

FINANCIAL REPORT 2008-9

30 January, 2010

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, 2009, as well as the proposed budget for the financial year July 1, 2010, to June 30, 2011.

As the financial year 2009-10 has been reduced from 12 months to 9 months in order to adjust our financial cycle to conform to the decisions of the Palermo congress, I am also submitting a revised 2009-10 budget for your approval.

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

1: BALANCE SHEET

ASSETS

Fixed assets

- 1) Office and computer equipment.
The gross value of this equipment reflects a decrease of **CHF 48,736**, representing the removal from our records of various items of equipment that are fully depreciated and no longer used, partly offset by the purchase of a number of computers and investment in the improved website.
- 2) Office furniture – decrease in gross value of **CHF 16,352**, representing the removal from our records of various items of furniture in the Paris office on its closure.
- 3) Sporting equipment – decrease in gross value of **CHF 20,949**, representing the removal from our records of the stocks of medals, which have now been fully used up.
- 4) Other fixed assets - no change to the gross value.

Deposits and guarantees – a temporary increase in gross value of CHF 7,305, adjusted in November.

Circulating assets

- 1) Debtor federations. At **CHF 33,539**, a major reduction from 2007-8 (CHF 60,358). A provision of **CHF 3,749** has been made, most of the remainder having already been paid.
- 2) Accrued income (*Produits à recevoir*) **CHF 41,791**, which represents payments owed to the FIE. All of this has now been received.
- 3) Other clients - suppliers' payments on account, **CHF 83,751**, the great majority being CHF 73,586 of sponsoring.
- 4) Prepayments (*Charges payées d'avance*), **CHF 253,009**: Main categories were:-

World Championships	CHF 91,370
Courses, schools	CHF 49,862
Lausanne social charges	CHF 22,286
COMEX	CHF 21,439
Congress	CHF 19,438
Masters	CHF 18,144
Web/software etc, development, rent and servicing,	CHF 14,829
Insurance	CHF 13,257
- 5) 'Sundry debtors' (**CHF 36,799**) relates to tax paid in advance.
- 6) Banks and cash; **CHF 14,155,185**, of which CHF 10,335,371 represents the bulk of the long term reserve that the President wishes to create.

LIABILITIES

- 1) Equity (*'Fonds propres'*)

The 'capital as at 1.10' represents the FIE's financial position at the start of the financial year.

The excess of income over expenditure (CHF 843,423) is the outcome of the profit and loss account, excluding the receipts for the long-term reserve. This results in capital as of 30 September 2009 of CHF 2,103,632.

This is augmented by the receipts for the long-term reserve of CHF 10,335,371, giving a figure for ‘TOTAL EQUITY’ of **CHF 12,439,003**.

- 2) The provision against potential loss of gains resulting from changes in the exchange rates of our bank accounts is increased by CHF 15,000 to **CHF 315,000**.
- 3) Creditors and accruals (*Fournisseurs et Charges à payer*) totalled **CHF 419,262**, of which the bulk was:

Video refereeing	CHF 174,974
Provisions	CHF 90,050
Courses	CHF 43,738
Aid for federations	CHF 26,996
COMEX, Bureau	CHF 24,662
World Championships	CHF 24,203
Media	CHF 12,965
Dope testing	CHF 8,744
- 4) Social creditors, **CHF 6,017**, of which CHF 2,766 at the Paris office, CHF 3,251 relating to Lausanne.
- 5) Deferred income (*Produits encaissés d'avance*) – **CHF 1,547,635**:-
 Payments for the 2009-10 season made before the end of September, of which the great majority represents the part of the gift (US\$ 5 million) received in February 2009 that was attributable to the period October-December 2009, i.e., the next financial year.
 Main categories therefore were:

Last quarter 2009 gift	CHF 1,295,000
2009-10 FIE licences and exam fees	CHF 96,905
Sponsoring for Antalya - Tissot	CHF 96,190
2009-10 FIE subscriptions/organising rights	CHF 30,250
Last quarter 2009 IOC Programme for development aid	CHF 16,290
- 6) Other creditors - VAT payments, this year at zero.

2. PROFIT AND LOSS ACCOUNT

EXPENDITURE

- 1) Depreciation, **CHF 67,445**; below budget.
- 2) Personnel costs: **CHF 1,028,634**; 3% over budget due to employment agency charges and severance costs.
- 3) Office costs, **CHF 352,700**, 13% under budget, partly due to recategorising bank charges (CHF 21,162) under ‘Finances’ at the request of our accountants. The main categories are:

Office rental	CHF 76,862
Insurance	CHF 34,587
Purchases	CHF 34,539
Tax and duty	CHF 33,824
Postal and telecommunications	CHF 32,340
Fees	CHF 28,165
Travel	CHF 26,311
Subcontracted services	CHF 15,736
Other rental	CHF 14,869
Maintenance, cleaning and repairs of premises and other equipment	CHF 14,085
Computer installations	CHF 13,097
Relocation costs	CHF 12,833
- 4) Junior/Cadet World Championships – at **CHF 71,346**, 55% of budget
- 5) Senior World Championships in Antalya plus the Veterans’ Championships in Moscow – **CHF 19,600**, below budget (mainly the small component of Antalya costs that were assigned to 2008-9).

- 6) Olympics/Youth Olympics. No expenditure in 2008-9.
- 7) Masters, Grande Prix and Zonal Championships: **CHF 115,119**, below budget due, particularly, to much reduced Grand Prix video refereeing costs (budgeted to include épée competitions, which were ultimately excluded). This economy is offset by a similar reduction in Tissot sponsoring revenues.
- 8) Paris Elective Congress and Belfast General Assembly – **CHF 344,745**, on budget.
- 9) Central Office ('Bureau') and Executive **CHF 318,154**, 6% over budget.
- 10) Commissions, **CHF 218,704**, 32% under budget:-
- Refereeing, 3 meetings, 16% below budget **CHF 79,394**
 - Discipline; No activities (CHF15,000 budgeted) **-**
 - Legal. One meeting . **CHF 21,880**
 - SEMI. One meeting, limited sundry expenses. **CHF 22,746**
 - Medical/doping. One meeting, Conference attendance, and out-of-competition dope testing . **CHF 44,609**
 - PP. One meeting. **CHF 23,637**
 - Rules. One meeting. **CHF 26,438**
 - Special and Athletes Commissions. No activities. **-**
- 11-18) Development plan, NF/CONF (PDC) - **CHF1,878,759**, 8% under budget. The PDC was decided in June 2009. Some activities were initiated at this period (for example the courses). As a result the total budget (items 11 to 18) could not be spent by 30/09/09. Some sums can be used in 2009-10.
- 19) Revue - At **CHF 141,365**, below budget – the 4th edition was published in early October rather than end-September.
- 20) Media, **CHF 57,927**, 5% over budget.
- 21) Exchange loss. At the start of the year we took the precaution, because of unstable exchange rates, of budgeting an exchange loss. This did not materialise.
- 22) Finances, **CHF 21,230**, predominantly not budgeted due to the transfer of bank charges to this account, as noted above.
- 23) Provisions and losses, **CHF 91,925**. Provisions have been allocated in the accounts as follows:
- | | |
|---|-------------------|
| Provision of exchange losses against non-realised gains this year | CHF 15,000 |
| Provision for outstanding risks | CHF 75,550 |
| Adjustment of the provision for debtor federations | CHF 1,375 |

INCOME

- 1) Gifts: the President's gift of US\$ 5 million in February 2009 was assigned in the budget to this financial year 2008-9. As however it relates to the 2009 calendar year, 25% of it has been reallocated to 2009-2010. **CHF 4,505,000**
- 2) President's gift destined for the long term reserve (not budgeted): **CHF 1,086,000**
- 3) Annual membership fees. **CHF 66,000**
- 4) Organisation fees (World Cup competitions). Below budget due to some cancellations. **CHF 177,250**
- 5) International licences. Marginally above budget. **CHF 260,330**
- 6) Referee exam entry fees. **CHF 23,940**
- 7) Revue sales and advertising, under target. **CHF 42,286**
- 8) Sponsorship; see comments earlier on Grand Prix competitions – the reduction in expenditure versus budget is matched by a drop in sponsoring revenue. **CHF 93,721**

- | | |
|--|-----------------------|
| 9) World Championship TV rights; under budget due to the loss of the EBU contract for Antalya. A small part of these rights is assigned to this year. | CHF 3,086 |
| 10) IOC Programme for development (Olympic Solidarity). | CHF 65,327 |
| 11) Interest, significantly above budget due to our specific investments and the prudent nature of the budget. | CHF 131,010 |
| 12) Other receipts: Predominantly piste homologation fees, plus fees for late entry of fencers for competitions, etc. | CHF 53,870 |
| 13) Provisions: None in 2008-9. | |
| 14) Exchange gain, representing CHF 130,116 on realised gains and CHF 15,780 on unrealised gains | CHF 145,896 |
| 15) Revenue from the previous financial year – a repayment relating to the Beijing games. | CHF 3,360 |
| 16) Revenue from the Beijing games. | CHF 9,249,371 |
| 17) Surplus. The excess of income over expenditure for the year was:
This is 5% above budget.
After taking account of the funds assigned to the special long-term reserve, the excess
Is CHF 843,423. | CHF 11,178,794 |

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.