

# **BRITISH CHESS FEDERATION**

**Annual Report and Financial Statements**

**Year Ended 31 August 2020**

Watson Associates (Professional Services) Limited  
Chartered Accountants

**BRITISH CHESS FEDERATION**

**Financial Statements  
For the Year Ended 31 August 2020**

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# BRITISH CHESS FEDERATION

## Financial Statements For the Year Ended 31 August 2020

### 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>	Watson Associates (Professional Services) Limited 30-34 North Street Hailsham East Sussex BN27 1DW

# **BRITISH CHESS FEDERATION**

## **Financial Statements For the Year Ended 31 August 2020**

### **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:

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

# BRITISH CHESS FEDERATION

## Financial Statements For the Year Ended 31 August 2020

### 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any materials 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:-

**Adam Ashton**  
Finance Director

# **BRITISH CHESS FEDERATION**

## **Financial Statements For the Year Ended 31 August 2020**

### **INDEPENDENT EXAMINER'S 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 2020 as set out on pages 6 to 11 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 8.

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 Association of Chartered Certified Accountants. As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/rulebook>.

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.

**BRITISH CHESS FEDERATION**

**Financial Statements  
For the Year Ended 31 August 2020**

**INDEPENDENT EXAMINER'S 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 our 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.

***Watson Associates (Professional Services) Limited***

Chartered Accountants  
30 – 34 North Street  
Hailsham  
East Sussex  
BN27 1DW

Date: .....

**BRITISH CHESS FEDERATION**

**Financial Statements  
For the Year Ended 31 August 2020**

**INCOME AND EXPENDITURE ACCOUNT**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b><u>Income</u></b>		
PIF 1 Dividends	475	1,031
PIF 1 Gross interest	383	3
PIF 2 (Robinson) Dividends	952	2,270
PIF 2 (Robinson) Gross interest	7	6
Realised gains	1,523	26,627
Bank interest	2	2
	<hr/> 3,342	<hr/> 29,939
<b><u>Expenditure</u></b>		
PIF brokers fees	1,186	1,069
Accountancy	1,050	978
Independent examiners fee	1,050	900
Other expenditure	31	136
	<hr/> 3,317	<hr/> 3,083
Surplus for the year before tax	<hr/> 25	<hr/> 26,856
Grants	-	(2,500)
Donations	-	(70,500)
Corporation tax	(58)	(641)
<b>Surplus / (Deficit) for the year</b>	<hr/> <hr/> <b>(33)</b>	<hr/> <hr/> <b>(46,785)</b>

The attached notes form part of these financial statements.



**BRITISH CHESS FEDERATION**  
**Financial Statements**  
**For the Year Ended 31 August 2020**

**BALANCE SHEET**

	Notes	£	2020 £	£	2019 £
<b>Fixed Assets</b>					
PIF 1 investments	4		46,322		40,132
PIF 2 investments	5		65,817		71,206
<b>Current Assets</b>					
Debtors	6	1,130		1,130	
Cash at bank		1,288		14,208	
Cash held by investment managers		<u>3,995</u>		<u>2,644</u>	
		6,413		17,982	
<b>Creditors</b>					
Amounts falling due within one year	7		<u>4,988</u>		<u>15,723</u>
<b>Net Current Assets / (Liabilities)</b>			1,425		2,259
<b>Total Assets Less Current Liabilities</b>			<u>113,564</u>		<u>113,597</u>
<b>Reserves</b>					
Permanent investment funds 1	8		46,322		40,132
Permanent investment funds 2	8		<u>65,817</u>		<u>71,206</u>
			112,139		111,338
General fund	8		1,425		2,259
			<u>113,564</u>		<u>113,597</u>

The financial statements were approved by the Management Board on .....  
and were signed on its behalf by:

**Adam Ashton**  
Finance Director

# BRITISH CHESS FEDERATION

## Financial Statements For the Year Ended 31 August 2020

### 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.

**BRITISH CHESS FEDERATION**

**Financial Statements  
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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
	£	£	£
First State Investments (UK)			
850 Asia Pacific Leaders B NAV	2,626	7,015	60
UK Government			
£4,000 0.125% Index Linked 22/03/29	5,755	6,415	-
Link Fund Solutions			
7,000 Trojan Income X Dis	5,696	6,521	275
GAM Star Fund Technology Inst			
487 GBP Acc	-	-	-
Hermes Investment Management US			
3101 SMID Equity F USD Inc NAV	4,716	4,961	11
Fund Partners Ltd			
0 Crux Eurpn Spl Sit I GBP Inc	-	-	66
Burford Capital Finance LLC			
8,000 6.125% bds USD	6,350	5,374	-
Grainger PLC			
1,250 Ordinary GBP 0.05	3,632	3,913	-
Scottish Mortgage Inv Trust			
825 Ordinary GBP 0.05	6,065	7,932	-
Fidelity Special Values			
3,000 Ordinary GBP 0.05	<u>5,503</u>	<u>5,448</u>	<u>63</u>
	<u>40,343</u>	<u>47,579</u>	<u>475</u>
Cash held by investment managers	5,229		
Unquoted Shares - The Chess Centre Ltd	750	49,990	-
(Market value 31 August 2020)	<u>46,322</u>	<u>97,569</u>	<u>475</u>

**BRITISH CHESS FEDERATION**

**Financial Statements  
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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>Net</u>
	£	Value	Income
	£	£	£
Artemis Fund Managers			
0 UK Select I Acc	-	-	139
JP Morgan Asset Mgmt			
25,000 UK Equity Core E Net	14,929	12,810	-
Aberdeen Standard FMS			
0 Emerging Markets I Acc NAV	-	-	30
International Public Partnerships Ltd			
3,000 Ord	3,808	4,986	215
Findlay Park Funds PLC			
150 American USD Dis	9,116	16,596	-
JP Morgan Japanese Inv Tst PLC			
1,000 GBP	4,451	5,460	277
Henderson Global Investments UK I Acc NAV			
3500 Ord	5,597	6,041	-
Polar Capital Funds PLC UK			
0 Value Opps S GBP Inc	-	-	280
Ninety One Fund Manager UK Ltd			
8600 UK Alpha J GBP Inc	8,770	9,991	-
Wisdomtree Medical Securities			
30 Physical Gold	3,786	4,199	-
Fundsmith LLP			
1750 Equity 1 Fund Inc GBP	7,344	8,409	11
Fidelity China Special Sits			
1200 Ord GBP 0.01 Regs	3,782	3,852	-
S&W Investment Funds			
200 AI Fund 2 GBP	<u>3,871</u>	<u>4,453</u>	<u>          </u>
	<u>65,454</u>	<u>76,797</u>	<u>952</u>
Cash held by investment managers	363		
(Market value 31 August 2020)	<u>65,817</u>	<u>76,797</u>	<u>952</u>

**BRITISH CHESS FEDERATION**

**Financial Statements  
For the Year Ended 31 August 2020**

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

**6. Debtors**

	2020 £	2019 £
Debtors	1,130	1,130
	<u>1,130</u>	<u>1,130</u>

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

	2020 £	2019 £
Amount owed to English Chess Federation	792	11,234
Accruals	4,145	3,848
Taxation	51	641
	<u>4,988</u>	<u>15,723</u>

**8. Movements in reserves**

	PIF 1	PIF 2	General	Total
Balance at 1 September 2019	40,132	71,206	2,259	113,597
Surplus/(Loss) for the year	-	-	(33)	(33)
Realised gains retained in PIF	6,375	(4,851)	(1,524)	-
Dividends retained in PIF	410	784	(1,194)	-
Investment charges borne by PIF	(480)	(706)	1,186	-
Other adjustments	(115)	(616)	731	-
	<u>46,322</u>	<u>65,817</u>	<u>1,425</u>	<u>113,564</u>