

# **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**

<b>Directors</b>	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
<b>Trustees</b>	R Edwards I Keen
<b>Bankers</b>	NatWest Bank Havelock Road Hastings East Sussex TN34 1GW
<b>Investment Managers</b>	Smith & Williamson Investment Management 25 Moorgate London EC2R 6AY
<b>Independent Examiners</b>	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

*22<sup>nd</sup> May 2020*

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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 [icaw.com/regulations](http://icaw.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*

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

Date: 30/9/19

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**INCOME AND EXPENDITURE ACCOUNT**

	2019 £	2018 £
<b><u>Income</u></b>		
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
	<hr/> 29,939	<hr/> 131,619
<b><u>Expenditure</u></b>		
PIF brokers fees	1,069	2,560
Accountancy	978	1,752
Independent examiners fee	900	700
Other expenditure	136	145
	<hr/> 3,083	<hr/> 5,157
 Surplus for the year before tax	 <hr/> 26,856	 <hr/> 126,462
Grants	(2,500)	(5,000)
Donations	(70,500)	(154,381)
Corporation tax	(641)	73
 <b>Surplus / (Deficit) for the Year</b>	 <hr/> <b>(46,785)</b>	 <hr/> <b>(32,846)</b>

The attached notes form part of these financial statements.

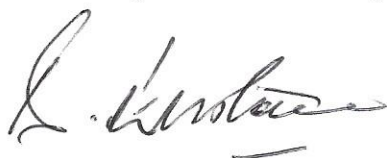


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**BALANCE SHEET**

	Notes	£	2019 £	2018 £
<b>Fixed Assets</b>				
PIF 1 investments	4		40,132	54,908
PIF 2 investments	5		71,206	113,534
<b>Current Assets</b>				
Debtors	6	1,130		1,130
Cash at bank		14,208		1,682
Cash held by investment managers		<u>2,644</u>		<u>2,353</u>
		17,982		5,165
<b>Creditors</b>				
Amounts falling due within one year	7	<u>15,723</u>		<u>13,225</u>
<b>Net Current Assets / (Liabilities)</b>			2,259	(8,060)
<b>Total Assets Less Current Liabilities</b>			<u>113,597</u>	<u>160,382</u>
<b>Reserves</b>				
Permanent investment funds 1	8		40,132	54,908
Permanent investment funds 2	8		<u>71,206</u>	<u>113,534</u>
			111,338	168,442
General fund	8		2,259	(8,060)
			<u>113,597</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

*22<sup>nd</sup> May 2020*

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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 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 Value</u> £	<u>Net Income</u> £
NB Private Eqty Partners Ltd 0 Class A Ord Shs	-	-	153
First State Investments (UK) 850 Asia Pacific Leaders B NAV	2,567	6,715	138
UK Government £4,000 0.125% Index Linked 22/03/29	5,755	6,524	9
Link Fund Solutions 7,000 Trojan Income X Dis	5,696	7,302	420
GAM Star Fund Technology Inst 487 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 1,500 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	232
	<u>39,382</u>	<u>52,612</u>	<u>1,031</u>
Unquoted Shares – The Chess Centre Ltd	750	53,486	-
(Market value 31 <sup>st</sup> August 2019)	<u>40,132</u>	<u>106,098</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>
	<u>£</u>	<u>Value</u>	<u>Income</u>
		<u>£</u>	<u>£</u>
Artemis Fund Managers			
2,000 UK Select I Acc	9,637	10,702	656
JP Morgan Asset Mgmt			
25,000 UK Equity Core E Net	15,302	15,128	-
Aberdeen Standard FMS			
450 Emerging Markets I Acc NAV	2,635	3,663	-
Beazley plc			
£10,000 5.375% MTN 25/09/19	-	-	538
Burford Capital plc			
10,000 6.5% Gtd Snr 19/08/22	-	-	-
International Public Partnerships Ltd			
3,000 Ord	3,808	4,938	525
GVQ Investment Funds (Dublin)			
400 UK Focus	-	-	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	192
	<u>68,107</u>	<u>77,058</u>	<u>2,270</u>
Cash held by investments managers	3,099		
(Market value 31 <sup>st</sup> August 2019)	<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
	<u>1,130</u>	<u>1,130</u>

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

	2019 £	2018 £
Amount owed to English Chess Federation	11,234	10,502
Accruals	3,848	2,079
Taxation	641	644
	<u>15,723</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	-	-	(46,785)	(46,785)
Realised gains retained in PIF	8,964	17,327	(26,291)	-
Dividends retained in PIF	1,043	2,330	(3,373)	-
Investment charges borne by PIF	(579)	(1,078)	1,657	-
Other adjustments	(24,204)	(60,907)	85,111	-
Balance at 31 August 2019	<u>40,132</u>	<u>71,206</u>	<u>2,259</u>	<u>113,597</u>