

# Finance Director Report

28<sup>th</sup> March 2023

## Summary

I would like to start by thanking all our members for their continued support. It does finally seem that we are putting the dark days of Covid behind us. I wrote this time last year that I hoped our membership would recover to (pre Covid) 19/20 levels or slightly exceed them. In reality we exceeded those numbers by several thousand and membership numbers continue to grow strongly in the current year. Indeed, it does seem like chess is enjoying something of a boom, with on-line servers like chess.com reporting record numbers of players/games. Turning these on-line players in to ECF members and OTB players is therefore an obvious aim.

Towards that purpose we continue to try and improve our membership package to provide the best value possible. This includes the successful introduction of rolling membership and an increasingly popular rewards package, feedback on the newsletter has also been excellent. Student membership is next on the list and should be implemented in the near future.

It is also good to see many tournaments returning to the calendar, though it's clear that organisers face increasing difficulties with rising costs (venues in particular). The budgets for many of our major events have been revised for this reason. Rising costs and the general cost of living crisis are the main challenges facing us over the next 12 months.

The strong recovery has enabled the ECF itself to be extremely active, organising numerous events including the British Championships, various English Championships and a successful Cambridge International.

Our juniors have made tremendous progress and with numerous players now competing at the very top of their age groups it is clear we possess some potential world class players. Our best juniors are well supported by The Chess Trust which funds the ECF accelerator programme.

The Chess Trust and the John Robinson Youth Trust play an important role in English chess for those that may be unaware. They supported the ECF enormously during Covid and they continue to support tournaments and chess activity across the country. I'm keen to make members and of course organisers in particular, more aware of the good work these funds do and the opportunities they provide.

### **Final 2021/22 result**

We have an unaudited loss of £24,157, a good result considering our original budget for 21/22 was a loss of £57,296 (revised to a loss of £36,001 in the updated forecast before last year's finance council meeting).

Membership income was around £30k better than anticipated but the late Olympiad move to India ended up taking us £20k over budget on International spend.

The British and other home events are increasingly expensive to run and were a little over budget. We have amended expectations there for future years to be more realistic.

Library and DGT clock sales provided a one-off boost to finances.

### **Current Year 2022/23**

Membership numbers for the current year are excellent (14,436 around 15/2/23). Assuming this trend continues I've estimated we will be around £20k over our previous estimate.

The reward scheme continues to grow and now generates several thousand pounds.

We have supported several unbudgeted events (Cambridge Int'l, World Senior Team Championships, European Senior Team Championships). There has been a lot of positive feedback on all of those and I have built them in to the budget for future years. Our veteran's success is certainly something to be celebrated!

We've adjusted the British and Home events as they will run over the previous budget by some £15k. As mentioned above, the previous budget was simply not realistic with the rising costs of venues etc. Both The Chess Trust and the JR Trust are also providing extra funding and this is included in the income figures.

With regard to the office, we still only have one full time member of staff. However, Debra is now working 4 days a week. Given the increase in membership and activity they are extremely busy. To relieve that somewhat David Clayton is now assisting the office on the Grand Prix and IT issues. Gary Willson has also taken on the junior trip organising role (in addition to game fee duties) on an hourly basis as the previous provider no longer wished to continue. Otherwise we have retained a lot of efficiency savings from Covid period (lower rent, zoom meetings etc).

### **2023/24 Budget**

The spreadsheet is attached but I've commented on what I think are the major points below:

#### **Membership**

I've estimated the final membership for 22/23 on the 'membership accruals' spreadsheet. Then used those figures to estimate membership (see 2024 membership estimates

spreadsheet). As usual I have been somewhat conservative with my estimates to ensure we have a prudent figure to work with in the budget, we may well hope it comes in a little higher.

We have held the price at the same level for some years and given the rising costs it feels like a natural time to increase membership prices. However, the board feel that this can be delayed until next year. This will mean a likely loss in 2023/34 but given that we are well above our 'target' reserves of £50,000 it is affordable and serves as a thank you to our members and perhaps some small help in the ongoing cost of living crisis.

### Home

We've increased expenditure on the British and other Home events to a realistic level to decrease pressure on the organisers. Chessable sponsorship has ceased following their take over by chess.com so the ECF will fund the Grand Prix etc in the absence of any further sponsorship, albeit at a lower level.

### Junior

The junior directorate now has £2,000 to support our accelerator students with entry fees etc.

We are now organising international junior trips internally, so there is a fair amount of income collected for junior trips, this is mostly sent directly to the organiser but there should be a small surplus of £3,000 which is included in the budget. This will now go in to a bursary fund which will operate more clearly than the previous fairly unused scheme.

### Women

Have increased support for English Women's Championships which reduces the discretionary element slightly but otherwise unchanged.

### International

The European Team Championships take place in 23/24 and is currently estimated at around £45,000. International budget now includes support for senior team events.

### Admin

Costs in general are rising and some figures have been updated as a result. Regular wages have increased and the cost of David Clayton/Gary Willson providing additional services built in.

We have not excelled at publicity and PR and have increased the budget in this area. This is aimed at making our organisation more attractive to sponsors.

### **2024/25 Forecast**

A forecast for 2024/25 is included to indicate the direction of travel. This will be revised for the budget next year of course.

At the moment this shows that despite including a modest price increase we would still be approaching our target reserve figure of £50,000. At that point we would therefore have to cut back slightly on spending or increase fees. There are a couple of reasons to think that our actual position will be a little better than that:

1/ The budget assumes no sponsorship for either our main events or national team. We generally have some success raising money for International events and are working on sponsorship for the British Championships etc.

2/ My membership predictions are quite conservative to ensure that we are spending within our means but I would be disappointed if we didn't come in a little higher.

Adam Ashton

Finance Director

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