

Registered number: 07017640
Charity number: 1133120

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

Trustees' Report and Financial Statements
For the Year Ended 31 August 2021

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

Contents

	Page
Reference and administrative details of the charity, its Trustees and advisers	1
Trustees' report	2 - 9
Independent auditors' report on the financial statements	10 - 14
Consolidated statement of financial activities	15
Consolidated balance sheet	16
Charity balance sheet	17
Consolidated statement of cash flows	18
Notes to the financial statements	19 - 32

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

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

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

Chess in School and Communities

(A company limited by guarantee)

Trustees' Report

For the Year Ended 31 August 2021

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

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

Objectives and activities

a. Objects

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

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

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

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

b. Activities undertaken to achieve objectives

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

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

The Queen's Gambit

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

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

Trustees' Report (continued)
For the Year Ended 31 August 2021

Objectives and activities (continued)

Online Delivery

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

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

Online Chess Clubs

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

Training

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

Newham

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

Prisons

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

Afghan Refugees

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

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

Trustees' Report (continued)
For the Year Ended 31 August 2021

Objectives and activities (continued)

c. Public benefit

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

Achievements and performance

a. Main achievements of the charity

ChessFest 2021

Conditions made it impossible to stage a London Chess Classic in 2020. On July 18th 2021, one day before the ending of Covid restrictions, the charity staged the biggest chess event ever in the UK with *ChessFest* in Trafalgar Square. Over 6000 people attended a free chess festival with lessons, giant chess matches, simultaneous displays, internet chess challenges and a living chess display themed around Alice in Wonderland. We hope to make this an annual event. Woody Harrelson sent a video message to open the event and there was a formal message of welcome from the then Culture Secretary Oliver Dowden MP that also implicitly recognised chess as a sport.

A video and photographs from the day can be found at [Chess-Fest.com](https://chess-fest.com)

A satellite event was held at the Liverpool One shopping centre in Chavasse Park and also as part of Chess Fest, 100 children from CSC schools were invited to a day of activities outdoors in Manchester Square Gardens W1. Schools from outside London benefited from travel grants and there was coverage on SKY News.

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

b. Fundraising

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

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

Trustees' Report (continued)
For the Year Ended 31 August 2021

Achievements and performance (continued)

c. Supporters

The charity would like to record its gratitude to:

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

Financial review

a. Going concern

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

b. Reserves policy

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

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

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

Trustees' Report (continued)
For the Year Ended 31 August 2021

c. General review

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

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

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

d. Investments policy

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

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

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

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

e. Principal risks and uncertainties

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

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

Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, governance and management

a. Constitution

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

b. Methods of appointment or election of Trustees

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

c. Organisational structure and decision-making policies

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

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

d. Policies adopted for the induction and training of Trustees

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

e. Remuneration policy

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

f. Financial risk management

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

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

Trustees' Report (continued)
For the Year Ended 31 August 2021

Plans for future periods

The continuing uncertainty made planning for academic year 2021-22 difficult. To some extent, due to the ongoing pandemic, some objectives which had not been achieved and will be pursued in the next academic year. Some measures in relation to Covid will be continued. The main plans and objectives for 21/22 are:

- Recovery and resumption in core delivery to get to 225 schools by September 2022.
- Prepare for the resumption of activity in libraries and our other community events.
- Continue to train the tutor base and new tutors about covid-secure procedures and safeguarding procedures for online delivery.
- Expand the tutor base to create a reserve, particularly in London.
- Organisation of more chess teaching courses for online and in-class delivery
- Organisation of a 2021 London Chess Classic, Covid permitting and subject to funding.
- Organisation of a 2022 ChessFest and to spread ChessFest to other venues around the UK
- Completion of and distribution of a new curriculum.
- The continuation of a public affairs campaign around the charity's new online programme and continuing efforts to bring the charity to the attention of the wider public and key decision makers.
- To develop the ChessKid club the online offering for secondary school children on LiChess.

Statement of Trustees' responsibilities

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

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

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

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

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

Trustees' Report (continued)
For the Year Ended 31 August 2021

Disclosure of information to auditors

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

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

Auditors

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

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

Alison Sharp
Trustee
Date:

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

Opinion

We have audited the financial statements of Chess in School and Communities (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

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

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

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

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

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

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

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

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

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.

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

London

Date:

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

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	493,535	248,300	741,835	636,490
Charitable activities	4	240,962	-	240,962	493,201
Other trading activities		10,987	-	10,987	31,865
Investments	5	11,989	-	11,989	-
Other income		500	-	500	500
Total income		757,973	248,300	1,006,273	1,162,056
Expenditure on:					
Raising funds		11,306	-	11,306	10,463
Charitable activities	6	577,462	271,922	849,384	1,127,307
Total expenditure		588,768	271,922	860,690	1,137,770
Net income/(expenditure) before net gains on investments		169,205	(23,622)	145,583	24,286
Net gains on investments		85,950	-	85,950	7,849
Net movement in funds		255,155	(23,622)	231,533	32,135
Reconciliation of funds:					
Total funds brought forward		1,255,774	312,625	1,568,399	1,536,264
Net movement in funds		255,155	(23,622)	231,533	32,135
Total funds carried forward		1,510,929	289,003	1,799,932	1,568,399

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

The notes on pages 19 to 32 form part of these financial statements.

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

Consolidated Balance Sheet
As at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	11	963,852	877,903
		963,852	877,903
Current assets			
Debtors	12	312,298	263,696
Cash at bank and in hand		588,128	467,820
		900,426	731,516
Creditors: amounts falling due within one year	13	(64,346)	(41,020)
Net current assets		836,080	690,496
Net assets		1,799,932	1,568,399
Funds			
Restricted funds	14	289,003	312,625
Unrestricted funds	14	1,510,929	1,255,774
Total funds		1,799,932	1,568,399

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

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

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

Alison Sharp
Trustee
Date:

The notes on pages 19 to 32 form part of these financial statements.

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

Charity Balance Sheet
As at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	11	963,853	877,904
		963,853	877,904
Current assets			
Debtors	12	388,109	328,815
Cash at bank and in hand		510,175	369,094
		898,284	697,909
Creditors: amounts falling due within one year	13	(61,897)	(40,863)
Net current assets		836,387	657,046
Net assets		1,800,240	1,534,950
Charity funds			
Restricted funds	14	289,003	312,625
Unrestricted funds	14	1,511,237	1,222,325
Total funds		1,800,240	1,534,950

The charity's net movement in funds for the year was £265,290 (2020 - £10,733).

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

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

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

Alison Sharp
Trustee
Date:

The notes on pages 19 to 32 form part of these financial statements.

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

Consolidated Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	17	<u>117,402</u>	<u>(50,396)</u>
Cash flows from investing activities			
Proceeds from sale of investments		57,695	613,820
Purchase of investments		<u>(54,789)</u>	<u>(617,289)</u>
Net cash provided by/(used in) investing activities		<u>2,906</u>	<u>(3,469)</u>
Change in cash and cash equivalents in the year		120,308	(53,865)
Cash and cash equivalents at the beginning of the year		<u>467,820</u>	<u>521,685</u>
Cash and cash equivalents at the end of the year	18	<u>588,128</u>	<u>467,820</u>

The notes on pages 19 to 32 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 2021

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Going concern

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

2.3 Income

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

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

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

2. Accounting policies (continued)

2.4 Expenditure

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

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

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

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

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

2.5 Investments

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

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

2.6 Debtors

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

2.7 Cash at bank and in hand

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

2. Accounting policies (continued)

2.8 Liabilities and provisions

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

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

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

2.9 Financial instruments

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

2.10 Pensions

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

2.11 Fund accounting

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

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

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

3. Income from donations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations				
Individual donations	177,906	248,300	426,206	456,384
Gift aid	73,154	-	73,154	88,813
Trusts	225,320	-	225,320	54,350
Grants				
Grants for schools	-	-	-	32,925
Government grants	17,155	-	17,155	4,018
	<u>493,535</u>	<u>248,300</u>	<u>741,835</u>	<u>636,490</u>
Total 2020	<u>618,349</u>	<u>18,141</u>	<u>636,490</u>	

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

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
School contributions	208,953	-	208,953	480,916
Prison contributions	2,773	-	2,773	4,333
CHAMPS	-	-	-	573
Tournament income	-	-	-	6,979
Older people contributions	(764)	-	(764)	400
Yes2Chess	30,000	-	30,000	-
	<u>240,962</u>	<u>-</u>	<u>240,962</u>	<u>493,201</u>
Total 2020	<u>492,628</u>	<u>573</u>	<u>493,201</u>	

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividends	11,989	11,989	-

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising	28,006	2,979	30,985	45,429
Tournament costs	127,293	240,822	368,115	219,526
Chess Tutoring	415,543	27,971	443,514	852,325
Training	6,620	150	6,770	10,027
	577,462	271,922	849,384	1,127,307
Total 2020	734,831	392,476	1,127,307	

7. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising	216	30,769	30,985	45,429
Tournament costs	304,012	64,103	368,115	219,526
Chess tutoring	281,980	161,534	443,514	852,325
Training	6,770	-	6,770	10,027
	592,978	256,406	849,384	1,127,307
Total 2020	817,475	309,832	1,127,307	

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Fundraising 2021 £	Tournament costs 2021 £	Chess tutoring 2021 £	Training 2021 £	Total funds 2021 £	Total funds 2020 £
Tutor costs	-	-	270,366	-	270,366	452,755
Venue expenses and prizes	-	-	11,370	-	11,370	213,174
LCC costs	-	34,784	244	-	35,028	77,728
Expenses	216	131,900	-	-	132,116	27,853
Tournament expenses	-	-	-	-	-	602
Advertising	-	109,883	-	-	109,883	10,547
Equipment	-	27,445	-	-	27,445	24,789
Training projects	-	-	-	6,770	6,770	10,027
	<u>216</u>	<u>304,012</u>	<u>281,980</u>	<u>6,770</u>	<u>592,978</u>	<u>817,475</u>
Total 2020	<u>7,746</u>	<u>142,209</u>	<u>657,493</u>	<u>10,027</u>	<u>817,475</u>	

Analysis of support costs

	Fundraising 2021 £	Tournament costs 2021 £	Chess tutoring 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	22,069	45,978	115,863	183,910	245,434
IT	1,383	2,882	7,262	11,527	6,396
General overheads	2,278	4,747	11,961	18,986	26,334
Travel and entertaining	466	971	2,447	3,884	2,837
General administrative services	1,742	3,629	9,145	14,516	10,231
Bank charges	101	210	529	840	2,053
Governance costs (note 8)	2,730	5,686	14,327	22,743	16,547
	<u>30,769</u>	<u>64,103</u>	<u>161,534</u>	<u>256,406</u>	<u>309,832</u>
Total 2020	<u>37,683</u>	<u>77,317</u>	<u>194,832</u>	<u>309,832</u>	

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

8. Governance costs

	2021 £	2020 £
Accountancy fees	1,750	1,200
Auditors' remuneration	6,600	6,000
Consultancy fees	4,001	3,279
Professional fees	9,365	4,563
Payroll services	1,027	1,505
	22,743	16,547

9. Staff costs

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	171,131	224,580	171,131	224,580
Social security costs	11,135	18,871	11,135	18,871
Pension	1,644	1,983	1,644	1,983
	183,910	245,434	183,910	245,434

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

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
Average number of staff	5	7	5	7

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

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	1	1

The key management personnel's total remuneration during the year totalled £98,066 (2020: £92,409), including employer's national insurance contributions of £9,713 (2020: £9,055).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

11. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 September 2020	877,903
Additions	54,789
Disposals	(57,695)
Revaluations	88,855
At 31 August 2021	<u>963,852</u>
Net book value	
At 31 August 2021	<u>963,852</u>
At 31 August 2020	<u>877,903</u>

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 September 2020	1	877,903	877,904
Additions	-	54,789	54,789
Disposals	-	(57,695)	(57,695)
Revaluations	-	88,855	88,855
At 31 August 2021	<u>1</u>	<u>963,852</u>	<u>963,853</u>
Net book value			
At 31 August 2021	<u>1</u>	<u>963,852</u>	<u>963,853</u>
At 31 August 2020	<u>1</u>	<u>877,903</u>	<u>877,904</u>

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

12. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due within one year				
Trade debtors	67,527	32,222	67,527	32,222
Amounts owed by group undertakings	-	-	76,264	65,119
Other debtors	210,922	231,902	210,650	231,902
Tax recoverable	33,849	(428)	33,668	(428)
	312,298	263,696	388,109	328,815

13. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	9,418	14,507	6,969	14,359
Other taxation and social security	21,913	12,574	21,913	12,574
Other creditors	751	2,498	751	2,489
Accruals and deferred income	32,264	11,441	32,264	11,441
	64,346	41,020	61,897	40,863

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

14. Statement of funds

Statement of funds - current year

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

The Tournament fund is exclusively for running the educational elements of the London Chess Classic.

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

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

Isle of Man funds are for the exclusive purpose of running chess lessons and clubs in schools on the Isle of Man.

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

Isle of Wight Schools fund relates to a donation received to improve the chess training offering on the Isle of Wight.

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General Funds	849,877	1,143,342	(745,294)	7,849	1,255,774
Restricted funds					
Tournament fund	641,893	13,561	(377,292)	-	278,162
Africa fund	30,251	-	-	-	30,251
Erlestoke Prison	4,790	-	(2,160)	-	2,630
Isle of Man	7,288	-	(6,206)	-	1,082
J4NCL	688	3,980	(4,668)	-	-
Prisons	-	100	(100)	-	-
CHAMPS	1,477	573	(2,050)	-	-
Isle of Wight Schools	-	500	-	-	500
	686,387	18,714	(392,476)	-	312,625
Total of funds	1,536,264	1,162,056	(1,137,770)	7,849	1,568,399

15. Summary of funds

Summary of funds - current year

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

15. Summary of funds (continued)

Summary of funds - prior year

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

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

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

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	231,533	32,135
Adjustments for:		
(Gains) on investments	(88,855)	(4,380)
Increase in debtors	(48,602)	(67,653)
Increase/(decrease) in creditors	23,326	(10,498)
Net cash provided by/(used in) operating activities	117,402	(50,396)

18. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	588,128	467,820

19. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	467,820	120,308	588,128

20. Related party transactions

Malcolm Pein, the Chief Executive of Chess in Schools and Communities (the "Charity") and Secretary of its subsidiary Chess Promotions Limited ("CPL"), is a Director of Chess & Bridge Limited ("C&B"). During 2010, C&B signed a Supply Agreement with the Charity and CPL (together referred to as the "Customer"), to provide the Customer with certain goods and services on standard trade terms. This includes chess books, chess sets and boards, chess computer software, other chess related products and general administration support services. The total paid to C&B by the Charity during the year was £42,409 (2020 - £46,541). At year end £Nil remained payable (2020 - £942).

Malcolm Pein, is also a Director of Classical Games ("CG") a company incorporated in the United States of America. The total paid to CG by the Charity during the year was £516 (2020 - £516). At the year end £Nil remained payable by the Charity (2020 - £Nil).

There were transactions between Chess in Schools and Communities and Chess Promotions Limited within the ordinary course of business during the year. As at 31 August 2021 CPL owed the Charity £76,264 (2020 - £65,119).

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

Notes to the Financial Statements
For the Year Ended 31 August 2021

21. Pension commitments

The group operates a defined contribution pension scheme for its employees. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £11,135 (2020: £18,871). At the balance sheet date £276 was recognised as a liability owed to the scheme (2020: £308).

22. Controlling party

There is no ultimate controlling party.

23. Principal subsidiaries

The following was a subsidiary undertaking of the charity:

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

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Chess Promotions Ltd	10,987	(11,306)	(319)	(307)