

FINANCIAL REPORT 2005-6
13 February, 2007

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, 2006, as well as the proposed budget for the financial year October 1, 2007 to September 30, 2008.

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 **CHF65,138**, including:

Modifications to website	CHF51450
Wiring & telephone system at the new Lausanne head-office	CHF10,223

b) Office furniture. The gross value of this equipment shows an increase of **CHF3,504**, for furniture for the new head-office in Lausanne.

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. At **CHF 37,649**, a minor reduction from 2004-5 (CHF39,344). By 12 February, 2007, CHF6,200 of these debts had been paid. An increased provision, of CHF16,000, has been made.

b) Accrued income (*Produits à recevoir*) (**CHF56,304**), which represents repayments, 42% of which had been received by 12 February, 2007.

c) Other clients - suppliers' payments on account, **CHF5,100** – for advertisements in the Revue. All of which had been received by 12 February, 2007.

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

e) Prepayments (*Charges payées d'avance*) (**CHF116,289**): Main categories were:-

Scoring equipment for World Championships and Grand Prix	CHF49,459
Payments for the Turin World Championships	CHF33,264
Insurance	CHF13,772
Preparatory visits, Beijing	CHF10,580
Masters' schools advances	CHF4,194

f) 'Sundry debtors' (**CHF58,653**) relates to tax paid in advance (CHF46,057) and other VAT (CHF12,596).

g) Banks and cash; **CHF5,946,502**.

LIABILITIES

a) Equity (*Fonds propres*)

The 'capital and reserves' shown represents the FIE's financial position as of end-September 2005.

The excess of expenditure over income (**CHF CHF1,590,934**) is the outcome of the profit and loss account and the 'TOTAL' the resultant position at end-September 2006.

- b) The provision against potential loss of gains resulting from changes in the exchange rates of our bank accounts has been reduced from CHF400,000 to **CHF340,000**.
- c) Creditors and accruals (*Charges à payer, fournisseurs*) totalled **CHF246598**, of which the adjusted bulk were:
- | | |
|---------------------------------|------------|
| Sponsoring and TV rights, Turin | CHF116,901 |
| Training camp, Turin | CHF29,961 |
| Turin, other costs | CHF21,289 |
| Commissions, COMEX, Congress | CHF18677 |
| Provision | CHF14,500 |
| External services, various | CHF11,661 |
| Medals, gifts | CHF9,833 |
| Equipment aid | CHF4,403 |
- d) Social creditors, at **CHF33,453:-**
- | | |
|----------|-----------|
| Paris | CHF35,742 |
| Lausanne | CHF-2,288 |
- e) Deferred income (*Produits encaissés d'avance*) – **CHF155,757:-**
 Payments for the 2006-7 season made before the end of September, of which the bulk were:
- | | |
|--|-----------|
| 2006-7 FIE licences | CHF95,165 |
| Sponsoring for Turin World Championships | CHF30,438 |
| Last quarter 2006 Olympic Solidarity receipt | CHF15,475 |
| 2006-7 FIE subscriptions/organising rights | CHF12,600 |
- f) Other creditors – **CHF40,159** - VAT payments.

2. PROFIT AND LOSS ACCOUNT

EXPENDITURE

- a) Purchases –at **CHF39,039**, over budget. The main categories were:
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|-------------------------|-----------|
| Administrative supplies | CHF12,781 |
| Material from Tissot | CHF9,138 |
| Electricity | CHF2,096 |
- b) Depreciation, **CHF91,110**; below budget.
- c) Innovation and development support. Below budget, at **CHF86,968**, predominantly:-
- | | |
|------------------------------------|-----------|
| Video replay, development | CHF41,396 |
| Internet broadcasting, development | CHF27,045 |
| Development, new federations | CHF10,341 |
| Development of competitions | CHF6,465 |
- d) External services – **CHF307,443**. 6% over budget, due to the supporting of the Levallois Masters competition with prizes, largely offset by sponsoring received. The main categories were:
- | | |
|---|-----------|
| Property rental | CHF54,500 |
| Prizes, Masters | CHF46,710 |
| Insurance | CHF36,998 |
| Postal and telecommunications | CHF35,643 |
| Other rental | CHF34,058 |
| Fees | CHF25,949 |
| Bank charges | CHF21,643 |
| Medals and gifts | CHF13,182 |
| Subcontracted services | CHF9,816 |
| Competition equipment | CHF7,785 |
| Maintenance, cleaning and repairs of premises and other equipment | CHF7,475 |

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

- e) Staff expenses. Over budget, at **CHF673,172**.

Wages	CHF523,883
Social charges	CHF138,913
Other costs	CHF10,376
f) Travel – CHF45,945 , 2% over budget.	
g) Revue - At CHF189,940 , over budget, because of an extra edition and the increase in print run in line with the number of holders of licences.	
h) International organisation annual fees. AGFIS, ASOIF, etc., CHF4,537 .	
i) Support for confederations – CHF77,581 . Marginally over budget.	
j) Junior/Cadet World Championships – at CHF107,221 , 26% over budget (notably elevated travel and transport costs).	
k) Senior World Championships; CHF 195,729 . The budget only anticipated the Leipzig championships which, at CHF131,456, exceeded their budget by 9%. Virtually all the remaining costs relate to Turin, one third of whose costs are assigned to this financial year because the championships began in September, 2006.	
l) Proficiency courses and courses at Fontainebleau – CHF313,708 . Only the proficiency courses (total cost 169,534) were budgeted. These supported fencers selected to train before and participate at Taebaek (CHF89,604) and Turin (CHF42,300). Expenditure over-ran budget as some of the Leipzig costs were also assigned to 2005-6 (CHF37,630). Expenditure on Fontainebleau courses amounted to CHF144,174.	
m) Training of fencing masters – CHF164,460 . Schools involved are shown in the Annual Report of the Executive Committee (‘Rapport moral’).	
n) Equipment aid to federations – CHF126,310 . Over budget but under the revised limit established by the Executive Committee in spring, 2006.	
o) Qatar Congress and Taebaek General Assembly – CHF38,742 , within budget.	
p) President, Central Office (‘Bureau’) and Executive CHF200,118 . Budget overrun. Travel accounted for 77% of these costs.	
q) Commissions; the Refereeing Commission held three meetings instead of the budgeted two, with meetings of longer duration. In addition, refereeing examiners’ costs began to be paid for by the FIE for the first time during 2006.	
• Refereeing, 135% over budget. Three meetings and exam expenses	CHF105,598
• Discipline; no activity	-
• Legal. No meeting, sundry expenses	CHF1,728
• SEMI. No meeting, sundry expenses	CHF5,045
• Medical. No meeting, sundry expenses	CHF9,312
• PP. No meeting, sundry expenses	CHF3,575
• Rules No meeting, sundry expenses	CHF7,403
• Special and Athletes Commissions	CHF2,261
s) Exchange losses	CHF36,317
t) Provisions – an increase for that against bad debts on annual fees	CHF8,000

INCOME

a) Annual membership fees.	CHF62,700
b) Organisation fees (World Cup competitions).	CHF192,000
c) International licences. A 9% improvement over 2004-5.	CHF273,245
d) Referee exam entry fees.	CHF24,132
e) Revue sales and advertising; 70% over budget.	CHF50,087
f) World Championships and Masters sponsorship; over budget as includes sponsoring for Leipzig (budgeted) and one third of Turin (unbudgeted) plus that for the Levallois Masters.	CHF181,146
g) World Championship TV rights; over budget as includes Leipzig (budgeted) and one third of Turin (unbudgeted)	CHF111,871
h) Olympic Solidarity; contribution US\$51,360 versus \$40,000 budgeted	CHF65,119
i) Taxes. Shown as income this year as we received a repayment of VAT in line with a VAT regime for the 4 years of the Olympiad, as against the CHF6,000 expenditure budgeted.	CHF7,086
j) Interest, 148% over budget due to our specific investments, plus increasing world interest rates.	CHF198,337
k) Sundry: mainly fees for late entry of fencers for competitions	CHF23,111
l) Provisions/risks – a reduction in the 2004-5 provision for exchange losses	CHF60,000
m) Surplus/deficit. The excess of expenditure over routine income for the year was: This is CHF23,384 over budget, but CHF281,616 below the revised target established in spring, 2006.	CHF 1,590,934

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.