

## **ACCOUNTS**

The outstanding BCF accounts for the years ending 2010/11 and 2011/12 have been completed and are presented to this meeting together with the accounts for the sixteen month period ending 31 August 2013. The Board repeats its previous apologies to Council members for its failure to present these accounts at an earlier meeting. The main factors to which it draws attention are as follows.

1. When the ECF was created, it took over the nominal ledger previously maintained on Sage by the BCF. No BCF nominal ledger was created at the time, and previous accounts have been created by pulling together relatively unstructured information from a number of sources. The ECF financial controller has now created a BCF nominal ledger running from 1 April 2010, and the figures reported in the three sets of accounts presented agree to this ledger.
2. There has been over time a blurring of the distinction between the assets of the BCF that are attributable to its PIF and non-PIF elements. The theory of the PIF trust deed is that the PIF income is paid to the BCF, but some scrip dividends are received and reinvested in the PIF, while the same is generally true of realised gains, which in the past have not been explicitly reported in the income and expenditure account. The PIF trustees have made payments directly to the ECF as requested, both to provide £5,000 p.a. towards the British Championships, and to provide an extra £10,000 to the ECF in the year following the loss of the DCMS grant, but these have been partly funded out of the capital of the PIF. The PIF trustees are treating the PIF that they are responsible for comprising as comprising the current investments plus the investment deposit accounts maintained by Smith & Williamson for uninvested capital. In order to reflect the basis on which the PIF trustees are actually operating, the accounts have in effect been reverse engineered to report the investments and the investment deposit accounts as the closing PIF, and to treat all other items as non-PIF, with a detailed reconciliation of opening and closing funds provided in the notes. All realised gains are now explicitly reported in the income and expenditure account, and reallocated to the PIF in the reconciliation note where these have been reinvested.
3. The 30 April 2010 accounts indicated amounts owing between the PIFs and due from the non-PIF to PIF 2. In the absence of information to substantiate these amounts, of which the PIF trustees have confirmed that they are unaware, the reconciliation note in the 2010/11 accounts reattributes the opening balances to reflect what the Board believes to be the correct position on 1 May 2010.

The accounts for the John Robinson Youth Chess Trust for the year ended 31 August 2013 are available and have therefore been laid before this meeting for noting. Since the year end, Cynthia Gurney has stood down as a Trustee and has been replaced by John Philpott in accordance with the resolution passed at the 2013 BCF AGM.

Accounts for Chess Centre Ltd (which is an asset of the PIF) for the year ended 30 April 2013 have been laid before this meeting for noting. The next accounts will be prepared for the sixteen months ended 31 August 2014 to bring these into line with the other entities. Alan Martin has expressed a wish to stand down as a director, and it is intended to appoint David Eustace and John Philpott to the Board of this company.