CHESS IN SCHOOLS AND COMMUNITIES

England & Wales · Charity number 1133120

Details

Status	Registered
Legal form	Charitable company
Company number	07017640
Registered	2009-12-04
Register	View on the Charity Commission register

Contact

Address	44 Baker Street London W1U 7RT
Phone	02079353445
Email	malcolmpein@aol.com
Website	www.chessinschools.co.uk

Activities

Objects: 3.1 THE ADVANCEMENT OF EDUCATION FOR THE PUBLIC BENEFIT BY PROMOTING THE MENTAL AND MORALDEVELOPMENT AND IMPROVEMENT OF YOUNG PEOPLE, IN PARTICULAR THOSE WHO ARE SOCIALLY ANDECONOMICALLY DISADVANTAGED, THROUGH THE PROMOTION, TEACHING, COACHING, PLAYING ANDCOMPETITION OF CHESS.3.2 THE ADVANCEMENT OF AMATEUR SPORT, INCLUDING THE ENCOURAGEMENT OF COMMUNITY PARTICIPATION,FOR THE PUBLIC BENEFIT, THROUGH THE PROMOTION, TEACHING, COACHING, PLAYING AND COMPETITION OFCHESS.3.3 THE PROMOTION OF SOCIAL INCLUSION FOR THE PUBLIC BENEFIT THROUGH THE PROMOTION, TEACHING,COACHING, PLAYING AND COMPETITION OF CHESS AMONG THOSE WHO ARE SOCIALLY EXCLUDED AS A RESULTOF UNEMPLOYMENT, FINANCIAL HARDSHIP, OLD AGE, ILL HEALTH OR DISABILITY.

Activities: Advancement of education, amateur sport,social inclusion for the public benefit by promoting the mental and moral development and improvement of young people, socially and economically disadvantaged and socially excluded as a result of unemployment, financial hardship, old age, ill health or disability through the promotion, teaching, coaching, playing and competition of chess

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training, Environment/conservation/heritage
- **Who:** Children/young People

Geography

- **Area of benefit:** ENGLAND
- Gibraltar
- Isle Of Man
- Kenya
- South Africa
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£1,981,178	£1,739,558	£1,596,610	4
2024-08-31	£1,241,748	£1,474,651	£1,331,066	4
2023-08-31	£1,210,106	£1,141,832	£1,479,431	6
2022-08-31	£1,020,022	£1,267,615	£1,487,140	4
2021-08-31	£1,006,273	£860,690	£1,799,932	5
2020-08-31	£1,162,056	£1,137,770	£1,568,399	7

Trustees

Name	Role	Appointed
Alison Sharp		2015-10-08
Christopher John Clark		2025-02-12
Isabel Keen		2019-06-19
Stephen Meyler		2015-10-15
Stephen O'Connell CBE		2023-03-14
WILLIAM WATSON		2016-03-03

CHESS IN SCHOOLS AND COMMUNITIES

England & Wales - Charity number 1133120

Accounts

COMPANY REGISTRATION NUMBER: 07017640
CHARITY REGISTRATION NUMBER: 1133120

Chess in Schools and Communities

Company Limited by Guarantee

Trustees' Report & Financial Statements

31 August 2025

FLINTHAM MACKENZIE AUDIT LIMITED
Chartered accountants & statutory auditor
277-279, Chiswick High Road
London
W4 4PU

Chess in Schools and Communities

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2025

Chess in Schools and Communities

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2025

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2025.

Chair's report

Reference and administrative details

Registered charity name	Chess in Schools and Communities
Charity registration number	1133120
Company registration number	07017640
Principal office and registered office	44 Baker Street London W1U 7RT

The trustees

Stephen Meyler	
Alison Sharp	
William Watson	
Isabel Keen	
Stephen O'Connell CBE	
Christopher John Clark	(Appointed 12 February 2025)

Auditor

Flintham Mackenzie Audit Limited
Chartered accountants & statutory auditor
277-279, Chiswick High Road
London
England
W4 4PU

Structure, governance and management

The Trustees present their annual report together with the audited financial statements of charity for the year ended 31 August 2025. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

a. Constitution

Chess in Schools and Communities is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 14 September 2009.

b. Methods of appointment or election of Trustees

The management of the Group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The day-to-day running of the organisation is delegated to senior staff comprising: the Chief Executive and the Chief Operating Officer who are part of a four-person SMT. In 2016 the charity appointed a Head of Safeguarding. In 2025 the charity appointed a Deputy Head of Safeguarding and expanded the London team to 6 staff.

The Trustees meet regularly to discuss issues of strategic direction concerning the model for chess teaching in schools, fund raising strategies and public affairs. The Trustee meetings determine the strategic plan, consider performance against the plan, maintain the risk register and approve the budget prepared by the Chief Executive.

d. Policies adopted for the induction and training of Trustees

Trustees are given an introduction to the organisation and the role of a Trustee by the Chief Executive and Chief Operating Officer through attendance at regular Trustee meetings, charity fundraising activities and events associated with the delivery of the core programme. All new Trustees are given a copy of the Charity Commission's publication CC3 which describes their legal duties and responsibilities. Trustees receive a comprehensive update from the Chief Executive three times a year and relevant documentation including end of term reports, fund raising, school contributions, performance against strategic plan, reports from individual boroughs, press cuttings and updates on the charity's public affairs campaign. Trustees also attend the charity's flagship event, the London Chess Classic, details of which are at www.londonchessclassic.com. The Chair of Trustees is also invited to the annual Senior Staff meeting.

e. Remuneration policy

The Chief Executive and Chief Operating Officer complete a review of all staff's remuneration, including Senior Management, taking into account the economic indicators and the charity salary market. The Board of Trustees will review the CEO and COO's remuneration, using comparable organisations as a benchmark.

f. Financial risk management

The Trustees have assessed the major risks to which the Group and the charity are exposed, in particular those related to the operations and finances of the Group and the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks

Objectives and activities

a. Objectives

The charity's objects per the Memorandum of Association are:

- The advancement of education for the public benefit by promoting the mental and moral development and improvement of young people, in particular those who are socially and economically disadvantaged, through the promotion, teaching, coaching, playing and competition of chess.

- The advancement of amateur sport, including the encouragement of community participation, for the public benefit, through the promotion, teaching, coaching, playing and competition of chess.

- The promotion of social inclusion for the public benefit through the promotion, teaching, coaching, playing and competition of chess among those who are socially excluded as a result of unemployment, financial hardship, old age, ill health or disability.

  These objectives are pursued by the delivery of weekly chess lessons and after schools' clubs by CSC tutors and volunteers, the provision of chess sets, equipment and our curriculum to all schools, libraries and youth clubs which join our scheme. The organisation of tournaments in local boroughs and the London Chess Classic. The charity works principally in boroughs with a high proportion of children eligible for Pupil Premium and boroughs with high level of deprivation as measured by the Index of Multiple Deprivation.

b. Activities undertaken to achieve objectives

The principal objectives for the 2024/2025 academic year were managed growth in the core activity, to substantially expand the prison programme which had begun to gain momentum in 23/24 after being halted during Covid and securing a major corporate sponsor for core activity as well as further developing our mass participation events. The charity also sought to expand in the West Midlands. To support the expansion, training courses and tutor recruitment drives were held around the country and the charity engaged new trainers as well as vigorously promoting its CPD courses for schoolteachers and TAs in supported schools.

The schools' growth target was achieved and following a meeting between the Chief Executive and the prisons minister, the prison programme gained momentum with not only more weekly clubs established, but also greater participation by prisons in online competition.

The number of number of schools with weekly chess activity grew to 336, with Regional Organisers reporting healthy rates of renewals and new schools joining the programme. To support the extra activity and further future expansion, new Regional Coordinators were appointed in Salford, Gloucestershire, West Wales, Newcastle, London and Cumbria. To assist in expansion in the West Midlands, a member of the head office staff took over the role of Regional Organise.

The charity also focused on increased efforts to recruit tutors from universities and colleges, particularly in London and Birmingham.

Many schools that had chosen to deploy funds received from the Department for Education to fund a CSC-led programme were retained into the 25/26 academic year. There was a steady flow of requests from schools for chess equipment, our curriculum and teacher training. Interest from libraries was particularly strong after the programme recovered slowly after covid in the previous two years. Thanks to the charity's strong financial position, fees charged to schools remained broadly the same as in the previous three years or were increased marginally. The charity instituted a pay increase for tutors.

The charity continued to support all state schools and libraries, 230 in all, who requested help in the form of equipment, learning materials, consultancy, teacher training or tutor and Regional Organiser visits. We also expanded our links with local authorities and Academy Trusts by running bespoke tournaments around the country.

The APPG on Chess was successfully reestablished and began to lobby the government to reinstitute the support for chess that was initiated in 2023. All in all, a very good year.

Training

Nine training courses were held across the country in London (3), Preston, Liverpool, Leeds, Bristol, Manchester and Birmingham, and two online courses. A total of 124 delegates attended. The charity has engaged a third trainer for the 25/26 academic year. The full-day courses are simultaneously designed for teachers and chess players and cover presentation techniques, classroom management skills, and safeguarding material as well as our curriculum. The CPD course, lasting two hours, is offered to every participating school or supported school and is designed for teachers who wish to run a chess club. The charity continued to encourage tutors to further their professional development by participating in the more advanced courses offered by the European Chess Union.

Newham

The collaboration with Newham Borough Council goes back to the early years of the charity. A subsidy from the council enables the charity to allocate an RO specifically to Newham and to give schools in the borough extra lessons and tournament opportunities. More schools joined the programme in 24/25, and another successful end of year tournament was staged at Stratford Town Hall in June 2025. The charity is grateful for the continuing support of Newham Borough Council. The arrangement was renewed for 25/26, despite funding pressures.

Liverpool

The charity continued to expand on Merseyside, thanks in part to the successful efforts of the Chief Executive to secure significant sponsorship from local government and business. The funds were deployed both to bring the 2025 British Chess Championships to the city and to create a month-long wraparound festival, beginning with ChessFest Liverpool. Funds were also secured to add new schools and libraries to the charity's network in Liverpool. The charity would like to record its gratitude to Liverpool City Council for its continuing support and to the Liverpool BID Company for its support of the chess festival.

Once again, the annual CSC Merseyside tournament was staged in the splendid surroundings of the historic St Georges Hall with over 300 children. Due to increasing demand, the charity supported the creation of a second after-school junior chess club in South Liverpool to complement the one in North Liverpool Academy. The charity's first Centre of Excellence was inaugurated at Whitefield Primary School enabling CSC tutors to access teaching skills from staff while the school benefits from extra CSC provision. The school surprised their peers when they won the schools' competition at the London Chess Classic ahead of 20 other schools, many with a far longer chess tradition. When news of this achievement spread amongst the local community, Liverpool Football Club kindly agreed to give the children a stadium tour as a a reward for their exceptional achievement. Liverpool is now the second largest CSC project after London and the largest in any borough.

School tournaments

The CSC Grand Prix continued to operate at full capacity, with every tournament a sellout and once again, was planned to climax at the London Chess Classic. The charity expanded its programme of school tournaments across all regions. In addition to the tournaments run at Newham and Liverpool mentioned above, there were events held at the Guildhall, run on behalf of the City of London Corporation, at Kensington Town Hall and Westminster City Hall, hosted by the Lord Mayor of the borough in his offices overlooking Buckingham Palace. Tournaments were staged for the Bellevue Place, GLF and Boleyn Educational Trusts. As well as being a great day out for the participants, these tournaments help develop confidence and self-esteem and introduce children to their peers from other schools with whom they have a common interest in chess. School leagues were established in Hackney, Leeds, Tower Hamlets, Liverpool and Stepney. It was also pleasing to note increasing success for children at CSC schools in mainstream tournaments, such as EJCOA, ECF and Delancey UKCC.

Webinars

In January 2025, CSC began a programme of free webinars, open to anyone, but aimed at children aged 7-13 who knew the basics of chess but wanted to develop their tactical skills. Each webinar lasted one hour and was followed by an online tournament for participants. After a successful pilot series of 10 weeks, the programme was extended into the summer term, covering topics such as checkmates, captures, openings, and double attacks. Alongside the webinar programme, our tutors recommended 50 of the most promising chess players from our school programme for free places in a series of new online masterclasses. These tutorials were delivered to groups of 6-10 children outside school hours, using a newly designed curriculum that extends the material we normally teach in the classroom. Participants were encouraged to make use of the online accounts CSC provided to further develop their chess skills. We intend to expand this programme in in the next academic year.

Ukrainian Refugees

The charity greatly increased its support for Ukrainian refugees and Ukrainian children in the war zone, thanks to support from the Orp Foundation and private donors. The Chief Executive visited Odessa in May 2025, where he met children attending a tournament held underground and gave his support to the work done by Grandmaster and local councillor Natalia Zhukova. This visit received considerable publicity through the Daily Telegraph's Ukraine podcast, whose contributing journalists also came to the tournament. The charity supported children from Odessa and Lviv to attend a tournament in the Romanian city of Iasi in the east of the country in June 2025. The Chief Executive attended and gave a presentation at a chess in schools conference and met local politicians. More funds were deployed to support Ukrainian refugees in the UK to receive coaching and to fund tournament expenses. This support enabled one of the country's most promising young players, Svyatoslav Bazakutza, to qualify for the International Master title and achieve a Grandmaster result. Another Ukrainian child was able to attend the British Chess Championships where he scored well in the Major Open tournament. Several Ukrainian refugees have been through the charity's training programme and are working as chess tutors and is anticipated that one will shortly be appointed as a Regional Coordinator. More financial support to Ukrainian children to enable them to compete at European representative events is planned. This work will continue for as long as necessary.

Online Chess Clubs

The charity continues to distribute thousands of ChessKid memberships each year to children in our schools' programme, including over 1,000 Gold accounts, each worth $49. So far CSC has distributed accounts to 63,058 children who had completed 764,179 puzzles and played 593,779 games. 742 of our pupils had reached the 'KING' level, the highest. The club for secondary schools on Lichess continued to expand and a tournament was staged in conjunction with the English Chess Federation.

Prisons

The programme was given a major boost in January 2025 when the Chief Executive was able to meet Lord Timpson the Minister for Prisons. The programme expanded significantly and for the first time the number of prisons rose above the pre-covid level. This is largely thanks to the support of volunteer tutors and the work of our volunteer Prisons Coordinator Peter Sullivan. The appointment of a Prisons Coordinator for prisons outside of London will be made soon. Regular weekly clubs were run in 12 prisons and the programme of extra visits from leading players and chess clubs continued at HMP Wandsworth, which in common with HMP Isis, requested and received a second club each week. Work continued to begin clubs at four Young Offender Institutions and a club began at one, HMP Feltham. Participation in official FIDE World Prisons Championships held online continued. Four prisons represented England in the first FIDE Continental Online Prisons Chess Championships in July 2025. An England Open team included players from HMP Winchester, HMP Highpoint and HMP Wormwood Scrubs, and a Youth team from HMP/YOI Isis won the gold medal in their section.

Community Activity

The charity continued to support applications from community-based chess clubs, not only of new clubs in West Wales, Spitalfields Market in the City of London and many other places. The charity also ran weekly chess clubs for the Mongolian Community Association and Castlehaven Community Centre in London, as well as providing chess equipment and materials to new libraries clubs in Staffordshire, and Teesside, the Afghan and Central Asian Centre in Staines and a network of libraries in Nottingham.

Achievements and performance

a. Main achievements of the charity

5th ChessFest

The fifth ChessFest was staged at Trafalgar Square on July 13th, 2025, supported by XTX Markets. The attendance was again around 23,000, making it by far the largest chess event in the UK. The family-friendly, free chess festival included lessons, giant chess matches, simultaneous displays, internet chess challenges and a living chess display.

The activities were conducted by charity tutors, volunteers, members of the England chess team and the Providers performance company.

Satellite events were held at the Liverpool One shopping centre in Chavasse Park, in Hull, and, for the first time, at Portishead near Bristol. Over 300 children from CSC schools were invited to 2 days of activities outdoors in Manchester Square Gardens W1. Schools from outside London benefited from travel grants. We were delighted to welcome the Chancellor of the Exchequer, Rachel Reeves MP to these events.

The charity is grateful to XTX Markets for supporting ChessFest. Preparation for a 6th ChessFest at Trafalgar Square are well advanced, and we intend to have more satellite events around the country. A video and photographs from all ChessFests can be found at Chess-Fest.com.

15th London Chess Classic

Thanks to support from XTX Markets, the London Chess Classic was restored to its former glory and staged at the Emirates Stadium in November and December 2025. The elite event saw a popular home win for the English Grandmaster Gawain Jones. Staging the tournament at such an iconic venue as the home of Arsenal Football Club gave the event an enormous boost, particularly for its profile and we were able to invite former world championship candidate Shak Mamedyarov from Azerbaijan as well as Vidit Gujarathi of India, also in the world's top 20 at the time, and the women's world champion Ju Wenjun of China. The 2025 LCC Schools' Festival welcomed 800 children from the CSC Schools' Programme around the country to the Emirates Stadium for a day of fun chess activities. These included: - chess lessons from CSC tutors - simultaneous games against chess masters- the chance to meet and possibly play a game against a chess grandmaster" tournaments against their peers from across the country. This was the first time since Covid that a full schools programme at the LCC had been staged.

The closing dinner, staged at the Dorchester Hotel, was again a successful fund raiser for the charity, as was the ProBiz Cup. There was a substantial chess festival held alongside the main event with a strong Open tournament and numerous events for amateurs, as well as the final of the CSC Grand Prix. The intention for 2025 is to increase the size of the Elite field.

Public Affairs

Efforts to engage the new government were redoubled with the revival of the APPG on chess. We were able to recruit many new members; due the new large intake elected in July 2024. The charity was pleased that many of the 41 schools who received money from UKGOV via the DfE for chess, remained in the charity programme by deploying their own funds. It is worth noting that a recent FOI request showed that there were 76 schools who benefitted from DfE funds, so CSC worked with over half. The initial pilot by the DfE was generally very well received by schools. CSC was invited by the DFE in August 2025 to a roundtable to discuss a forthcoming government paper on support for enrichment. We are hopeful that support will be renewed for chess teaching in schools. The charity would like to record its gratitude for the continuing support for chess from the Chancellor of the Exchequer and the members of the APPG.

Website

A complete revamp of the website chessinschools.co.uk was successfully completed. This enabled the charity to better showcase and publicise its activities, raise funds as well as providing a platform for our first ever detailed impact report. The news archive provides a permanent and up-to-date record of the charity's activities and achievements.

Fundraising

XTX Markets

XTX Markets employees and principals continued to support the charity both individually and through the company's charitable arm. This support will enable us the charity to substantially increase its activities.

John Lyon's

The charity continued to deliver an expanded programme in schools, libraries, and community centres in north and west London thanks to a grant from the John Lyon's Charity.

ORP Foundation

The charity received a grant to support expansion of the core programme, specifically in Somerset, Hull and London and to expand its work with refugees. Funds were also deployed to enable the charity to employ refugees, particularly from Ukraine, as tutors.

Portal Trust

The charity continued to deliver an expanded programme in schools, libraries, and community centres in Greenwich, Hackney, Islington, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, and Wandsworth, thanks to a grant from the Portal Trust.

Supporters

XTX Markets and employees
John Lyon's Charity
ORP Foundation
Portal Trust
Google DeepMind
Scheinberg Foundation
Orbis Investments
Esmee Farbairn
Goldman Sachs
Newham Borough Council

Liverpool City Council
Liverpool BID Company
Sherrifs' and Recorder's Fund
The Vincit Foundation
Peter Harrison
Peter Davies
Good Thinking Society
Harpur Trust

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

Of the total reserves of £1,596,610, of which £415,081 (2024: £1,331,066 and £273,549) relate to restricted projects as prescribed by the donors. Actual unrestricted reserves at 31 August 2025 were £1,181,529 (2024: £1,057,517). This amount is higher than the Trustees' policy, but the excess has been set aside for the future expansion of the charity and support of the charity's flagship events for which external support cannot always be guaranteed. The policy is under regular review by the Trustees and is part of the revised Strategic Plan which was approved by the Trustee Board in February 2025.

Since there is a continuing expectation for school receipts to remain strong and to cover tutor fees, the Trustees have decided that reserves can be further reduced to support increased expenditure on new Regional Organisers and on any suitable projects to expand the charity should they arise.

c. General review

Once again, the charity did not need to deploy reserves to fund core activity and enjoyed a surplus in the year to 31/08/2025 as donations and school receipts remained robust. Prices to schools are expected to remain unchanged in 2025/26 as the charity uses its reserves to absorb inflationary and budgetary pressures.

The core delivery to schools and the staging of ChessFest and the London Chess Classic remained the focus of charitable expenditure. Total expenditure for the year ended 31 August 2025 amounted to £1,739,558 (2024: £1,474,651). Total income including provision for Gift Aid not received at year end was £1,993,363 (2024: £1,241,748). The charity achieved a surplus, after net gains on investments amounting to £265,525 (2024: deficit of £148,363). Prior to the gains on investments the charity achieved a surplus of £253,805 (2024: deficit of £232,903).

At 31 August 2025 the Group had net assets of £1,596,610 (2024: £1,331,066).

d. Investments policy

The main objectives for the charity's investment portfolio are to preserve the charity's reserves in real terms, deliver a reasonable overall total return and for the portfolio to be sufficiently liquid to fund cash flow shortfalls and any unfunded commitments that may arise. The total return target for the investment portfolio has been set at inflation plus 3.5% p.a. net of fees.

A reasonable level of capital volatility within the investment portfolio is considered by the Trustees to be acceptable given the charity's risk and return objectives but the portfolio should be well diversified across asset classes and individual investments should be in line with a standard medium risk profile.

The charity precludes any direct investment in tobacco companies. The Trustees accept that some collective investment schemes may have exposure to tobacco stocks. However, the investment manager will monitor the position of these collective investment schemes to ensure this is kept to a minimum.

In principle the Trustees wish to be responsible investors. Therefore, the investment manager is expected to take account of environmental, social and governance (ESG) issues in their investment analysis and decision-making process and engage with company management where appropriate.

e. Principal risks and uncertainties

The Trustees frequently assess risks presented to it during board meetings and update a risk register accordingly.

Plans for future periods

The main plans and objectives for 25/26:

- Continued managed growth up to 20%.
- Renewed efforts to expand prison activity with an ambitious target to reach 20 prisons in 25/26.
- Secure government support for a chess in school's programme.
- Further expand the tutor base and enhance options for professional development.
- Increase the number of regional organisers and expand into new areas.
- Organisation of more chess teaching courses for online and in-class delivery.
- Organisation of a 2025 London Chess Classic, subject to funding.
- Organisation of a 2026 ChessFest and to spread ChessFest to other venues around the UK.
- Continue the focus on growth in areas where activity per capita is lowest. such as the West Midlands.
- The continuation of a public affairs campaign.
- To develop the ChessKid club and the online offering for secondary school children on Lichess.
- Seek to keep school contributions to a minimum.
- Enhance the welfare of our tutor and volunteer base.
- Devote more resource to corporate fund raising.

Details of the charity's work can be seen at:

- www.chessinschools.co.uk
- www.chess-fest.com
- www.londonchessclassic.com
- www.facebook.com/chessinschoolsandcommunities/
- www.instagram.com/schoolschess/
- x.com/schoolschess

Our impact survey is available at: https://www.chessinschools.co.uk/csc-impact-report

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that: so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and that Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors
The auditors, Flintham Mackenzie Audit Ltd, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees. Approved by order of the members of the board of Trustees and signed on their behalf by:

Alison Sharp

Alison Sharp

Trustee
Date: 21/05/26

Opinion

We have audited the financial statements of Chess in Schools and Communities (the 'Parent Charitable company') and its subsidiary (together referred to us 'group') for the year ended 31 August 2025 which comprise the consolidated statement of financial activities (including income and expenditure account), the consolidated statement of financial position, the charity statement of financial position, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to Charities preparing their accounts.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable company's affairs as at 31 August 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety, general data protection regulations and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102), the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of expenditure to confirm no evidence of personal benefit; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and

- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting transactions; and

- Identifying and testing journal entries, in particular any manual entries made at the yearend for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulation 2008. Our audit work has been undertaken so that we might state to the Charitable company's members and trustees those matters we are required to state to them in an auditor's 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 charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Brij Taneja

Brij Taneja (Senior Statutory Auditor)

For and on behalf of
Flintham Mackenzie Audit Limited
Chartered accountants & statutory auditor
277-279, Chiswick High Road
London
W4 4PU

21 May 2026

Chess in Schools and Communities

Company Limited by Guarantee

Consolidated Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2025

	Note	2025 Unrestricted funds £	2025 Restricted funds £	2025 Total funds £	2024 Total funds £
Income and endowments					
Donations and legacies	**5**	510,258	787,000	1,297,258	594,439
Charitable activities	**6**	624,732	–	624,732	623,211
Other trading activities		17,417	–	17,417	1,800
Other income		24,560	17,211	41,771	22,298
Total income		1,176,967	804,211	1,981,178	1,241,748
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies		2,204	–	2,204	368
Investment management costs	**7**	7,059	–	7,059	6,570
Expenditure on charitable activities	**8,9**	1,066,966	662,679	1,729,645	1,467,713
Taxation	**11**	650	–	650	–
Total expenditure		1,076,879	662,679	1,739,558	1,474,651
Net gains on investments	**12**	23,905	–	23,905	84,540
Net income/(expenditure) and net movement in funds		123,993	141,532	265,525	(148,363)
Reconciliation of funds					
Total funds brought forward		1,057,536	273,549	1,331,085	1,479,429
Total funds carried forward		1,181,529	415,081	1,596,610	1,331,066

The consolidated statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 24 to 35 form part of these financial statements.

Chess in Schools and Communities

Company Limited by Guarantee

Consolidated Statement of Financial Position

31 August 2025

	Note	2025 £	2024 £
Fixed assets			
Investments	16	948,753	922,098
Current assets			
Debtors	17	769,678	64,570
Cash at bank and in hand		763,404	469,459
		1,533,082	534,029
Creditors: amounts falling due within one year	18	847,725	87,561
Net current assets		685,357	446,468
Total assets less current liabilities		1,634,110	1,368,566
Creditors: amounts falling due after more than one year	19	37,500	37,500
Net assets		1,596,610	1,331,066
Funds of the charity			
Restricted funds		415,081	273,549
Unrestricted funds		1,181,529	1,057,517
Total charity funds	22	1,596,610	1,331,066

These consolidated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These consolidated financial statements were approved by the board of trustees and authorised for issue on 21 May 2026, and are signed on behalf of the board by:

Alison Sharp

Alison Sharp
Trustee

The notes on pages 24 to 36 form part of these financial statements.

Chess in Schools and Communities

Company Limited by Guarantee

Standalone Statement of Financial Position

31 August 2025

Charity Balance Sheet	**2025**	2024
	£	£
Fixed assets		
Investments	948,754	922,099
Current assets		
Debtors	847,638	142,510
Cash at bank and in hand	671,652	387,544
	1,519,290	530,054
Creditors: amounts falling due within one year	836,672	82,561
Net current assets	682,618	447,493
Total assets less current liabilities	1,631,372	1,369,592
Creditors: amounts falling due after more than one year	37,500	37,500
Net assets	1,593,872	1,332,092
Funds of the charity		
Restricted funds	415,081	273,549
Unrestricted funds	1,178,791	1,058,543
Total charity funds	1,593,872	1,332,092

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 21 May 2026, and are signed on behalf of the board by:

Alison Sharp
Trustee

The notes on pages 24 to 36 form part of these financial statements.

Chess in Schools and Communities

Company Limited by Guarantee

Consolidated Statement of Cash Flows

Year ended 31 August 2025

	2025 £	2024 £
Cash flows from operating activities		
Net income/(expenditure)	265,525	(148,363)
Adjustments for:		
Net gains on investments	(23,905)	(84,540)
Interest payable and similar charges	2,026	2,451
Taxation	650	–
Accrued (income)/expenses	(9,356)	7,604
Changes in:		
Trade and other debtors	(705,108)	113,150
Trade and other creditors	768,889	45,684
Cash generated from operations	298,721	(64,014)
Interest paid	(2,026)	(2,451)
Net cash from/(used in) operating activities	296,695	(66,465)
Cash flows from investing activities		
Purchases of other investments	(80,862)	(192,823)
Proceeds from sale of other investments	78,112	169,200
Net cash used in investing activities	(2,750)	(23,623)
Net increase/(decrease) in cash and cash equivalents	293,945	(90,088)
Cash and cash equivalents at beginning of year	469,459	559,547
Cash and cash equivalents at end of year	763,404	469,459

The notes on pages 24 to 36 form part of these financial statements.

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 44 Baker Street, London, W1U 7RT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there is any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of period of one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statement.

Income tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Incoming resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are received by way of grants, donations, legacies and gifts and is included in full in the consolidated statement of financial activities when receivable.

Income from charitable activities includes income received by way of contributions made by schools, prisons and other establishments, from course fees and tournament tickets and is recognised as the events take place.

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company has no authorised or issued share capital and is limited by guarantee of the trustees.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2025 £**
Donations			
Individuals and corporate donations	228,520	784,000	1,012,520
Gift Aid	48,639	–	48,639
Trusts	233,099	3,000	236,099
Grants for schools	–	–	–
	510,258	787,000	1,297,258

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations			
Individuals and corporate donations	150,626	283,800	434,426
Gift Aid	19,851	–	19,851
Trusts	110,500	3,000	113,500
Grants for schools	26,662	–	26,662
	307,639	286,800	594,439

6. Charitable activities

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
School contributions	582,203	582,203	546,828	546,828
Prison contributions	42,529	42,529	71,436	71,436
Tournament income	–	–	4,947	4,947
	624,732	624,732	623,211	623,211

7. Investment management costs

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Portfolio management	7,059	7,059	6,570	6,570

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2025 £**
Fund raising	875	–	875
Tournament costs	70,271	408,036	478,307
Chess tutoring	626,726	254,277	881,003
Training	20,317	–	20,317
Support costs	348,777	366	349,143
	1,066,966	662,679	1,729,645

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Fund raising	1,754	–	1,754
Tournament costs	129,419	167,210	296,629
Chess tutoring	656,457	210,466	866,923
Training	20,060	–	20,060
Support costs	282,315	31	282,347
	1,090,005	377,707	1,467,713

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	**Total funds 2025 £**	Total fund 2024 £
Fund raising	875	29,558	30,433	33,659
Tournament costs	478,307	88,671	566,978	355,136
Chess tutoring	881,003	174,056	1,055,059	1,010,495
Training	20,317	36,125	56,442	51,965
Governance costs	–	20,733	20,733	16,458
	1,380,923	349,143	1,729,645	1,467,713

10. Analysis of support costs

	Fundraising £	Tournament costs £	Chess tutoring £	Training £	**Total 2025 £**	Total 2024 £
Staff costs	23,925	71,776	140,893	29,242	265,836	206,258
Premises	2,232	6,696	13,144	2,728	24,800	25,420
Communications and IT	1,051	3,155	6,193	1,285	11,684	5,399
General office	1,616	4,850	9,520	1,976	17,962	24,589
Human resources	549	1,647	3,234	671	6,101	1,755
Finance costs	183	547	1,074	223	2,027	2,468
Governance costs	1,866	5,598	10,988	2,281	20,733	16,458
	31,422	94,269	185,046	38,406	349,143	282,347

11. Taxation

Components of tax expense

	2025 £	2024 £
Current tax:		
UK current tax expense of Subsidiary (CPL)	650	–
Taxation	650	–

12. Net gains on investments

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Gains/(losses) on listed investments	11,720	11,720	84,540	84,540

13. Auditors remuneration

	2025 £	2024 £
Fees payable for the audit of the financial statements	14,000	13,500

The above audit fee includes non-audit fee of £3,000 for accounting and taxation services.

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025	2024
	£	£
Wages and salaries	245,918	184,159
Social security costs	17,900	19,956
Employer contributions to pension plans	2,019	2,144
	265,837	206,259

The average head count of employees during the year was 5 (2024: 4). The average number of full-time equivalent employees during the year is analysed as follows:

	2025	2024
	No.	No.
Number of staff	5	4

The number of employees whose remuneration for the year fell within the following bands, were:

	2025	2024
	No.	No.
£60,000 to £69,999	1	1

15. Trustee remuneration and expenses

During the year no trustees received any remuneration or other benefits (2024 - £nil). During the year ended 31st August 2025 No expenses were reimbursed or paid to any trustee (2024 - nil).

16. Investments

	Listed investments
	£
Cost or valuation	
At 1 September 2024	922,098
Additions	80,862
Disposals	(77,618)
Fair value movements	23,411
At 31 August 2025	948,753
Impairment	
At 1 September 2024 and 31 August 2025	
Carrying amount	
At 31 August 2025	948,753
At 31 August 2024	922,098

17. Debtors

	2025	2024
	£	£
Trade debtors	703,334	27,825
Other debtors	66,344	36,745
	769,678	64,570

18. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	23,130	24,021
Accruals and deferred income	708,337	42,711
Corporation tax	650	–
Social security and other taxes	110,207	5,188
Other creditors - CPL	5,000	5,000
Other creditors	401	10,641
	847,725	87,561

19. Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Accruals and deferred income	37,500	37,500

20. Deferred income

	2025	2024
	£	£
Amount deferred in year	675,001	–

At the reporting date, deferred income comprises grants and donations received in advance for specific projects or activities where funds were expended in next financial period. These funds will be recognised as income in the next financial period.

21. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £2,019 (2024: £2,144).

22. Analysis of charitable funds

Unrestricted funds

	At 1 September 2024	Income	Expenditure	Gains and losses	At 31 August 2025
	£	£	£	£	£
General funds	1,057,536	1,189,152	(1,076,879)	11,720	1,181,529

	At 1 September 2023	Income	Expenditure	Gains and losses	At 31 August 2024
	£	£	£	£	£
General funds	1,115,280	954,640	(1,096,943)	84,540	1,057,517

Restricted funds

	At 1 September 2024	Income	Expenditure	Gains and losses	At 31 August 2025
	£	£	£	£	£
London Chess Classic	190,156	492,210	(392,788)	–	289,578
Africa Fund	30,251	–	–	–	30,251
Erlestoke Prison	2,116	–	–	–	2,116
ChessFest	28,239	225,001	(246,169)	–	7,071
Wandsworth	1,108	4,000	(5,108)	–	–
Berkshire	10,214	3,000	(3,000)	–	10,214
Junior Funding 1	200	–	–	–	200
Sebastian Bainbridge Memorial	–	–	–	–	–
Ukraine	876	60,000	(9,502)	–	51,374
Junior Funding 2	10,389	–	(1,637)	–	8,752
Tournament chess and Junior training	–	20,000	(4,475)	–	15,525
	273,549	804,211	(662,679)	–	415,081

22. Analysis of charitable funds ***(continued)***

	At 1 September 2023	Income	Expenditure	Gains and losses	At 31 August 20 24
	£	£	£	£	£
London Chess Classic	313,212	30,000	(153,056)	–	190,156
Africa Fund	30,251	–	–	–	30,251
Erlestoke Prison	2,116	–	–	–	2,116
ChessFest	7,214	225,307	(197,068)	–	35,453
Wandsworth	1,108	3,800	(3,800)	–	1,108
Berkshire	3,625	3,000	(3,625)	–	3,000
Junior Funding 1	200	–	–	–	200
Sebastian Bainbridge Memorial	6,058	–	(6,058)	–	–
Ukraine	365	10,000	(9,489)	–	876
Junior Funding 2	–	15,000	(4,611)	–	10,389
Tournament chess and Junior training	–	–	–	–	–
	364,149	287,107	(377,707)	–	273,549

22. Analysis of charitable funds *(continued)*

London Chess Classic is exclusively for running the educational elements of the London Chess Classic tournament.

The Africa fund is to be used exclusively on our activity in Africa.

Erlestoke Prison funds are for the provision of a chess club at HMP Erlestoke.

ChessFest donations are used exclusively towards the running of this year's annual chess fest tournament.

Wandsworth fund relates to a donation received to improve the chess training offering in the area.

Berkshire fund relates to a donation received to improve the chess training offering in the area.

Junior Funding 1 related to a donation received to support the development of a strong junior chess player.

Sebastian Bainbridge Memorial Fund relates to a donation received to create a memorial for Sebastian Bainbridge.

The Ukraine fund relates to funds received to be donated to Ukrainian appeal of the Charity's choice.

Junior Funding 2 related to a donation received to support the development of a strong junior chess player.

The Junior Tournaments and Training fund provides support to strong junior chess players across the country, enabling them to compete in international events.

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2025 £**
Investments	948,753	–	948,753
Current assets	555,635	977,447	1,533,082
Creditors less than 1 year	(302,725)	(545,000)	(847,725)
Creditors greater than 1 year	(37,500)	–	(37,500)
Net assets	1,164,163	432,447	1,596,610

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Investments	922,098	–	922,098
Current assets	260,480	273,549	534,029
Creditors less than 1 year	(87,561)	–	(87,561)
Creditors greater than 1 year	(37,500)	–	(37,500)
Net assets	1,057,517	273,549	1,331,066

24. Analysis of changes in net debt

	At 1 Sep 2024	Cash flows	At 31 Aug 2025
	£	£	£
Cash at bank and in hand	469,459	293,945	763,404

25. Related parties

Malcolm Pein, the Chief Executive of Chess in Schools and Communities (the "Charity") and Secretary of its subsidiary Chess Promotions Limited ("CPL"), is a Director of Chess & Bridge Limited ("C&B"). During 2010, C&B signed a Supply Agreement with the Charity and CPL (together referred to as the "Customer"), to provide the Customer with certain goods and services on standard trade terms. This includes chess books, chess sets and boards, chess computer software, other chess related products and general administration support services. The registered office of the charity is also rented from C&B on a quarterly renta of £6,200. The total paid to C&B by the Charity during the year was £56,597 (2024: £78,634). At year end £Nil remained payable (2024: £Nil).

Malcolm Pein is also a Director of Classical Games ("CG") a company incorporated in the United States of America. The total paid to CG by the Charity during the year was £Nil (2024: £Nil). At the year end £Nil remained payable by the Charity (2024: £Nil).

Malcolm Pein is a Director of English Chess Federation and they reimbursed the Charity £Nil (2024: £Nil) in relation to expenses incurred on behalf of the Federation. At year end there was no outstanding balance (2024: £Nil).

Malcolm Pein's son received £3,477 during the year (2024: £3,636) for his work as a Chess tutor at the Charity. The rate used was in accordance with rates used for all people that work for the Charity. At the year end £Nil was outstanding (2024: £Nil).

There were no transactions between Chess in Schools and Communities and Chess Promotions Limited. As at 31 August 2025 CPL owed the Charity £77,960 (2024: £77,960).

26. Controlling party

There is no ultimate controlling party.

27. Principal Subsidiaries

The following was a subsidiary undertaking of the Charity: -

Name	Chess Promotions Ltd
Company number	07152226
Registered office or principal place of business	44 Baker Street, London W1U 7RT
Orincipal activity	to exploit the commercial value of various chess events
Class of shares holding	Ordinary 100% (included in consolidation)

The financial results of the subsidiary for the year were: -

Income	£17,417
Expenditure	£13,004
Profit (deficit for the year	£ 4,413
Tax	£ 650
Profit after tax	£ 3,763
Net assets (liabilities)	£ 2,738

Accounts

COMPANY REGISTRATION NUMBER: 07017640
CHARITY REGISTRATION NUMBER: 1133120

Chess in Schools and Communities

Company Limited by Guarantee

Trustees' Report and Financial Statements

31 August 2024

CAS HOUSE LIMITED
Chartered accountants & statutory auditor
151 Askew Road
London
W12 9AU

Chess in Schools and Communities

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2024

Chess in Schools and Communities

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2024

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2024.

Chair's report

Reference and administrative details

Registered charity name	Chess in Schools and Communities
Charity registration number	1133120
Company registration number	07017640
Principal office and registered office	44 Baker Street London W1U 7RT
The trustees	Stephen Meyler Alison Sharp William Watson Isabel Keen Stephen O'Connell CBE
Auditor	CAS House Limited Chartered accountants & statutory auditor 151 Askew Road London W12 9AU

Structure, governance and management

The Trustees present their annual report together with the audited financial statements of charity for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

a. Constitution

Chess in Schools and Communities is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 14 September 2009.

b. Methods of appointment or election of Trustees

The management of the Group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The day-to-day running of the organisation is delegated to senior staff comprising: the Chief Executive, the Chief Operating Officer and the Events and Client Relationship Manager. In 2016 the charity appointed a Head of Safeguarding. In 2018 the charity appointed a Deputy Head of Safeguarding and split the responsibility for delivery in London between a team of five staff.

The Trustees meet regularly to discuss issues of strategic direction concerning the model for chess teaching in schools, fund raising strategies and public affairs. The Trustee meetings determine the strategic plan, consider performance against the plan, maintain the risk register and approve the budget prepared by the Chief Executive.

d. Policies adopted for the induction and training of Trustees

Trustees are given an introduction to the organisation and the role of a Trustee by the Chief Executive and Chief Operating Officer through attendance at regular Trustee meetings, charity fundraising activities and events associated with the delivery of the core programme. All new Trustees are given a copy of the Charity Commission's publication CC3 which describes their legal duties and responsibilities. Trustees receive a comprehensive update from the Chief Executive three times a year and relevant documentation including end of term reports, fund raising, school contributions, performance against strategic plan, reports from individual boroughs, press cuttings and updates on the charity's public affairs campaign. Trustees also attend the charity's flagship event, the London Chess Classic, details of which are at www.londonchessclassic.com. The Chair of Trustees is also invited to the annual Senior Staff meeting.

e. Remuneration policy

The Chief Executive and Chief Operating Officer complete a review of all staff's remuneration, including Senior Management, taking into account the economic indicators and the charity salary market. Fees for tutoring were increased in 22/23. The Board of Trustees will independently review the CEO and COO's remuneration, using comparable organisations as a benchmark.

f. Financial risk management

The Trustees have assessed the major risks to which the Group and the charity are exposed, in particular those related to the operations and finances of the Group and the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks

Objectives and activities

a.Objectives

The charity's objects per the Memorandum of Association are:

- The advancement of education for the public benefit by promoting the mental and moral development and improvement of young people, in particular those who are socially and economically disadvantaged, through the promotion, teaching, coaching, playing and competition of chess.
- The advancement of amateur sport, including the encouragement of community participation, for the public benefit, through the promotion, teaching, coaching, playing and competition of chess.
- The promotion of social inclusion for the public benefit through the promotion, teaching, coaching, playing and competition of chess among those who are socially excluded as a result of unemployment, financial hardship, old age, ill health or disability.

These objectives are pursued by the delivery of weekly chess lessons and after school clubs by CSC tutors and volunteers, the provision of chess sets, equipment and our curriculum to all schools, libraries and youth clubs which join our scheme. The organisation of tournaments in local boroughs and the London Chess Classic.

The charity works principally in boroughs with a high proportion of children eligible for Pupil Premium and boroughs with high level of deprivation as measured by the Index of Multiple Deprivation.

b. Activities undertaken to achieve objectives

The principal objectives for the 2023/2024 academic year were to reach the charity's pre-covid activity levels in schools and complete the recovery of the prison programme. There was a clear need to increase the rate of tutor recruitment and to build capacity outside of London with recruitment of more Regional Organisers to enable further growth. This was achieved with new ROs appointed in Newcastle, West Midlands, North Wales, Lancashire, Shropshire and East Anglia.

The schools' target was achieved, the prisons' target was initially achieved, but towards the end of the financial year, budgetary pressures in the prison estate post the election led to a number of prisons not renewing.

The increase in the number of number of schools with weekly chess activity from 250 to 311, with more schools set to start, was an excellent result. Numbers were boosted by over 40 schools choosing to use the charity to deliver chess with funds provided by the Department for Education. There was also an enormous 50% increase in the number of schools who were assisted with resources. This came about largely because of a post on social media making education professionals aware of the charity's offering, to which 700 schools responded. Thanks to the charity's strong financial position, fees charged to schools remained held at 21-22 levels.

Thanks to support from a donor, the charity launched series of free chess tournaments in London which were oversubscribed. The CSC Grand Prix was planned to climax at the 2024 London Chess Classic.

The charity continued to support all state schools who requested help in the form of equipment, learning materials, consultancy, teacher training or tutor visits. The charity worked directly with the Department for Education for the first time after HMGOV allocated £200,000 to a pilot project to develop chess in schools. Following the election, the charity continues to work on reestablishing the APPG on Chess, in order to lobby parliamentarians to support the game in schools and communities. The groundbreaking project teaching secondary school children chess and AI was successfully concluded at the offices of the UK's leading AI company Google DeepMind in the presence of Google DeepMind CEO Demis Hassabis and the then Shadow Chancellor of the Exchequer Rachel Reeves.

Training

A second successive record number of training courses, 17, were held across the country: London (2), Salford, Great Yarmouth, Hull, Sheffield, Portishead (2), Belfast, York, Middlesbrough, Birmingham, Lincoln and four online courses. A total of 217 delegates, another record, attended. Courses are simultaneously designed for teachers and chess players. The course includes presentation techniques, classroom management skills, and safeguarding material as well as our curriculum. The charity continued to encourage tutors to further their professional development by participating in the more advanced courses offered by the European Chess Union. A new CPD course lasting two hours and designed for teachers to join after school was introduced.

Newham

The Newham project continued to grow and got back to pre-Covid levels, with new schools onboarded and a successful end of year tournament staged at Stratford Town Hall on Tuesday 25th June 2024. The charity is grateful for the continuing support of Newham Borough Council which supports the extra activity in the borough and the provision of a part-time coordinator. The arrangement has been renewed for 24/25.

Liverpool

The final year of support from the Anthony Lawson Memorial Trust enabled the charity to expand to a record 28 schools on Merseyside and the annual tournament in the splendid surroundings of the historic St Georges Hall was again oversubscribed with over 300 children playing. The charity would like to record its gratitude to Liverpool City Council for its continuing support. Our thanks also to North Liverpool Academy, an outstanding state secondary near Anfield for its support and agreement to host an after-school junior chess club for children of all ages as well as other tournaments throughout the year. It was hugely satisfying to see an NLA pupil, who learnt chess in the CSC programme in 2008 was accepted to study Medicine at Cambridge University. He was supported by the charity throughout his school career and by a private donor secured by the charity.

School tournaments

The charity continued to run school tournaments across all regions. These included events held at the Guildhall, run on behalf of the City of London Corporation, at Westminster City Hall, hosted by the Lord Mayor of the borough in her offices overlooking Buckingham Palace, and simultaneous tournaments in Reading and London for the Bellevue Place Education Trust. As well as being a great day out for the participants, these tournaments help develop confidence and self-esteem, and introduce children to their peers from other school with whom they have a common interest in chess.

Ukrainian Refugees

Thanks to support from the Orp Foundation and private donors, the charity increased its work with and support for Ukrainian refugees in the chess community who have come to the UK. Funds were deployed to support Ukrainian players to receive coaching and to fund tournament expenses. Several Ukrainian refugees have been through the charity's training programme and are working as chess tutors. Funds were deployed to run chess lessons for refugee children and several Ukrainian juniors were provided with coaching and tournament expenses, including former European Under 14 champion Sviatoslav Bazakutza. Ukrainian children also did well at the CSC Grand Prix. The Chief Executive travelled to Prague to deliver financial support to the Ukrainian delegation of players competing at the European Junior Rapid and Blitz Championships. This work will continue for as long as necessary.

Online Chess Clubs

The ChessKid project continued to grow, with 44,000 ChessKids who had completed 610,340 puzzles and played 485,696 games. 577 of our pupils had reached the 'KING' level, the highest. The club for secondary schools on Lichess continued to expand and some tournaments were held for the first time. Some CSC schools participated in the National Schools Championship online run by the ECF.

Prisons

Activity steadily increased, until near the end of the financial year when several prisons could not find the budget for chess. Thanks to the support of volunteer tutors and the work of our volunteer Prisons Coordinator Peter Sullivan, regular weekly clubs continued in nine prisons and several extra visits from leading players and chess clubs were arranged at HMP Wandsworth. There was a breakthrough with Young Offender Institutions with negotiations at an advanced stage with the MoJ to begin chess at 4 YOIs. Peter's efforts also enabled us to enter teams in the official FIDE World Prisons Championship held online. Teams representing England competed in the Open, Women's and Under 21 categories.
The relationship with the Ministry of Justice remains strong and was strengthened by a visit from Woody Harrelson to Wormwood Scrubs arranged by the Chief Executive who accompanied Woody to the prison in January 2024. Woody played against prisoners for over 2 hours and the visit received extensive publicity in the press. It is anticipated that the programme will be able to expand in the next financial year, feedback from MoJ officials and prison staff remains uniformly positive.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'

Achievements and performance

a. Main achievements of the charity

4th ChessFest

The fourth ChessFest was staged at Trafalgar Square on July 7th, 2024 again supported by XTX Markets. The attendance again broke the previous record of 15,000 with over 23,000 coming to Trafalgar Square. The family-friendly, free chess festival included lessons, giant chess matches, simultaneous displays, internet chess challenges and a living chess display. Woody Harrelson sent a video message to open the event.

The activities were conducted by charity tutors, volunteers, members of the England chess team and the Provibers performance company.

Satellite events were held at the Liverpool One shopping centre in Chavasse Park and in Hull. Over 300 children from CSC schools were invited to 2 days of activities outdoors in Manchester Square Gardens W1. Schools from outside London benefited from travel grants.

The charity is grateful to XTX Markets for supporting ChessFest. Preparation for a 5th ChessFest is well advanced and it has become an annual event. A video and photographs from the day can be found at Chess-Fest.com.

13th London Chess Classic

The Scheinberg Foundation supported a relatively low-key London Chess Classic at a central London hotel. The former UK no 1 GM Michael Adams rolled back the years and won the event outright. The closing dinner was again a successful fund raiser for the charity, as was the ProBiz Cup. A day of school events was staged at a nearby hotel for schools from London.

Public Affairs

The charity was involved in the rollout of UKGOV support for chess via the DCMS, DfE and DHLUC of £500,000 for elite chess, £200,000 to develop chess in 100 schools having a percentage of children receiving free school meals of over 57.5% see https://www.gov.uk/guidance/strengthening-chess-in-primary-schools and £250,000 for the installation of chess tables around England. Efforts to engage the new government are ongoing with the reviving of the APPG on chess.

b. Fundraising

John Lyons

The charity was awarded a grant from the John Lyons Charity to expand operations in schools, libraries, and community centres in north and west London.

XTX Markets / MESME Foundation

XTX Markets employees and principals continued to support the charity and our thanks to them and to XTX Markets for matching donations.

ORP Foundation

The charity received a grant from the ORP Foundation to expand its activities in Somerset, Hull, and London, and to support its work with refugees nationwide.

Supporters

XTX Markets and employees
John Lyon's Charity
MESME
ORP Foundation
Angus Lawson Memorial Trust
Kusuma Trust
Google DeepMind
Scheinberg Foundation
Orbis Investments
Newham Borough Council
The Vincit Foundation
The Cooke Family
Good Thinking Society
Dr Edwards and Bishop King's Fulham Charity
The Hemby Trust
Wellington College

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Of the total reserves of £1,331,066, £273,549 (2023: £364,149) relate to restricted projects as prescribed by the donors. Actual free reserves at 31 August 2024 were £1,057,517 (2023: £1,115,281). This amount is higher than the Trustees' policy, but the excess has been set aside for the future expansion of the charity and support of the charity's flagship events for which external support cannot always be guaranteed. The policy is under regular review by the Trustees and is part of the revised Strategic Plan which was approved by the Trustee Board in March 2023.

Since there is a continuing expectation for school receipts to remain strong and to cover tutor fees, the Trustees have decided that reserves can be further reduced to support increased expenditure on new Regional Organisers and on any suitable projects to expand the charity should they arise.

c. Remuneration policy

The Chief Executive and Chief Operating Officer complete a review of all staff's remuneration, including Senior Management, taking into account the economic indicators and the charity salary market. Fees for tutoring remained the same in 22/23 but are anticipated to rise in 24/25. The Board of Trustees will review the CEO and COO's remuneration, using comparable organisations as a benchmark.

c. General review

In line with Trustees plan, the charity employed reserves to fund core activity as it recorded a substantial deficit for the year to 31/8/2024. Although donations and school receipts remained robust and investments gained, a big increase in activity across the range of charity projects greatly increased expenditure. Prices to schools were left largely unchanged for a third year and it is anticipated that they will rise in 24/25 due to inflationary and budgetary pressures.

The core delivery to schools and the staging of ChessFest remained the focus of charitable expenditure. Total expenditure for the year ended 31 August 2024 amounted to £1,474,651 (2023: £1,141,832). Total income including provision for Gift Aid not received at year end was £1,241,748 (2023: 1,210,106). The charity achieved a deficit, after net gains on investments amounting to £148,363 (2023: £4,040). Prior to the gain on investments the charity achieved a deficit of £232,903 (2023: (£68,274).

At 31 August 2024 the Group had net assets of £1,331,066 (2023: £1,479,431).

d. Investments policy

The main objectives for the charity's investment portfolio are to preserve the charity's reserves in real terms, deliver a reasonable overall total return and for the portfolio to be sufficiently liquid to fund cash flow shortfalls and any unfunded commitments that may arise. The total return target for the investment portfolio has been set at inflation plus 3.5% p.a. net of fees.

A reasonable level of capital volatility within the investment portfolio is considered by the Trustees to be acceptable given the charity's risk and return objectives but the portfolio should be well diversified across asset classes and individual investments should be in line with a standard medium risk profile.

The charity precludes any direct investment in tobacco companies. The Trustees accept that some collective investment schemes may have exposure to tobacco stocks. However, the investment manager will monitor the position of these collective investment schemes to ensure this is kept to a minimum.

In principle the Trustees wish to be responsible investors. Therefore, the investment manager is expected to take account of environmental, social and governance (ESG) issues in their investment analysis and decision-making process and engage with company management where appropriate.

e. Principal risks and uncertainties

The Trustees frequently assess risks presented to it during board meetings and update a risk register accordingly.

Plans for future periods

The main plans and objectives for 24/25:

- Continued managed growth up to 20%
- Renewed efforts to expand prison activity with an ambitious target to double the size of the programme and begin specific fund raising for prisons.
- Further expand the tutor base and enhance options for professional development.
- Increase the number of regional organisers and expand into new areas
- Organisation of more chess teaching courses for online and in-class delivery
- Organisation of a 2024 London Chess Classic, subject to funding.
- Organisation of a 2025 ChessFest and to spread ChessFest to other venues around the UK
- The continuation of a public affairs campaign
- To develop the ChessKid club the online offering for secondary school children on Lichess.
- Devote more resource to corporate fund raising.

Details of the charity's work can be seen at www.chessinschools.co.uk.

Our impact survey is available at: https://www.chessinschools.co.uk/csc-impact-report.

Trustees' responsibilities statement

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity and enable them to ensure that the financial statements comply with the Companies
Act 2006. They are also responsible for safeguarding the assets of the Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that: so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and □ that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditor

The auditors, CAS, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 22/5/2025 and signed on behalf of the board of trustees by:

Alison Sharp

Alison Sharp
Trustee

Independent Auditor's Report to the Members of Chess in Schools and Communities

Year ended 31 August 2024

Opinion

We have audited the financial statements of Chess in Schools and Communities (the 'parent charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non compliance with laws and regulations related to safeguarding, health and safety, general data protection regulations and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006, taxation and pension legislation. We We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of expenditure to confirm no evidence of personal benefit; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and• Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ibrahim Ibrahim (Senior Statutory Auditor)

For and on behalf of
CAS House Limited
Chartered accountants & statutory auditor
151 Askew Road
London
W12 9AU

Chess in Schools and Communities

Company Limited by Guarantee

Consolidated Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2024

	Note	2024 Unrestricted funds £	2024 Restricted funds £	2024 Total funds £	2023 Total funds £
Income and endowments					
Donations and legacies	5	307,639	286,800	**594,439**	690,488
Charitable activities	6	623,211	–	**623,211**	457,549
Other trading activities		1,800	–	**1,800**	49,993
Other income		21,990	307	**22,298**	12,076
Total income		954,640	287,107	**1,241,748**	1,210,106
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies		368	–	**368**	4,663
Investment management costs	7	6,570	–	**6,570**	–
Expenditure on charitable activities	8,9	1,090,005	377,707	**1,467,713**	1,137,169
Total expenditure		1,096,943	377,707	**1,474,651**	1,141,832
Net gains/(losses) on investments	11	84,540	–	**84,540**	(64,234)
Net (expenditure)/income and net movement in funds		(57,763)	(90,600)	**(148,363)**	4,040
Reconciliation of funds					
Total funds brought forward		1,115,280	364,149	**1,479,429**	1,475,391
Total funds carried forward		1,057,517	273,549	**1,331,066**	1,479,431

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Chess in Schools and Communities

Company Limited by Guarantee

Statement of Financial Position

Year ended 31 August 2024

Consolidated Balance Sheet

	Note	2024 £	2023 £
Fixed assets			
Investments	**15**	**922,098**	822,670
Current assets			
Debtors	**16**	**64,570**	177,720
Cash at bank and in hand		**469,459**	560,091
		534,029	737,811
Creditors: amounts falling due within one year	**18**	**87,561**	43,550
Net current assets		**446,468**	694,261
Total assets less current liabilities		**1,368,566**	1,516,931
Creditors: amounts falling due after more than one year	**19**	**37,500**	37,500
Net assets		**1,331,066**	1,479,431
Funds of the charity			
Restricted funds		**273,549**	364,150
Unrestricted funds		**1,057,517**	1,115,281
Total charity funds	**21**	**1,331,066**	1,479,431

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 22/5/2025, and are signed on behalf of the board by:

Alison Sharp

Alison Sharp
Trustee

The notes on pages 21 to 32 form part of these financial statements.

Chess in Schools and Communities

Company Limited by Guarantee

Statement of Financial Position

31 August 2024

Charity Balance Sheet

	Note	2024 £	2023 £
Fixed assets			
Investments	**15**	**922,099**	822,671
Current assets			
Debtors	**16**	**142,510**	255,661
Cash at bank and in hand		**387,544**	484,608
		530,054	740,269
Creditors: amounts falling due within one year	**18**	**82,561**	43,550
Net current assets		**447,493**	696,719
Total assets less current liabilities		**1,369,592**	1,519,390
Creditors: amounts falling due after more than one year	**19**	**37,500**	37,500
Net assets		**1,332,092**	1,481,890
Funds of the charity			
Restricted funds		**273,549**	364,150
Unrestricted funds		**1,058,543**	1,117,740
Total charity funds	**21**	**1,332,092**	1,481,890

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 22/5/2025, and are signed on behalf of the board by:

Alison Sharp

Alison Sharp
Trustee

The notes on pages 21 to 32 form part of these financial statements.

Chess in Schools and Communities

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net (expenditure)/income		(148,363)	4,040
Adjustments for:			
Net gains/(losses) on investments		(84,540)	50,420
Interest payable and similar charges		2,451	1,343
Accrued expenses/(income)		7,604	(20,153)
Changes in:			
Trade and other debtors		113,150	(12,675)
Trade and other creditors		45,140	(21,237)
Cash generated from operations		(64,558)	1,738
Interest paid		(2,451)	(1,343)
Net cash (used in)/from operating activities		(67,009)	395
Cash flows from investing activities			
Purchases of other investments		(192,823)	(389,365)
Proceeds from sale of other investments		169,200	403,179
Net cash (used in)/from investing activities		(23,623)	13,814
Net (decrease)/increase in cash and cash equivalents		(90,632)	14,209
Cash and cash equivalents at beginning of year		560,091	545,882
Cash and cash equivalents at end of year	17	469,459	560,091

The notes on pages 21 to 32 form part of these financial statements.

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 44 Baker Street, London, W1U 7RT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Incoming resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are received by way of grants, donations, legacies and gifts and is included in full in the consolidated statement of financial activities when receivable.

Income from charitable activities includes income received by way of contributions made by schools, prisons and other establishments, from course fees and tournament tickets and is recognised as the events take place.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

3. Accounting policies *(continued)*

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company has no authorised or issued share capital and is limited by guarantee of the trustees.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2024 £**
Donations			
Individuals and corporate donations	150,626	283,800	**434,426**
Gift Aid	19,851	–	**19,851**
Trusts	110,500	3,000	**113,500**
Grants for schools	26,662	–	**26,662**
	307,639	286,800	**594,439**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Individuals and corporate donations	326,872	242,055	568,927
Gift Aid	22,228	–	22,228
Trusts	91,575	3,000	94,575
Grants for schools	4,758	–	4,758
	445,433	245,055	690,488

6. Charitable activities

	Unrestricted Funds £	**Total Funds 2024 £**	Unrestricted Funds £	Total Funds 2023 £
School contributions	546,828	**546,828**	439,530	439,530
Prison contributions	71,436	**71,436**	16,067	16,067
Tournament income	4,947	**4,947**	1,050	1,050
Older people contributions	–	**–**	902	902
	623,211	**623,211**	457,549	457,549

7. Investment management costs

	Unrestricted Funds £	**Total Funds 2024 £**	Unrestricted Funds £	Total Funds 2023 £
Portfolio management	6,570	**6,570**	–	–

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2024 £**
Fund raising	1,754	–	**1,754**
Tournament costs	129,419	167,210	**296,629**
Chess tutoring	656,457	210,466	**866,923**
Training	20,060	–	**20,060**
Support costs	282,315	31	**282,347**
	1,090,005	377,707	**1,467,713**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Fund raising	3,263	–	3,263
Tournament costs	120,939	564	121,503
Chess tutoring	522,503	241,041	763,544
Training	6,180	–	6,180
Support costs	242,679	–	242,679
	895,564	241,605	1,137,169

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	**Total funds 2024 £**	Total fund 2023 £
Fund raising	1,754	31,905	**33,659**	28,383
Tournament costs	296,629	58,507	**355,136**	173,841
Chess tutoring	866,923	143,572	**1,010,495**	895,431
Training	20,060	31,905	**51,965**	6,180
Governance costs	–	16,458	**16,458**	33,334
	1,185,366	282,347	**1,467,713**	1,137,169

10. Analysis of support costs

	Fundraising	Tournament costs	Chess tutoring	Training	**Total 2024**	Total 2023
	£	£	£	£	**£**	£
Staff costs	24,751	45,377	111,379	24,751	**206,258**	154,621
Premises	3,051	5,592	13,727	3,050	**25,420**	24,800
Communications and IT	648	1,188	2,915	648	**5,399**	9,627
General office	2,950	5,410	13,278	2,951	**24,589**	10,906
Travel and entertaining	210	386	948	211	**1,755**	8,048
Bank charges	296	543	1,332	297	**2,468**	1,343
Governance costs	1,974	3,621	8,888	1,975	**16,458**	33,334
	33,880	62,117	152,467	33,883	**282,347**	242,679

Governance costs

	2024	2023
	£	£
Accountancy fees	**5,800**	2,980
Auditors' fees	**9500**	10,000
Consultancy fees	**-**	18,050
Professional fees	**-**	1,103
Employer contributions to pension plans	**2,144**	991
	16,458	33,334

11. Net gains/(losses) on investments

	Unrestricted Funds	**Total Funds 2024**	Unrestricted Funds	Total Funds 2023
	£	**£**	£	£
Gains/(losses) on listed investments	84,540	**84,540**	(64,234)	(64,234)

12. Auditors remuneration

	2024	2023
	£	£
Fees payable for the audit of the financial statements	**9,500**	10,000

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	**184,159**	138,486
Social security costs	**19,956**	15,144
Employer contributions to pension plans	**2,144**	991
	206,259	154,621

The average head count of employees during the year was Nil (2023: Nil). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
	No.	No.
Number of staff	**4**	4

13. Staff costs *(continued)*

The number of employees whose remuneration for the year fell within the following bands, were:

	2024	2023
	No.	No.
£60,000 to £69,999	**1**	1

14. Trustee remuneration and expenses

During the year no trustees received any remuneration or other benefits (2023 - £nil). During the year ended 31st August 2024 No expenses were reimbursed or paid to any trustee (2023 - £120 to 1 Trustee, relating to travel expenses.)

15. Investments

Group	**Listed investments**
	£
Cost or valuation	
At 1 September 2023	822,670
Additions	192,823
Disposals	(169,200)
Fair value movements	75,805
At 31 August 2024	922,098
Net book value	
At 1 September 2023 and 31 August 2024	
Carrying amount	
At 31 August 2024	**922,098**
At 31 August 2023	822,670

Charity	**Investments in subsidiary companies**	**Listed Investments**	**Total**
	£	**£**	**£**
Cost or valuation			
At 1 September 2023	1	822,670	822,671
Additions		192,822	192,822
Disposals	-	(169,200)	(169,200)
Fair value movements	-	75,805	75,805
At 31 August 2024	**1**	**922,098**	**922,099**

Net book value			
At 1 September 2023 and 31 August 2024			
Carrying amount			
At 31 August 2024	**1**	**922,098**	**922,099**
At 31 August 2023	1	822,670	822,671

16. Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade debtors	**27,825**	5,321	**27,825**	5,321
Amounts owed by group undertakings	**-**	-	**77960**	77,960
Other debtors	**36,745**	172,399	**36,725**	172,399
	64,570	177,720	**142,510**	255,661

17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Cash at bank and in hand	**469,459**	560,091	**387,544**	484,608
Bank overdrafts	**–**	(544)	**–**	(544)
	469,459	559,547	**387,544**	484,064

18. Creditors: amounts falling due within one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loans and overdrafts	**–**	544	**–**	544
Trade creditors	**24,021**	2,711	**24,021**	2,711
Accruals and deferred income	**42,711**	35,107	**42,711**	35,107
Social security and other taxes	**5,188**	5,188	**5,188**	5,188
Other creditors - desc in a/cs	**5,000**	–		–
Other creditors	**10,641**	–	**10,641**	–
	87,561	43,550	**82,561**	43,550

19. Creditors: amounts falling due after more than one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Accruals and deferred income	**37,500**	37,500	**37,500**	37,500

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £2,144 (2023: £991).

21. Analysis of charitable funds

Unrestricted funds

	At 1 September 2023	Income	Expenditure	Gains and losses	**At 31 August 2024**
	£	£	£	£	£
General funds	1,115,280	954,640	(1,096,943)	84,540	**1,057,517**

	At 1 September 2022	Income	Expenditure	Gains and losses	At 31 August 2023
	£	£	£	£	£
General funds	1,114,691	965,051	(900,227)	(64,234)	1,115,281

Restricted funds

	At 1 September 2023	Income	Expenditure	Gains and losses	**At 31 August 2024**
	£	£	£	£	£
London Chess Classic	313,212	30,000	(153,056)	–	**190,156**
Africa Fund	30,251	–	–	–	**30,251**
Erlestoke Prison	2,116	–	–	–	**2,116**
ChessFest	–	225,307	(197,068)	–	**28,239**
Wandsworth	1,108	3,800	(3,800)	–	**1,108**
Berkshire	10,839	3,000	(3,625)	–	**10,214**
Junior Funding 1	200	–	–	–	**200**
Sebastian Bainbridge Memorial	6,058	–	(6,058)	–	**–**
Ukraine	365	10,000	(9,489)	–	**876**
Junior Funding 2	–	15,000	(4,611)	–	**10,389**
	364,149	287,107	(377,707)	–	**273,549**

	At 1 September 2022	Income	Expenditure	Gains and losses	At 31 August 2023
	£	£	£	£	£
London Chess Classic	313,212	–	–	–	313,212
Africa Fund	30,251	–	–	–	30,251
Erlestoke Prison	2,116	–	–	–	2,116
ChessFest	–	241,955	(234,741)	–	7,214
Wandsworth	4,908	–	(3,800)	–	1,108
Berkshire	3,125	3,000	(2,500)	–	3,625
Junior Funding 1	200	–	–	–	200
Sebastian Bainbridge Memorial	6,058	–	–	–	6,058
Ukraine	830	100	(564)	–	366
Junior Funding 2	–	–	–	–	–
	360,700	245,055	(241,605)	–	364,150

21. Analysis of charitable funds *(continued)*

London Chess Classic is exclusively for running the educational elements of the London Chess Classic tournament.

The Africa fund is to be used exclusively on our activity in Africa.

Erlestoke Prison funds are for the provision of a chess club at HMP Erlestoke.

ChessFest donations are used exclusively towards the running of this year's annual chess fest tournament.

Wandsworth fund relates to a donation received to improve the chess training offering in the area.

Berkshire fund relates to a donation received to improve the chess training offering in the area.

Junior Funding 1 related to a donation received to support the development of a strong junior chess player.

Sebastian Bainbridge Memorial Fund relates to a donation received to create a memorial for Sebastian Bainbridge.

The Ukraine fund relates to funds received to be donated to Ukrainian appeal of the Charity's choice.

Junior Funding 2 related to a donation received to support the development of a strong junior chess player.

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2024 £**
Investments	922,098	–	**922,098**
Current assets	260,480	273,549	**534,029**
Creditors less than 1 year	(87,561)	–	**(87,561)**
Creditors greater than 1 year	(37,500)	–	**(37,500)**
Net assets	1,057,517	273,549	**1,331,066**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Investments	822,670	–	822,670
Current assets	373,661	364,150	737,811
Creditors less than 1 year	(43,550)	–	(43,550)
Creditors greater than 1 year	(37,500)	–	(37,500)
Net assets	1,115,281	364,150	1,479,431

23. Analysis of changes in net debt

	At 1 Sep 2023	Cash flows	At 31 Aug 2024
	£	£	£
Cash at bank and in hand	560,091	(90,632)	**469,459**
Bank overdrafts	(544)	544	**–**
	559,547	(90,088)	**469,459**

24. Related parties

Malcolm Pein, the Chief Executive of Chess in Schools and Communities (the "Charity") and Secretary of its subsidiary Chess Promotions Limited ("CPL"), is a Director of Chess & Bridge Limited ("C&B"). During 2010, C&B signed a Supply Agreement with the Charity and CPL (together referred to as the "Customer"), to provide the Customer with certain goods and services on standard trade terms. This includes chess books, chess sets and boards, chess computer software, other chess related products and general administration support services. The total paid to C&B by the Charity during the year was £78,634 (2023: £73,400). At year end £Nil remained payable (2023: £Nil).
Malcolm Pein is also a Director of Classical Games ("CG") a company incorporated in the United States of America. The total paid to CG by the Charity during the year was £Nil (2023: £Nil). At the year end £Nil remained payable by the Charity (2023: £Nil).
Malcolm Pein is a Director of English Chess Federation and they reimbursed the Charity £Nil (2023: £140) in relation to expenses incurred on behalf of the Federation. At year end there was no outstanding balance (2023: £Nil).
The son of Malcolm Pein received £3,636 during the year (2023: £1,658) for his work as a Chess tutor at the Charity. The rate used was in accordance with rates used for all people that work for the Charity. At the year end £Nil was outstanding (203: £Nil).
There were transactions between Chess in Schools and Communities and Chess Promotions Limited within the ordinary course of business during the year. As at 31 August 2023 CPL owed the Charity £77,960 (2023: £77,960).

25. Controlling party

There is no ultimate controlling party.

26. Principal subsidiaries

Principal subsidiaries The following was a subsidiary undertaking of the charity:

Name	Chess Promotions Ltd
Company number	07152226
Registered office or principal place of business	44 Baker Street, London, W1U 7RT
Principal activity:	To exploit the commercial value of various chess events.
Class of shares Holding	Ordinary 100% (included in consolidation)

The financial results of the subsidiary for the year were:

Income	**£1,801**
Expenditure	**£(368)**
Profit(Deficit) for the year	**£1,433**
Net (liabilities)	**£(1,025)**

CHESS IN SCHOOLS AND COMMUNITIES

England & Wales - Charity number 1133120

Accounts

Registered number: 07017640
Charity number: 1133120

Chess in Schools and Communities

(A company limited by guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 August 2023

Chess in Schools and Communities
(A company limited by guarantee)

Contents

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 August 2023

Company registered number

07017640

Charity registered number

1133120

Registered office

Chess in Schools and Communities
44 Baker Street
London
W1U 7RT

Chief executive officer

Malcolm Pein

Independent auditors

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

Natwest Bank Plc
3rd Floor Cavell House
2a Charing Cross Road
London
WC2H 0NN

Investment Managers

Quilter Cheviot
1 Kingsway
Holborn
London
WC2B 6AN

Aberdeen Standard
1 George Street
Edinburgh
EH2 2LL

Evelyn Partners
45 Gresham St
London
EC2V 7BG

Trustees' Report
For the Year Ended 31 August 2023

The Trustees present their annual report together with the audited financial statements of charity for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objects

The charity's objects per the Memorandum of Association are:

- The advancement of education for the public benefit by promoting the mental and moral development and improvement of young people, in particular those who are socially and economically disadvantaged, through the promotion, teaching, coaching, playing and competition of chess.
- The advancement of amateur sport, including the encouragement of community participation, for the public benefit, through the promotion, teaching, coaching, playing and competition of chess.
- The promotion of social inclusion for the public benefit through the promotion, teaching, coaching, playing and competition of chess among those who are socially excluded as a result of unemployment, financial hardship, old age, ill health or disability.

These objectives are pursued by the delivery of weekly chess lessons and after schools clubs by CSC tutors and volunteers, the provision of chess sets, equipment and our curriculum to all schools, libraries and youth clubs which join our scheme. The organisation of tournaments in local boroughs and the London Chess Classic.

The charity works principally in boroughs with a high proportion of children eligible for Pupil Premium and boroughs with high level of deprivation as measured by the Index of Multiple Deprivation.

b. Activities undertaken to achieve objectives

The focus for the 2022/2023 academic year was managed growth, with the objective of gradually getting back to pre-covid activity levels. The switch from online delivery to tutor-led activities in classrooms was completed and there was also an emphasis on capacity building, particularly for tutor recruitment and training, to enable further growth in 23/24. There was an encouraging rate of renewal for 23/24, but challenges, including budgetary pressures within schools remained. The increase in the number of number of schools with weekly chess activity from 225 to 250 from a year before was a satisfactory result, particularly as there were similar increases over ten percent in the number of schools who were assisted with resources and in the number of community projects. This was achieved in a period of economic turmoil and double-digit inflation. Schools appreciated the holding of prices at 21-22 levels which was possible due to the charity’s strong financial position.

The charity continued to support all state schools who requested help in the form of equipment, learning materials, consultancy, teacher training or tutor visits. There was major progress achieved in partnership building and public affairs, with a new relationship and groundbreaking project established with the UK’s leading AI company Google DeepMind and also a major breakthrough in relations with UKGOV which led to an announcement of support for chess in communities and schools.

Objectives and activities (continued)

Training

Fifteen tutor training courses, the highest number ever, were held in: London (4), Hull, Manchester, Coventry, York, Middlesbrough, and our online courses proved hugely popular, with six courses run and all fully subscribed. A total of 176 delegates attended. Courses are simultaneously designed for teachers and chess players. The course includes presentation techniques, classroom management skills, and safeguarding material as well as our curriculum. The charity continued to encourage tutors to further their professional development by participating in the more advanced courses offered by the European Chess Union.

Newham

The Newham project prospered with new schools onboarded and a successful end of year tournament staged at Stratford Town Hall on 27th June 2023 in the presence of seven local councillors. The Mayor of Newham Rokhsana Fiaz attended the prizegiving. There was a separate competition held for councillors which was won by Councillor Terry Paul. The charity is grateful for the continuing support of Newham Borough Council which supports the extra activity in the borough and the provision of a part-time coordinator.

Liverpool

The charity continued to expand in Liverpool, thanks to a grant from the Anthony Lawson Foundation and the annual tournament in the splendid surroundings of the historic St Georges Hall was reinstituted, with the support of Liverpool City Council. The tournament attracted over 300 children. The relationship with North Liverpool Academy, an outstanding state secondary near Anfield, was further enhanced with the staging of a new tournament for secondary schools as demand for chess in that sector continued to increase. The charity also maintained close links with Liverpool Junior Chess Club, creating a pathway for children from our schools to further develop their chess.

Eurovision

Also in Liverpool, CSC organised a chess festival as part of the cultural side activities alongside Eurovision. The project was funded by Liverpool City Council and run in conjunction with Liverpool Chess Club. The festival included blitz tournaments, giant set activations, a junior tournament, simultaneous displays and a chess meetup. On 26th April 2023, King Charles visited the city and in Liverpool Central Library he was shown some historic chess sets and met some chess players from Whitefield Primary, a school in the CSC programme. This was the first time a reigning monarch has attended an event run by CSC and came in the same year as the Prime Minister Rishi Sunak hosted junior chess players at No 10 and announced support for chess following our public affairs campaign.

City of London

The project with Afghan refugees was completed as the participants were rehoused out of London. 240 hours of chess was delivered. The charity continued to work with the City of London Education department and organised lessons and a tournament for primary and secondary schools which was staged at the Guildhall with 117 children from Y3 to Y13 from 10 schools participating.

Ukrainian Refugees

The charity continued fund raising for Ukrainian refugees in the chess community who have come to the UK. Funds were deployed to support Ukrainian players to receive coaching and to fund tournament expenses. The Chief Executive gave a simultaneous display at a Ukrainian community centre which was funded by a grant from the US Embassy. Funds were deployed to run chess lessons for refugee children. The European Under 14 champion Sviatoslav Bazakutza was amongst the children supported. This work will continue for as long as necessary.

Objectives and activities (continued)

Online Chess Clubs

The ChessKid project continued to grow, with 44,000 ChessKids who had completed 610,340 puzzles and played 485,696 games. 577 of our pupils had reached the 'KING' level, the highest. The club for secondary schools on Lichess continued to expand and some tournaments were held for the first time. Some CSC schools participated in the National Schools Championship online run by the ECF.

Prisons

At the beginning of the year, Covid restrictions still affected delivery to some prisons and prevented the restarting of weekly chess clubs. By the end of the year activity was increasing with clubs at HMP Wandsworth, HMP Belmarsh ISIS, HMP Thameside, HMP Rye Hill, HMP Pentonville, HMP Hull, HMP Brixton, HMP Highpoint, HMP Wealstun, HMP Bronzefield, HMP Wakefield, HMP Lewes and HMP Leeds. The charity would like to record its thanks to our volunteer Prisons Coordinator Peter Sullivan who runs two clubs a week at HMP Wandsworth as well as working with tutors and in other prisons. Thanks to Peter's efforts, in October 2022, three prisons were able to play in the official FIDE World Prisons Championship. Teams representing England competed in the Open, Women's and Under 21 categories. HMP Bronzefield won bronze in the women's category, A combined team of prisoners from HMP ISIS and HMP Wandsworth won the silver medals in the Under 21 and a team from HMP Wandsworth placed 10th out of 47 countries in the Open.

The relationship with the Ministry of Justice remains strong and enquiries continued to be received with plans to open in HMP Pentonville and to restart in HMP Liverpool well advanced.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. Main achievements of the charity

3rd ChessFest

On July 16th, 2023, the charity staged the biggest chess event ever in the UK with the third *ChessFest* in Trafalgar Square. Over 15,000 people attended a free chess festival with lessons, giant chess matches, simultaneous displays, internet chess challenges and a living chess display. Woody Harrelson sent a video message to open the event.

The activities were conducted by charity tutors, volunteers, members of the England chess team and the Provibers performance company.

Satellite events were held at the Liverpool One shopping centre in Chavasse Park and in Hull and Nottingham. 240 children from CSC schools were invited to a day of activities outdoors in Manchester Square Gardens W1. Schools from outside London benefited from travel grants.

The charity is grateful to XTX Markets for supporting ChessFest. Preparation for a 4th ChessFest is well advanced and it has become an annual event. A video and photographs from the day can be found at Chess-Fest.com.

Achievements and performance (continued)

DeepMind – Google DeepMind scholars

The charity forged a prestigious partnership with the UK's leading artificial intelligence company Google DeepMind and University College Academy, a secondary academy school in North London. 23 pupils were selected as Google DeepMind scholars. The objective of the programme was to increase the number and diversity of pupils pursuing AI related subjects at university. Pupils will benefit from weekly lectures on AI and also chess lessons from a CSC tutor. There will be visiting speakers who will lecture on different AI applications and ethics.

Public Affairs

As part of a campaign to raise the profile of chess and awareness of the charity, the CEO raised sponsorship for a match between Ukrainian champion Andrei Volokitin and England number one Michael Adams. The match was hosted jointly by the Ukrainian Embassy and the European Bank for Reconstruction and Development in Canary Wharf.

The match was formally opened by the Speaker of the House of Commons Sir Lindsay Hoyle MP at Speakers House and the proceedings were attended by over 50 parliamentarians. Afterwards, the charity organised, with the assistance of the Shadow Chancellor Rachel Reeves MP, a Lords vs Commons match.

Using the momentum from these events and, with the assistance of ECF President Dominic Lawson, to whom the charity is indebted, the CEO secured meetings at No10 with government officials and others in the DCMS, DfE and DHLUC.

The outcome was government announcements in July 2023 of support for chess through the three departments including £500,000 for elite chess, £200,000 to develop chess in 100 schools having a percentage of children receiving free school meals of over 57.5% (see https://www.gov.uk/guidance/strengthening-chess-in-primary-schools) and £250,000 for the installation of chess tables around England.

b. Fundraising

John Lyons

The charity was awarded a grant from the John Lyon Charity to expand operations in schools, libraries, and community centres in north and west London.

XTX Markets / MESME Foundation

The charity deployed the remaining funds from a sizeable grant from the MESME Foundation which enabled significant subsidies in delivery cost to some of the schools in the most challenging areas. This grant made a big difference to the rate of recovery in standard delivery. XTX Markets employees continued to support the charity and our thanks to them and to XTX Markets for matching donations.

Trustees' Report (continued)
For the Year Ended 31 August 2023

Achievements and performance (continued)

c. Supporters

The charity would like to record its gratitude to:

MESME
XTX Markets and employees
John Lyon’s Charity
Angus Lawson Memorial Trust
Kasuma Foundation
Google DeepMind
Scheinberg Foundation
Orbis Investments
Newham Borough Council
The Vincit Foundation
The Cooke Family

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Of the total reserves of £1,479,431, £364,150 (2022: £360,700) relate to restricted projects as prescribed by the donors. Actual free reserves at 31 August 2023 were £1,115,281 (2022: £1,114,691). This amount is higher than the Trustees’ policy, but the excess has been set aside for the future expansion of the charity and support of the charity’s flagship events for which external support cannot always be guaranteed. The policy is under regular review by the Trustees and is part of the revised Strategic Plan which was approved by the Trustee Board in March 2023.

Since there is a continuing expectation for school receipts to remain strong and to cover tutor fees, the Trustees have decided that reserves can be reduced to support increased expenditure on new Regional Organisers and on any suitable projects to expand the charity should they arise.

c. General review

Once again, the charity did not need to deploy reserves to fund core activity and enjoyed a small surplus in the year to 31/08/2023 as donations and school receipts remained robust. This surplus was almost completely negated by a reduction in the value of the charity’s investments. Prices to schools were left largely unchanged for a third year and it is anticipated that they will rise in 23/24 due to inflationary and budgetary pressures. For the first time, revenues from prison delivery were a significant contribution to income.

The core delivery to schools and the staging of ChessFest remained the focus of charitable expenditure. Total expenditure for the year ended 31 August 2023 amounted to £1,141,832 (2022: £1,267,615). Total income including provision for Gift Aid not received at year end was £1,210,106 (2022: £1,020,022). The charity achieved a surplus, after net losses on investments amounting to £4,040 (2022: deficit of £324,541). Prior to the loss on investments the charity achieved a surplus of £68,274 (2022: deficit of £247,593).

At 31 August 2023 the Group had net assets of £1,479,431 (2022: £1,475,391).

d. Investments policy

The main objectives for the charity's investment portfolio are to preserve the charity's reserves in real terms, deliver a reasonable overall total return and for the portfolio to be sufficiently liquid to fund cash flow shortfalls and any unfunded commitments that may arise. The total return target for the investment portfolio has been set at inflation plus 3.5% p.a. net of fees.

A reasonable level of capital volatility within the investment portfolio is considered by the Trustees to be acceptable given the charity's risk and return objectives but the portfolio should be well diversified across asset classes and individual investments should be in line with a standard medium risk profile.

The charity precludes any direct investment in tobacco companies. The Trustees accept that some collective investment schemes may have exposure to tobacco stocks. However, the investment manager will monitor the position of these collective investment schemes to ensure this is kept to a minimum.

In principle the Trustees wish to be responsible investors. Therefore the investment manager is expected to take account of environmental, social and governance (ESG) issues in their investment analysis and decision-making process and engage with company management where appropriate.

e. Principal risks and uncertainties

The Trustees frequently assess risks presented to it during board meetings and update a risk register accordingly.

Structure, governance and management

a. Constitution

Chess in Schools and Communities is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 14 September 2009.

b. Methods of appointment or election of Trustees

The management of the Group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The day-to-day running of the organisation is delegated to senior staff comprising: the Chief Executive, the Chief Operating Officer and the Events and Client Relationship Manager. In 2016 the charity appointed a Head of Safeguarding. In 2018 the charity appointed a Deputy Head of Safeguarding and split the responsibility for delivery in London between a team of five staff.

The Trustees meet regularly to discuss issues of strategic direction concerning the model for chess teaching in schools, fund raising strategies and public affairs. The Trustee meetings determine the strategic plan, consider performance against the plan, maintain the risk register and approve the budget prepared by the Chief Executive.

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

Trustees are given an introduction to the organisation and the role of a Trustee by the Chief Executive and Chief Operating Officer through attendance at regular Trustee meetings, charity fundraising activities and events associated with the delivery of the core programme. All new Trustees are given a copy of the Charity Commission's publication CC3 which describes their legal duties and responsibilities. Trustees receive a comprehensive update from the Chief Executive three times a year and relevant documentation including end of term reports, fund raising, school contributions, performance against strategic plan, reports from individual boroughs, press cuttings and updates on the charity's public affairs campaign. Trustees also attend the charity's flagship event, the London Chess Classic, details of which are at www.londonchessclassic.com. The Chair of Trustees is also invited to the annual Senior Staff meeting.

e. Remuneration policy

The Chief Executive and Chief Operating Officer complete a review of all staff’s remuneration, including Senior Management, taking into account the economic indicators and the charity salary market. Fees for tutoring were increased in 22/23. The Board of Trustees will independently review the CEO and COO’s remuneration, using comparable organisations as a benchmark.

f. Financial risk management

The Trustees have assessed the major risks to which the Group and the charity are exposed, in particular those related to the operations and finances of the Group and the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The main plans and objectives for 23/24:

- Continued managed growth to reach pre-Covid levels of activity by September 2024.
- Expand prison activity with an ambitious target to double the size of the programme.
- Expand the tutor base and enhance options for professional development.
- Increase the number of regional organisers and expand into new areas including the Northeast, Lancashire, Shropshire and East Anglia.
- Organisation of more chess teaching courses for online and in-class delivery.
- Organisation of a 2023 London Chess Classic, subject to funding.
- Organisation of a 2024 ChessFest and to spread ChessFest to other venues around the UK.
- The continuation of a public affairs campaign.
- To develop the ChessKid club the online offering for secondary school children on LiChess.
- Devote more resource to corporate fund raising.

Details of the charity’s work can be seen at www.chessinschools.co.uk.

Our impact survey is available at: https://www.chessinschools.co.uk/Pages/Category/our-impact.

Trustees' Report (continued)
For the Year Ended 31 August 2023

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Alison Sharp
Trustee
Date: 17th June 2024

Alison Sharp

Independent Auditors' Report to the Members of Chess in Schools and Communities

Opinion

We have audited the financial statements of Chess in Schools and Communities (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of Chess in Schools and Communities (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of Chess in Schools and Communities (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety, general data protection regulations and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of expenditure to confirm no evidence of personal benefit; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent Auditors' Report to the Members of Chess in Schools and Communities (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report to the Members of Chess in Schools and Communities (continued)

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company and its members and trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Samantha Rouse FCCA DChA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

Date: 18 June 2024

Chess in Schools and Communities

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	**445,433**	**245,055**	**690,488**	612,646
Charitable activities	4	**457,549**	**-**	**457,549**	398,614
Other trading activities		**49,993**	**-**	**49,993**	8,251
Other income		**12,076**	**-**	**12,076**	511
Total income		**965,051**	**245,055**	**1,210,106**	1,020,022
Expenditure on:					
Raising funds		**4,663**	**-**	**4,663**	19,602
Charitable activities	5	**895,564**	**241,605**	**1,137,169**	1,248,013
Total expenditure		**900,227**	**241,605**	**1,141,832**	1,267,615
Net income/(expenditure) before net losses on investments		**64,824**	**3,450**	**68,274**	(247,593)
Net losses on investments		**(64,234)**	**-**	**(64,234)**	(76,948)
Net movement in funds		**590**	**3,450**	**4,040**	(324,541)
Reconciliation of funds:					
Total funds brought forward		**1,114,691**	**360,700**	**1,475,391**	1,799,932
Net movement in funds		**590**	**3,450**	**4,040**	(324,541)
Total funds carried forward		**1,115,281**	**364,150**	**1,479,431**	1,475,391

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 33 form part of these financial statements.

Chess in Schools and Communities

(A company limited by guarantee)
Registered number: 07017640

Consolidated Balance Sheet
As at 31 August 2023

	Note		2023 £		2022 £
Fixed assets					
Investments	10		**822,670**		886,904
			822,670		886,904
Current assets					
Debtors	11	**177,720**		165,045	
Cash at bank and in hand		**560,091**		545,882	
		737,811		710,927	
Creditors: amounts falling due within one year	12	**(43,550)**		(84,940)	
Net current assets			**694,261**		625,987
Creditors: amounts falling due after more than one year	13		**(37,500)**		(37,500)
Net assets			**1,479,431**		1,475,391
Funds					
Restricted funds	14		**364,150**		360,700
Unrestricted funds	14		**1,115,281**		1,114,691
Total funds			**1,479,431**		1,475,391

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Alison Sharp Alison Sharp
Trustee
Date: 17th June 2024

The notes on pages 19 to 33 form part of these financial statements.

Chess in Schools and Communities

(A company limited by guarantee)
Registered number: 07017640

Charity Balance Sheet
As at 31 August 2023

	Note		2023 £		2022 £
Fixed assets					
Investments	10		**822,671**		886,905
			822,671		886,905
Current assets					
Debtors	11	**255,661**		243,024	
Cash at bank and in hand		**484,608**		479,471	
		740,269		722,495	
Creditors: amounts falling due within one year	12	**(43,550)**		(84,760)	
Net current assets			**696,719**		637,735
Creditors: amounts falling due after more than one year	13		**(37,500)**		(37,500)
Net assets			**1,481,890**		1,487,140
Charity funds					
Restricted funds	14		**364,150**		360,700
Unrestricted funds	14		**1,117,740**		1,126,440
Total funds			**1,481,890**		1,487,140

The charity's net movement in funds for the year was £(5,250) (2022 - £(313,100)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Type text here

Alison Sharp
Trustee
Date: 17th June 2024

The notes on pages 19 to 33 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	17	**395**	(37,690)
Cash flows from investing activities			
Proceeds from sale of investments		**403,179**	134,607
Purchase of investments		**(389,365)**	(139,163)
Net cash provided by/(used in) investing activities		**13,814**	(4,556)
Change in cash and cash equivalents in the year		**14,209**	(42,246)
Cash and cash equivalents at the beginning of the year		**545,882**	588,128
Cash and cash equivalents at the end of the year	18	**560,091**	545,882

The notes on pages 19 to 33 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 August 2023

1. General information

Chess in Schools and Communities is a charitable company registered in England. The charitable company's registered address is Chess in Schools and Communities, 44 Baker Street, London, W1U 7RT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Chess in Schools and Communities meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are received by way of grants, donations, legacies and gifts and is included in full in the consolidated statement of financial activities when receivable.

Income from charitable activities includes income received by way of contributions made by schools, prisons and other establishments, from course fees and tournament tickets and is recognised as the events take place.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at an appropriate discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.10 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.12 Fund accounting

Unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Notes to the Financial Statements
For the Year Ended 31 August 2023

3. Income from donations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations				
Individual and corporate donations	326,872	242,055	**568,927**	545,445
Gift aid	22,228	-	**22,228**	57,001
Trusts	91,575	3,000	**94,575**	10,200
Grants				
Grants for schools	4,758	-	**4,758**	-
	445,433	245,055	**690,488**	612,646
Total 2022	104,685	507,961	612,646	

Government grants included income received in relation to the furlough scheme.

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
School contributions	439,530	**439,530**	384,725
Prison contributions	16,067	**16,067**	11,120
Tournament income	1,050	**1,050**	283
Older people contributions	902	**902**	2,486
	457,549	**457,549**	398,614
Total 2022	398,614	398,614	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	**Restricted funds 2023 £**	**Total 2023 £**	Total 2022 £
Fundraising	32,383	-	**32,383**	34,218
Tournament costs	181,611	564	**182,175**	222,279
Chess Tutoring	675,390	241,041	**916,431**	977,393
Training	6,180	-	**6,180**	14,123
	895,564	241,605	**1,137,169**	1,248,013
Total 2021	811,749	436,264	1,248,013	

6. Analysis of expenditure by activities

	Direct costs 2023 £	**Support costs 2023 £**	**Total funds 2023 £**	Total funds 2022 £
Fundraising	3,263	29,120	**32,383**	34,218
Tournament costs	121,503	60,672	**182,175**	222,279
Chess tutoring	763,544	152,887	**916,431**	977,393
Training	6,180	-	**6,180**	14,123
	894,490	242,679	**1,137,169**	1,248,013
Total 2022	963,613	284,400	1,248,013	

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Fundraising 2023 £	Tournament costs 2023 £	Chess tutoring 2023 £	Training 2023 £	Total funds 2023 £	Total funds 2022 £
Tutor costs	-	-	510,231	-	**510,231**	559,625
ChessFest expenses	-	10,950	248,328	-	**259,278**	234,054
LCC costs	-	-	-	-	**-**	94,113
Expenses	3,153	15	4,985	-	**8,153**	5,475
Tournament expenses	-	56,492	-	-	**56,492**	90
Advertising	-	4,737	-	-	**4,737**	17,978
Bad debt expense	110	-	-	-	**110**	-
Equipment	-	49,309	-	-	**49,309**	38,155
Training projects	-	-	-	6,180	**6,180**	14,123
	3,263	121,503	763,544	6,180	**894,490**	963,613
Total 2022	90	151,177	798,223	14,123	963,613	

Analysis of support costs

	Fundraising 2023 £	Tournament costs 2023 £	Chess tutoring 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	18,554	38,656	97,411	**154,621**	198,600
IT	1,155	2,407	6,065	**9,627**	10,044
General overheads	2,976	6,200	15,624	**24,800**	24,800
Travel and entertaining	966	2,012	5,070	**8,048**	6,953
General administrative services	1,308	2,727	6,871	**10,906**	6,522
Bank charges	161	336	846	**1,343**	1,351
Governance costs (note 7)	4,000	8,334	21,000	**33,334**	36,130
	29,120	60,672	152,887	**242,679**	284,400
Total 2022	34,128	71,102	179,170	284,400	

7. Governance costs

	2023 **£**	2022 £
Accountancy fees	**2,980**	1,925
Auditors' remuneration	**10,000**	7,590
Consultancy fees	**18,050**	20,668
Professional fees	**1,103**	5,098
Payroll services	**1,201**	849
	33,334	36,130

8. Staff costs

	Group 2023 £	Group 2022 £	**Charity 2023 £**	Charity 2022 £
Wages and salaries	**143,486**	186,677	**143,486**	186,677
Social security costs	**10,144**	10,764	**10,144**	10,764
Pension	**991**	1,159	**991**	1,159
	154,621	198,600	**154,621**	198,600

The average number of persons employed by the charity during the year was as follows:

	Group 2023 No.	Group 2022 No.	**Charity 2023 No.**	Charity 2022 No.
Average number of staff	**4**	4	**4**	4

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	**1**	1

The key management personnel's total remuneration during the year totalled £96,609 (2022: £92,674), including employer's national insurance contributions of £9,261 (2022: £9,322).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, expenses totalling £120 were reimbursed or paid directly to 1 Trustee (2022 - £23 to 1 Trustee). This related to travel expenses..

10. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 September 2022	**886,904**
Additions	**389,365**
Disposals	**(403,179)**
Revaluations	**(50,420)**
At 31 August 2023	**822,670**
Net book value	
At 31 August 2023	**822,670**
At 31 August 2022	886,904

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 September 2022	**1**	**886,904**	**886,905**
Additions	**-**	**389,365**	**389,365**
Disposals	**-**	**(403,179)**	**(403,179)**
Revaluations	**-**	**(50,420)**	**(50,420)**
At 31 August 2023	**1**	**822,670**	**822,671**
Net book value			
At 31 August 2023	**1**	**822,670**	**822,671**
At 31 August 2022	1	886,904	886,905

Notes to the Financial Statements
For the Year Ended 31 August 2023

11. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Due within one year				
Trade debtors	**5,321**	21,861	**5,321**	21,861
Amounts owed by group undertakings	**-**	-	**77,960**	76,763
Other debtors	**145,375**	124,659	**145,375**	124,659
Prepayments and accrued income	**-**	5,086	**-**	5,086
Tax recoverable	**27,024**	13,439	**27,005**	14,655
	177,720	165,045	**255,661**	243,024

12. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	**2,711**	28,981	**2,711**	28,801
Other taxation and social security	**4,874**	196	**4,874**	196
Other creditors	**858**	503	**858**	503
Accruals	**35,107**	55,260	**35,107**	55,260
	43,550	84,940	**43,550**	84,760

13. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Accruals	**37,500**	37,500	**37,500**	37,500

14. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds					
General Funds	**1,114,691**	**965,051**	**(900,227)**	**(64,234)**	**1,115,281**
Restricted funds					
London Chess Classic	**313,212**	**-**	**-**	**-**	**313,212**
Africa fund	**30,251**	**-**	**-**	**-**	**30,251**
Erlestoke Prison	**2,116**	**-**	**-**	**-**	**2,116**
ChessFest	**-**	**241,955**	**(234,741)**	**-**	**7,214**
Wandsworth	**4,908**	**-**	**(3,800)**	**-**	**1,108**
Berkshire	**3,125**	**3,000**	**(2,500)**	**-**	**3,625**
Shreyas Royal	**200**	**-**	**-**	**-**	**200**
Sebastian Bainbridge Memorial	**6,058**	**-**	**-**	**-**	**6,058**
Ukraine	**830**	**100**	**(564)**	**-**	**366**
	360,700	**245,055**	**(241,605)**	**-**	**364,150**
Total funds	**1,475,391**	**1,210,106**	**(1,141,832)**	**(64,234)**	**1,479,431**

London Chess Classic is exclusively for running the educational elements of the London Chess Classic tournament.

The Africa fund is to be used exclusively on our activity in Africa.

Erlestoke Prison funds are for the provision of a chess club at HMP Erlestoke.

ChessFest donations are used exclusively towards the running of this year's annual ChessFest tournament.

Wandsworth fund relates to a donation received to improve the chess training offering in the area.

Berkshire fund relates to a donation received to improve the chess training offering in the area.

Shreyas Royal fund relates to a donation received to support the development of the Shreyas Royal.

Sebastian Bainbridge Memorial fund relates to a donation received to create a memorial for Sebastian Basinbridge.

The Ukraine fund relates to funds received to be donated to a Ukrainian appeal of the Charity's choice.

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds					
General Funds	1,510,929	512,061	(831,351)	(76,948)	1,114,691

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted funds					
London Chess Classic	252,628	262,500	(201,916)	-	313,212
Africa fund	30,251	-	-	-	30,251
Erlestoke Prison	2,116	-	-	-	2,116
Prisons	4,008	-	(4,008)	-	-
Wandsworth	-	8,208	(3,300)	-	4,908
ChessFest	-	191,640	(191,640)	-	-
Berkshire	-	3,125	-	-	3,125
Liverpool/Merseyside	-	16,000	(16,000)	-	-
Shreyas Royal	-	19,200	(19,000)	-	200
Sebastian Bainbridge Memorial	-	6,058	-	-	6,058
Ukraine	-	1,230	(400)	-	830
	289,003	507,961	(436,264)	-	360,700
Total of funds	1,799,932	1,020,022	(1,267,615)	(76,948)	1,475,391

15. Summary of funds

Summary of funds - current year

	Balance at 1 September 2022 £	**Income £**	**Expenditure £**	**Gains/ (Losses) £**	**Balance at 31 August 2023 £**
General funds	**1,114,691**	**965,051**	**(900,227)**	**(64,234)**	**1,115,281**
Restricted funds	**360,700**	**245,055**	**(241,605)**	**-**	**364,150**
	1,475,391	**1,210,106**	**(1,141,832)**	**(64,234)**	**1,479,431**

15. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
General funds	1,510,929	512,061	(831,351)	(76,948)	1,114,691
Restricted funds	289,003	507,961	(436,264)	-	360,700
	1,799,932	1,020,022	(1,267,615)	(76,948)	1,475,391

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	**Restricted funds 2023 £**	**Total funds 2023 £**
Fixed asset investments	822,670	-	**822,670**
Current assets	373,661	364,150	**737,811**
Creditors due within one year	(43,550)	-	**(43,550)**
Creditors due in more than one year	(37,500)	-	**(37,500)**
Total	1,115,281	364,150	**1,479,431**

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Fixed asset investments	886,904	-	886,904
Current assets	350,227	360,700	710,927
Creditors due within one year	(84,940)	-	(84,940)
Creditors due in more than one year	(37,500)	-	(37,500)
Total	1,114,691	360,700	1,475,391

Notes to the Financial Statements
For the Year Ended 31 August 2023

17. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**4,040**	(324,541)
Adjustments for:		
Losses/(gains) on investments	**50,420**	81,504
Decrease/(increase) in debtors	**(12,675)**	147,253
Increase/(decrease) in creditors	**(41,390)**	58,094
Net cash (used in)/provided by operating activities	**395**	(37,690)

18. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	**560,091**	545,882

19. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	**545,882**	**14,209**	**560,091**

20. Related party transactions

Malcolm Pein, the Chief Executive of Chess in Schools and Communities (the "Charity") and Secretary of its subsidiary Chess Promotions Limited ("CPL"), is a Director of Chess & Bridge Limited ("C&B"). During 2010, C&B signed a Supply Agreement with the Charity and CPL (together referred to as the "Customer"), to provide the Customer with certain goods and services on standard trade terms. This includes chess books, chess sets and boards, chess computer software, other chess related products and general administration support services. The total paid to C&B by the Charity during the year was £73,400 (2022: £51,805). At year end £Nil remained payable (2022: £Nil).

Malcolm Pein is also a Director of Classical Games ("CG") a company incorporated in the United States of America. The total paid to CG by the Charity during the year was £Nil (2022: £1,560). At the year end £Nil remained payable by the Charity (2022: £Nil).

Malcolm Pein is a Director of English Chess Federation and they reimbursed the Charity £140 (2022: £Nil) in relation to expenses incurred on behalf of the Federation. At year end there was no outstanding balance (2022: £Nil).

The son of Malcolm Pein received £1,658 during the year (2022: £Nil) for his work as a Chess tutor at the Charity. The rate used was in accordance with rates used for all people that work for the Charity. At the year end £Nil was outstanding (2022: £Nil).

There were transactions between Chess in Schools and Communities and Chess Promotions Limited within the ordinary course of business during the year. As at 31 August 2022 CPL owed the Charity £77,960 (2022: £76,763).

21. Pension commitments

The group operates a defined contribution pension scheme for its employees. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £991 (2022: £1,159). At the balance sheet date £314 was recognised as a liability owed to the charity (2022: £41 debtor owed to the charity).

22. Controlling party

There is no ultimate controlling party.

23. Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Registered office or principal place of business	Principal activity
Chess Promotions Ltd	07152226	44 Baker Street, London, W1U 7RT	To exploit the commercial value of various chess events.

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	(Deficit) for the year £	Net (liabilities) £
Chess Promotions Ltd	**49,993**	**(40,703)**	**9,290**	**(2,458)**

Accounts

Registered number: 07017640
Charity number: 1133120

Chess in Schools and Communities

(A company limited by guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 August 2022

Chess in Schools and Communities
(A company limited by guarantee)

Contents

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 August 2022

Trustees	Andrew Farthing (resigned 26 October 2022) Ian Iceton (resigned 21 October 2022) Stephen Meyler Alison Sharp William Watson Isabel Keen Stephen O'Connell CBE (appointed 14 March 2023)
Company registered number	07017640
Charity registered number	1133120
Registered office	Chess in Schools and Communities 44 Baker Street London W1U 7RT
Chief executive officer	Malcolm Pein
Independent auditors	Kreston Reeves LLP Chartered Accountants Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	Natwest Bank Plc 3rd Floor Cavell House 2a Charing Cross Road London WC2H 0NN
Investment Managers	Quilter Cheviot 1 Kingsway Holborn London WC2B 6AN Aberdeen Standard 1 George Street Edinburgh EH2 2LL

Trustees' Report
For the Year Ended 31 August 2022

The Trustees present their annual report together with the audited financial statements of charity for the year ended 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objects

The charity's objects per the Memorandum of Association are:

- The advancement of education for the public benefit by promoting the mental and moral development and improvement of young people, in particular those who are socially and economically disadvantaged, through the promotion, teaching, coaching, playing and competition of chess.
- The advancement of amateur sport, including the encouragement of community participation, for the public benefit, through the promotion, teaching, coaching, playing and competition of chess.
- The promotion of social inclusion for the public benefit through the promotion, teaching, coaching, playing and competition of chess among those who are socially excluded as a result of unemployment, financial hardship, old age, ill health or disability.

These objectives are pursued by the delivery of weekly chess lessons and after schools clubs by CSC tutors and volunteers, the provision of chess sets, equipment and our curriculum to all schools, libraries and youth clubs which join our scheme. The organisation of tournaments in local boroughs and the London Chess Classic.

The charity works principally in boroughs with a high proportion of children eligible for Pupil Premium and boroughs with high level of deprivation as measured by the Index of Multiple Deprivation.

b. Activities undertaken to achieve objectives

The recovery process from Covid continued in the 2021/2022 academic year. Going into the 2022-23 academic year. After a successful renewal campaign in the summer term, 100 schools contracted to return to the core tutor-led activities in classrooms programme or joined for the first time. Covid continued to have an effect, as many schools continued to focus on catching up in academic subjects, leaving less class time for activities such as chess. A winter wave of the virus also affected the 12th London Chess Classic and disrupted delivery for the first two terms. Further waves caused staffing issues, but the full 30-week programme was delivered to all schools.

Going into the 22/23 academic year, 227 schools were registered for the main programme. The target number of schools set in the last report of 225 was achieved and there were 15,000 pupils involved each week. It was particularly encouraging that although the number of schools is significantly less than before the pandemic, participating schools requested more classes, so the number of children in the programme was close to pre-pandemic levels. A significant concern for future expansion was the financial pressures on schools due to inflation and energy prices.

The chess boom continued and this was reflected in continuing high demand for the charity from state schools for chess equipment, learning materials, consultancy, teaching, training, tutor visits and tournaments. The number of schools supported in these ways passed 1000. The charities prison programme recommenced and for the first time we ran a programme for Afghan refugee children. The charity also began to support Ukrainian refugees from their chess community who had sought refuge in the UK.

Objectives and activities (continued)

Despite the challenges, for the first time in the charity's history two major events were run in one year with both the London Chess Classic in December and the 2nd ChessFest in Trafalgar Square in July. ChessFest was a particular highlight.

Work began on a new strategic plan during the year and the head office team was strengthened as was the London team of Regional Organisers in preparation for the increased output and activity in 22/23. Activity began in Hull and Hastings. Thanks to the support of our sponsors, receipts from schools and economies made during Covid, the charity's finances remained robust.

ChessFest 2022

Last year's event was the biggest chess gathering ever in the UK. In 2022, without Covid restrictions, attendance almost doubled as Trafalgar Square was at capacity with over 11,000 visitors on the day. There was a dual theme with the 25th anniversary of the Kasparov versus Deep Blue match and the 50th anniversary of the world title contest between Boris Spassky and Bobby Fischer. The picture gallery is here: https://www.smugmug.com/app/organize/ChessFest-2022 Password CSC2022
Sky News covered the school events held in Manchester Square. Our thanks to XTX Markets and the Kusuma Foundation for their generous support. There was a second ChessFest in Liverpool and next year we also hope to have a ChessFest in Nottingham.

Training

The charity increased its output in anticipation of increased demand and 12 Tutor training courses were held, the most since 2018. These were in in London (3), Middlesbrough, Hull, Cardiff, Winchester, Stoke, Oxford, Manchester and two online. Online courses were well attended and they will be expanded in 22/23. The charity continued safeguarding training for tutors and encouraged them to join the more advanced courses offered by the European Chess Union. Classroom management training will be reintroduced for tutors in 22/23. A new curriculum was finished and distributed to tutors and was in use at all the schools in 21/22.

Online Chess Clubs

The ChessKid club activity plateaued, although 37,000 children are signed up. The charity continues to distribute 2000 ChessKid gold memberships to children in the core programme. The charity club for secondary schools on LiChess became increasingly popular and some tournaments were run.
See: https://www.chessinschools.co.uk/chesskid-for-schools

Newham

The contract with Newham Borough council was renewed in 21/22 and will continue in 22/23. A new Regional Organiser was appointed. CSC continues to support some of the more talented players in Newham with the Newham Grand Prix. The charity is grateful for the continuing support of Newham Borough Council and we have agreed to reinstitute the annual borough tournament in 2023.

Prisons

The prisons' programme gradually returned to pre Covid levels as each prison reached the required safety standard post Covid. Weekly chess clubs recommenced at nine prisons.
The relationship with the Ministry of Justice remained strong and thanks to their assistance with publicity and an article on the MoJ intranet, there is continuing interest from other prisons. The success of HMP Wandsworth in the World Prisons Championship led to Channel 4 News running an extensive feature on our programme which can be seen here:
https://www.channel4.com/news/how-chess-is-helping-rehabilitate-prisoners-at-hmp-wandsworth

A team of prisoners from HMP Wandsworth will be competing in the 2022 event and the intention is to involve other prisons for the first time including a women's prison HMP Bronzefield. The charity would like to record its

Objectives and activities (continued)

thanks to Peter Sullivan, a volunteer, who coordinates activity nationally.

Online Delivery

There was naturally less demand for online delivery this year. The materials which were developed during lockdown are still distributed to new schools and the skills acquired by our tutors in delivering online will enable us to reach any school in rural areas in future. See:
https://www.chessinschools.co.uk/chess-at-home

Afghan Refugees

The charity was approached by the City of London Corporation to teach chess to Afghan refugee children who were given temporary accommodation. Fortunately, the charity had two tutors available with knowledge of Pashtun, Farsi and Arabic. The sessions proved popular with the children and it was noticeable that the girls were particularly keen. At the end of the year the project was ongoing and will continue until the refugees are rehoused.

Ukrainian Refugees

The charity conducted some fund raising and supported some Ukrainian refugees from the chess community who decided to settle in the UK. The charity was also involved finding some homes for refugees within the chess community. This work will continue for as long as necessary.

Details of the charity’s work can be seen at www.chessinschools.co.uk.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. Fundraising

Thanks to strong school receipts and some new donors as well as the sizeable grant from the MESME Foundation in 2021, the charity avoided having to deploy its reserves to fund day to day activity in 21/22. The likely absence of a London Chess Classic in 2022 and the limitations imposed on the 2021 London Chess Classic will affect fundraising revenues. The charity is also grateful to XTX Markets for supporting ChessFest in 2022 and to XTX employees for their personal donations which were matched by the company. The vast majority of donations in 21/22 were restricted for a particular purpose.

Achievements and performance (continued)

b. Supporters

The charity would like to record its gratitude to:

MESME
XTX Markets and employees
John Lyon's Charity
Angus Lawson Memorial Trust
Kasuma Foundation
DeepMind
Scheinberg Foundation
Ennismore Foundation
Orbis Investments
Don Hanson Charitable Trust
Newham Borough Council
Lorna Kerr
The Vincit Foundation
The Cooke Family

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Of the total reserves of £1,475,391, £360,700 (2021: £289,003) relate to restricted projects as prescribed by the donors. Actual free reserves at 31 August 2022 were £1,114,691 (2021: £1,510,929). This amount is higher than the Trustees' policy, but the excess has been set aside for the future expansion of the charity and support of the charity's flagship events. The policy was recently reviewed by the Trustees as part of the overall Strategic Review and in view of the continuing expectation for school receipts to remain strong and to cover nearly all tutor fees, the Trustees have decided that reserves should be reduced. The Trustees still consider it prudent to maintain an invested reserve but have decided this amount may be reduced to £500,000 through increased investment in delivery capacity and the support of events.

c. General review

Despite a 20% discount offered to many schools for the academic year 21/22, school receipts were strong. The reduction in staffing at head office contributed to reducing overheads but there has since been recruitment since which will increase central costs.

The core delivery to schools and the staging of the ChessFest were the main focus of charitable expenditure. Total expenditure for the year ended 31 August 2022 amounted to £1,267,615 (2021: £860,690). Total income including provision for Gift Aid not received at year end was £1,020,022 (2021: £1,006,273). The charity suffered a deficit, after net losses on investments amounting to £324,541 (2021: surplus of £231,353). Prior to the loss on investments the charity suffered a deficit of £247,593 (2021: surplus of £145,583).

At 31 August 2022 the Group had net assets of £1,475,391 (2021: £1,799,932).

d. Investments policy

The main objectives for the charity's investment portfolio are to preserve the charity's reserves in real terms, deliver a reasonable overall total return and for the portfolio to be sufficiently liquid to fund cash flow shortfalls and any unfunded commitments that may arise. The total return target for the investment portfolio has been set at inflation plus 3.5% p.a. net of fees.

A reasonable level of capital volatility within the investment portfolio is considered by the Trustees to be acceptable given the charity's risk and return objectives but the portfolio should be well diversified across asset classes and individual investments should be in line with a standard medium risk profile.

The charity precludes any direct investment in tobacco companies. The Trustees accept that some collective investment schemes may have exposure to tobacco stocks. However, the investment manager will monitor the position of these collective investment schemes to ensure this is kept to a minimum.

In principle the Trustees wish to be responsible investors. Therefore the investment manager is expected to take account of environmental, social and governance (ESG) issues in their investment analysis and decision-making process and engage with company management where appropriate.

e. Principal risks and uncertainties

The Trustees frequently assess risks presented to it during board meetings and update a risk register accordingly.

Structure, governance and management

a. Constitution

Chess in Schools and Communities is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 14 September 2009.

b. Methods of appointment or election of Trustees

The management of the Group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The day-to-day running of the organisation is delegated to senior staff comprising: the Chief Executive, the Chief Operating Officer and the Events and Client Relationship Manager. In 2016 the charity appointed a Head of Safeguarding. In 2018 the charity appointed a Deputy Head of Safeguarding and split the responsibility for delivery in London between a team of five staff.

The Trustees meet regularly to discuss issues of strategic direction concerning the model for chess teaching in schools, fund raising strategies and public affairs. The Trustee meetings determine the strategic plan, consider performance against the plan, maintain the risk register and approve the budget prepared by the Chief Executive.

d. Policies adopted for the induction and training of Trustees

Trustees are given an introduction to the organisation and the role of a Trustee by the Chief Executive and Chief Operating Officer through attendance at regular Trustee meetings, charity fundraising activities and events associated with the delivery of the core programme. All new Trustees are given a copy of the Charity Commission's publication CC3 which describes their legal duties and responsibilities. Trustees receive a comprehensive update from the Chief Executive three times a year and relevant documentation including end of term reports, fund raising, school contributions, performance against strategic plan, reports from individual boroughs, press cuttings and updates on the charity's public affairs campaign. Trustees also attend the charity's flagship event, the London Chess Classic, details of which are at www.londonchessclassic.com. The Chair of Trustees is also invited to the annual Senior Staff meeting.

e. Remuneration policy

The Chief Executive and Chief Operating Officer complete a review of all staff’s remuneration, including Senior Management, taking into account the economic indicators and the charity salary market. The Board of Trustees will independently review the CEO and COO’s remuneration, using comparable organisations as a benchmark.

f. Financial risk management

The Trustees have assessed the major risks to which the Group and the charity are exposed, in particular those related to the operations and finances of the Group and the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The charity will conduct its activities in accordance with the new Strategic Plan agreed in March 2023. The main plans and objectives for 22/23 are:

- Continue the recovery process, aiming for a minimum of 10% growth in 22/23, preferably more, to get closer to pre Covid levels, mindful of the headwinds, particularly with school finances remaining fragile.
- Despite the inflationary environment, to keep price increases to schools to a minimum and maintain tutor fees at a level that ensures retention.
- Organisation of a 2023 London Chess Classic, subject to funding.
- Organisation of a 2023 ChessFest and to spread ChessFest to other venues around the UK.
- Increase the training opportunities to the tutor base and new tutors.
- Expand the tutor base to create a reserve, particularly in London.
- Organisation of more chess teaching courses.
- Outreach to teacher’s organisations and local authorities to increase awareness of our offering.
- To seek new sources of funds and reconnect with donors after Covid.
- The continuation of a public affairs campaign around the benefits of chess while continuing efforts to bring the charity to the attention of the wider public and key decision makers.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' Report (continued)
For the Year Ended 31 August 2022

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Stephen Meyler
Trustee
Date: 30 May 2023

Independent Auditors' Report to the Members of Chess in Schools and Communities

Opinion

We have audited the financial statements of Chess in Schools and Communities (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of Chess in Schools and Communities (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety, general data protection regulations and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of expenditure to confirm no evidence of personal benefit; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditors' Report to the Members of Chess in Schools and Communities (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company and its members and trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Samantha Rouse FCCA DChA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

Date: 30 May 2023

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	**104,685**	**507,961**	**612,646**	741,835
Charitable activities	4	**398,614**	**-**	**398,614**	240,962
Other trading activities		**8,251**	**-**	**8,251**	10,987
Investments	5	**-**	**-**	**-**	11,989
Other income		**511**	**-**	**511**	500
Total income		**512,061**	**507,961**	**1,020,022**	1,006,273
Expenditure on:					
Raising funds		**19,602**	**-**	**19,602**	11,306
Charitable activities	6	**811,749**	**436,264**	**1,248,013**	849,384
Total expenditure		**831,351**	**436,264**	**1,267,615**	860,690
Net (expenditure)/income before net (losses)/gains on investments		**(319,290)**	**71,697**	**(247,593)**	145,583
Net (losses)/gains on investments		**(76,948)**	**-**	**(76,948)**	85,950
Net movement in funds		**(396,238)**	**71,697**	**(324,541)**	231,533
Reconciliation of funds:					
Total funds brought forward		**1,510,929**	**289,003**	**1,799,932**	1,568,399
Net movement in funds		**(396,238)**	**71,697**	**(324,541)**	231,533
Total funds carried forward		**1,114,691**	**360,700**	**1,475,391**	1,799,932

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 33 form part of these financial statements.

Chess in Schools and Communities

(A company limited by guarantee)
Registered number: 07017640

Consolidated Balance Sheet
As at 31 August 2022

	Note		2022 £		2021 £
Fixed assets					
Investments	11		**886,904**		963,852
			886,904		963,852
Current assets					
Debtors	12	**165,045**		312,298	
Cash at bank and in hand		**545,882**		588,128	
		710,927		900,426	
Creditors: amounts falling due within one year	13	**(84,940)**		(64,346)	
Net current assets			**625,987**		836,080
Creditors: amounts falling due after more than one year	14		**(37,500)**		-
Net assets			**1,475,391**		1,799,932
Funds					
Restricted funds	15		**360,700**		289,003
Unrestricted funds	15		**1,114,691**		1,510,929
Total funds			**1,475,391**		1,799,932

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Stephen Meyler
Trustee
Date: 30 May 2023

The notes on pages 18 to 33 form part of these financial statements.

Chess in Schools and Communities
(A company limited by guarantee)
Registered number: 07017640

Charity Balance Sheet
As at 31 August 2022

	Note		2022 £		2021 £
Fixed assets					
Investments	11		886,905		963,853
			886,905		963,853
Current assets					
Debtors	12	243,024		388,109	
Cash at bank and in hand		479,471		510,175	
		722,495		898,284	
Creditors: amounts falling due within one year	13	(84,760)		(61,897)	
Net current assets			637,735		836,387
Creditors: amounts falling due after more than one year	14		(37,500)		-
Net assets			1,487,140		1,800,240
Charity funds					
Restricted funds	15		330,933		289,003
Unrestricted funds	15		1,156,207		1,511,237
Total funds			1,487,140		1,800,240

The charity's net movement in funds for the year was £(313,100) (2021 - £265,290).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

S. Meyler

Stephen Meyler
Trustee
Date: 30 May 2023

The notes on pages 18 to 33 form part of these financial statements.

Chess in Schools and Communities
(A company limited by guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	18	**(37,690)**	117,402
Cash flows from investing activities			
Proceeds from sale of investments		**134,607**	57,695
Purchase of investments		**(139,163)**	(54,789)
Net cash (used in)/provided by investing activities		**(4,556)**	2,906
Change in cash and cash equivalents in the year		**(42,246)**	120,308
Cash and cash equivalents at the beginning of the year		**588,128**	467,820
Cash and cash equivalents at the end of the year	19	**545,882**	588,128

The notes on pages 18 to 33 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 August 2022

1. General information

Chess in Schools and Communities is a charitable company registered in England. The charitable company's registered address is Chess in Schools and Communities, 44 Baker Street, London, W1U 7RT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Chess in Schools and Communities meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are received by way of grants, donations, legacies and gifts and is included in full in the consolidated statement of financial activities when receivable.

Income from charitable activities includes income received by way of contributions made by schools, prisons and other establishments, from course fees and tournament tickets and is recognised as the events take place.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at an appropriate discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.10 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.12 Fund accounting

Unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations				
Individual and corporate donations	86,251	459,194	**545,445**	426,206
Gift aid	8,234	48,767	**57,001**	73,154
Trusts	10,200	-	**10,200**	225,320
Government grants	-	-	**-**	17,155
	104,685	507,961	**612,646**	741,835
Total 2021	493,535	248,300	741,835	

Government grants included income received in relation to the furlough scheme.

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
School contributions	384,725	**384,725**	208,953
Prison contributions	11,120	**11,120**	2,773
Tournament income	283	**283**	-
Older people contributions	2,486	**2,486**	(764)
Yes2Chess	-	**-**	30,000
	398,614	**398,614**	240,962
Total 2021	240,962	240,962	

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Dividends from trading subsidiary	-	**-**	11,989
Total 2021	11,989	11,989	

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Fundraising	26,367	7,851	**34,218**	30,985
Tournament costs	135,578	86,701	**222,279**	368,115
Chess Tutoring	635,681	341,712	**977,393**	443,514
Training	14,123	-	**14,123**	6,770
	811,749	436,264	**1,248,013**	849,384
Total 2021	577,462	271,922	849,384	

7. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising	90	34,128	**34,218**	30,985
Tournament costs	151,177	71,102	**222,279**	368,115
Chess tutoring	798,223	179,170	**977,393**	443,514
Training	14,123	-	**14,123**	6,770
	963,613	284,400	**1,248,013**	849,384
Total 2021	592,978	256,406	849,384	

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Fundraising 2022 £	Tournament costs 2022 £	Chess tutoring 2022 £	Training 2022 £	Total funds 2022 £	Total funds 2021 £
Tutor costs	-	-	559,625	-	**559,625**	270,366
ChessFest expenses	-	-	234,054	-	**234,054**	11,370
LCC costs	-	89,569	4,544	-	**94,113**	35,028
Expenses	90	5,385	-	-	**5,475**	132,116
Tournament expenses	-	90	-	-	**90**	-
Advertising	-	17,978	-	-	**17,978**	109,883
Equipment	-	38,155	-	-	**38,155**	27,445
Training projects	-	-	-	14,123	**14,123**	6,770
	90	151,177	798,223	14,123	**963,613**	592,978
Total 2021	216	304,012	281,980	6,770	592,978	

Analysis of support costs

	Fundraising 2022 £	Tournament costs 2022 £	Chess tutoring 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	23,832	49,651	125,117	**198,600**	183,910
IT	1,205	2,511	6,328	**10,044**	11,527
General overheads	2,976	6,200	15,624	**24,800**	18,986
Travel and entertaining	834	1,738	4,381	**6,953**	3,884
General administrative services	783	1,631	4,108	**6,522**	14,516
Bank charges	162	338	851	**1,351**	840
Governance costs (note 8)	4,336	9,033	22,761	**36,130**	22,743
	34,128	71,102	179,170	**284,400**	256,406
Total 2021	30,769	64,103	161,534	256,406	

8. Governance costs

	2022 **£**	2021 £
Accountancy fees	**1,925**	1,750
Auditors' remuneration	**7,590**	6,600
Consultancy fees	**20,668**	4,001
Professional fees	**5,098**	9,365
Payroll services	**849**	1,027
	36,130	22,743

9. Staff costs

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Wages and salaries	**186,677**	171,131	**186,677**	171,131
Social security costs	**10,764**	11,135	**10,764**	11,135
Pension	**1,159**	1,644	**1,159**	1,644
	198,600	183,910	**198,600**	183,910

The average number of persons employed by the charity during the year was as follows:

	Group 2022 No.	Group 2021 No.	**Charity 2022 No.**	Charity 2021 No.
Average number of staff	**4**	5	**4**	5

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	**1**	1

The key management personnel's total remuneration during the year totalled £92,674 (2021: £98,066), including employer's national insurance contributions of £9,322 (2021: £9,713).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, expenses totalling £23 were reimbursed or paid directly to 1 Trustee (2021 - £NIL to Trustee). This related to travel expenses..

11. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 September 2021	**963,852**
Additions	**139,163**
Disposals	**(134,607)**
Revaluations	**(81,504)**
At 31 August 2022	**886,904**
Net book value	
At 31 August 2022	**886,904**
At 31 August 2021	963,852

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 September 2021	**1**	**963,852**	**963,853**
Additions	**-**	**139,163**	**139,163**
Disposals	**-**	**(134,607)**	**(134,607)**
Revaluations	**-**	**(81,504)**	**(81,504)**
At 31 August 2022	**1**	**886,904**	**886,905**
Net book value			
At 31 August 2022	**1**	**886,904**	**886,905**
At 31 August 2021	1	963,852	963,853

12. Debtors

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Due within one year				
Trade debtors	**21,861**	67,527	**21,861**	67,527
Amounts owed by group undertakings	**-**	-	**76,763**	76,264
Other debtors	**124,659**	210,922	**124,659**	210,650
Prepayments and accrued income	**5,086**	-	**5,086**	-
Tax recoverable	**13,439**	33,849	**14,655**	33,668
	165,045	312,298	**243,024**	388,109

13. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Trade creditors	**28,981**	9,418	**28,801**	6,969
Other taxation and social security	**196**	21,913	**196**	21,913
Other creditors	**503**	751	**503**	751
Accruals	**55,260**	32,264	**55,260**	32,264
	84,940	64,346	**84,760**	61,897

14. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Accruals	**37,500**	-	**37,500**	-

Notes to the Financial Statements
For the Year Ended 31 August 2022

15. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds					
General Funds	**1,510,929**	**512,061**	**(831,351)**	**(76,948)**	**1,114,691**
Restricted funds					
London Chess Classic	**252,628**	**262,500**	**(201,916)**	**-**	**313,212**
Africa fund	**30,251**	**-**	**-**	**-**	**30,251**
Erlestoke Prison	**2,116**	**-**	**-**	**-**	**2,116**
Prisons	**4,008**	**-**	**(4,008)**	**-**	**-**
Wandsworth	**-**	**8,208**	**(3,300)**	**-**	**4,908**
ChessFest	**-**	**191,640**	**(191,640)**	**-**	**-**
Berkshire	**-**	**3,125**	**-**	**-**	**3,125**
Liverpool/Merseyside	**-**	**16,000**	**(16,000)**	**-**	**-**
Shreyas Royal	**-**	**19,200**	**(19,000)**	**-**	**200**
Sebastian Bainbridge Memorial	**-**	**6,058**	**-**	**-**	**6,058**
Ukraine	**-**	**1,230**	**(400)**	**-**	**830**
	289,003	**507,961**	**(436,264)**	**-**	**360,700**
Total funds	**1,799,932**	**1,020,022**	**(1,267,615)**	**(76,948)**	**1,475,391**

Notes to the Financial Statements
For the Year Ended 31 August 2022

15. Statement of funds (continued)

London Chess Classic is exclusively for running the educational elements of the London Chess Classic tournament.

The Africa fund is to be used exclusively on our activity in Africa.

Erlestoke Prison funds are for the provision of a chess club at HMP Erlestoke.

Prisons funds are to be used only for the development of the charity's chess in prisons programme.

Wandsworth fund relates to a donation received to improve the chess training offering in the area.

ChessFest donations are used exclusively towards the running of this year's annual ChessFest tournament.

Berkshire fund relates to a donation received to improve the chess training offering in the area.

Liverpool/Merseyside fund relates to a donation received to improve the chess training offering in the area.

Shreyas Royal fund relates to a donation received to support the development of the Shreyas Royal.

Sebastian Bainbridge Memorial fund relates to a donation received to create a memorial for Sebastian Basinbridge.

The Ukraine fund relates to funds received to be donated to a Ukrainian appeal of the Charity's choice.

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds					
General Funds	1,255,774	757,973	(588,768)	85,950	1,510,929
Restricted funds					
London Chess Classic	278,162	-	(25,534)	-	252,628
Africa fund	30,251	-	-	-	30,251
Erlestoke Prison	2,630	-	(514)	-	2,116
Isle of Man	1,082	-	(1,082)	-	-
Prisons	-	5,000	(992)	-	4,008
Isle of Wight Schools	500	-	(500)	-	-
ChessFest	-	243,300	(243,300)	-	-
	312,625	248,300	(271,922)	-	289,003
Total of funds	1,568,399	1,006,273	(860,690)	85,950	1,799,932

16. Summary of funds

Summary of funds - current year

	Balance at 1 September 2021 £	**Income £**	**Expenditure £**	**Gains/ (Losses) £**	**Balance at 31 August 2022 £**
General funds	**1,510,929**	**512,061**	**(831,351)**	**(76,948)**	**1,114,691**
Restricted funds	**289,003**	**507,961**	**(436,264)**	**-**	**360,700**
	1,799,932	**1,020,022**	**(1,267,615)**	**(76,948)**	**1,475,391**

16. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
General funds	1,255,774	757,973	(588,768)	85,950	1,510,929
Restricted funds	312,625	248,300	(271,922)	-	289,003
	1,568,399	1,006,273	(860,690)	85,950	1,799,932

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	**Restricted funds 2022 £**	**Total funds 2022 £**
Fixed asset investments	886,904	-	**886,904**
Current assets	350,227	360,700	**710,927**
Creditors due within one year	(84,940)	-	**(84,940)**
Creditors due in more than one year	(37,500)	-	**(37,500)**
Total	1,114,691	360,700	**1,475,391**

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Fixed asset investments	963,852	-	963,852
Current assets	611,423	289,003	900,426
Creditors due within one year	(64,346)	-	(64,346)
Total	1,510,929	289,003	1,799,932

18. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	Group 2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities	**(324,541)**	231,533
Adjustments for:		
Losses/(gains) on investments	**81,504**	(88,855)
Decrease/(increase) in debtors	**147,253**	(48,602)
Increase in creditors	**58,094**	23,326
Net cash (used in)/provided by operating activities	**(37,690)**	117,402

19. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	**545,882**	588,128

20. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	**588,128**	**(42,246)**	**545,882**

21. Related party transactions

Malcolm Pein, the Chief Executive of Chess in Schools and Communities (the "Charity") and Secretary of its subsidiary Chess Promotions Limited ("CPL"), is a Director of Chess & Bridge Limited ("C&B"). During 2010, C&B signed a Supply Agreement with the Charity and CPL (together referred to as the "Customer"), to provide the Customer with certain goods and services on standard trade terms. This includes chess books, chess sets and boards, chess computer software, other chess related products and general administration support services. The total paid to C&B by the Charity during the year was £51,805 (2021: £42,409). At year end £Nil remained payable (2021: £Nil).

Malcolm Pein, is also a Director of Classical Games ("CG") a company incorporated in the United States of America. The total paid to CG by the Charity during the year was £1,560 (2021: £516). At the year end £Nil remained payable by the Charity (2021: £Nil).

There were transactions between Chess in Schools and Communities and Chess Promotions Limited within the ordinary course of business during the year. As at 31 August 2022 CPL owed the Charity £76,763 (2021: £76,264).

22. Pension commitments

The group operates a defined contribution pension scheme for its employees. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £1,159 (2021: £1,644). At the balance sheet date £41 was recognised as a debtor owed to the charity (2021: £276 liability owed to the scheme).

23. Controlling party

There is no ultimate controlling party.

24. Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Registered office or principal place of business	Principal activity
Chess Promotions Ltd	07152226	44 Baker Street, London, W1U 7RT	To exploit the commercial value of various chess events.

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	(Deficit) for the year £	Net (liabilities) £
Chess Promotions Ltd	**8,251**	**(19,692)**	**(11,441)**	**(11,748)**

Accounts

Registered number: 07017640
Charity number: 1133120

Chess in School and Communities

(A company limited by guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 August 2021

Chess in School and Communities
(A company limited by guarantee)

Contents

Chess in School and Communities

(A company limited by guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 August 2021

Trustees	Andrew Farthing Ian Iceton Stephen Meyler Alison Sharp William Watson Isabel Keen
Company registered number	07017640
Charity registered number	1133120
Registered office	Chess in Schools and Communities 44 Baker Street London W1U 7RT
Chief executive officer	Malcolm Pein
Independent auditors	Kreston Reeves LLP Chartered Accountants Statutory Auditor 2nd Floor 168 Shoreditch High Street London E1 6RA
Bankers	Natwest Bank Plc 3rd Floor Cavell House 2a Charing Cross Road London WC2H 0NN
Investment Managers	Quilter Cheviot 1 Kingsway Holborn London WC2B 6AN Aberdeen Standard 1 George Street Edinburgh EH2 2LL

Chess in School and Communities

(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2021

The Trustees present their annual report together with the audited financial statements of charity for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objects

The charity's objects per the Memorandum of Association are:

- The advancement of education for the public benefit by promoting the mental and moral development and improvement of young people, in particular those who are socially and economically disadvantaged, through the promotion, teaching, coaching, playing and competition of chess.
- The advancement of amateur sport, including the encouragement of community participation, for the public benefit, through the promotion, teaching, coaching, playing and competition of chess.
- The promotion of social inclusion for the public benefit through the promotion, teaching, coaching, playing and competition of chess among those who are socially excluded as a result of unemployment, financial hardship, old age, ill health or disability.

These objectives are pursued by the delivery of weekly chess lessons and after schools clubs by CSC tutors and volunteers, the provision of chess sets, equipment and our curriculum to all schools, libraries and youth clubs which join our scheme. The organisation of tournaments in local boroughs and the London Chess Classic.

The charity works principally in boroughs with a high proportion of children eligible for Pupil Premium and boroughs with high level of deprivation as measured by the Index of Multiple Deprivation.

b. Activities undertaken to achieve objectives

The focus was on recovery in the 2020/2021 academic year and switching from online delivery to the standard tutor-led activities in classrooms. Take up was affected by the second lockdown and issues relating to staffing, Covid safety and the need for many schools to concentrate on catching up in academic subjects. There were also challenges in communicating with schools and re-establishing relationships. While steady progress was made, it seemed unlikely to get back to the number of schools and children involved in the charity programme, pre Covid, before September 2023.

The number of schools with weekly chess activity pre Covid was 324. Despite the challenges, before the 21/22 academic year began, renewals for September or later in the year had already been secured from 140 schools. The charity continued to support all state schools who requested help in the form of equipment, learning materials, consultancy, teaching, training or tutor visits.

The Queen’s Gambit

The broadcast of The Queen’s Gambit on Netflix in October 2020 was undoubtedly a boost to chess generally and assisted in the recovery process. Although a flawed character, the portrayal of a female chess grandmaster undoubtedly helped to popularise the game with girls and the charity has received more interest from girls-only schools. The broadcasting of the series also created a lot of positive publicity for chess and helped to boost the popularity of online chess. The charity benefitted from some television coverage and many inquiries for our clubs on ChessKid and LiChess.

Objectives and activities (continued)

Online Delivery

The charity reacted to lockdown by moving delivery online and when schools reopened some still preferred to receive chess via Zoom or Teams. A new school contribution schedule was produced for these schools. A raft of new resources was developed which could be used in a future roll out to rural areas. Details are at:
https://www.chessinschools.co.uk/chess-at-home https://www.chessinschools.co.uk/seansblog

Some schools reverted to online delivery in the Winter and Spring terms and the charity was well prepared for this, having trained over 50 tutors in delivering the CSC curriculum online. Cooperation and active involvement from teachers is essential for this to work.

Online Chess Clubs

The ChessKid project continued to grow, and the weekly newsletter was sent to over 1200 schools via the teachers and 2500 parents. The charity had over 33,000 ChessKids registered who had played nearly 400,000 games as well as solving nearly 500,000 puzzles. The numbers logging on dropped significantly at the end of lockdown, but the club remains vibrant, with regular tournaments. The charity decided to launch a club for secondary schools on LiChess.

Training

Tutor training courses were held in London, Middlesbrough and Liverpool despite Covid restrictions and the charity’s Chief Trainer Sean Marsh devised a course for tutors to prepare them for delivering chess online. This includes presentation techniques, technical information and safeguarding considerations. Extra training was given to tutors in Covid-safe delivery and administrating ChessKid. Some traditional tutor training courses were delivered via Zoom as well. The charity also encouraged tutors to take advantage of the more advanced courses offered by the European Chess Union.

Newham

Operations in Newham were suspended during school closures, although the contract was renewed for our work in schools. The relationship remains strong. CSC continues to support some of the more talented players in Newham and some schools there took advantage of the online offering. The charity is grateful for the continuing support of Newham Borough Council.

Prisons

Pre Covid, weekly chess clubs were delivered to HMP Wandsworth, HMP Belmarsh ISIS, HMP Wormwood Scrubs, HMP Leeds, HMP Thameside, HMP Liverpool, HMP Erlestoke and HMP Leeds. The charity would like to record its thanks to the volunteer Prisons Coordinator Peter Sullivan who supplied weekly chess puzzles and other material during lockdown that was sent to 52 prisons nationwide and translated every week into Polish and Romanian. Work in prisons was unable to begin again before the end of the period, but we are hopeful of gradually starting up the prisons programme again in Q4 2021. The relationship with the Ministry of Justice remains strong and they have assisted in the outreach to more prisons. A team of prisoners from HMP Wandsworth played in the unofficial World Prisons Championship and performed very well despite restrictions on accessing the computers, which we have now resolved in time for the 2022 event.

Afghan Refugees

The charity was approached by the City of London Corporation to teach chess to Afghan refugee children who will be given temporary accommodation. We have tutors with relevant language skills and this project will begin in Q4 2021.

Objectives and activities (continued)

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. Main achievements of the charity

ChessFest 2021

Conditions made it impossible to stage a London Chess Classic in 2020. On July 18th 2021, one day before the ending of Covid restrictions, the charity staged the biggest chess event ever in the UK with *ChessFest* in Trafalgar Square. Over 6000 people attended a free chess festival with lessons, giant chess matches, simultaneous displays, internet chess challenges and a living chess display themed around Alice in Wonderland. We hope to make this an annual event. Woody Harrelson sent a video message to open the event and there was a formal message of welcome from the then Culture Secretary Oliver Dowden MP that also implicitly recognised chess as a sport.
A video and photographs from the day can be found at Chess-Fest.com
A satellite event was held at the Liverpool One shopping centre in Chavasse Park and also as part of Chess Fest, 100 children from CSC schools were invited to a day of activities outdoors in Manchester Square Gardens W1. Schools from outside London benefited from travel grants and there was coverage on SKY News.

Details of the charity's work can be seen at www.chessinschools.co.uk.

b. Fundraising

The charity benefited from a sizeable grant from the MESME Foundation which enabled significant subsidies in delivery cost to some of the schools in the most challenging areas. This grant made a big difference to the rate of recovery in standard delivery. There had been a concern that the cancellation of the 2020 London Chess Classic and limitations on other fundraising efforts due to Covid would mean that the charity's investment reserve would have to be deployed, but this was not required. The charity is also grateful to XTX for supporting ChessFest and to employees for their personal donations which were matched by the company.

Achievements and performance (continued)

c. Supporters

The charity would like to record its gratitude to:

MESME
XTX and employees
Angus Lawson Memorial Trust
Kasuma Foundation
DeepMind
Delancey PLC
Scheinberg Foundation
Alan and Babette Sainsbury Charitable Fund
Ennismore Foundation
Orbis Investments
Don Hanson Charitable Trust
Newham Borough Council
John Lyon's Charity
Lorna Kerr
The Vincit Foundation
Grantham Yorke Trust

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trustees have considered the need to retain reserves and believe it is prudent to hold not less than three academic terms' activity in free reserves and the amount set aside was £800,000.

Of the total reserves of £1,799,932, £289,003 (2020: £312,625) relate to restricted projects as prescribed by the donors. Actual free reserves at 31 August 2021 were £1,510,929 (2020: £1,255,774). This amount is higher than the Trustees' policy, but the excess has been set aside for the future expansion of the charity and working capital. The policy is reviewed annually by the Trustees.

c. General review

Despite being unable to deliver lessons after the third week of March to the end of the academic year, the charity collected nearly all the amounts invoiced to schools for the delivery of chess. Therefore, it was decided that many schools should be offered a 20% discount for the academic year 21/22. A consequent reduction in tutor costs and travel costs contributed to a strong financial result overall and enabled more investment in the website and the development of the online curriculum as well as more activities on ChessKid and LiChess. There was also a significant reduction in staffing at head office and the charity took advantage of the Government's furlough scheme. Fundraising was also successful with two successful large grant applications

The core delivery to schools and the staging of the London Chess Classic remained the main focus of charitable expenditure. Total expenditure for the year ended 31 August 2021 amounted to £860,690 (2020: £1,137,770). Total income including provision for Gift Aid not received at year end was £1,006,273 (2020: £1,162,056). The charity achieved a surplus, after net gains on investments amounting to £231,533 (2020: £32,135). Prior to the gain on investments the charity achieved a surplus of £145,583 (2020: £24,286).

At 31 August 2021 the Group had net assets of £1,799,932 (2020: £1,568,399).

d. Investments policy

The main objectives for the charity's investment portfolio are to preserve the charity's reserves in real terms, deliver a reasonable overall total return and for the portfolio to be sufficiently liquid to fund cash flow shortfalls and any unfunded commitments that may arise. The total return target for the investment portfolio has been set at inflation plus 3.5% p.a. net of fees.

A reasonable level of capital volatility within the investment portfolio is considered by the Trustees to be acceptable given the charity's risk and return objectives but the portfolio should be well diversified across asset classes and individual investments should be in line with a standard medium risk profile.

The charity precludes any direct investment in tobacco companies. The Trustees accept that some collective investment schemes may have exposure to tobacco stocks. However, the investment manager will monitor the position of these collective investment schemes to ensure this is kept to a minimum.

In principle the Trustees wish to be responsible investors. Therefore the investment manager is expected to take account of environmental, social and governance (ESG) issues in their investment analysis and decision-making process and engage with company management where appropriate.

e. Principal risks and uncertainties

The Trustees frequently assess risks presented to it during board meetings and update a risk register accordingly.

Structure, governance and management

a. Constitution

Chess in School and Communities is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 14 September 2009.

b. Methods of appointment or election of Trustees

The management of the Group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The day-to-day running of the organisation is delegated to senior staff comprising: the Chief Executive, the Chief Operating Officer and the Events and Client Relationship Manager. In 2016 the charity appointed a Head of Safeguarding. In 2018 the charity appointed a Deputy Head of Safeguarding and split the responsibility for delivery in London between a team of five staff.

The Trustees meet regularly to discuss issues of strategic direction concerning the model for chess teaching in schools, fund raising strategies and public affairs. The Trustee meetings determine the strategic plan, consider performance against the plan, maintain the risk register and approve the budget prepared by the Chief Executive.

d. Policies adopted for the induction and training of Trustees

Trustees are given an introduction to the organisation and the role of a Trustee by the Chief Executive and Chief Operating Officer through attendance at regular Trustee meetings, charity fundraising activities and events associated with the delivery of the core programme. All new Trustees are given a copy of the Charity Commission's publication CC3 which describes their legal duties and responsibilities. Trustees receive a comprehensive update from the Chief Executive three times a year and relevant documentation including end of term reports, fund raising, school contributions, performance against strategic plan, reports from individual boroughs, press cuttings and updates on the charity's public affairs campaign. Trustees also attend the charity's flagship event, the London Chess Classic, details of which are at www.londonchessclassic.com. The Chair of Trustees is also invited to the annual Senior Staff meeting.

e. Remuneration policy

The Chief Executive and Chief Operating Officer complete a review of all staff’s remuneration, including Senior Management, taking into account the economic indicators and the charity salary market. The Board of Trustees will independently review the CEO and COO’s remuneration, using comparable organisations as a benchmark.

f. Financial risk management

The Trustees have assessed the major risks to which the Group and the charity are exposed, in particular those related to the operations and finances of the Group and the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Trustees' Report (continued)
For the Year Ended 31 August 2021

Plans for future periods

The continuing uncertainty made planning for academic year 2021-22 difficult. To some extent, due to the ongoing pandemic, some objectives which had not been achieved and will be pursued in the next academic year. Some measures in relation to Covid will be continued. The main plans and objectives for 21/22 are:

- Recovery and resumption in core delivery to get to 225 schools by September 2022.
- Prepare for the resumption of activity in libraries and our other community events.
- Continue to train the tutor base and new tutors about covid-secure procedures and safeguarding procedures for online delivery.
- Expand the tutor base to create a reserve, particularly in London.
- Organisation of more chess teaching courses for online and in-class delivery
- Organisation of a 2021 London Chess Classic, Covid permitting and subject to funding.
- Organisation of a 2022 ChessFest and to spread ChessFest to other venues around the UK
- Completion of and distribution of a new curriculum.
- The continuation of a public affairs campaign around the charity's new online programme and continuing efforts to bring the charity to the attention of the wider public and key decision makers.
- To develop the ChessKid club the online offering for secondary school children on LiChess.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' Report (continued)
For the Year Ended 31 August 2021

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Alison Sharp
Trustee
Date:

Independent Auditors' Report to the Members of Chess in School and Communities

Opinion

We have audited the financial statements of Chess in School and Communities (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of Chess in School and Communities (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of Chess in School and Communities (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, general data protection regulations and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of expenditure to confirm no evidence of personal benefit; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent Auditors' Report to the Members of Chess in School and Communities (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report to the Members of Chess in School and Communities (continued)

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company and its members and trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

London

Date:

Chess in School and Communities

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	**493,535**	**248,300**	**741,835**	636,490
Charitable activities	4	**240,962**	**-**	**240,962**	493,201
Other trading activities		**10,987**	**-**	**10,987**	31,865
Investments	5	**11,989**	**-**	**11,989**	-
Other income		**500**	**-**	**500**	500
Total income		**757,973**	**248,300**	**1,006,273**	1,162,056
Expenditure on:					
Raising funds		**11,306**	**-**	**11,306**	10,463
Charitable activities	6	**577,462**	**271,922**	**849,384**	1,127,307
Total expenditure		**588,768**	**271,922**	**860,690**	1,137,770
Net income/(expenditure) before net gains on investments		**169,205**	**(23,622)**	**145,583**	24,286
Net gains on investments		**85,950**	**-**	**85,950**	7,849
Net movement in funds		**255,155**	**(23,622)**	**231,533**	32,135
Reconciliation of funds:					
Total funds brought forward		**1,255,774**	**312,625**	**1,568,399**	1,536,264
Net movement in funds		**255,155**	**(23,622)**	**231,533**	32,135
Total funds carried forward		**1,510,929**	**289,003**	**1,799,932**	1,568,399

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 32 form part of these financial statements.

Chess in School and Communities

(A company limited by guarantee)
Registered number: 07017640

Consolidated Balance Sheet
As at 31 August 2021

	Note		2021 £		2020 £
Fixed assets					
Investments	11		**963,852**		877,903
			963,852		877,903
Current assets					
Debtors	12	**312,298**		263,696	
Cash at bank and in hand		**588,128**		467,820	
		900,426		731,516	
Creditors: amounts falling due within one year	13	**(64,346)**		(41,020)	
Net current assets			**836,080**		690,496
Net assets			**1,799,932**		1,568,399
Funds					
Restricted funds	14		**289,003**		312,625
Unrestricted funds	14		**1,510,929**		1,255,774
Total funds			**1,799,932**		1,568,399

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Alison Sharp
Trustee
Date:

The notes on pages 19 to 32 form part of these financial statements.

Chess in School and Communities

(A company limited by guarantee)
Registered number: 07017640

Charity Balance Sheet
As at 31 August 2021

	Note		2021 £		2020 £
Fixed assets					
Investments	11		**963,853**		877,904
			963,853		877,904
Current assets					
Debtors	12	**388,109**		328,815	
Cash at bank and in hand		**510,175**		369,094	
		898,284		697,909	
Creditors: amounts falling due within one year	13	**(61,897)**		(40,863)	
Net current assets			**836,387**		657,046
Net assets			**1,800,240**		1,534,950
Charity funds					
Restricted funds	14		**289,003**		312,625
Unrestricted funds	14		**1,511,237**		1,222,325
Total funds			**1,800,240**		1,534,950

The charity's net movement in funds for the year was £265,290 (2020 - £10,733).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Alison Sharp
Trustee
Date:

The notes on pages 19 to 32 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	17	**117,402**	(50,396)
Cash flows from investing activities			
Proceeds from sale of investments		**57,695**	613,820
Purchase of investments		**(54,789)**	(617,289)
Net cash provided by/(used in) investing activities		**2,906**	(3,469)
Change in cash and cash equivalents in the year		**120,308**	(53,865)
Cash and cash equivalents at the beginning of the year		**467,820**	521,685
Cash and cash equivalents at the end of the year	18	**588,128**	467,820

The notes on pages 19 to 32 form part of these financial statements

1. General information

Chess in Schools and Communities is a charitable company registered in England. The charitable company's registered address is Chess in Schools and Communities, 44 Baker Street, London, W1U 7RT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Chess in School and Communities meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are received by way of grants, donations, legacies and gifts and is included in full in the consolidated statement of financial activities when receivable.

Income from charitable activities includes income received by way of contributions made by schools, prisons and other establishments, from course fees and tournament tickets and is recognised as the events take place.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at an appropriate discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.9 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.11 Fund accounting

Unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations				
Individual donations	177,906	248,300	**426,206**	456,384
Gift aid	73,154	-	**73,154**	88,813
Trusts	225,320	-	**225,320**	54,350
Grants				
Grants for schools	-	-	**-**	32,925
Government grants	17,155	-	**17,155**	4,018
	493,535	248,300	**741,835**	636,490
Total 2020	618,349	18,141	636,490	

Government grants include income received in relation to the furlough scheme.

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
School contributions	208,953	-	**208,953**	480,916
Prison contributions	2,773	-	**2,773**	4,333
CHAMPS	-	-	**-**	573
Tournament income	-	-	**-**	6,979
Older people contributions	(764)	-	**(764)**	400
Yes2Chess	30,000	-	**30,000**	-
	240,962	-	**240,962**	493,201
Total 2020	492,628	573	493,201	

5. Investment income

	Unrestricted funds 2021 £	**Total funds 2021 £**	Total funds 2020 £
Dividends	11,989	**11,989**	-

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**	Total funds 2020 £
Fundraising	28,006	2,979	**30,985**	45,429
Tournament costs	127,293	240,822	**368,115**	219,526
Chess Tutoring	415,543	27,971	**443,514**	852,325
Training	6,620	150	**6,770**	10,027
	577,462	271,922	**849,384**	1,127,307
Total 2020	734,831	392,476	1,127,307	

7. Analysis of expenditure by activities

	Direct costs 2021 £	**Support costs 2021 £**	**Total funds 2021 £**	Total funds 2020 £
Fundraising	216	30,769	**30,985**	45,429
Tournament costs	304,012	64,103	**368,115**	219,526
Chess tutoring	281,980	161,534	**443,514**	852,325
Training	6,770	-	**6,770**	10,027
	592,978	256,406	**849,384**	1,127,307
Total 2020	817,475	309,832	1,127,307	

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Fundraising 2021 £	Tournament costs 2021 £	Chess tutoring 2021 £	Training 2021 £	Total funds 2021 £	Total funds 2020 £
Tutor costs	-	-	270,366	-	**270,366**	452,755
Venue expenses and prizes	-	-	11,370	-	**11,370**	213,174
LCC costs	-	34,784	244	-	**35,028**	77,728
Expenses	216	131,900	-	-	**132,116**	27,853
Tournament expenses	-	-	-	-	**-**	602
Advertising	-	109,883	-	-	**109,883**	10,547
Equipment	-	27,445	-	-	**27,445**	24,789
Training projects	-	-	-	6,770	**6,770**	10,027
	216	304,012	281,980	6,770	**592,978**	817,475
Total 2020	7,746	142,209	657,493	10,027	817,475	

Analysis of support costs

	Fundraising 2021 £	Tournament costs 2021 £	Chess tutoring 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	22,069	45,978	115,863	**183,910**	245,434
IT	1,383	2,882	7,262	**11,527**	6,396
General overheads	2,278	4,747	11,961	**18,986**	26,334
Travel and entertaining	466	971	2,447	**3,884**	2,837
General administrative services	1,742	3,629	9,145	**14,516**	10,231
Bank charges	101	210	529	**840**	2,053
Governance costs (note 8)	2,730	5,686	14,327	**22,743**	16,547
	30,769	64,103	161,534	**256,406**	309,832
Total 2020	37,683	77,317	194,832	309,832	

Notes to the Financial Statements
For the Year Ended 31 August 2021

8. Governance costs

	2021 £	2020 £
Accountancy fees	**1,750**	1,200
Auditors' remuneration	**6,600**	6,000
Consultancy fees	**4,001**	3,279
Professional fees	**9,365**	4,563
Payroll services	**1,027**	1,505
	22,743	16,547

9. Staff costs

	Group 2021 £	Group 2020 £	**Charity 2021** £	Charity 2020 £
Wages and salaries	**171,131**	224,580	**171,131**	224,580
Social security costs	**11,135**	18,871	**11,135**	18,871
Pension	**1,644**	1,983	**1,644**	1,983
	183,910	245,434	**183,910**	245,434

The average number of persons employed by the charity during the year was as follows:

	Group 2021 No.	Group 2020 No.	**Charity 2021 No.**	Charity 2020 No.
Average number of staff	**5**	7	**5**	7

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	**1**	1

The key management personnel's total remuneration during the year totalled £98,066 (2020: £92,409), including employer's national insurance contributions of £9,713 (2020: £9,055).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

Notes to the Financial Statements
For the Year Ended 31 August 2021

11. Fixed asset investments

Group	**Listed investments £**
Cost or valuation	
At 1 September 2020	**877,903**
Additions	**54,789**
Disposals	**(57,695)**
Revaluations	**88,855**
At 31 August 2021	**963,852**
Net book value	
At 31 August 2021	**963,852**
At 31 August 2020	877,903

Charity	**Investments in subsidiary companies £**	**Listed investments £**	**Total £**
Cost or valuation			
At 1 September 2020	**1**	**877,903**	**877,904**
Additions	**-**	**54,789**	**54,789**
Disposals	**-**	**(57,695)**	**(57,695)**
Revaluations	**-**	**88,855**	**88,855**
At 31 August 2021	**1**	**963,852**	**963,853**
Net book value			
At 31 August 2021	**1**	**963,852**	**963,853**
At 31 August 2020	1	877,903	877,904

12. Debtors

	Group 2021 £	Group 2020 £	**Charity 2021 £**	Charity 2020 £
Due within one year				
Trade debtors	**67,527**	32,222	**67,527**	32,222
Amounts owed by group undertakings	**-**	-	**76,264**	65,119
Other debtors	**210,922**	231,902	**210,650**	231,902
Tax recoverable	**33,849**	(428)	**33,668**	(428)
	312,298	263,696	**388,109**	328,815

13. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	**Charity 2021 £**	Charity 2020 £
Trade creditors	**9,418**	14,507	**6,969**	14,359
Other taxation and social security	**21,913**	12,574	**21,913**	12,574
Other creditors	**751**	2,498	**751**	2,489
Accruals and deferred income	**32,264**	11,441	**32,264**	11,441
	64,346	41,020	**61,897**	40,863

14. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds					
General Funds	1,255,774	757,973	(588,768)	85,950	1,510,929
Restricted funds					
Tournament fund	278,162	-	(25,534)	-	252,628
Africa fund	30,251	-	-	-	30,251
Erlestoke Prison	2,630	-	(514)	-	2,116
Isle of Man	1,082	-	(1,082)	-	-
Prisons	-	5,000	(992)	-	4,008
Isle of Wight Schools	500	-	(500)	-	-
ChessFest	-	243,300	(243,300)	-	-
	312,625	248,300	(271,922)	-	289,003
Total funds	1,568,399	1,006,273	(860,690)	85,950	1,799,932

The Tournament fund is exclusively for running the educational elements of the London Chess Classic.

The Africa fund is to be used exclusively on our activity in Africa.

Erlestoke Prison funds are for the provision of a chess club at HMP Erlestoke.

Isle of Man funds are for the exclusive purpose of running chess lessons and clubs in schools on the Isle of Man.

Prisons funds are to be used only for the development of the charity's chess in prisons programme.

Isle of Wight Schools fund relates to a donation received to improve the chess training offering on the Isle of Wight.

ChessFest donations are used exclusively towards the running of this year's annual ChessFest tournament.

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General Funds	849,877	1,143,342	(745,294)	7,849	1,255,774
Restricted funds					
Tournament fund	641,893	13,561	(377,292)	-	278,162
Africa fund	30,251	-	-	-	30,251
Erlestoke Prison	4,790	-	(2,160)	-	2,630
Isle of Man	7,288	-	(6,206)	-	1,082
J4NCL	688	3,980	(4,668)	-	-
Prisons	-	100	(100)	-	-
CHAMPS	1,477	573	(2,050)	-	-
Isle of Wight Schools	-	500	-	-	500
	686,387	18,714	(392,476)	-	312,625
Total of funds	1,536,264	1,162,056	(1,137,770)	7,849	1,568,399

15. Summary of funds

Summary of funds - current year

	Balance at 1 September 2020 £	**Income £**	**Expenditure £**	**Gains/ (Losses) £**	**Balance at 31 August 2021 £**
General funds	**1,255,774**	**757,973**	**(588,768)**	**85,950**	**1,510,929**
Restricted funds	**312,625**	**248,300**	**(271,922)**	**-**	**289,003**
	1,568,399	**1,006,273**	**(860,690)**	**85,950**	**1,799,932**

15. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
General funds	849,877	1,143,342	(745,294)	7,849	1,255,774
Restricted funds	686,387	18,714	(392,476)	-	312,625
	1,536,264	1,162,056	(1,137,770)	7,849	1,568,399

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**
Fixed asset investments	963,852	-	**963,852**
Current assets	611,423	289,003	**900,426**
Creditors due within one year	(64,346)	-	**(64,346)**
Total	1,510,929	289,003	**1,799,932**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Fixed asset investments	877,903	-	877,903
Current assets	418,891	312,625	731,516
Creditors due within one year	(41,020)	-	(41,020)
Total	1,255,774	312,625	1,568,399

Notes to the Financial Statements
For the Year Ended 31 August 2021

17. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	**231,533**	32,135
Adjustments for:		
(Gains) on investments	**(88,855)**	(4,380)
Increase in debtors	**(48,602)**	(67,653)
Increase/(decrease) in creditors	**23,326**	(10,498)
Net cash provided by/(used in) operating activities	**117,402**	(50,396)

18. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	**588,128**	467,820

19. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	**467,820**	**120,308**	**588,128**

20. Related party transactions

Malcolm Pein, the Chief Executive of Chess in Schools and Communities (the "Charity") and Secretary of its subsidiary Chess Promotions Limited ("CPL"), is a Director of Chess & Bridge Limited ("C&B"). During 2010, C&B signed a Supply Agreement with the Charity and CPL (together referred to as the "Customer"), to provide the Customer with certain goods and services on standard trade terms. This includes chess books, chess sets and boards, chess computer software, other chess related products and general administration support services. The total paid to C&B by the Charity during the year was £42,409 (2020 - £46,541). At year end £Nil remained payable (2020 - £942).

Malcolm Pein, is also a Director of Classical Games ("CG") a company incorporated in the United States of America. The total paid to CG by the Charity during the year was £516 (2020 - £516). At the year end £Nil remained payable by the Charity (2020 - £Nil).

There were transactions between Chess in Schools and Communities and Chess Promotions Limited within the ordinary course of business during the year. As at 31 August 2021 CPL owed the Charity £76,264 (2020 - £65,119).

21. Pension commitments

The group operates a defined contribution pension scheme for its employees. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £11,135 (2020: £18,871). At the balance sheet date £276 was recognised as a liability owed to the scheme (2020: £308).

22. Controlling party

There is no ultimate controlling party.

23. Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Registered office or principal place of business	Principal activity
Chess Promotions Ltd	07152226	44 Baker Street, London, W1U 7RT	To exploit the commercial value of various chess events.

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Chess Promotions Ltd	**10,987**	**(11,306)**	**(319)**	**(307)**

Accounts

Registered number: 07017640
Charity number: 1133120

Chess in School and Communities

(A company limited by guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 August 2020

Chess in School and Communities
(A company limited by guarantee)

Contents

Chess in School and Communities
(A company limited by guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 August 2020

Trustees	Andrew Farthing Ian Iceton Stephen Meyler Alison Sharp William Watson Isabel Keen (appointed 19 November 2019)
Company registered number	07017640
Charity registered number	1133120
Registered office	Chess in Schools and Communities 44 Baker Street London W1U 7RT
Chief executive officer	Malcolm Pein
Independent auditors	Kreston Reeves LLP Chartered Accountants Third Floor 24 Chiswell Street London EC1Y 4YX
Bankers	Natwest Bank Plc 3rd Floor Cavell House 2a Charing Cross Road London WC2H 0NN
Investment Managers	Quilter Cheviot 1 Kingsway Holborn London WC2B 6AN Aberdeen Standard 1 George Street Edinburgh EH2 2LL

The Trustees present their annual report together with the audited financial statements of charity for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objects

The charity's objects per the Memorandum of Association are:

- The advancement of education for the public benefit by promoting the mental and moral development and improvement of young people, in particular those who are socially and economically disadvantaged, through the promotion, teaching, coaching, playing and competition of chess.
- The advancement of amateur sport, including the encouragement of community participation, for the public benefit, through the promotion, teaching, coaching, playing and competition of chess.
- The promotion of social inclusion for the public benefit through the promotion, teaching, coaching, playing and competition of chess among those who are socially excluded as a result of unemployment, financial hardship, old age, ill health or disability.

These objectives are pursued by the delivery of weekly chess lessons and after schools clubs by CSC tutors and volunteers, the provision of chess sets, equipment and our curriculum to all schools, libraries and youth clubs which join our scheme. The organisation of tournaments in local boroughs and the London Chess Classic.

The charity works principally in boroughs with a high proportion of children eligible for Pupil Premium and boroughs with high level of deprivation as measured by the Index of Multiple Deprivation.

b. Activities undertaken to achieve objectives

The 2019/2020 academic year began with the charity delivering the weekly programme of chess in class or chess clubs to the same number of schools that were involved at the end of the 2018/19 year. There was the usual churn, with schools leaving the programme balanced by new joiners. In the next six months there was a surge in the number of schools requesting other forms of support. There was also growth in community projects including three more prisons requesting chess clubs. In March all existing programmes were halted by COVID, so for that reason the report is split into two parts.

The charity made further strides towards longer-term financial stability as many legacy issues involving significant discounts to schools receiving weekly lessons were halted and some further price increases implemented. These measures led to the achievement of the requirement in the strategic plan of 80% of tutor costs being met by school contributions. It was notable that there were relatively few cancellations over the summer, and these were matched by new schools coming on board. It remains the case that the charity provides a low-cost intervention at pricing which is attractive to schools.

This reaffirms the view that there is no major demand constraint for chess in schools, budget pressures in some schools remains a limiting factor.

Objectives and activities (continued)

The strength of school renewals for 19/20 suggests we can be optimistic about the prospects for the charity to recover from the contraction that has taken place in 20/21 because of COVID. I am increasingly confident that we can adopt a more ambitious approach than that advocated in last year's report.

There was a significant spike in requests for support in the form of chess sets, teacher training and learning materials from schools who we assisted in setting up or further developing existing chess clubs. This was largely due to some PR around the 2019 London Chess Classic and also the effect of the revamped website and improved social media presence. There was an editorial promotion of the charity in the house-magazine of the UK's largest teaching union, the National Education Union (NEU) which led to many enquiries. The charity would like to express its thanks to the NEU for their continuing support in allowing us to exhibit at their annual conference in Liverpool.

The charity further invested in its tutor base and safeguarding, appointing a second safeguarding officer and instituting a new tutor pack for all tutors working in schools, with safeguarding information and compulsory declarations. There were again no major reportable incidents in the year. Courses on safeguarding from the NSPCC as well as courses on classroom management were again delivered at the London Chess Classic. Before COVID, training courses for new tutors and class teachers were held in London (3), Hull, Isle of Man, Dartmoor, Bristol, Newcastle.

Before lockdown there were 324 schools receiving classroom tuition each week and 1060 other schools, clubs, and libraries with regular activity supported by the charity in the form of equipment, learning materials, consultancy, teaching training or tutor visits.

The charity expanded its prison programme with regular clubs in HMP Wandsworth, HMP Belmarsh ISIS, HMP Wormwood Scrubs, HMP Leeds, HMP Thameside, HMP Liverpool, HMP Erlestoke and HMP Leeds. Three of the new clubs were launched with a simultaneous by the CEO. The charity would like to record its thanks to the volunteer Prisons Coordinator Peter Sullivan whose initiatives after lockdown have been warmly received across the Prison Service.

Details of the charity's work can be seen at www.chessinschools.co.uk.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. Main achievements of the charity

August 2019 - March 2020

11th London Chess Classic

The charity staged an 11th London Chess Classic at Olympia from December 2nd to December 9th 2019. The LCC remains integral to the charity's aims and objectives by combining an elite event with the largest gathering of junior chess players in the UK who receive chess lessons, participate in tournaments and get the opportunity to meet some of the world's greatest players. Reports and results can be found at londonchessclassic.com.

The LCC again comprised activities for school children, tutors and all levels of chess player and enthusiast. Entry to all components was free of charge to female players and spectators and all those under the age of 25.

Achievements and performance (continued)

Travel grants provided by the charity enabled children from Birmingham, Essex, Kent, Oxford, Sussex, York, Swindon, Liverpool, Teesside, Manchester, Leeds, as well as London to attend. The school's events were again over-subscribed with 2,500 children from 103 schools attending.

The elite component was the final of the 2019 Grand Chess Tour and included the participation of the World Champion Magnus Carlsen which attracted considerable interest online and assisted with fund-raising efforts. One highlight was the 7th Chess and Education Conference which was on the theme of Female Empowerment. The charity supported the conference with funds. It was particularly pleasing to have the presence of the greatest female player in chess history, Judit Polgar, for whom we arranged some media appearances.

The LCC is a major component of the charity's fundraising efforts and there were significant receipts from entry fees, regular donations, donations from participants, fees from the Pro Biz Cup and the closing dinner. The support of the Lohia Foundation for the closing dinner is gratefully acknowledged.

Newham Borough Council

The partnership with Newham Borough Council continued, but after cuts in expenditure were executed to fund measures to alleviate food poverty, the community and library programmes were closed in March 2020. The council continues to support our schools programme.
A schools tournament took place at Beckton Globe library in the Autumn term and the 5th Newham Grand Prix, a series of tournaments for the borough's best junior players, was a success. The CSC Newham junior team again competed in national competition via the English Primary Schools Chess Association. Our children usually struggle against the other county teams who have a larger pool to choose from and are composed of mainly children from private schools, but they had their best year so far. The Newham community team competed in the London League until lockdown and having been promoted to Division 3 in the 2016/17 season, their objective was to avoid relegation and this was being achieved before the league was halted. When cooperation between Newham BC and CSC was first mooted in 2012, Newham was the only London Borough without an adult chess club.

March 2020 - August 2020

The closure of all schools forced the charity to adapt. All training and recruitment and regular activity was halted. In little over a month the offering was transformed for the summer and autumn terms and COVID Secure Chess developed and implemented:

The CEO contacted ChessKid.com who agreed to make available up to 1 million subscriptions for children to learn and play chess. This was combined with a joint PR campaign and an offer to all schools who have received assistance from the charity or engage CSC for weekly lessons. The charity received a lot of favourable publicity, notably on Sky News, The Times and the Telegraph as well on many education blogs and social media accounts. The campaign was a huge success and over 65,000 children were signed up to offerings made to parents and schools. Over half of those became active members of the CSC Online club and at time of writing we have 33,135 ChessKids who have played 335,457 games and solved 452,276 puzzles. A weekly newsletter was started which continues, going to all parents and schools that registered. Weekly tournaments and puzzle competitions were organised on ChessKid. A match was staged against the USA that was drawn 10-10 and featured a battle of the prodigies between Shreyas Royal and Tani Adewumi.

An entire online curriculum was developed for schools and parents.
A safeguarding policy for chess club activity and online lessons was developed.
Online training courses for staff to develop skills required for delivering online lessons were staged.
Schools were offered lessons and clubs delivered by Zoom or MS Teams

The anticipated contraction in the charity's core activity led to only 40% of schools renewing for the 20/21 year, although some of those took advantage of the Zoom lessons and these proved a success, providing a possible model for expansion into rural areas that previously the charity could not serve with classroom chess. The online club with ChessKid also attracted a lot of new schools who can be offered the standard programme after lockdown.

Achievements and performance (continued)

b. Fundraising

In line with the strategic plan, the Chief Executive and Chief Operating Officer reviewed the scale of contributions charged to schools for the provision of visiting tutors and made some small increases, as well as ending some legacy discounts. As a result, the charity's overall income increased and will do so in future years. Individual donations remained strong, particularly around the London Chess Classic, although income from trusts and funds was lower in the first six months. The charity started to receive some income from prisons. The likely cancellation of the 2020 London Chess Classic was considered by the trustees and would inevitably have a large detrimental effect on the charity's finances. It was calculated that the cancellation of the LCC combined with a sharp fall in school's income would create a 'cliff edge' and with it the likelihood of having to deploy the charity's investment reserve at the end of 2020. The CEO and COO devised a programme of cost cutting including a reduction in payroll and the government furlough scheme was accessed.

c. Supporters

The charity would like to record its gratitude to:

Lohia Foundation
DeepMind
Delancey PLC
Ennismore Foundation
Alan and Babette Sainsbury Charitable Fund
Orbis Investments
Dovedale Trust
Don Hanson Charitable Trust
Newham Borough Council
Angus Lawson Memorial Trust
John Lyon's Charity
Lorna Kerr
The Vincit Foundation
Grantham Yorke Trust

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies and specific details regarding the possible consequences of COVID have been considered under the 'Principal risks and uncertainty' section of this report.

b. Reserves policy

The Trustees have considered the need to retain reserves and believe it is prudent to hold not less than three academic terms' activity in free reserves and the amount set aside was £800,000.

Of the total reserves of £1,568,399, £312,625 (2019: £686,387) relate to restricted projects as prescribed by the donors. Actual free reserves at 31 August 2020 were £1,255,774 (2019: £849,877). This amount is higher than the Trustees' policy, but the excess has been set aside for the future expansion of the charity and working capital. The policy is reviewed annually by the Trustees.

c. General review

Expenditure on the core delivery to schools decreased compared with 2018/19 and remains the main focus of charitable expenditure. Total expenditure for the year ended 31 August 2020 amounted to £1,137,770 (2019: £1,558,270). Total income including provision for Gift Aid not received at year end was £1,162,056 (2019: £1,489,286). The charity achieved a surplus, after net gains on investments amounting to £7,849, of £32,135 (2019: £1,070). Prior to the gain on investments the charity achieved a surplus of £24,286 (2019: deficit of £68,984).

At 31 August 2020 the Group had net assets of £1,568,399 (2019: £1,536,264).

d. Investments policy

The main objectives for the charity's investment portfolio are to preserve the charity's reserves in real terms, deliver a reasonable overall total return and for the portfolio to be sufficiently liquid to fund cash flow shortfalls and any unfunded commitments that may arise. The total return target for the investment portfolio has been set at inflation plus 3.5% p.a. net of fees.

A reasonable level of capital volatility within the investment portfolio is considered by the Trustees to be acceptable given the charity's risk and return objectives but the portfolio should be well diversified across asset classes and individual investments should be in line with a standard medium risk profile.

The charity precludes any direct investment in tobacco companies. The Trustees accept that some collective investment schemes may have exposure to tobacco stocks. However, the investment manager will monitor the position of these collective investment schemes to ensure this is kept to a minimum.

In principle the Trustees wish to be responsible investors. Therefore the investment manager is expected to take account of environmental, social and governance (ESG) issues in their investment analysis and decision-making process and engage with company management where appropriate.

e. Principal risks and uncertainties

The Trustees frequently assess risks presented to it during board meetings and update a risk register accordingly. The Trustees would like to draw attention to the risks presented by COVID in this report.

The 2020 Coronavirus pandemic is ongoing for the period of the financial statements, and there is more certainty provided by the Government's roadmap as at the time of signature providing a clearer future for the charity. It is felt appropriate to draw attention to the steps the charity took during the period to deal with COVID.

The charity adapted to the crisis by moving its offering to schools completely online in the 2020 summer term. An arrangement was made with ChessKid.com who offered the charity up to 1 million subscriptions for children to learn and play chess. This was combined with a joint PR campaign and an offer to all schools who have received assistance from the charity or engage CSC for weekly lessons. An online curriculum was also produced and distributed. The charity developed a new offering combining COVID secure chess with its online offering for the academic year 2020/21.

If a contraction in the charity’s core activity does occur then we would expect a significant reduction in our expenditure in addition to our income, given one of the charity’s largest costs is outsourced chess tutors.

It is our opinion that COVID does not represent a material risk to the going concern status of Chess in Schools and Communities and we believe we are able to successfully offer a COVID secure chess function.

Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management

a. Constitution

Chess in School and Communities is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 14 September 2009.

b. Methods of appointment or election of Trustees

The management of the group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The day-to-day running of the organisation is delegated to senior staff comprising: the Chief Executive, the Chief Operating Officer and the Events and Client Relationship Manager. In 2016 the charity appointed a Head of Safeguarding. In 2018 the charity appointed a Deputy Head of Safeguarding and split the responsibility for delivery in London between a team of five staff.

The Trustees meet regularly to discuss issues of strategic direction concerning the model for chess teaching in schools, fund raising strategies and public affairs. The Trustee meetings determine the strategic plan, consider performance against the plan, maintain the risk register and approve the budget prepared by the Chief Executive.

d. Policies adopted for the induction and training of Trustees

Trustees are given an introduction to the organisation and the role of a Trustee by the Chief Executive and Chief Operating Officer through attendance at regular Trustee meetings, charity fundraising activities and events associated with the delivery of the core programme. All new Trustees are given a copy of the Charity Commission's publication CC3 which describes their legal duties and responsibilities. Trustees receive a comprehensive update from the Chief Executive three times a year and relevant documentation including end of term reports, fund raising, school contributions, performance against strategic plan, reports from individual boroughs, press cuttings and updates on the charity's public affairs campaign. Trustees also attend the charity's flagship event, the London Chess Classic, details of which are at www.londonchessclassic.com. The Chair of Trustees is also invited to the annual Senior Staff meeting.

e. Remuneration policy

The Chief Executive and Chief Operating Officer complete a review of all staff’s remuneration, including Senior Management, taking into account the economic indicators and the charity salary market. The Board of Trustees will independently review the CEO and COO’s remuneration, using comparable organisations as a benchmark.

f. Financial risk management

The Trustees have assessed the major risks to which the group and the charity are exposed, in particular those related to the operations and finances of the group and the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The continuing uncertainty due to COVID made planning for academic year 2020-21 difficult.

- Preparation for recovery and resumption of core delivery once the pandemic is over or conditions permit.
- Train the tutor base about COVID-secure procedures.
- Train the tutor base in safeguarding procedures for online delivery.
- Organisation of chess teaching courses for online and COVID-permitting, in-class delivery.
- Organisation of a future London Chess Classic, covid permitting and subject to funding.
- Distribution of a new curriculum.
- Continued emphasis on improvement in teaching skills and safeguarding awareness of the charity's tutor base.
- The continuation of a public affairs campaign around the charity's new online programme and continuing efforts to bring the charity to the attention of the wider public and key decision makers.
- Halt the prisons programme and replace it with the sending of weekly puzzle sheets and other materials to prisons and translation into Polish and Romanian.
- To increase slightly the contribution from participating schools when conditions permit to allow more charitable funds to be spent on expansion.
- To develop the ChessKid club and create an offering online for secondary school children.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Trustees' Report (continued)
For the Year Ended 31 August 2020

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Alison Sharp
Trustee
Date: 26th May 2021

Independent Auditors' Report to the Members of Chess in School and Communities

Opinion

We have audited the financial statements of Chess in School and Communities (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditors' Report to the Members of Chess in School and Communities (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Independent Auditors' Report to the Members of Chess in School and Communities (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report to the Members of Chess in School and Communities (continued)

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company and its members and trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

P D Hudson BA FCA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

London

Date: 26 May 2021

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	**618,349**	**18,141**	**636,490**	764,046
Charitable activities	4	**492,628**	**573**	**493,201**	519,075
Other trading activities		**31,865**	**-**	**31,865**	205,783
Other income		**500**	**-**	**500**	382
Total income		**1,143,342**	**18,714**	**1,162,056**	1,489,286
Expenditure on:					
Raising funds		**10,463**	**-**	**10,463**	154,759
Charitable activities	5	**734,831**	**392,476**	**1,127,307**	1,403,511
Total expenditure		**745,294**	**392,476**	**1,137,770**	1,558,270
Net gains on investments		**7,849**	**-**	**7,849**	70,054
Net movement in funds		**405,897**	**(373,762)**	**32,135**	1,070
Reconciliation of funds:					
Total funds brought forward		**849,877**	**686,387**	**1,536,264**	1,535,194
Net movement in funds		**405,897**	**(373,762)**	**32,135**	1,070
Total funds carried forward		**1,255,774**	**312,625**	**1,568,399**	1,536,264

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 31 form part of these financial statements.

Chess in School and Communities

(A company limited by guarantee)
Registered number: 07017640

Consolidated Balance Sheet
As at 31 August 2020

	Note		2020 £		2019 £
Fixed assets					
Investments	10		**877,903**		870,054
			877,903		870,054
Current assets					
Debtors	11	**263,696**		196,043	
Cash at bank and in hand		**467,820**		521,685	
		731,516		717,728	
Creditors: amounts falling due within one year	12	**(41,020)**		(51,518)	
Net current assets			**690,496**		666,210
Net assets			**1,568,399**		1,536,264
Funds					
Restricted funds	13		**312,625**		686,387
Unrestricted funds	13		**1,255,774**		849,877
Total funds			**1,568,399**		1,536,264

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Alison Sharp

Alison Sharp
Trustee
Date: 26th May 2021

The notes on pages 18 to 31 form part of these financial statements.

Chess in School and Communities

(A company limited by guarantee)
Registered number: 07017640

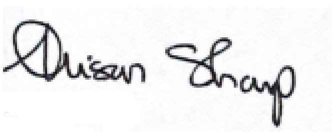
Charity Balance Sheet
As at 31 August 2020

	Note		2020 £		2019 £
Fixed assets					
Investments	10		**877,904**		870,055
			877,904		870,055
Current assets					
Debtors	11	**328,815**		255,667	
Cash at bank and in hand		**369,094**		442,837	
		697,909		698,504	
Creditors: amounts falling due within one year	12	**(40,863)**		(44,342)	
Net current assets			**657,046**		654,162
Net assets			**1,534,950**		1,524,217
Charity funds					
Restricted funds	13		**312,625**		686,387
Unrestricted funds	13		**1,222,325**		837,830
Total funds			**1,534,950**		1,524,217

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Alison Sharp
Trustee
Date: 26th May 2021

The notes on pages 18 to 31 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 August 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net cash used in operating activities	**(50,396)**	(133,550)
Cash flows from investing activities		
Proceeds from sale of investments	**613,820**	210,366
Purchase of investments	**(617,289)**	(614,067)
Net cash used in investing activities	**(3,469)**	**(403,701)**
Change in cash and cash equivalents in the year	**(53,865)**	**(537,251)**
Cash and cash equivalents at the beginning of the year	**521,685**	1,058,936
Cash and cash equivalents at the end of the year	**467,820**	521,685

The notes on pages 18 to 31 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 August 2020

1. General information

Chess in Schools and Communities is a charitable company registered in England. The charitable company's registered address is Chess in Schools and Communities, 44 Baker Street, London, W1U 7RT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Chess in School and Communities meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are received by way of grants, donations, legacies and gifts and is included in full in the consolidated statement of financial activities when receivable.

Income from charitable activities includes income received by way of contributions made by schools, prisons and other establishments, from course fees and tournament tickets and is recognised as the events take place.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at an appropriate discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.10 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Fund accounting

Unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Notes to the Financial Statements
For the Year Ended 31 August 2020

3. Income from donations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations				
Individual donations	438,243	18,141	**456,384**	478,791
Gift aid	88,813	-	**88,813**	121,930
Trusts	54,350	-	**54,350**	65,250
Grants				
Grants for schools	32,925	-	**32,925**	98,075
Government grants	4,018	-	**4,018**	-
	618,349	18,141	**636,490**	764,046
Total 2019	288,441	475,605	764,046	

Government grants include income received in relation to the furlough scheme.

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
School contributions	480,916	-	**480,916**	410,364
Prison contributions	4,333	-	**4,333**	24,607
CHAMPS	-	573	**573**	19,987
Tournament income	6,979	-	**6,979**	63,147
Older people contributions	400	-	**400**	970
	492,628	573	**493,201**	519,075
Total 2019	499,088	19,987	519,075	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	**Restricted funds 2020 £**	**Total funds 2020 £**	Total funds 2019 £
Fundraising	34,012	11,417	**45,429**	42,867
Tournament costs	118,929	100,597	**219,526**	284,534
Chess Tutoring	572,190	280,135	**852,325**	1,037,947
Training	9,700	327	**10,027**	38,163
	734,831	392,476	**1,127,307**	1,403,511
Total 2019	961,566	441,945	1,403,511	

6. Analysis of expenditure by activities

	Direct costs 2020 £	**Support costs 2020 £**	**Total funds 2020 £**	Total funds 2019 £
Fundraising	7,746	37,683	**45,429**	42,867
Tournament costs	142,209	77,317	**219,526**	284,534
Chess tutoring	657,493	194,832	**852,325**	1,037,947
Training	10,027	-	**10,027**	38,163
	817,475	309,832	**1,127,307**	1,403,511
Total 2019	1,063,252	340,259	1,403,511	

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Fundraising 2020 £	**Tournament costs 2020 £**	**Chess tutoring 2020 £**	**Training 2020 £**	**Total funds 2020 £**	Total funds 2019 £
Tutor costs	-	-	452,755	-	**452,755**	654,011
Venue expenses and prizes	-	16,327	196,847	-	**213,174**	171,775
LCC costs	-	69,837	7,891	-	**77,728**	100,509
Expenses	7,746	20,107	-	-	**27,853**	34,670
Tournament expenses	-	602	-	-	**602**	-
Advertising	-	10,547	-	-	**10,547**	20,261
Bad debt expense	-	-	-	-	**-**	500
Equipment	-	24,789	-	-	**24,789**	43,363
Training projects	-	-	-	10,027	**10,027**	38,163
	7,746	142,209	657,493	10,027	**817,475**	1,063,252
Total 2019	2,036	199,467	823,586	38,163	1,063,252	

Analysis of support costs

	Fundraising 2020 £	**Tournament costs 2020 £**	**Chess tutoring 2020 £**	**Total funds 2020 £**	Total funds 2019 £
Staff costs	29,451	61,359	154,624	**245,434**	193,401
IT	768	1,599	4,029	**6,396**	10,458
General overheads	3,160	6,584	16,590	**26,334**	28,763
Travel and entertaining	341	709	1,787	**2,837**	8,156
General administrative services	1,228	2,558	6,445	**10,231**	19,115
Bank charges	245	514	1,294	**2,053**	1,668
Governance costs (note 7)	2,490	3,994	10,063	**16,547**	78,698
	37,683	77,317	194,832	**309,832**	340,259
Total 2019	40,831	85,067	214,361	340,259	

7. Governance costs

	2020	2019
	£	£
Accountancy fees	**1,200**	5,000
Auditors' remuneration	**6,000**	4,800
Consultancy fees	**3,279**	44,073
Professional fees	**4,563**	23,408
Payroll services	**1,505**	1,417
	16,547	78,698

8. Staff costs

	Group 2020	Group 2019	**Charity 2020**	Charity 2019
	£	£	**£**	£
Wages and salaries	**224,580**	176,951	**224,580**	176,951
Social security costs	**18,871**	15,564	**18,871**	15,564
Pension	**1,983**	886	**1,983**	886
	245,434	193,401	**245,434**	193,401

The average number of persons employed by the charity during the year was as follows:

	Group 2020	Group 2019	**Charity 2020**	Charity 2019
	No.	No.	**No.**	No.
Average number of staff	**7**	6	**7**	6

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020	Group 2019
	No.	No.
In the band £60,001 - £70,000	**1**	1

The key management personnel's total remuneration during the year totalled £92,409 (2019: £94,080), including employer's national insurance contributions of £9,055 (2019: £8,227).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

10. Fixed asset investments

Group	**Listed investments £**
Cost or valuation	
At 1 September 2019	**870,054**
Additions	**617,289**
Disposals	**(630,929)**
Revaluations	**21,489**
At 31 August 2020	**877,903**
Net book value	
At 31 August 2020	**877,903**
At 31 August 2019	870,054

Charity	**Investments in subsidiary companies £**	**Listed investments £**	**Total £**
Cost or valuation			
At 1 September 2019	**1**	**870,054**	**870,055**
Additions	**-**	**617,289**	**617,289**
Disposals	**-**	**(630,929)**	**(630,929)**
Revaluations	**-**	**21,489**	**21,489**
At 31 August 2020	**1**	**877,903**	**877,904**
Net book value			
At 31 August 2020	**1**	**877,903**	**877,904**
At 31 August 2019	1	870,054	870,055

There were two investments in an individual entity held at 31 August 2020 which are considered material in the context of the market value of the portfolio. This was an investment held in Allianz Global Investors which had a market value at the year end of £80,244 and an investment in a single fund with Aberdeen Standard which had a market value at the year end of £463,292.

All investments are invested through Quilter Cheviot and Aberdeen Standard.

Notes to the Financial Statements
For the Year Ended 31 August 2020

11. Debtors

	Group 2020 £	Group 2019 £	**Charity 2020 £**	Charity 2019 £
Due within one year				
Trade debtors	**32,222**	37,111	**32,222**	37,111
Amounts owed by group undertakings	**-**	-	**65,119**	60,279
Other debtors	**231,902**	143,089	**231,902**	143,089
Tax recoverable	**(428)**	15,843	**(428)**	15,188
	263,696	196,043	**328,815**	255,667

12. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	**Charity 2020 £**	Charity 2019 £
Trade creditors	**14,507**	25,537	**14,359**	19,418
Other taxation and social security	**12,574**	4,562	**12,574**	4,562
Other creditors	**2,498**	832	**2,489**	829
Accruals and deferred income	**11,441**	20,587	**11,441**	19,533
	41,020	51,518	**40,863**	44,342

13. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General Funds	**849,877**	**1,143,342**	**(745,294)**	**7,849**	**1,255,774**
Restricted funds					
Tournament fund	**641,893**	**13,561**	**(377,292)**	**-**	**278,162**
Africa fund	**30,251**	**-**	**-**	**-**	**30,251**
Erlestoke Prison	**4,790**	**-**	**(2,160)**	**-**	**2,630**
Isle of Man	**7,288**	**-**	**(6,206)**	**-**	**1,082**
J4NCL	**688**	**3,980**	**(4,668)**	**-**	**-**
Prisons	**-**	**100**	**(100)**	**-**	**-**
CHAMPS	**1,477**	**573**	**(2,050)**	**-**	**-**
Isle of Wight Schools	**-**	**500**	**-**	**-**	**500**
	686,387	**18,714**	**(392,476)**	**-**	**312,625**
Total funds	**1,536,264**	**1,162,056**	**(1,137,770)**	**7,849**	**1,568,399**

The Tournament fund is exclusively for running the educational elements of the London Chess Classic.

The Africa fund is to be used exclusively on our activity in Africa.

Erlestoke Prison funds are for the provision of a chess club at HMP Erlestoke.

Hammersmith funds have been donated with the intention of being used within certain West London postcodes.

Isle of Man funds are for the exclusive purpose of running chess lessons and clubs in schools on the Isle of Man.

J4NCL funds are for the travel, accommodation and coaching costs of our teams in the junior Four Nations chess league.

Southwark funds are for the operation of the charity's core activities in state schools in the London Borough of Southwark.

Wandsworth and Westminster funds are for the operation of the charity's core activities in state schools in the London Borough of Wandsworth and Westminster respectively.

CHAMPS funds are as a result of the successful application to Erasmus for a grant to develop teaching materials around Maths and Chess in partnership with academics in Slovakia, Spain and Portugal.

13. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
General Funds	902,454	993,694	(1,116,325)	70,054	849,877
Restricted funds					
Tournament fund	602,489	437,500	(398,096)	-	641,893
Africa fund	30,251	-	-	-	30,251
Erlestoke Prison	-	5,000	(210)	-	4,790
Hammersmith	-	1,000	(1,000)	-	-
Isle of Man	-	12,500	(5,212)	-	7,288
J4NCL	-	3,980	(3,292)	-	688
Prisons	-	10,000	(10,000)	-	-
Wandsworth	-	2,500	(2,500)	-	-
Westminster	-	3,125	(3,125)	-	-
CHAMPS	-	19,987	(18,510)	-	1,477
	632,740	495,592	(441,945)	-	686,387
Total of funds	1,535,194	1,489,286	(1,558,270)	70,054	1,536,264

14. Summary of funds

Summary of funds - current year

	Balance at 1 September 2019 £	**Income £**	**Expenditure £**	**Gains/ (Losses) £**	**Balance at 31 August 2020 £**
General funds	**849,877**	**1,143,342**	**(745,294)**	**7,849**	**1,255,774**
Restricted funds	**686,387**	**18,714**	**(392,476)**	**-**	**312,625**
	1,536,264	**1,162,056**	**(1,137,770)**	**7,849**	**1,568,399**

Notes to the Financial Statements
For the Year Ended 31 August 2020

14. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
General funds	902,454	993,694	(1,116,325)	70,054	849,877
Restricted funds	632,740	495,592	(441,945)	-	686,387
	1,535,194	1,489,286	(1,558,270)	70,054	1,536,264

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	**Restricted funds 2020 £**	**Total funds 2020 £**
Fixed asset investments	877,903	-	**877,903**
Current assets	418,891	312,625	**731,516**
Creditors due within one year	(41,020)	-	**(41,020)**
Total	1,255,774	312,625	**1,568,399**

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Fixed asset investments	870,054	-	870,054
Current assets	31,341	686,387	717,728
Creditors due within one year	(51,518)	-	(51,518)
Total	849,877	686,387	1,536,264

Notes to the Financial Statements
For the Year Ended 31 August 2020

16. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £
Net income for the period (as per Statement of Financial Activities)	**32,135**	1,070
Adjustments for:		
Losses on investments	**(4,380)**	(66,353)
Decrease/(increase) in debtors	**(67,653)**	195,125
Decrease in creditors	**(10,498)**	(263,392)
Net cash used in operating activities	**(50,396)**	(133,550)

17. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	**467,820**	521,685

18. Analysis of changes in net debt

	At 1 September 2019 £	**Cash flows £**	**At 31 August 2020 £**
Cash at bank and in hand	**521,685**	**(53,865)**	**467,820**

19. Related party transactions

Malcolm Pein, the Chief Executive of Chess in Schools and Communities (the "Charity") and Secretary of its subsidiary Chess Promotions Limited ("CPL"), is a Director of Chess & Bridge Limited ("C&B"). During 2010, C&B signed a Supply Agreement with the Charity and CPL (together referred to as the "Customer"), to provide the Customer with certain goods and services on standard trade terms. This includes chess books, chess sets and boards, chess computer software, other chess related products and general administration support services. The total paid to C&B by the Charity during the year was £46,541 (2019 - £68,504). At year end £942 remained payable (2019 - £1,367).

Malcolm Pein, is also a Director of Classical Games ("CG") a company incorporated in the United States of America. The total paid to CG by the Charity during the year was £516 (2019 - £4,211). At the year end £Nil remained payable by the Charity (2019 - £3,060).

The daughter of Malcolm Pein also received £258 during the year (2019 - £Nil) for her work with the Charity. The rate used was in accordance with rates used for all people that work for the Charity. At the year end £Nil was outstanding (2019 - £Nil).

During the year donations were received by CSC of £Nil (2019 - £1,450) from Trustees of the charity.

As at 31 August 2020 CPL owed the Charity £65,119 (2019 - £60,279).

20. Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Registered office or principal place of business	Principal activity
Chess Promotions Ltd	07152226	44 Baker Street, London, W1U 7RT	To exploit the commercial value of various chess events.

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Chess Promotions Ltd	**31,865**	**(10,463)**	**21,402**	**33,450**