



Federation for **E**Ducation in **E**urope
Fédération Européenne Des Ecoles

2020

FINANCIAL REPORT

RAPPORT FINANCIER

GENERAL ASSEMBLY 2021
ASSEMBLÉE GÉNÉRALE 2021

Dear members,

As the directors of your association, we are delighted to present the 2020 annual accounts in accordance with Article 12b of our Statutes.

We closed the accounts for the accounting year on 31 December 2020.

The length of the accounting year was 12 months.

The 2020 accounts were audited by our Swiss auditor and were not subject to any observations.

The 2021 budget that is presented below was submitted to and unanimously adopted by the Committee on 2 December 2020.

(Documents in the annex)

The financial report covers the following items:

- 2020 REVENUE
- 2020 EXPENDITURE
- 2020 CASH FLOW
- OUTLOOK: 2021 BUDGET

At the end of this report, and after replying to your questions, we will ask you to vote on resolutions concerning approval of the accounts, discharge of management liability and distribution of profit.

Revenue in 2020 was CHF 2,480,716 (CHF 2,765,121 in 2019), which is 284,405 CHF (-10 %) lower than last year.

The international COVID-19 pandemic, which has affected our activities since March 2020, had a direct impact on the 2020 accounts. In particular, it led a large number of students to postpone their enrolments in FEDE examinations because they were unable to complete their courses within the usual timeframe.

Postponed enrolments were mostly transferred from the June 2022 examination session to the October 2020 session. Nonetheless, the enrolment of 1,774 students, initially scheduled for the June 2020 session, was postponed to the January and June 2021 sessions, thereby having a direct impact on the 2020 accounts by causing a reduction in examination revenue; these postponements will have a positive effect on the 2021 accounts. Revenue corresponding to enrolments transferred to the January 2021 session alone amounts to CHF 221,087.

- ANNUAL AND INITIAL MEMBERSHIP FEES:	+ 37,611	+ 14 %
2020: CHF 301,621		
2019: CHF 264,010		
- EXAMINATION FEES:	- 474,498	- 22 %
2020: CHF 1,661,167		
2019: CHF 2,135,665		
- LEARNING RESOURCES:	+ 43,692	+ 27 %
2020: CHF 200,254		
2019: CHF 156,562		
- ACCREDITATIONS, RNCP AND FEDE DBA:	+ 136,982	+ 97 %
2020: CHF 278,306		
2019: CHF 141,324		
- OTHER REVENUE:	- 28,192	- 42 %
2020: CHF 39,368		
2019: CHF 67,560		

'Other revenue' covers the following items:

Reallocation of provision	CHF 13 945
Currency exchange differences	CHF 7 511
Exceptional revenue	CHF 14 892
Other miscellaneous revenue	CHF 3 020
	CHF 39 368

2020 EXPENDITURE

Expenditure for 2020 was CHF 2,421,675, down CHF 329,088 (-12%) from 2019.

3 items accounted for 96 % (CHF 2,316,749) of expenditure in 2020.

- **2020 examination costs:** CHF 1,837,920 (-5%)

Main items relating to the administration of the January, June and October 2020 examinations:

▪ Examination fees (examiners, writers and markers)	CHF 183 893
▪ 2020 administrative costs: payments to exam centres	CHF 438 313
▪ 2020 online examination costs	CHF 51 110
▪ Educational development costs	CHF 45 702
▪ Outsourcing: business costs (CDE FEDE France)	CHF 462 980
▪ Outsourcing: staff costs (CDE FEDE France)	CHF 519 335
▪ Outsourcing in Morocco: FEDE Morocco representation, ADESPI	CHF 128 854
▪ Other exam costs (printing, accreditations)	CHF 7 733

- **Administration costs:** CHF 318,752 (- 36%)

These are costs relating to logistics and staffing for the offices in Lyon, Paris and Mohammedia (rent, telephone costs, postage and travel expenses), plus communications and marketing expenses.

- **General Assembly and Committee costs:** CHF 160,077 (- 14%)

These costs covered the organisation of the 2020 General Assembly, the stipend paid to the Chairwoman for 2020 (CHF 77,608) and for the past four years (2015-2019) of office (CHF 65,125), and organisation of FEDE Committee meetings.

Income and expenses in 2020 resulted in a surplus of **CHF 59,041**, which exceeds the 2020 budget that was adopted by the Committee and approved by the 2020 General Assembly.

On 31/12/2020, the association's equity amounted to **CHF 416,567**, up by 16.5 %.

CASH FLOW

Cash flow remained positive in 2020.

Available funds amounted to CHF 352,973 on 31/12/2020, compared to CHF 53,502 on 31/12/2019.
This represents an increase of CHF 299,471.

Cash flow in 2021 will remain positive and sufficient through control of expenditure and a profitable 2021 budget.

Revenue and expenses for 2021 allow for € 13 800 of surplus spending.

Revenue:	€ 2 465 000
Expenses:	<u>€ 2 451 200</u>
	€ 13 800

REVENUE

Association activities in 2021: revenue is forecast at € 307,000 (€ 278,582 in 2020)

- 2021 annual and initial membership fees: € 263,600 (€ 278,582 in 2020)
- Revenue from the 2021 General Assembly: € 43 400 (€ 0 in 2020)

As a reminder, at its meeting of 26 September 2018, the Committee unanimously voted for annual and initial membership fees to be indexed against the published World Bank gross domestic product of members' countries.

2021 examinations activity: revenue is forecast at €2,139,500 (€1,976,288 in 2020).

Turnover is expected to grow due to the rise in registrations for FEDE examinations and increased demand for learning resources following the registration of three FEDE qualifications in the French Répertoire National des Certifications Professionnelles (RNCP).

Other revenue in 2021:

- Other revenue (miscellaneous revenue and grants) €18,500

EXPENSES

Costs directly related to examination administration amounted to €590,500.

Fixed costs amounted to €1,860,700 (€1,614,814 in 2020).

The most significant items were:

- Lyon, Paris and Mohammedia: staffing and administrative costs €971 500
- Chairwoman's stipend (includes employment expenses) € 78 000
- Business costs (Lyon, Paris and Mohammedia) €265 100
- Communications/marketing/business development €135 000
- FEDE degrees/exams (writing of exam papers, quality control) €130 000
- Research and education activities €90 000
- Fees, outsourcing €40 000
- FEDE mobility scholarships €25 000
- Taxes, charges and bank charges €22 000
- Other fixed costs €104 100

**Report of the statutory auditors on the limited
Statutory examination to the General Meeting of**

FEDE Fédération Européenne des Ecoles

As statutory auditors, we have examined the financial statements (balance sheet, statement of income and expenses and annex) of FEDE for the year ended 31st December 2020.

The financial statements have been prepared under the going concern basis.

These financial statements are the responsibility of the board of directors. 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 enquiries 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 other legal violations, are not within the scope of this examination.

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

Geneva, 16th April 2021

NB Fiduciary Services SA



Niranthi Blanc
Swiss licensed auditor

Enclosures:

- Financial statements for the year ended 31st December 2020
- Notes on the accounts

FEDE - Fédération Européenne des Ecoles

BALANCE SHEET AT 31ST DECEMBER 2020

	<u>2020</u> <u>CHF</u>	<u>2019</u> <u>CHF</u>
CURRENT ASSETS		
Banks	391,069.60	62,522
Guarantee deposits	484.20	484
Debtors and other receivables	865,366.61	603,384
Prepaid expenses	0.00	2,554
Participation ADESPI	10,337.36	10,337
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	1,267,257.77	679,281
 FIXED ASSETS (Note 3)	 3,904.33	 5,856
	<hr/>	<hr/>
	CHF 1,271,162.10	685,137
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CURRENT LIABILITIES		
Sundry creditors	765,620.72	253,712
Provision for bad debts	65,528.52	56,200
Accrued expenses	23,446.38	17,700
Other provisions	0.00	0
	<hr/>	<hr/>
	854,595.62	327,612
	<hr/>	<hr/>
 Brought forward at 1st January 2020	 357,525.25	 343,167
Profit / (loss) for the year	59,041.23	14,358
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	416,566.48	357,525
	<hr/>	<hr/>
	CHF 1,271,162.10	685,137
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PROFIT AND LOSS ACCOUNT

FOR THE YEAR 2020

	<u>2020</u> <u>CHF</u>	<u>2019</u> <u>CHF</u>
INCOME		
Exams	1,661,167.41	2,135,665
Members subscriptions / enrolment fees	170,949.07	152,382
Training packs	200,254.30	156,562
Income from General Assembly	0.00	33,255
Entry fees	130,672.03	111,628
Sundry income	97.11	93
Prior year adjustments	14,891.99	3,011
Exchange differences	7,510.50	15,105
Provision written back	13,944.57	6,014
Extraordinary income	2,922.98	10,082
DBA & accreditations	107,232.77	118,606
Benefits RNCP	171,073.48	22,718
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	2,480,716.21	2,765,121
	<hr/>	<hr/>
EXPENSES		
Cost of exams	1,837,920.09	1,947,069
Administration	318,751.69	501,672
Professional fees	30,243.19	48,547
Committee and General Assembly	160,077.28	108,081
Financial charges	3,290.85	3,574
Extraordinary charges	0.00	0
Taxes	6,578.65	5,854
Sundry	7,840.81	6,267
Depreciation	1,952.15	2,720
Exchange loss	14,069.77	31,253
Bad debts written off	13,944.86	0
Prior year adjustments	3,732.85	78,237
Provision for bad debts	23,272.79	17,489
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	2,421,674.98	2,750,763
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PROFIT / (LOSS) FOR THE YEAR	CHF 59,041.23	14,358
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FEDE - Fédération Européenne des Ecoles

NOTES

1. FEDE is an international non profit-making organisation, structured according to articles 60 and following of the Swiss Civil Code. Under the terms of article 61, the association has been registered at the Geneva Commercial Register.

The association is an NGO with participative status with the Council of Europe.

The association " Centre Européen des Examens FEDE" in France manages the salary, social and office charges. These expenses are re-invoiced to the Swiss association.

2. EXCHANGE RATES

Assets and liabilities in foreign currencies are revealed at the rates ruling at the accounting year-end (2020 € 1 = CHF 1.0827/ 2019 CHF 1.0855)

3. FIXED ASSETS	<u>Cost</u>	<u>Depreciation</u>	<u>Net</u>
Tangible			
Furniture	19'899.47	19'899.47	.00
Installations	24'318.99	24'318.99	0.00
Computer equipment	31'532.04	31'532.04	0.00
	<hr/>	<hr/>	<hr/>
	75'750.50	75'750.50	0.00
	<hr/>	<hr/>	<hr/>
Intangible			
Development costs	20'000.00	20'000.00	0.00
Trade mark	15'009.93	11'105.61	3'904.32
Internet website	44'427.76	44'427.75	0.01
Examination software	181,873.95	181'873.95	0.00
	<hr/>	<hr/>	<hr/>
	261'311.64	257'407.31	3'904.33
	<hr/>	<hr/>	<hr/>
CHF	337'062.14	333'157.81	3'904.33
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FEDE - Fédération Européenne des Ecoles

NOTES

4. EXAMS

The number of exam registrations was 7'600 in 2020 and is expected to be 9'000 in 2021.

5. OTHER INFORMATION

The budget for the year 2021 foresees a profit of approximately CHF 15'000 (€ 13'800).

FEDE has made 4 listings in the National Register of Professional Certifications.in France

FEDE has received the accreditation EDUQUA in Switzerland

6. LITIGATION

In 2015, FEDE instituted a penal action against the previous President of FEDE. The Court in Geneva has not yet given its ruling in this matter.

FEDE purchased 40% of the parts of Institut d'Etudes Tertiaries, Monaco. The decision of the Board of Directors of that company to approve FEDE as an associate has been the subject of litigation. It is expected that this litigation will be settled by the courts at the end of April 2021. No provision is required for expenses.