Dear Presidents,

The European Draughts Confederation’s (EDC’s) - Financial Statements at December 31st, 2021 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.

It was – for draughts - definitely a year better than the critical 2020 in which activity in presence was completely cancelled, due to the Covid-19 pandemic. In fact, in 2021 all the planned European Championships were held in attendance with the exception of Youth ones, to replace which an online tournament was played. In addition, the EDC General Assembly was held with the approval of the new EDC Statute which will allow you to open an own EDC bank account.

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

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).

*Account Receivable from Entity* represents the receivables due and in particular concerns: €. 375,00 from the Polski Zwiazek Warcabowy (Polish Draughts Federation) in settlement of the European Championships of Veterans (note: payed on February 9th, 2022); €. 456,00 from the Koninklijke Belgische Dambond (Belgium Draughts Federation) on balance of the European Championships under 27. It is equal to €. 831,00.

*Cash in Bank* represents the balance at 31st December 2021 as per bank statement (bank sheet) and it is equal to €. 3691,48.

*Notes Payable* represents the costs of Medals, for EC Veterans and Under 27, purchased by the Estonian Draughts Federation and to be refunded; it is equal to €. 195,00.

*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 Profit* represents the difference between the 2021 income and expenses shown in the summary of the income statement equal to €. 636,15.

*The Equity* (net capital) item determined by the difference between the asset value €. 4.524,48 and both the liabilities of €. 195,00 and €. 2,00, that is equal to €. 4.327,48.
With regard to the operating surplus (profit 2021), we propose the provision among the items of Net capital as an active endowment divided by year: profits previous years, profits year 2021 (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 2021 equal to € 7,514,52 and a total outflow of € 6,878,37.

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 Championships, used for General Assembly and other operating costs (Registration EDC Statute and Minutes General Assembly, diplomas for EC Youth and Veterans). In particular:

- EC Teams, Blitz and Rapid held in Chianciano Terme (Italy), from 4th to 11th October, registered a project profit of € 1,700,90;
- EC Veterans held in Julinek (Poland), from 19th to 28th November registered a project profit of € 277,50;
- EC Under 27 held in Kortrijk (Belgium), from 15th to 21th November, registered a project profit of € 358,50;
- EDC General Assembly hel in Chianciano Terme on 9th October, registered a deficit of € 821,63 because Italian Draughts Federation has waived to request part of the advance expenses;
- EC Board and various represents expenses for Registration EDC Staute and Minutes General Assembly, to buy and send diplomas for EC Youth and Veterans, with expenditures of € 879,27.

Other incoming and expenses represent temporary financial item (collection and transfer of money to FMJD) concerning the pre-inscription fees for the World Championships 2021 of European players.

The measures adopted by the Board avoided losses in the European Championships as in the past, giving little revenues to EDC. Anyway that is not sufficient for covering annual operative costs of EDC and that is the reason “the General Assembly unanimously voted to set an annual fee of 50 € for each EDC Federations, which will be cancelled in case that FMJD will restore the 50% of annual fees (currently 120 €) to the Continental Confederations, that needs resource (also little) to act”. Otherwise it will be impossible to have a regular activities and provide the necessary equipment to work (although voluntarily).

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

*Rome, 26.05.2022*

The President of the EDC Board
Carlo A. Bordini