

# **EUROPEAN PARALYMPIC COMMITTEE**

Adenauer Allee 212-214  
Bonn, Germany

## **Translation of the Auditor's Report for the Year 2004**

**I. Request and implementation of request**

- 1 The Executive Committee of the Association

**European Paralympic Committee, Bonn**

**- abbreviated to "EPC" or "Association" -**

has commissioned us to prepare the annual statement for the financial year 2003, including the book-keeping, according to the principles of commercial law.

- 2 The annual statement prepared by us is attached to this report as Annexes I (Balance sheet) and II (Profit and loss account).
- 3 We used the books and documents as well as the other balance sheet documents of the Association as auditing documents.

All information, explanations and evidence requested by us have been willingly provided by the treasurer of the EPC.

- 4 From the formal point of view, our commission covered compliance with the aspects of commercial law relating to the annual statement. A further subject of our audit was proper book-keeping and documentation of the business transactions, the correct development of the statement from the books and accounts and from the other balance sheet documents of the Association. Some of the accounting was audited completely and some of it in the form of spot checks.

- 5 We have carried out no auditing from the actuarial point of view.

Checking for the properness of management was not a subject of our remit.

- 6 According to an express declaration by the treasurer, all assets, liabilities and risks of the Association are shown in the annual statement as of 31 December 2003. In addition, the Association is not aware of any risks or liabilities which have to be entered in the balance sheet or noted.

- 7 Work on the annual statement was substantially carried out in January 2005 on our premises.

- 8 The result of the audit appears in the report below, which is divided into a main part and three annexes.

In the main part, we first discuss the legal situation and economic principles, after which the annual statement as of 31 December 2003 is explained in the form of a summary. After commenting on the accounting, we summarize the result of our audit in a final remark.

- 9 For the implementation of the request and our responsibility, the agreements of the commission and the "general commissioning conditions for auditors and auditing companies" as of 1 January 2002 - which are attached to this report as Annex IV\* - are pertinent for the implementation of the commission and our responsibility, also in relation to third parties.

\*) not enclosed to this translation

## **II. Legal conditions and economic principles**

### 1. Legal conditions

10 The Association is:

European Paralympic Committee (EPC)

and is entered in the register of associations at the Bonn District Court under No. 7683.

11 The Association has its seat in Bonn.

12 The purpose of the Association is to promote and to defend the common interests of European athletes with disabilities who are represented by their respective national organizations as members of the EPC, without discrimination on the basis of religion, economic conditions, disability, sex, language and ethnic origin.

13 The legal basis is the Association's articles of association.  
According to the letter of the "Finanzamt Bonn-City" of February 06, 2004 the constitution amended as per September 28, 2003 corresponds to the the respective legal requirements, hence the EPC has been declared as a non-profit organization.

14 Organs of the EPC are:

1. The General Assembly
2. The Executive Committee.
3. The Board

15 The General Assembly will be convened at least once every two years in writing by the Executive Committee of the EPC. The last General Assembly was held on 28.09.2003 in Athens (Greece).

There, the 2004-2005 budget was approved and the annual statements from 2001 and 2002 were confirmed. The actions of the Board were formally approved.

16 The Executive Committee comprises:

1. the President
2. the Secretary General
3. the Treasurer
4. the Sports Director
5. the Athletes' Representative
6. four members at large

17 The Executive Committee of the EPC is responsible for the guidance and management of the EPC and is accountable and responsible to the General Assembly for the effective implementation of the general policy adopted by the General Assembly. The last meeting of the Executive Committee was held on November 13 & 14, 2004 in Rome (Italy).

18 Membership of the EPC is open to the national organizations, which in turn are members of the IPC (National Paralympic Committee or the corresponding organization).

19 The financial year is the calendar year.

20 A cash audit and a status report must be implemented for every financial year. Such an overall report must be presented to every General Assembly.

## 2. Economic principles

21 In order to fulfill its functions, the Association levies from its member organizations contributions which, in the year under review, were EURO 300 per member country.

22 The Association performs its activity in Bonn, Adenauer Allee 212 – 214.

### **III. The annual statement as of 31 December 2004**

- 23 The annual statement of the Association as of 31 December 2004, attached as Annexes I and II (balance sheet and profit and loss account) and prepared by us, has been derived from the books kept by the EPC. During its preparation, the principles of proper book-keeping and accounting and the regulations of commercial law relating to the annual statement were observed.
- 24 The valuation of the assets and of the debts is in agreement with the statutory regulations. The recognizable risks were sufficiently taken into account through valuation adjustments and accruals.
- 25 The US-\$ account with the ABN AMRO Bank has been balanced as of May 21, 2004, its proceeds exchanged at the day's exchange rate to EURO and credited to EPC's EURO-account with the ABN AMRO Bank.
- 26 Below, we discuss the annual statement 2004, initially in Section 1 - the profit and loss statement and in Section 2 - the balance sheet and the financial situation of the Association.

**1. The profit and loss statement for the period from  
1 January to 31 December 2004**

27 Below, we explain the income situation of the EPC for the financial year 2004. The expenditure items and income items are organized as in the profit and loss statement shown in Annex 2.

	2004 T€	2003 T€	Change T€
<b>I. <u>Income</u></b>			
1. Membership contributions	15	15	0
2. Participation fees	0	67	-67
3. Advertising rights	0	6	-6
4. Income from project "Paralympic School Day"	83	0	83
5. Earnings from interest	1	0	1
6. Earnings from exchange rate differences	4	8	-4
7. Other earnings	6	18	-12
	<u>109</u>	<u>114</u>	<u>-5</u>
Annual deficit	<u>109</u>	<u>0</u>	<u>0</u>
	<u>109</u>	<u>114</u>	<u>-5</u>
<b>II. <u>Expenditures</u></b>			
1. Expenditures for project "Paralympic School Day"	83	0	83
2. Travel costs and accommodation	4	13	-9
3. Costs of annual statement and auditing	4	4	0
4. Development Committee	0	7	-7
5. Bank charges	1	1	0
6. Notary and consultancy costs	1	1	0
7. Magazine	1	3	-2
8. Internet	3	3	0
9. Treasurer	1	0	1
10. Representation cost	1	4	-3
11. General Assembly	0	3	-3
Carried forward:	<u>99</u>	<u>39</u>	<u>60</u>

	2004 T€	2003 T€	Change T€
Carried forward:	99	39	60
12 Expenditures from exchange rate difference	0	18	-18
13. Tax on unearned income	0	1	-1
14. Transfer to IPC	0	45	-45
15. Value adjustment	0	7	-7
	99	110	-11
16. Annual surplus	10	4	6

- 28 The main incomes of the Association are the membership contributions at T€ 15 in 2004. They remained basically unchanged compared with the previous year. Malta did not have an EPC membership in 2004.
- 29 For the project "Paralympic School Day", the EPC was allocated a first instalment of T€ 83 by the European Commission in 2004. The project is being carried out with the cooperation of the International Paralympic Committee (IPC). This latter organization is in charge of handling the project and preparing the detailed accounts.

**2. The balance sheet as of 31 December 2004**

30 The balance sheet is discussed on the basis of the following

**comparison of the balance sheet figures  
as of 31 December 2004 and 31 December 2003**

	2004 T€	2003 T€	Change T€
<b><u>Assets</u></b>			
<u>Assets tied up in the short and medium term</u>			
Accounts receivable	1	29	-28
Bank balance	169	150	19
<u>Balance sheet total</u>	<u>170</u>	<u>179</u>	<u>-9</u>
<b><u>Liabilities</u></b>			
<u>Equity capital</u>			
Capital	52	42	10
<u>Assets tied up in the short and medium term</u>			
Earmarked funds	108	50	58
Accruals	6	6	0
Liabilities	4	81	-77
	118	137	19
<u>Balance sheet total</u>	<u>170</u>	<u>179</u>	<u>-9</u>

- 31 The accounts receivable are T€ 7. These also include outstanding membership contributions from 2004 at a level of T€ 2, as well as an outstanding invoice at a level of T€ 5. The open invoice refers to capitation taxes and logo rights for the EC Equestrian in Portugal 2002. A respective reserve for bad debt in the same amount has been created.
- 32 The liquid assets increased mainly because of the payment of the EU-Commission for the project "Paralympic School Day" amounting to T€ 83.
- 33 The capital increased by the balance sheet annual surplus of T€ 10 to T€ 52 in 2004 (previous year T€ 42).
- 34 The earmarked funds of T€ 108 are funds of UEFA (T€ 50) as well as of the European Commission for the project "Paralympic School Day" (T€ 58).
35. The accruals of T€ 6 are composed by T€ 4 for auditing the accounts as well as for consultancies plus T€ 2 for project costs.
- 36 The total liabilities are composed mainly by the capitation taxes of T€ 3 to be transferred to the IPC.

#### **IV. The accountancy**

- 37 The chart of accounts is organized and structured according to the needs of the Association. Accounts and journals are kept properly and correctly.
- 38 The submission of receipts has been correct. All receipts required for our auditing were submitted.

**V. Concluding remark**

39 The annual statement as of 31 December 2004 of the

**European Paralympic Committee,  
Bonn**

with a

balance sheet total of € 169.887,85

and an

annual surplus of € 9.564,21

was prepared by us on the basis of the book-keeping of the Association, with observation of the law and articles of association. We have checked the book-keeping as required. The above audit report and the attached annexes provide information about the scope and the result of the auditing.

Düsseldorf, January 10, 2005

T R B  
Treuhand-Revision-Beratung  
Gesellschaft mbH  
Auditing Company

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