



Zone 1 General Meeting 2019 **Vilnius, Lithuania**

Zone 1 **The Independent Auditor's Report** **on the Financial Year 2018**

Crickhowell, Wales
6 July 2019

Vilnius, Lithuania
18 August to 22 August 2019

This report is addressed to and made solely for the benefit of the Member Federation Delegates of Zone 1 of the International Correspondence Chess Federation ("ICCF") at the Zone General Meeting 2019 in Vilnius, Lithuania. The audit work has been undertaken in accordance with Article 33 of the current ICCF Statutes, so that I can report to the delegates those matters I am required to state in an audit report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Zone and the delegates as a body, for the audit work, this report or the opinions formed.

Respective responsibilities of Zone 1 Management Board and auditor

The ICCF Zone 1 management, in particular the ICCF Finance Director, is responsible for:

- the preparation of financial statements that give a true and fair view in accordance with international accounting regulations, and
- for such internal control as the Zone 1 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

My responsibility as auditor is to audit and express an opinion on the financial statements in accordance with applicable law and international auditing standards, which also require me to comply with accepted ethical standards for auditors.

I have identified matters over which I have some concern but do not in my opinion affect the true and fair view of the financial statements. I have communicated these concerns in a letter addressed to the Management Board of Zone 1.

Basis for opinion

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the organisation's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the finance director; and
- the overall presentation of the financial statements.

In addition, I read all the financial and non-financial information in the finance director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit.

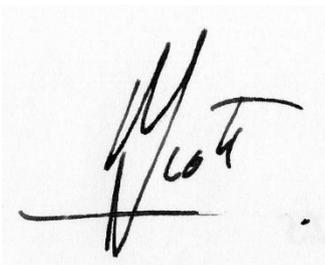
If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report. I consider the appropriateness of the Management Board's use of the going concern basis of accounting and, based on audit evidence obtained, seek to conclude whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Zone 1's ability to continue as a going concern.

Opinion

In my opinion, the financial statements (comprising the balance sheet, profit & loss account, cash flow statement and the related notes):

- give a true and fair view of the financial position of Zone 1 as at 31 December 2018 and of its financial results for the year 1 January to 31 December 2018.
- have been properly prepared in accordance with generally accepted international accounting standards.

This opinion does not extend to the budget, key performance indicators, or any future plan which may be included in the Financial Report presented to Congress, which have not been audited.

A handwritten signature in black ink, appearing to read 'P. Scott', with a horizontal line underneath.

Paul Scott, Honorary Auditor
47 Darren View, Crickhowell
Powys, NP8 1DS, Wales

3 July 2019

Appendices: Financial statements of Zone 1 of the ICCF as at 31 December 2018, comprising balance sheet, profit & loss account, cash flow statement and related notes) attached to the Finance Director's report.