



**European Fencing Confederation
Confédération Européenne d'Escrime**

28.05.2015

Information Letter no. 17-2015

Dear Member Federations,

please find attached to this letter the report of our auditors

- Dr. Maurizio Annitto (ITA)
- Peter Jacobs (GBR)

This is just a pre-information; you will get a complete documentation of our finances at the Congress in Montreux, similar to last year's Congress in Strasbourg.

Best regards,

Max Geuter
General Secretary

General Secretariate
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STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

CONFEDERATION EUROPEENNE D'ESCRIME a.s.b.l
EUROPEAN FENCING CONFEDERATION a.s.b.l

To the membership,

PREMISES

In compliance with the assignment entrusted to us by your Executive Committee, as provided by your Internal Rules (Chapter VI article 23.4), we hereby report to you, for the year ended December 31, 2014 on the audit of the accompanying financial statements of the European Fencing Confederation (E.F.C) which comprise:

- The balance sheet as at December 31,2014;
- The profit and loss account for the year then ended;
- A summary of significant accounting policies and other explanatory notes.

These financial statements have been approved by the Executive Committee. Our role is to express an opinion on these financial statements based on our audit.

NOTES TO THE ANNUAL ACCOUNTS

1. GENERAL

The "European Fencing Union" was created on October 26, 1991 in Austria for an unlimited period; by virtue of a decision of the General Assembly, held on April 21,1997 in Gdansk (Poland), the denomination of the association was changed to: "Confédération Européenne d'Escrime" (C.E.E) - "European Fencing Confederation" (E.F.C)

The association has been registered to the Luxembourgish " Registre du Commerce & des Societes" as at 25th January 2006, under the number F0001378, and it has its registered office in 90, rue Ermesinde – L1469 – LUXEMBOURG.

The object of the association is to:

- Promote and develop fencing in Europe;
- Ensure friendly and technical mutual aid between the different European Federations;
- Represent fencing among European authorities;
- Organize European Championships and other European competitions ;
- Coordinate and improve fencing education in Europe;
- Participate in the activities of the " Fédération Internationale d' Escrime (FIE) in conformity with its status.

The accounting year begins on 1st January of each year and ends on December 31 of the same year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual accounts have been prepared in accordance with generally accepted accounting principles.

The financial statement presentation has been done in the same way as in the previous year and conforms with Luxembourgish financial statements presentation.

The association maintains its accounting records in € (EURO) and its annual accounts are expressed in this currency. The transactions made in a currency other than € are translated into € at the exchange rate prevailing at the transaction date. Assets, other than fixed assets, and liabilities denominated in currencies other than Euro are translated into Euro at the exchange rate prevailing at the balance sheet date.

Cash accounts are recorded at their nominal value.

3. WORK PERFORMED

Our examination was conducted in accordance with generally accepted auditing standards. In accordance with such principles, the statutory audit is planned and performed in order to obtain the necessary assurance about whether the financial statements are free of material misstatement and, taken as a whole, reliable.

An audit was carried out in a manner consistent with the size of the association and its organizational structure. It includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management.

We believe that our audit provides a reasonable basis for the expression of our opinion.

For the opinion on the financial statements of prior year, which are presented for comparative purposes as required by law, we refer to the report issued by the previous auditor on May 19 2014.

We have considered the draft financial statements, which was made available to us by the Executive Committee, on which we report as follows:

STATEMENT OF FINANCIAL POSITION 2014						
BALANCE SHEET						
	Period ending 31/12/2014		2013		2014	2013
	Gross amount	Accumulated depreciation	Net amount			
ASSETS				LIABILITIES		
Fixed assets				Net assets (Unrestricted)		
Intangibles assets				Net assets at beginning of the year	104.640,92	159.579,71
Tangible assets				Results of period	2.167,00	-54.938,79
Financial assets				Total	106.807,92	104.640,92
Total						
Convertible assets				Debts		
Cash and cash equivalents			146.585,92	Accounts payable		2.605,11
Inventories				Accrued expenses	13.155,00	2.000,00
Other current receivables			3.086,04	Revenues	26.623,00	1.200,00
Total			146.585,92	Total	39.778,00	5.805,11
Total Assets			146.585,92	Total Liabilities	146.585,92	110.446,03

Statement of financial activities
for the year ended 31st December

	Exercice 2014		Exercice 2013		Variation
	Amounts	%	Amounts	%	%
OPERATING INCOME					
Subvention from FIE: Annual Grant	20.349,90	8,85%	19.891,60	9,89%	2,30%
National Federations	104.926,82	45,65%	108.606,00	54,02%	-3,39%
Foundation for the Future of Fencing	7.551,84	3,29%	-	-	-
Licence Fees	76.639,00	33,34%	58.849,29	29,27%	30,23%
Membership Fees	20.400,00	8,87%	13.700,00	6,81%	48,91%
Total operating income	229.867,56	100,00%	201.046,89	100,00%	14,34%
OPERATING EXPENSES					
Championship Expenses and President's funds	93.129,97	40,51%	145.786,91	72,51%	36,12%
Cadet Circuit Support	10.994,51	4,78%	-	-	-
Technical Director	23.202,61	10,09%	17.517,21	8,71%	-32,46%
Referees Project	7.551,84	3,29%	0,00	0,00%	100,00%
Veterans Commission	0,00	0,00%	522,00	0,26%	84,51%
Promotion commission/Fencing Day	657,00	0,29%	4.242,43	2,11%	-
Women's Council	240,00	0,10%	-	-	-
Insurance	1.760,00	0,77%	1.760,00	0,88%	0,00%
Video referees system	801,00	0,35%	8.235,00	4,10%	90,27%
Administration costs	31.541,02	13,72%	49.538,45	24,64%	36,33%
Congress costs	23.831,64	10,37%	21.701,67	10,79%	-9,81%
Accountants' Fees	5.000,00	2,18%	-	-	-
Audit fees	2.000,00	0,87%	2.000,00	0,99%	0,00%
Web Portal	11.731,41	5,10%	-	-	-
Other Expenses	1.464,49	0,64%	1.000,00	0,50%	-46,45%
Total operating expenses	213.905,48	93,06%	252.303,67	125,49%	15,22%
OPERATING RESULT	15.962,08	6,94%	-51.256,78	-25,49%	131,14%
Financial profits & costs					
Exchange Rate difference	6.385,30	-	-	-	-
Interest income & Change	202,02	0,09%	512,52	0,25%	60,58%
Interest expense & bank costs	-519,62	-0,23%	-3.859,41	-1,92%	86,54%
CURRENT RESULT OF THE YEAR	22.029,77	9,58%	-54.603,67	-27,16%	140,34%
Exceptional income & expenses					
Prior period income	-	-	-	-	-
Prior period expenses	-19.863,26	-8,64%	-335,12	-0,17%	5827,21%
CHANGE IN NET ASSETS	2.166,51	0,94%	-54.938,79	-27,33%	103,94%

CASH FLOW STATEMENT	Year ended 31st December
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	2014	2013
CASH GENERATED FROM OPERATIONS		
Change in Net Assets	2.167	(54.939)
Increase/(Decrease) Other Current Receivables	3.086	(2.634)
(Increase)/Decrease Accounts payable	33.973	(62.221)
	39.226	(119.794)
Purchase of Fixed Assets	-	
NET INCREASE/(DECREASE) IN CASH	39.226	(119.794)
Cash and cash Equivalents at beginning of year	107.360	227.154
Cash:	1.758	
Bank c/c in € n° 48.84.77.298	7.494	
Bank c/c in \$ n° 57.21.47.554	63.652	
Bank deposit: n° 59.03.97.052	34.456	
Total	107.360	
Cash and cash Equivalents at end of year	146.586	107.360
Cash:	4.683	
Bank c/c in € n° 48.84.77.298	68.852	
Bank c/c in \$ n° 57.21.47.554	70.037	
Bank deposit: n° 59.03.97.052	3.014	
Total	146.586	
NET INCREASE/(DECREASE) IN CASH	39.226	(119.794)

4. OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the aforementioned financial statements as a whole, are in compliance with accounting principles generally accepted, in particular in Luxembourg, and provide a true and fair view of the financial position and the results of the Association.

May, 14, 2015

Maurizio Annitto

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Peter Jacobs

Peter Jacobs