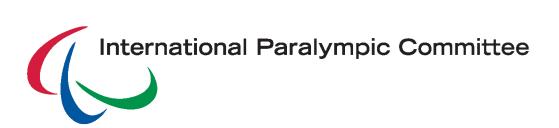


ANNUAL REPORT 2006







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CONTENTS

1.	FROM THE PRESIDENT	4
2.	GOVERNING BOARD AND HONORARY BOARD	6
3.	VISION AND MISSION	7
4.	ORGANIZATIONAL STRUCTURE	8
5.	ABOUT THE IPC	9
6.	TORINO 2006 PARALYMPIC WINTER GAMES	10
7.	THE YEAR IN IPC SPORT	12
8.	STRATEGIC PLAN 2006-2009	13
9.	HIGH PERFORMING ORGANIZATION	14
10.	MEMBERSHIP DEVELOPMENT	19
11.	RESOURCE CREATION	22
12.	GAMES SUCCESS	24
13.	GLOBAL RECOGNITION	27
14.	FINANCIAL INFORMATION	30



FROM THE PRESIDENT



"Due to the intense work carried out in 2006, IPC is in excellent shape to face the challenges presented throughout the following year and beyond."

2006 has been a truly remarkable year for the International Paralympic Committee (IPC). We have hosted a number of the most successful Paralympic sporting events to date, and at the same time embraced a diverse new governance structure, which has enabled us to achieve a number of organizational goals.

It has been my honour to lead IPC's newly elected membership body through the last 12 months and I am excited by the prospect of embarking on new challenges with them. It also gives me great pleasure to reflect on the accomplishments of the past year, which saw IPC's performance greatly enhanced through the implementation of the Strategic Plan (2006 - 2009).

Of course the highlight of the year was the success of the Torino 2006 Paralympic Winter Games, which utilized many of IPC's new organizational strategies. The only thing we could not provide was the magic of the event, which came from the performances of our athletes, who once again showed tremendous strength, courage and skill.

We did however ensure the right media strategies were in place to present the excitement to the world. Broadcast viewership exceeded all previous Games as a result. Significant progress was also made in raising the international profile of the Paralympic Brand with the launch of the Internet television channel www.ParalympicSport.TV.



While Torino showcased the talents of our winter sports athletes, athletic records were being set across all IPC sports during the seven IPC World Championships that were hosted throughout the year.

positive **IPC** also consolidated its relationship with the International Olympic Committee (IOC), which showed its unwavering support for the Paralympic by extending the IOC/IPC agreement from 2012 to 2016. The excitement of the Beijing 2008 Paralympic Games is just round the corner and preparations are already underway for the 2010 Games in Vancouver and 2012 Games in London.

It is important to recognize that the victories of the past year were not only won in the sporting arena. 2006 also saw triumphs for the Paralympic Movement as a whole and will also be remembered for the UN Convention on Rights for Persons with a Disability, which was adopted by the UN in August.

I am pleased to report that 2006 was also successful in terms of securing IPC's financial status. The achievements of 2006 would not have been possible without funding, generated through successful marketing of the Paralympic Brand during the Games, and through corporate partnerships.

Of course, we also faced many challenges. Like all sports organizations IPC had to adopt stringent measures against doping and enforce new legislation outlined in the World Anti-Doping Code. We also had to make some tough decisions relating to Classification to guarantee our verifying procedures were robust enough to ensure fair competition for our athletes.

We tackled these challenges, and made our decisions in the best interest of our athletes and the sports. Due to the intense work carried out in 2006, IPC is in excellent shape to face the challenges presented by the following year and beyond.

My sincere thanks go to the staff of IPC, our Governing Board and all the volunteers around the world who have made Paralympic Sport the steadily growing phenomenon it is today. Support for the work of IPC's member organizations is ongoing and I would like to thank them for continuing to play such a vital role within the Paralympic Movement.

I am particularly looking forward to building on IPC's many successes during the coordination of the Beijing 2008 Paralympic Games, which are shaping up to be the most spectacular Games yet.

Sir Philip Craven, MBE President

International Paralympic Committee

IPC GOVERNING BOARD AND HONORARY BOARD

IPC GOVERNING BOARD 2005-2009

President Sir Philip Craven MBE Vice President Miguel Sagarra

Members at Large:

Mr. Zainal Abu Zarin

Mr. Masoud Ashrafi

Mr. Jose Luis Campo

Ms. Ann Cody

Mr. Alan Dickson

Mr. Greg Hartung

Mr. Patrick Jarvis

Mr. Karl Vilhelm Nielsen

Dr. M. Nabil A. Salem

Mr. Zhifei Shen

Athletes' Representative Ms. Ljiljana Ljubisic

IPC Chief Executive Officer Mr. Xavier Gonzalez

Co-opted Member Mr. Fred Jansen







IPC HONORARY BOARD

(in order of acceptance)

HRH Princess Margriet of the Netherlands

HRH Grand Duchess Maria Teresa of Luxemburg

HRH Crown Princess Victoria of Sweden

HSH Prince Albert of Monaco

Maria Guleghina, International Opera Singer

James Wolfensohn, former President of the World Bank

HRH Princess Haya Bint Al Hussein of Jordan



VISION AND MISSION

TO ENABLE PARALYMPIC ATHLETES TO ACHIEVE SPORTING EXCELLENCE AND INSPIRE AND EXCITE THE WORLD

To guarantee and supervise the organization of successful Paralympic Games.

To ensure the growth and strength of the Paralympic Movement through the development of National Paralympic committees (NPCs) in all countries and support to the activities of all IPC member organizations.

To promote and contribute to the development of sport opportunities and competitions, from initiation to elite level, for Paralympic athletes as the foundation of elite Paralympic Sport.

To develop opportunities for female athletes and athletes with a severe disability in sport at all levels and in all structures.

To support and encourage educational, cultural, research and scientific activities contributing to the development and promotion of the Paralympic Movement.

To seek the continuous global promotion and media coverage of the Paralympic Movement, it's vision of inspiration and excitement through sport, its ideals and activities. To promote the self-governance of each Paralympic sport either as an integral part of the international sport movement for able-bodied athletes, or as an independent sport organization, whilst at all times safeguarding and preserving its own identity.

To ensure that in sport practiced within the Paralympic Movement the spirit of fair play prevails, violence is banned, the health risk of the athletes is managed and fundamental ethical principles are upheld.

To contribute to the creation of a drug-free sport environment for all Paralympic athletes in conjunction with the World Anti-Doping Agency (WADA).

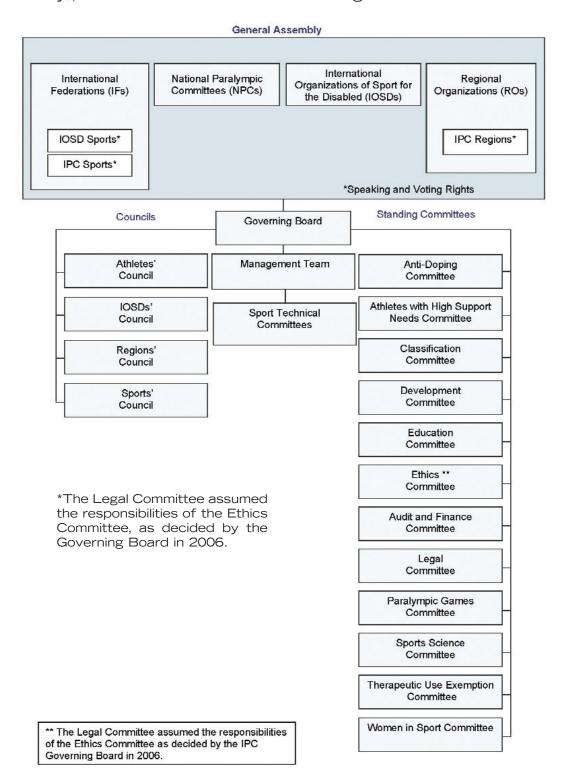
To promote Paralympic sports without discrimination for political, religious, economic, disability, gender, sexual orientation or race reasons.

To ensure the means necessary to support future growth of the Paralympic Movement.



ORGANIZATIONAL STRUCTURE

In 2006, the organizational structure of IPC was composed of the General Assembly (GA), the Governing Board (GB), the Management Team (with permanent headquarters in Bonn, Germany), and various Councils and Standing Committees.





ABOUT IPC

During World War II traditional methods of rehabilitation were recognized as inadequate to meet the medical and psychological needs of large numbers of soldiers and civilians with a disability. At the request of the British government, Dr. Ludwig Guttmann, a German neurologist and neurosurgeon who had fled the Nazi regime to Great Britain, set up a Spinal Cord Injuries Centre at Stoke Mandeville Hospital in 1944. At Stoke Mandeville, Guttmann introduced sport as a form of therapy and as an aid for remedial treatment and rehabilitation. His work resulted in the increased prominence of sport for individuals with spinal cordrelated injuries and the first Stoke Mandeville Games in 1948. This led to the International Stoke Mandeville Games that took place in 1952.

time. multi-disability competitions In developed to become the Paralympic Games - the first being held in 1960 in Rome and the first Paralympic Winter Games in 1976. In 1982, the International Co-ordinating Committee of World Sports Organizations for the Disabled (ICC) was established to govern the Paralympic Games and to represent the participating organizations in dialogues with International Olympic Committee (IOC) and other global organizations.

The International Paralympic Committee (IPC) is now the global governing body of the Paralympic Movement and is responsible for co-ordinating organization of the Paralympic Games, while acting as the International Federation for ten IPC Sports. Founded in 1989, IPC is an international non-profit organization with an extensive membership base National Paralympic composed of Committees (NPCs). International Organizations of Sport for the Disabled (IOSDs), International Federations (IFs) and Regional Organizations (ROs). Since 1999 the Management Team has been located at IPC's HQ in Bonn, Germany.

IPC has a democratic governance structure, made up of a General Assembly (the highest decision making body that meets biennially), a Governing Board, and several Councils and Committees. In November 2005, the present Governing Board was elected and Sir Philip Craven was re-elected for another term of office (2005 - 2009).

The last year has been particularly important for IPC because it started to see the benefits of an extensive restructuring process, which began with the Strategic Review in 2002. This led to a new constitution and governance structure, which was adopted by the Extraordinary GA of 2004 and fully implemented in 2006. As a result of this restructuring process, the Governing Board replaced the Executive Committee and bylaws for IPC Councils and Standing Committees were developed. These key structural changes, led by concise strategic direction through the adoption of the Strategic Plan (2006 - 2009), have significantly increased the stature of IPC.



TORINO 2006 PARALYMPIC WINTER GAMES



'Passion Lives Here' was the motto of the Torino 2006 Paralympic Winter Games and it was certainly true.

From 11 to 19 March, a total of 474 athletes, including 99 women (21% of the total number) competed in four sports in 58 medal events. Alpine Skiing was held on the slopes of Sestriere Borgata, Ice Sledge Hockey in the central Torino Esposizioni and the Nordic Skiing events were held in Pragelato.

Wheelchair Curling made its Paralympic debut in front of packed crowds in Pinerolo.

Photo: © Getty Images

TORINO 2006 PARALYMPIC WINTER GAMES

Mexico and Mongolia were welcomed to their first Winter Paralympics, bringing the total number of participating countries to 39. Athletes and officials lived in two Paralympic Villages, in Sestriere and Torino.

The medal tally was topped by Russia with 13 gold medals, followed by Germany with eight golds and Ukraine, France and USA with seven gold medals each. Ukraine saw an exciting development, moving from 18th place at the Salt Lake 2002 Winter Paralympics to third at Torino.

Ukrainian athlete Olena Lurkovska led the medal tally taking four gold, one silver and a bronze medal. The Russians secured their golden glory thanks to the performance of a number of standout athletes in the Nordic Skiing competition: Lioubov Vasilieva won three gold medals and one bronze, Taras Kryjanovski took two gold and two silver and Rustam Garifoullin won two golds and a silver.

For the German team, the veterans shined as Martin Braxenthaler (sitting) took home three golds for his country and Gerd Schoenfelder (standing) won two golds, a silver and a bronze, making him the most decorated male athlete in Paralympic Alpine Skiing. Canada was the only country to win gold in every discipline, Hockey, Curling, Downhill and Nordic.

In the Ice Sledge Hockey competition the USA, who won gold at the Salt Lake 2002 Winter Paralympics, went home with the bronze medal while Canada defeated world champions Norway 3:1 to take the gold medal. Despite only scoring three goals in the entire competition, the Italian Ice Sledge Hockey Team still managed to fill the venue for each of their games.

Several competitions, including the finals of the Ice Sledge Hockey and Wheelchair Curling as well as the Opening Ceremony, were sold out.

While the Italian athletes were the crowd favourites of course, spectators cheered heartily for great performances given by athletes from several different countries.

THE YEAR IN IPC SPORT

2006 was a busy year for the Paralympic Movement with seven World Championships held for sports on the Paralympic Programme. Hundreds of athletes with a disability were involved. Europe was the most popular location, hosting eight of the fifteen The championships. other five competitions moved further afield. reaching Korea, New Zealand, Brazil and South Africa.

The 2006 IPC Powerlifting World Championships, kicked off the year in Busan, South Korea. This competition produced outstanding results and 12 world records were broken. From a total of 57 participating countries, China topped the medal tally with nine gold medals, closely followed by Iran and Egypt.

The 2006 IPC Shooting World Championships followed in Sargans, Switzerland. This exciting competition saw six individual and seven team world records broken. China topped the medal tally with six gold medals, five silver and one bronze.

The 2006 **IPC Athletics** World Championships were the largest championship event of the year, bringing over 1,500 athletes from 76 countries to Assen, in the Netherlands. China finished first with a total of 55 medals, including 22 gold. The USA and Australia both finished with a total of 32 medals, with 16 gold medals each.

The 2006 IPC Cycling World Championships were also held in September at the International Cycling Union (UCI) World Cycling Centre in Aigle, Switzerland. Germany came first overall, winning a total of 26 medals, including 12 gold. There was a bonanza of 17 world records on the track in the first three days of competition and some highly competitive races on the road.

Next came the 2006 IPC Table Tennis World Championships in Montreux, Switzerland. China dominated the medal tally at the Championships, taking 14 gold, four silver and seven bronze medals. Gui Xiang Ren of China was the 'Queen of the Championships', winning three gold medals.

In October, in Arnhem, the Netherlands, a total of 66 couples from 18 countries competed in Standard (Waltz, Tango, Waltz, Slow Foxtrot Viennese Quickstep) and Latin American Dance (Samba, Cha-Cha, Rumba, Paso Doble and Jive), in both combi-style dancing (a wheelchair user and an able-bodied partner) and for the first time at a world championship. duo-dance (with wheelchair users).

A total of 549 athletes took part in the 2006 IPC Swimming World Championships, one of the largest Swimming competitions for athletes with a disability after the Paralympic Games. The event was held in Durban, South Africa, under the organization of Disability Sport South Africa. Great Britain topped the medal tally with 24 gold medals, closely followed by USA and Ukraine.



STRATEGIC PLAN (2006 - 2009)

2006 was a crucial year for the International Paralympic Committee (IPC) because it completed and implemented its Strategic Plan. By working towards a series of specific objectives IPC will get closer to fully realising its vision to enable paralympic athletes to achieve sporting excellence and inspire and exite the world.

The five objectives: High Performing Organization, Membership Development, Resource Creation, Games Success and Global Recognition have been developed in accordance with the ongoing work of the IPC Management Team and IPC Committees and Councils. IPC has already taken significant steps to adopt a number of strategies outlined within each of these objectives, as this report will go on to illustrate.

The strategies will be reviewed on an annual basis to ensure that IPC is adapting to the fast changing sporting environment, while continuing as an innovative and proactive organization.

















Photos ©: Busan 2006, Prezioso, Gallo Images, Yuko Sato, Prezioso,



High Performance Organization

An efficient organization with a clear governance structure and concise strategic direction, which supports reliable operations.



A CONSTITUTION REBORN

Throughout the year IPC's performance as a universal democratic sporting organization was enriched by diversity and greatly enhanced by strategic direction. The achievements made in 2006 illustrate that the benefits of implementing a new governance and management structure were manifold.

IPC propelled its way through 2006 with increased vigour and direction, as a result of an extensive restructuring process, which began after the Strategic Review in 2002. A new constitution was adopted by the Extraordinary General Assembly of 2004 and registered with the German Court. As a result, the Governing Board replaced the Executive Committee to become IPC's highest layer of governance. Bylaws for IPC Councils and Standing Committees were developed accordance with the new governing structure, providing them with the right framework to achieve their goals.

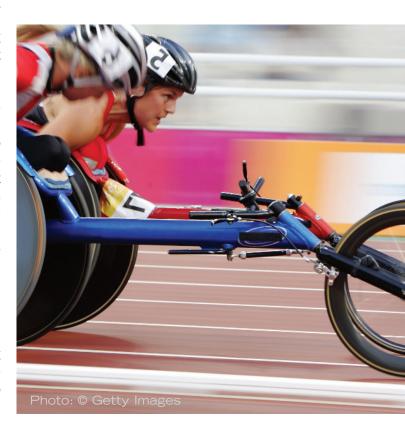
Members of the Governing Board were elected at the General Assembly in 2005. By this time a revised budget had also been approved to accommodate for the changes in governance. The budget became a fundamental part of IPC's strategic development, which eventually resulted in the creation of the Strategic Plan (2006 - 2009). This plan and its wideranging objectives were approved and applied by the Governing Board in 2006.

A clear governance structure, complimented by the diverse and international membership of the Governing Board, allowed IPC to tackle the challenges of 2006, while responding to the demands of its environment.

ANTI-DOPING

Like all sports organizations, IPC had to work hard to defend the integrity and credibility of its competitions by adopting stringent measures against doping and enforcing the the legislation outlined in the World Anti-Doping Code (WADC). IPC illustrated its commitment to this issue by maintaining a strong relationship with WADA and revising the IPC Anti-Doping Code in accordance with international laws and standards.

In 2006, WADA initiated a review process of the World Anti-Doping Code (WADC) and the WADC International Standards. IPC contributed to various stages of the review process and provided detailed feedback on revised draft versions of the WADC and International Standards.



IPC also adopted the Anti-Doping System Administration Management (ADAMS) effective to ensure the implementation of anti-doping policies and procedures. Anti-Doping Outreach programs were also carried out during the 2006 IPC Athletics World Championships in Assen, The Netherlands, and the 2006 IPC Swimming World Championships in Durban, South Africa.

Measures taken to ensure that Organizing Commitees fully complied with IPC's policies on anti-doping, included the production of the IPC Anti-Doping Handbook for Organizing Committees of IPC Sanctioned Events.

Throughout the year IPC conducted 658 doping control tests during competitions and 204 tests outside the sporting arena. A further 73 tests have been done on athletes participating in IPC Sports, after agreements were made with the World Anti-Doping Agency (WADA) and other anti-doping authorities. During the Torino 2006 Paralympic Games 130 out-of-competition and 171 in-competition doping control tests were found to be negative.

Advancements were also made in the development of protocols and procedures relating to the Therapeutic Use Exemption (TUE) assessment process. This has led to the successful management of an increasing number of TUE applications. In 2006 IPC approved 456 TUE applications, 62 of which were handled before and during the Torino 2006 Paralympic Games.





CLASSIFICATION

IPC continued to strive for maximum fairness, consistency and accuracy in all verification processes used to determine eligibility of athletes the entering international competitions. Extensive work was done to create effective sportfocused classification systems progess was made with the development of the Classification Code, in accordance with the Classification Strategy, which was formulated in 2003 to support this process. These regulations aim to create consistency and harmony in all classification issues by defining a series of policies and procedures that are common to all sports. A rigorous assessment was also made of existing procedures used to determine the eligibility of athletes with an intellectual disability. The International Sports Federation for Persons with an Intellectual Disability (INAS-FID) responsible for the implementation and verification of the processes used for determining the eligibility of athletes competing in an international competition.

To be eligible to compete, athletes within the Paralympic Movement must meet a minimal eligibility requirement. However, the IPC Governing Board determined that the eligibility system developed by INAS-FID did not achieve the standard expected for IPC sanctioned competitions and was not sufficiently robust to ensure fair competition for athletes with an intellectual disability. Consequently, these athletes can not take part in IPC sanctioned events, including the Beijing 2008 Paralympic Games.

IPC has taken steps to ensure that all its policies developed on classification are underpinned by solid scientific research. importance of research reiterated at the VISTA 2006 Conference Classification: Solutions for the Future. And measures have since been taken to further integrate science into the athlete evaluation process through collaborative work carried out between the IPC Sports Science Committee, the IPC Classification Committee and classification experts in a number of different sports. As a result, a number of athletes were evaluated and allocated a sport class on the basis of their abilities in a particular sport.

Research was also carried out during the Torino 2006 Paralympic Games to minmize the health risk to athletes competing at an elite level. Research applications approved by the Sports Science Committee, included the use of a Paralympic Injury Survey into the cause and frequency of injuries. A skill observation protocol was also drawn up, containing detailed criteria of what constitutes the performance of a mature ice sledge hockey player, as well as an examination of the physiological characteristics of Nordic sit-skiers in comparison to their performance.



SPORT MANAGEMENT

During the second quarter of 2006, steps were taken to establish a reliable and sustainable sport management structure that addresses the accountability and viability of sports under the governance of IPC. Under the direction of the Governing Board, the IPC Sport Governance and Management Initiative has led to a redrafting of the IPC Sport Technical Committee bylaws, as well as the restructuring of the IPC Sport Technical Committees. An organizational alignment exercise focused on strengthening IPC sports by clarifying roles, responsibilities and dedicating resources with a strategic focus.

A commitment was also made to hire IPC Sport Managers to further support the goals of the initiative. Nine IPC Sport Forums were conducted throughout the course of the year, most on the occasion of respective **IPC** World the Championships, provided which opportunities for sport leaders to debate proposals and exchange information on matters concerning the development of each of the IPC Sports.

The promotion of IPC Sport selfgovernance made significant strides this year with two IPC Sports achieving of governance transfers to respective international federations. specifically IPC Equestrian International Equestrian Federation (Para-Equestrian) and IPC Cycling to the International Cycling Union (Para-Cycling). Both of these transfers reinforced the growing trend among a number of international sport federations to embrace Paralympic sport as an integral part of their strategic direction.



Membership Development

Ensuring IPC member organizations have defined roles and responsibilities, are able to sustain their operations and are accountable and effective when delivering their activities.



MEMBERSHIP DEVELOPMENT

OUR MEMBERSHIP BODY

IPC has 178 members, 161 National Paralympic Committees (NPCs), two of which are suspended (Cameroon and Mozambique), four IOSDs. nine International Federations (IFs) and four Regional Organizations (ROs). Since the General Assembly (GA), 2005 Governing Board has approved provisional membership for seven organizations, two NPCs (Liberia and Panama), one RO (Asian Paralympic Committee) and four IFs: The International Rowing Federation (FISA), International Equestrian Federation (FEI), International Cycling Union (UCI) and the International Table Tennis Federation (ITTF). These provisional memberships will be ratified at the 2007 General Assembly.

As part of efforts to improve the management of this large membership base, IPC published a series of defined and agreed upon roles, responsibilities and accountability mechanisms for each of the four membership categories. These appeared in the Rights and Obligations section of the IPC Handbook, which was released in June.



SUPPORTING THE MOVEMENT

IPC's membership organizations give people all over the world the chance to be empowered and inspired through participation in Paralympic Sport. Membership organizations must be active and self-sustainable to play a vital role within the Paralympic Movement. This was achieved through а number development projects, which took place throughout the year.

Nowhere was it more apparent that NPCs deliver excellent services in the most difficult circumstances than in tsunamidevastated areas of Sri Lanka. IPC worked with the National Paralympic Committee of Sri Lanka and the Asian Paralympic Committee to deliver the Rehabilitation through Sport in Tsunami Affected Areas (RESTA) project.

RESTA provided mobility aids, including wheelchairs and prosthetic limbs to 72 people affected by the tsunami in seven districts. Specialised training was given to coaches and administrators from sport clubs in each of the areas.

Throughout the year, remarkable work was done to address athlete, leadership and organizational development. A shining example of this could be seen in the efforts made by the Women in Sport Committee to raise awareness of gender equality and leadership within the Paralympic Movement.

After the 2006 National Women in Sports Leadership Training sessions were held in Niger (25 participants) and Kenya (44 participants), NPCs set up their own women in sports committees and developed National Action Plans to



MEMBERSHIP DEVELOPMENT

address leadership and equality. A Women in Sport Leadership toolkit was created to help IPC member organizations tackle these issues.

2006 was also the second year of the highly successful Healthy Paralympians programme, delivered by NPCs Rwanda, Uganda and Tanzania to improve health education and raise awareness of HIV/AIDS. As a result of the programme, the only one of its kind, more than 1,000 aspiring Paralympic athletes received health education and an opportunity to try out Paralympic Sports. Local clubs were volunteers were created and new recruited to work with NPCs. The Healthy Paralympians Programme compels policy makers to take notice of the valuable role people with disabilities play in society, making them aware of how important it is to include them in health education programmes.

In 2006, IPC provided 14 Development Grants totalling 41,000 Euros to member organizations. The money was used to support the following events:

National Paralympic Day in Slovenia Athletics Classification and Training Session in Lebanon

Adaptive Rowing Workshop

An Introductory Seminar on Football in Bulgaria

The Paralympic Film Festival in Hungary A Seminar for Athletes, Coaches and Administrative staff in Turkmenistan,

Alpine and Nordic Skiing Development Camps

Football 7-a-side Classification Research Wheelchair Basketball and Wheelchair Rugby Classification Clinics.

ATHLETE REPRESENTATION

To be truly successful a sport-centred organization needs direct input from people that live and breathe sport every day. This is why IPC has continued to develop its Athletes' Council - an elected body of athletes, which meet with the Governing Board once a year to make recommendations on decisions made at all levels of the organization. The primary goal of the Athletes' Council is to ensure that IPC's priorities are athlete-centred.

The Council is composed of nine Paralympic athlete representatives elected for a four-year term. Six athletes are elected during the Paralympic Summer Games and the remaining three during the Paralympic Winter Games. At the 2006 Torino Paralympic Games, Katarzyna Rogowiec (Nordic Skiing, Poland), Hans Burn (Alpine Skiing, Switzerland) and Eskil Hagen (Ice Sledge Hockey, Norway) were voted into the council.





Resource Creation

IPC has a solid and sustainable human and financial foundation that ensures its long-term viability.



RESOURCE CREATION

OUR CORPORATE PARTNERS/ PATRONS

The year 2006 proved to be critical for the growth in corporate support for the IPC. The remarkable achievements of 2006 would not have been possible without the core funding generated from the IPC's Worldwide Partners and Patrons.

In February 2006, the IPC signed a partnership agreement with Samsung, just in time for the Torino 2006 Paralympic Winter Games. Following these Games, the IPC also welcomed on board Allianz and Deutsche Telekom as the first two Gold Patrons of the IPC.

Visa reinforced its position as IPC's first Worldwide Partner, by sponsoring the launch of the Paralympic Hall of Fame, as well as becoming Presenting Sponsor (together with Samsung), of ParalympicSport.TV, the new IPC 24/7, free internet TV channel. Otto Bock, who became Worldwide Partner of the IPC in 2005, continued to show its support and commitment throughout 2006. Électricité de France (EDF) maintained its commitment as Silver Patron of the IPC.

Worldwide Partners:



OAAo Bock

QUALITY FOR LIFE



Gold Patrons:





In 2006, the IPC received a significant financial contribution from the German Government (Federal Ministry of the Interior, the State of North Rhine-Westphalia and the City of Bonn) amounting to EURO 240,000. In addition, the 2006 VISTA Conference was supported by the Federal Ministry of the Interior with a grant.

FINANCIAL MANAGEMENT AND COST EFFICIENCY MEASURES

IPC utilized a number of financial procedures to ensure its resources were managed in a cost efficient IPC's economical way. financial management benefited from tighter internal controls and the continued use of hedging systems to reduce exchange losses. Processes used for payments, transfers and budgets became more efficient and all systems were in full compliance with German Code, tax laws and HR legislation.

A customer relations management database was set up to improve the daily working functions of IPC, providing online contact for staff and membership organizations. Plans are being developed for key stakeholders to have access to the database, which will aid clear and transparent communication, and consolidate positive relationships.





Games Success

The Paralympic Games are a viable, sustainable and distinctive sporting experience that inspires and excites the world.



GAMES SUCCESS

TORINO - AN OPERATIONAL LOOKING TO THE FUTURE SUCCESS STORY

The magic witnessed on the slopes and ice of Torino during the 2006 Paralympic Games left no doubt in anyone's mind that the Games are still one of the world's most exhilarating and exciting sporting events.

Torino was the first Paralympic Games to be managed by IPC's Games Co-ordination Office (GCO) - an onsite control centre that ran the day-to-today operations of the event and acted as the first point of contact for services provided. The GCO created strong links with local authorities and the Organizing Committee, while sending regular updates to IPC's CEO. GCO provided a complete overview of issues that arose during the course of the Games and supported executive decision-making processes.



IPC not only ensured smooth operations during the Games it also organized the Paralympic Observers Programme. designed give future organizing to committees an insight into the operational management of a major sporting event. The organizing committees of the Beijing, Vancouver, London Paralympic Games and bid cities were in attendance. Organizers and Field of the Track World Championships, the Special Olympics and the Skiing World Cup were also present.

Knowledge workshops held were throughout the year, two of which took place in Beijing and one in Vancouver. Organizing committees were briefed on the Paralympic requirements needed for all event functions. This will ensure that the Paralympic Games will develop a clear identity and provide excellent services that are both sport and athlete focused. In June IPC provided a comprehensive debriefing on the Torino Games to the International Olympic Committee (IOC), detailing the requirements bid cities would have to meet to successfully host the Paralympic Games. IPC provided its feedback to the IOC for applicant cities, as well as candidate cities. The information on each city was gathered with a series of detailed questionnaires, which focused on marketing, accommodation, venue, sports and the vision of the Games.

A Paralympic Games Master Schedule was drawn up to improve the planning and monitoring of all Games related activities and further technical guidelines were developed with the IOC for organizing committees. These guidelines will become legal requirements when they form part of the Host City Contract signed in 2007.

GAMES SUCCESS

IOC-IPC AGREEMENT

In strong support for the Paralympic Games the IOC extended its agreement with IPC from 2012 to 2016. IPC now has long-term commitment to continue managing future Paralympic Games shortly after the Olympic Games. This means Paralympic athletes will benefit from the same excellent sports venues and facilities as Olympic athletes. IPC's funding for the 2014 and 2016 Games has also been increased as part of the agreement, signed in Lausanne. Switzerland in June.

A VEHICLE FOR SOCIAL DEVELOPMENT

The value and benefits of the Paralympic Games continue long after the spectacular closing ceremony. The host country inherits a long term sporting legacy, accessible sport facilities, as well as the resources needed to stimulate large-scale social change.

The Games increase the interest in the Paralympic Movement and, therefore encourage sport to develop in a way that's more inclusive. They also have an impact on the way persons with a disability are perceived in the host country, thus improving their position in society. Throughout 2006, IPC further defined its approach to legacy, ensuring it was aligned with its Paralympic Games Principles.

Processes and strategies were developed to monitor the influence the Olympic and Paralympic Games have on each other.

IPC began to integrate its own Paralympic Games methodology PGI with the OGI, which was developed by the International Olympic Committee (IOC). By integrating these two methodologies, the way impact and legacies are measured will be improved. IPC's revised approach will also set legacy and impact goals for host countries, allowing IPC to define its own framework of analysis and develop strategies and documentation to ensure that legacy projections can become a reality. IPC wants to see legacy planned for throughout the organization of the Paralympic Games, so that host countries are fully equipped to manage, develop and maintain good legacy practice after the Games. Extensive work in this area culminated Legacy Lives in the Conference, held in London in January 2007.



Global Recognition

A brand with defined attributes and clear messages that is recognised in the sporting environment instantly understood by the general public and the media and valued by partners.



GLOBAL RECOGNITION

PARALYMPIC VALUES

Determination, courage, inspiration and equality are considered the Paralympic values. The Paralympic Movement lives by the courage, strength and determination of Paralympic Athletes who consistently inspire and excite the world by achieving the unexpected. Our athletes reach beyond the conventional demands of athleticism just to compete, let alone win. First of all they must win the battle against their own disability. It is this display of extraordinary human spirit that makes the Paralympic Games one of the world's most unique and exciting sporting events.

The Paralympic values are the driving force behind the Paralympic Movement and IPC strives to ensure that they are globally recognised and easily understood.

DEFINING AND DEVELOPING THE PARALYMPIC BRAND

In 2006, a report commissioned by the marketing agency Helios Partners determined ways to communicate and develop the Paralympic Brand through the use of marketing and communications strategies. The report highlighted that the perception of Paralympic Sport - as an elite sporting event, social movement, or charitable organization - varies greatly between those who are close to the Paralympic Movement and those who have little awareness. Therefore, IPC must be realistic in its communication and promotion of Paralympic Sport, recognising how highly the human-interest elements of Paralympic athletes resonate with the public. The report concluded that the Paralympic Brand should use sport as a path to reach its ideals and values, while embracing the roots of its history and using the Paralympic Games to promote its key messages. The report will also help key stakeholders to better align with the Paralympic Brand.

RAISING AWARENESS

IPC's efforts to combat discrimination against persons with a disability finally received the recognition it deserved when it formed part of a treaty ratified by the United Nations in August. After five years of negotiations, history was made with passing of the UN Convention on Rights for Persons with a Disability. IPC made substantial contributions to Article 30.5, stipulating that persons with a disability should have equal choice and access to Paralympic values understanding, determination and courage are passed on to future generations through the Paralympic School Day (PSD). This educational programme was designed to create awareness and understanding of people with a disability amongst school children. The two-year project, targets at students aged between six and 15 and was launched in six European countries.

HONORARY BOARD

In 2006, IPC announced five new members of its Honorary Board: HRH Crown Princess Victoria of Sweden, former president of the World Bank James Wolfensohn, international opera star Maria Guleghina, HRH Princess Haya Bint Al Hussein of Jordan and HSH Prince Albert II of Monaco. With the two initial Honorary Board Members, HRH Princess Margriet of the Netherlands and HRH Maria Teresa, Grand Duchess of Luxembourg, the IPC now has seven high-profile members in its Honorary Board.

The IPC Honorary Board encourages leaders of society to support the vision of the Paralympic Movement and use their profile to ensure that Paralympic Sport is high on the global agenda. They also play a valuable role in helping IPC raise awareness and attract funding.



GLOBAL RECOGNITION

CAPTURING THE EXCITEMENT OF PROTECTING THE THE GAMES

The excitement and action of the Paralympic Games was captured and communicated through extensive high quality broadcast and print coverage. This was particularly noticeable at the Torino 2006 Paralympic Games, which benefited from extensive media attention, as well as the publicity generated from IPC's first internet television channel www.ParalympicSport.TV, tuned into by thousands of people all over the world.

Progress has also been made in the development of a robust media strategy to increase the visibility of the Paralympic Games. Edelman Communications became IPC's first worldwide PR agency and worked with the Media Department to develop and implement an innovative communications strategy. This strategy to maximise the recognition, understanding and exposure of the Paralympic Brand, establishing it as a credible vehicle to reach athletes with a disability, their supporters and the broader public.

Ongoing promotion of the Paralympic Movement continued through organization of IPC events and the use of publications, media relations and the website.

PARALYMPIC LEGACY

The inspirational legacy of the Paralympic Movement will never fade from living memory due to efforts made to record the momentous occasions that have marked its history so far.

2006 saw the publishing of Paralympic Winter Games, 30th Anniversary - a presentation book looking back over the fascinating history of Paralympic Winter Sport.

IPC has made improvements to its Document Centre to ensure that important relating the Paralympic events to Movement are catalogued, conserved and accessible. The centre now has two more archive rooms with climate control. The Paralympic Games archive collections have now been moved to these rooms and the majority of books in the IPC Library have been catalogued on electronic an database. The Documentation Centre has supported researchers gathering in information on the history of the Movement, Paralympic as well management team members in transferring inactive records to IPC archives.



Once more, the IPC concluded a successful financial year in 2006 and closed the books reporting a surplus of EURO 55.245 with a total revenue of EURO 5.186 million and an expenditure of EURO 5.131 million.

About 40% of IPC's core funding was generated through the Paralympic Games marketing right sales. The second largest financial source (28%) came from grants from the IOC and the German Government (City of Bonn, North-Rhine Westphalia, Federal Government) and revenue from Capitation Tax related to IPC Sports activities.

In addition, the IPC raised EURO 490,000 from further fundraising and sponsoring activities, partly related to IPC's Broadcast and ParalympicSport.TV initiative. As direct revenue from the 2006 Torino Paralympic Broadcasting activities, IPC received the amount of EURO 1,16 million.

On the expenditure side all budget planning was on target. In addition to personnel costs, which amount to 40% of the total core expenditure, the grants allocated directly to sports were the second largest expenditure with 19% of the total. The increase in this budget from FY 05 to FY 06 is also related to the fact that we built up a financial provision for IPC Sports to guarantee their long-term development. The 2006 Torino Paralympic Broadcasting production had a direct cost for IPC amounting to EURO 1,17 million.

In 2006, an external audit was conducted by Deloitte & Touche. The following pages present the summarised financial statements for 2006 (financial positions and financial performance), with comparative figures for the previous year.



INDEPENDENT AUDITORS' REPORT

We have audited the annual financial statements comprising balance sheet and income statement, together with the bookkeeping system, of the International Paralympic Committee (IPC) e.V., Bonn, for the business year from 1 January to 31 December 2005. The maintenance of the books and records and the preparation of the annual financial statements pursuant to German commercial law are the responsibility of the IPC's legal representatives.

Our responsibility is to express an opinion on these annual financial statements, together with the bookkeeping system, based on our audit. We conducted our audit of the annual financial statements by appropriate application of sec. 317 German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer.

Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting are detected with reasonable assurance.

Knowledge of the business activities and the economic and legal environment of the IPC and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records and the annual financial statements are examined primarily on a test basis within the framework of the audit.

The audit includes assessing the accounting principles used and significant estimates made by the legal representatives, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations. In our opinion, which is based on the results of our audit, the financial statements of the International Paralympic Committee (IPC) e.V., Bonn, comply with the legal regulations.

Düsseldorf, 17 February 2007

Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft

Crampton Dr. Loch

Wirtschaftsprüfer Wirtschaftsprüfer

[German Public Auditor] [German Public Auditor]

STATEMENT OF FINANCIAL POSITION (at 31 December 2006)

ASSETS	2005 (€)	2006 (€)
Fixed Assets	186,800	196,342
Current Assets	379,295	149,615
Cash and Bank Balances	794,335	1,152,131
Prepaid Expenses	27,207	25,444
Total Assets	1,387,637	1,523,532
LIABILITIES AND EQUITY	2005 (€)	2006 (€)
Equity	140,523	195,768
Provisions	32,800	305,928
Liabilities*	926,033	954,389
Deferred Income	288,281	67,447
Total Liabilities And Equity	1,387,637	1,523,532

^{*} The liabilities include a loan of EURO 825.000 from International Olympic Committee (IOC)



STATEMENT OF FINANCIAL POSITION (at 31 December 2006)

REVENUE	2005 (€)	2006 (€)	
Membership fees	135,718	170,319	
Marketing/Sponsoring/Fundraising	1,998,191	2,214,956	1)
Broadcasting	12,985	1,162,254	
Grants	940,911	1,005,258	2)
Other	140,669	186,377	
Specific Project Funding	181,137	447,237	3)
Total Revenue	3,409,611	5,186,401	
EXPENDITURE	2005 (€)	2006 (€)	
Executive Office	263,869	341,644	
Paralympic Games Liaison	85,676	232,463	
Administration	1,693,013	1,721,187	4)
Sports Budgets	452,272	667,829	5)
Sport and IPSFs Relations	112,951	87,859	
Medical and Scientific	64,309	67,208	
Finance	88,065	91,606	
Media and Communication	69,250	72,502	
Marketing and Fundraising	163,172	122,510	
Membership Services and Solidarity	55,804	21,189	
Development	85,162	95,668	
Broadcasting	10,339	1,179,424	
Specific Project Expenditure	181,137	430,067	3)
Total Expenditure	3,325,019	5,131,156	
RESULT FOR THE PERIOD	84,592	55,245	
RESULT FOR THE PERIOD	84,592	55,245	

¹⁾ Marketing fees from Organizing Committees, Sponsoring and Fundraising Revenue

²⁾ German Government (City of Bonn, North-Rhine Westphalia, Federal Government), IOC, Capitation Tax

³⁾ Project related resources to Development initiatives, IPC VISTA Conference and ParalympicSport.TV

⁴⁾ Administration, Salaries for IPC Headquarters Staff and Depreciation

⁵⁾ Grants to IPC and IF Sports and provision for IPC Sports



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