

**Directors' Report and
Financial Statements for the Year Ended 31 August 2017
for
English Chess Federation**

DRAFT

English Chess Federation

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English Chess Federation
Company Information
for the Year Ended 31 August 2017

DIRECTORS:

M Truran
D R Thomas
D Eustace
J Clissold
D R C Lawson
Mrs T S Whitfield
M Pein
Miss J L Denning
A Holowczak
S V Woodhouse

REGISTERED OFFICE:

The Watch Oak
Chain Lane
Battle
TN33 0YN

REGISTERED NUMBER:

05293039 (England and Wales)

AUDITORS:

Goatcher Chandler
31 St Georges Square
St Georges Centre
Gravesend
Kent
DA11 0TB

English Chess Federation

Directors' Report for the Year Ended 31 August 2017

The directors present their report with the financial statements of the company for the year ended 31 August 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the furtherance of chess in the United Kingdom.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2016 to the date of this report.

M Truran
D R Thomas
D Eustace
J Clissold
D R C Lawson
Mrs T S Whitfield
M Pein
Miss J L Denning
A Holowczak

Other changes in directors holding office are as follows:

S V Woodhouse - appointed 15 October 2016
Mrs S N Longson - appointed 15 October 2016

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

English Chess Federation

**Directors' Report
for the Year Ended 31 August 2017**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Goatcher Chandler, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
D Eustace - Director

Date:

Report of the Independent Auditors to the Members of English Chess Federation

Opinion

We have audited the financial statements of English Chess Federation (the 'company') for the year ended 31 August 2017 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note eleven to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Report of the Independent Auditors to the Members of English Chess Federation

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of English Chess Federation

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Report of the Auditors to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Report of the Auditors. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report of the Independent Auditors to the Members of
English Chess Federation**

Paul Harris (Senior Statutory Auditor)
for and on behalf of Goatcher Chandler
31 St Georges Square
St Georges Centre
Gravesend
Kent
DA11 0TB

Date:

Note:

The maintenance and integrity of the English Chess Federation website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

English Chess Federation

Income Statement

for the Year Ended 31 August 2017

	Notes	2017 £	2016 £
TURNOVER		473,971	515,054
Administrative expenses		<u>480,114</u>	<u>497,890</u>
OPERATING (DEFICIT)/SURPLUS	4	(6,143)	17,164
Interest receivable and similar income		<u>1,160</u>	<u>978</u>
(DEFICIT)/SURPLUS BEFORE TAXATION		(4,983)	18,142
Tax on (deficit)/surplus	5	<u>-</u>	<u>4,275</u>
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		<u><u>(4,983)</u></u>	<u><u>13,867</u></u>

The notes form part of these financial statements

English Chess Federation (Registered number: 05293039)

Balance Sheet
31 August 2017

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		9,477		1,789
CURRENT ASSETS					
Debtors	7	65,787		68,674	
Cash at bank and in hand		<u>239,443</u>		<u>250,217</u>	
		305,230		318,891	
CREDITORS					
Amounts falling due within one year	8	<u>204,073</u>		<u>205,064</u>	
NET CURRENT ASSETS			<u>101,157</u>		<u>113,827</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>110,634</u>		<u>115,616</u>
RESERVES					
Other reserves	10		38,208		38,208
Income and expenditure account	10		<u>72,426</u>		<u>77,408</u>
			<u>110,634</u>		<u>115,616</u>

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

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
D Eustace - Director

The notes form part of these financial statements

English Chess Federation

Notes to the Financial Statements for the Year Ended 31 August 2017

1. STATUTORY INFORMATION

English Chess Federation is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

First year adoption of Financial Reporting Standard 102 (FRS 102) Section 1A

These financial statements for the year ended 31 August 2017 are the first that are prepared in accordance with FRS 102 Section 1A. The previous financial statements were prepared in accordance with UK GAAP, the date of transition to FRS 102 Section 1A is 1 September 2015.

Turnover

Turnover represents the sale of services, subscriptions and grants received excluding value added tax.

Turnover is recognised in the accounting period to which it relates.

Turnover relating to specific events is recognised in the financial statements in the financial year which the final day of the event falls.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment	20% on cost
Library fixtures & fittings	20% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

English Chess Federation

Notes to the Financial Statements - continued for the Year Ended 31 August 2017

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Events that have not yet commenced or have not been completed

Entry fees and other payments received are recognised at the point that the event is completed.

Where amounts have been received for an event that had not commenced or has not been finished at year end, this is recognised as a liability and is included as accrued income in the financial statements.

Likewise, where payments have been made for an event that has not commenced or is not complete at year-end this is recognised as an asset and is included as a prepayment in the financial statements.

Subscriptions

Members' subscriptions are credited when received, but a provision has been made in the financial statements for the element of subscriptions paid in advance that relates to future years. This is disclosed in Note 8 to the financial statements.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3.

4. OPERATING (DEFICIT)/SURPLUS

The operating deficit (2016 - operating surplus) is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	2,637	1,023
Auditors remuneration	3,100	3,100
Operating lease rentals - Hire of plant & machinery	382	382
Operating lease rentals - Land & buildings	<u>5,200</u>	<u>5,200</u>

English Chess Federation

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

5. TAXATION

Analysis of the tax charge

The tax charge on the deficit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	-	<u>4,275</u>
Tax on (deficit)/surplus	<u>-</u>	<u>4,275</u>

6. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 September 2016	20,525
Additions	<u>10,325</u>
At 31 August 2017	<u>30,850</u>
DEPRECIATION	
At 1 September 2016	18,736
Charge for year	<u>2,637</u>
At 31 August 2017	<u>21,373</u>
NET BOOK VALUE	
At 31 August 2017	<u>9,477</u>
At 31 August 2016	<u>1,789</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	22,186	8,613
Unfinished events	13,007	38,128
Other debtors	<u>30,594</u>	<u>21,933</u>
	<u>65,787</u>	<u>68,674</u>

Included within Other debtors is an amount owed to the British Chess Federation of £10,303 (2016 £10,303)

This amount is interest free and is repayable on demand.

The outstanding amount will be repaid in the following financial year.

English Chess Federation

Notes to the Financial Statements - continued for the Year Ended 31 August 2017

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Subscriptions in advance	55,888	75,147
Trade creditors	6,719	5,000
Unfinished events	53,077	45,030
Taxation and social security	19,561	20,603
Other creditors	<u>68,828</u>	<u>59,284</u>
	<u>204,073</u>	<u>205,064</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	5,200	5,200
Between one and five years	<u>382</u>	<u>382</u>
	<u>5,582</u>	<u>5,582</u>

10. RESERVES

	Income and expenditure account £	Other reserves £	Totals £
At 1 September 2016	77,409	-	77,409
Deficit for the year	(4,983)		(4,983)
Legacies fund	-	36,878	36,878
Alexander prize fund	<u>-</u>	<u>1,330</u>	<u>1,330</u>
At 31 August 2017	<u>72,426</u>	<u>38,208</u>	<u>110,634</u>

11. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

12. ULTIMATE CONTROLLING PARTY

The English Chess Federation is under the ultimate control of the directors.

13. DIRECTORS INTERESTS

The directors of the English Chess Federation are all officer of the British Chess Federation, an unincorporated body. Most of the directors also hold offices in various regional and county chess associations.

English Chess Federation

Reconciliation of Equity
1 September 2015
(Date of Transition to FRS 102)

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS			
Tangible assets	<u>2,812</u>	-	<u>2,812</u>
CURRENT ASSETS			
Debtors	66,156	-	66,156
Cash at bank and in hand	<u>275,537</u>	-	<u>275,537</u>
	<u>341,693</u>	-	<u>341,693</u>
CREDITORS			
Amounts falling due within one year	<u>(242,756)</u>	-	<u>(242,756)</u>
NET CURRENT ASSETS	<u>98,937</u>	-	<u>98,937</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>101,749</u>	-	<u>101,749</u>
NET ASSETS	<u>101,749</u>	-	<u>101,749</u>
RESERVES			
Other reserves	38,208	-	38,208
Income and expenditure account	<u>63,541</u>	-	<u>63,541</u>
	<u>101,749</u>	-	<u>101,749</u>

The notes form part of these financial statements

English Chess Federation

Reconciliation of Equity - continued
31 August 2016

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS			
Tangible assets	<u>1,789</u>	-	<u>1,789</u>
CURRENT ASSETS			
Debtors	68,674	-	68,674
Cash at bank and in hand	<u>250,217</u>	-	<u>250,217</u>
	<u>318,891</u>	-	<u>318,891</u>
CREDITORS			
Amounts falling due within one year	<u>(205,064)</u>	-	<u>(205,064)</u>
NET CURRENT ASSETS	<u>113,827</u>	-	<u>113,827</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>115,616</u>	-	<u>115,616</u>
NET ASSETS	<u>115,616</u>	-	<u>115,616</u>
RESERVES			
Other reserves	38,208	-	38,208
Income and expenditure account	<u>77,408</u>	-	<u>77,408</u>
	<u>115,616</u>	-	<u>115,616</u>

The notes form part of these financial statements

English Chess Federation

Reconciliation of Surplus
for the Year Ended 31 August 2016

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	515,054	-	515,054
Administrative expenses	<u>(497,890)</u>	-	<u>(497,890)</u>
OPERATING SURPLUS	17,164	-	17,164
Interest receivable and similar income	<u>978</u>	-	<u>978</u>
SURPLUS BEFORE TAXATION	18,142	-	18,142
Tax on surplus	<u>(4,275)</u>	-	<u>(4,275)</u>
SURPLUS FOR THE FINANCIAL YEAR	<u><u>13,867</u></u>	<u><u>-</u></u>	<u><u>13,867</u></u>

The notes form part of these financial statements

English Chess Federation

Detailed Income and Expenditure Account
for the Year Ended 31 August 2017

	2017		2016	
	£	£	£	£
Turnover		473,971		515,054
Other income				
Deposit account interest		<u>1,160</u>		<u>978</u>
		475,131		516,032
Expenditure				
Expenditure		<u>477,476</u>		<u>496,867</u>
		(2,345)		19,165
Depreciation				
Fixtures and fittings	1,443		-	
Computer equipment	<u>1,195</u>		<u>1,023</u>	
		<u>2,638</u>		<u>1,023</u>
NET (DEFICIT)/SURPLUS		<u>(4,983)</u>		<u>18,142</u>

This page does not form part of the statutory financial statements