Dear Presidents,

These European Draughts Confederation’s (EDC’s) - Financial Statements at December 31\textsuperscript{st}, 2019 consist of two accounting statements: the Balance Sheet (also called Statement of Financial Position) and the Profit and Loss Account (also called Income Statement) and they have been drawn up in units of euros.

The EDC’s Financial Statements have been taken from the reporting of bank account no. 561905177 at the FMJD support bank, waiting to open a proper EDC bank account according to European regulations, after having registered the Statute (to be updated in agreement with the European laws) and acquiring a tax code.

Although the competence of the undersigned President and of the Executive Board currently in office began on August 3, 2019, it has been considered useful to reconcile also the documents of the previous year, to align the references, for transparency and clarity towards all the European Federations belonging to the EDC. This work has been possible considering that the accounts started from a result of € 0.00 as at 31.12.2017, and the subsequent operations have been all recorded.

With the attached documents and this Explanatory Notes to the Financial Statements, most likely it’s the first time that an EDC financial statement has been prepared in the standard IAS (International Accounting Standards) format.

The Balance Sheet highlights:

\textit{in the “Assets” (active part)}: fixed assets with durable goods that can be used in several financial years (as stamps, personal computers, furnishings, furniture, equipment, etc.); the accounts receivable with any credits to be collected in the future year and the current assets with the balances of cash and petty cash, cash equivalents of the bank account, etc.

\textit{in the “Liabilities” (passive part)}: the current liabilities with any debts to be paid in the future year, the long-term liabilities, any risks and reserve fund, the depreciation provision for durable goods that can be used in several financial years; the owners’ or stockholders’ equity highlights the difference between assets and liabilities and represents the “Net capital” of the Confederation.
Formation and evaluation criteria

FORMATION CRITERIA
The European Draughts Confederation used a system of accounting for operations by recording the income and expenses of the year.

EVALUATION CRITERIA
Fixed assets: They represent the durable tangible assets of the Confederation.

Current Assets: Cash and cash equivalents represent the annual balances of the Cash and the Bank Current Account.

Expenses and Revenue (Income): They are shown in the financial statements according to the criteria of the draughts events (project) held.

Content of balance sheet items
The analysis of the items shows:

In the balance sheet:

Equipment represents the two rubber stamps with the official logo of European Draughts Confederation, currently custody by the President and the EDC Tournament Director of Veteran, with a symbolic value of 2 (1 € for each) to indicate and highlight the assets owned by previous or past years (having no other references, but wanting to represent the existence of this two although little goods).

Cash in Bank represents the balance at 31st December 2019 as per bank statement (bank sheet) and it is equal to €. 3799.87.

Depreciation provision represents the value of the assets (2) to indicate / highlight that the assets have been included among the exits at the time of the purchase occurred in previous or past years.

The Profit represents the difference between the 2019 income and expenses shown in the summary of the income statement equal to €. 1116.53.

The Equity (net capital) item is determined by the difference between the asset value €. 3,801.87 and the liability of € .2 that is equal to €. 3799.87

With regard to the operating surplus (profit 2019), we propose the provision among the items of Net capital as an active endowment divided by year: profits year 2018, profits year 2019 (in this way represented in next Balance Sheet).

About the items in the Profit and Loss Account (income statement):
They have been shown by the events/project carried out by detecting for each of them the income and expenses in analytical form and highlighting a total revenue for 2019 equal to €. 12,258.45 and a total outflow of €. 11141.92.
It is evident, as already stated on other occasions, that the annual activities of the EDC have benefited, so far, only from revenues coming from the European Youth Championships, used in part for other events for medals and referees and travel, or for meetings of the GA or the Board, with the Executive Board Meeting 2019 exceptionally supported for accommodation by the Italian Draughts Federation who celebrated the 95th year of foundation.

Some measures have already been adopted by the Board to avoid losses in the European Championships and it will be asked to the FMJD to verify the opportunity of a proper support to the EDC to develop the activity in the most active continent of the world at the level of drafts, otherwise it will be impossible to have a regular activities and provide the necessary equipment to work (albeit voluntarily).

In conclusion, the members of the European Draughts Confederation are invited to approve these financial statements.

Rome, 22.06.2020

The President of the EDC Board
Carlo A. Bordini

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