

BCF 2017/18 Accounts

The 2017/18 result is a loss of £34,541. The reason for this is largely from the transfer during the year of the value of the PIF No2 (John Robinson) to the Chess Trust as authorised by Council.

For the transfer, investment holdings with the greatest capital gain were taken from both PIF No 1 and PIF No2 funds to the amount required to transfer the equivalent value of the PIF No 2 fund. This action was under taken to ensure that investments with the greatest capital gain were transferred to a charitable trust; capital gains tax is reduced to zero.

The transfer to the Chess Trust was composed of:

- Capital cost of the investments transferred	- £ 40,303
- Gain from investment activity	- <u>£114,078</u>
- Total transferred	- £154,381

The loss position largely arises from the transfer of the £154,381 with realisable gains of £114,078, but the initial capital investment is not included in the Income and Expenditure account. There were other transactions during the year with capital gains which account for any differences between the transfer to the Chess Trust and the total realisable gain shown in the accounts plus the usual BCF costs. Therefore, the Income and Expenditure account shows a loss as the surplus made on sale (realisable gain) does not equate to the full value donated to the Chess Trust. For comfort, English chess has not actually lost any money; the loss recorded in the BCF will be recorded as a capital asset in the Chess Trust.

At 31st August 2018 the PIF funds had a market value of £270,631.

Transfer of Funds from PIF No 1 to the Chess Trust

At the BCF AGM in October 2019 it was agreed that the PIF No 1 should be transferred to the Chess Trust, subject to the agreement of the Board of Directors of the English Chess Federation. The Board agreed to transfer £70,500 of the funds to the Chess Trust with a request that the funds should be utilised over a period of three years to 2020/21 to:

- For the appointment of a Development Officer
- Women's chess
- International development.

The Directors also requested that both organisations should liaise on the appointment of trustees and provide information on the decisions made by the Trust.

The ECF Board will consider the transfer of the remainder of the PIF No 1 fund by June 2020.

Chess Centre Ltd

The accounts of Chess Centre Ltd are provided for information as they form part of the PIF funds' assets. As a separate company the accounts are approved by the company directors and members, the PIF trustees.

David Eustace, Finance Director