

To the General Assembly of  
**Fédération Internationale des Echecs (FIDE), Lausanne**

Lausanne, 14 June 2023

## Report of the statutory auditor

### Report on the audit of the financial statements



#### Opinion

We have audited the financial statements of Fédération Internationale des Echecs (FIDE) (the Federation), which comprise the balance sheet as of 31 December 2022, the statement of income and expenses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Federation's articles of incorporation.



#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Federation in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



#### Council and Treasurer's responsibilities for the financial statements

The Council and the Treasurer are responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Federation's articles of incorporation, and for such internal control as the Council and The Treasurer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council and the Treasurer are responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Council and the Treasurer either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so.



### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

## **Report on other legal and regulatory requirements**



In accordance with Art. 69b CC in conjunction with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Council and the Treasurer.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Licensed audit expert  
(Auditor in charge)

### **Enclosures**

- ▶ Financial statements (balance sheet, statement of income and expenses and notes).

# 1. BALANCE SHEET

	Notes	31.12.2022 EUR	31.12.2021 EUR	31.12.2022 CHF	31.12.2021 CHF
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Banks	4	4 925 758	5 682 010	4 851 530	5 890 540
Debtors Federations	5	578 288	386 380	569 573	400 560
Other Debtors	6	267 936	940 199	263 899	974 704
Prepayments		-	18 672	-	19 357
Tax Refundable		58 550	58 550	57 668	60 699
<b>Total Current Assets</b>		<b>5 830 532</b>	<b>7 085 811</b>	<b>5 742 670</b>	<b>7 345 860</b>
<b>Long-Term Assets</b>					
Investment in Subsidiary	7	19 707	-	19 410	-
Tangible Assets	8	68 103	40 460	67 077	41 945
Intangible Assets	8	27 336	31 855	26 924	33 024
<b>Total Long-Term Assets</b>		<b>115 146</b>	<b>72 315</b>	<b>113 411</b>	<b>74 969</b>
<b>TOTAL ASSETS</b>		<b>5 945 678</b>	<b>7 158 126</b>	<b>5 856 081</b>	<b>7 420 829</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Upcoming Year Events	9	2 428 836	1 719 046	2 392 235	1 782 135
Prepayments by Federations		29 612	25 700	29 166	26 643
Other Creditors	10	1 410 252	1 524 615	1 389 000	1 580 568
Deferred Revenue	11	36 812	38 292	36 257	39 697
Accrued Expenses		127 000	110 660	125 086	114 721
<b>Total Current Liabilities</b>		<b>4 032 512</b>	<b>3 418 313</b>	<b>3 971 744</b>	<b>3 543 764</b>
<b>Long-Term Liabilities</b>					
Events Beyond Upcoming Year	12	547 000	467 000	538 757	484 139
Permanent Fund	13	76 414	76 414	75 262	79 218
<b>Total Long-Term Liabilities</b>		<b>623 414</b>	<b>543 414</b>	<b>614 019</b>	<b>563 357</b>
<b>TOTAL LIABILITIES</b>		<b>4 655 926</b>	<b>3 961 727</b>	<b>4 585 763</b>	<b>4 107 121</b>
Currency translation difference		-	-	-337 971	-195 138
<b>FIDE RESERVE FUND (NET ASSETS)</b>		<b>1 289 752</b>	<b>3 196 399</b>	<b>1 608 289</b>	<b>3 508 846</b>

## 2. STATEMENT OF INCOME AND EXPENSES

2.1 INCOME AND EXPENSES SUMMARY		2022 Actual EUR	2021 Actual EUR	2022 Actual CHF	2021 Actual CHF	
<b>TOTAL INCOME</b>		<b>10 820 533</b>	<b>13 958 235</b>	<b>10 786 020</b>	<b>15 091 643</b>	
<b>TOTAL EXPENSES</b>		<b>12 727 180</b>	<b>11 858 146</b>	<b>12 686 577</b>	<b>12 821 030</b>	
<b>INCOME AGAINST EXPENSES</b>		<b>-1 906 647</b>	<b>2 100 089</b>	<b>-1 900 557</b>	<b>2 270 613</b>	
<b>FIDE Reserve Fund at beginning of period</b>		<b>3 196 399</b>	<b>1 096 310</b>	<b>3 508 846</b>	<b>1 238 233</b>	
<b>FIDE Reserve Fund at end of period</b>		<b>1 289 752</b>	<b>3 196 399</b>	<b>1 608 289</b>	<b>3 508 846</b>	
2.2 INCOME		2022 Actual EUR	2022 Budget EUR	2021 Actual EUR	2022 Actual CHF	2021 Actual CHF
INCOME FROM FEDERATIONS						
Membership Fees		138 775	138 000	137 255	138 332	148 400
Affiliated Membership Application Fees		1 000	-	-	997	-
Entry Fees		310 230	50 000	10 000	309 240	10 812
Registered Tournaments		482 282	250 000	297 854	480 744	322 040
Late Tournament Report Charges / Misc Penalties		16 915	-	11 835	16 861	12 796
Change of Federation		27 500	-	12 294	27 412	13 293
Title Application Fees		161 266	100 000	137 717	160 752	148 900
	<i>Federation fees</i>	<b>1 137 968</b>	<b>538 000</b>	<b>606 955</b>	<b>1 134 338</b>	<b>656 241</b>
INCOME FROM FIDE EVENTS						
Olympiad	14	2 893 823	2 700 000	-	2 884 593	-
World Championship Match	14.1	-	-	4 152 845	-	4 490 056
Women World Championship Match	14.2	-	1 200 000	-	-	-
Candidates	14.3	1 516 233	1 650 000	873 525	1 511 396	944 455
Women Candidates	14.4	199 224	450 000	-	198 589	-
World Cup	14.5	-	-	2 860 511	-	3 092 784
Grand Swiss / Women Grand Swiss	14.6	-	-	1 190 053	-	1 286 685
Grand Prix Series	14.7	668 563	-	-	666 431	-
Women Grand Prix Series	14.8	204 863	500 000	374 220	204 210	404 607
World Rapid and Blitz Championship	14.9	2 203 395	1 300 000	1 469 943	2 196 367	1 589 302
World Team Championship	14.10	89 828	150 000	-	89 541	-
Women World Team Championship	14.11	-	-	329 419	-	356 168
Online Events	14.12	-	550 000	391 297	-	423 070
Other Events Income		379 861	-	-	378 649	-
	<i>Income from FIDE events</i>	<b>8 155 790</b>	<b>8 500 000</b>	<b>11 641 813</b>	<b>8 129 776</b>	<b>12 587 127</b>
INCOME FROM COMMISSIONS						
Arbiters seminar fees		14 540	20 000	31 073	14 494	33 596
Arbiters license fees		62 360	50 000	37 360	62 161	40 394
Trainers license fees		35 240	50 000	27 740	35 128	29 992
Trainers seminars		3 516	50 000	9 766	3 505	10 559
Trainers academy fees		7 000	9 000	7 600	6 978	8 217
Organizers seminar fees		-	1 000	-	-	-
School Instructor seminar fees		3 207	-	2 319	3 197	2 507
Chess in Education		-	15 000	-	-	-
Event bidding fees		-	20 000	3 000	-	3 244
Chess Clock / Suppliers bid fees		-	-	530	-	573
FIDE flag license fees		6 236	3 000	3 740	6 217	4 043
Queen's Festival		250	-	1 840	249	1 989
Ethics Commission submission fees		500	-	-	498	-
	<i>Income from Commissions</i>	<b>132 849</b>	<b>218 000</b>	<b>124 968</b>	<b>132 427</b>	<b>135 114</b>
DONATIONS AND SPONSORSHIP						
Donations	15.1	3 168	-	582 915	3 158	630 248
Sponsorship	15.2	141 508	-	398 630	141 056	430 999
	<i>Donations and Sponsorship</i>	<b>144 676</b>	<b>2 750 000</b>	<b>981 545</b>	<b>144 214</b>	<b>1 061 247</b>
OTHER INCOME						
FIDE Online Arena		402 500	400 000	187 253	401 216	202 458
International Olympic Committee / ARISF		31 369	35 000	56 650	31 269	61 250
Royalties - Chess Equipment		50 000	50 000	12 500	49 840	13 515
Royalties - TV Rights / IP Rights	16	363 934	350 000	81 986	362 773	88 643
Foreign Exchange Gain / (Loss), Net		391 210	-	193 977	389 962	209 728
Tax Refund		10 237	-	-	10 205	-
Release of Bad Debt Provisions		-	-	70 588	-	76 320
	<i>Other income</i>	<b>1 249 250</b>	<b>835 000</b>	<b>602 954</b>	<b>1 245 265</b>	<b>651 914</b>
<b>TOTAL INCOME</b>		<b>10 820 533</b>	<b>12 841 000</b>	<b>13 958 235</b>	<b>10 786 020</b>	<b>15 091 643</b>

2.3 EXPENSES		2022 Actual EUR	2022 Budget EUR	2021 Actual EUR	2022 Actual CHF	2021 Actual CHF
<b>OFFICIALS' EXPENSES</b>						
President's travel		100 853	70 000	26 745	100 531	28 916
Officials' travel and expenses		178 230	70 000	71 321	177 662	77 113
Treasurer expenses		12 114	40 000	2 984	12 075	3 226
Presidential advisers		49 432	24 000	24 026	49 274	25 977
Council Meetings and Congress	17	422 079	750 000	131 673	420 732	142 365
Officials' miscellaneous expenses		2 729	10 000	1 319	2 720	1 426
	<i>Officials' Expenses</i>	<b>765 437</b>	<b>964 000</b>	<b>258 068</b>	<b>762 994</b>	<b>279 023</b>
<b>SECRETARIAT</b>						
<b>LAUSANNE</b>						
Staff Costs		1 300 558	1 050 000	1 010 623	1 296 409	1 092 686
Service Agreements		50 160	-	13 651	50 000	14 758
Staff Travel		106 851	30 000	15 386	106 511	16 635
Office Rent		61 529	60 000	57 842	61 332	62 538
General Office Expenses		31 766	32 000	16 275	31 665	17 596
Secretariat Hospitality		11 810	10 000	1 928	11 772	2 084
	<i>Lausanne office</i>	<b>1 562 674</b>	<b>1 182 000</b>	<b>1 115 705</b>	<b>1 557 689</b>	<b>1 206 297</b>
<b>MOSCOW OFFICE</b>						
Staff costs		114 084	-	212 395	113 720	229 641
Travel and and office expenses		1 300	-	1 483	1 296	1 604
	<i>Moscow office</i>	<b>115 384</b>	<b>280 000</b>	<b>213 878</b>	<b>115 016</b>	<b>231 245</b>
	<b>SECRETARIAT TOTAL</b>	<b>1 678 058</b>	<b>1 462 000</b>	<b>1 329 583</b>	<b>1 672 705</b>	<b>1 437 542</b>
<b>GENERAL EXPENSES</b>						
Accountancy /Accreditation Software		9 628	10 000	10 083	9 597	10 902
Audit & Tax Accountant		216 147	70 000	82 412	215 457	89 104
Legal, Tax & Other Professional Services	18	286 293	250 000	232 034	285 380	250 876
Bank Charges		94 095	100 000	115 055	93 795	124 398
Depreciation and amortization	7	29 174	-	24 240	29 081	26 208
Discounts Allowed for Early Payment	19	70 169	10 000	13 329	69 945	14 411
FIDE Online / IT Department		140 638	235 000	106 852	140 190	115 528
Insurance		14 497	10 000	6 825	14 451	7 380
Bad Debts & Write offs		12 350	-	1 554	12 311	1 680
Press / PR / Marketing / Work with Sponsors		205 899	400 000	168 612	205 242	182 303
Sport Exhibitions and Conferences		9 033	-	2 966	9 004	3 207
Subscriptions		2 028	-	4 999	2 022	5 405
Taxes		36	20 000	41 927	35	45 332
Data Protection Project		5 693	5 000	4 800	5 675	5 190
Increase of Bad Debt Provisions		56 457	-	-	56 277	-
Handbook Review Project		-	5 000	6 820	-	7 374
	<i>General Expenses</i>	<b>1 152 137</b>	<b>1 115 000</b>	<b>822 508</b>	<b>1 148 462</b>	<b>889 298</b>
<b>COMMISSIONS &amp; COMMITTEES</b>						
Arbiters Commission (ARB)		15 000	30 000	17 000	14 952	18 380
Fair Play Commission (FPL)		10 000	26 000	11 974	9 968	12 946
Chess for the Disabled (DIS)		5 000	5 000	3 000	4 984	3 244
Chess in Education Commission (EDU)		23 442	18 000	18 250	23 367	19 732
Constitutional Commission (CON)		10 000	10 000	6 000	9 968	6 487
Planning and Development Commission (PDC)		28 006	30 000	49 079	27 916	53 065
Ethics Commission (ETH)		25 021	20 000	27 430	24 941	29 657
Events Commission (EVE)		30 050	14 000	17 300	29 954	18 705
Medical Commission (MED)		4 776	3 500	3 000	4 761	3 244
Qualification Commission (QC)		12 000	14 000	9 000	11 962	9 731
Rules Commission (RC)		6 501	7 500	7 500	6 480	8 109
Systems of Pairings and Programs Commission (SPP)		5 000	5 000	5 000	4 984	5 406
Technical Commission (TEC)		5 000	5 000	5 600	4 984	6 055
Trainers Commission (TRG)		55 683	60 000	43 296	55 505	46 812
Verification Commission (VER)		25 044	23 000	14 159	24 964	15 309
Commission for Women Chess (WOM)		4 420	10 000	6 022	4 406	6 511
Global Strategy Commission (GSC)		43 000	50 000	31 800	42 863	34 382
Social Commission (SC)		7 750	6 000	6 000	7 725	6 487
Chess History Committee		1 000	-	2 835	997	3 065
Reserve for Commissions Expenses / Inter-Commission Projects		54 592	113 000	24 000	54 417	25 949
	<i>Commissions &amp; Committees</i>	<b>371 285</b>	<b>450 000</b>	<b>308 245</b>	<b>370 098</b>	<b>333 276</b>

		2022 Actual EUR	2022 Budget EUR	2021 Actual EUR	2022 Actual CHF	2021 Actual CHF
<b>EVENTS EXPENSES</b>	14					
Olympiad	14.1	2 791 472	2 400 000	1 565	2 782 568	1 693
World Championship Match	14.2	-	-	2 687 257	-	2 905 462
Women World Championship Match Candidates	14.3	1 366 294	1 000 000	589 385	1 361 936	637 243
Women Candidates	14.4	230 857	350 000	-	230 121	-
World Cup	14.5	-	-	1 904 566	-	2 059 217
Grand Swiss	14.6	-	-	1 125 216	-	1 216 584
Grand Prix Series	14.7	651 586	-	-	649 508	-
Women Grand Prix Series	14.8	142 046	600 000	188 813	141 593	204 145
World Rapid and Blitz Championship	14.9	1 360 513	1 000 000	1 073 832	1 356 173	1 161 027
World Team Championship	14.10	198 937	50 000	-	198 302	-
Women World Team Championship	14.11	-	-	-	-	-
Online Events	14.12	-	100 000	73 685	-	79 668
World Amateur Championship		-	-	1 800	-	1 946
Checkmate Coronavirus Project		46 561	-	-	46 412	-
ARISF and IOC Events		-	40 000	-	-	-
Electronic Boards (storage & transportation)	20	2 467	10 000	1 957	2 459	2 116
Other Events Expenses		130 484	-	251 139	130 067	271 531
	<i>Events Expenses</i>	<b>6 921 217</b>	<b>6 850 000</b>	<b>7 899 215</b>	<b>6 899 139</b>	<b>8 540 632</b>
<b>FIDE DEVELOPMENT FUND</b>	21					
Support of National Chess Federations	21.1	389 877	400 000	336 418	388 633	363 735
Support of Continental Associations	21.2	418 788	400 000	349 432	417 452	377 806
Support for Zones / Supra-National Associations		125 532	150 000	50 163	125 131	54 236
Commissions Development and Social Projects		465 121	540 000	258 765	463 638	279 777
Open Tournament Support Program		165 617	150 000	85 195	165 089	92 113
Women Chess Development Programs		100 011	100 000	-	99 692	-
Youth Development Programs		95 436	150 000	79 787	95 132	86 266
Veterans' Support Program		65 675	100 000	67 767	65 465	73 270
Chess Composition Support Program		12 989	10 000	13 000	12 947	14 056
	<i>FIDE Development Fund</i>	<b>1 839 046</b>	<b>2 000 000</b>	<b>1 240 527</b>	<b>1 833 179</b>	<b>1 341 259</b>
<b>TOTAL EXPENSES</b>		<b>12 727 180</b>	<b>12 841 000</b>	<b>11 858 146</b>	<b>12 686 577</b>	<b>12 821 030</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. FIDE OPERATIONS

The International Chess Federation, or Fédération Internationale des Echecs (FIDE), is the recognized international federation in the domain of chess, which was founded on July 20, 1924 in Paris. FIDE is recognized by the International Olympic Committee as the supreme body responsible for the game of chess and its championships. FIDE unites 199 national chess federations throughout the world and oversees all official world competitions. The Federation is concerned exclusively with chess activities. FIDE has its registered office in Lausanne where it is incorporated as an association under Swiss Law. Operating headquarters are located in Lausanne, and a representative office is located in Moscow.

## 2. BASIS OF FINANCIAL STATEMENTS

FIDE financial statements have been prepared in accordance with the requirements of Swiss Law stipulated in the “Code of Obligations” and FIDE bylaws (Statutes and Financial Rules). The financial statements have been prepared on the historical cost basis and they include the accounts of the following entities:

- FIDE main entity registered in Switzerland (Lausanne)
- FIDE representative office in Russia (Moscow)

For the purpose of organizing events in Russia, FIDE used a special-purpose vehicle (SPV) that was set up as a not-for-profit organization. The SPV is independent from FIDE, and the accounts of the SPV are not included in the FIDE accounts.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1. Foreign currency translation

FIDE uses Euro as functional currency. Transactions denominated in foreign currencies have been translated into Euro at the rate in effect at the date of the transaction. Financial assets and liabilities denominated in foreign currencies have been translated into Euro at the year-end exchange rate. Realized foreign exchange gains and losses as well as unrealized foreign exchange losses are recognized in the statement of income and expenses while unrealized foreign exchange gains are deferred on the balance sheet.

For statutory reporting under Swiss law, the financial statements have been translated from Euro (EUR) to Swiss Francs (CHF). Assets and liabilities have been translated at the year-end exchange rate of EUR 1 for CHF 0.985 (2021: EUR 1 for CHF 1.037), and the income and expenses at the average exchange rate for the year of EUR 1 for CHF 0.997 (2021: EUR 1 for CHF 1.081). The resulting currency translation difference is recorded on the balance sheet.

### 3.2. Debtors

Debtors are stated at nominal value, net of provision for doubtful debts. FIDE is using the following provisioning policy:

- For all debts overdue by more than one year (i.e. debts originated prior to December 31 of the previous financial year and unpaid until December 31 of the current year), a 100% provision is created;
- if a debtor has a debt overdue by more than one year and a current-year debt, a 50% provision is created against the current-year debt (in addition to the 100% provision against the debts originated in previous years);
- FIDE may create additional provisions on a discretionary basis if it receives information indicating that a debt is unlikely to be paid.

### 3.3. Investments in subsidiaries

Investments in subsidiaries are stated at cost less a provision for permanent impairment in value, if any.

### 3.4 Fixed and intangible assets depreciation and amortization.

Depreciation rate applied to fixed assets is 30% per annum on the declining balance method.

Amortization rate applied to intangible assets (software) is 30% per annum on the declining balance method.

### 3.5. Revenue recognition

Membership, entry and other fees are recorded as income in the year they are earned. Income from events, including related sponsorship, is recognized when an event is completed. If an event is composed of several tournaments (e.g. Grand Prix Series), the revenue and expenses related to each tournament are recorded upon completion of that tournament, even if the event has not been completed. Donations are recorded as income at the date of receipt of funds while sponsorships not directly related to events are recognized as income over the period stated in the sponsorship agreement.

### 3.6. Events income and expenses

Up to and including 2021 financial year, the income from FIDE events was presented in the financial statements on net basis with gross income and expenses being presented in the notes. Starting from 2022, income and expenses are presented in the financial statements separately on gross basis as gross figures are considered more representative of the activity of FIDE. Prior year figures have been presented accordingly to allow comparison with the current year.

## 4. Cash and banks

### Year-end balances

	EUR	
	<u>2022</u>	<u>2021</u>
Cash in Banks (see details below)	4,903,618	5,622,615
Cash at Paypal accounts *	19,996	52,049
Payrexx	2,144	7,346
	<u>4,925,758</u>	<u>5,682,010</u>

Cash and banks are composed of:

	EUR	
	<u>2022</u>	<u>2021</u>
Caixa Bank EUR Account	3,206,928	3,598,345
Caixa Bank USD Account	1,547,242	28,005
Caixa Bank CHF Account	69,494	51,140
Sberbank EUR Account	-	7,340
Sberbank USD Account	-	969,051
Sberbank RUB Account	11,905	474,435
Otkrytie Bank RUB Account (Moscow office account)	4,545	6,060
Gazprombank Switzerland USD Account**	-	392,355
Gazprombank Switzerland EUR Account**	-	7,355
Gazprombank Switzerland CHF Account**	-	72,657
Gazprombank Russia RUB Account	872	872
Gazprombank Russia EUR Account	15,000	15,000
Money in transit**	47,632	-
	<u>4,903,618</u>	<u>5,622,615</u>



- \* FIDE operates Paypal accounts that are used for receiving online payments. The balances from Paypal accounts are transferred to bank accounts on a regular basis. The line “Cash at Paypal accounts” represents the money that were not yet transferred to bank accounts.
- \*\* Due to adverse geopolitical situation Gazprombank Switzerland decided to discontinue its operations. As such, FIDE accounts were closed in September 2022, and the remaining balance of EUR 47,632 (shown as Money in transit in the table above) was transferred to FIDE account at another bank. Due to regulatory procedures, it took several months for the transfer to be executed. FIDE received these money in 2023.

## 5. Debtors Federations

	<b>EUR</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Current year debts	726,321	432,613
Debts overdue by 1 year	103,748	157,680
Debts overdue by 2 years	103,766	98,638
Debts overdue by 3 years or more	151,850	103,859
Total gross	<u>1,085,685</u>	<u>792,789</u>
Provision for doubtful debts	<u>-507,397</u>	<u>-406,409</u>
<b>Total net</b>	<b><u>578,288</u></b>	<b><u>386,380</u></b>

## 6. Other Debtors

In 2021, FIDE organized World Cup through a special-purpose vehicle (SPV) registered as a not-for-profit organization under Russian laws. FIDE provided a loan to the SPV for the purpose of organizational expenses related to the World Cup (event management services, accommodation, transportation, catering services, etc). The loan that was initially supposed to be fully repaid in January 2022; however, FIDE provided additional loan for the purpose of organization of Olympiad 2022, which was originally scheduled to be in Russia. As such, the loan has been extended and was fully repaid in January 2023, after which the loan contract was terminated. As of 31 December 2022, the outstanding balance of the loan was EUR 54,451.

The remaining Other Debtors are mostly contractual obligations of corporate sponsors who have unpaid obligations with regard to sponsorship contracts related to FIDE events completed in 2022. FIDE received these funds in 2023.

## 7. Investment in subsidiary

<b><u>Name</u></b>	<b><u>Domicile</u></b>	<b><u>Ownership</u></b>	<b><u>Share Capital</u></b>
FIDE Enterprises Sarl	Switzerland	100%	CHF 20,000

As per decision of Q1 2021 FIDE Council meeting, FIDE Enterprises Sarl was incorporated on 2 September 2022 for the purpose of conducting for-profit activities.

## 8. Tangible and intangible assets

	<u>Office furniture</u>	<u>Machines &amp; equipment</u>	<u>Software</u>	<u>Total</u>
<b><u>At cost (EUR)</u></b>				
Opening balance	7,368	466,295	43,515	517,178
Additions	-	46,192	6,106	52,298
Closing balance	<u>7,368</u>	<u>512,487</u>	<u>49,621</u>	<u>569,476</u>
<b><u>Accumulated depreciation (EUR)</u></b>				
Opening balance	2,866	430,337	11,660	444,863
Depreciation charge	1,351	17,198	10,625	29,174
Closing balance	<u>4,217</u>	<u>447,535</u>	<u>22,285</u>	<u>474,037</u>
<b>Net book value</b>	<u>3,151</u>	<u>64,952</u>	<u>27,336</u>	<u>95,439</u>

## 9. Upcoming Year Events

As of December 31, 2022:

	<b><u>EUR</u></b>
Deposit fees for upcoming year events	50,000
Prepayment for Grand Swiss 2023	717,768
Prepayment for World Championship Match 2023	705,976
Prepayment for World Rapid Team Championship 2023	250,000
Prepayment for Women World Championship Match 2023	227,550
Prepayment for Women Candidates Tournament 2023	176,285
Prepayment for Women Grand Prix Series 2023	136,257
Prepayment for World Rapid and Blitz Championship 2023	110,000
Prepayment for Paralympiad 2022 (postponed to 2023)	55,000
<b>Total</b>	<b><u>2,428,836</u></b>

As of December 31, 2021:

	<b><u>EUR</u></b>
Deposit fees for upcoming year events	120,000
Prepayment for Chess Olympiad 2022	1,115,374
Prepayment for World Rapid and Blitz Championship 2022	110,000
Prepayment for Candidates Tournament 2022	98,254
Prepayment for Women's World Chess Championship Match 2022	88,319
Prepayment for Women's Candidates Tournament 2022	85,830
Prepayment for Paralympiad 2022	55,000
Prepayment for World Team Chess Championship 2022	42,269
Prepayment for Grand Prix Series 2022	4,000
<b>Total</b>	<b><u>1,719,046</u></b>

Deposit fees are refundable and were paid by organizers as stipulated in bidding procedures for FIDE official tournaments that will be organized in the coming year. Deposit fees shall be returned to the organizers on successful completion of the events in question.

## 10. Other Creditors

Other creditors are mainly composed of the FIDE obligations related to the 2022 World Rapid and Blitz Championship that was held in Almaty, Kazakhstan at the end of the year (December 26-30, 2022). FIDE paid all the prize money, stipends and travel expenses for the players and principals in early 2023.

## 11. Deferred Revenue

	<u>EUR</u>	
	<u>2022</u>	<u>2021</u>
FIDE Online Arena	36,712	36,712
Other Deferred Revenue	100	1,580
<b>Total</b>	<b>36,812</b>	<b>38,292</b>

## 12. Events Beyond Upcoming Year

As of December 31, 2022:

	<u>EUR</u>
Prepayment for World Rapid Team Championship 2024	250,000
Prepayments for World Championship Match 2024	133,000
Prepayments for World Rapid and Blitz 2024	110,000
Prepayments for Candidates 2024	50,000
Prepayments for Grand Prix Series 2024	4,000
<b>Total</b>	<b>547,000</b>

As of December 31, 2021:

	<u>EUR</u>
Prepayments for World Championship Match 2023	400,000
Prepayments for World Rapid and Blitz 2023	67,000
<b>Total</b>	<b>467,000</b>

## 13. Permanent Fund

The FIDE Permanent Fund has been established by deed of trust on May 9, 1927. The trust deed stipulates that the Permanent Fund shall be administrated independently from the finances of FIDE by three administrators: the manager of the Fund appointed by the Swiss Chess Federation, and two administrators appointed by the Italian and the British Chess Federations.

## 14. FIDE Events – Income and Expenses

### 14.1 Olympiad

	EUR	
	<u>2022</u>	<u>2021</u>
<b>Gross income</b>	<b>2,893,823</b>	-
Principals and Arbiters - Stipends and Travel	405,839	-
Travel Subsidies for Developing Countries	1,849,459	-
Subsidy for Registration Fees for Developing Countries	100,000	-
Training Support for Developing Countries	67,435	-
Pocket Money for Developing Countries	79,110	-
Organizational team stipends and travel	148,893	-
Miscellaneous expenses	140,736	-
<b>Total expenses</b>	<b>2,791,472</b>	-
<b>Net income</b>	<b>102,351</b>	-

### 14.2 World Championship Match

	EUR	
	<u>2022</u>	<u>2021</u>
<b>Gross income</b>	-	<b>4,152,845</b>
Prize fund	-	2,000,000
Stipends and travel	-	27,102
Players' tickets and transportation	-	33,155
Event management expenses	-	148,712
Broadcast	-	142,426
Fan zones	-	183,258
Website / Social media	-	97,864
Gifts and merchandise	-	34,356
Catering services	-	20,384
<b>Total expenses</b>	-	<b>2,687,257</b>
<b>Net income</b>	-	<b>1,465,588</b>

### 14.3 Candidates

	EUR	
	<u>2022</u>	<u>2021</u>
<b>Gross income</b>	<b>1,516,233</b>	<b>873,525</b>
Prize Fund	500,000	500,000
Principals and Arbiters Stipends	37,550	32,358
Travel and Expenses	15,339	35,414
Accommodation and Organizational Expenses	565,354	-
Playing Venue Rent	123,632	-
Miscellaneous Expenses	124,419	21,613
<b>Total expenses</b>	<b>1,366,294</b>	<b>589,385</b>
<b>Net income</b>	<b>149,939</b>	<b>284,140</b>

#### 14.4 Women Candidates

	EUR	
	<u>2022</u>	<u>2021</u>
<b>Gross income</b>	<b>199,224</b>	-
Prize fund	140,000	-
Stipends and travel	58,703	-
Grant for organizer	11,154	-
Broadcast	21,000	-
<b>Total expenses</b>	<b>230,857</b>	-
<b>Net loss</b>	<b>-31,633</b>	-

#### 14.5 World Cup

	EUR	
	<u>2022</u>	<u>2021</u>
<b>Gross income</b>	-	<b>2,860,511</b>
Prize Funds	-	1,721,123
Stipends	-	123,229
Travel and Expenses	-	59,861
<b>Total expenses</b>	-	<b>1,904,566</b>
<b>Net income</b>	-	<b>955,945</b>

#### 14.6 Grand Swiss

	EUR	
	<u>2022</u>	<u>2021</u>
<b>Gross income</b>	-	<b>1,190,053</b>
Prize Fund	-	539,753
Players Travel	-	65,534
Principals Stipends and Travel	-	81,608
Accommodation	-	186,667
Event management services	-	163,669
Tournament venue rent	-	41,692
Medicine / Covid-19 testing / Doping Testing	-	30,595
Transportation	-	15,155
Miscellaneous expenses	-	543
<b>Total expenses</b>	-	<b>1,125,216</b>
<b>Net income</b>	-	<b>64,837</b>

**14.7 Grand Prix Series**

EUR

	<u>2022</u>	<u>2021</u>
<b>Gross income</b>	<b>668,563</b>	-
Prize fund	450,000	-
Stipends and allowances	74,752	-
Travel expenses	50,993	-
Grant for organizer	35,000	-
Side events	31,971	-
Miscellaneous expenses	8870	-
<b>Total expenses</b>	<b>651,586</b>	-
<b>Net income</b>	<b>16,977</b>	-

**14.8 Women Grand Prix Series**

EUR

	<u>2022</u>	<u>2021</u>
<b>Gross income</b>	<b>204,863</b>	<b>374,220</b>
Prize fund	80,000	160,000
Stipends and Expenses	37,801	28,813
Broadcast	20,375	-
Miscellaneous expenses	3,870	-
<b>Total expenses</b>	<b>142,046</b>	<b>188,813</b>
<b>Net income</b>	<b>62,817</b>	<b>185,407</b>

**14.9 World Rapid and Blitz Championship**

EUR

	<u>2022</u>	<u>2021</u>
<b>Gross income</b>	<b>2,203,395</b>	<b>1,469,943</b>
Prize Fund	894,711	885,300
Principals and Arbiters Stipends and Expenses	98,420	66,261
Grant for organizer	189,013	-
Accommodation, Travel and Expenses	105,926	122,271
Broadcast	32,000	-
Miscellaneous expenses	40,442	-
<b>Total expenses</b>	<b>1,360,513</b>	<b>1,073,832</b>
<b>Net income</b>	<b>842,882</b>	<b>396,111</b>

**14.10 World Team Championship**

EUR

	<u>2022</u>	<u>2021</u>
<b>Gross income</b>	<b>89,828</b>	-
Grant for organizer	149,014	-
Stipends and travel	25,035	-
Broadcast	24,600	-
Miscellaneous expenses	288	-
<b>Total expenses</b>	<b>198,937</b>	-
<b>Net loss</b>	<b>-109,109</b>	-

#### 14.11 Women World Team Championship

	EUR	
	<u>2022</u>	<u>2021</u>
Gross income	-	329,419
Total expenses	-	-
Net income	-	329,419

#### 14.12 Online Events

	EUR	
	<u>2022</u>	<u>2021</u>
Gross income	-	391,297
Total expenses	-	73,685
Net income	-	317,612

### 15. Donations and Sponsorship

FIDE receives donations from corporate donors. According to contracts with the donors, FIDE usually can spend the donations unrestrictedly for any activities related to chess, such as organization of chess tournaments, support of member federations and continental associations, and any other initiatives aligned with FIDE mission. These contracts do not have provisions that FIDE has to spend the money on particular events and would need to return the money to donors if the event in question does not take place. As such, the income from donations is recognized in full immediately as it is earned.

#### 15.1 Donations

	EUR	
	<u>2022</u>	<u>2021</u>
Russian Railways	-	557,000
Other donations	3,168	25,916
Donations Total	<b>3,168</b>	<b>582,915</b>

#### 15.2 Sponsorship

	EUR	
	<u>2022</u>	<u>2021</u>
Lenenergo	-	275,000
Chessable (sponsorship of children academy)	141,508	123,630
Sponsorship Total	<b>141,508</b>	<b>398,630</b>

### 16. Royalties – TV Rights / IP Rights

FIDE licenses the IP rights, including the right to issue NFT, to third parties for a consideration of flat fee and/or percentage of revenue earned by the licensees. Such royalties earned by FIDE amounted to EUR 363,934 (2021: EUR 81,986).

### 17. Council meetings and Congress

	EUR	
	<u>2022</u>	<u>2021</u>
Council meetings	106,143	87,250
General Assembly	315,936	44,432
Total	<b>422,079</b>	<b>131,673</b>

## 18. Legal, Tax & Other Professional Services

In addition to permanent staff, FIDE hires consultants to assist with a number of back-office functions, such as legal advice, financial reports preparation, tax reporting, and similar professional services. FIDE expenses incurred on consultants' fees and business expenses are recorded under this line. FIDE had 5 consultants in 2022 and 5 in 2021 providing services on a regular basis. Additionally, FIDE uses two legal firms and two accounting / tax consulting firms on a regular basis.

## 19. Discounts allowed for early payments

According to Paragraph 7.1 of FIDE the Financial Regulations, "In January and July each year, the Secretariat shall invoice all the federations for the services of the previous six months and additionally in January shall include the annual membership fees. Any Federation settling all outstanding amounts by the following 15 March or 15 September respectively shall be entitled to deduct 5% from the amount due." The line "Discounts allowed for early payments" represents total amount of such deductions.

## 20. Electronic Boards (storage & transportation)

FIDE owns a large stock of electronic chess sets (see note 8, which are used for online broadcast of major chess events throughout the world. Expenses recorded under this line represent FIDE costs associated with storage (warehouse rent and utilities), management, transportation (including custom duties) of these electronic chess sets.

## 21. Development Fund

The numbers in this note show actual amount of support from FIDE Development Fund received by continental associations and national chess federations. These numbers do not necessarily sum up to the numbers shown in Income Statement, which may contain development rebates and other technical entries.

### 21.1 Support for National Chess Federations

#### *National Chess Federations – Africa*

	EUR	
	<u>2022</u>	<u>2021</u>
Angola	4,635	-
Botswana	4,381	-
Cape Verde	7,453	4,307
Congo	-	4,321
Djibouti	4,556	4,259
Ethiopia	5,130	-
Gambia	4,685	4,136
Ghana	4,696	4,171
Kenya	4,766	4,098
Lesotho	-	4,228
Liberia	5,130	4,321
Madagascar	4,632	4,321
Malawi	4,773	4,231
Mauritania	5,130	4,136
Mauritius	-	4,438
Mozambique	3,000	4,228
Niger	4,658	-
Rwanda	5,446	-
Sao Tome & Principe	4,658	4,262



Senegal	4,658	4,098
Sierra Leone	-	4,228
Somalia	5,010	-
South Sudan	-	4,307
Sudan	-	4,341
Togo	4,658	4,231
Uganda	-	4,466
Zambia	-	4,155
Zimbabwe	-	4,155
<b>Africa Total</b>	<b>92,055</b>	<b>93,438</b>

***National Chess Federations - Americas***

	<b>EUR</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Antigua & Barbuda	-	4,266
Aruba	4,696	4,228
Bahamas	-	4,266
Barbados	4,556	4,192
Bolivia	-	4,262
Chile	4,685	-
Colombia	5,050	4,415
Costa Rica	4,970	4,229
Cuba	9,425	4,328
Dominica	4,685	-
El Salvador	-	4,431
Grenada	5,130	-
Guatemala	-	4,440
Guyana	-	4,155
Honduras	-	4,207
Jamaica	4,685	4,155
Mexico	-	4,314
Nicaragua	-	4,266
Panama	-	4,311
Paraguay	4,984	4,184
Peru	4,636	-
Puerto Rico	-	4,228
Saint Kitts & Nevis	4,977	4,228
Santa Lucia	4,676	4,266
Surinam	4,977	-
Trinidad and Tobago	4,676	4,184
Uruguay	5,130	4,228
US Virgin Islands	4,578	-
Venezuela	-	4,311
<b>Americas Total</b>	<b>86,516</b>	<b>98,094</b>

**National Chess Federations – Asia**

	EUR	
	<u>2022</u>	<u>2021</u>
Bhutan	4,676	-
Chinese Taipei	5,130	4,266
Guam	-	4,431
Hong Kong	5,110	4,511
Iraq	4,818	-
Japan	4,683	-
Kyrgyzstan	5,130	4,055
Laos	4,636	4,125
Lebanon	4,381	-
Maldives	4,894	4,228
Myanmar	4,773	-
Oman	4,556	4,321
Palestine	4,411	-
Singapore	4,658	-
Syria	-	8,441
Thailand	-	4,228
Timor-Leste	4,773	4,098
Uzbekistan	-	4,221
Yemen	-	4,314
<b>Asia Total</b>	<b>66,629</b>	<b>55,239</b>

**National Chess Federations – Europe**

	EUR	
	<u>2022</u>	<u>2021</u>
Albania	4,799	4,113
Andorra	4,799	4,231
Guernsey	4,773	-
Ireland	4,556	-
Jersey	-	4,296
Kosovo	4,635	4,098
Liechtenstein	4,773	5,000
Malta	4,389	-
Moldova	-	4,125
Monaco	5,022	4,321
Montenegro	4,631	4,155
Netherlands	5,110	-
North Macedonia	4,977	4,321
San Marino	4,675	4,155
Scotland	-	4,321
Serbia	5,148	5,000
Wales	4,752	-
<b>Europe Total</b>	<b>67,039</b>	<b>52,136</b>

**National Chess Federations – Oceania**

	<b>EUR</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
New Zealand	-	4,262
Solomon Islands	4,773	4,118
<b>Oceania Total</b>	<b><u>4,773</u></b>	<b><u>8,380</u></b>

**21.2 Support for Continental Associations**

	<b>EUR</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Africa	94,588	125,488
Americas	117,580	57,941
Asia	100,894	63,334
Europe	105,726	102,669
<b>Support for Continental Associations Total</b>	<b><u>418,788</u></b>	<b><u>349,432</u></b>

**22. Number of employees**

FIDE had less than 50 employees in 2022 and in 2021.