



PANATHLON INTERNATIONAL

LUDIS IUNGIT

Treasurer's Report on the annual accounts for the period ending on 31 December 2022

2022 was quite special as a financial year, since it involved the organisation of both ordinary and extraordinary events.

I would like to mention the Fair Play symposium held in Rondine (AR, Italy), the General Assembly meeting in Lausanne, the Round Table and Flambeaux d'Or ceremony in Rome, the participation in the Pan-American Congress in Cochabamba and the District Presidents' Committee Meeting in Beausoleil.

To cover these events, a total amount of EUR 51,000 was cautiously set aside in 2021, which, added to the existing provisions, brought the total provisions as at 31.12.2021 to EUR 264,295.75.

The costs generated by these events (travel expenses – accommodation and meals - translations - technology for remote online connection), as well as the other extraordinary or inflation-related costs listed below, have been offset through the release of reserves totalling EUR 111,000.

Netted against such adjustments, the provisions recognised in the year-end accounts now amount to EUR 153,295.75; these are targeted primarily to hedge all the risks and allow us to continue implementing our projects also in the future.

The 2022 annual accounts also strived to address the issue of long-standing defaulting Clubs. Those Clubs that were deemed not to have any chance of survival were thus closed down, after duly consulting with the District Presidents and Governors involved; such uncollectable receivables were thus recognized as impairment losses. A total of nine clubs were closed down, corresponding to an impairment loss of EUR 18,086 versus a budgeted amount of EUR 5,000.

We will continue to apply this strategy also in the future through regular contacts with the Clubs so as to limit the outstanding receivables, ideally not beyond two years.

In terms of overheads, it should be noted that the Municipality of Rapallo forwarded us the gas and electricity bill for the last five years; the total amount due was EUR 18,002.23.

We challenged the invoice, at first in a meeting with the Municipality and then in writing. Unfortunately, the Municipality of Rapallo did not grant our request and, consequently, we settled the amount due and recognised EUR 4,213.76 under utility expenses in 2022. The difference, i.e. EUR 13,789, was recognised under the contingent liabilities. Difference versus the budget: EUR 17,000.

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The steep rise in the cost of living led the annual share of the provision for severance indemnities to reach EUR 26,500 (+ EUR 11,500 versus the budget).

Several other costs posted slight increases, in line with the overall economic situation.

REVENUE

The revenue of our Association results from two main sources: IOC subsidy and membership fees.

The IOC subsidy has been shrinking substantially in recent years. As a matter of fact, it is now paid in USD and not in EUR as it used to be. Due to the unfavourable exchange rate, from the amount of EUR 91,000 we used to collect in the past, last year we only received EUR 77,182, with a negative difference of EUR 14,000 versus the budget.

It is unlikely that this item of revenue may improve in the future, since the IOC is a USD-based organisation.

Membership fees: Unfortunately, the erosion versus the previous years continued also in 2022.

The fees collected decreased by EUR 21,000 versus 2021 and by as much as EUR 40,000 versus the budget.

University of Antwerp: In 2022, we received a total amount of EUR 6,375 in connection with the students participating in the Games organised by the University Panathlon Clubs.

Regrettably, the University of Antwerp has informed us that, with effect from 2023, they will no longer be able to pay us these contributions due to financial difficulties.

CONCLUSIONS

Thanks to the large reserves set aside in previous years, our balance sheet as at 31.12.2022 could be closed with a positive balance.

However, we will have to take measures to ensure proper continuing operations also in the years to come.

The overall picture has changed abruptly as a result, on the one hand, of lower revenue and, on the other hand, of a substantial rise in expenses.

Over the last few years, we have been operating while cutting down substantially our expenses, in particular our staff costs, which in my opinion cannot be reduced any further.



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We will certainly have to think about other savings measures and to monitor selectively all our expenses, including for meetings, events, donations, etc.

On the revenue side, we will have to do our best first and foremost to increase the number of members.

In this regard, I feel compelled to remind you that the membership fee per member paid to PI has remained unchanged for the past 30 years, except for a slight adjustment, in recent years, of the fee applicable to low-GDP countries.

In the light of the high increase in the cost of living over the last three decades, it does not appear credible that the drop in membership may be ascribed to the fee paid to PI.

As a reminder, I would also like to point out that the substantial contribution from the IOC is not based on an agreement or a contract and, therefore, there is no guarantee that it will be actually be granted; in fact, our application is reviewed on a yearly basis prior to confirming the subsidy, subject in particular to our fulfilling the requirements set by the Olympic movement.

Rapallo, 14th March 2023

Stefano Giulieri
Treasurer