

ECF Accounts 2016/17

The draft 2016/17 accounts are tabled for consideration.

The results for 2016/17 show a reasonable result with lower loss on activities than had been planned £4,493 which is pleasing compared to the planned loss of £19,211. The improved result has mainly benefited from the change in the 2015/16 accounts resulting in a carry forward of income into the 2016/17 accounts by £9,000 and a much improved collection on Game Fee, producing over double its past take. Thanks go to the Office and the additional assistance (Paul Buswell) recruited to professionalise the invoicing of Game Fee. Given the changes in Game Fee application introduced for this year it is anticipated that this is a one-off improved situation. The contra to this is that we are expecting an increase in players enjoying ECF facilities by joining as Members.

As I reported last time tax returns going back to 2011/12 had not been submitted. This has now corrected.

ECF 2015/16 Accounts

The final accounts are presented for consideration. If members recall at the time of the last meeting the accounts had been tabled but were still subject to final review by audit. You will notice that an adjustment has been made to final version which reduces the surplus and the corporation tax liability for the year. No monies have been lost as such; the treatment of some activities has been moved into 2016/17.

VAT Tribunal

Members will recall at the last Council meeting it was reported that the European Court of Justice was going to rule on the game of Bridge and the implications for the payment of VAT on its fees. The ECF had lodged an appeal on the past four years VAT payments. Unfortunately, the Court ruled against Bridge as a sport and hence the case was lost.

Budget for 2018/19 and onwards

General

The Board is pleased to table its budget for 2018/19 for Council's approval with two further years' budgets for Council's consideration.

The budget for the next three years is ambitious. The Federation is planning to invest in its Junior programme while maintaining a reasonable financial position over the medium term. In the early years the Board will have to utilise some of the Reserve funds, but it will continue to ensure that a reasonably healthy financial position is maintained. The long term goal is still to maintain Reserves of £100k and in the current planning cycle any shortfalls will need to be addressed in 4 or 5 years time.

In the current year there are good indications that Membership numbers are growing; this is probably explained by the changes in Game Fee application and the growth in junior players. The

Board has decided to set targets to grow its Membership numbers by 5% per annum from 2018/19 to 2020/12. This will increase the capacity of the Federation to support its activities. In particular the Board believes investment in Junior chess is vital to address some of the declines experienced by demography –the chess community is getting older. The Federation is planning to invest in its Academy alongside the initiative being promoted by the Chess Trust. The Trust is committing to support an Accelerator Programme for the most talented junior players to enable to have the best support available to encourage them to gain titles and become our strong players of the future.

The increase in Membership numbers will be key to the success of the Board's plan. The Board will be seeking opportunities to increase membership and numbers will be regularly monitored. If numbers and income do not materialise then the expenditure budgets will have to be reviewed.

As a policy the Board is continuing to budget on the basis that the membership will support the core, on-going operational activities of the Federation and that additional discretionary spend (Accelerator Programme, appearance fees) will be funded by contributions from donations, sponsorship and Trust funds as appropriate.

Members should also note that the support activities of the Federation have been experiencing changes. Details are given below.

The Board is continuing to co-operate closely with other organisations, particularly in the Junior arena (Chess Trust, John Robinson Youth Chess Trust) to increase to explore opportunities for increasing membership and avoid duplication of effort and expenditure.

Membership

As already mentioned Member numbers are growing. The budget has been based on a growth of 5% per annum until 2020/21 with an increase in membership fees in 2019/20. Also, the budget takes account of proposals for Junior Membership and Game Fees for 2018/19 onwards. Details of the proposed changes will be presented by the Director of Membership.

The existing membership system will be replaced for the new year 2018/19. PaySubsOnline will be replaced by Azsolve. It is intended that this system will provide an improved interface for Members joining and better information and facilities for use by the Office. As part of the changes the £1 discount for joining online will no longer be available and it is proposed to introduce a regular direct debit facility.

Please note for future years Grading Administration and the management of FIDE fees will move to the Director of Membership from the Home and International Directors respectively.

The Board is improving some of the core services: League Management, Membership system and accounting systems.

Administration

First, the major change during 2016/17 was the housing of the National Chess Library permanently with the Office in enlarged accommodation at Battle. Volunteers have moved the library from Safestore, assembled bookcases, sorted the contents of the many boxes of books (6,000 plus

volumes, started the task of cataloguing the books, and floored the loft spaces above the Office for storage. Particular thanks to George Jelliss, JulieDenning and others for supporting this work.

The new book keeping system is now settling down and management reports are being produced on a regular basis. The engagement of assistance for the invoicing of Game Fee has obviously proved effective and good value for money.

With these changes the administration costs have increased. There is now larger and more appropriate accommodation and support costs have increased.

In the coming months the Office will be heavily involved in implementing the new Membership system.

Home

Activities under the Home Director are stable, but improvements are planned with the development of the League Management System.

The budget reflects the transfer of Grading Administration to Membership and the acquisition of Women's Chess

International

Provision in the budget has been made for the core activities for the International teams and for development. Additional costs of supports these teams are supported by funding from donations and sponsorship.

Junior

A key activity in Junior has been the development of the Academy which has gone well and will continue to be actively supported by the Federation. Also, overseas participation in major junior events has taken place. The organisation of these overseas events (accommodations, flights etc) will in future be handled by an external agency. This will reduce the administration burden of such events.

David Eustace

28th March 2018