

# **BRITISH CHESS FEDERATION**

## **Annual Report and Financial Statements**

**Year Ended 31 August 2017**

GOATCHER CHANDLER  
CHARTERED ACCOUNTANTS &  
STATUTORY AUDITOR

**BRITISH CHESS FEDERATION**  
**Financial Statements**  
**Year Ended 31 August 2017**

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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  
31 St. Georges Square  
St Georges Centre  
Gravesend  
Kent  
DA11 0TB

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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  
David Thomas  
David Eustace  
Alex Holowczak  
Traci Whitfield  
Julian Clissold  
Stephen Woodhouse (from 24/01/2017)  
Julie Denning  
Malcolm Pein

S N Longson ceased to be a director after 31 August 2017 but prior to the date of this report.

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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 XX/XX/XXXX 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 2017 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](http://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  
31 St. Georges Square  
St Georges Centre  
Gravesend  
Kent  
DA11 0TB

Date: .....

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**INCOME AND EXPENDITURE ACCOUNT**

	<b>2017</b>	<b>2016</b>
	£	£
<b><u>Income</u></b>		
PIF 1 Dividends	3,720	3,603
PIF 1 Gross interest	118	233
PIF 2 (Robinson) Dividends	1,814	1,983
PIF 2 (Robinson) Gross interest	1,188	1,078
Realised gains	1,663	4,699
Bank interest	1	1
	<hr/>	<hr/>
	8,504	11,597
 <b><u>Expenditure</u></b>		
PIF brokers fees	2,971	2,512
Accountancy	700	770
Independent examiners fee	500	750
Other expenditure	61	77
	<hr/>	<hr/>
	4,232	4,109
 Surplus for the year before tax		
	<hr/>	<hr/>
	4,272	7,488
 Grants to English Chess Federation		
	(5,000)	(5,000)
Corporation tax	(333)	(940)
 <b>Surplus / (deficit) for the year</b>		
	<hr/>	<hr/>
	(1,061)	1,548

The attached notes form part of these financial statements.



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**BALANCE SHEET**

	Notes	£	2017 £	£	2016 £
<b>Fixed Assets</b>					
PIF 1 investments at cost	4		80,615		79,389
PIF 2 investments at cost	5		115,315		115,782
<b>Current Assets</b>					
Debtors	6	1,343		1,334	
Cash at bank		6,517		6,513	
Cash held by investment managers		5,257		5,227	
		<u>13,117</u>		<u>13,074</u>	
<b>Creditors</b>					
Amounts falling due within one year	7		<u>15,819</u>		<u>14,137</u>
<b>Net Current Assets / (Liabilities)</b>			(2,702)		(1,063)
<b>Total Assets Less Current Liabilities</b>			<u>193,228</u>		<u>194,108</u>
<b>Reserves</b>					
Permanent investment funds 1	8		80,615		79,389
Permanent investment funds 2	8		115,315		115,782
			<u>195,930</u>		<u>195,171</u>
General fund	8		(2,702)		(1,063)
			<u>193,228</u>		<u>194,108</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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. 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	18,374	739
Invesco Fund Managers			
6,557.62 IP Income & Growth Z Inc	4,340	17,732	642
6,190.48 Perpetual UK Growth Z Inc	5,744	20,022	525
BNY Mellon Fund Managers Ltd			
2,000 Newton UK Equity Fund	3,797	17,507	529
FIL Investment Services (UK) Ltd			
6,250 Fidelity European Values Ordinary	2,286	14,019	261
4,791.57 Fid American Y Acc	4,280	12,851	3
Old Mutual Fund Managers			
4,664.88 CCS UK Smaller Cos A Inc	4,826	23,955	1
Smith & Williamson Fund Administration			
5,141.12 North American Trust	3,744	10,937	68
First State Investments (UK)			
2,700 Asia Pacific Leaders B NAV	7,713	18,653	33
UK Government			
£3,500 2.5% Index Linked 17/10/24			-
£8,000 0.125% Index Linked 22/03/29	11,509	11,584	10
Axa Framlington Unit Management			
6,489.74 UK Select Opportunities ZI Dis	6,511	9,436	180
Capita Financial Managers			
4,750 Trojan Income O Inc NAV	6,369	8,898	345
NB Private Equity Partners Ltd			
1100 Class A Ord Shares USD0.01	8,507	11,110	406
GAM Star Fund Technology Inst			
325 GBP Acc	6,196	8,682	-
	<u>79,158</u>	<u>203,760</u>	<u>3,742</u>
Unquoted - shares in The Chess Centre Ltd	750	53,788	
(Market value 31 <sup>st</sup> August 2016 £217,376)	<u>79,908</u>	<u>257,548</u>	<u>3,742</u>
Client money	707		
Total	<u><u>80,615</u></u>		

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. Permanent Invested Fund 2.**

<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	13,060	497
13,500 Global Income Units Instl Inc	10,071	13,534	480
Old Mutual Fund Managers			
4,998.31 UK Mid Cap R Inc	4,034	12,481	126
Aberdeen Unit Trust Managers			
1,400 Emerging Markets I Acc NAV	7,980	11,581	115
Beazley plc			
£10,000 5.375% MTN 25/09/19	10,111	10,852	538
Burford Capital plc			
10,000 6.5% Gtd Snr 19/08/22	10,000	11,021	650
International Public Partnerships Ltd			
7,500 Ord	9,519	12,150	512
GVO Investment Funds (Dublin)			
400 UK Focus	10,303	12,266	323
Polar Capital Funds Japan			
1018.27 I Inc NAV	12,146	16,404	116
Findlay Park Funds plc			
275 American USD Dis	16,709	21,278	6
GAM Star Technology Inst			
150 GBP Acc	2,860	4,007	-
Henderson Global Investors UK I Acc NAV			
7,000 Ord	11,184	11,473	14
(Market value 31 <sup>st</sup> August 2016 £132,982)	<u>115,314</u>	<u>150,107</u>	<u>3,377</u>
Client money	-		
Total	<u>115,314</u>		

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. Debtors**

	2017 £	2016 £
Debtors	1,129	1,129
Deferred income	214	205
	<u>1,343</u>	<u>1,334</u>

**7. Creditors: Amounts Falling Due Within One Year**

	2017 £	2016 £
Amount owed to English Chess Federation	10,368	10,303
Accruals	2,803	1,519
Taxation	2,648	2,315
	<u>15,819</u>	<u>14,137</u>

**8. Movements in reserves**

	PIF 1	PIF 2	General	Total
Balance at 1 September 2016	79,389	115,782	(1,063)	194,108
Surplus/(Loss) for the year	-	-	(1,061)	(1,061)
Realised gains retained in PIF	1,663	-	(1,663)	-
Dividends retained in PIF	707	-	(707)	-
Investment charges borne by PIF	(1,190)	(602)	1,792	-
Other adjustments	46	134		180
Balance at 31 August 2017	<u>80,615</u>	<u>115,314</u>	<u>(2,702)</u>	<u>193,228</u>