



**9 SEPTEMBER 2016, UMHLANGA,
SOUTH AFRICA**

FINANCE REPORT OVERVIEW

**THIERRY HOUEIX,
IECEX TREASURER**



2015 END OF YEAR ACCOUNTS

- Auditors Report = IECEX MC/1115/DV (includes Notes)
 - Confirmation that accounts are in order and comply with Swiss Law
 - Requires endorsement from MC to submit to CAB
 - Requires CAB approval during their 2016 Frankfurt meeting
- Summary
 - Total Income = CHF 1'983'347
 - Total Expenses = CHF 1'721'395
 - Contribution to General Reserves = CHF 261'952
 - IECEX General Reserve @ Dec 2015 = CHF 1'728'741
(representing approx. 1.5 years operating expenses)

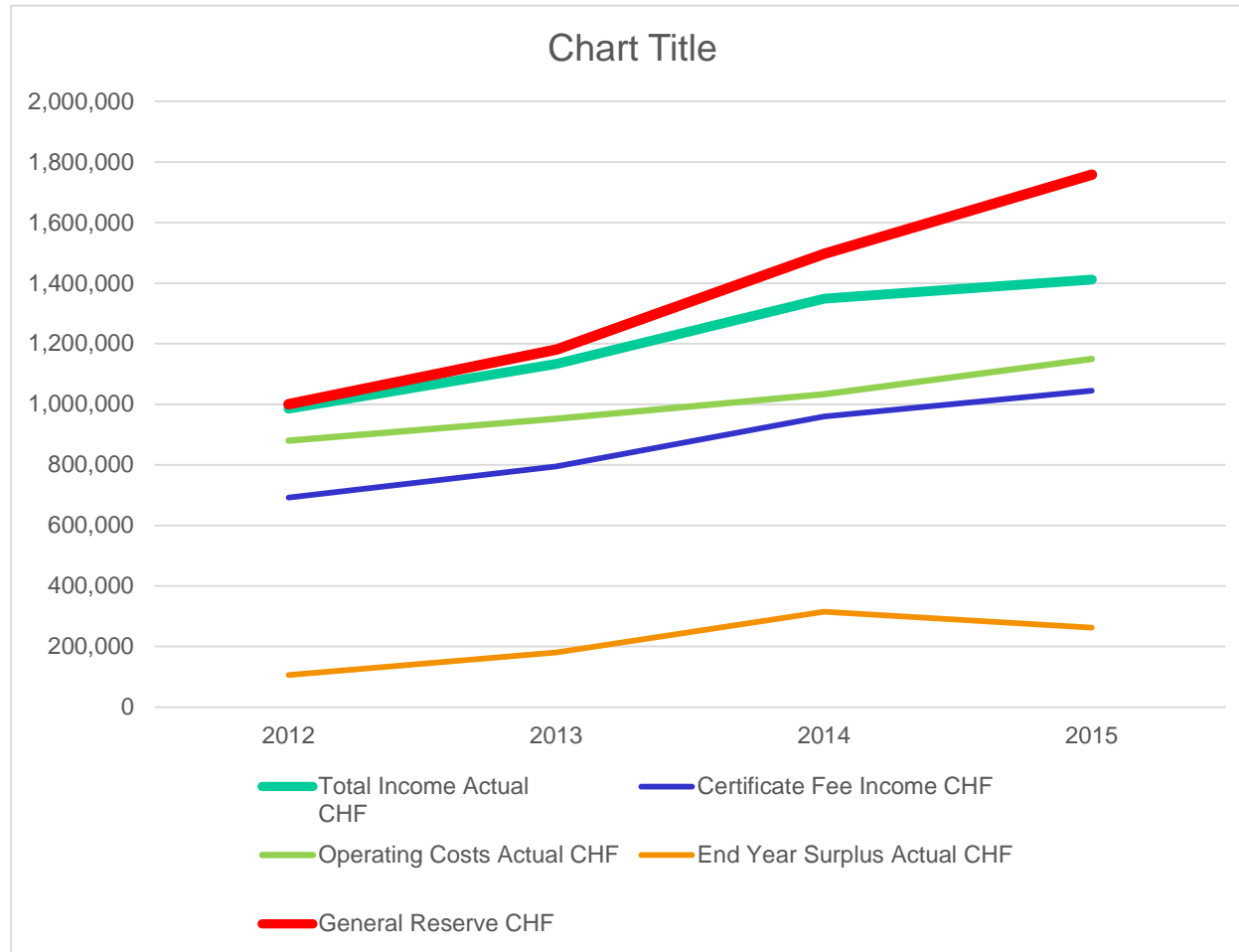


2015 ACCOUNTS HIGHLIGHTS

- Income = CHF 1'983'347
 - Annual dues above budget due to new bodies now participating in IECEx along with existing bodies expanding their participation
 - Corresponding application fees are higher than budget
 - Other Income significantly higher than budgeted but is due to the large number of assessments conducted
- Expenses = CHF 1'721'395
 - Most items in line or below budget
 - 2 Day IECEx Conference held in G'dansk fully funded by IECEx
 - Introduction of 3 new mobile Apps covered by IECEx
 - Corresponding expense for assessments
- **Treasurer Recommends MC acceptance of the 2015 Accounts**



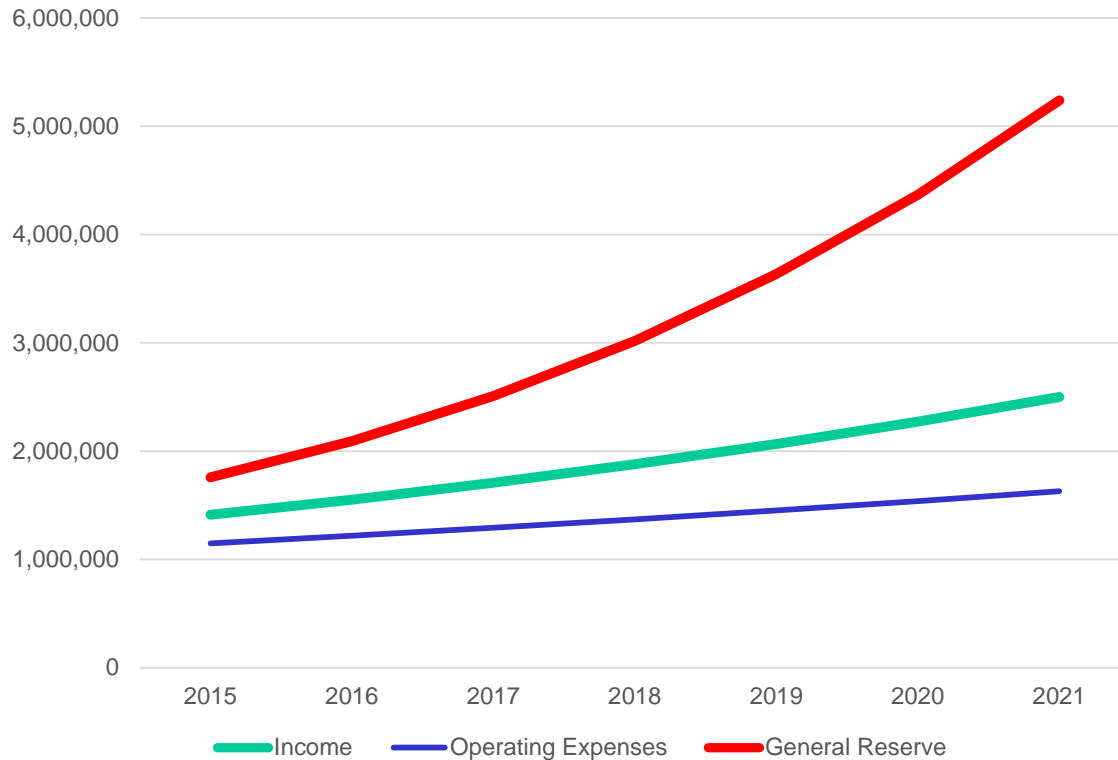
IECEX FINANCIALS – TREND 2012-15





GENERAL RESERVE TRACKING

IECEX General Reserve Tracking



	Income	Operating Expenses	General Reserve
2015	1,411,978	1,150,026	1,728,741
2016	1,553,176	1,219,028	2,062,889
2017	1,708,493	1,292,169	2,479,213
2018	1,879,343	1,369,699	2,988,857
2019	2,067,277	1,451,881	3,604,252
2020	2,274,005	1,538,994	4,339,263
2021	2,501,405	1,631,334	5,209,334

Allowing for conservative annual growth as follows:

Income = 10% pa

Expenses = 6% pa

Ann Average Growth over past 3 years

Income = 13% Expenses = 7%

3 x Operating costs will be achieved 2020/2021 if not sooner



2016 FORECAST @ JULY 2016

INCOME	A	B	C
	2015 End of Year Accounts	2016 Approved Budget	2016 Forecast @ May 2016
	CHF	CHF	CHF
6000 National Dues	278,000	283,250	288,000
6020 Other Participation Fees (App Fees)	41,000	20,000	20,000
6030 RTP Annual Fees	0	0	3,500
6110 Publications (Include IECEX Bulletin)	3,374	7,000	7,000
6200 Interest, Miscellaneous	2,968	2,000	700
6400 Certificate Fee Equipment Program	869,150	880,000	880,000
6010 Certificate Fee Surcharges	53,250	60,000	60,000
6410 Certificate Fee Services Program	50,000	80,000	60,000
6420 Certificate Fee Certified Persons Scheme	71,800	90,000	80,000
6900 Other Income	40,089	50,000	10,000
6950 Assessment Fees Administration	2,347	2,000	2,000
Total	1,411,978	1,474,250	1,411,200
EXPENDITURE	CHF	CHF	CHF
40000 Personnel Costs Insurance + Pensions)	785,000	825,000	825,000
47100 Office Equipment + Stationery	5,724	10,000	10,000
47200 Serviced Office facilities Rent Equip etc	73,379	100,000	80,000
47900 Miscellaneous, legal audit	4,366	10,000	5,000
47920 Website Maintenance and Development	2,204	10,000	5,000
47300 IEC CO General & Administrative Levy	75,624	85,263	85,263
48000 Publicity + Promotion	48,007	80,000	60,000
48200 Special Event	16,344	50,000	0
49000 Travel + Meeting Expenses	121,690	150,000	130,000
48500 Special projects	17,688	40,000	15,000
49500 Extraordinary Expenses	0	0	0
Total Operating Costs	1,150,026	1,360,263	1,215,263
50000 Portion allocated to build IECEX Reserves	49,627	113,987	195,937
Total Year Budget: Expenses	1,199,653	1,474,250	1,411,200
Total end of year contribution to General Reserves	261,952	113,987	195,937

Key Points for noting by ExMC:

- Increased IECEX resulting in and workload of Sec
- Promotion + Policing of IECEX Schemes
- New Bodies including Additional Test Locations
- New mechanical equipment stds – increased activity
- MC to note 2017 Budget was approved by MC via ballot voting and then by CAB



2018 BUDGETING PREPARATIONS

- Budget Forecast ExMC/1172/CD Key Items for noting by MC
 - Support continued need for a dedicated Technical Secretariat to serve the IECEX
 - Maintain current funding model of combination of Annual dues + Certificate Fees for a user pay system
 - Continue with a conservative approach to financing
 - No significant changes in either Income or Expenditure is foreseen for 2018 other than additional support staff for Secretariat planned 2017/2018
 - Therefore no changes foreseen in annual dues that represent **16** consecutive years of no increase in annual dues.
 - A final draft 2018 IECEX budget will be prepared based on the 2016 end of year results

Does ExMC have any comments on the above approach ??



THANK YOU