

ENGLISH CHESS FEDERATION

COMMENTARY ON REVISED 2012/13 BUDGET

Introduction

1. Following the decisions made by Council, the Board has revised the 2012-13 budget.
2. The changes to proposed Junior membership rates made by Council have the effect of reducing the ECF's gross revenue by about 10%. The exact amount depends on the take up of the new membership scheme and the various projections are shown on the Membership and Game fee income tab of this spreadsheet.
3. The Board has also taken the opportunity to take account of the impact of the proposed change of accounting year. This will reduce revenue in the next accounting year as members will pay a membership fee for a single year, but the ECF will bear 16 months of costs.

Changes to Income

4. The Board views the low take-up scenario as the most prudent method of estimating income under the new membership scheme. We intend to recognise 70% of the projected revenue under the new scheme in the next 12 months and the remaining revenue in the period May-Aug 2013. The effect of this is to reduce revenue from membership by £40,000.
5. We have also reviewed residual outstanding prepaid memberships, which will be recognised in the next 12 months. The effect of this is to increase revenue membership by £20,000
6. Using the low take-up scenario as the most prudent method of estimating income increases the amount of game fee we expect to receive. The game fee income budget has been increased by £10,000 as a result.
7. The initial budget presented to Council did not include provision for the purchase of Platinum memberships, members not qualifying for the £1 discount or game fee from ungraded players. Based on historic data a prudent estimate of the additional income from these sources is £1,400 additional membership revenue and £3,000 additional game fee income.

Changes to expenditure

8. We have reduced the net International budget by £6,500.
9. John Philpott has very generously offered his time to provide training in accounting and bookkeeping to the Office staff. This enables us to remove the provision for this training in the Management Services budget, which has been reduced by £1,500.
10. The costs of implementing the online membership system have been reduced by £1,800. This is because after investigating the proposals in more detail the Board decided to use a different provider from that anticipated at the time the budget was drawn up. In addition, the budget had provision for a full year's contract, whereas the contract was signed part way through the financial year.
11. We have increased the Junior budget by £500 specifically for ensuring that the trophies used in the National Schools Championships are of sufficient quality

Overall position

12. The Board is now budgeting to break even. This compares with a projected deficit of £800 in the budget presented to Council.

Gareth Caller
Director of Finance

Note: the revised budget and commentary was published on the ECF website. One comment from received from Alan Phillips:

“Thanks for posting your Revised Budget on line. I have three questions:

- (i) What is the detailed breakdown of the Management Services Costs?
- (ii) Why is so little money spent on Women’s Chess, and therefore on encouraging more women to join the ECF?

and perhaps equally importantly:

(iii) Why is the Junior expenditure so disproportionately high compared to other expenditure? I think a massive rethink is required by the ECF to put more efforts into actively engaging with potential sponsors. The government should also be more actively and persistently contacted about its short sighted attitude of not supporting Chess in Schools.”

Gareth Caller responded to this comment as follows:

“Apologies for the delay in responding. The answers to your points are as follows:

The detailed breakdown of management services costs is largely unchanged from that presented to Council in April*. [Refer to <http://www.englishchess.org.uk/wp-content/uploads/2010/01/C16.11C-Detailed-2012-13-budget.xls>]The one change is that the provision of £1,500 for providing training to staff has been removed.

Historically very little money has been spent on Women’s chess as there have been few bids for Women’s chess events.

Junior income and expenditure is larger than other budgets as there are a wider range of junior events than other tournaments. We have sent teams to the World Schools in 2012, a tournament that we have not been represented at in the past few years. It is important to note that the Junior Director has raised additional funds to allow participation at this event; there is no additional net cost to the ECF as a result of this increased activity.”

* Refer to <http://www.englishchess.org.uk/wp-content/uploads/2010/01/C16.11C-Detailed-2012-13-budget.xls>