



European Draughts Confederation

Founded in Tallinn on 13.08.1998 – Recognized in Trieste on 16.11.2021

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Explanatory Notes to the Financial Statements 2022 at December 31st, 2022

Dear Presidents,

The European Draughts Confederation's (EDC's) - Financial Statements at December 31st, 2022 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 until 30th September, 2022 and once got a proper one, from 1st October to 31st December, 2022, from the reporting of the EDC bank account, at Intesa-Sanpaolo bank account no. 55000/1000/00190151 registered to the European Draughts Confederation.

It was – for draughts - definitely a year better than the critical 2020 and 2021 in which activity in presence was cancelled or limited, due to the Covid-19 pandemic. In fact, in 2022 all the planned European Championships were held in attendance without exceptions of Youth ones. In addition, as mentioned, an own EDC bank account was opened.

With the attached documents and this Explanatory Notes to the Financial Statements, likely it is the third 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 three rubber stamps with the official logo of European Draughts Confederation, two heritage of previous Board with a symbolic value of 2 (1 € for each, as assets owned by previous or past years) and one new paid 28,00 €. The rubber stamps are currently custody by the President, the Tournament Director of Youth and the Tournament Director of Veteran.

Cash in Bank represents the balance at 31st December 2022 as per bank statement (two bank sheets of previous bank account at FMJD, and from 1st October 2022 of EDC proper Bank account) and it is equal to €. 5.971,31.

Notes Payable represents the costs of a new rubber stamp, purchased by the President Carlo A. Bordini and to be refunded; it is equal to €. 28,00 (as showed in receipt).

Other payments due in 12 months represents three entries for the EDC annual fee 2023, paid in 2022 (by Latvian, Polish and Lithuanian Draughts Federation) and to be turned into incoming 2023; it is equal to €. 150,00.

Depreciation provision represents the value of the assets (30) to indicate / highlight that the assets have been included among the exits at the time of the purchase occurred in previous or past years.

Owners' equity (stockholders' equity) represents the Equity (net capital) of previous year, equivalent to € 4.327,48.

Profit represents the sum between the 2022 income and expenses shown in the summary of the income statement equal to €. 1.465,83.

Equity (net capital) item determined by the difference between the asset value (total liabilities) €. 6.001,31 and both the liabilities of €. 178,00 and depreciation provision €. 30,00, that is equal to €. 4.327,48.

With regard to the operating surplus (profit 2022), we propose the provision among the items of Net capital as an active endowment divided by year: profits previous years, profits year 2022 (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 2022 equal to €. 10.230,00 and a total outflow of €. 8.764,17.

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. In particular:

- 22th EC Youth, Blitz and Rapid held in Nevşehir – Turkey, 1st – 9th August, registered a project profit of €. 1.713,00 (€ 6.020 of inscription fees collected by EDC, of which € 4.295,00 forwarded to organizers, as in agreement, and other costs € 12,00 for bank transfer to Turkish organizers);
- EC Classic (Men and Women) held in Kortrijk – Belgium, 3rd – 9th October, registered a project profit of €. 1.529,29 (inscription fees collected by KBDB with € 2.375,00 as part of EDC, as in agreement, and costs of € 241,56 for medals and € 604,15 for Main Referee daily fee and travel);
- EC Blitz and Rapid, held in Hijken - The Netherlands, 22nd - 23rd October with neither costs nor entries for EDC as in agreement;
- EC Board meetings and various, with no costs. The Board Meeting held in presence, in Osio Sotto (Bergamo, Italy), on 17th September, was cared by Italian Draughts Federation (FID), as a side event to the EC Veterans and Under 27;
- EC Veterans and Under 27, held Osio Sotto and Dalmine (Bergamo, Italy), 18th – 25th September, registered a project profit of €. 873,34 (inscription fees collected by FID with € 1.835,00 as part of EDC, as in agreement, and costs of € 507,28 for medals, € 89,17 for diplomas, and € 365,21 for the two Main Referees daily fee and travel);

Other incoming and expenses represent temporary financial item, as the cost to purchase an additional EDC rubber stamp (€ 28,00), the first part of cost for lawyer (€ 2.600,00, that means € 2.500+4% tax) for TAS/CAS procedure of Darya Tkachenko vs EDC, and cost for EDC proper bank account (€ 21,80).

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 2021 unanimously voted to set an annual fee of 50 € for each EDC Federations, starting from 2023, as in detail determined by EDC Executive Board. Otherwise it will be impossible to have a very regular activity and provide the necessary equipment to work (although voluntarily), especially when it is necessary to organize EDC General Assembly or to face operative costs as for a new EDC website.

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

Rome, 06.06.2022

The President of the EDC Board
Carlo A. Bordini

