

**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**

|                                                                                       | Page           |
|---------------------------------------------------------------------------------------|----------------|
| <b>Reference and administrative details of the charity, its Trustees and advisers</b> | <b>1</b>       |
| <b>Trustees' report</b>                                                               | <b>2 - 9</b>   |
| <b>Independent auditors' report on the financial statements</b>                       | <b>10 - 13</b> |
| <b>Consolidated statement of financial activities</b>                                 | <b>14</b>      |
| <b>Consolidated balance sheet</b>                                                     | <b>15</b>      |
| <b>Charity balance sheet</b>                                                          | <b>16</b>      |
| <b>Consolidated statement of cash flows</b>                                           | <b>17</b>      |
| <b>Notes to the financial statements</b>                                              | <b>18 - 31</b> |

**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**

|                 |                                                                                                                              |
|-----------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b> | Andrew Farthing<br>Ian Icton<br>Stephen Meyler<br>Alison Sharp<br>William Watson<br>Isabel Keen (appointed 19 November 2019) |
|-----------------|------------------------------------------------------------------------------------------------------------------------------|

|                                  |          |
|----------------------------------|----------|
| <b>Company registered number</b> | 07017640 |
|----------------------------------|----------|

|                                  |         |
|----------------------------------|---------|
| <b>Charity registered number</b> | 1133120 |
|----------------------------------|---------|

|                          |                                                                          |
|--------------------------|--------------------------------------------------------------------------|
| <b>Registered office</b> | Chess in Schools and Communities<br>44 Baker Street<br>London<br>W1U 7RT |
|--------------------------|--------------------------------------------------------------------------|

|                                |              |
|--------------------------------|--------------|
| <b>Chief executive officer</b> | Malcolm Pein |
|--------------------------------|--------------|

|                             |                                                                                                        |
|-----------------------------|--------------------------------------------------------------------------------------------------------|
| <b>Independent auditors</b> | Kreston Reeves LLP<br>Chartered Accountants<br>Third Floor<br>24 Chiswell Street<br>London<br>EC1Y 4YX |
|-----------------------------|--------------------------------------------------------------------------------------------------------|

|                |                                                                                           |
|----------------|-------------------------------------------------------------------------------------------|
| <b>Bankers</b> | Natwest Bank Plc<br>3rd Floor Cavell House<br>2a Charing Cross Road<br>London<br>WC2H 0NN |
|----------------|-------------------------------------------------------------------------------------------|

|                            |                                                                                                                                    |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <b>Investment Managers</b> | Quilter Cheviot<br>1 Kingsway<br>Holborn<br>London<br>WC2B 6AN<br><br>Aberdeen Standard<br>1 George Street<br>Edinburgh<br>EH2 2LL |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------|

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

**Trustees' Report**  
**For the Year Ended 31 August 2020**

---

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.

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

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2020**

**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](http://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](http://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.

## **Chess in School and Communities**

### **(A company limited by guarantee)**

#### **Trustees' Report (continued)**

#### **For the Year Ended 31 August 2020**

#### **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.

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

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2020**

**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.

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

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2020**

**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.

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

**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](http://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.

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

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2020**

**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.

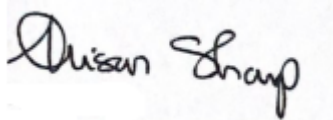
**Chess in School and Communities**  
**(A company limited by guarantee)**

**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:

A handwritten signature in black ink that reads "Alison Sharp". The signature is written in a cursive style with a large initial 'A'.

**Alison Sharp**

Trustee

Date: 26th May 2021

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

**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.

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

**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.

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

**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.

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

**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.

A handwritten signature in black ink, appearing to read 'K. R. 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

**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 2020**

|                                    | <b>Note</b> | <b>Unrestricted<br/>funds<br/>2020<br/>£</b> | <b>Restricted<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|------------------------------------|-------------|----------------------------------------------|--------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Income from:</b>                |             |                                              |                                            |                                       |                                       |
| 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                                   |
| <b>Total income</b>                |             | <b>1,143,342</b>                             | <b>18,714</b>                              | <b>1,162,056</b>                      | <b>1,489,286</b>                      |
| <b>Expenditure on:</b>             |             |                                              |                                            |                                       |                                       |
| Raising funds                      |             | 10,463                                       | -                                          | 10,463                                | 154,759                               |
| Charitable activities              | 5           | 734,831                                      | 392,476                                    | 1,127,307                             | 1,403,511                             |
| <b>Total expenditure</b>           |             | <b>745,294</b>                               | <b>392,476</b>                             | <b>1,137,770</b>                      | <b>1,558,270</b>                      |
| Net gains on investments           |             | 7,849                                        | -                                          | 7,849                                 | 70,054                                |
| <b>Net movement in funds</b>       |             | <b>405,897</b>                               | <b>(373,762)</b>                           | <b>32,135</b>                         | <b>1,070</b>                          |
| <b>Reconciliation of funds:</b>    |             |                                              |                                            |                                       |                                       |
| 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                                 |
| <b>Total funds carried forward</b> |             | <b>1,255,774</b>                             | <b>312,625</b>                             | <b>1,568,399</b>                      | <b>1,536,264</b>                      |

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**

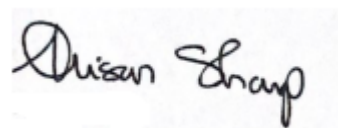
**Consolidated Balance Sheet**  
**As at 31 August 2020**

|                                                | <b>Note</b> | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|------------------------------------------------|-------------|-------------------|-------------------|
| <b>Fixed assets</b>                            |             |                   |                   |
| Investments                                    | 10          | <b>877,903</b>    | 870,054           |
|                                                |             | <b>877,903</b>    | 870,054           |
| <b>Current assets</b>                          |             |                   |                   |
| Debtors                                        | 11          | <b>263,696</b>    | 196,043           |
| Cash at bank and in hand                       |             | <b>467,820</b>    | 521,685           |
|                                                |             | <b>731,516</b>    | 717,728           |
| Creditors: amounts falling due within one year | 12          | <b>(41,020)</b>   | (51,518)          |
| <b>Net current assets</b>                      |             | <b>690,496</b>    | 666,210           |
| <b>Net assets</b>                              |             | <b>1,568,399</b>  | 1,536,264         |
| <b>Funds</b>                                   |             |                   |                   |
| Restricted funds                               | 13          | <b>312,625</b>    | 686,387           |
| Unrestricted funds                             | 13          | <b>1,255,774</b>  | 849,877           |
| <b>Total funds</b>                             |             | <b>1,568,399</b>  | 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**

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**

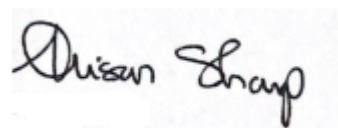
**Charity Balance Sheet**  
**As at 31 August 2020**

|                                                | <b>Note</b> | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|------------------------------------------------|-------------|-------------------|-------------------|
| <b>Fixed assets</b>                            |             |                   |                   |
| Investments                                    | 10          | <b>877,904</b>    | 870,055           |
|                                                |             | <b>877,904</b>    | 870,055           |
| <b>Current assets</b>                          |             |                   |                   |
| Debtors                                        | 11          | <b>328,815</b>    | 255,667           |
| Cash at bank and in hand                       |             | <b>369,094</b>    | 442,837           |
|                                                |             | <b>697,909</b>    | 698,504           |
| Creditors: amounts falling due within one year | 12          | <b>(40,863)</b>   | (44,342)          |
| <b>Net current assets</b>                      |             | <b>657,046</b>    | 654,162           |
| <b>Net assets</b>                              |             | <b>1,534,950</b>  | 1,524,217         |
| <b>Charity funds</b>                           |             |                   |                   |
| Restricted funds                               | 13          | <b>312,625</b>    | 686,387           |
| Unrestricted funds                             | 13          | <b>1,222,325</b>  | 837,830           |
| <b>Total funds</b>                             |             | <b>1,534,950</b>  | 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.

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

**Consolidated Statement of Cash Flows**  
**For the Year Ended 31 August 2020**

|                                                         | <b>2020</b><br>£      | 2019<br>£             |
|---------------------------------------------------------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>             |                       |                       |
| Net cash used in operating activities                   | <u>(50,396)</u>       | <u>(133,550)</u>      |
| <b>Cash flows from investing activities</b>             |                       |                       |
| Proceeds from sale of investments                       | <b>613,820</b>        | 210,366               |
| Purchase of investments                                 | <u>(617,289)</u>      | <u>(614,067)</u>      |
| <b>Net cash used in investing activities</b>            | <u>(3,469)</u>        | <u>(403,701)</u>      |
| <b>Change in cash and cash equivalents in the year</b>  | <b>(53,865)</b>       | <b>(537,251)</b>      |
| Cash and cash equivalents at the beginning of the year  | <u>521,685</u>        | <u>1,058,936</u>      |
| <b>Cash and cash equivalents at the end of the year</b> | <u><b>467,820</b></u> | <u><b>521,685</b></u> |

The notes on pages 18 to 31 form part of these financial statements

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

**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.

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**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.

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**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.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**3. Income from donations**

|                      | <b>Unrestricted<br/>funds<br/>2020<br/>£</b> | <b>Restricted<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|----------------------|----------------------------------------------|--------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Donations</b>     |                                              |                                            |                                       |                                       |
| Individual donations | 438,243                                      | 18,141                                     | <b>456,384</b>                        | 478,791                               |
| Gift aid             | 88,813                                       | -                                          | <b>88,813</b>                         | 121,930                               |
| Trusts               | 54,350                                       | -                                          | <b>54,350</b>                         | 65,250                                |
| <b>Grants</b>        |                                              |                                            |                                       |                                       |
| Grants for schools   | 32,925                                       | -                                          | <b>32,925</b>                         | 98,075                                |
| Government grants    | 4,018                                        | -                                          | <b>4,018</b>                          | -                                     |
|                      | <u>618,349</u>                               | <u>18,141</u>                              | <u><b>636,490</b></u>                 | <u>764,046</u>                        |
| Total 2019           | <u>288,441</u>                               | <u>475,605</u>                             | <u>764,046</u>                        |                                       |

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

**4. Income from charitable activities**

|                            | <b>Unrestricted<br/>funds<br/>2020<br/>£</b> | <b>Restricted<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|----------------------------|----------------------------------------------|--------------------------------------------|---------------------------------------|---------------------------------------|
| School contributions       | 480,916                                      | -                                          | <b>480,916</b>                        | 410,364                               |
| Prison contributions       | 4,333                                        | -                                          | <b>4,333</b>                          | 24,607                                |
| CHAMPS                     | -                                            | 573                                        | <b>573</b>                            | 19,987                                |
| Tournament income          | 6,979                                        | -                                          | <b>6,979</b>                          | 63,147                                |
| Older people contributions | 400                                          | -                                          | <b>400</b>                            | 970                                   |
|                            | <u>492,628</u>                               | <u>573</u>                                 | <u><b>493,201</b></u>                 | <u>519,075</u>                        |
| Total 2019                 | <u>499,088</u>                               | <u>19,987</u>                              | <u>519,075</u>                        |                                       |

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**5. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                  | <b>Unrestricted<br/>funds<br/>2020<br/>£</b> | <b>Restricted<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|------------------|----------------------------------------------|--------------------------------------------|---------------------------------------|---------------------------------------|
| Fundraising      | 34,012                                       | 11,417                                     | <b>45,429</b>                         | 42,867                                |
| Tournament costs | 118,929                                      | 100,597                                    | <b>219,526</b>                        | 284,534                               |
| Chess Tutoring   | 572,190                                      | 280,135                                    | <b>852,325</b>                        | 1,037,947                             |
| Training         | 9,700                                        | 327                                        | <b>10,027</b>                         | 38,163                                |
|                  | <u>734,831</u>                               | <u>392,476</u>                             | <u><b>1,127,307</b></u>               | <u>1,403,511</u>                      |
| Total 2019       | <u>961,566</u>                               | <u>441,945</u>                             | <u>1,403,511</u>                      |                                       |

**6. Analysis of expenditure by activities**

|                  | <b>Direct costs<br/>2020<br/>£</b> | <b>Support<br/>costs<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|------------------|------------------------------------|-----------------------------------------|---------------------------------------|---------------------------------------|
| Fundraising      | 7,746                              | 37,683                                  | <b>45,429</b>                         | 42,867                                |
| Tournament costs | 142,209                            | 77,317                                  | <b>219,526</b>                        | 284,534                               |
| Chess tutoring   | 657,493                            | 194,832                                 | <b>852,325</b>                        | 1,037,947                             |
| Training         | 10,027                             | -                                       | <b>10,027</b>                         | 38,163                                |
|                  | <u>817,475</u>                     | <u>309,832</u>                          | <u><b>1,127,307</b></u>               | <u>1,403,511</u>                      |
| Total 2019       | <u>1,063,252</u>                   | <u>340,259</u>                          | <u>1,403,511</u>                      |                                       |

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**6. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

|                              | <b>Fundraising<br/>2020<br/>£</b> | <b>Tournament<br/>costs<br/>2020<br/>£</b> | <b>Chess<br/>tutoring<br/>2020<br/>£</b> | <b>Training<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|------------------------------|-----------------------------------|--------------------------------------------|------------------------------------------|--------------------------------|---------------------------------------|---------------------------------------|
| Tutor costs                  | -                                 | -                                          | 452,755                                  | -                              | <b>452,755</b>                        | 654,011                               |
| Venue expenses<br>and prizes | -                                 | 16,327                                     | 196,847                                  | -                              | <b>213,174</b>                        | 171,775                               |
| LCC costs                    | -                                 | 69,837                                     | 7,891                                    | -                              | <b>77,728</b>                         | 100,509                               |
| Expenses                     | 7,746                             | 20,107                                     | -                                        | -                              | <b>27,853</b>                         | 34,670                                |
| Tournament<br>expenses       | -                                 | 602                                        | -                                        | -                              | <b>602</b>                            | -                                     |
| Advertising                  | -                                 | 10,547                                     | -                                        | -                              | <b>10,547</b>                         | 20,261                                |
| Bad debt<br>expense          | -                                 | -                                          | -                                        | -                              | -                                     | 500                                   |
| Equipment                    | -                                 | 24,789                                     | -                                        | -                              | <b>24,789</b>                         | 43,363                                |
| Training projects            | -                                 | -                                          | -                                        | 10,027                         | <b>10,027</b>                         | 38,163                                |
|                              | <u>7,746</u>                      | <u>142,209</u>                             | <u>657,493</u>                           | <u>10,027</u>                  | <u><b>817,475</b></u>                 | <u>1,063,252</u>                      |
| Total 2019                   | <u>2,036</u>                      | <u>199,467</u>                             | <u>823,586</u>                           | <u>38,163</u>                  | <u>1,063,252</u>                      |                                       |

**Analysis of support costs**

|                                 | <b>Fundraising<br/>2020<br/>£</b> | <b>Tournament<br/>costs<br/>2020<br/>£</b> | <b>Chess<br/>tutoring<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|---------------------------------|-----------------------------------|--------------------------------------------|------------------------------------------|---------------------------------------|---------------------------------------|
| Staff costs                     | 29,451                            | 61,359                                     | 154,624                                  | <b>245,434</b>                        | 193,401                               |
| IT                              | 768                               | 1,599                                      | 4,029                                    | <b>6,396</b>                          | 10,458                                |
| General overheads               | 3,160                             | 6,584                                      | 16,590                                   | <b>26,334</b>                         | 28,763                                |
| Travel and entertaining         | 341                               | 709                                        | 1,787                                    | <b>2,837</b>                          | 8,156                                 |
| General administrative services | 1,228                             | 2,558                                      | 6,445                                    | <b>10,231</b>                         | 19,115                                |
| Bank charges                    | 245                               | 514                                        | 1,294                                    | <b>2,053</b>                          | 1,668                                 |
| Governance costs (note 7)       | 2,490                             | 3,994                                      | 10,063                                   | <b>16,547</b>                         | 78,698                                |
|                                 | <u>37,683</u>                     | <u>77,317</u>                              | <u>194,832</u>                           | <u><b>309,832</b></u>                 | <u>340,259</u>                        |
| Total 2019                      | <u>40,831</u>                     | <u>85,067</u>                              | <u>214,361</u>                           | <u>340,259</u>                        |                                       |

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**7. Governance costs**

|                        | <b>2020</b><br>£ | 2019<br>£ |
|------------------------|------------------|-----------|
| Accountancy fees       | <b>1,200</b>     | 5,000     |
| Auditors' remuneration | <b>6,000</b>     | 4,800     |
| Consultancy fees       | <b>3,279</b>     | 44,073    |
| Professional fees      | <b>4,563</b>     | 23,408    |
| Payroll services       | <b>1,505</b>     | 1,417     |
|                        | <b>16,547</b>    | 78,698    |

**8. Staff costs**

|                       | <b>Group</b><br><b>2020</b><br>£ | Group<br>2019<br>£ | <b>Charity</b><br><b>2020</b><br>£ | Charity<br>2019<br>£ |
|-----------------------|----------------------------------|--------------------|------------------------------------|----------------------|
| Wages and salaries    | <b>224,580</b>                   | 176,951            | <b>224,580</b>                     | 176,951              |
| Social security costs | <b>18,871</b>                    | 15,564             | <b>18,871</b>                      | 15,564               |
| Pension               | <b>1,983</b>                     | 886                | <b>1,983</b>                       | 886                  |
|                       | <b>245,434</b>                   | 193,401            | <b>245,434</b>                     | 193,401              |

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

|                         | <b>Group</b><br><b>2020</b><br>No. | Group<br>2019<br>No. | <b>Charity</b><br><b>2020</b><br>No. | Charity<br>2019<br>No. |
|-------------------------|------------------------------------|----------------------|--------------------------------------|------------------------|
| Average number of staff | <b>7</b>                           | 6                    | <b>7</b>                             | 6                      |

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

|                               | <b>Group</b><br><b>2020</b><br>No. | Group<br>2019<br>No. |
|-------------------------------|------------------------------------|----------------------|
| In the band £60,001 - £70,000 | <b>1</b>                           | 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).

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**10. Fixed asset investments**

| <b>Group</b>             | <b>Listed<br/>investments<br/>£</b> |
|--------------------------|-------------------------------------|
| <b>Cost or valuation</b> |                                     |
| At 1 September 2019      | 870,054                             |
| Additions                | 617,289                             |
| Disposals                | (630,929)                           |
| Revaluations             | 21,489                              |
| <b>At 31 August 2020</b> | <b>877,903</b>                      |
| <b>Net book value</b>    |                                     |
| <b>At 31 August 2020</b> | <b>877,903</b>                      |
| At 31 August 2019        | 870,054                             |

| <b>Charity</b>           | <b>Investments<br/>in<br/>subsidiary<br/>companies<br/>£</b> | <b>Listed<br/>investments<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------|--------------------------------------------------------------|-------------------------------------|--------------------|
| <b>Cost or valuation</b> |                                                              |                                     |                    |
| At 1 September 2019      | 1                                                            | 870,054                             | 870,055            |
| Additions                | -                                                            | 617,289                             | 617,289            |
| Disposals                | -                                                            | (630,929)                           | (630,929)          |
| Revaluations             | -                                                            | 21,489                              | 21,489             |
| <b>At 31 August 2020</b> | <b>1</b>                                                     | <b>877,903</b>                      | <b>877,904</b>     |
| <b>Net book value</b>    |                                                              |                                     |                    |
| <b>At 31 August 2020</b> | <b>1</b>                                                     | <b>877,903</b>                      | <b>877,904</b>     |
| 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.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**11. Debtors**

|                                    | <b>Group<br/>2020<br/>£</b> | <b>Group<br/>2019<br/>£</b> | <b>Charity<br/>2020<br/>£</b> | <b>Charity<br/>2019<br/>£</b> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>Due within one year</b>         |                             |                             |                               |                               |
| Trade debtors                      | <b>32,222</b>               | 37,111                      | <b>32,222</b>                 | 37,111                        |
| Amounts owed by group undertakings | -                           | -                           | <b>65,119</b>                 | 60,279                        |
| Other debtors                      | <b>231,902</b>              | 143,089                     | <b>231,902</b>                | 143,089                       |
| Tax recoverable                    | <b>(428)</b>                | 15,843                      | <b>(428)</b>                  | 15,188                        |
|                                    | <b>263,696</b>              | 196,043                     | <b>328,815</b>                | 255,667                       |

**12. Creditors: Amounts falling due within one year**

|                                    | <b>Group<br/>2020<br/>£</b> | <b>Group<br/>2019<br/>£</b> | <b>Charity<br/>2020<br/>£</b> | <b>Charity<br/>2019<br/>£</b> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors                    | <b>14,507</b>               | 25,537                      | <b>14,359</b>                 | 19,418                        |
| Other taxation and social security | <b>12,574</b>               | 4,562                       | <b>12,574</b>                 | 4,562                         |
| Other creditors                    | <b>2,498</b>                | 832                         | <b>2,489</b>                  | 829                           |
| Accruals and deferred income       | <b>11,441</b>               | 20,587                      | <b>11,441</b>                 | 19,533                        |
|                                    | <b>41,020</b>               | 51,518                      | <b>40,863</b>                 | 44,342                        |

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**13. Statement of funds**

**Statement of funds - current year**

|                           | Balance at 1<br>September<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2020<br>£ |
|---------------------------|----------------------------------------|------------------|--------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b> |                                        |                  |                    |                         |                                      |
| General Funds             | 849,877                                | 1,143,342        | (745,294)          | 7,849                   | 1,255,774                            |
| <b>Restricted funds</b>   |                                        |                  |                    |                         |                                      |
| 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                              |
| <b>Total funds</b>        | <b>1,536,264</b>                       | <b>1,162,056</b> | <b>(1,137,770)</b> | <b>7,849</b>            | <b>1,568,399</b>                     |

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.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**13. Statement of funds (continued)**

**Statement of funds - prior year**

|                           | Balance at<br>1 September<br>2018<br>£ | Income<br>£      | Expenditure<br>£   | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2019<br>£ |
|---------------------------|----------------------------------------|------------------|--------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b> |                                        |                  |                    |                         |                                      |
| General Funds             | 902,454                                | 993,694          | (1,116,325)        | 70,054                  | 849,877                              |
| <b>Restricted funds</b>   |                                        |                  |                    |                         |                                      |
| 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                              |
| <b>Total of funds</b>     | <b>1,535,194</b>                       | <b>1,489,286</b> | <b>(1,558,270)</b> | <b>70,054</b>           | <b>1,536,264</b>                     |

**14. Summary of funds**

**Summary of funds - current year**

|                  | Balance at 1<br>September<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2020<br>£ |
|------------------|----------------------------------------|------------------|--------------------|-------------------------|--------------------------------------|
| General funds    | 849,877                                | 1,143,342        | (745,294)          | 7,849                   | 1,255,774                            |
| Restricted funds | 686,387                                | 18,714           | (392,476)          | -                       | 312,625                              |
|                  | <b>1,536,264</b>                       | <b>1,162,056</b> | <b>(1,137,770)</b> | <b>7,849</b>            | <b>1,568,399</b>                     |

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**14. Summary of funds (continued)**

**Summary of funds - prior year**

|                  | Balance at<br>1 September<br>2018<br>£ | Income<br>£      | Expenditure<br>£   | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2019<br>£ |
|------------------|----------------------------------------|------------------|--------------------|-------------------------|--------------------------------------|
| General funds    | 902,454                                | 993,694          | (1,116,325)        | 70,054                  | 849,877                              |
| Restricted funds | 632,740                                | 495,592          | (441,945)          | -                       | 686,387                              |
|                  | <u>1,535,194</u>                       | <u>1,489,286</u> | <u>(1,558,270)</u> | <u>70,054</u>           | <u>1,536,264</u>                     |

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

|                               | Unrestricted<br>funds<br>2020<br>£ | Restricted<br>funds<br>2020<br>£ | Total<br>funds<br>2020<br>£ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Fixed asset investments       | 877,903                            | -                                | <b>877,903</b>              |
| Current assets                | 418,891                            | 312,625                          | <b>731,516</b>              |
| Creditors due within one year | (41,020)                           | -                                | <b>(41,020)</b>             |
| <b>Total</b>                  | <u>1,255,774</u>                   | <u>312,625</u>                   | <u><b>1,568,399</b></u>     |

**Analysis of net assets between funds - prior period**

|                               | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Fixed asset investments       | 870,054                            | -                                | 870,054                     |
| Current assets                | 31,341                             | 686,387                          | 717,728                     |
| Creditors due within one year | (51,518)                           | -                                | (51,518)                    |
| <b>Total</b>                  | <u>849,877</u>                     | <u>686,387</u>                   | <u>1,536,264</u>            |

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

**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**

|                                                                      | <b>Group<br/>2020<br/>£</b> | <b>Group<br/>2019<br/>£</b> |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Net income for the period (as per Statement of Financial Activities) | <b>32,135</b>               | 1,070                       |
| <b>Adjustments for:</b>                                              |                             |                             |
| Losses on investments                                                | <b>(4,380)</b>              | (66,353)                    |
| Decrease/(increase) in debtors                                       | <b>(67,653)</b>             | 195,125                     |
| Decrease in creditors                                                | <b>(10,498)</b>             | (263,392)                   |
| <b>Net cash used in operating activities</b>                         | <b>(50,396)</b>             | (133,550)                   |

**17. Analysis of cash and cash equivalents**

|              | <b>Group<br/>2020<br/>£</b> | <b>Group<br/>2019<br/>£</b> |
|--------------|-----------------------------|-----------------------------|
| Cash in hand | <b>467,820</b>              | 521,685                     |

**18. Analysis of changes in net debt**

|                          | <b>At 1<br/>September<br/>2019<br/>£</b> | <b>Cash flows<br/>£</b> | <b>At 31<br/>August 2020<br/>£</b> |
|--------------------------|------------------------------------------|-------------------------|------------------------------------|
| Cash at bank and in hand | <b>521,685</b>                           | <b>(53,865)</b>         | <b>467,820</b>                     |

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2020**

**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:

| <b>Name</b>            |                | <b>Company number</b>            | <b>Registered office or principal place of business</b> | <b>Principal activity</b>                                |
|------------------------|----------------|----------------------------------|---------------------------------------------------------|----------------------------------------------------------|
| Chess Promotions Ltd   |                | 07152226                         | 44 Baker Street, London, W1U 7RT                        | To exploit the commercial value of various chess events. |
| <b>Class of shares</b> | <b>Holding</b> | <b>Included in consolidation</b> |                                                         |                                                          |
| Ordinary               | 100%           | Yes                              |                                                         |                                                          |

The financial results of the subsidiary for the year were:

| <b>Name</b>          | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Profit/(Loss)<br/>/ Surplus/<br/>(Deficit) for<br/>the year<br/>£</b> | <b>Net assets<br/>£</b> |
|----------------------|---------------------|--------------------------|--------------------------------------------------------------------------|-------------------------|
| Chess Promotions Ltd | 31,865              | (10,463)                 | 21,402                                                                   | 33,450                  |