

**FEDERATION INTERNATIONALE DES ECHECS**

**FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2006**

**TOGETHER WITH AUDITOR'S REPORT**

**Report of Independent Certified Auditors**

To the President and Members of the  
**Fédération Internationale des Echecs**

We have audited the accompanying financial statements of Fédération Internationale des Echecs (The 'Federation') – a non profit federation, consisting of a balance sheet, statement of activities and Notes, for the year ended December 31, 2006.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards applicable in Switzerland. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

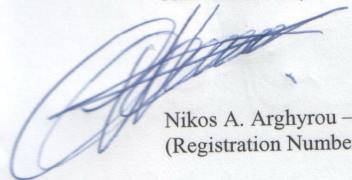
An audit involves performing procedures to obtain audit evidence about the amounts and information in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Federation as at December 31, 2006 and its activities for the year then ended, in conformity with accounting principles generally accepted in Switzerland.

As with other entities of similar size and structure with the Federation, the Treasurer is actively involved in measuring, executing and recording transactions in the accounting records. For these reasons we have relied on Treasurer's representations as to the completeness of the financial information included in these financial statements.

Athens June 12, 2007



Nikos A. Arghyrou – *Partner*  
(Registration Number 15511)

**FEDERATION INTERNATIONALE DES ECHECS**  
**ANNUAL INCOME AND EXPENSES FOR THE YEAR ENDED DECEMBER 31**  
**(Amounts in Euro)**

<b>INCOME (Note 3)</b>	<b>2006</b>	<b>2005</b>
Membership Fees	115.008	107.660
Entry Fees	186.233	109.164
Rating Fees	40.802	38.212
Registered Tournaments	137.320	148.113
Late Tournament report charges	15.750	16.050
Change of Federation	18.205	11.941
FIDE Title Application Fees	123.168	141.227
FIDE share from WCC Prize Fund	252.358	418.127
Bid Fee WCC	0	758
World Championship Committee	53.275	12.134
Interest from Bank	18.172	5.744
Royalties from:		
- DGT	46.981	46.771
- Franklin Mint	0	171
Miscellaneous Income from:		
- International Olympic Committee	8.450	7.704
- ARISF	3.666	3.919
- Women World Championship Tournament	18.971	0
- Turin Olympiad Income	166.420	0
- World Chess Championship Tournament	0	15.410
- Other (Note 4)	18.904	0
Re-Credit Provisions - General	0	1.817
Gain on currency conversion (Note 3)	0	81.674
	<b>1.223.683</b>	<b>1.166.596</b>
<b>TOTAL INCOME:</b>		
	<b>1.098.282</b>	<b>869.951</b>
<b>TOTAL EXPENSES:</b>		
<b>SURPLUS FOR THE YEAR</b>	<b>125.401</b>	<b>296.645</b>

**FEDERATION INTERNATIONALE DES ECHECS**  
**ANNUAL INCOME AND EXPENSES FOR THE YEAR ENDED DECEMBER 31**  
**(Amounts in Euro)**

<b>EXPENSES (Note 3)</b>	<b>Note</b>	<b>2006</b>	<b>2005</b>
Staff Salaries		156.499	101.720
Staff Travel		12.760	1.400
Staff Social costs		30.254	21.623
Provision for staff indemnities	7	7.601	-
Triumvirate Stipends		40.446	96.300
Triumvirate Travel		14.241	27.392
Rating Office Costs		82.625	69.289
Postage & Carriage		5.728	4.879
Photocopying & Printing		5.539	2.051
Office Supplies / Stationery		3.842	2.083
Telecommunications		10.250	11.658
Secretariat Hospitality		8.571	3.164
Publicity & Promotions		0	609
Repairs, Maintenance & Renewals		2.528	3.321
Rent		15.186	14.912
Utilities		2.218	2.083
Office Cleaning		3.451	3.385
Bank Charges		3.303	3.804
Electronic Boards		12.547	0
Insurance		23.969	17.209
Subscriptions		7.568	4.799
Audit		8.020	7.813
Legal Costs		61.310	10.762
Treasurer Expenses		13.346	14.668
Travel & Meetings		25.977	34.369
Commissions & Committees:			
- CACDEC		104.899	76.116
- ARISF Events		14.620	0
- Committee for Women's Chess		0	0
- Trainers Committee		38.520	13.328
- Medical Commission		3.473	119
- World Championship Cycle Committee		12.203	11.350
- Verification Commission		5.651	8.180
- CACDEC Activity Rebate		15.384	6.057
- Other		20.722	1.640
Entry Fees Refund to Continental Presidents		0	321
Entry Fees Refund to Organizing Federations		31.771	20.856
Discounts Allowed for Early Payment		11.398	12.636
Depreciation (Note 5)		24.999	3.865
Loss on Currency conversion (Note 3)		89.491	0
World Cup costs		0	48.368
World Team costs		0	4.960
World Chess Champ Match Expenses		5.058	0
Write Offs		805	1.575
Extraordinary items			
- Continental Championships		0	140.418
- Lausanne Closure Costs		0	20.587
Additional Provision for Federation Bad Debts		0	8.295
Provision in respect of unpaid Royalties – DGT		4.800	26.331
Turin Olympiad Expenses		152.175	0
Medals		4.534	1.483
Miscellaneous			
- Chess Hall of Fame		0	4.173
<b>TOTAL EXPENSES:</b>		<b>1.098.282</b>	<b>869.951</b>

**FEDERATION INTERNATIONALE DES ECHECS**  
**BALANCE SHEET AS AT DECEMBER 31**  
(Amounts in Euro)

	Note	2006	2005
<b>CURRENT ASSETS</b>			
CASH		876	2.534
<b>BANK ACCOUNTS</b>			
- UBS CHF Accounts		58.749	155.916
- UBS US \$ Account		135.959	554.356
- UBS EUR € Account		150.831	251.668
- NBG EUR € Account		6.179	569
- Elista RUR Account		6.279	0
- UBS US \$Time Deposit Account	6	1.440.200	0
- UBS EUR Time Deposit Account		300.000	0
<b>SECURITIES HELD</b>			
- UBS (Lux) Money Market Fund - USD (at cost)		92.003	102.625
<b>DEBTORS FEDERATIONS</b>			
- net of provision for bad debts of € 46.629 (2005: € 45.177)	3	489.193	499.423
OTHER DEBTORS / PREPAID EXPENSES – net of provision for Royalties DGT € 4.800 (2005 : € 25.511)		229.785	40.965
<b>Total Current Assets</b>		<b>2.910.054</b>	<b>1.608.056</b>
<b>LESS: CURRENT LIABILITIES</b>			
CREDITORS	6	1.324.091	109.416
PREPAYMENTS BY FEDERATIONS		82.103	93.589
DEPOSIT FEES		76.107	60.990
		<b>1.482.301</b>	<b>263.995</b>
<b>NET CURRENT ASSETS</b>		<b>1.427.753</b>	<b>1.344.061</b>
<b>FIXED ASSETS, at Cost</b>			
- Office Furniture	5	14.716	9.561
- Machines & Equipment		77.840	8.686
		92.556	18.247
LESS ACCUMULATED DEPRECIATION	5	34.226	9.227
		<b>58.330</b>	<b>9.020</b>
<b>LESS: NON CURRENT LIABILITIES</b>			
STAFF RETIREMENT INDEMNITIES	7	7.601	-
<b>NET ASSETS</b>		<b>1.478.482</b>	<b>1.353.081</b>
Represented by:			
<b>RESERVE FUND at January 1,</b>		<b>1.353.081</b>	<b>1.056.436</b>
Surplus for the year		125.401	296.645
<b>RESERVE FUND at December 31</b>		<b>1.478.482</b>	<b>1.353.081</b>

The Notes on pages 5 to 6 form part of these financial statements

**FEDERATION INTERNATIONALE DES ECHECS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2006**  
**(All amounts in Euro)**

**1. FEDERATION'S FORMATION AND OPERATIONS**

The International Chess Federation or Federation Internationale des Echecs, (the 'Federation'), is the recognized international federation in the domain of chess, which was founded on July 20, 1924 in Paris. The Federation is recognized by the International Olympic Committee as the supreme body responsible for the game of chess and its Championships. The Federation unites national chess federations throughout the world and oversees all International competitions. The Federation is concerned exclusively with chess activities.

**2. BASIS OF FINANCIAL STATEMENTS**

The accompanying financial statements have been prepared in accordance with the requirements of the Federation's statutes.

The financial statements have been prepared on the historical cost basis.

**3. SIGNIFICANT ACCOUNTING POLICIES**

(a) **Foreign currency translation:** The Federation changed its functional currency in 2006 to Euro (€). Transactions denominated in other currencies are recorded in € at the actual exchange rate as of the date of the transaction. At the end of the financial year monetary assets and liabilities denominated in foreign currencies are translated and reported at the rates of exchange prevailing at the year end. Gains or losses resulting from such foreign currency conversions are reflected in the statement of income. All foreign currencies are converted into Euro as follows:

		<u>2006</u>	<u>2005</u>
1 USD (\$)	=	0.745 Euro	0.845 Euro
1 CHF	=	0.622 Euro	0.642 Euro
1 RUB	=	0.028 Euro	-

(b) **Provisions:** Debtors are stated at nominal value, net of provision for doubtful debts, which cover all members in arrears in fulfillment of their financial obligations to FIDE, temporarily excluded or to be excluded as per FIDE statutes (A.01, page 4, rule 2.5). In 2005 in particular, a provision against Royalties receivable from DGT, the company producing electronic clocks, was set up for the first time covering the unpaid balance at year end.

(c) **Fixed assets depreciation:** Depreciation rate used is 30% per annum on the reduced balance method.

(d) **Revenue recognition:** Membership, entry and other fees are recorded as income in the year they are earned.

**FEDERATION INTERNATIONALE DES ECHECS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2006**  
**(All amounts in Euro)**

**4. Other income**

The amount comprises of the following:

- electronic Boards hire	8.900
- trainer academy fees	3.400
- tax refund	2.659
- clock testing fees	2.500
- other	<u>1.445</u>
	<u>18.904</u>

**5. Fixed assets**

<b>COST</b>	<b>Office furniture</b>	<b>Machines &amp; Equipment</b>	<b>Total</b>
Cost at January 1, 2006	9.561	8.686	18.247
Additions	5.155	69.154	74.309
Cost at December 31, 2006	<b>14.716</b>	<b>77.840</b>	<b>92.556</b>
<b>DEPRECIATION</b>			
Balance at January 1, 2006	4.877	4.350	9.227
Charge for the year	2.953	22.046	24.999
	<b>7.830</b>	<b>26.396</b>	<b>34.226</b>
<b>Net Book Value at December 31, 2006</b>	<b>6.886</b>	<b>51.444</b>	<b>58.330</b>

**6. Creditors**

During the year, the organizers of upcoming Mexico World Cup paid the Federation an advance of US \$ 1.660.000 (Euro 1.258.280). This advance was invested by the Federation in a US \$ Time deposit, included within Bank accounts at December 31, 2006.

**7. Staff retirement indemnities**

Under Greek labor law, employees are entitled to termination payments in the event of dismissal or retirement, with the amount of payment varying in relation to the employee's compensation, length of service and manner (dismissed or retired) of termination, which if due to retirement is 40% of the amount payable upon dismissal. Employees who resign or are dismissed with cause are not entitled to termination payments. The number of employees who will eventually be dismissed or retired in subsequent years is not known; the maximum liability under the provisions of Greek labor law, had all employees retired at 31st December 2006, would have been € 7,601 an amount that burdened 2006 results as it is accounted for the first time this year.

# Supplementary Notes to the Accounts

## INCOME

### 1.1 Membership Fees Budget: EUR 110.000      Actual: EUR 115.008

Annual Membership Fees were invoiced as follows:

			<b>Amount</b>
98 Federations	@	EUR 385,20	37,750
32	@	EUR 501-1000	23,176
16	@	EUR 1001-1750	22,303
5	@	EUR 1751-2500	10,272
7	@	EUR 2501-3210	21,507

### 1.2 Entry Fees Budget: EUR 180.000      Actual: EUR 186.233

<b>Country</b>	<b>Event</b>	<b>Amount</b>
Greece	World Schools Individual	10,000
Italy	Olympiad (Open)	39,960
Italy	Olympiad (Women)	27,810
Turkey	World Youth U16 Team	2,400
Italy	World Seniors 2005 (net of 20% rebate)	11,130
Italy	World Seniors 2006	8,763
Armenia	World Junior & Girls	14,070
Georgia	World Youth	72,100

### 1.3 Rating Fees Budget: EUR 35.000      Actual: EUR 40.802

70 Federations received the 50% discount for submitting reports electronically. Only 5 federations did not receive the discount.

### 1.4 Registered Tournaments Budget: EUR 150.000      Actual: EUR 137.320

There was a small drop in income due to the change in the charging structure

### 1.5 Late Report Charges Budget: EUR 13.000      Actual: EUR 15.750

Too many rating reports are still being submitted more than 60 days after the end of the event. From April 2007 reports have to be submitted within 30 days of the end of the tournament to avoid the late report charge. This brings the charging in line with the regulations.

### 1.6 Change of Federation Budget: EUR 13.000      Actual: EUR 18.205

There is always more activity under this heading in Olympiad years, hence the extra income.



**1.7 Title Application Fees** **Budget: EUR 120.000** **Actual: EUR 123.168**

Grandmaster	84	@	EUR330	24,420
Woman Grandmaster	22		EUR330	7,260
	1		EUR495	495
International Master	165		EUR165	27,225
	14		EUR247,50	3,465
	5		EUR330	1,650
Woman International Master	40		EUR165	6,600
	3		EUR247,50	743
	1		EUR330	330
FIDE Master	358		EUR70	25,060
Woman FIDE Master	96		EUR70	6,720
Candidate Master	32		EUR50	1,600
Woman Candidate Master	4		EUR50	200
International Arbiter	9		EUR100	900
	1		EUR150	150
FIDE Arbiter	74		EUR50	3,700
	18		EUR75	1350
	11		EUR100	1100
International Organiser	13		EUR100	1,300
	8		EUR150	1200
	2		EUR200	400
FIDE Instructor	19		EUR100	1,900
FIDE Trainer	21		EUR200	4,200
FIDE Senior Trainer	4		EUR300	1,200

**1.8 FIDE Share from Prize Funds**

**World Chess Championship** **Budget: EUR 0** **Actual: EUR 169.000**

This relates to match of Veselin Topalov against Vladimir Kramnik, which was not in original budget

**Women's World Championship** **Budget: EUR 0** **Actual: EUR 76.050**

Omitted from original budget.

**World Blitz Championship** **Budget: EUR 0** **Actual: EUR 7.308**

Inaugral championship and not in budget

**1.9 World Championship Committee** **Budget: EUR 0** **Actual: EUR 53.275**

Payments by organisers of the Women's World Championship and the Topalov versus Kramnik match to cover travel, accommodation etc for the Committee prior to the event. Also to cover ongoing expenditure to secure new sponsors/organisers. The expenses are shown separately.

**1,10 Interest from Bank** **Budget: EUR 3.000** **Actual: EUR 18.172**

Above budget because the organisers of the World Chess Championship tournament in Mexico paid the prize fund and expenses well in advance and the money was placed on deposit.

**1.11 Royalties / DGT** **Budget: EUR 30,000** **Actual: EUR 46.981**

Royalties received from DGT were above budget but note that a significant provision has been made in expenses for the amount not paid against the issued invoice, as DGT are disputing actions by FIDE in relation to the contract. This is an additional provision to that made in last year's accounts.

**1.12 Miscellaneous Income**

**International Olympic Committee** **Budget: EUR 8.000** **Actual: EUR 8.450**

**ARISF** **Budget: EUR 4.000** **Actual: EUR 3.666**

**Turin Olympiad Income** **Budget: EUR 0** **Actual: EUR 166.420**

Payment by organisers for electronic boards, internet rights and travel. See also under expenses.

**Womens World Championship Income** **Budget: EUR 0** **Actual: EUR 18.971**

Net payment received from organiser to cover travel and provision of electronic boards.

**Electronic boards hire** **Budget: EUR 0** **Actual: EUR 8.900**

Hire of electronic boards to World University Championships in Nigeria and clocks to World Youth Championships in Georgia

**Trainer Academy fees** **Budget: EUR 13.000** **Actual: EUR 3.400**

Berlin Academy fees.

**Membership fees of International Affiliates** **Budget: EUR 0** **Actual: EUR 1.330**

Affiliation of Balkan Chess Assotiation and IberoAmericana de Ajedrez

**Clock testing fees** **Budget: EUR 0** **Actual: EUR 2.500**

Testing Saitek clock.

**Tax refund** **Budget: EUR 0** **Actual: EUR 2.659**

Repayment from Lausanne office closure

**Provision for 2005 not required** **Budget: EUR 0** **Actual: EUR 117**

## **EXPENDITURE**

### **2.1 Staff Costs** **Budget: EUR 146.000** **Actual: EUR 156.499**

B Balgabaev	Moscow	28,865
G Mastrokoukos	Athens	28,392
E Sperdokli	Athens	19,656
P Tsedenova	Athens	39,368
D Jarrett	Athens	36,318
K Klokas	Athens	3,900

Salaries are shown gross. Overbudget as some budgetted expenditure was incorrectly put under Staff Social Costs

### **2.2 Staff Travel** **Budget: EUR 25.000** **Actual: EUR 14.233**

B. Balgabaev	8,099
D. Jarrett	5,412
Other	722

Travel by Mr. Balgabaev was mainly accompanying the FIDE President.

### **2.3 Staff Social Costs** **Budget: EUR 54.000** **Actual: EUR 30.254**

Incorrect budgetting, see Staff Costs

### **2.4 Provision for staff indemnities** **Budget: EUR 0** **Actual: EUR 7.601**

Under Greek law a provision needs to be made for possible redundancy costs

### **2.5 Triumvirate Stipends** **Budget: EUR 40.000** **Actual: EUR 40.446**

I Gelfer, D Jarrett and M Sand each received EUR 13.482 from January to May 2006

### **2.6 Triumvirate Travel** **Budget: EUR 16.000** **Actual: EUR 14.241**

Travel and accommodation to Athens and Elista. Amounts for each person are I Gelfer EUR 2.839, D Jarrett EUR 5.571 and M Sand EUR 5.831.

### **2.7 Rating Office Costs** **Budget: EUR 100.000** **Actual: EUR 82.625**

It is difficult to give an accurate breakdown because of fluctuating exchange rates between US dollar, Euro and Russian Ruble. An indication (in Euros) can be given:

Staff salaries gross	36,000
Staff Social Costs	8,000
Telecommunications/web site	8,000
Office Supplies/equipment	9,000
Rent	6,000

	Utilities	1,000	
	Auditor	1,000	
	Miscellaneous	4,000	
	Rating Administrator	10,000	
<b>2.8</b>	<b>Postage &amp; Carriage</b>	<b>Budget: EUR 6.000</b>	<b>Actual: EUR 5.728</b>
<b>2.9</b>	<b>Photocopying &amp; Printing</b>	<b>Budget: EUR 7.000</b>	<b>Actual: EUR 5.539</b>
<b>2.1</b>	<b>Office Supplies/Stationery</b>	<b>Budget: EUR 5.000</b>	<b>Actual: EUR 3.842</b>
<b>2.11</b>	<b>Telecommunications</b>	<b>Budget: EUR 13.000</b>	<b>Actual: EUR 10.250</b>
<b>2.12</b>	<b>Secretariat Hospitality</b>	<b>Budget: EUR 4.000</b>	<b>Actual: EUR 8.571</b>

Meetings were arranged in the Athens office which meant higher hospitality but lower staff travel.

<b>2.13</b>	<b>Repairs, Maintenance &amp; Renewals</b>	<b>Budget: EUR 3.000</b>	<b>Actual: EUR 2.528</b>
<b>2.14</b>	<b>Rent</b>	<b>Budget: EUR 14.000</b>	<b>Actual: EUR 15.186</b>
<b>2.15</b>	<b>Utilities</b>	<b>Budget: EUR 2.000</b>	<b>Actual: EUR 2.218</b>
<b>2.16</b>	<b>Office Cleaning</b>	<b>Budget: EUR 4.000</b>	<b>Actual: EUR 3.451</b>
<b>2.17</b>	<b>Bank Charges</b>	<b>Budget: EUR 4.000</b>	<b>Actual: EUR 3.303</b>
<b>2.18</b>	<b>Electronic boards</b>	<b>Budget: EUR 0</b>	<b>Actual: EUR 12.547</b>

There was a purchase of electronic boards for Turin Olympiad and then all electronic equipment and clocks were returned to Athens for storage. FIDE has rented premises to house the equipment with someone to manage and inspect on a regular basis. This will avoid the deterioration which was occurring when the storage was in Switzerland without supervision. It is hoped that the cost of storage will be offset by hire and less damaged equipment.

<b>2.19</b>	<b>Insurance</b>	<b>Budget: EUR 23.000</b>	<b>Actual: EUR 23.969</b>
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The cost of travel, medical and other liabilities insurance for staff and other FIDE officials, including delegates.

<b>2.2</b>	<b>Subscriptions</b>	<b>Budget: EUR 4.000</b>	<b>Actual: EUR 7.568</b>
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During the year we joined the International Mind Sports Association which had not been budgetted

<b>2.21</b>	<b>Audit &amp; Tax Accountant</b>	<b>Budget: EUR 8.000</b>	<b>Actual: EUR 8.020</b>
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In Greece we are required to have, in addition to an auditor, an accountant to verify payment of taxes on salaries and VAT on purchases.

**2.22 Legal Costs** **Budget: EUR 13.000** **Actual: EUR 61.311**

**Touze case**

Lawyer's fees	26,523
Cost of Court hearing	9,430
Cost of witnesses	10,727

**Shvarts case**

	13,250
Other	1,381

At the time of the audit a provision was made for the known costs of the Touje case but it is likely that there are further costs to come once the court has finalized its deliberations

**2.23 Treasurer Expenses** **Budget: EUR 10.000** **Actual: EUR 13.346**

The new treasurer has higher travel costs because of his location but this was not known at the time of the budget.

**2.24 Travel & Meetings** **Budget: EUR 26.000** **Actual: EUR 29.264**

Al Ain Presidential Board	3,847
Elista Presidential Board	4,706
President	651
Deputy President	13,443
Other travel/hotel	
I. Gelfer	2,335
A. Selivanov	1,430
I. Leong	360
G. Borg	268
J. Vega	785
Other	1,437

**2.25 Commissions & Committees**

**ARISF Events** **Budget: EUR 0** **Actual: EUR 14.620**

**CACDEC** **Budget: EUR 70.000** **Actual: EUR 104.899**

Americas	16,900
Asia	3,425
Africa	21,062
Palestine	3,271
Nicaragua	770

Trinidad	770
Uruguay	770
Jamaica	1,409
Laos	2,476
Taiwan	1,180
Seychelles	1,432
Cambodia	817
Bahamas	1,064
Belize	1,040
Syria	200
Somalia	1,195
Palau	1,195
Uganda	1,195
Nepal	1,195
Bolivia	2,049
Turin equipment distribution	29,273
CD Informants	12,214

**CACDEC Activity Rebate**    **Budget: EUR 14.000**    **Actual: EUR 15.384**

43 CACDEC Federations received a rebate in 2006.

**Committee for Chess for the disabled**    **Budget: EUR 0**    **Actual: EUR 1.620**

**Ethics Commission**    **Budget: EUR 0**    **Actual: EUR 196**

**PR & Marketing**    **Budget: EUR 3.000**    **Actual: EUR 9.700**

The Presedential Board decided to increase this budget to enable the new PR & Marketing Director to operate

**Training Committee**    **Budget: EUR 40.000**    **Actual: EUR 38.520**

Grants to Berlin, Americas and Africa academies.

**Medical Commission**    **Budget: EUR 1.750**    **Actual: EUR 3.473**

Over budget because of extra doping controls during the year

**World Championship Cycle Committee**    **Budget: EUR 32.000**    **Actual: EUR 7.443**

G Makropoulos	469
Z Azmaiparashvili	6,062
Inspection of WWCC	662
Other	250
Principally travel and expenses for meetings in Athens	

<b>Verification Commission</b>	<b>Budget: EUR 6.000</b>	<b>Actual: EUR 5.651</b>
<b>Other</b>	<b>Budget: EUR 7.000</b>	<b>Actual: EUR 9.206</b>
Somalia (as agreed in Turin GA)	3,000	
Pakistan (as agreed in Turin GA)	2,000	
Africa Administration grant	4,206	
<b>2.26 Entry Fee Refunds to Organising Federation</b>	<b>Budget: EUR 20.000</b>	<b>Actual: EUR 31.771</b>
Over budget as Presedential Board rebated all the entry fees for the World Youth U8 event.		
<b>2.27 Discounts Allowed for Early Payment</b>	<b>Budget: EUR 10.000</b>	<b>Actual: EUR 11.398</b>
<b>2.28 Depreciation</b>	<b>Budget: EUR 10.000</b>	<b>Actual: EUR 24.999</b>
The purchase of the electronic boards for the Turin Olympiad was capitalized and will be depreciated at 30% per year as all other assets.		
<b>2.29 Medals &amp; Badges</b>	<b>Budget: EUR 4.000</b>	<b>Actual: EUR 4.534</b>
<b>2.30 Loss on Currency conversion</b>	<b>Budget: EUR 0</b>	<b>Actual: EUR 89.493</b>
The dollar depreciated against the Euro during the year and as we were holding large deposits of US dollars against our commitment for the World Chess Championship tournament in Mexico, this resulted in a paper loss when translated into Euros.		
<b>2.31 Write Offs</b>	<b>Budget: EUR 3.000</b>	<b>Actual: EUR 805</b>
Title fees charged in error		
<b>2.32 Provision in respect of unpaid Royalties-DGT</b>	<b>Budget: EUR 0</b>	<b>Actual: EUR 4.800</b>
DGT are withholding payment of part of the 2005 Royalties, awaiting settlement of a dispute under the contract between FIDE and DGT. In view of the uncertainty over the eventual payment, a further provision has been made.		
<b>2.33 Turin Olympiad Expenses</b>	<b>Budget: EUR 0</b>	<b>Actual: EUR 152.175</b>
Congress	15,845	
Hospitality	17,062	
Inspections	12,589	
Miscellaneous	2,752	
Reception	9,650	
Technical costs	80,411	
Travel & hotels	13,867	
<b>2.34 World Chess Ch Match Expenses</b>	<b>Budget: EUR 0</b>	<b>Actual: EUR 5.058</b>