

# **BRITISH CHESS FEDERATION**

**Annual Report and Financial  
Statements**

**Year Ended 31 August 2018**

DRAFT

**BRITISH CHESS FEDERATION**  
**Financial Statements**  
**Year Ended 31 August 2018**

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**BRITISH CHESS FEDERATION**  
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**ORGANISATION INFORMATION**

**Directors**

D Lawson  
M Truran  
D Eustace  
A Holowczak  
M Pein  
D Thomas  
J Clissold  
J Denning  
S Woodhouse  
C Fegan  
A G Elwin

**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:

M Truran  
D R Thomas  
D Eustace  
J Clissold  
D R C Lawson  
M Pein  
J Denning  
A Holowczak  
S V Woodhouse

Other changes in directors holding office are as follows:

Mrs S N Longson - resigned 20 October 2017  
C Fegan - appointed 15 June 2018

A G Elwin was appointed as a director after 31 August 2018 but prior to the date of this report.

T S Whitfield ceased to be a director after 31 August 2018 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 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 2018 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 principles.

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

Date: .....

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**INCOME AND EXPENDITURE ACCOUNT**

	<b>2018</b>	<b>2017</b>
	£	£
<b><u>Income</u></b>		
PIF 1 Dividends	3,442	3,720
PIF 1 Gross interest	1	118
PIF 2 (Robinson) Dividends	3,232	1,814
PIF 2 (Robinson) Gross interest	1	1,188
Realised gains	124,942	1,663
Bank interest	1	1
	<hr/>	<hr/>
	131,619	8,504
<b><u>Expenditure</u></b>		
PIF brokers fees	2,560	2,971
Accountancy	1,752	700
Independent examiners fee	700	500
Other expenditure	144	61
	<hr/>	<hr/>
	5,156	4,232
Surplus for the year before tax	<hr/>	<hr/>
	126,463	4,272
Grants	(5,000)	(5,000)
Donations	(154,381)	-
Corporation tax	(1,623)	(333)
	<hr/>	<hr/>
<b>Surplus / (deficit) for the year</b>	<b>(34,541)</b>	<b>(1,061)</b>

The attached notes form part of these financial statements.



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**BALANCE SHEET**

	Notes	£	2018 £	£	2017 £
<b>Fixed Assets</b>					
PIF 1 investments	4		54,606		80,615
PIF 2 investments	5		113,534		115,315
<b>Current Assets</b>					
Debtors	6	1,129		1,343	
Cash at bank		1,682		6,517	
Cash held by investment managers		2,654		5,257	
		<u>5,465</u>		<u>13,117</u>	
<b>Creditors</b>					
Amounts falling due within one year	7		<u>14,920</u>		<u>15,819</u>
<b>Net Current Assets / (Liabilities)</b>			(9,455)		(2,702)
<b>Total Assets Less Current Liabilities</b>			<u>158,387</u>		<u>193,228</u>
<b>Reserves</b>					
Permanent investment funds 1	8		54,606		80,615
Permanent investment funds 2	8		113,534		115,315
			<u>168,140</u>		<u>195,930</u>
General fund	8		(9,455)		(2,702)
			<u>158,685</u>		<u>193,228</u>

**BRITISH CHESS FEDERATION**  
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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 fund 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>Net</u>
	£	Value	Income
		£	£
Allianz Global Investors UK			
16,942.28 U K Equity Income C Inc NA			758
Invesco Fund Managers			
6,557.62 IP Income & Growth Z Inc			314
6,190.48 Perpetual UK Growth Z Inc			554
BNY Mellon Fund Managers Ltd			
2,000 Newton UK Equity Fund			361
FIL Investment Services (UK) Ltd			
6,250 Fidelity European Values Ordinary			272
Smith & Williamson Fund Administration			
5,141.12 North American Trust			32
First State Investments (UK)			
1,700 Asia Pacific Leaders B NAV	4,995	13,093	96
UK Government			
£8,000 0.125% Index Linked 22/03/29	11,509	11,449	12
Axa Framlington Unit Management			
6,489.74 UK Select Opportunities ZI Dis			133
Link Fund Solutions			
4,750 Trojan Income O Inc NAV	6,369	8,864	258
NB Private Equity Partners Ltd			
1100 Class A Ord Shares USD0.01	8,507	12,485	652
GAM Star Fund Technology Inst			
325 GBP Acc	6,196	11,249	-
Hermes Investment Management US			
3,750 SMID Equity F USD Inc NAV	9,435	10,630	1
Fund Partners Ltd			
3,000 Crux Eurpn Spl Sit I GBP Inc	6,845	6,990	-
	<hr/>	<hr/>	<hr/>
	53,856	74,760	3,442
Unquoted - shares in The Chess Centre Ltd	750	54,836	
	<hr/>	<hr/>	<hr/>
(Market value 31 <sup>st</sup> August 2017 £80,615)	54,606	129,596	3,442

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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	13,128	534
13,500 Global Income Units Instl Inc	10,071	14,277	482
Old Mutual Fund Managers			
4,998.31 UK Mid Cap R Inc			126
Aberdeen Unit Trust Managers			
700 Emerging Markets I Acc NAV	4,047	5,230	51
Beazley plc			
£10,000 5.375% MTN 25/09/19	10,111	10,413	538
Burford Capital plc			
10,000 6.5% Gtd Snr 19/08/22	10,000	10,921	650
International Public Partnerships Ltd			
7,500 Ord	9,519	11,700	512
GVQ Investment Funds (Dublin)			
400 UK Focus	10,303	12,825	245
Polar Capital Funds Japan			
1018.27 I Inc NAV	7,207	10,506	85
Findlay Park Funds plc			
275 American USD Dis	16,709	24,856	-
GAM Star Technology Inst			
100 GBP Acc	1,906	3,461	-
Henderson Global Investors UK I Acc NAV			
7,000 Ord	11,194	11,648	9
Polar Capital Funds PLC UK			
1,000 Value Opps S GBP Inc	12,070	12,070	-
 (Market value 31 <sup>st</sup> August 2017 £150,107)	 <u>113,534</u>	 <u>141,035</u>	 <u>3,232</u>

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

**6. Debtors**

	2018 £	2017 £
Debtors	1,129	1,129
Deferred income	-	214
	<u>1,129</u>	<u>1,343</u>

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

	2018 £	2017 £
Amount owed to English Chess Federation	10,502	10,368
Accruals	2,080	2,803
Taxation	2,338	2,648
	<u>14,918</u>	<u>15,819</u>

**8. Movements in reserves**

	PIF 1	PIF 2	General	Total
Balance at 1 September 2017	80,615	115,315	(2,702)	193,228
Surplus/(Loss) for the year	-	-	(34,541)	(34,541)
Realised gains retained in PIF	(7,623)	(3,242)	10,865	-
Dividends retained in PIF	211	145	(356)	-
Investment charges borne by PIF	(1,279)	(1,281)	2,560	-
Other adjustments	(17,318)	2,599	14,719	(2)
Balance at 31 August 2018	<u>54,606</u>	<u>113,534</u>	<u>(9,455)</u>	<u>158,685</u>