

**ANNUAL REPORT
&
AUDITED FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2023

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Annual Report

2023 was a post-Olympic year with competition returning to its pre-Covid schedules. Elite World Championships took place in Saitama (JPN), Lake Placid (USA), Heerenveen (NED) and Seoul (KOR) for Figure Skating, Synchronised Skating, Speed Skating and Short Track Speed Skating respectively.

The final instalment was received from the IOC for the 2022 Winter Olympic games in Beijing (CHN) and as a result the ISU was able to confirm revenues of 9.9 million Swiss francs to be allocated in 2023 to 2025, in spite of the unfavorable USD-CHF exchange rate. This is higher than the original budgeted amounts for 2023 and 2024.

Although the World Figure Skating Championships took place in Japan, one of the ISU's key markets, our advertising revenues fell significantly below expectations and remain 20-30% below pre-Covid levels in Swiss franc terms. The weakness in Japanese markets can be attributed to the repercussions of the postponed summer Olympic Games and the Japanese and Global Economy.

ISU's event-related costs, when the exchange impact is excluded, remained largely in line with expectations. ISU headcount increased in 2023 from 25 to 30 as resource was strengthened in the areas of safeguarding, marketing, media and communications. This trend is set to continue as ISU seeks to deliver Vision 2030.

Aside from the advertising revenues mentioned above, the single biggest impact on the ISU's 2023 results was the continued weakening of the USD against the Swiss franc. In the past 25 years, the USD has lost almost half of its value against the Swiss franc and in the 2023, the USD having regained losses during the Covid crisis, the CHF strengthened by 7% by the middle of July, only to fall back in late September but the USD finished the year 9.5% weaker compared to the beginning of the year. The volatility impacted the ISU's revenues and costs throughout the year but the real impact came at the end of the year with the valuation of the ISU's USD investment portfolio generating Swiss franc losses in excess of 20 million CHF.

Almost all of ISU's revenues are USD denominated and a significant majority of its costs are likewise. It is for this reason, to reduce exposure to the USD/CHF volatility, that the Council has decided to change the ISU's functional currency to USD at the end of the current accounting period.

Further details and analysis can be found in the Financial Statements and the annexe to the Financial Statements dealing with actual to budget variances.

Finally, on 31 December 2023, Fredi Schmid, the ISU Director General, retired from his duties, having served the ISU for 27 years. The ISU Council thanks Mr Schmid for his invaluable work building the ISU into the organisation it is today and wish him well in his retirement.

The ISU Council
May 2024



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STATUTORY AUDITOR'S REPORT

To the Congress of International Skating Union, Lausanne

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of International Skating Union (the Association), which comprise the statement of financial position as at December 31, 2023, and the statement of income and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 7 to 17) comply with Swiss law and the Association's Constitution and General Regulations.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Association in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Other Information

The Council is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council for the Financial Statements

The Council is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Association's Constitution and General Regulations, and for such internal control as the Council 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, the Council 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 the Council either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.



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Auditor's 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 auditor's 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 Swiss law and SA-CH 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Council.

We recommend that the financial statements submitted to you be approved.

Lausanne, May 22, 2024

BDO Ltd

Jürg Gehring
Licensed Audit Expert
Auditor in Charge

Grégoire Weber
Licensed Audit Expert

Financial Statements

Income Statement – Swiss Francs

For the year ended 31 December	Note	2023	2022
A. OPERATING INCOME			
Broadcast revenue ISU Events		20 346 743	19 135 122
Advertising revenue ISU Events		4 946 186	6 144 246
Various Incomes		655 457	374 993
Youth Olympic Games Revenue		-	6 035
OWG Revenue allocation for the year		9 911 909	9 863 290
TOTAL OPERATING INCOME		35 860 295	35 523 686
B. OPERATING EXPENSES			
ISU Contributions		13 879 776	12 772 857
Prize Money (ISU Events)		4 919 787	4 275 964
Contributions including Prize Money		18 799 563	17 048 821
2. ISU Development Program			
a) Development Program Projects		1 631 539	1 295 686
b) Council projects		2 802 966	3 369 256
c) Contributions to ISU Members		2 666 362	2 975 507
ISU Development Program	2	7 100 867	7 640 449
Contributions to ISU Events & Development Program		25 900 430	24 689 270
3. ISU Other Operating Expenses	3	7 279 216	8 084 029
4. ISU Office building Lausanne		160 495	164 260
5. ISU Secretariat Expenses	4	5 131 694	4 516 275
OPERATING EXPENSES		38 471 836	37 453 833
C. OPERATING RESULT		(2 611 541)	(1 930 147)
FINANCIAL INCOMES AND EXPENSES	5	(8 573 846)	(18 232 957)
E. OTHER ITEMS			
Extraordinary results		16 292	1 309 178
Taxes/provision for taxes		72 435	(215 300)
TOTAL OTHER ITEMS	6	88 727	1 093 878
F. LOSS FOR THE YEAR BEFORE RE-ALLOCATION		(11 096 661)	(19 069 226)
Release of reserves		7 500 000	-
G. LOSS FOR THE YEAR	1	(3 596 661)	(19 069 226)

Balance Sheet – Swiss Francs

As at December 31	Note	2023	2022
ASSETS			
Current Assets			
Cash & Cash Equivalents	7	3 570 741	9 989 790
Short Term Deposit	11	81 209	152 798
Other Debtors	9	19 478	10 654
Deferred Event Contributions	8	1 825 556	1 479 689
Prepaid expenses & accrued income	9	4 562 651	4 107 575
Current Assets		10 059 635	15 740 506
Non-Current Assets			
Financial Assets	11	262 347 859	265 198 067
Property and Equipment	10	4 525 001	4 625 001
Non-Current Assets		266 872 860	269 823 068
TOTAL ASSETS		276 932 495	285 563 574
LIABILITIES & EQUITY			
Short Term Liabilities			
Accounts payable	12	1 348 299	1 768 345
Accrued expenses	13	2 459 058	2 793 699
Deferred income	14	22 730 732	18 370 972
Other short term liabilities		1 333 480	2 290 483
Accrued member contributions	15	4 065 794	4 248 283
Short Term Liabilities		31 937 363	29 471 781
Long Term Liabilities	16	7 000 000	14 500 000
Equity			
Voluntary retained earnings		241 591 793	260 661 019
Net loss for the year		(3 596 661)	(19 069 226)
Equity		237 995 132	241 591 793
TOTAL LIABILITIES & EQUITY		276 932 495	285 563 574

Statement of Cash Flows – Swiss Francs

For the year ended 31 December	Note	2023	2022
RECONCILIATION OF NET LOSS TO OPERATING CASH FLOW			
Loss for the year		(3 596 661)	(19 069 226)
Depreciation on tangible fixed assets	10	100 000	100 000
Release of reserves	1	(7 500 000)	-
Unrealized losses on financial assets	5, 11	7 571 208	21 557 584
Movement in deferred income	14	4 359 760	16 336 091
Current assets - decrease / (increase) :			
Short term deposit	11	71 589	(92 662)
Other debtors		(8 823)	(2 304)
Deferred event contributions	8	(345 867)	227 747
Prepaid expenses	9	(455 076)	342 489
Short term liabilities - increase / (decrease)			
Accounts payables	12	(420 045)	(634 469)
Accrued expenses	13	(334 642)	(3 472 797)
Other short-term liabilities	14	(957 002)	1 935 203
Member Contributions	15	(182 489)	267 620
Net cash (used in) / generated from operating activities		(1 698 049)	17 495 275
Net cash used in investing activities		(4 721 000)	(24 850 618)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(6 419 048)	(7 355 343)
Cash and cash equivalents on January 1st		9 989 790	17 345 133
Cash and cash equivalents on December 31st		3 570 741	9 989 790
		(6 419 048)	(7 355 343)

Notes to the Financial Statements

I. GENERAL

The International Skating Union (“ISU”), founded in 1892, is the exclusive international sport federation (IF) recognized by the International Olympic Committee (IOC) administering Figure Skating and Speed Skating Sports throughout the world. The ISU is composed of the individual national associations (herein called “ISU Members”) which administer these Sports at the national level, and which recognize that all international matters are under the sole jurisdiction and control of the ISU.

II. GENERAL ACCOUNTING PRINCIPLES

These financial statements were prepared according to the provisions of the Swiss Code of Obligations (CO 957-962). Where not prescribed by law, the significant accounting and valuation principles applied are described below. These financial statements have been prepared on a going concern basis.

Please note that all numbers are rounded. Therefore, some totals may show a difference of +/- 1.

III. INCOME STATEMENT ANALYSIS

1. Comparison 2023 versus 2022

The loss for the year 2023 amounts to CHF -3 596 661 which represents an improvement of CHF 15 472 566, compared to 2022 (loss of CHF -19 069 226).

The Operating Loss of CHF 2 611 541, compares with an operating loss of CHF 1 930 147 in 2022, an increase of CHF 681 394 which is explained in more detail as follows:

- + CHF 0.3 million : higher operating income in 2023 than in 2022 as a result of the ISU World Team Trophy held in 2023, offset by a loss of media and advertising rights incomes post Covid-19 pandemic and also resulting from the absence of Russian skaters and the effects of unfavorable exchange rates.
- - CHF 1.7 million : higher ISU event contributions and prize money paid by the ISU to the organizing ISU Members in 2023 specially linked to absence of Final Classification Prize Money in 2022, as well as additional travel contributions to athletes increasing post-pandemic during 2023.
- + CHF 0.5 million : reduced Development Program expenditures in 2023 principally due CHF-USD exchange rates impacting C-Contribution reporting figures at 2023 year end, higher support for Ukrainian Skaters in 2022 than 2023, and optimization of Council initiatives and projects in 2023.
- + CHF 0.8 million : reduced “Other Operating Expenses” in 2023 compared to 2022 due to there being no Congress in 2023 and fewer seminars, courses and examinations in 2023, offset by increased legal, insurance and anti-doping costs in 2023.
- - CHF 0.6 million higher ISU Secretariat expenses in 2023 compared to 2022 due to increases in payroll costs and new hires.

The Financial loss of CHF -8.6 million in 2023 versus a loss of -18.2 million in 2022 was an improvement of CHF 9.7 million compared to 2022. Further clarification are given under the section referring to Financial Incomes and Expenses.

The extraordinary profit of CHF 1.3 million in 2022 as a result of the sale of the former ISU offices in Davos, Switzerland was not repeated in 2023.

As previously mentioned, the Council took the decision to release CHF 7.5 million of provisions to the income statement in 2023.

2. Development Program

a. Development Projects

CHF	2023	2022
Payments and commitments of Development Projects:	1 459 478	1 148 358
Development Commission Expenses:	172 061	147 327
Total Development Projects	1 631 539	1 295 686

b. Council Projects

CHF	2023	2022
Junior Grand Prix	2 049 341	1 850 968
Junior World Cup Speed Skating	173 267	164 028
UKR Support to Skaters	(5 107)	391 423
World-Wide Seminars	282 067	451 406
Short Track Junior Competitions	85 454	52 421
E-Learning	113 040	244 848
Centers of Excellence	104 624	214 162
Total Council Projects	2 802 687	3 369 256

c. ISU C-Contributions to ISU Members

CHF	2023	2022
Release of expired contributions	(15 140)	
Exchange difference on contributions provision	174	
Contributions attributed	2 642 699	
Total ISU C-Contributions	2 666 362	2 975 507

In 2023 the number of project applications rebounded from the pandemic period and the number of applications from Asia, South America and the rest of the World also increased again. In approving support for Projects, the budget for the two-year period 2022 and 2023 was taken into account and respected.

Three Worldwide Seminars were held in 2023: for Pair Skating, Ice Dance and Synchronized Skating. The Junior Grand Prix, and Junior World Cup Speed Skating were held as usual and the Junior World Cup Short Track was held for the first time, replacing the previous Junior Short Track Challenge Series.

Additional materials and modules have been added to the eRink eLearning platform and the ISU Centers of Excellence (CoE) activities are ongoing and expanding.

The C Contribution was distributed as per the regular amount and procedure, though the USD/CHF exchange rate has led to a lower than budgeted total expenditure.

Since October 2016, a Development Program Director monitors the financial aspects of the Development Program, which are also reviewed by the Internal Controller. Furthermore, if necessary, the Council may mandate external audits of Development Program Projects.

3. Other Operating expenses

Other Operating Expenses break down as follows :

<i>Swiss francs</i>	2023	2022
Conference/Congress expenses	114 749	1 014 692
Committee meetings	340 467	235 664
Council and other meetings	500 645	335 426
Office Holders allowances	645 976	847 338
Office Holders travel & other expenses	914 016	1 365 702
External event & other consultants	360 410	183 871
Printed matter & materials	18 822	29 748
Anti-doping controls	808 626	639 270
Legal Services	527 088	210 084
Insurance	640 978	606 316
Judging, scoring, timing systems	526 074	568 765
Courses/seminars/training	230 994	436 568
Communications, PR & media	1 613 621	1 560 989
Other expenses	36 748	49 595
	7 279 216	8 084 029

4. Secretariat expenses

Secretariat expenses are made up as follows :

<i>Swiss Francs</i>	2023	2022
Salaries & Benefits	4 802 013	4 312 863
Office utilities	191 312	112 620
Office material & furniture	27 068	9 711
IT equipment / services	85 063	56 227
Communications	19 382	17 882
Office insurance & storage rental	6 856	6 972
	5 131 694	4 516 275

Employees at the ISU Lausanne office numbered as follows :

	2023	2022
Total employees at 31 December	30	25
Total FTEs (full-time equivalents) at 31 December	28.6	23.3
Average FTE's during the year	25.3	23.2

The ISU also employs one full-time employee in the Netherlands.

Salaries & Benefits includes a provision for accrued overtime and holidays amounting to CHF 30 335. The provision recorded in the balance sheet is CHF 470 277 (2022: CHF 439 941).

5. Financial Income & Expenses

The financial incomes and expenses resulted in a loss of CHF 8 573 846 for 2023 compared with a loss of CHF 18 232 957 for 2022 and compared with a 2023 budgeted profit of CHF 4 040 000.

While the bond markets and ISU bond portfolio partly recovered in 2023, the weak US Dollar at December 31, 2023 (-9.04 % compared to December 31, 2022) against the Swiss Franc resulted in a substantially lower Swiss Franc value of the ISU financial assets generating an exchange loss of approximately CHF -20.7 million at 2023 year end. Included in unrealized gains/losses are approximately 16 million of unrealized foreign exchange losses on the investment portfolio, offset by a reversal of unrealized valuation gains booked in 2022.

The interest income from the bond portfolio amounted to CHF 5.4 million in alignment with previous year 2022, same for the safekeeping and mandate fees charged by the banks amounting to CHF 1 million, assuming a stable percentage of the portfolio value.

Swiss Francs	2023	2022
Investment interest incomes	5 403 400	5 379 988
Investment management fees & transaction charges	(977 888)	(1 018 031)
Realized capital gains on bonds	907 854	433 393
Realized capital losses on bonds	(2 022 704)	(1 761 341)
Realized currency exchange gains	(314 166)	1 234 139
Realized currency exchange losses	(3 999 134)	(943 521)
Unrealized gains/losses on Bonds	(7 571 208)	(21 557 584)
	(8 573 846)	(18 232 957)

Further information on Financial Assets can be found in Note 11, below.

The foreign currency **exchange rates** against the swiss franc used for the closing balance sheet were:

	31.12.2023	31.12.2022	Change	Average exchange rates		Change
			%	2023	2022	%
USD	0.84162	0.92523	-9.04%	0.89880	0.95497	-5.88%
EUR	0.92970	0.98745	-5.85%	0.97165	1.00482	-3.30%
GBP	1.07288	1.11293	-3.60%	1.11706	1.1711	-5.26%

6. Other Items

The tax authorities have granted the ISU a tax exemption regarding its income and capital taxes on a cantonal, communal and federal level. The only taxes applicable to the ISU relate to its real estate property in Davos, sold in the course of 2022 for which additional taxes were accrued in relation to the transaction in late 2022 but partially released in 2023, together with the final and definitive tax assessment from the related tax authorities generating a refund and positive balance in favor of the ISU of CHF 72 435.

IV. ASSETS

The Assets are composed as follows:

	31.12.2023		31.12.2022	
	CHF	%	CHF	%
<u>Current Assets</u>				
Cash & cash equivalents	3 570 741	1.3	9 989 790	3.5
Short Term Deposit	81 209	0.0	152 798	0.1
Other debtors	19 478	0.0	10 654	0.0
Deferred event contributions	1 825 556	0.6	1 479 689	0.5
Prepaid expenses and accrued income	4 562 651	1.6	4 107 575	1.4
<u>Non-Current Assets</u>				
Long Term financial assets	262 347 859	94.8	265 198 067	92.9
Properties and equipment	4 525 001	1.6	4 625 001	1.6
	<u>276 932 495</u>	100	<u>285 563 574</u>	100

7. Current Bank Accounts

The bank accounts in foreign currencies have been converted at the closing currency exchange rates issued by the Swiss tax authorities as of December 31, 2023, and 2022 respectively.

8. Deferred Event Contributions

The Deferred Event Contributions relate to payment of ISU Championship contributions to ISU Members for events to be held in 2024.

9. Other Debtors and Prepaid Expenses & Accrued Income

Other Debtors and Prepaid expenses and accrued Income amounting respectively CHF 19'478 (2022: CHF 10'654) and CHF 4 562 651 (2022: CHF 4 107 574) are composed of the interest income on bonds accrued at year-end CHF 1 539 942 (2022: CHF 1 541 009), pending TV rights income related to 2023 to be invoiced in 2024 (2023: CHF 2 038 829; 2022: 1 950 713), prepaid expenses for the Youth Olympic Games 2024 of CHF 214 585 as well as various prepaid expenses (2023: CHF 788 773; 2022: CHF 626 507).

10. Fixed Assets

The net book value of the ISU office property in Lausanne amounts to CHF 4 525 000 (2022: 4 625 000). The property is amortised over 50 years.

11. Financial Assets

The Financial Assets Portfolio (bonds and short-term fiduciary deposits) has decreased by CHF 2 921 798 during the year as a result of the decline of the US Dollar against the Swiss Franc (- 9.04% between December 31, 2022 and December 31, 2023), the ISU's investment portfolio being mostly denominated in USD. More information can be found in the "Income Statement Analysis" and "Financial Income and Expense" above.

The breakdown of the portfolio by currency, at market value, is as follows:

	31.12.2023		31.12.2022	
	CHF	%	CHF	%
USD	209 381 350	80	202 270 721	76
EUR	34 550 550	13	42 300 064	16
CHF	18 497 168	7	18 534 185	7
GBP	-	-	2 245 895	1
Market value	262 429 068	100	265 350 865	100
Short Term deposits	81 209		152 798	
Long Term financial assets	262 347 859		265 198 067	
Book value	262 429 068		265 350 865	

The bonds and short-term deposits are accounted for and presented in the balance sheet at their market value. The related accrued interests on bonds are reported separately for an amount of CHF 1 539 942 (2022: CHF 1 541 009) under the section "Prepaid expenses/acquired income".

The long-term financial assets portfolio also include CHF 41.5 million of obligations or other deposits with maturity dates within a year that are subject to re-investment and are therefore presented as non-current assets.

The average coupon rates of the bonds showed the following average changes during 2023:

	Average Interest rates		2023	
	2023	2022	Variation points	Variation %
USD	2.54%	2.07%	0.469	+22.6
EUR	1.42%	1.38%	0.041	+3.0
GBP	1.43%	1.43%	0.000	0.0
CHF	0.43%	0.44%	-0.005	-1.1

V. LIABILITIES

12. Accounts Payable

The accounts payable correspond to current payable accounts with ISU Members and Officers, and other creditors amounting to CHF 1 348 299 as of December 31, 2023 (2022: CHF 1 768 345).

13. Accrued expenses

The accrued expenses as of December 31, 2023 amount to CHF 2 459 058 (2022: CHF 2 793 699). CHF 1 116 438 of this amount concerns a provision for current development project initiatives granted by the Council to ISU Members and the remaining balance concerns unpaid 2023 expenses at year-end.

14. Deferred income

The deferred income of CHF 22 730 732 (2022: CHF 18 370 972) relates principally to the 2022 Beijing Olympic Winter Games revenue and the long-standing practice of allocating this income throughout

the four years of the Olympic cycle from 2022 to 2025, as well as 2024 Youth Olympic Games revenue and other event rights fees in relation to the ongoing 2023/2024 skating season. Other short-term liabilities amounting to CHF 1 333 480 concern pending VAT (2022: CHF 2 290 483).

15. Accrued Member Contributions

The ISU Development Program C-Contributions provision as of December 31, 2023, payable to ISU Members, amounts to CHF 4 065 794 (2022: CHF 4 248 283). CHF 2 642 699 concern contributions allocated during the year 2023 but paid during the first quarter of 2024. The balance refers to allocated contributions during the years 2019-2022 which have not been claimed by the related ISU Members and/or for which the ISU Members have not yet provided the required reports.

16. Reserves

Following the substantial financial book loss in 2023 due to the Swiss Franc - US Dollar rate on December 31, 2023 the Council decided to proceed with the release of CHF 4 000 000 of the reserve for currency exchange loss on bonds and CHF 1 000 000 of the reserve for loss on other financial positions.

In addition, the Council approved a full release of the CHF 2 500 000 reserve for crisis situations, as the ISU's revenues continued to be impacted by the long-term effects of the Covid-19 pandemic and the impact of the Russian invasion of Ukraine. More information can be found in "other information" on page 7 on the notes below.

The provision for expenses related to legal cases as of December 31, 2023, amounts to CHF 7 000 000. This amount was deemed necessary and sufficient and remains unchanged compared to 2022.

VI. OTHER INFORMATION

ISU Indemnity Policy

In line with the ISU Indemnity Policy, ISU Office Holders receive Office Expenses paid in an annual lumpsum. A limited number of Office Holders, depending on their function and subject to their ISU workload exceeding a reasonable level that can be expected from an elected or appointed volunteer

Office Holder, receive Secretarial allowances or a fixed remuneration. During 2022 this applied to 14 Office Holders.

External Audit

The ISU accrued CHF 33 936 for the fees of BDO SA related to the audit of the financial statements 2023 (2022: CHF 36 155). Other audit-related and non-audit services were charged during 2023 by BDO SA for a total of CHF 14 281 (2022: 11 793).

Other information

The global instability resulting from the Russian invasion of Ukraine and conflict in the Middle East continue to have an impact of the ISU's business and competitions, notably due to the absence of Russian Figure Skaters.

Significant events & post-balance sheet matters

On 21 December 2023, the Court of Justice of the European Union rendered two judgments relating to the application of EU competition law to sports federations in Cases C-124/21 P, International Skating Union ("ISU") and C-333/21, European Superleague Company ("ESL"). There is no financial impact of these judgments on the ISU and any regulatory implications had already been implemented by ISU.

On 30 January 2024, the Court for Arbitration in Sport (CAS) rendered its judgment in the case of the Russian athlete, Valieva. Following this judgment, the ISU announced its decision to re-award the

medals for the 2022 Olympic Winter Games. Appeals have been made against the CAS judgment in front of the Swiss Federal Court and against the ISU's decision concerning the re-awarding of medals in front of CAS. The Council and management consider that the legal provisions on the balance sheet are sufficient to cover the costs of defending these actions.

The following pages do not form part of the Audited Financial Statements

Annexe – Analysis of Variance to Budget

Comparison 2023 actuals versus 2023 budget (Budget as approved by ISU Members during the Phuket June 2022 Congress)

The loss for the year 2023 amounts to CHF -3 783 886 compared to the 2023 budgeted loss of CHF -1 898 000 representing a negative variance of CHF -1 885 886.

The operating result for the year shows a loss of CHF -2 943 704 versus a budgeted loss of CHF -5 913 000, a positive variance of CHF 2 969 296. This variance is composed of

- - CHF 1.5 million lower TV rights, advertising rights and various income than budgeted as per circumstances of the war in Ukraine and other unfavorable forex exchange rates.
- + CHF 0.9 million higher Olympic Winter Games income than budgeted.
- + CHF 2.0 million lower ISU Events and Championships contributions and prize money paid by the ISU to the organizing ISU Members than budgeted. Such underspending emanates from the fact that several provisions made for a negative impact due to the pandemic were finally and hopefully not used, as well as other initiatives were finally delayed or kept below budget, therefore resulted in a positive correction in 2023.
- + CHF 0.9 million lower Development Program expenditures than budgeted mainly linked to lower exchange rates affecting reporting figures on C-Contributions at year end and also optimization of Council initiatives and projects in 2023. For further details please refer to the explanations below under “Development Program”.
- + CHF 0.7 million lower “Other Operating Expenses mostly in relation with lower seminars, courses and examinations, some also held online, as well as AI and other projects being delayed.
- + CHF 0.01 million higher ISU Secretariat expenses than budgeted due to unbudgeted hires in the second part of the year.
- + CHF 0.3 million higher than budgeted net interest income.
- CHF 13.0 million financial book loss. The weak US Dollar at the closing date of December 31, 2023 (-9.04% compared to December 31, 2022) versus the Swiss Franc resulted in a substantially lower Swiss Franc value of the ISU financial assets mainly held in US Dollar bonds. Please also refer to the comments under “Financial Assets Portfolio” above and the comments under “Financial Incomes and Expenses” below.

+CHF 7.6 million not budgeted “Other Items” after release of the reserve for currency exchange loss on bonds and other financial positions, as well as the release of the reserve to sustain losses due to detrimental consequences emanating from the War in Ukraine and possible reductions on sponsorship and media rights income during crisis situations.