

# ANNEX Pt 11

# FEI GENERAL ASSEMBLY

13 November 2022, Cape Town(RSA)

## FEI PROFIT & LOSS STATEMENT

		2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	2022 BUDGET
		Audited	Audited	Audited	GA Approved	Revised
<b>ACC No</b>	<b>REVENUES</b>					
60	<b>COMMERCIAL REVENUE</b>					
600 6000-19	SPONSORSHIP REVENUE	27'021'941	10'443'740	16'316'867	24'969'856	22'586'158
602 6020-30	BROADCAST REVENUE	3'014'406	1'362'804	3'516'186	2'514'990	1'393'931
604 6040-50	OTHER MARKETING REVENUE/LICENSEING/ONLINE SHOP	10'296	6'062	74'925	0	641'680
	<b>TOTAL COMMERCIAL REVENUE</b>	<b>30'046'642</b>	<b>11'812'605</b>	<b>19'907'978</b>	<b>27'484'846</b>	<b>24'621'769</b>
61	<b>OPERATIONAL REVENUE</b>					
610 6100-09	ANNUAL SUBSCR & GA, SF REGISTRATIONS	816'939	374'750	403'457	838'000	838'000
611 6110-20	CALENDAR FEES & ORGANISING DUES	7'274'910	2'671'570	5'393'502	5'950'000	6'450'000
613 6130-32	HOSTING FEES	1'198'500	206'250	502'000	850'000	1'474'500
614 6140-42	HORSE & RIDER REGISTRATIONS FEES	1'322'340	1'019'210	1'319'920	1'397'000	1'397'000
615 6150	PASSPORTS & CHANGE OF NAMES	4'573'281	3'244'196	4'304'060	4'000'000	4'250'000
616 6160-63	FINES & OTHER LEGAL CONTRIB.	388'098	1'133'800	575'299	180'000	930'000
617 6170	ANTI-DOPING & WELFARE	4'472'120	2'450'644	3'611'350	3'800'000	3'800'000
	<b>TOTAL OPERATIONAL REVENUE</b>	<b>20'046'187</b>	<b>11'100'420</b>	<b>16'109'587</b>	<b>17'015'000</b>	<b>19'139'500</b>
62	<b>NON-OPERATIONAL REVENUE</b>					
620 6200	IOC CONTRIBUTION	2'830'895	0	16'266'000	3'000'000	3'000'000
630 6300	IOC/IF DEVELOPMENT PROGRAMME	70'000	68'600	64'400	70'000	70'000
640 6400	RENTAL REVENUES	628'712	634'317	525'485	481'344	481'344
660 6610-19	OTHER REVENUE	90'465	78'786	99'295	55'000	55'000
670 6700	CONTRIBUTION FROM FUNDS	532'927	1'116'513	1'564'144	2'605'525	2'768'525
6701	PROVISION RELEASE	202'641	76'394	0	4'119'210	4'119'210
	<b>TOTAL NON-OPERATIONAL REVENUE</b>	<b>4'355'639</b>	<b>1'974'610</b>	<b>18'519'324</b>	<b>10'331'079</b>	<b>10'494'079</b>
	<b>TOTAL NET REVENUES</b>	<b>54'448'469</b>	<b>24'887'634</b>	<b>54'536'890</b>	<b>54'830'924</b>	<b>54'255'347</b>
<b>ACC No</b>	<b>EXPENSES</b>					
50	<b>COMMERCIAL EXPENSE</b>					
500 5000-09	SPONSORSHIP EXPENSE	17'686'911	4'601'838	8'003'797	18'860'138	17'014'972
502 5020-49	BROADCAST EXPENSES	4'835'078	2'674'350	4'126'244	4'938'810	4'793'188
505 5050-60	OTHER MARKETING EXPENSE/LICENSEING/ONLINE SHOP	430'412	96'746	142'487	282'500	602'392
	<b>TOTAL COMMERCIAL EXPENSE</b>	<b>22'952'401</b>	<b>7'372'933</b>	<b>12'272'528</b>	<b>24'081'448</b>	<b>22'410'552</b>
51	<b>OPERATIONAL EXPENSES</b>					
510 5100-09	PROFESSIONAL FEE/CONSULTING	4'265'323	3'204'760	3'637'692	4'493'262	4'798'262
520 5200-02	EDUCATION	553'030	339'518	310'986	1'078'000	1'123'000
525 5251-59	PRINTING EXPENSES	93'813	164'563	103'396	20'000	120'000
530 5300	INTEGRITY UNIT	299'915	191'687	215'600	350'000	350'000
534 5357	VETERINARY RESEARCH	187'439	1'126	96'579	275'000	275'000
535 5351-56	ANTI-DOPING & WELFARE	3'633'504	1'879'144	2'802'650	3'965'000	3'965'000
536 5361-65	SOLIDARITY	1'009'144	783'377	752'690	1'660'233	1'660'233
	<b>TOTAL OPERATIONAL EXPENSE</b>	<b>10'042'169</b>	<b>6'564'175</b>	<b>7'919'594</b>	<b>11'841'495</b>	<b>12'291'495</b>
54	<b>GENERAL &amp; ADMINISTRATION EXPENSES</b>					
540 5400-29	STAFF CHARGES	14'817'920	12'678'598	14'244'069	15'724'407	15'967'871
550	TRAVEL & EXPENSES					
5500	-FEI Staff	758'664	159'268	514'904	671'275	696'275
5501	-Others	1'309'558	414'010	675'789	1'002'100	1'057'100
560 5600-50	FACILITIES CHARGES	478'561	353'312	377'436	431'000	431'000
570 5700-02	GENERAL SERVICES	292'609	177'726	143'153	189'500	189'500
575 5750-52	TROPHIES & MEDALS	170'945	51'330	88'217	144'699	169'699
577 5770	INSURANCE	94'856	119'642	111'956	123'000	123'000
580 5800-05	DEPRECIATION	119'308	141'087	170'440	211'000	211'000
591 5910-11	TAX	55'895	107'146	132'084	55'000	55'000
595 5950	ALLOCATION TO FUNDS	2'930'188	725'942	15'287'012	145'000	95'000
597 5970-79	OTHER EXPENSES	659'155	260'306	405'755	11'000	11'000
597 5980	SPECIAL PROJECTS	638'780	166'630	1'222'776	350'000	398'000
	<b>TOTAL GENERAL &amp; ADMINISTRATION EXPENSE</b>	<b>22'326'438</b>	<b>15'354'997</b>	<b>33'373'590</b>	<b>19'057'981</b>	<b>19'404'445</b>
	<b>TOTAL EXPENSES</b>	<b>55'321'008</b>	<b>29'292'105</b>	<b>53'565'712</b>	<b>54'980'924</b>	<b>54'106'492</b>
<b>## 6500-35</b>	<b>FINANCIAL REVENUES NET</b>	<b>3'070'358</b>	<b>-527'062</b>	<b>2'711'325</b>	<b>150'000</b>	<b>0</b>
	<b>NET RESULT</b>	<b>2'197'819</b>	<b>-4'931'532</b>	<b>3'682'503</b>	<b>0</b>	<b>148'855</b>

## **Comments to 2022 FEI revised budget**

(all numbers in '000 CHF unless otherwise specified)

Dear President, Members of the Board, Secretary General,

Please find here below the explanations to the revised 2022 Budget. When preparing the 2022 budget last September, there were still some uncertainties as to how 2022 would develop. A few months into 2022 has brought us some clarity for 2022 with still a slight uncertainty about if/how the pandemic will evolve towards the end of the year. We have reviewed the assumptions and have adjusted some parts of the original budget as follows:

- **Total commercial revenues**

- Sponsorship revenues have been revised downwards by 2'383 to 22'586. 1'250 is due the cancellation of 4 WC events and 1 NC event. 1'000 is due to updating downwards the EUR/CHF from original budget. The exchange difference will also reduce expenses translation into CHF and is therefore neutral to the p&l.
- TV revenues were revised downwards by 1'121 to 1'393. This reduction is the result of a misunderstanding between Finance and Commercial at the end of 2021. The FEI had cashed forward the balance of the contract with IMG. Some of that amount should have been moved to 2022 but was left in 2021 books in line with the 2021 revised budget. The instalment was not lost but booked in the wrong year.
- Digital campaigns, launched in December 2021, are expected to generate 641 for 2022 for a production cost of 50%, leaving a net of 320 of profit for the FEI.

- **Total operational revenues**

These were revised upwards by 2'124 to 19'139, due to an improving situation whereas we see virtually no more cancellations of events due to Covid-19. This led us to forecast better organizing dues, passports.

Bio security fines were introduced after the GA in Antwerp and we estimate they will reach 750 by the end of 2022. As a side note, the FEI has invested so far 611 in the development of the Horse app (one-time cost). This investment has accelerated since the outbreak of the EHV-1. The recurrent costs to maintain, upgrade the app and developing new features are estimated at 100-120 at least on a yearly basis, without counting the additional staff needed for the follow-up and support to the users of the app.

- **Total non-operational revenues**

- Contribution from funds: were revised upwards by 115 that will be drawn from the IT Fund as an invoice due in 2021 was only booked in 2022 after the close of 2021 books.

- **Total commercial expenses**

- Sponsorship expenses were revised downwards by 1'846 to 17'014 reflecting the event cancellations mentioned in the revenues and the reduction of the EUR/CHF exchange rate.
- As mentioned above in the commercial revenues, we have included in section (505 5050-60) the cost of producing the ads for the digital campaigns in the amount of 320.

- **Total operational expenses**

- Professional fee/consulting were revised **upwards by 115** but is compensated by a release from the IT fund as mentioned above.
- Printing expenses were revised **upwards by 100** resulting from a budgeting mistake in 2021. This concerns the order of passports and validation cards.

- **Total General & Administrative expenses**

- Staff charges are revised **upwards by 243** to 15'967. With the resuming of the activity, increased workload resulted in IT department, in the support functions consequent to the apps developments and the implementation of the bio-security fines. That will lead to the creation of 3 additional positions in 2022. One additional position in Solidarity is confirmed as of 01.07.2022 (it was a temporary one until 30.06.2022). 2 additional positions are being discussed as of this writing in other departments. They have been budgeted but are not approved yet.
- Travel and expenses for non FEI staff (others) were increased by 55 in Governance to account for the work of the Social License to Operate Commission that has been put in place by the FEI. Stage 1 will happen in 2022. Stages 2&3 are scheduled for 2023 and will be budgeted accordingly next year.

The improvement on the FEI activity front allows us to conservatively predict a small profit for 2022. However, one caveat to that is the financial portfolio which is currently returning a loss of 3'000, consequent to the downturn of the financial markets since the beginning of the year, the war in Ukraine, and the adverse economic conditions we have seen during the spring consequent to the interest rates tightening across the world.

As the year is not over, we will not try to predict the results of the portfolio for 2022. Already in 2020 and 2021 we started the year with a loss, only to show a turn-around during the year. This year, given the above conditions that will stay with us, this will be more difficult to achieve though.

Claude Praz  
CFO  
09.06.2022