

**Report of Finance Committee Chairman to ECF Council
April 2022**

It has always puzzled me that I am not actually required to submit a report to Finance Council. I like to do so, but apologise for their serial late appearance. I shall return to the reasons for that, and to my proposals to improve matters.

The good news is that we recently saw the best Budget in recent times, in the senses both of the strength of the Federation's finances and the quality of the underlying information. The Finance Director's report, which I commend, paints a very encouraging picture, and in his Budget he is able to combine unchanged level of membership fees with increased expenditures within the International and Women's portfolios.

The biggest single reason for this is that membership income has held up far better than our worst fears. After two years, Covid restrictions are mostly over and people are playing OTB chess again, even if not quite as much of it. There was a very useful windfall gain from the sale of duplicates from the library - this will not be repeated, but its magnitude was much greater than I expected and I congratulate whomever was responsible. There was also a substantial contribution from the ECF's online chess offering. I had not grasped the full scale of this and perhaps that one will be repeatable.

Even so, I am not entirely clear on how our finances have improved quite so much since the dark days twelve months ago and look forward to seeing the full accounts, including a balance sheet.

I note the FD's comment that, in view of the new relationship with the Chess Trust, it should be possible to reduce the size of the reserves held within the ECF "for a rainy day". I agree there is no point in two separate sums of money being held in different places for the same purpose.

This brings me to the slightly less good news, which is the timeliness of information. While there have been great improvements, it is still the case that the proposed Budget appeared two weeks ago and, with the intervention of Easter, it has not been possible for the Finance Committee to study it with due care and then schedule a meeting on which this report would have been based. I shall plan a meeting in the near future, ideally when we are in a position to look at a full set of accounts for 2020/21. My report to the 2022 AGM should then be easier to write.

I have a proposal for the timetable in future years.

Our year end is 31/8, so the statutory requirement is that we submit our audited accounts within nine months, so by the following 31/5. I suggest that our internal target date should be after six months, so by 28/2. That way, FC would have plenty of time to consider them in detail and produce a report well before the April Finance Council. I believe this should be achievable, given that we have dedicated staff fully familiar with the new systems, and would be appreciated by Council.

I apologise once again for the fact that, for reasons stated above, this report is appearing so close to the date of the meeting. I hope that it can somehow be shoehorned into the agenda, but in any case it will appear on the record.

Nick Faulks

21.4.2022