

Treasurer's Report

Introduction

This is my final report as Treasurer of FIDE. The organisation has come a long way since I became Treasurer in 1996. When I took over from the previous incumbent, I inherited barely enough cash in the bank to pay the expenses for one month. Today we have cash and investment account balances of € 900,000, equivalent to over one million US dollars. If you add to this the outstanding balances from federations then indeed the current asset position is very sound.

It should be noted that much of this improvement is without the President having to make funds available from his own pocket. Sponsorship income from outside sources has continued to grow. Now we need to ensure a settled calendar of our World Championship cycle so that we can plan our financial commitments to CACDEC and other Committees not just for next year, but for several years ahead.

It has not all been smooth progress, the transfer of the Secretariat from Lausanne to Athens, saving CHF 250,000 a year, was one of the necessary steps to bring costs under control. We have been vigilant in maintaining expenditure within budget.

Today the financial position is the strongest in the history of FIDE.

Large liquid resources are a necessary requirement to ensure there are funds to meet the day to day expenses and commission budgets approved by the General Assembly. Invoices are issued to federations only half yearly and represent the services provided during the previous six months. Even if the federations pay promptly, the income can arrive on the FIDE bank account nearly a year after the provision of the service. Also some sources of income are variable in time and amount. Thus to ensure that FIDE can operate smoothly, it is necessary to maintain funds to cover one year's expenses.

That being said, we do have larger cash resources at present than is strictly necessary. The income from the share of the World Cup prize fund was received at the end of 2005 and some of this is available as an extra allocation for the 2006 budget, subject to confirmation by the General Assembly. There was a provisional budget agreed in Calvia for Committees and Commissions, to be made available when the funds from the World Cup were received. However, the Presidential Board decided to

make grants for the Training Academies of Africa and the Americas only and pass the decision on the other funds to the General Assembly.

2005

The matches that were expected to take place in January and June 2005 when the budget was prepared, failed to materialise. However, this was more than offset by income from the World Championship Tournament in San Luis and the World Cup in Khanty-Mansiysk. Our income for the year was nearly CHF 300,000 over budget, although this included a windfall gain on currency of CHF 127,000.

Central costs were kept under control with mainly positive variances against budget. It was decided to support the Continental Championships that formed part of the World Chess Championship cycle and this cost CHF 219,000. Nevertheless FIDE had a surplus of CHF 462,000 for the year.

2006

Delegates will find attached the income and expenditure summaries, actual against budget, for the year to date. The figures are denominated in € as the basis of currency changed from Swiss franc to Euro at the end of 2005. It is very early to make accurate end of year projections but at present there are no large variances against budget. It is expected that income will be greater than budget because of extra activity in the World Chess Championship cycle.

There are no specific proposals to amend the financial regulations that came into effect on January 1st 2006. However, I would recommend to my successor that a review of the maximum fee payable by a federation for Registered Tournaments is undertaken; currently this maximum is € 5,200.

David Jarrett

INCOME 2006

| INCOME ITEMS | 1st QUARTER | | | 2nd QUARTER | | | 3rd QUARTER | | | 4th QUARTER | | | TOTAL FOR YEAR | | |
|------------------------------|-------------|---------|----------|-------------|---------|----------|-------------|--------|----------|-------------|--------|----------|----------------|---------|----------|
| | BUDGET | ACTUAL | VARIANCE | BUDGET | ACTUAL | VARIANCE | BUDGET | ACTUAL | VARIANCE | BUDGET | ACTUAL | VARIANCE | BUDGET | ACTUAL | VARIANCE |
| ENTRY FEES | | 0 | 0 | 70,000 | 67,770 | -2,230 | 90,000 | 0 | -90,000 | 20,000 | 0 | -20,000 | 180,000 | 67,770 | -112,230 |
| INTEREST OVERDUE ACCs | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,000 | 0 | -3,000 | 3,000 | 0 | -3,000 |
| MEMBERSHIP FEES | 110,000 | 115,008 | 5,008 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 110,000 | 115,008 | 5,008 |
| OTHER INCOME | 1,000 | 4,165 | 3,165 | 12,000 | 12,134 | 134 | 1,000 | 0 | -1,000 | 1,000 | 0 | -1,000 | 15,000 | 16,299 | 1,299 |
| RATING FEES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 35,000 | 0 | -35,000 | 35,000 | 0 | -35,000 |
| REGISTERED TOURNAMENTS | 0 | 0 | 0 | 100,000 | 0 | -100,000 | 0 | 0 | 0 | 50,000 | 0 | -50,000 | 150,000 | 0 | -150,000 |
| LATE REPORT FEES | 0 | 0 | 0 | 6,500 | 0 | -6,500 | 0 | 0 | 0 | 6,500 | 0 | -6,500 | 13,000 | 0 | -13,000 |
| CHANGES OF FEDERATION | 4,000 | 3,680 | -320 | 4,000 | 10,065 | 6,065 | 3,000 | 0 | 0 | 2,000 | 0 | 0 | 13,000 | 13,745 | 745 |
| ROYALTIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,000 | 0 | -30,000 | 30,000 | 0 | -30,000 |
| TITLE APPLICATIONS | 30,000 | 25,020 | -4,980 | 30,000 | 20,630 | -9,370 | 30,000 | 0 | -30,000 | 30,000 | 0 | -30,000 | 120,000 | 45,650 | -74,350 |
| WORLD CHAMPIONSHIPS | 75,000 | 76,050 | 1,050 | 0 | 0 | 0 | 0 | 0 | 0 | 35,000 | 0 | -35,000 | 110,000 | 76,050 | -33,950 |
| World Championship Committee | 30,000 | 29,575 | -425 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 | 0 | -2,000 | 32,000 | 29,575 | -2,425 |
| TRAINER'S SEMINARS | 0 | 0 | 0 | 4,000 | 0 | -4,000 | 5,000 | 0 | -5,000 | 5,000 | 0 | -5,000 | 14,000 | 0 | -14,000 |
| Currency Conversion Account | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 250,000 | 253,498 | 3,498 | 226,500 | 110,599 | -115,901 | 129,000 | 0 | -126,000 | 219,500 | 0 | -217,500 | 825,000 | 364,097 | -460,903 |

EXPENDITURE 2006

| ITEMS | 1st QUARTER | | | 2nd QUARTER | | | 3rd QUARTER | | | 4th QUARTER | | | TOTAL FOR YEAR | | |
|------------------------------|-------------|--------|----------|-------------|--------|----------|-------------|--------|----------|-------------|--------|----------|----------------|--------|----------|
| | BUDGET | ACTUAL | VARIANCE | BUDGET | ACTUAL | VARIANCE | BUDGET | ACTUAL | VARIANCE | BUDGET | ACTUAL | VARIANCE | BUDGET | ACTUAL | VARIANCE |
| Audit | 500 | 510 | -10 | 6,500 | 6,150 | 350 | 500 | 500 | 0 | 500 | 0 | 500 | 8,000 | 6,660 | 1,340 |
| Bad Debts & Write Offs | 1,000 | 1,647 | -647 | 1,000 | 50 | 950 | 500 | 500 | 0 | 500 | 0 | 500 | 3,000 | 1,697 | 1,303 |
| Bank Charges | 1,000 | 694 | 306 | 1,000 | 573 | 427 | 1,000 | 1,000 | 0 | 1,000 | 0 | 1,000 | 4,000 | 1,267 | 2,733 |
| Cleaning Office | 1,000 | 857 | 143 | 1,000 | 0 | 1,000 | 1,000 | 1,000 | 0 | 1,000 | 0 | 1,000 | 4,000 | 857 | 3,143 |
| CACDEC including rebate | 25,000 | 23,043 | 1,957 | 25,000 | 30,753 | -5,753 | 15,000 | 15,000 | 0 | 15,000 | 0 | 19,000 | 84,000 | 53,796 | 30,204 |
| Medical Commission | 250 | 0 | 250 | 1,000 | 0 | 1,000 | 250 | 250 | 0 | 250 | 0 | 250 | 1,750 | 0 | 1,750 |
| World Championship Comte | 8,000 | 0 | 8,000 | 8,000 | 186 | 7,814 | 8,000 | 8,000 | 0 | 8,000 | 0 | 8,000 | 32,000 | 186 | 31,814 |
| Verification Commission | 1,000 | 773 | 227 | 3,000 | 2,776 | 224 | 1,000 | 1,000 | 0 | 1,000 | 0 | 1,000 | 6,000 | 3,549 | 2,451 |
| Trainers Committee | 10,000 | 0 | 10,000 | 10,000 | 12,840 | -2,840 | 10,000 | 10,000 | 0 | 10,000 | 0 | 10,000 | 40,000 | 12,840 | 27,160 |
| Other Commissions | 2,000 | 0 | 2,000 | 2,000 | 1,620 | 380 | 2,000 | 2,000 | 0 | 2,000 | 0 | 1,000 | 7,000 | 1,620 | 5,380 |
| Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,000 | 0 | 10,000 | 10,000 | 0 | 10,000 |
| Discounts Allowed | 7,000 | 7,542 | -542 | 0 | 0 | 0 | 3,000 | 3,000 | 0 | 3,000 | 0 | 0 | 10,000 | 7,542 | 2,458 |
| Insurance | 23,000 | 23,969 | -969 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23,000 | 23,969 | -969 |
| Legal & other Costs | 3,000 | 0 | 3,000 | 3,000 | 0 | 3,000 | 3,500 | 3,500 | 0 | 3,500 | 0 | 3,500 | 13,000 | 0 | 13,000 |
| Miscellaneous/Contingencies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Photocopy / Printing | 1,500 | 0 | 1,500 | 2,500 | 481 | 2,019 | 1,500 | 1,500 | 0 | 1,500 | 0 | 1,500 | 7,000 | 481 | 6,519 |
| Stationery / Sundries | 1,250 | 759 | 491 | 1,250 | 289 | 961 | 1,250 | 1,250 | 0 | 1,250 | 0 | 1,250 | 5,000 | 1,048 | 3,952 |
| Postage / Carrier | 1,500 | 175 | 1,325 | 1,500 | 505 | 995 | 1,500 | 1,500 | 0 | 1,500 | 0 | 1,500 | 6,000 | 680 | 5,320 |
| Publicity & Promotions | 750 | 0 | 750 | 750 | 0 | 750 | 750 | 750 | 0 | 750 | 0 | 750 | 3,000 | 0 | 3,000 |
| Publications | 0 | 222 | -222 | 0 | 0 | 0 | 23,000 | 23,000 | 0 | 23,000 | 0 | 0 | 23,000 | 222 | 22,778 |
| Rating Scheme | 25,000 | 21,074 | 3,926 | 25,000 | 16,807 | 8,193 | 25,000 | 25,000 | 0 | 25,000 | 0 | 25,000 | 100,000 | 37,881 | 62,119 |
| Refunds to Org Fed/Continent | 0 | 0 | 0 | 0 | 0 | 0 | 5,000 | 5,000 | 0 | 5,000 | 0 | 15,000 | 20,000 | 0 | 20,000 |
| Rent | 3,500 | 3,553 | -53 | 3,500 | 1,440 | 2,060 | 3,500 | 3,500 | 0 | 3,500 | 0 | 3,500 | 14,000 | 4,993 | 9,007 |
| Repair,Maintenance&Renewal | 750 | 101 | 649 | 750 | 0 | 750 | 750 | 750 | 0 | 750 | 0 | 750 | 3,000 | 101 | 2,899 |
| Secretariat Hospitality | 1,000 | 3,493 | -2,493 | 1,000 | 764 | 236 | 1,000 | 1,000 | 0 | 1,000 | 0 | 1,000 | 4,000 | 4,257 | -257 |
| Triumvirate stipends | 24,000 | 24,075 | -75 | 16,000 | 16,371 | -371 | 0 | 0 | 0 | 0 | 0 | 0 | 40,000 | 40,446 | -446 |
| Triumvirate travel etc | 10,000 | 10,012 | -12 | 6,000 | 1,859 | 4,141 | 0 | 0 | 0 | 0 | 0 | 0 | 16,000 | 11,871 | 4,129 |
| Staff Salaries | 24,000 | 18,944 | 5,056 | 30,000 | 10,504 | 19,496 | 44,000 | 44,000 | 0 | 44,000 | 0 | 48,000 | 146,000 | 29,448 | 116,552 |
| Staff - social costs | 10,000 | 10,035 | -35 | 13,000 | 0 | 13,000 | 15,000 | 15,000 | 0 | 15,000 | 0 | 16,000 | 54,000 | 10,035 | 43,965 |
| Subscriptions | 4,000 | 2,568 | 1,432 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,000 | 2,568 | 1,432 |
| Medals | 0 | 0 | 0 | 2,000 | 2,313 | -313 | 0 | 0 | 0 | 0 | 0 | 2,000 | 4,000 | 2,313 | 1,687 |
| Telephones | 3,000 | 2,148 | 852 | 3,000 | 0 | 3,000 | 3,500 | 3,500 | 0 | 3,500 | 0 | 3,500 | 13,000 | 2,148 | 10,852 |
| Treasurer Expenses | 4,000 | 953 | 3,047 | 4,000 | 0 | 4,000 | 1,000 | 1,000 | 0 | 1,000 | 0 | 1,000 | 10,000 | 953 | 9,047 |
| Utilities | 500 | 648 | -148 | 500 | 0 | 500 | 500 | 500 | 0 | 500 | 0 | 500 | 2,000 | 648 | 1,352 |
| Currency Conversion a/c | 0 | 2,425 | -2,425 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,425 | -2,425 |