

# **BRITISH CHESS FEDERATION**

**Annual Report and Financial Statements**

**Year Ended 31 August 2021**

Watson Associates (Professional Services) Limited  
Chartered Accountants

# **BRITISH CHESS FEDERATION**

## **Financial Statements For the Year Ended 31 August 2021**

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**BRITISH CHESS FEDERATION**

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**ORGANISATION INFORMATION**

**DIRECTORS:**

D R C Lawson  
M Truran  
D Eustace  
A Holowczak  
M Pein  
D R Thomas  
J Clissold  
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 1GW

**INVESTMENT MANAGERS:**

Smith & Williamson Investment Management  
25 Moorgate  
London  
EC2R 6AY

**INDEPENDENT EXAMINERS:**

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 2021**

### **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  
J L Denning  
S V Woodhouse  
C Fegan  
A G Elwin

**BRITISH CHESS FEDERATION**

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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 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 2021**

### **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 2021 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.

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**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 2021**

**INCOME AND EXPENDITURE ACCOUNT**

	2021	2020
	£	£
<b><u>Income</u></b>		
PIF 1 Dividends	505	475
PIF 1 Gross interest	357	383
PIF 2 (Robinson) Dividends	824	952
PIF 2 (Robinson) Gross interest	-	7
Realised gains	5,178	1,523
Bank interest	-	2
	6,864	3,342
<b><u>Expenditure</u></b>		
PIF brokers fees	1,305	1,186
Accountancy	1,050	1,050
Independent examiners fee	1,050	1,050
Other expenditure	49	31
	3,454	3,317
Surplus for the year before tax	3,410	25
Grants	-	-
Donations	-	-
Corporation tax	-	(58)
<b>Surplus / (Deficit) for the year</b>	<b>3,410</b>	<b>(33)</b>

The attached notes form part of these financial statements.



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**BALANCE SHEET**

			<b>2021</b>		<b>2020</b>
	Notes	£	£	£	£
<b>Fixed Assets</b>					
PIF 1 investments	4		41,020		46,322
PIF 2 investments	5		67,969		65,817
<b>Current Assets</b>					
Debtors	6	1,130		1,130	
Cash at bank		1,320		1,288	
Cash held by investment managers		<u>12,707</u>		<u>3,995</u>	
		15,157		6,413	
<b>Creditors</b>					
Amounts falling due within one year	7		<u>7,171</u>		<u>4,988</u>
<b>Net Current Assets / (Liabilities)</b>			7,986		1,425
<b>Total Assets Less Current Liabilities</b>			<u>116,975</u>		<u>113,564</u>
<b>Reserves</b>					
Permanent Invested Fund 1	8		41,020		46,322
Permanent Invested Fund 2	8		<u>67,969</u>		<u>65,817</u>
			108,989		112,139
General fund	8		7,986		1,425
			<u>116,975</u>		<u>113,564</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 2021

### 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	2,676	9,115	48
UK Government			
£4,000 0.125% Index Linked 22/03/29	5,755	6,501	-
Link Fund Solutions			
7,000 Trojan Income X Dis	5,696	7,137	185
Premier Portfolio managers			
1,300	4,593	4,668	-
Burford Capital Finance LLC			
8,000 6.125% bds USD	6,350	6,161	-
Grainger PLC			
1,250 Ordinary GBP 0.05	3,632	3,993	68
Scottish Mortgage Inv Trust			
825 Ordinary GBP 0.05	6,065	11,294	28
Fidelity Special Values			
3,000 Ordinary GBP 0.05	<u>5,503</u>	<u>9,255</u>	<u>176</u>
	<u>40,270</u>	<u>58,124</u>	<u>505</u>
Unquoted Shares - The Chess Centre Ltd	750	49,990	-
	<u>41,020</u>		
Cash held by investment managers	9,995		
(Market value 31 August 2021)	<u>51,015</u>	<u>108,114</u>	<u>505</u>

**BRITISH CHESS FEDERATION**

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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
	£	£	£
JP Morgan Asset Mgmt			
25,000 UK Equity Core E Net	14,929	15,975	355
International Public Partnerships Ltd			
3,000 Ord	3,808	5,184	221
Findlay Park Funds PLC			
100 American USD Dis	6,077	13,877	-
JP Morgan Japanese Inv Tst PLC			
1,000 GBP	4,451	6,610	51
Ninety One Fund Manager UK Ltd			
8600 UK Alpha J GBP Inc	8,686	11,351	111
Wisdomtree Medical Securities			
30 Physical Gold	3,786	3,728	-
Fundsmith LLP			
1750 Equity 1 Fund Inc GBP	7,344	10,457	29
Fidelity China Special Sits			
1200 Ord GBP 0.01 Regs	3,782	4,176	56
ES River & Mercantile			
1,000	6,025	6,416	1
Neuberger Berman Investments			
12 GBP	5,210	5,170	-
S&W Investment Funds			
200 AI Fund 2 GBP	<u>3,871</u>	<u>5,741</u>	<u>-</u>
	<u>67,969</u>	<u>88,685</u>	<u>824</u>
Cash held by investment managers	2,711		
(Market value 31 August 2021)	<u>70,680</u>	<u>88,685</u>	<u>824</u>

**BRITISH CHESS FEDERATION**

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

**6. Debtors**

	2021 £	2020 £
Debtors	1,130	1,130
	<u>1,130</u>	<u>1,130</u>

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

	2021 £	2020 £
Amount owed to English Chess Federation	875	792
Accruals	6,245	4,145
Taxation	51	51
	<u>7,171</u>	<u>4,988</u>

**8. Movements in reserves**

	PIF 1	PIF 2	General	Total
Balance at 1 September 2021	46,322	65,817	1,425	113,564
Surplus/(Loss) for the year	-	-	3,410	3,410
Realised gains retained in PIF	1,679	3,499	(5,178)	-
Dividends retained in PIF	457	824	(1,281)	-
Investment charges borne by PIF	(552)	(752)	1,304	-
Other adjustments	(6,886)	(1,419)	8,305	-
	<u>41,020</u>	<u>67,969</u>	<u>7,985</u>	<u>116,975</u>
Balance at 31 August 2021	<u>41,020</u>	<u>67,969</u>	<u>7,985</u>	<u>116,975</u>