

# **UNION INTERNATIONALE DE PENTATHLON MODERNE (UIPM)**

## **Independent Auditors' Report**

Period ended 31st December 2022

**UIPM  
Stade Louis II – Entrée C  
19 avenue des Castelans  
98000 MONACO**

# Independent Auditors' Report

To the Members and Executive Board of UIPM

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of UIPM ("the Association"), which comprise the statement of financial position as at December 31<sup>st</sup>, 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at December 31<sup>st</sup>, 2022, and of its financial performance and its cash flows for the year then ended in accordance with Monaco accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Monaco, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Monaco accounting standards, and for such internal control as management determines is necessary to enable the preparation of (financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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## *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stéphane GARINO

Monaco, December 14<sup>th</sup>, 2023







**UIPM**  
World Pentathlon

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# Financial statements at December 31st, 2022

## BALANCE SHEET (US \$)

For the year ended 31 December		2 022	2 021
Tangible assets	3.a)	150 147	176 146
Intangible assets	3.b)	203 208	179 654
Deposit	3.c)	20 155	20 155
<b>FIXED ASSETS</b>		<b>373 510</b>	<b>375 955</b>
<b>Debtors</b>	3.d)	<b>16 057</b>	<b>30 372</b>
<b>Prepayment expenses</b>	3.e)	<b>17 194</b>	<b>6 281</b>
- Olympic Games		2 420	2 420
- Others		13 789	2 876
- VIPs gifts		985	985
<b>Cash &amp; Cash Equivalents</b>	3.f)	<b>7 072 602</b>	<b>8 170 564</b>
- Petty Cash		31 704	9 730
- Cash at bank current accounts		46 811	5 758 878
- Cash equivalents/Money Market funds		6 994 087	2 401 956
<b>Unrealised result on financial investments</b>	3.f)	<b>15 979</b>	
<b>Short Term Investments Maturity date of less than 1 year</b>		<b>0</b>	<b>2 612 254</b>
<b>CURRENT ASSETS</b>		<b>7 121 832</b>	<b>10 819 471</b>
<b>TOTAL ASSETS</b>		<b>7 495 342</b>	<b>11 195 426</b>
Overdraft	3.f)	14 665	0
Accrued expenses	3.g)	332 192	215 922
Creditors	3.h)	90 724	74 944
<b>CURRENT LIABILITIES</b>		<b>437 580</b>	<b>290 866</b>
General and Reserve Funds	3.i)	10 876 536	1 776 695
Net result	3.i)	-3 818 774	9 127 865
<b>RESERVES</b>		<b>7 057 762</b>	<b>10 904 560</b>
<b>TOTAL LIABILITIES</b>		<b>7 495 342</b>	<b>11 195 426</b>

# Financial statements at December 31st, 2022

## INCOME AND EXPENDITURE ACCOUNT (US \$)

For the year ended 31 December		31/12/2022	31/12/2021
Membership Fee NFs	3.j)	31 389	34 634
Events Hosting Fee	3.j)	94 833	50 542
Right fees	3.j)	100 000	
Interest	3.j)	5 181	1 139
IOC IF Development Program	3.j)	70 000	70 000
IOC Revenue	3.j)	877 526	12 100 000
Sponsorship fee	3.j)	150 000	290 580
<b>INCOME</b>		<b>1 328 929</b>	<b>12 546 896</b>
Secretariat	3.k)	-930 021	-843 174
Sport Development	3.k)	-500 030	-295 609
Sport Competitions	3.k)	-1 849 104	-1 134 742
Operations	3.k)	-779 735	-626 637
International Relations	3.k)	-75 542	-51 801
Promotion & Information Technology	3.k)	-68 569	-70 591
Sponsor Development & Hospitality	3.k)	-13 469	-11 355
Projects	3.k)	-274 910	-211 563
IOC IF development program	3.k)	-71 295	-49 019
<b>EXPENDITURE</b>		<b>- 4 562 676 -</b>	<b>3 294 490</b>
<b>OPERATIONAL RESULT</b>		<b>- 3 233 746</b>	<b>9 252 406</b>
Depreciation & Amortization	3.a)	-32 097	-48 941
Foreign Exchange Result	3.l)	-109 675	26 757
Realised gain and loss from financial investments 3.l)		-443 256	-102 358
<b>EXCESS (INSUFFICIENCY) FOR THE YEAR</b>		<b>- 3 818 774</b>	<b>9 127 865</b>

## Financial statements at December 31st, 2022

### CASH AND CASH EQUIVALENTS (US \$)

<i>For the year ended 31 December</i>	<b>2022</b>	<b>2021</b>
CMB - Euro	0	175 227
CMB - US dollar	46 811	5 583 651
<b>Current accounts</b>	<b>46 811</b>	<b>5 758 878</b>
Cash - EUR	30 318	7 970
Cash - USD	1 386	1 760
<b>Cash in hand</b>	<b>31 704</b>	<b>9 730</b>
<b>Cash equivalents/Money Market funds</b>	<b>6 994 087</b>	<b>2 401 956</b>
Monaco Court Terme EUR FCP	4 398 164	1 955 248
Monaco Court Terme USD FCP	2 166 330	446 708
Monaco Eco +	429 592	
<b>CASH AND CASH EQUIVALENTS</b>	<b>7 072 602</b>	<b>8 170 564</b>

### OVERDRAFT (US \$)

<i>For the year ended 31 December</i>	<b>2022</b>	<b>2021</b>
CMB - Euro	-14 665	0
<b>OVERDRAFT</b>	<b>-14 665</b>	

### GENERAL AND RESERVE FUNDS (US \$)

<i>For the year ended 31 December</i>	<b>2022</b>	<b>2021</b>
General and Reserve fund	10 876 536	1 776 695
Net result	-3 818 774	9 127 865
<b>RESERVE FUNDS</b>	<b>7 057 762</b>	<b>10 904 560</b>



CASH FLOW STATEMENT (US \$)

<b>CASH &amp; SECURITIES at 01/01/2022</b>	<b>8 170 564</b>
<b>Result for the year</b>	<b>-3 818 774</b>
Amortization	-32 097
Increase / Decrease of trade receivables	14 315
Increase / Decrease of other debtors	-10 913
Increase / Decrease of creditors	132 049
Increase / Decrease of fixed assets	96 340
Increase / Decrease of overdraft	14 665
Increase / Decrease of short investment	2 612 254
Increase / Decrease of financial result	-105 801
<b>CASH &amp; CASH EQUIVALENTS at 12/31/22</b>	<b>7 072 602</b>

## Financial statements at December 31st, 2022

### INTANGIBLE FIXED ASSETS (US \$)

<i>For the year ended 31 December</i>	<b>1 January 2022</b>	<b>Increase</b>	<b>Decrease</b>	<b>31 December 2022</b>
Esport	179 654	23 554		203 208
<b>Cost</b>	<b>179 654</b>	<b>23 554</b>	<b>0</b>	<b>203 208</b>
Amortization Esport	0	0	0	0
<b>Amortization</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET BOOK VALUE</b>	<b>179 654</b>	<b>23 554</b>	<b>0</b>	<b>203 208</b>

### TANGIBLE FIXED ASSETS (US \$)

<i>For the year ended 31 December</i>	<b>1 January 2022</b>	<b>Increase</b>	<b>Decrease</b>	<b>31 December 2022</b>
Office Tangible Assets	740 757	0		740 757
Office renovation	159 695	0		159 695
Office equipment	75 975	6 098		82 074
<b>Cost</b>	<b>976 428</b>	<b>6 098</b>	<b>0</b>	<b>982 526</b>
Amortization Office Tangible assets	706 032	13 490		719 522
Amortization Office renovation	22 843	15 970		38 812
Amortization Office equipment	71 407	2 638		74 045
<b>Amortization</b>	<b>800 282</b>	<b>32 097</b>	<b>0</b>	<b>832 379</b>
<b>NET BOOK VALUE</b>	<b>176 146</b>			<b>150 147</b>

### DEPOSIT (US \$)

<i>For the year ended 31 December</i>	<b>2022</b>	<b>2021</b>
Deposit Administration Domaine	20 155	20 155
<b>DEPOSIT</b>	<b>20 155</b>	<b>20 155</b>

## NOTES TO THE FINANCIAL STATEMENTS GENERAL

The U.I.P.M. is a non profit making association authorized by the "arrêté n° 97-500" of 22 October 1997, from the minister of state of the Principality of Monaco.  
 Under Monaco GAAP, associations are required to comply with law no. 1.355 of 2008, December 23rd  
 Amended by law n° 1.550 du 10 août 2023 which will come into force on the date set by the relevant regulations, but no later than September 30, 2023.  
 UIPM is governed by the general principles of Monegasque law applicable to contracts and obligations and his statutes.  
 Modern Pentathlon is the multi-disciplinary sport comprising fencing, swimming, horse riding, shooting running and obstacle or any combination thereof.  
 The mission of UIPM is to promote the sport of Modern Pentathlon constantly and globally and to lead the Modern Pentathlon movement as recognised by the IOC.

**1. ACCOUNTING PRINCIPLES**

The particular accounting policies adopted are set out below.

**a) Accounting convention**

The financial statements are prepared under the historical cost convention, except for short term investments and cash equivalents measured at fair value for balance sheet presentation only with no impact on the profit and loss since 2022.

From financial year 2022, the association recognizes the impact of unrealized capital gains or losses on its balance sheet.

**b) Going concern principle**

The association is considered to continue its activities for the foreseeable future.  
 Management has concluded that the Association has adequate resources to continue in operation for at least the next 12 months from December 31, 2022 and that going concern basis of accounting remains appropriate.

**c) Consistency principle**

The accounting policies remain the same from one year to the next.

**d) Time period concept**

Revenues are entered when they are earned and collected.  
 Expenses are booked when they are incurred.  
 They are recorded in the financial statements for the relevant period.

**e) Currency**

The financial statements are presented in United States Dollars, the functional currency of the Association at the exchange closing rate.  
 Monetary assets and liabilities whose currency is not US dollars are translated into US dollars at the closing exchange rate.

**f) Foreign Exchange**

Transactions denominated in foreign currencies are entered at the exchange rates prevailing in order of the month in which the transactions are entered.  
 The exchange difference resulting from these conversions are input into profit and loss account.  
 The exchange rate used is the rate of the end of each month published by "Banque de France".

**2. EVENTS OF THE YEAR**

The association has a large exposure to the Euro as over half of its expenses are in Euros. Therefore, the association buys dual currency exchange contracts to hedge its Euro risk. These currency exchange contracts fix the maximum rate for the association to purchase a fixed amount of Euros on a future date. If upon the maturity date of the currency exchange contract, the Euro is less expensive than the contracts fixed exchange rate the difference is recorded as an investment loss, and if the Euro is more expensive than the contract's fixed exchange rate, the difference is recorded as an investment gain. However, regardless of whether the accounting shows an investment loss or investment gain, the association receives the amount of Euros it contracted for and expected to receive. The primary purpose of these dual exchange contracts is to limit the associations exposure to increases in the cost of Euros.

### 3. INFORMATION ON FINANCIAL STATEMENTS

#### a) Tangible fixed assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Gains and losses on the disposal of property, plant and equipment are recognised in the statement of profit and loss.

Depreciation is calculated on a straight-line basis over its estimated useful lives that are as follows:

Computer equipment	33,33% per annum on cost
Office furniture and equipment	33,33% per annum on cost
Other equipment	50% per annum on cost
Office layout	10 % per annum on cost

The depreciation of the year amounts to 32 K\$.

#### TANGIBLE FIXED ASSETS (US \$)

<i>For the year ended 31 December</i>	<b>1 January 2022</b>	<b>Increase</b>	<b>Decrease</b>	<b>31 December 2022</b>
Office Tangible Assets	740 757	0		740 757
Office renovation	159 695	0		159 695
Office equipment	75 975	6 098		82 074
<b>Cost</b>	<b>976 428</b>	<b>6 098</b>	<b>0</b>	<b>982 526</b>
Amortization Office Tangible assets	706 032	13 490		719 522
Amortization Office renovation	22 843	15 970		38 812
Amortization Office equipment	71 407	2 638		74 045
<b>Amortization</b>	<b>800 282</b>	<b>32 097</b>	<b>0</b>	<b>832 379</b>
<b>NET BOOK VALUE</b>	<b>176 146</b>			<b>150 147</b>

#### b) Intangible fixed assets

UIPM invests in game application

The esport application is under development.

When the application is complete, the amortization will begin for 5 years.

#### INTANGIBLE FIXED ASSETS (US \$)

<i>For the year ended 31 December</i>	<b>1 January 2022</b>	<b>Increase</b>	<b>Decrease</b>	<b>31 December 2022</b>
Esport	179 654	23 554		203 208
<b>Cost</b>	<b>179 654</b>	<b>23 554</b>	<b>0</b>	<b>203 208</b>
Amortization Esport	0	0	0	0
<b>Amortization</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET BOOK VALUE</b>	<b>179 654</b>	<b>23 554</b>	<b>0</b>	<b>203 208</b>

#### c) Deposit

The deposit corresponds to the security deposit for the head office lease in Monaco.

#### DEPOSIT (US \$)

<i>For the year ended 31 December</i>	<b>2022</b>	<b>2021</b>
Deposit Administration Domaine	20 155	20 155
<b>DEPOSIT</b>	<b>20 155</b>	<b>20 155</b>

#### d) Debtors

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional.

#### e) Prepayment expenses

Expenditure relating to future events is deferred and recognised in the income statement when the event takes place. The amount correspond to accrued expenses.



f) Cash and Cash equivalents

Investments are shown in the financial statements at the market value at the end of the year for presentation. Since 2022, the impact of market value is booked only in balance sheet. There is no profit and loss impact at the end of the year for unrealised gain and loss on financial investments.

UIPM has two bank accounts opened at CMB Bank in Monaco, one in euros and one in dollars.

**CASH AND CASH EQUIVALENTS (US \$)**

<i>For the year ended 31 December</i>		2022	2021
<b>Current accounts</b>	CMB - Euro	0	175 227
	CMB - US dollar	46 811	5 583 651
		<b>46 811</b>	<b>5 758 878</b>
<b>Petty Cash</b>	Cash - EUR	30 318	7 970
	Cash - USD	1 386	1 760
		<b>31 704</b>	<b>9 730</b>
<b>Cash equivalents/Money Market funds</b>	Monaco Court Terme EUR FCP	4 398 164	1 955 248
	Monaco Court Terme USD FCP	2 166 330	446 708
	Monaco Eco +	429 592	
		<b>6 994 087</b>	<b>2 401 956</b>
<b>CASH AND CASH EQUIVALENTS</b>		<b>7 072 602</b>	<b>8 170 564</b>

**OVERDRAFT (US \$)**

<i>For the year ended 31 December</i>		2022	2021
CMB - Euro		-14 665	0
<b>OVERDRAFT</b>		<b>-14 665</b>	<b>0</b>

The unrealised result due to market value presented only in balance sheet since the year closed December 31, 2022 is composed by :

**UNREALISED RESULT DUE TO MARKET VALUE (US \$)**

	Market Value	Cost of acquisition in USD at the date of operation	Cost of acquisition in USD at the end of the year with	Unrealised result due to market value
Monaco Court Terme EUR FCP	4 398 164	4 364 947	4 382 774	-15 390
Monaco Court Terme USD FCP	2 166 330	2 122 542	2 122 542	-43 788
Monaco Eco +	429 592	504 750	504 750	75 158
<b>TOTAL</b>	<b>6 994 087</b>	<b>6 992 239</b>	<b>7 010 066</b>	<b>15 979</b>

g) Accrued Expenses

Expenditure relating to future events is deferred and recognised in the income statement when the event takes place. The amount correspond to accrued expenses. The main expenditure items are as follows :

<i>For the year ended 31 December</i>	2 022
Creation of modern Pentathlon film	58 489
Provision for holiday leave	53 591
CCSS Monaco	20 623
Other	199 489
<b>TOTAL</b>	<b>332 192</b>

h) Creditors

Creditors are UIPM events security deposits.

i) Reserves and net result

GENERAL AND RESERVE FUNDS (US \$)

For the year ended 31 December	2021	affectation of previous year result	impact of change accounting method	2022
General and Reserve fund	1 776 695	9 127 865	-28 024	10 876 536
Net result	9 127 865			-3 818 774
<b>RESERVE FUNDS</b>	<b>10 904 560</b>			<b>7 057 761</b>

j) Revenue

Revenue is recognised when UIPM receive the funds. UIPM related revenue consists primarily of the following items:

- Membership fees
- Events hosting fees
- Right fees (fee from Yunnan Yunxiang Sport UIPM Asia Development Center)
- IOC Contribution (Revenue distribution for Tokyo 2020 for 878K\$ and development program 70K\$)
- Sponsorship fees (contract with New Balance for 100K\$ and Absolute fencing for 50K\$)

k) Expenses

Total expenses are the gross outflow of economic benefits that arise from the ordinary activity of organising an event.

Total expenses consist primarily of the following items:

- Secretariat
- Sport development
- Sport competitions
- Operations

l) Financial result

The financial income and financial expenses include the following:

- financial income, consisting of interest income from interest-bearing assets, as well as realised and unrealised foreign exchange gains;
- financial expenses comprising realised and unrealised foreign exchange losses as well as bank charges and any interest costs.

For the realised loss or gain on financial investments related to funds, the FIFO method is applied.

The exchange difference resulting from these conversions are input into profit and loss account. Expenditures are occurred in Euro and Income are received in dollars. Each month, a foreign exchange result is calculated and booked with the translation of euro accounts. The exchange rate used is the rate of the end of each month published by "Banque de France".

Realised gain and loss from financial investments (US \$)

For the year ended 31 December	2 022
Sale 80 fund units of Court Terme Eur	-643
Cost of acquisition	444 344
Cost of sale	-443 701
Sale 5 fund units of Eco +	-55 768
Cost of acquisition	1 009 500
Cost of sale	-953 732
Exercice call 1 750 000\$ PURCHASED in 2021	-33 886
Exercice call 1 000 000\$ PURCHASED in 2021	-71 979
Exercice call 3 000 000\$ PURCHASED in 2022	-280 981
<b>Realised gain and loss from financial investments</b>	<b>-443 256</b>

Details results from call:

	booked	Reimbursement	Bank statement USD - Transfer EUR	Difference
Short Term investments	1 750 000	1 750 811	1 626 917	123 083
Unrealised loss (strike 1,20) booked in 2021	89 198			-89 198
<b>Realised gain and loss from financial investments booked January 2022</b>				<b>33 886</b>
Short Term investments	1 000 000	1 000 898	878 333	121 667
Unrealised loss (strike 1,20) booked in 2021	49 688			49 688
<b>Realised gain and loss from financial investments booked April 2022</b>				<b>71 979</b>
Short Term investments (strike 1,136)	3 000 000	3 004 612	2 719 019	280 981
<b>Realised gain and loss from financial investments booked July 2022</b>				<b>-280 981</b>

The total expenses paid in Euros during the year 2022 amounts to 3 658 866,37 \$