

Report of Finance Committee Chairman to ECF Finance Council

April 2024

In recent reports to Council I have made the point that, following the Covid lockdowns and the relative lack of excess funds to spend on English chess activities, my Committee's task of overseeing the ECF's finances has been a relatively uncomplicated one. In the months since last October's AGM, all this has changed.

Following a campaign which I believe has been ongoing for several years, a grant has been agreed from the Department of Culture, Media and Sport. While we have not seen the full terms of the agreement, we understand this will result in the transfer of sums totalling £500,000 to the ECF in respect of activities during the two years to 31.3.2025. There are restrictions regarding the use of these funds, but the intention of the Board is that £360,000 will be directed to international chess, with the remainder applied to strategic initiatives which will improve the state of the game in England.

I hope that readers will already have studied the Finance Director's excellent report – if not, this would be a good time to do so! It is quite long and the Executive Summary paints a clear picture, but I recommend that all Delegates should read the entire document.

Even ignoring the DCMS grant, I concur with his view that the ECF is financially in good shape. I am pleased to see the importance given to ensuring that the road ahead will not be disrupted by the arrival of the special funds and perhaps ( the only safe assumption ) their termination in 2025.

I am pleased that the audited accounts for 2022/3 are completed and ready for signature. I believe that both the FD and the Auditor share my view that the process could still be accelerated. The FD has provided a comparison of the audited numbers with the earlier budget, which shows nothing untoward.

The updated Budget for the current and future years, based on the proposed new membership rates, looks entirely reasonable. As always, the greatest uncertainty lies with the forecast membership figures, exacerbated this time by the combined effects of the revised membership classes and rolling membership. It is not clear to me how the pattern of memberships may change, but we shall have more information in June, as lapsed members rejoin, and then in the following months as the bulk of regular renewals come through. At present I see no cause for concern.

The matter of the greatest current interest is the use of the DCMS funds. There is evidently a functioning system in place to consider requests related to international chess, and I hope we shall be kept informed of such payments as they are approved, but nothing similar for the grassroots investments. My Committee has put together a detailed process by which such requests might be judged, as well as a template for them. We believe that we could be very helpful in the systematic consideration of these proposals.

The past two months have been very busy for everyone involved in the ECF's finances, most notably the Finance Director. I would like to thank Alex for keeping me abreast of the many drafts of the documents now being submitted to Council. I am also grateful to my FC colleagues for their swift and helpful comments when I have sent these on. Finally, the new system of brief quarterly meetings between the FD, the CEO and myself has, I think, worked well. We look forward to an interesting and fruitful year.

Nick Faulks

7<sup>th</sup> April 2024