

GENERAL ASSEMBLY

Online

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Treasurer's Report on Accounts for 2019

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November 2020

This report covers the 2019 financial year. The audited accounts for 2019 prepared by our auditors, **Fiduciaire A. Richard SA**, are appended to this paper.

Income/Expenditure Accounts (Euro)

The income/expenditure accounts show actual income and expenditure in 2019 ("Actual" column), then provisions carried over from 2018 (income/expenditure for 2018 belonging to financial year 2019 and income/expenditure in 2019 belonging to the financial year 2020, also some anticipated income/expenditure in 2019), income and expenditure in 2019 taking account of these provisions ("Revised") and the budget agreed by the General Assembly in Genova in May 2019.

The difference column shows the differences between revised and budget. In the income section a positive difference denotes more income than budgeted (a good thing), in the expenditure section a positive difference denotes more expenditure than budgeted (a bad thing).

Income

1. **Membership Fees** - The negative provision for 2019 reflects income received which belongs to 2020, in particular membership renewals for 2020 received in 2019 and income for multiyear renewals carried into later financial years. The carry-over is higher for 2019 than it was for 2018: €47,077.80
2. **Events** - This includes revenue collected through the epayment system, some of which will be paid to the event concerned. Also included is income from flat fees, proceedings and EG share of event surpluses. The surpluses for a number of 2019 events (Pacific Graphics, Eurovis, CGVC, GCH, STAG, SCG, HPG, SCA) had not been transferred to the EG account by the end of 2019, therefore the provision of €60,713.52.
The actual income is considerably higher than what was budgeted since EG had gone through the epayment system. This also reflects in the corresponding entry in the expenditures, where again the actual expenditure of the events is much higher than budgeted, but they cancel out and thus the surplus is not affected.
3. **Royalties** - Wiley/Blackwell Royalties, are slightly less than our expectations at €27.5k instead of €33k.
4. **Bank interest/Tax return** - Bank interest is close to 0€, tax rebate on Cantonal and Federal taxes paid back in 2018, SFr2,653.45.

Expenditure

1. **Events** - This includes money paid from epayment system receipts to events and other creditors (to close event accounts), to EG publishing for production of proceedings and (additional to baseline included in EG services contract) use of SRM system. All invoices from EG publishing have been paid. The difference between revised income and expenditure when the accounts were audited was **93.5K € surplus compared to the budget of surplus of 55K €**. This surplus includes the 60K € provisions for the events as well as a payment of 20k € for a 2017 event which was not in the 2018 provisions.
2. **Boards**
 - a. The **Executive board** spent significantly more than budgeted (almost 29k€ instead of 10k€), due mainly to the legal consultations for the relocation. However, the total expenditure of the boards remained still within the budget, with total expenses of €32.7K compared to a budget of €34K.
 - b. **Chapters**. No payments were made in 2019. The Provision shown for 2019 includes the carry-over of amounts not paid for 2018 and estimates of amounts due for 2019 based on 2018 activity list. These have all been paid in 2020.
 - c. **Promotions Board**. This includes invoices for EG Promotions Staff for the EG booth at SIGGRAPH.
3. **Infrastructure**
 - a. Essentially expenditure on infrastructure provision including, our service contract with TU Graz, Fraunhofer Austria, bank charges (these are aggregated rather than charged to individual expenditure lines), taxation (federal, cantonal, professional), and accountant's fees.
 - b. This area spent slightly less than expected, 101K€ compared to the budget of 108K€.
4. **Prizes**
 - a. Under the line Strategic Projects the main cost is that of the sculptures for awards. Sculptures have been ordered for a few years in order to minimize the cost, and, mainly to get them in time.
 - b. Under Contingency come the expenditure for prizes and some awards– best paper award, Dirk Bartz Prize (in the years this is awarded) and the CGF Cover.

Overall position

1. The total income and expenditure are both more than budgeted mainly due to the EG conference payments going through the e-payment system. The year has closed with a significant surplus.
2. The Association's cash assets at the end of December 2019 were, Not taking account of the provisions, 689K €, 19K CHF, 104K USD (EG has accounts in each of these currencies), approximately 799K€.

	Actual	Provision 2018	Provision 2019	Revised	Budget May 19 EXC	Difference
Income						
Membership fees	93,194.89	34,562.70	-47,077.80	80,679.79	78,000	2,679.79
Events (incl. Proceedings)	296,251.08	-24,890.00	60,713.52	332,074.60	155,000	177,074.60
Royalties	27,554.76			27,554.76	33,000	-5,445.24
Bookshop	586.13			586.13	0	586.13
Bank interest / Tax return	2,442.06			2,442.06	0	2,442.06
Misc Income	0			0	0	0
Total	420,028.92	9,672.70	13,635.72	443,337.34	266,000	177,337.34
Expenditure						
Events (incl. Proceedings)	238,576.02	0	0	238,576.02	100,000	138,576.02
<i>Boards</i>						
Executive Board	29,207.72	0	0	29,207.72	10,000	19,207.72
Professional Board	0	0	0	0	1,000	-1,000.00
Chapters	0	2,298.75	5,266.35	2,967.60	3,000	-32.4
Workshop Board	0	0	0	0	1,000	-1,000.00
On-line Board	0	0	0	0	8,000	-8,000.00
Promotions Board	543.89	0	0	543.89	8,000	-7,456.11
Education Board	0	0	0	0	2,000	-2,000.00
Public. Bd & Bookshp	0	0	0	0	1,000	-1,000.00
<i>Infrastructure</i>						
Ops - Secretary	4,298.02	0	0	4,298.02	2,000	2,298.02
Ops - Services + SRM	76,413.02	0	0	76,413.02	77,000	-586.98
Ops - Treasurer	10,253.40	9,761.14	10,119.85	10,612.11	16,000	-5,387.89
Ops-Taxation	7,636.67	0	0	7,636.67	4,000	3,636.67
CGF	2,385.00	0	0	2,385.00	9,000	-6,615.00
<i>Prizes</i>						
Strategic Projects	9,644.17	0	0	9,644.17	6,000	3,644.17
Contingency	8,511.42	2,880.00	0	5,631.42	3,000	2,631.42
Total	387,469.32	14,939.89	15,386.20	387,915.62	251,000	136,915.62
Surplus/Deficit	32,559.60			55,421.72	15,000	40,421.72

Audited Accounts

The audited accounts for 2019 were agreed on the 30th of June, 2020, and are appended to this paper. These follow the same pattern as last year, but there is some complexity in this.

1. The first point to note is that the cash flow is evaluated in Swiss Francs (CHF). Therefore, the cash at the beginning of the year is computed in CHF at the rate to date (1.1269) and the cash at the end of the year is computed similarly but the exchange rate has changed (1.0870), meaning an accounting loss on our non-CHF accounts. As a whole, the abstract given by the auditor is:
 - a. Depreciation CHF-7959.00
 - b. Revaluation of the balance sheet CHF-24,793.85
 - c. Profit for the year CHF 28,474.92
2. Following some changes in Swiss accounting practice, the auditors are using different software, which, a last year, produces a more detailed breakdown of the accounts. Some of the terminology used, such as "Shareholders Equity" is unfamiliar terminology for an Association, but maps to the term "Fortune" in previous years.
3. The "Conference surplus" line is the difference between income and direct expenditure for all events organized in 2019 (those that use the e-payments system as well as those that don't).
4. The audited accounts include equipment depreciation as we agreed in the previous years. This was not shown in the internal table at the start of this paper.
5. The item "Exceptional result" in the Profit and Loss Accounts and Notes to the Financial Statements is the Cantonal and Communal tax return for taxation paid in 2018.
6. The item "Financial result" comprises bank charges, bank interest and difference in value of assets at 1 January 2019 exchange rates and 31 December 2019 rates. Since the Euro/CHF exchange rate changed by 3.54% between these dates (and there was also a change in the USD/CHF rate), the differences in valuation for a large Euro holding is a large number.
7. The General Assembly is asked to approve the CHF accounts contained in the Auditors report below.

EUROGRAPHICS ASSOCIATION - Geneva
 BALANCE SHEET AS AT DECEMBER 31, 2019
 (with previous year comparatives' figures)

	2019 - CHF	2018 - CHF
ASSETS		
Current Assets		
Cash	868'156.51	860'094.44
Trade Debtors / accounts receivable	-	-
Other accounts receivable	-	-
Other short-term receivables - related parties	-	-
Inventory goods	-	-
Prepaid expenses and accrued income	65'995.60	28'048.97
Total current assets	934'152.11	888'143.41
FIXED ASSETS		
Financial fixed assets	-	-
Financial participation	-	-
Tangible fixed assets	1.00	7'960.00
Intangible fixed assets	-	-
Total fixed assets	1.00	7'960.00
TOTAL ASSETS	934'153.11	896'103.41

EUROGRAPHICS ASSOCIATION - Geneva
 BALANCE SHEET AS AT DECEMBER 31, 2019
 (with previous year comparatives' figures)

2019 - CHF

2018 - CHF

LIABILITIES AND EQUITY

SHORT-TERM LIABILITIES

Trade creditors / payables	-	-
Other payables - with interests	-	-
Other payables short-term	-	-
Other payable short term - shareholder	-	-
Other accrued liabilities and provisions	81'184.47	71'609.69
Total short-term liabilities	81'184.47	71'609.69

LONG-TERM LIABILITIES

Long-term liabilities - with interest	-	-
Other long-term liabilities	-	-
Provisions and similar posts provided by law	-	-
Total long-term liabilities	-	-

SHAREHOLDERS' EQUITY

Equity	824'493.72	836'200.36
Legal reserve issued from capital	-	-
Legal reserve issued from profit	-	-
Accumulated profits / (losses)	-	-
Result of the business year	28'474.92	-11'706.64
Total shareholders' equity	852'968.64	824'493.72

TOTAL LIABILITIES AND EQUITY	934'153.11	896'103.41
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EUROGRAPHICS ASSOCIATION - Geneva
PROFIT AND LOSS ACCOUNT FOR THE YEAR 2019
(with previous year comparatives' figures)

	2019 - CHF	2018 - CHF
PROFIT AND LOSS ACCOUNT		
Membership Fees	89'079.81	86'996.06
Conference surplus	100'639.49	35'736.06
Royalties and others products	29'952.02	33'186.61
Bookshop	637.12	140.31
Other income	-	-
Dissolution / (attribution) provision for receivables	-	-
Cost of sales	-	-
Salaries and social charges	-	-
Other operating expenses	-151'713.28	-131'225.38
Depreciation	-7'959.00	-8'020.00
Financial result	-26'513.84	-27'875.75
Non-operating result	-	-
Exceptional result	2'653.45	2'255.70
Taxes	-8'300.85	-2'900.25
Net profit/-loss	28'474.92	-11'706.64

SIGNIFICANT ACCOUNTING POLICIES

The principles of evaluation used in these annual financial statements comply with Swiss accounting requirements. The main items of the financial statements have been reported in the balance sheet in accordance with the following information.

The financial statements comply with the principle of fiscal year accounting which records transactions when they are realized, independently from the corresponding treasury activity. The financial statements are also prepared according to the principle of historical cost. Thus, the value attributed to the items in the financial statements reflects the costs as of the date of origin of the operations or events indicated.

Receivables arising from the sale of goods and services

The receivables arising from the sale of goods and services and other short-term receivables are recorded at their nominal value, deducting the individual value corrections that are economically necessary.

Income recognition

In general, income is recognized when it is probable that economic advantages associated with the transaction will revert to the company and can be reliably estimated.

Tangible Fixed Assets

The depreciation of a fixed asset begins when it is placed in service. It ceases when the asset is removed from the balance sheet. The depreciable amount of an intangible asset is allocated on a systematic and straight line basis over its useful life. The allocation to depreciation is reported as an expense.

Depreciation rate:

Computer Hardware	20.00%
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Conversion of Foreign Exchange

The books are kept in Swiss francs. The elements of the assets and liabilities denominated in foreign currencies are converted into Swiss francs at the exchange rate in effect on the date of the balance sheet. The profits earned and the resulting losses are recorded in the income statement. Income and expenses denominated in foreign currencies are converted at the daily rate.

Exchange rate

	BALANCE SHEET AS AT 31 DECEMBER 2019	BALANCE SHEET AS AT 31 DECEMBER 2018
1 USD	0.9684	0.9857
1 EUR	1.0870	1.1269

EUROGRAPHICS ASSOCIATION - Geneva
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT DECEMBER 31, 2019

NOTES TO THE FINANCIAL STATEMENTS

COMPARATIVE FIGURES OF FISCAL YEAR UNDER REVIEW EVENTS

OCCURRING DURING FISCAL YEAR 2019

No significant events occurred during fiscal year 2018.

ASSETS

Cash

	2019 - CHF	2018 - CHF
Petty cash	14.85	14.85
UBS CHF - C710-5944.0	2'296.02	3'268.72
UBS EUR - HU11-8704.2	44'848.62	46'495.56
UBS CHF - C710-5944.3	12'275.70	24'864.80
UBS CHF - C710-5944.4	1'153.48	1'233.48
UBS USD - HU11-8704.3	100'435.72	99'356.78
UBS CHF - C710-5944.6	3'176.50	3'256.50
UBS EUR - HU11-08704.0	702'536.56	681'603.75
UBS EUR - HU11-08704.4	1'419.06	-
Total Cash	868'156.51	860'094.44

Trade debtors / accounts receivable

	2019 - CHF	2018 - CHF
Total trade debtors / accounts receivable	0.00	0.00

Other accounts receivable

	2019 - CHF	2018 - CHF
Total other accounts receivable	0.00	0.00

Other short-term receivables - related parties

	2019 - CHF	2018 - CHF
Total other short-term receivables - related parties	0.00	0.00

Inventory goods

	2019 - CHF	2018 - CHF
Total inventory goods and services provided but not invoiced	0.00	0.00

EUROGRAPHICS ASSOCIATION - Geneva
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT DECEMBER 31, 2019

NOTES TO THE FINANCIAL STATEMENTS

Other prepaid expenses and accrued income

	2019 - CHF	2018 - CHF
Prepaid expenses CHF	-	28'048.97
Accrued income	65'995.60	-
Others	-	-
Total other prepaid expenses and accrued income	65'995.60	28'048.97

FIXED ASSETS

Financial fixed assets

	2019 - CHF	2018 - CHF
Total financial fixed assets	0.00	0.00

Participations

	2019 - CHF	2018 - CHF
Total participations	0.00	0.00

Tangible fixed assets

	2019 - CHF	2018 - CHF
Hard and software	40'023.08	40'023.08
Depreciation on hard and software 20%	-40'022.08	-32'063.08
Total tangible fixed assets	1.00	7'960.00

Intangible fixed assets

	2019 - CHF	2018 - CHF
Total intangible fixed assets	0.00	0.00

SHORT-TERM LIABILITIES

Trade creditors

	2019 - CHF	2018 - CHF
Total trade creditors USD	0.00	0.00

EUROGRAPHICS ASSOCIATION - Geneva
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT DECEMBER 31, 2019

NOTES TO THE FINANCIAL STATEMENTS

OTHER SHORT-TERM LIABILITIES

	2019 - CHF	2018 - CHF
Total other short-term liabilities	0.00	0.00

Short-term liabilities - with interests

	2019 - CHF	2018 - CHF
Total short-term liabilities - with interests	0.00	0.00

Other short-term liabilities

	2019 - CHF	2018 - CHF
Total short-term liabilities	0.00	0.00

Other short-term liabilities - shareholder

	2019 - CHF	2018 - CHF
Other short-term liabilities - shareholder		
Total other short-term liabilities - shareholder	0.00	0.00

Other accrued liabilities and provisions

	2019 - CHF	2018 - CHF
Accrued charges CHF	81'184.47	71'609.69
Total accrued liabilities and provisions	81'184.47	71'609.69

LONG-TERM FOREIGN CAPITAL

Long-term liabilities - with interests

	2019 - CHF	2018 - CHF
Total long-term liabilities - with interests	0.00	0.00

Other long-term liabilities

	2019 - CHF	2018 - CHF
Total other long-term liabilities	0.00	0.00

Provisions and similar entries provided by law

	2019 - CHF	2018 - CHF
Total provisions and similar entries provided by law	0.00	0.00

EUROGRAPHICS ASSOCIATION - Geneva
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT DECEMBER 31, 2019

NOTES TO THE FINANCIAL STATEMENTS

Salaries and social charges

	2019 - CHF	2018 - CHF
Total salaries and social charges	-	-

Other expenses

	2019 - CHF	2018 - CHF
Executive Board	31'748.73	5'513.38
Chapters	3'133.88	2'112.71
Workshop Board	-	151.46
On-line board	-	-
Central Secretariat	4'671.87	1'392.54
Operational - Services	83'060.95	95'834.37
Treasurer	9'424.25	8'968.52
Promotion Board	-	-
Education	-	-
Bookshop and Publication Board	591.22	862.15
CGF	2'592.50	2'890.54
Strategic Project	10'483.50	8'901.89
Contingency	6'006.38	4'597.82
Total other expenses	151'713.28	131'225.38

Depreciation and value corrections

	2019 - CHF	2018 - CHF
Depreciation	7'959.00	8'020.00
Value corrections	-	-
Total depreciation and value corrections	7'959.00	8'020.00

Financial result

	2019 - CHF	2018 - CHF
Creditor interests	1.00	2.50
./. Interests & bank charges	-1'720.99	-1'254.60
./. Loan interests	-	-
Difference of net exchange	-24'793.85	-26'623.65
Total financial result	-26'513.84	-27'875.75

EUROGRAPHICS ASSOCIATION - Geneva
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT DECEMBER 31, 2019

NOTES TO THE FINANCIAL STATEMENTS

Non-operating result

	2019 - CHF	2018 - CHF
Total non-operating result	-	-

Exceptional result

	2019 - CHF	2018 - CHF
Income on previous financial year	2'653.45	2'255.70
Exceptional income	-	-
./. Charges on previous financial year	-	-
./. Exceptional charges	-	-
Total exceptional result	2'653.45	2'255.70

EUROGRAPHICS ASSOCIATION - Geneva
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT DECEMBER 31, 2019

NOTES TO THE FINANCIAL STATEMENTS

TOTAL AMOUNT FROM DISSOLUTION OF HIDDEN OR REPLACEMENT RESERVES

There has not been a dissolution of hidden reserves during the fiscal year.

ANNUAL AVERAGE FULL-TIME STAFF NOT EXCEEDING THRESHOLDS OF 10, 50, 250

The annual average number of full-time staff does not exceed 10.

<u>ESSENTIAL PARTICIPATIONS</u>	None	None
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TREASURY SHARES

	2019 - CHF	2018 - CHF
Total	-	-

ASSETS PLEDGED AND DEBTS ARISING FROM LEASES NOT REPORTED IN THE BALANCE SHEET

Total amount of assets pledged or assigned to guarantee commitments, assets under reservation of ownership

Total amount of debts arising from leases

<u>CONTINGENT COMMITMENTS</u>	None	None
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<u>PARTICIPATION RIGHTS GRANTED TO BOARD MEMBERS AND PERSONNEL</u>	None	None
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<u>EVENTS OCCURRING AFTER THE BALANCE SHEET DATE</u>	None	None
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<u>DUE TO PENSION INSTITUTIONS</u>	None	None
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<u>CHANGE OF AUDITORS</u>	None	None
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EUROGRAPHICS ASSOCIATION - Geneva
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT DECEMBER 31, 2019

NOTES TO THE FINANCIAL STATEMENTS

CHF

Deferred profits

Profit brought forward	0.00
Profit of the year	28'474.92
	28'474.92

Proposed appropriation of available earnings

To the legal reserve	
Retained earnings to be carried forward	28'474.92
	28'474.92