Report of the statutory auditor on the limited statutory examination on annual accounts 2019

to the Supreme Governing Board (Foundation Council) of the

Fondation d'Ethique de la Gymnastique

Lausanne

Biel/Bienne, 15 June 2020

2/1 ex. / pdf

BVCONSULT SA

BVConsult SA
Rue de Flore 5
2502 Biel/Bienne

T +41 32 321 50 10

info@bvconsult.ch
www.bvconsult.ch

Membre FIDUCIAIRE | SUISSE
EXPERT SUISSE

Report of the statutory auditor on the limited statutory examination to the Supreme Governing Board (Foundation Council) of the

Fondation d'Ethique de la Gymnastique, à Lausanne

As statutory auditor, we have examined the financial statements (balance sheet, profit & loss statement and notes) of the Fondation d'Ethique de la Gymnastique for the first year 2019 ended 31 December 2019.

These financial statements are the responsibility of the Supreme Governing Board (Foundation Council). Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the limited statutory examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or legal violations, are not within the scope on this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

Bienne, 15 June 2020

BVConsult SA

Vincent Bernasconi
Expert-comptable diplômé
Expert-réviseur agréé
Réviseur responsable

Enclosures: financial statements (balance sheet, profit & loss statement and notes)

Gymnastics Ethics Foundation
Lausanne

Financial Statements 2019

First financial period

March 1, 2019 to December 31, 2019

Comptes établis par DYN SA, Lausanne Membre FIDUCIAIRE | SUISSE

Balance sheet

Gymnastics Ethics Foundation, Lausanne
I
Financial Statements 2019
(first financial period)

Assets (CHF)	Notes	**31.12.2019**
Current assets		
Cash & cash equivalents	4.0	669'272.41
Current investments	5.0	1'204'700.00
Accounts receivable	6.0	7'296.00
Total current assets		**1'881'268.41**
Total assets		**1'881'268.41**

Liabilities	Notes	**31.12.2019**
Current liabilities		
Operating creditors	7.0	24'049.68
Accrued expenses	8.0	4'500.00
Total current liabilities		***28'549.68***
Total liabilities		**28'549.68**
Equity		
Foundation capital		2'000'000.00
Annual result		(147'281.27)
Total equity		***1'852'718.73***
Total equity		**1'852'718.73**
Total liabilities		**1'881'268.41**

Income statement

Gymnastics Ethics Foundation, Lausanne

II

Financial Statements 2019

(first financial period)

In CHF	Notes	from 01.03.2019 to 31.12.2019
Reimbursement procedural fees		500.00
Total revenues		***500.00***
Management fees		(108'937.50)
Legal fees		(2'667.35)
Disciplinary section		(5'158.85)
Foundation board		(28'571.58)
Management expenses		(665.25)
Staff charges		(1'021.68)
Office rental and maintenance		(6'195.06)
Property insurances		(1'175.85)
Phone & internet		(118.80)
Accountancy and auditing fees		(4'500.00)
Incorporation legal fees		(7'111.85)
Total operating expenses		***(166'123.77)***
Operating result		**(165'623.77)**
Financial income	9.0	20'845.70
Financial expenses	10.0	(2'503.20)
Financial results		***18'342.50***
Annual result		**(147'281.27)**

Notes

1.0 Valuation principles applied in the annual accounts

These financial statements have been prepared in accordance with the commercial accounting of the Swiss Code of Obligations (Art. 957 to 963b, effective 1 January 2013). The main balance sheet items are accounted for as follows.

1.1 Securities custody account

The securities' custody account held with UBS AG is valued at fair value as at December 31st. The difference between the acquisition value and the actual value is shown in the notes in section 5.0 and the annual changes are shown in the notes in section 10.0.

1.2 Asset management and investment

The Foundation Council has delegated the management of the securities to UBS AG and is responsible for the periodic monitoring of the securities. The Foundation's investment and asset management policy follows the principles of investment security, reasonable return, risk spreading and liquidity. The investment policy requires that at least 50% of the investments in equities and bonds be in Swiss francs. The Foundation Council's requirements are as follows: :

	Cash	Bonds	Equities	Swiss Real Estate	Alternative	Commodities / Precious Metal
Target	20%	20%	10%	50%	0%	0%
Min-Max Range	0%-100%	10%-60%	0% - 20%	0% - 60%	0%-10%	0%-10%

The statement of investments as at December 31st is composed as follows :

	Cash	Bonds	Equities	Swiss Real Estate	Alternative	Commodities / Precious Metal
CHF	669'272.-	296'961.-	157'742.-	749'997.-	0.-	0.-
%	35,71%	15,85%	8,42%	40,02%	0%	0%

No investments are made in foreign currencies.

Notes

2.0 Foundation goal and activity

The Gymnastics Ethics Foundation was registered in the commercial registry of the Canton de Vaud on the 1st of March 2019 (CHE-347.927.650). The headquarters of the Foundation are in Lausanne. Its activity consists in supervising the respect of the good conduct and ethical principles of the International Gymnastics Federation, manage disciplinary procedures, protect athletes from harassment and abuse.

2.1 Articles of Incorporation and Active Regulations

Articles of Incorporation	Latest update	21.12.2018
Operational rules	Latest update	07.01.2019
Investment regulations	Latest update	05.03.2020

2.2 Statutory auditor

BVConsult SA (CHE-412.528.209), Bienne

3.0 Foundation council's members and persons committing the Foundation

Surname and name	*Function*	*Allowance CHF*
Calmy-Rey Micheline	President	-
Carrard François	Treasurer	-
Hong Ivana	Council member	-
Corn Slava	Council member	-
Al-Hussein Prince Faisal Bin	Council member	-
Mc Lin Alexander	Director	-

3.1 Information on the number of employees

The annual average of full-time jobs is 0.

Notes

	Positions in details in CHF	2019
4.0	**Cash & cash equivalents are distributed as follows**	
	UBS AG - current account CHF	669'272.41
	Cash & cash equivalents	**669'272.41**
5.0	**Current investments are distributed as follows**	
	UBS AG - custody account (acquisition value)	1'205'754.78
	Change in value at December 31	-1'054.78
	Current investments (market value)	**1'204'700.00**
6.0	**Accounts receivable are distributed as follows**	
	Withholding tax to be recovered	7'296.00
	Accounts receivable	**7'296.00**
7.0	**Operating creditors are distributed as follows**	
	Creditors	24'049.68
	Operating creditors	**24'049.68**
8.0	**Accrued expenses are distributed as follows**	
	Accruals	4'500.00
	Accrued expenses	**4'500.00**
9.0	**Financial income is distributed as follows**	
	Income of investments	20'845.70
	Financial income	**20'845.70**
10.0	**Financial expenses are distributed as follows**	
	Banking fees and charges	1'448.42
	Unrealized loss on rate	1'054.78
	Financial expenses	**2'503.20**

Statement in equity

Gymnastics Ethics Foundation, Lausanne
IV
Financial Statements 2019

In CHF	**31.12.2019**
Available equity	
Foundation initial contribution	2'000'000.00
Annual result	(147'281.27)
Total equity	**1'852'718.73**