

**Treasurer's Report to Executive Board, Halkidiki, Greece, 2003.**

The financial outcome for 2002 was worse than the previous year. There was an actual deficit of CHF430,000 compared with a budgeted surplus of CHF113,000. The main reason was a shortfall in income. No money was received in respect of the World Chess Championship although other income was higher than anticipated. Some expenditure was curtailed particularly for the Commissions and Committees. The supplementary notes that have been distributed give the detailed breakdown of the income and expenditure.

There are some general observations that need to be made. The basic income of FIDE comes from Federations. Last year the net amount received from this source was just under CHF900,000. Other net income was a further CHF80,000. The administrative costs of running the Secretariat, including Elista, were also just under CHF900,000. Thus only a small amount was left for travel & meetings and the work of the Commissions. The single biggest cost is salaries and the associated costs, such as taxes and social costs. They represent half the administrative costs. The approximate costs are as follows:

E Omuku	CHF163,000
P Tsedenova	CHF 96,000
B Balgabaev	CHF 60,000
S Baillargues	CHF 47,000
E Jaques	CHF 32,000
Elista Staff	CHF 45,000
Total	CHF443,000

Even if there was income to cover all costs, the administration takes a disproportionate part of the whole. As it is we have insufficient income to cover all activities without significant and guaranteed additional income either from Federations or other sources such as the World Championship. This problem has to be addressed. Reports to the Presidential Board have failed to bring the necessary action. We either need more guaranteed income or administration costs must be greatly reduced.

Cash resources have recently been stretched to breaking point. It will take time to implement any new proposals but the Federations with arrears will be required to play their part by meeting their obligations. I was dismayed that the agreements signed before the Bled Olympiad, and sanctioned by the General Assembly for those Federations with overdue arrears, were not enforced in full. However, on a positive note, the outstanding Federation balances are nearly CHF300,000 lower at the year-end compared to the previous year.

The Auditor has asked that the accounts be presented in a similar fashion to previous years. This means that the income for entry fees and World Cup appear as gross figures and the corresponding expenditure item should be looked at before comparing the figures against budget.

**The Current Year.**

We are within a short period of the financial year-end for 2003. It is always difficult to predict the likely outcome, even when one has all the information. This year I have assessed the expenditure on the credit card where information is outstanding and produced a summary of actual against budget to date. Very little of the fourth quarter information is known and there are many outstanding bills for the third quarter. Additionally the majority of our income comes in the second half of the year.

The basic income appears in line with expectations at this time of the year. For expenditure I have maintained the policy outlined in Bled of only spending from expense accounts in the first part of the budget. The budget from Bled envisaged that we would make a deficit of around CHF200,000 for the year if no other income were forthcoming. I have no reason to believe that this forecast will be wrong.

The expense accounts in the second part of the budget were intended to be activated when we received additional income from the 2003 World Championship. We have utilised a very small part of the CACDEC budget, but other than that the budget remains unspent.

The staff travel budget again seems to be heading for a large overspend. There may be money included in the figures that will be reimbursed from third parties but I have no evidence to support this.

We have paid, or are in the process of paying, the prize money for the Continental Championships as part of the 2003 World Championship cycle. This totalled USD320,000. We await reimbursement from the World Chess Foundation.

**Budget v Actual 2003**

**Budget 2003**

	<b>31st Dec.03</b>	<b>2 003</b>
	<b>Budget</b>	<b>Actual</b>
<b>INCOME</b>	<b>CHF</b>	<b>CHF</b>
Membership Fees	160 000	160 430
Entry Fees	230 000	
Rating Fees	50 000	
Registered Tournaments	170 000	135 032
Penalties for late Tournament reports	20 000	20 900
FIDE Title Application Fees	180 000	35 915
FIDE Publications	0	
Interest on overdue accounts	5 000	
FIDE share World Cup	0	
FIDE share from WCC Prize Fund	0	
FIDE Permanent Fund (interest)	2 000	
Interest from Bank	0	
Royalties	20 000	10 018
- DGT		
- Franklin Mint		
Miscellaneous Income		
- VAT	0	3 218
- International Olympic Committee	15000	
- ARISF	5000	4 521
- World Rapid Championships	<u>15000</u>	
<b>INCOME:</b>	<b>872 000</b>	<b>370 034</b>
FIDE share from WCC 2003	<b>1 000 000</b>	<b>0</b>
TOTAL	<u><u>1 872 000</u></u>	<u><u>370 034</u></u>

**Budget v Actual 2003**

**Budget 2003**

<b>EXPENSES</b>	<b>31st Dec. 03 Budget CHF</b>	<b>2 003 Actual CHF</b>	<b>2003 Unallocated CHF</b>	<b>2003 Total CHF</b>
Cash			22013	22 013
Staff Costs	450 000	341 958		341 958
Staff Travel	35 000	11 834	49622	61 456
Car Expenses	10 000	8 342	1467	9 809
Publications:				0
- FIDE Forum	27 000			0
- FIDE Directory	5 000	4 110		4 110
- FIDE Handbook	20 000			0
Rating support & List	100 000	56 159		56 159
Postage & Carriage	7 000	6 069		6 069
Photocopying & Printing	20 000	10 241		10 241
Office Supplies / Stationery	8 000	3 122		3 122
Telecommunications	50 000	37 240		37 240
Secretariat Hospitality	20 000	872	3556	4 428
Office Installations	5 000			0
Publicity & Promotions	5 000	685	3068	3 753
Repairs, Maintenance & Renewals	4 000	832	299	1 131
Rent	29 000	25 258		25 258
Office Electricity	2 000			0
Office Cleaning	5 000	3 245		3 245
Bank Charges	4 000	2 851	567	3 418
Insurance	20 000	28 367		28 367
Subscriptions	3 000	5 021		5 021
Travel & Meetings	100 000	28 801	30088	58 889
Audit	14 000	9 684		9 684
Legal Costs	15 000			0
Treasurer Expenses	30 000	12 942	2500	15 442
CACDEC Activity Rebate	15 000			0
Entry Fees Refund to Organising Federations	30 000			0
Discounts Allowed for Early Payment	16 000	11 262		11 262
Depreciation	16 000			0
Write Offs	5 000	4 050		4 050
Medals	5 000	5 021		5 021
<b>Commissions &amp; Committees:</b>				0
- Medical Commission	10 000			0
- Verification Commission	10 000	15 559		15 559
<b>EXPENSES:</b>	<b>1 095 000</b>	<b>633 525</b>	<b>113 180</b>	<b>746 705</b>

**Budget items when WCC 2003 Income Received**

**Commissions & Committees:**

- CACDEC	240 000	17 212	0	17212
- Chess in Schools Committee	25 000			

**Budget v Actual 2003**

- Chess & Art Committee	3 000	
- Chess Composition Commission	3 000	
- CHIPS Committee	5 000	
- Computer Chess Committee	0	
- Committee for Chess for the Disabled	22 000	
- Committee for Women's Chess	17 000	
- Grandmasters Steering Committee	20 000	
- Trainers Committee	40 000	
- Medical Commission	40 000	
- World Championship Committee	14 000	
- Verification Commission	0	
Reserve for Working Capital	200 000	
World Championship Expenses	50 000	
Chess Hall of Fame	8 000	
Contingencies	100 000	
Additional Travel & Meetings	50 000	
	<hr/>	
ADDITIONAL ITEMS:	837 000	
	<hr/>	
TOTAL EXPENSES:	<b><u>1 932 000</u></b>	<b><u>763 917</u></b>
Total Income	<b>1 872 000</b>	
Total Expenses	<b>1 932 000</b>	
Excess of Income over Expenses	<b>-60 000</b>	