Dear Presidents,

These European Draughts Confederation’s (EDC’s) - Financial Statements at December 31st, 2020 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 new Statute (to be updated in agreement with the European laws) and acquiring a tax code.

Last year, although the competence of the undersigned President and of the Executive Board currently in office began on August 3, 2019, it was considered useful to reconcile also the documents of the previous years, to align the references, for transparency and clarity towards all the European Federations belonging to the EDC. This work was 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, likely it’s the second consecutive time that an EDC financial statement has been prepared in the standard IAS (International Accounting Standards) format.

2020 was certainly a particular and critical year, with sports activity, in presence, completely cancelled due to the Covid-19 pandemic. Hence, the economic movements have been very small (two in all), but this neither must detract from the basic meaning of the EDC annual Balance documents nor from the utility to continue with this important work, and make them available to all confederate federations.

The Balance Sheet highlights:

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.
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 2020 as per bank statement (bank sheet) and it is equal to €. 12.001,33.

Risks and reserve fund represents the yearly Revenue turned into provisions for next championships, and exactly it’s an “appointed financial provisions” for the Lithuanian next European Youth Championships, it is equal to €. 8.310,00.

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 Loss represents the difference between the 2020 income and expenses shown in the summary of the income statement equal to - €. 108,54.

The Equity (net capital) item is determined by the difference between the asset value €. 12,033,33, and both the liabilities of €. 8.310 and €. 2, that is equal to €. 3.691,33.
With regard to the operating deficit (losses 2020), we propose the covering among the items of Net capital as a passive endowment divided by year: profits previous years, profits year 2019, losses year 2020 (in this way represented in the next Balance Sheet).

About the items in the Profit and Loss Account (income statement):

They have been shown by the events/project foreseen for year with a total revenue for 2020 equal to € 8,310,00, due to the payment of the Lithuanian Draughts Federation for the European Youth Draughts 100 Championship 2020 (to be organized in 2021) and precisely € 810,00 as tournament fees and € 7,500,00 for accommodations. For this reason, the same figure has been re-proposed in the Expenses, being an amount with mandatory allocation, and exactly at the voice Yearly Revenue turned into Reserve fund/Provisions, for the Lithuanian next European Youth Championships.

For the expenses there are showed also the EDC Operating Expenses, which concern the costs for the EDC website (europedraughts.org) monthly fees and the EDC webserver yearly prolonging, respectively € 93,30 and € 15,24, for a total of € 108,54, that represents also the final Losses 2020.

It is evident, as already stated on other occasions, that the annual activities of the EDC benefit, so far, only from revenues coming from the past European Championship, mainly the Youth ones, used in part for other events for medals and referees and travel, or for General Assembly or the Executive Board meeting, 7 times in 2020, always by Google Meet, without any cost, also for the Covid-19 pandemic that has not allowed to move.

Anyway it’s obvious that without any kind of own incomings (for instance with a little Federation annual fees), the EDC will not be able to grew up and empower itself, but could take the risk even to do the ordinary job.

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, 29.05.2020

The President of the EDC Board
Carlo A. Bordini