

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

Lausanne, 1 July 2022

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Fédération Internationale des Echecs, which comprise the balance sheet, statement of income and expenses and notes for the year ended 31 December 2021.

Council and Treasurer's responsibility

The Council and the Treasurer are responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the articles of association. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Council and the treasurer are further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures 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 the internal control system relevant to the entity's preparation 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 system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, 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.

Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the articles of association.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 69b Swiss Civil Code (CC) in relation with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 69b CC in relation to article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of 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)

Licensed audit expert

Enclosure

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

1. BALANCE SHEET

	Notes	31.12.2021 EUR	31.12.2020 EUR	31.12.2021 CHF	31.12.2020 CHF
ASSETS					
Current Assets					
Cash and banks	4	5'682'010	3'865'483	5'890'540	4'174'722
Debtors Federations	5	386'380	207'504	400'560	224'105
Other Debtors	6	940'199	818'835	974'704	884'342
Prepayments		18'672	8'079	19'357	8'725
Accrued Income		-	42'378	-	45'768
Tax Refundable		58'550	-	60'699	-
Total Current Assets		7'085'811	4'942'279	7'345'860	5'337'661
Long-Term Assets					
Tangible and intangible assets	7	72'315	38'268	74'969	41'330
Total Long-Term Assets		72'315	38'268	74'969	41'330
TOTAL ASSETS		7'158'126	4'980'547	7'420'829	5'378'991
LIABILITIES					
Current Liabilities					
Upcoming Year Events	8	1'719'046	2'002'700	1'782'135	2'162'916
Prepayments by Federations		25'700	44'165	26'643	47'699
Other Creditors	9	1'524'615	105'349	1'580'568	113'777
Taxes Payable		-	155'812	-	168'277
Deferred Revenue	10	38'292	304'376	39'697	328'726
Accrued Expenses		110'660	54'635	114'721	59'006
Total Current Liabilities		3'418'313	2'667'037	3'543'764	2'880'401
Long-Term Liabilities					
Events Beyond Upcoming Year	11	467'000	1'140'786	484'139	1'232'048
Permanent Fund	12	76'414	76'414	79'218	82'527
Total Long-Term Liabilities		543'414	1'217'200	563'357	1'314'575
TOTAL LIABILITIES		3'961'727	3'884'237	4'107'121	4'194'976
Currency translation difference		-	-	-195'138	-54'217
FIDE RESERVE FUND (NET ASSETS)		3'196'399	1'096'310	3'508'846	1'238'233

2. STATEMENT OF INCOME AND EXPENSES

2.1 Income and Expenses Summary		2021 Actual EUR	2020 Actual EUR	2021 Actual CHF	2020 Actual CHF
TOTAL INCOME		6'315'481	2'982'251	6'828'298	3'192'987
TOTAL EXPENSES		4'215'392	3'175'820	4'557'685	3'400'231
INCOME AGAINST EXPENSES		2'100'089	-193'569	2'270'613	-207'244
FIDE Reserve Fund at beginning of period		1'096'310	1'289'879	1'238'233	1'445'477
FIDE Reserve Fund at end of period		3'196'399	1'096'310	3'508'846	1'238'233

2.2 INCOME	Notes	2021 Actual EUR	2021 Budget EUR	2020 Actual EUR	2021 Actual CHF	2020 Actual CHF
Fees from Federations						
Membership Fees		137'255	137'000	137'255	148'400	146'954
Affiliated Membership Application Fees		-	-	3'000	-	3'212
Entry Fees		10'000	23'000	-	10'812	-
Registered Tournaments		297'854	100'000	245'697	322'040	263'059
Late Tournament Report Charges / Misc Penalties		11'835	-	2'060	12'796	2'206
Change of Federation		12'294	-	18'050	13'293	19'325
Title Application Fees		137'717	60'000	132'963	148'900	142'358
	Federation fees	606'955	320'000	539'025	656'241	577'114
Net Income from FIDE Events						
World Championship Match	13.1	1'465'588	1'500'000	-	1'584'594	-
Women World Championship Match		-	-	84'051	-	89'990
Candidates	13.2	284'140	150'000	-	307'212	-
Online Events	13.3	317'612	100'000	673'322	343'402	720'901
World Cup	13.4	955'945	-	-	1'033'568	-
World Rapid and Blitz Championship	13.5	396'111	-	-	428'275	-
Women's Grand Prix Series	13.6	185'407	-	-	200'462	-
Grand Swiss	13.7	64'837	100'000	-	70'101	-
Women World Team Championship	13.8	329'419	-	-	356'168	-
Other Tournament Income		-	50'000	-	-	-
	Net income from FIDE events	3'999'059	1'900'000	757'373	4'323'782	810'891
Income from Commissions						
Arbiters seminar fees		31'073	20'000	13'260	33'596	14'197
Arbiters license fees		37'360	50'000	48'990	40'394	52'452
Trainers license fees		27'740	50'000	14'835	29'992	15'883
Trainers seminars		9'766	50'000	27'146	10'559	29'064
Trainers academy annual and registration fees		7'600	9'000	11'100	8'217	11'884
Organizers seminar fees		-	1'000	-	-	-
School Instructor seminar fees		2'319	2'000	1'300	2'507	1'392
Chess in Schools Online		-	5'000	-	-	-
Event bidding fees		3'000	20'000	7'500	3'244	8'030
Chess Clock / Suppliers bid fees		530	-	300	573	321
FIDE flag license fees		3'740	3'000	1'986	4'043	2'126
Queen's Festival		1'840	-	-	1'989	-
	Income from Commissions	124'968	210'000	126'417	135'114	135'350
Donations and Sponsorship						
Donations	14.1	582'915	-	1'469'083	630'248	1'572'894
Sponsorship	14.2	398'630	-	-	430'999	-
	Donations and Sponsorship	981'545	1'500'000	1'469'083	1'061'247	1'572'894
Other Income						
FIDE Online Arena		187'253	15'000	20'407	202'458	21'849
International Olympic Committee / ARISF		56'650	35'000	-	61'250	-
Royalties - Chess Equipment		12'500	35'000	11'223	13'515	12'016
Royalties - TV Rights / IP Rights	15	81'986	-	20'160	88'643	21'585
Gain on investments / currency conversion		193'977	-	-	209'728	-
Release of general provision		70'588	-	38'563	76'320	41'289
	Other income	602'954	85'000	90'953	651'914	96'738
TOTAL INCOME		6'315'481	4'015'000	2'982'251	6'828'298	3'192'987

2.3 EXPENSES		2021 Actual	2021	2020 Actual	2021 Actual	2020 Actual
		EUR	Budget EUR	EUR	CHF	CHF
OFFICIALS' EXPENSES						
President's travel		26'745	35'000	3'504	28'916	3'752
Officials' travel and expenses		71'321	35'000	35'936	77'113	38'475
Treasurer expenses		2'984	26'000	-	3'226	-
Presidential advisers		24'026	24'000	23'995	25'977	25'690
Council Meetings and Congress	16	131'673	50'000	10'296	142'365	11'024
Officials' miscellaneous expenses		1'319	10'000	-	1'426	-
	Officials' Expenses	258'068	180'000	73'731	279'023	78'941
SECRETARIAT						
LAUSANNE						
Staff Costs	17	981'074	580'000	660'930	1'060'737	707'633
Staff Travel		15'386	16'000	645	16'635	690
Office Rent		57'842	60'000	49'747	62'538	53'262
General Office Expenses		16'275	77'000	21'890	17'596	23'437
Secretariat Hospitality		1'928	10'000	839	2'084	898
	Lausanne office	1'072'505	743'000	734'051	1'159'590	785'920
ELISTA / MOSCOW						
Staff and office costs		257'078	220'000	276'127	277'953	295'640
	Russian offices	257'078	220'000	276'127	277'953	295'640
	SECRETARIAT TOTAL	1'329'583	963'000	1'010'178	1'437'543	1'081'560
GENERAL EXPENSES						
Accountancy / Accreditation Software		10'083	10'000	10'396	10'902	11'131
Audit & Tax Accountant		82'412	50'000	81'241	89'104	86'982
Legal, Tax & Other Professional Services	18	232'034	150'000	155'036	250'876	165'991
Bank Charges		115'055	40'000	36'526	124'398	39'107
Loss on currency conversion		-	30'000	241'458	-	258'521
Depreciation and amortization	7	24'240	-	14'572	26'208	15'602
Discounts Allowed for Early Payment	19	13'329	10'000	29'474	14'411	31'556
FIDE Online / IT Department		106'852	110'000	81'825	115'528	87'607
Insurance		6'825	10'000	10'936	7'380	11'708
Pins and Badges		-	-	15'759	-	16'872
Anti-cheating Software Licensing Fee		-	6'000	-	-	-
Bad Debts & Write offs		1'554	-	2'049	1'680	2'194
Press / PR / Marketing / Work with Sponsors		168'612	100'000	56'784	182'303	60'796
Sport Exhibitions and Conferences		2'966	5'000	3'294	3'207	3'527
Subscriptions		4'999	6'000	6'899	5'405	7'386
Taxes		41'927	100'000	39'292	45'332	42'068
Data Protection Project		4'800	5'000	4'800	5'190	5'139
Handbook Review Project		6'820	5'000	-	7'374	-
	General Expenses	822'508	637'000	790'341	889'298	846'187
COMMISSIONS & COMMITTEES						
Arbiters		17'000	30'000	17'494	18'380	18'730
Fair Play		11'974	20'000	10'000	12'946	10'707
Chess for the Disabled		3'000	5'000	5'000	3'244	5'353
Chess in Education		18'250	15'000	22'103	19'732	23'665
Constitutional Commission		6'000	10'000	8'866	6'487	9'492
Planning and Development Commission		49'079	30'000	29'462	53'065	31'544
Ethics		27'430	20'000	19'137	29'657	20'489
Events		17'300	14'000	14'215	18'705	15'219
Medical		3'000	3'500	3'266	3'244	3'497
Online		-	-	1'500	-	1'606
Qualification		9'000	14'000	27'974	9'731	29'951
Rules and Tournaments regulations		7'500	7'500	7'500	8'109	8'030
Systems of Pairings and Programs		5'000	5'000	5'000	5'406	5'353
Technical		5'600	5'000	5'000	6'055	5'353
Trainers		43'296	60'000	45'986	46'812	49'235
Verification		14'159	23'000	12'917	15'309	13'830
Women's Chess		6'022	10'000	5'000	6'511	5'353
Global Strategy Commission		31'800	35'000	31'200	34'382	33'405
Social Commission		6'000	6'000	5'997	6'487	6'421
Chess History Committee		2'835	-	230	3'065	246
Reserve for Commissions Expenses / Inter-Commission Projects		24'000	87'000	0	25'949	-
	Commissions & Committees	308'245	400'000	277'847	333'276	297'479

		2021 Actual	2021	2020 Actual	2021 Actual	2020 Actual
		EUR	Budget EUR	EUR	CHF	CHF
EVENTS EXPENSES						
World Championship Match: expenses		-	-	1'575	-	1'686
Olympiad: Expenses		1'565	-	6'211	1'693	6'650
World Corporate Online Chess Championship: expenses		-	-	650	-	696
Checkmate Coronavirus Project 2020: expenses		-	-	23'165	-	24'802
Women's Grand Prix Series		-	5'000	114'633	-	122'733
ARISF and IOC Events		-	15'000	-	-	-
Electronic Boards (storage & transportation)	20	1'957	10'000	3'679	2'116	3'939
World Amateur Championship		1'800	-	-	1'946	-
Other Events Expenses		251'139	-	-	271'531	-
	Events Expenses	256'461	30'000	149'913	277'286	160'506
FIDE DEVELOPMENT FUND						
	21		1'000'000			
Support of Continental Associations	21.1	399'595	-	210'387	432'042	225'254
Support of National Chess Federations	21.2	336'418	-	290'431	363'735	310'954
Support of Social projects and Reserves		271'765	-	317'908	293'833	340'373
Open Tournament Support Program		85'195	-	-	92'113	-
Youth Development Programs		79'787	-	-	86'266	-
Veterans' Support Program		67'767	50'000	53'985	73'270	57'799
Chess Composition Support Program		-	10'000	1'100	-	1'178
	FIDE Development Fund	1'240'527	1'060'000	873'811	1'341'259	935'558
TOTAL EXPENSES						
		4'215'392	3'270'000	3'175'820	4'557'685	3'400'231

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 over 195 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 1.037 (2020: EUR 1 for CHF 1.080), FIDE Permanent Fund at historical exchange rate, and the income and expenses at the average exchange rate for the year of EUR 1 for CHF 1.081 (2020: EUR 1 for CHF 1.071). 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. 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.

3.4. 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. 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.

4. CASH AND BANKS

Year-end balances

	EUR	
	<u>2021</u>	<u>2020</u>
Cash in Banks (see details below)	5,622,615	3,815,596
Cash at Paypal accounts *	52,049	49,887
Payrexx	7,346	-
	<u>5,682,010</u>	<u>3,865,483</u>

Cash and banks are composed of:

	EUR	
	<u>2021</u>	<u>2020</u>
Caixa Bank EUR Account	3,598,345	368,642
Caixa Bank USD Account	28,005	1081,985
Caixa Bank CHF Account	51,140	41,050
Sberbank EUR Account	7,340	701,541
Sberbank USD Account	969,051	103,630
Sberbank RUB Account	474,435	363,897
Otkrytie Bank EUR Account (Moscow office account)	-	160,211
Otkrytie Bank RUB Account (Moscow office account)	6,060	2,099
Gazprombank Bank Switzerland USD Account	392,355	977,541

Gazprombank Bank Switzerland EUR Account	7,355	-
Gazprombank Bank Switzerland CHF Account	72,657	-
Gazprombank Bank Russia RUB Account	872	-
Gazprombank Bank Russia EUR Account	15,000	15,000
	5,622,615	3,815,596

* 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.

5. DEBTORS FEDERATIONS

	EUR	
	<u>2021</u>	<u>2020</u>
Current year debts	432,613	268,358
Debts overdue by 1 year	157,680	185,517
Debts overdue by 2 years	98,638	134,951
Debts overdue by 3 years or more	103,859	84,803
Total gross	<u>792,789</u>	<u>673,629</u>
Provision for doubtful debts	-406,409	-466,125
Total net	<u>386,380</u>	<u>207,504</u>

6. OTHER DEBTORS

	EUR	
	<u>2021</u>	<u>2020</u>
Other debtors, gross *	940,199	818,835
Provision for doubtful debts	-	-
Total net	<u>940,199</u>	<u>818,835</u>

* 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). As of December 31, 2021 the outstanding balance of the loan was EUR 738,079. The loan was repaid in January 2022.

7. FIXED ASSETS

At cost (EUR)	Office furniture	Machines & equipment	Software	Total
Opening balance	7,235	451,656	-	458,891
Additions	133	14,639	43,515	58,287
Disposals	-	-	-	-
Closing balance	7,368	466,295	43,515	517,178
Accumulated depreciation (EUR)				
Opening balance	960	419,664	-	420,624
Depreciation charge	1,906	10,673	11,660	24,239
Disposals	-	-	-	-
Closing balance	2,866	430,337	11,660	444,863
Net book value	4,502	35,958	31,855	72,315

8. UPCOMING YEAR EVENTS

As of December 31, 2021:

	EUR
Deposit fees for future 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
Total	1,719,046

* The money received by FIDE from the Olympiad organizer in prior years (EUR 1,016,963) will be returned in 2022 - see Subsequent Events for detailed explanation.

As of December 31, 2020:

	EUR
Prepayment for World Championship Match	830,892
Prepayment for FIDE Women's Grand Prix Final	20,000
Prepayment for Candidates tournament	452,195
Prepayment for Grand Swiss	574,613
Deposit fees for events in upcoming year	125,000
Total	2,002,700

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.

9. OTHER CREDITORS

Other creditors are mainly composed of the FIDE obligations related to the 2021 World Rapid and Blitz Championship that was held in Warsaw, Poland at the end of the year (December 26-30, 2021). FIDE paid all the prize money, stipends and travel expenses for the players and principals in early 2022.

10. DEFERRED REVENUE

	EUR	
	<u>2021</u>	<u>2020</u>
Sponsorship	-	275,000
International Olympic Committee support	-	29,376
FIDE Online Arena	36,712	-
Other Deferred Revenue	1,580	-
Total	<u>38,292</u>	<u>304,376</u>

11. EVENTS BEYOND UPCOMING YEAR

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
Total	<u>467,000</u>

As of December 31, 2020:

	<u>EUR</u>
Prepayment for Chess Olympiad 2022	1,027,056
Prepayment for Chess Paralympiad 2022	55,000
Prepayment for Candidates 2022	58,730
Total	<u>1,140,786</u>

12. 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.

The liability to the Permanent Fund is valued at historical FX rate (EUR 76,414 = CHF 82,166).

13. NET INCOME FROM FIDE EVENTS

Income is presented net in the income and expenses account. Gross income and expenses are detailed below. Detailed Information is only provided for events that occurred during the current year.

13.1 World Championship Match

	EUR	
	<u>2021</u>	<u>2020</u>
Gross income	4,152,845	-
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	-
Total expenses	2,687,257	-
Net income	1,465,588	-

13.2 Candidates Tournament

	EUR	
	<u>2021</u>	<u>2020</u>
Gross income	873,525	-
Prize Fund	500,000	-
Stipends	32,358	-
Travel and Expenses	35,414	-
Miscellaneous Expenses	21,613	-
Total expenses	589,385	-
Net income	284,140	-

Note: The Candidates Tournament started in 2020 but was interrupted due to the pandemics. The second half of the Candidates Tournament was played in 2021. As such, income and expenses were deferred on the balance sheet as of December 31, 2021 since P&L for events are released only when events in questions are completed. The income and expenses shown under 2021 year reflect combined income and expenses for the two years (2020-2021).

13.3 Online Events

	EUR	
	<u>2021</u>	<u>2020</u>
Gross income	391,297	1,062,973
Total expenses	73,685	389,651
Net income	317,612	673,322

13.4 World Cup

	EUR	
	<u>2021</u>	<u>2020</u>
Gross income	2,860,511	-
Prize Funds	1,721,123	-
Stipends	123,229	-
Travel and Expenses	59,861	-
Total expenses	1,904,566	-
Net income	955,945	-

13.5 World Rapid and Blitz Championship

	EUR	
	<u>2021</u>	<u>2020</u>
Gross income	1,469,943	-
Prize Fund	885,300	-
Stipends	66,261	-
Travel and Expenses	122,271	-
Total expenses	1,073,832	-
Net income	396,111	-

13.6 Women's Grand Prix Series

	EUR	
	<u>2021</u>	<u>2020</u>
Gross income	374,220	-
Prize Fund	160,000	-
Stipends and expenses	28,813	-
Total expenses	188,813	-
Net income	185,407	-

13.7 Grand Swiss

	EUR	
	<u>2021</u>	<u>2020</u>
Gross income	1,190,053	-
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	-
Total expenses	1,125,216	-
Net income	64,837	-

13.8 Women's World Team Championship

	EUR	
	<u>2021</u>	<u>2020</u>
Gross income	329,419	-
Total expenses	-	-
Net income	329,419	-

14. 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.

14.1 Donations

	EUR	
	<u>2021</u>	<u>2020</u>
Russian Railways	557,000	586,000
Norilsk Nickel	-	550,000
Safmar Group JSC	-	119,027
PJSC Interregional Distribution Grid Company of Center and Volga Region	-	110,000
Other donations	25,916	104,056
Donations Total	582,915	1,469,083

14.2 Sponsorship

	EUR	
	<u>2021</u>	<u>2020</u>
Lenenergo	275,000	-
Chessable (sponsorship of children academy)	123,630	-
Sponsorship Total	398,630	-

15. 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 81,986 (2020: EUR 0).

16. COUNCIL MEETINGS AND CONGRESS

	EUR	
	<u>2021</u>	<u>2020</u>
Council meetings	87,250	-
General Assembly	44,432	10,296
Total	131,673	10,296

17. GOVERNMENT SUPPORT FOR SHORT-TIME WORK

Due to COVID-19 pandemic, FIDE have introduced short-time work for all its employees based in Lausanne office for the period from 2 April, 2020 to 30 November 2021, and received short-time work compensation amounting to 80% of the salary for the hours not worked. The total short-time compensation recognized for the year 2021 amounts to EUR 49,554 and has been recorded as a reduction in salary expenses.

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 2021 and 5 in 2020 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 7, 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 Continental Associations

	EUR	
	<u>2021</u>	<u>2020</u>
Africa	125,488	50,460
Americas	57,941	25,836
Asia	63,334	56,911
Europe	102,669	77,180
Interregional Associations	50,163	-
Support for Continental Associations Total	399,595	210,387

21.2 Support for National Chess Federations

National Chess Federations – Africa

	EUR	
	<u>2021</u>	<u>2020</u>
Angola	-	4,230
Botswana	-	4,515
Cape Verde	4,307	-
Congo	4,321	4,195
Djibouti	4,259	-
Eritrea	-	4,162
Gambia	4,136	4,235
Ghana	4,171	4,195
Kenya	4,098	4,230
Lesotho	4,228	-
Liberia	4,321	4,235
Madagascar	4,321	4,255
Malawi	4,231	4,500
Mauritania	4,136	4,457
Mauritius	4,438	4,235
Mozambique	4,228	4,140
Sao Tome & Principe	4,262	-
Senegal	4,098	4,255
Sierra Leone	4,228	-
South Sudan	4,307	-
Sudan	4,341	-
Tanzania	-	4,255
Togo	4,231	4,455
Uganda	4,466	-
Zambia	4,155	-
Zimbabwe	4,155	4,250
Africa Total	93,438	72,799

National Chess Federations - Americas

	EUR	
	<u>2021</u>	<u>2020</u>
Antigua & Barbuda	4,266	4,235
Aruba	4,228	-
Bahamas	4,266	2,535
Barbados	4,192	4,255
Bolivia	4,262	4,240
Chile	-	4,250
Colombia	4,415	4,444
Costa Rica	4,229	4,249
Cuba	4,328	4,147
El Salvador	4,431	-
Guatemala	4,440	-
Guyana	4,155	4,255
Haiti	-	4,225
Honduras	4,207	4,255
Jamaica	4,155	4,455
Mexico	4,314	-
Nicaragua	4,266	4,255
Panama	4,311	4,515
Paraguay	4,184	4,235
Puerto Rico	4,228	-
Saint Kitts & Nevis	4,228	4,225
Santa Lucia	4,266	4,235
Trinidad and Tobago	4,184	4,455
Uruguay	4,228	4,455
Venezuela	4,311	-
Americas Total	<u>98,094</u>	<u>79,919</u>

National Chess Federations – Asia

	EUR	
	<u>2021</u>	<u>2020</u>
Bangladesh	-	4,140
Cambodia	-	4,195
Chinese Taipei	4,266	-
Guam	4,431	4,017
Hong Kong	4,511	4,154
Indonesia	-	4,270
Japan	-	4,235
Laos	4,125	4,195
Lebanon	-	5,000
Malaysia	-	4,225
Kyrgyzstan	4,055	-
Maldives	4,228	4,225

Myanmar	-	4,238
Oman	4,321	-
Solomon Islands	4,118	4,462
Syria	8,441	-
Thailand	4,228	-
Timor-Leste	4,098	4,215
Uzbekistan	4,221	-
Yemen	4,314	-
Asia Total	59,357	55,571

National Chess Federations – Europe

	EUR	
	<u>2021</u>	<u>2020</u>
Albania	4,113	4,457
Andorra	4,231	4,457
Belarus	-	4,250
Belgium	-	1,000
Iceland	-	4,205
Jersey	4,296	-
Kosovo	4,098	4,235
Liechtenstein	5,000	4,127
Moldova	4,125	4,500
Monaco	4,321	4,287
Montenegro	4,155	4,562
North Macedonia	4,321	-
San Marino	4,155	4,562
Scotland	4,321	-
Serbia	5,000	-
Wales (UK)	-	4,235
Europe Total	52,136	48,877

National Chess Federations – Oceania

	EUR	
	<u>2021</u>	<u>2020</u>
New Zealand	4,262	-
Oceania Total	4,262	-

22. NUMBER OF EMPLOYEES

FIDE had less than 50 employees in 2021 and in 2020.

23. SUBSEQUENT EVENTS

23.1 Following adverse geopolitical developments, FIDE Council on its meeting on February 27, 2022 decided that no official FIDE chess competitions and events will be held in Russia and Belarus. The Olympiad in Moscow due to be held in July-August 2022 in Moscow and Paralympiad due to be held in July 2022 in Khanty-Mansiysk were cancelled. The money received by FIDE from the Olympiad organizer in prior years (EUR 1,016,963) will be returned with no penalties or any liability to FIDE. Additionally, the FIDE Council decided that FIDE terminate all existing sponsorship agreements with any Belarusian and Russian sanctioned and/or state-controlled companies and will not enter into new sponsorship agreements with any such companies. FIDE had one ongoing contract with a Russian sponsor valid until 31 December, 2023, with remaining payments totaling EUR 1,000,000. This contract was terminated immediately following the above decision of FIDE Council with no penalties or any liability to FIDE.

23.2 Following changes in Swiss tax law, in the beginning of 2022 FIDE applied for VAT registration in Switzerland effective from January 1, 2018.