

**ENGLISH CHESS FEDERATION**  
**(a company limited by guarantee)**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**YEAR 1<sup>ST</sup> MAY 2010 TO 30<sup>TH</sup> APRIL 2011**

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**ENGLISH CHESS FEDERATION**  
**(a company limited by guarantee)**  
**COMPANY INFORMATION**  
**YEAR ENDED 30<sup>TH</sup> APRIL 2011**

**Registered Office**

The Watch Oak  
Chain Lane  
Battle  
East Sussex  
TN33 0YD

**Incorporated**

In England & Wales  
A Company limited by Guarantee

**Company Number**

5293039

**Directors**

C. J. de Mooi (President)  
A.P. Farthing (Chief Executive)  
M.J. Gunn (Non-Executive Chairman)  
G. A. Caller (Finance)  
L.H. Cooper (International)  
P. Ehr (Junior Chess & Education)  
A. N. Raoof (Home Chess)  
T. Woolgar (Marketing)  
J. R. Wickham (Non-Executive)  
J.T.J. Rudd (Non-Executive)

**Secretary**

J.A. Philpott

**Bankers**

NatWest Bank  
Havelock Road  
Hastings  
East Sussex  
TN34 1BW

**Auditors**

Goatcher Chandler  
Chartered Accountants  
& Registered Auditor  
10 Overcliffe  
Gravesend  
Kent  
DA11 0EF

**ENGLISH CHESS FEDERATION**  
**(a company limited by guarantee)**  
**DIRECTORS' REPORT**  
**YEAR ENDED 30<sup>TH</sup> APRIL 2011**

The directors present herewith the accounts for the year 1<sup>st</sup> May 2010 to 30<sup>th</sup> April 2011.

**Principal Activities**

The principal activities of the company are to encourage the study and practice of chess in England, to maintain the British Chess Championships, and to promote national and international chess tournaments in England.

**Directors**

The following served as directors during the period:

C J de Mooi  
C E Majer to 16 October 2010  
A P Farthing from 16 October 2010  
P W Purland  
S Reuben  
J R Wickham  
A C Martin to 16 October 2010  
J T J Rudd from 1 November 2010  
L H Cooper  
A N Raof  
G A Caller  
J L Paines to 16 October 2010  
M J Gunn from 1 November 2010

**Alternate Directors**

A P Farthing – alternate to C E Majer to 16 October 2010  
D Welch – alternate for P W Purland  
A Holowczak – alternate for A N Raof

**Changes to Directors after the Reporting Date**

Following the Annual General Meeting held on 16 October 2011, P W Purland and S Reuben stood down and were replaced by P Ehr and T Woolgar respectively.

**Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or

**ENGLISH CHESS FEDERATION**  
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**DIRECTORS' REPORT (continued)**  
**YEAR ENDED 30<sup>TH</sup> APRIL 2011**

loss of the company for that year. In preparing those financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant information (as defined by section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Small company exemptions**

The directors have taken advantage of the exemptions conferred by Part 15 of the Companies Act 2006 and have done so on the grounds that in their opinion the company is entitled to the exemptions as a small company.

**Auditors**

The auditors, Goatcher Chandler, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

**By order of the board**

G. A. Caller  
**Director of Finance**  
**January 2012**

**ENGLISH CHESS FEDERATION**  
**(a company limited by guarantee)**  
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE**  
**ENGLISH CHESS FEDERATION**

We have audited the financial statements of the English Chess Federation for the year ended 30<sup>th</sup> April 2011 on pages 6 to 10. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any one other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and auditors**

As described on pages 2 and 3, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the Directors' Report is inconsistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information required by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**ENGLISH CHESS FEDERATION**  
**(a company limited by guarantee)**  
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE**  
**ENGLISH CHESS FEDERATION (Continued)**

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:-

- the financial statements give a true and fair view of the state of the company's affairs as at 30<sup>th</sup> April 2011, and of its deficit for the year then ended;
- the financial statements have been prepared in accordance with United Kingdom generally accepted accounting practice
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.

**Clifford Chandler (Senior Statutory Auditor) for and on behalf of**  
**Goatcher Chandler**  
**Chartered Accountants**  
**Registered auditor**  
**10 Overcliffe**  
**Gravesend**  
**Kent**  
**DA11 0EF**

**ENGLISH CHESS FEDERATION**  
**(a company limited by guarantee)**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR 1<sup>ST</sup> MAY 2010 TO 30<sup>TH</sup> APRIL 2011**

	<u>Notes</u>	<b>2011</b> £	<b>2010</b> £
Turnover		267,567	306,700
Less Expenses		268,877	307,902
		----- (1,310)	----- (1,202)
Add: Bank interest received		2	9
		-----	-----
Surplus/(Deficit) on ordinary activities	2	(1,308)	(1,193)
Balance brought forward		(13,347)	(12,154)
		-----	-----
Balance carried forward		(14,655)	(13,347)
		=====	=====

**ENGLISH CHESS FEDERATION**  
**(a company limited by guarantee)**  
**BALANCE SHEET**  
**AS AT 30<sup>TH</sup> APRIL 2011**

	<u>Notes</u>	<b>2011</b>		<b>2010</b>	
		£	£	£	£
FIXED ASSETS	3		3,057		7,719
<b>CURRENT ASSETS</b>					
Stocks			9,932		8,371
Debtors and Prepayments	4		47,279		54,171
Cash at Bank and in Hand			78,248		60,926
			-----		-----
			135,459		123,468
<b>CURRENT LIABILITIES</b>					
Creditors due within 12 months	5		(114,181)		(105,544)
			-----		-----
NET CURRENT ASSETS			21,278		17,924
			-----		-----
NET ASSETS			24,335		25,643
			=====		=====
<u>Represented by:</u>					
<b>PROFIT AND LOSS ACCOUNT</b>					
Balance per attached account			(14,655)		(13,347)
RESERVES	6		38,990		38,990
			-----		-----
			24,335		25,643
			=====		=====

The financial statements have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements were approved by the board of directors on and signed on its behalf by:

January 2012

Director



**ENGLISH CHESS FEDERATION**  
(a company limited by guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30<sup>TH</sup> APRIL 2011**

**1. Accounting Policies**

The following accounting policies have been used consistently in dealing with items which are considered significant in relation to the company's financial statements and there have been no material changes during the period.

***Accounting Convention***

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and under the historical cost convention.

***Turnover*** - Turnover represents the sales of services, subscriptions and grants received excluding value added tax. Turnover is recognised in the accounting period to which it relates.

***Stocks*** - Stocks are valued at the lower of cost or net realisable value, after making allowance for obsolete and slow moving items.

***Recognition of fixed assets***

Non-current assets are initially recognised at the purchase price plus all directly attributable costs of bringing the asset into service.

***Depreciation on fixed assets***

Depreciation is provided on a straight line basis in order to write off each asset over its estimated useful life as follows:-

Telephone system	10 years	Computer Equipment	4 years
Computer network system	7 years	Chess Equipment	10 years
Office Equipment	5 years	Certificate of Merit	5 years

Assets acquired from the British Chess Federation at their written down value have been depreciated at the above rates based on their original cost.

***Impairments***

The Board took the decision to terminate the Certificate of Merit project. As a result, the associated development costs have been impaired in full and the expenditure has been charged to the Profit and Loss account.

***Unfinished Events***

Income and expenditure on events unfinished at the year end are carried forward to the following year.

***Subscriptions***

Members subscriptions are credited when received and a provision has been made in the accounts for subscriptions paid in advance for future years and for the cost of services to be supplied after the Balance sheet date until the subscriptions expire.

**ENGLISH CHESS FEDERATION (a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30<sup>TH</sup> APRIL 2011**

**2. Operating Profit**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after crediting		
Interest received	2	9
	=====	=====
and after charging		
Auditor's remuneration	1,500	1,500
Depreciation	1,652	2,856
Impairments	5,055	0
	=====	=====
<b>3. Fixed assets</b>		
Cost		
Brought forward	18,580	12,262
Additions during period	2,045	6,318
Impairments	(6,318)	0
	-----	-----
	14,307	18,580
	-----	-----
Depreciation		
Brought forward	10,861	8,005
Charge for year	1,652	2,856
Impairments	(1,263)	0
	-----	-----
	11,250	10,861
	-----	-----
Net book value	3,057	7,719
	=====	=====
<b>4. Debtors</b>		
Prepayments	23,390	7,980
Debtors	17,798	44,084
Debtors – Unfinished Events	6,091	2,107
	-----	-----
	47,279	54,171
	=====	=====
<b>5. Creditors</b>		
Creditors and accrued expenses	19,105	16,166
Creditor – English Championship Prize	20,000	22,000
Subscriptions and grants received in advance	18,777	18,250
Creditors – Unfinished Events	16,299	9,128
Loans	40,000	40,000
	-----	-----
	114,181	105,544
	=====	=====
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**ENGLISH CHESS FEDERATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30<sup>TH</sup> APRIL 2011**

<b>6. Reserves</b>	<b>2011</b>	<b>2010</b>
	<b>£'</b>	<b>£'</b>
Legacies Fund	35,578	35,578
Alexander Prize Fund	1,330	1,330
General Fund transferred from BCF	2,082	2,082
	-----	-----
	38,990	38,990
	=====	=====

**7. Directors' Interests**

The directors are all officers of the British Chess Federation (an unincorporated body) and most hold offices in various regional and county chess associations.

D Welch is a director of 4NCL

**8. Honoraria**

Other than members of staff, six individuals received payments from the ECF. These were R Haddrell, AD Martin, B Long, R Ryan, J Upham and H Grist. All payments were for the provision of services to the Federation.

This page and the following notes do not form part of the statutory accounts  
**ENGLISH CHESS FEDERATION**  
**(a company limited by guarantee)**  
**PROFIT AND LOSS ACCOUNT SPLIT BY ACTIVITY**  
**YEAR 1<sup>ST</sup> MAY 2010 TO 30<sup>TH</sup> APRIL 2011**

	Note	2011 £	2010 £
<b>INCOME</b>			
General Funding	A	45,694	62,902
Game Fee	B	52,545	56,311
Direct Members	C	51,564	52,888
Management Services	D	6,676	8,734
Grading	E	6,425	4,093
Home Chess	F	1,843	2,296
British Championship	G	51,711	59,470
Congress Chess	H	74	1,879
International Chess	J	1,811	2,858
Women's Chess	K	0	730
Junior Chess	L	46,175	41,928
Coaching	M	1,836	3,158
Certificate of Merit	O	1,215	9,462
		-----	-----
		267,569	306,709
		=====	=====
<b>EXPENDITURE</b>			
Direct Members	C	3,506	8,866
Management Services	D	107,773	122,221
Grading	E	16,492	15,253
Home Chess	F	2,075	3,015
British Championship	G	47,680	59,246
Congress Chess	H	0	1,450
Marketing and Publicity	I	150	451
International Chess	J	21,696	23,563
Women's Chess	K	2,242	1,829
Junior Chess	L	50,843	54,775
Coaching	M	1,238	2,978
Chess for Schools	N	5,823	10,869
Certificate of Merit	O	8,159	2,106
Loan Interest		1,200	1,100
		-----	-----
		268,877	307,902
		=====	=====
Profit/(Loss) for the period		(1,308)	(1,193)
		=====	=====

**ENGLISH CHESS FEDERATION**  
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**YEAR 1<sup>ST</sup> MAY 2010 TO 30<sup>TH</sup> APRIL 2011**

	2011	2010
	£	£
<b><u>Note A GENERAL FUNDING</u></b>		
<b>INCOME</b>		
Permanent Invested Fund Income	7	1,058
Donations	685	519
Interest Received	2	9
Miscellaneous Income	0	1,316
Government Grant – Department for Culture, Media and Sport	45,000	60,000
	-----	-----
	45,694	62,902
	=====	=====
 <b><u>Note B GAME FEE</u></b>		
<b>INCOME</b>		
Leagues	39,221	39,941
Congresses	5,882	11,281
Rapidplay	3,156	4,191
Clubs	190	410
Prior Year	195	(1,440)
Junior	3,566	1,547
Non-Territorial Affiliates and Miscellaneous Income	335	381
	-----	-----
	52,545	56,311
	=====	=====
 Game Fee received includes £1,165 of accrued income received after the year end.		
 <b><u>Note C DIRECT MEMBERS</u></b>		
<b>INCOME</b>		
Subscriptions Receivable	37,395	39,690
Northern Membership Scheme	7,377	6,737
Membership Organisations	6,545	5,357
Newsletter subs and sundry income	247	1,104
	-----	-----
	51,564	52,888
	=====	=====
 <b>EXPENDITURE</b>		
Newsletter – Printing and distribution costs	27	5,680
Mailings, Sundries, etc.	3,479	2,893
Northern Membership Scheme	0	293
Membership Organisations	0	0
	-----	-----
	3,506	8,866
	=====	=====
<b>NET INCOME</b>	48,058	44,022
	=====	=====

**ENGLISH CHESS FEDERATION**  
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**YEAR 1<sup>ST</sup> MAY 2010 TO 30<sup>TH</sup> APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b><u>Note D MANAGEMENT SERVICES</u></b>		
<b>INCOME</b>		
Sales Books and Equipment	420	1,575
Insurance Service Commission	1,685	1,860
Year Book	3,189	3,751
Sundry Income	1,382	448
Administration British Championships	0	1,100
	-----	-----
	<b>6,676</b>	<b>8,734</b>
	=====	=====
<b>EXPENDITURE</b>		
Salaries – Office Staff (excludes Chess for Schools staff costs – Note N)	65,987	82,745
Staff Travel	0	61
Printing and Stationery	2,233	1,199
Photocopying	302	1,026
Depreciation	1,652	1,592
Equipment & software repairs and rental	2,341	2,272
Postage	3,543	2,064
Telecommunications	2,135	2,070
Internet & Website	1,196	603
Rent and Rates	7,494	8,441
Board, Council and other meetings	2,325	3,341
President's / Chief Executive's Expenses	1,839	775
Insurance	3,346	3,202
Bank Charges	1,732	1,462
Credit Card Charges	1,532	1,257
Audit Fee	1,500	1,500
Sundry Administration Expenses	3,890	2,109
Year Book	3,547	5,158
Purchases Books and Equipment	0	1,223
Corporation Tax	1,179	121
	-----	-----
	<b>107,773</b>	<b>122,221</b>
	=====	=====
<b>NET EXPENDITURE</b>	<b>101,097</b>	<b>113,487</b>
	=====	=====

**ENGLISH CHESS FEDERATION**  
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**YEAR 1<sup>ST</sup> MAY 2010 TO 30<sup>TH</sup> APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<u>£</u>	<u>£</u>
<b><u>Note E GRADING</u></b>		
INCOME		
Sale of Grading Lists	1,338	2,117
Sundry Income	238	284
FIDE	4,849	1,692
	-----	-----
	6,425	4,093
	=====	=====
EXPENDITURE		
Printing Grading Lists	1,074	1,642
Graders' fees	6,483	8,446
Other Grading	688	569
FIDE Affiliation	4,292	3,545
FIDE Other	3,955	1,051
	-----	-----
	16,492	15,253
	=====	=====
NET EXPENDITURE	10,067	11,160
	=====	=====
<b><u>Note F HOME CHESS</u></b>		
INCOME		
National Club	369	897
County Championships	1,280	1,010
Correspondence	194	274
Adjudications	0	115
	-----	-----
	1,843	2,296
	=====	=====
EXPENDITURE		
National Club	650	1,667
County Championships	1,227	1,232
Adjudications	0	87
Other	198	29
	-----	-----
	2,075	3,015
	=====	=====
NET EXPENDITURE	232	719
	=====	=====

**ENGLISH CHESS FEDERATION**  
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**YEAR 1<sup>ST</sup> MAY 2010 TO 30<sup>TH</sup> APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b><u>Note G BRITISH CHAMPIONSHIP</u></b>		
INCOME		
Entry Fees	33,622	34,738
Sponsorships, bequests and donations	1,391	8,292
John Robinson Trust	14,250	14,250
Other	2,448	2,190
	-----	-----
	51,711	59,470
	=====	=====
EXPENDITURE		
Prizes & Appearance Fees	28,427	32,265
Controllers' expenses	12,025	12,403
Venue costs	0	70
Presentation & Commentary	1,870	2,368
ECF Office costs	500	1,100
Other	4,858	11,220
	-----	-----
	47,680	59,426
	=====	=====
NET INCOME	4,031	44
	=====	=====
<b><u>Note H CONGRESS CHESS</u></b>		
INCOME		
English Seniors Championship	0	1,806
Master Points	74	73
	-----	-----
	74	1,879
	=====	=====
EXPENDITURE		
English Seniors Championship	0	1,450
Grand Prix	0	0
	-----	-----
	0	1,450
	=====	=====
NET INCOME	74	429
	=====	=====
<b><u>Note I MARKETING AND PUBLICITY</u></b>		
EXPENDITURE		
Awards	150	267
Other	0	184
	-----	-----
NET EXPENDITURE	150	451
	=====	=====



**ENGLISH CHESS FEDERATION**  
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**YEAR 1<sup>ST</sup> MAY 2010 TO 30<sup>TH</sup> APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<u>£</u>	<u>£</u>
<b><u>Note J INTERNATIONAL</u></b>		
<b>INCOME</b>		
European Teams / Olympiad	1,206	1,296
European Individual	350	280
Other Events	255	1,282
	-----	-----
	1,811	2,858
	=====	=====
<b>EXPENDITURE</b>		
European Teams / Olympiad	19,380	21,290
European Individual	1,089	546
European Senior Team	0	297
Other Events	297	0
Grants	500	500
Insurance	430	583
Other	0	347
	-----	-----
	21,696	33,563
	=====	=====
<b>NET EXPENDITURE</b>	<b>19,885</b>	<b>20,705</b>
	=====	=====

**Note K WOMEN'S CHESS**

<b>INCOME</b>		
Tournaments	0	730
	-----	-----
	0	730
	=====	=====
<b>EXPENDITURE</b>		
Tournaments	1,942	1,502
Coaching	300	127
National Team	0	200
	-----	-----
	2,242	1,829
	=====	=====
<b>NET EXPENDITURE</b>	<b>2,242</b>	<b>1,099</b>
	=====	=====

The Board voted to use £1,000 of the contingency budget approved by Council to underwrite the expenses of the British competitor in the Women's World Championship. This funding is included in Tournament expenditure.

**ENGLISH CHESS FEDERATION**  
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**YEAR 1<sup>ST</sup> MAY 2010 TO 30<sup>TH</sup> APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b><u>Note L JUNIOR CHESS</u></b>		
INCOME		
International Tournaments	36,775	33,102
Glorney, Gilbert, Stokes and Robinson cups	3,090	3,570
National Schools	3,728	5,256
JERBS / Coaching Income	2,000	0
Other	582	0
	-----	-----
	46,175	41,928
	=====	=====
EXPENDITURE		
International Tournaments	41,454	39,044
Glorney, Gilbert, Stokes and Robinson cups	3,782	4,829
National Schools	3,799	2,982
JERBS / Coaching Expenses	0	800
“The Right Move”	0	5,588
Other	1,808	1,532
	-----	-----
	50,843	54,755
	=====	=====
NET EXPENDITURE	4,668	12,847
	=====	=====
<b><u>Note M COACHING</u></b>		
INCOME		
Certificate of Excellence	1,836	3,158
	-----	-----
	1,836	3,158
	=====	=====
EXPENDITURE		
Certificate of Excellence	1,238	2,978
	-----	-----
	1,238	2,978
	=====	=====
NET INCOME	598	180
	=====	=====

**ENGLISH CHESS FEDERATION**  
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**YEAR 1<sup>ST</sup> MAY 2010 TO 30<sup>TH</sup> APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b><u>NOTE N CHESS FOR SCHOOLS</u></b>		
EXPENDITURE		
Administration (excluding staff costs)	1,917	2,377
Staff Costs	3,906	8,492
	-----	-----
NET EXPENDITURE	5,823	10,869
	=====	=====
 <b><u>NOTE O CERTIFICATE OF MERIT</u></b>		
INCOME		
Sponsorship	0	8,696
Sales	1,215	766
	-----	-----
	1,215	9,462
	=====	=====
EXPENDITURE		
Administration	3,104	842
CoM depreciation	-	1,264
Impairments	5,055	-
	-----	-----
	8,159	2,106
	=====	=====
NET EXPENDITUE/(INCOME)	6,944	(7,356)
	=====	=====

Certificate of Merit expenditure includes the impairment of development costs capitalised in 2009-10 and not yet depreciated. Because the development costs have been written down to £nil, no depreciation has been charged in year.