

ANNUAL REPORT OF THE MANAGEMENT BOARD

Paragraph 5.5 of the BCF Constitution requires the Management Board to present an annual report to Council.

The Management Board

Under paragraph 5.2 of the BCF Constitution, the Management Board consists of the Officers, who are defined by paragraph 3.3 as “the Directors (with the exception of any Director who elects in writing not to so serve and in that event the Board of English Chess Federation shall appoint replacement Directors) and the Secretary of English Chess Federation, for the time being, including the President thereof, who shall also be the President of the Federation.” No Directors have elected in writing not to so serve, so the Management Board since the 2009 Annual Council Meeting has comprised:

CJ de Mooi (President)
Chris Majer (Chief Executive)
John Paines (Non-Executive Chairman) – appointed October 2009
Gareth Caller (Finance Director) – appointed November 2009
Lawrence Cooper (International Director)
Peter Purland (Junior Director)
Adam Raoof (Home Director)
Stewart Reuben (Marketing Director)
Alan Martin (Non-Executive Director)
John Wickham (Non-Executive Director)
Geoff Steele (Secretary)

The Management Board for 2010/11 will be the same as the ECF Board elected at the AGM (unless any Director elects in writing not to serve) plus the Secretary, and for this reason there is no item on the present BCF agenda for elections.

The need for an ongoing BCF

When the English Chess Federation was established in 2005 as a company limited by guarantee, the BCF was retained as a separate organisation for the following reasons:

- (a) There are wills that have been made benefitting the BCF. In the event of the dissolution of the BCF, it is not certain that the benefits would pass to a successor organisation.
- (b) The BCF constitution does not provide for the dissolution of the BCF.

- (c) Any dissolution, however, carefully arranged, might overlook some asset or liability of the BCF which it would be difficult to novate.
- (d) The name might be adopted by others.

The BCF Constitution was simplified at the time, and an additional object included, namely “to support the English Chess Federation”.

The general fund and the legacies fund as they stood at the date of transfer were moved to the ECF, and subsequently the BCF has, with one significant exception, merely acted as a conduit for funds to reach the ECF. The significant exception relates to the Permanent Invested Fund (“PIF”). This was established by a trust deed in 1929, and until the trust deed next comes up for renewal in 2013, this remains legally the PIF of the BCF rather than the ECF, and therefore continues to be reported in the BCF rather than the ECF accounts.

In the BCF accounts, the PIF is reported in two parts: the original PIF on page 3 and what is referred to as the PIF – Robinson on page 4. The background to the latter is that John Robinson had left to the BCF in his will a one third share in his house and 91 out of 100 shares in the residue of his estate, which were worth in aggregate approximately £650,000. As matters stood, a substantial proportion of the £650,000 would have had to be paid as inheritance tax and thereby lost to the chess community. An extraordinary Council meeting in June 2006 approved a variation of the will as a result of which £521,000 was used to create the John Robinson Youth Chess Trust (which took this amount outside the scope of Inheritance Tax) with just the balance of £129,000 (which was inside the inheritance tax threshold) being received by the BCF. Council further resolved that the monies received by the BCF be paid to the PIF Trustees subject to the Management Board reaching agreement with the Trustees about a suitable investment policy. John Robinson’s will had requested that £10,000 be used each year for promoting and endowing the British Chess Championships, and this request is being met partly by the PIF-Robinson and partly by the John Robinson Youth Chess Trust, given that there is a considerable youth element in the Championships which can be properly supported by the Trust.

Board meetings and governance

The BCF Constitution only requires the Management Board to meet once a year, and this requirement has generally been addressed by a meeting on the morning of the Annual Council Meeting. The Board recognises that this practice is insufficient by itself, since if a problem has arisen there is likely to be insufficient time to address it prior to the start of the Council Meeting. This year the Board has also met on the morning of the Finance Council Meeting and on 11th September (on the same day as an ECF Board meeting), and the need for more frequent meetings going forward is accepted.

The Board entirely understands the strong views expressed by Council in April about the fact that the 2009 BCF accounts, which had been held over since the previous Annual Council

Meeting were still not available. Having got up to date at the 2010 Annual Council Meeting the Board will use its best endeavours going forward to ensure that accounts are available at the AGM.

The revised BCF constitution omitted to include the Chairman of the ECF Governance Committee as a member of the BCF Council, and the Governance Committee therefore currently has no standing in BCF matters. One of the amendments to the Constitution proposed on the agenda seeks to rectify this: the active involvement of the Governance Chairman is likely to ensure that Board is regularly reminded of its responsibilities. The other Constitutional changes proposed are:

- (1) To make the ECF Non-Executive Chairman the default chairman for BCF Council and Management board meetings, in line with the changes to the ECF Articles approved in April.
- (2) To provide for an independent examination rather than an audit of the BCF's accounts, thereby saving costs.