Audit of WFCC Financial Report 2024-25 (@ June 30th, 2025) - Summary

I received from the WFCC Financial Officer the following documents for Audit prior to WCCC:

- Income Statement (July 1st 2024 – June 30th 2025): Draft and Final Version (on July 2nd, 2025).
- Balance Sheet (July 1st 2024 – June 30th 2025): Draft and Final Version (on July 10th, 2025).
- Budget, in the same format as the Income Statement, for the next financial year (July 1st 2025 – June 30th 2026): Draft and Final Version (July 10th, 2025).
- Copy of all payment receipts in the relevant financial year
- Copy of the Bank Statement @ June 30th, 2025 of the EUR Credit Account in the name of WFCC at the Sharjah Islamic Bank.

Income Statement

As per past practice, the Financial Report has been prepared following a "by competence" approach, therefore including in the Income Statement only those income and expenses related to the financial year 2024-25.

Income properly accounts for the money received in the financial year by three sources of income: FIDE and Fujairah Government (conditioned to projects developed during the year) as in the past, and fees from participants in the WCCSC Youth Solving held in 2024.

Expenses incurred by WFCC in the financial year in connection to such initiatives and projects are all properly reported and fully supported by payment receipts. We appreciate the efforts made in grouping Income and Expenses related to the same initiatives, which makes easier to understand what the money received has been used for, and if (and how much) earnings / losses each initiative has possibly generated.

Bank and Cash Flow

As recommended last year, a EUR denominated Account has been opened in August 1st, 2024 to receive payments in EUR. The pre-existing AED denominated Bank Account is still open, since cash for payments can be withdrawn only from AED denominated Bank Accounts (money is transferred from EUR to AED denominated Accounts to be withdrawn by the Treasurer), the latter therefore still existing today as a purely "technical" account.

An extensive double-check across payment receipts, Bank Statements and Balance Sheet has been carried out by Johan De Boer (Reserve Auditor), for which as Main Auditor I am very grateful. All the money received, payment issued and cash withdrawn have been reconciliated and properly reflected in the Bank Statements @ June 30th, 2025.

As a result of money transferred between the two Bank Account (transaction and currency exchange commissions) and of significant currency fluctuation during the past financial year, WFCC has experienced some higher than expected loss worth a total of 1.177,70 €, most of which last August 2024, when the new EUR Account has been opened and all the money transferred from the pre-existing AED Account in one shot.

Balance Sheet

Given the "by competence" approach taken in financial reporting, the Income Statement of the fiscal year does not include among the income certain amounts of money actually received during the current financial year (and properly included in the Bank Balance @ June 30th, 2025), but that will actually finance projects in the next financial year(s). It does not include as well any provisional expenses incurred in the current financial year for projects that will occur in the next financial year(s). Both (income and related expenses) will of-course appear in the Budget for the next financial year(s).

The Balance Sheet properly accounts for the above: both Assets and Liabilities & Equity are reported consistently with Income Statement and Cash Flow (most notably as money already received for future initiatives, and expenses already incurred in connection with future projects are concerned).

Conclusions & Recommendations for the future.

The Financial Report has been properly prepared, well documented and it correctly accounts for all material events having an impact on WFCC finances. From the Report, WFCC appears well managed and in good financial health. In consideration of the reported delays in receiving the “traditional” support from FIDE and of the uncertainty of its amount, I wish to reassure the Delegates that the continuity of the business is not at risks in the short to mid term, in consideration of the existing Assets, most notably cash reserves.

Even if most of the losses incurred during the last financial year in connection with exchange rates fluctuations are attributable to a single, one-shot event (transfer of all existing money in the AED denominated Account into the new EUR denominated Account last August 2024), currency exchange costs and currency fluctuations continue setting potential risks. It is recommended to identify and apply contingency action to minimise such risks for the future.

At the time of the approval of the Financial Report has to be voted, the Bank Statement @June 30th, 2025 of the AED denominated Account was not yet available. Given the “technical” nature of such Account, and in the light of the documented transactions, it can be reasonably estimated that the balance @ June 30th, 2025 will show a small amount (as required to keep the Account itself alive) with no material impact on WFCC finances.

I therefore recommend the delegates to provisionally approve the Financial Report as available today, subject to the final validation once the Bank Statement of the AED denominated Account will become available in the next few days.

Alba Iulia, July 11th, 2025

Marco Guida

Marco Guida

Audit of WFCC Financial Report 2024-25 (@ June 30th, 2025) - Addendum

We received on October 1st, 2025 the Copy of the Bank Statement @ June 30th, 2025 of the AED denominated Accounts in the name of WFCC from the Sharjah Islamic Bank (July 1st 2024 – June 30th 2025), which was missing at the time the Provisional Audit Report was prepared.

The balance of the Bank Account @June 30th, 2025 is in line with the expectations.

The provisional Audit Report @July 11th, 2025, provisionally approval by Delegates on July 11th, 2025, shall therefore be made definitive, without the need of further voting.

Milano, October 13th, 2025

Marco Guida

Marco Guida