

BRITISH CHESS FEDERATION

**Annual Report and Financial
Statements**

Year Ended 31 August 2016

**GOATCHER CHANDLER
CHARTERED ACCOUNTANTS**

BRITISH CHESS FEDERATION
Financial Statements
Year Ended 31 August 2016

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ORGANISATION INFORMATION

Directors	D Lawson (President) M Truran (Chief Executive) D Eustace (Finance) A Holowczak (Home Chess) M Pein (International Chess) T Whitfield (Junior Chess & Education) D Thomas (Membership) S Longson (Women's Chess) J Clissold (Non-Executive) J Denning (Non-Executive) S Woodhouse (Non-Executive)
Trustees	R Edwards I Keen
Bankers	NatWest Bank Havelock Road Hastings East Sussex TN34 1BW
Investment Managers	Smith & Williamson Investment Management 25 Moorgate London EC2R 6AY
Independent Examiners	Goatcher Chandler Chartered Accountants 10 Overcliffe Gravesend Kent DA11 0EF

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REPORT OF THE MANAGEMENT BOARD

The British Chess Federation is an unincorporated body governed by its constitution adopted in 1904 (as amended 12 January 2013)

1. THE MANAGEMENT BOARD

Under the BCF Constitution, the Management Board comprises the Directors and Secretary of the English Chess Federation for the time being.

For the period covered by these accounts, the Management Board therefore comprised:

Dominic Lawson
Mike Truran (from 15/01/2016)
Phil Ehr (to 17/10/2015)
David Thomas
David Eustace
Alex Holowczak
Traci Whitfield
Julian Clissold
Bob Kane (to 17/10/2015)
David Openshaw (to 17/10/2015)
John Foley (to 17/10/2015)
Julie Denning (from 17/10/2015)
Malcolm Pein (from 17/10/2015)

Secretary
John Philpott (to 15/10/2016)

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2. MANAGEMENT BOARD'S RESPONSIBILITIES STATEMENT

The Management Board is responsible for preparing the Report of the Management Board and the financial statements in accordance with applicable law and regulations.

The Management Board is responsible for keeping adequate accounting records sufficient to show and explain the Federation's transactions and for preparing financial statements for each financial year which show a true and fair view of the state of affairs of the Federation at the year end and of the surplus or deficit for the period under review. The Management Board is also responsible for safeguarding the assets of the Federation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the financial statements the Management Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and accounting 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 Federation will continue to exist.

3. APPROVAL OF THE ACCOUNTS ON BEHALF OF THE MANAGEMENT BOARD

These financial statements were approved by the Management Board on
and were signed on its behalf by:-

David Eustace
Finance Director

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**INDEPENDENT EXAMINERS' REPORT TO THE MANAGEMENT
BOARD OF THE BRITISH CHESS FEDERATION**

In accordance with your instructions and in order to assist you fulfil your duties under the Federation's constitution, we have reviewed, without carrying out an audit, the annexed financial statements of the British Chess Federation for the year ended 31 August 2016 as set out on pages 7 to 12 which consist of an income and expenditure account, a balance sheet and related notes.

The accounts have been prepared on the accounting basis set out on page 9. The accounts are not intended to achieve full compliance with the provisions of UK Generally Accepted Accounting practice. We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales. As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at iceaw.com/regulations.

Our work has been undertaken solely so that we might review the accounts that we have been engaged to review, report to you that we have done so, and state those matters that we have agreed to state to you in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management Board for our work or for this report.

Respective responsibilities of Management Board and examiner

The Federation's Management Board is responsible for the preparation of the financial statements. The Management Board considers that an audit is not required for this year and that an independent examination is needed.

Basis of independent examiner's report

An examination includes a review of the accounting records kept by the Federation and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from the Management Board concerning any such matters. The procedures undertaken do not provide all of the evidence that would be required in an audit and, consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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**INDEPENDENT EXAMINERS' REPORT TO THE MANAGEMENT
BOARD OF THE BRITISH CHESS FEDERATION**

(...Continued)

Independent examiner's statement

In connection with our examination, no matter has come to our attention:

(1) which gives reasonable cause to believe that in any material respect the requirements:

- to keep adequate accounting records; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

We can confirm that no matters need to be brought to the attention of the Management Board.

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

Date:

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INCOME AND EXPENDITURE ACCOUNT

	2016	2015
	£	£
<u>Income</u>		
PIF 1 Dividends	3,603	3,389
PIF 1 Gross interest	233	230
PIF 2 (Robinson) Dividends	1,983	2,084
PIF 2 (Robinson) Gross interest	1,078	1,188
Realised gains	4,699	2,634
Bank interest	1	1
	11,597	9,526
<u>Expenditure</u>		
PIF brokers fees	2,512	2,759
Accountancy	770	-
Independent examiners fee	750	710
Other expenditure	77	320
	4,109	3,789
Surplus for the year before tax	7,488	5,737
Grants to English Chess Federation	(5,000)	(5,000)
Corporation tax	(940)	(527)
Surplus / (deficit) for the year	1,548	210

The attached notes form part of these financial statements.

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BALANCE SHEET

	Notes	£	2016 £	£	2015 £
Fixed Assets					
PIF 1 investments at cost	5		79,389		79,959
PIF 2 investments at cost	6		115,782		111,738
Current Assets					
Debtors	7	1,334		1,850	
Cash at bank		6,513		7,787	
Cash held by investment managers		5,227		3,536	
		<u>13,074</u>		<u>13,173</u>	
Creditors					
Amounts falling due within one year	8		<u>14,137</u>		<u>12,857</u>
Net Current Assets			(1,063)		316
Total Assets Less Current Liabilities			<u>194,108</u>		<u>192,013</u>
Reserves					
Permanent investment funds 1	4		79,389		79,959
Permanent investment funds 2	4		115,782		111,738
			<u>195,171</u>		<u>191,697</u>
General fund	4		(1,063)		316
	4		<u>194,108</u>		<u>192,013</u>

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NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

Accounting convention

The British Chess Federation is an unincorporated body and the accounts are prepared in accordance with current recommended accounting practices. The financial statements have been prepared under the historical cost convention.

Income

Income represents interest, dividends and royalties received.

Investments

Investments held as fixed assets are stated in the balance sheet at cost. The mid-market value at the balance sheet date is shown in the notes.

2. Permanent Invested Fund

The investments in the Permanent Invested Fund (PIF) are held by trustees under a deed dated 1929 which is perpetuated by supplementary deeds every 21 years whereby the income is paid to the Federation and the trustees *may* make distributions of capital in exceptional circumstances of urgent need provided the money is for the benefit of “the objects” of the Federation, but only on the authority of a resolution of Council.

3. John Robinson

A separate fund was established out of the legacy from the late John Robinson that was paid to the BCF. The trustees manage the two funds in order to be able to provide £5,000 funding towards the British Chess Championships each year.

4. Movements in reserves

	PIF 1	PIF 2	General	Total
Balance at 1 September 2015	79,959	111,738	316	192,013
Surplus for the year	-	-	1,548	1,548
Realised gains retained in PIF	-	4,699	(4,699)	-
Dividends retained in PIF	298	423	(721)	-
Investment charges borne by PIF	(1,416)	(1,077)	2,493	-
Other adjustments	548	(1)		547
Balance at 31 August 2016	79,389	115,782	(1,063)	194,108

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Permanent Invested Fund 1.

<u>Investments</u>	<u>At Cost</u>	<u>Market</u>	<u>Gross</u>
	£	Value	Income
		£	£
Allianz Global Investors UK			
16,942.28 U K Equity Income C Inc NA	3,336	16,781	700
Invesco Fund Managers			
6,557.62 IP Income & Growth Z Inc	4,340	17,268	518
6,190.48 Perpetual UK Growth Z Inc	5,744	17,443	630
BNY Mellon Fund Managers Ltd			
2,000 Newton UK Equity Fund	3,797	17,125	445
FIL Investment Services (UK) Ltd			
6,250 Fidelity European Values Ordinary	2,286	11,044	208
4,791.57 Fid American Y Acc	4,280	11,231	-
Old Mutual Fund Managers			
4,664.88 CCS UK Smaller Cos A Inc	4,826	17,301	-
Smith & Williamson Fund Administration			
5,141.12 North American Trust	3,744	9,302	61
First State Investments (UK)			
2,700 Asia Pacific Leaders B NAV	7,665	16,773	166
UK Government			
£3,500 2.5% Index Linked 17/10/24	11,395	13,082	232
Axa Framlington Unit Management			
6,489.74 UK Select Opportunities ZI Dis	6,511	8,897	188
Capita Financial Managers			
4,750 Trojan Income O Inc NAV	6,369	8,884	317
NB Private Equity Partners Ltd			
1100 Class A Ord Shares USD0.01	8,507	8,886	371
GAM Star Fund Technology Inst			
325 GBP Acc	6,196	6,510	-
	<u>78,996</u>	<u>180,527</u>	<u>3,836</u>
Unquoted - shares in The Chess Centre Ltd	750	36,849	
(Market value 31 st August 2015 £200,158)	<u>79,746</u>	<u>217,376</u>	<u>3,836</u>
Client money	(357)		
Total	<u>79,389</u>		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Permanent Invested Fund 2. – John Robinson

<u>Investments</u>	<u>At Cost</u>	<u>Market</u>	<u>Gross</u>
	£	Value	Income
		£	£
Artemis Fund Managers			
5,191.11 Income Inst Inc	10,397	12,039	451
13,500 Global Income Units Instl Inc	10,071	11,798	409
Invesco Fund Managers			
4,359.28 IP Income Z Inc			85
Old Mutual Fund Managers			
4,998.31 UK Mid Cap R Inc	4,034	9,388	106
Aberdeen Unit Trust Managers			
1,400 Emerging Markets I Acc NAV	7,980	9,696	100
Beazley plc			
£10,000 5.375% MTN 25/09/19	10,111	10,995	538
Burford Capital plc			
10,000 6.5% Gtd Snr 19/08/22	10,000	10,946	650
International Public Partnerships Ltd			
7,500 Ord	9,519	11,790	484
GVO Investment Funds (Dublin)			
400 UK Focus	10,303	11,316	222
Polar Capital Funds Japan			
1018.27 I Inc NAV	12,026	12,596	14
Findlay Park Funds plc			
275 American USD Dis	16,709	18,199	2
GAM Star Technology Inst			
150 GBP Acc	2,860	3,005	-
Henderson Global Investors UK I Acc NAV			
7,000 Ord	11,170	11,214	-
 (Market value 31 st August 2015 £121,599)	 <u>115,180</u>	 <u>132,982</u>	 <u>3,061</u>
 Client money	 602		
 Total	 <u>115,782</u>		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Debtors

	2016 £	2015 £
Debtors	1,129	1,129
Deferred income	<u>205</u>	<u>721</u>
	<u>1,334</u>	<u>1,850</u>

8. Creditors: Amounts Falling Due Within One Year

	2016 £	2015 £
Amount owed to English Chess Federation	10,303	10,301
Accruals	1,519	881
Taxation	<u>2,315</u>	<u>1,675</u>
	<u>14,137</u>	<u>12,857</u>