

BRITISH CHESS FEDERATION

**Annual Report and Financial
Statements**

Year Ended 31 August 2019

GOATCHER CHANDLER
CHARTERED ACCOUNTANTS

BRITISH CHESS FEDERATION
Financial Statements
Year Ended 31 August 2019

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ORGANISATION INFORMATION

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

Other changes in directors holding office are as follows:

Mrs T S Whitfield - resigned 13 October 2018
A G Elwin - appointed 13 October 2018

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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
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 2019 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.

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

	2019	2018
	£	£
<u>Income</u>		
PIF 1 Dividends	1,031	3,442
PIF 1 Gross interest	3	1
PIF 2 (Robinson) Dividends	2,270	3,232
PIF 2 (Robinson) Gross interest	6	1
Realised gains	26,627	124,942
Bank interest	2	1
	29,939	131,619
<u>Expenditure</u>		
PIF brokers fees	1,527	2,580
Accountancy	1,878	1,752
Independent examiners fee		700
Other expenditure	137	145
	3,542	5,157
Surplus for the year before tax	26,397	126,462
Grants		(5,000)
Donations	(70,042)	(154,381)
Corporation tax	(338)	73
Surplus / (deficit) for the year	(43,983)	(32,846)

The attached notes form part of these financial statements.

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BALANCE SHEET

	Notes	£	2018 £	£	2018 £
Fixed Assets					
PIF 1 investments	4		40,132		54,908
PIF 2 investments	5		71,206		113,534
Current Assets					
Debtors	6	1,130		1,130	
Cash at bank		14,208		1,682	
Cash held by investment managers		2,644		2,353	
		<u>17,982</u>		<u>5,165</u>	
Creditors					
Amounts falling due within one year	7		<u>12,921</u>		<u>13,225</u>
Net Current Assets / (Liabilities)			5,061		(8,060)
Total Assets Less Current Liabilities			<u>116,399</u>		<u>160,382</u>
Reserves					
Permanent investment funds 1	8		40,132		54,908
Permanent investment funds 2	8		71,206		113,534
			<u>111,338</u>		<u>168,442</u>
General fund	8		5,061		(8,060)
			<u>116,399</u>		<u>160,382</u>

These financial statements were approved by the Management Board on
and were signed on its behalf by:-

David Eustace
Finance Director

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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
	£	£	£
NB Private Eqty Parttners Ltd			
0 Class A Ord Shs	-	-	153
First State Investments (UK)			
1,700 Asia Pacific Leaders B NAV	2,567	6,715	-
UK Government			
£8,000 0.125% Index Linked 22/03/29	5,755	6,524	9
Link Fund Solutions			
4,750 Trojan Income O Inc NAV	5,696	7,302	420
GAM Star Fund Technology Inst			
325 GBP Acc	6,196	12,214	-
Hermes Investment Management US			
3,750 SMID Equity F USD Inc NAV	9,435	10,829	3
Fund Partners Ltd			
3,000 Crux Eurpn Spl Sit I GBP Inc	3,383	3,355	76
Burford Capital Finance LLC			
8,000 6.125% bds USD	6,350	5,673	370
	<u>39,382</u>	<u>52,612</u>	<u>1,031</u>
Unquoted Shares – The Chess Centre Ltd	750	53,482	
(Market value 31 st August 2019)	<u>40,132</u>	<u>106,094</u>	<u>1,031</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			
2,000 Global Income Units Instl Inc	9,637	10,702	656
JP Morgan Asset Mgmt			
25,000 UK Equity Core E Net	15,303	15,128	-
Aberdeen Unit Trust Managers			
450 Emerging Markets I Acc NAV	2,635	3,663	-
Beazley plc			
£10,000 5.375% MTN 25/09/19	-	-	568
Burford Capital plc			
10,000 6.5% Gtd Snr 19/08/22	10,000	10,921	526
International Public Partnerships Ltd			
3,000 Ord	3,808	4,938	-
GVQ Investment Funds (Dublin)			
400 UK Focus	10,303	12,825	315
Findlay Park Funds plc			
150 American USD Dis	9,116	15,780	44
JP Morgan Japanese Inv Tst PLC			
1,000 GBP	4,451	4,475	-
Henderson Global Investors UK I Acc NAV			
7,000 Ord	11,194	11,592	-
Polar Capital Funds PLC UK			
1,000 Value Opps S GBP Inc	11,964	10,780	161
	<u>68,107</u>	<u>77,058</u>	<u>2,270</u>
Cash held by investments managers	3,099		
(Market value 31 st August 2018)	<u>71,206</u>	<u>77,058</u>	<u>2,270</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Debtors

	2019 £	2018 £
Debtors	1,130	1,130
Deferred income	<u>-</u>	<u>-</u>
	<u>1,130</u>	<u>1,130</u>

7. Creditors: Amounts Falling Due Within One Year

	2019 £	2018 £
Amount owed to English Chess Federation	8,734	10,502
Accruals	3,849	2,079
Taxation	<u>338</u>	<u>644</u>
	<u>12,921</u>	<u>13,225</u>

8. Movements in reserves

	PIF 1	PIF 2	General	Total
Balance at 1 September 2018	54,908	113,534	(8,060)	160,382
Surplus/(Loss) for the year	-	-	(43,983)	(43,983)
Realised gains retained in PIF	1,389	3,241	(10,864)	-
Dividends retained in PIF	2113	145	(356)	-
Investment charges borne by PIF	(579)	(1,281)	2,760	-
Other adjustments	(16,002)	(3,886)	35,948	-
Balance at 31 August 2019	<u>40,132</u>	<u>71,206</u>	<u>5,061</u>	<u>116,399</u>