other rental | CHF29,403 |
| Bank charges | CHF13,511 |
| Subcontracted services | CHF7,491 |
| Maintenance, cleaning and repairs of premises and other equipment | CHF6,812 |

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

- e) Taxes. **CHF9,550.**
- f) Staff expenses. Under budget, at **CHF568,811.**
- | | |
|----------------|------------|
| Wages | CHF453,521 |
| Social charges | CHF91,478 |
| Other costs | CHF23,812 |
- g) Travel – **CHF45,416.**

- h) Revue - At **CHF116,222**, a significant saving on budget and previous years. After investigations, the production has been moved from Switzerland to France.
- i) International organisation annual fees. AGFIS, ASOIF, etc., **CHF3,756**.
- j) Help to confederations – **CHF51,696**. Under-run due to the reduced value of the US dollar.
- k) Junior/Cadet World Championships – at **CHF170,621**, 8% below budget.
- l) Havana Senior World Championships/ Veteran World Championships– at **CHF237,248**, 13% over budget.
- m) Olympic Games, including, preparation et qualification, New York World Championships – **CHF224,530**, versus budget of CHF35,000, notably because of the unanticipated high cost of travel to and accommodation at Athens, and the unbudgeted pre-Athens referee training courses:-
- | | |
|---|------------|
| Athens Olympic Games and preparatory visits | CHF112,091 |
| Referee training courses | CHF51,277 |
| New York World Championships | CHF31,514 |
| Olympic Zonal Qualifying events | CHF29,648 |
- n) Proficiency courses – **CHF91,976**; support for fencers, selected to train before and participate at Havana (CHF37,865) and Plovdiv (CHF54,111). Expenditure under-ran budget as some of the Havana costs were assigned to 2002-3.
- o) Training of fencing masters – **CHF125,486**. This heading includes expenditure both from the core FIE budget and from the Olympic Solidarity support (CHF50,800). Schools involved are shown in the Annual Report of the Executive Committee (**'Rapport moral'**). The main reason why expenditure on fencing schools this year was below that budgeted was the delay in starting the South American school.
- p) Equipment aid to federations – **CHF100,359**. As budgeted.
- q) General Assembly (Plovdiv) and congress (Leipzig) – **CHF136,233**. Major overrun due to the celebration at Leipzig of the FIE's 90th anniversary.
- r) President, Central Office (Bureau) and Executive **CHF146,393**. Travel accounted for 65% of these costs.
- s) Commissions; the Refereeing Commission held one meeting instead of the budgeted two, but the Rules, PP and Medical commissions held unbudgeted meetings:
- | | |
|--|------------------|
| • Refereeing, 34% under budget | CHF23,322 |
| • Discipline | CHF11,600 |
| • Legal. No activity | - |
| • SEMI. Sundry expenses | CHF1,804 |
| • Medical. One unbudgeted meeting, to study the anti-doping code | CHF15,565 |
| • PP. One unbudgeted meeting | CHF20,270 |
| • Rules One unbudgeted meeting | CHF12,225 |
| • Special and athletes Commissions | CHF6,973 |
- t) Exchange losses, net, due to the decline in value of the US dollar **CHF55,416**
- u) Other financial; includes write-off of previous years' FIE fees and interest. **CHF11,026**
- v) Provision/losses. **CHF14,828**
- | | |
|--|-----------|
| Write-off of historical French VAT (net of 2002-3 provision) | CHF12,228 |
| Write-off of federations' 2003-4 debts | CHF2,600 |

INCOME

a) Annual membership fees. No comments	CHF62,100
b) Organisation fees (World Cup competitions). No comments	CHF200,100
c) International licences. A major improvement over 2002-3	CHF240,797
d) Revue sales and advertising	CHF28,319
e) Television rights - for Havanna	CHF80,000
f) World Championship sponsoring - Tissot	CHF92,432
g) Junior World Championship entry fees	CHF113,893
h) Entry fees for senior World Championships (Havanna)	CHF82,489
i) Entry fees for for zonal Olympic qualification competitions, not budgeted	CHF18,496
j) Olympic Solidarity; contribution to fencing master schools. Below budget as payment made in US\$ (slide in exchange rate)	CHF50,800
k) Interest, below budget due to worldwide drop in interest rates.	CHF11,843
l) Sundry: mainly the cancelling of a 2002-3 provision against unpaid Revue advertising, and revenue from previous financial years.	CHF16,345
m) Provisions/risks. The cancelling of the 2002-3 provision against exchange rate gains – a technical adjustment.	CHF51,000
n) Deficit. The excess of expenditure over routine income for the year was CHF 1,757,117 This is CHF143,504 over 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.