

Registered number: 07017640
Charity number: 1133120

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

Trustees' Report and Financial Statements
For the Year Ended 31 August 2022

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

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

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

Chess in Schools and Communities

(A company limited by guarantee)

Trustees' Report

For the Year Ended 31 August 2022

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

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

Objectives and activities

a. Objects

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

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

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

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

b. Activities undertaken to achieve objectives

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

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

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

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Trustees' Report (continued)

For the Year Ended 31 August 2022

Objectives and activities (continued)

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

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

ChessFest 2022

Last year's event was the biggest chess gathering ever in the UK. In 2022, without Covid restrictions, attendance almost doubled as Trafalgar Square was at capacity with over 11,000 visitors on the day. There was a dual theme with the 25th anniversary of the Kasparov versus Deep Blue match and the 50th anniversary of the world title contest between Boris Spassky and Bobby Fischer. The picture gallery is here: <https://www.smugmug.com/app/organize/ChessFest-2022> Password CSC2022

Sky News covered the school events held in Manchester Square. Our thanks to XTX Markets and the Kusuma Foundation for their generous support. There was a second ChessFest in Liverpool and next year we also hope to have a ChessFest in Nottingham.

Training

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

Online Chess Clubs

The ChessKid club activity plateaued, although 37,000 children are signed up. The charity continues to distribute 2000 ChessKid gold memberships to children in the core programme. The charity club for secondary schools on LiChess became increasingly popular and some tournaments were run.

See: <https://www.chessinschools.co.uk/chesskid-for-schools>

Newham

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

Prisons

The prisons' programme gradually returned to pre Covid levels as each prison reached the required safety standard post Covid. Weekly chess clubs recommenced at nine prisons.

The relationship with the Ministry of Justice remained strong and thanks to their assistance with publicity and an article on the MoJ intranet, there is continuing interest from other prisons. The success of HMP Wandsworth in the World Prisons Championship led to Channel 4 News running an extensive feature on our programme which can be seen here:

<https://www.channel4.com/news/how-chess-is-helping-rehabilitate-prisoners-at-hmp-wandsworth>

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

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

Objectives and activities (continued)

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

Online Delivery

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

Afghan Refugees

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

Ukrainian Refugees

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

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

c. Public benefit

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

Achievements and performance

a. Fundraising

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

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

Achievements and performance (continued)

b. Supporters

The charity would like to record its gratitude to:

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

Financial review

a. Going concern

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

b. Reserves policy

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

c. General review

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

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

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

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

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.

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

Structure, governance and management

a. Constitution

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

b. Methods of appointment or election of Trustees

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

c. Organisational structure and decision-making policies

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

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

d. Policies adopted for the induction and training of Trustees

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

e. Remuneration policy

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

f. Financial risk management

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

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

Plans for future periods

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

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

Statement of Trustees' responsibilities

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

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

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

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

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

Disclosure of information to auditors

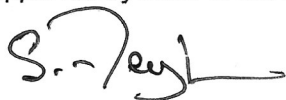
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

Auditors

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

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



Stephen Meyler

Trustee

Date: 30 May 2023

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Samantha Rouse FCCA DChA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

Date: **30 May 2023**

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

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

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

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

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

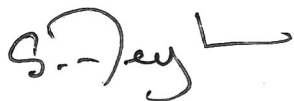
Consolidated Balance Sheet
As at 31 August 2022

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

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

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

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



Stephen Meyler

Trustee

Date: 30 May 2023

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

Charity Balance Sheet
As at 31 August 2022

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

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

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

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

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



Stephen Meyler

Trustee

Date: 30 May 2023

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

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

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

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

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

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

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

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Going concern

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

2.3 Income

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

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

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

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

2. Accounting policies (continued)

2.4 Expenditure

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

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

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

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

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

2.5 Taxation

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

2.6 Investments

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

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

2.7 Debtors

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

2.8 Cash at bank and in hand

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

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

2. Accounting policies (continued)

2.9 Liabilities and provisions

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

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

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

2.10 Financial instruments

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

2.11 Pensions

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

2.12 Fund accounting

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

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

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

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

3. Income from donations

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

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

4. Income from charitable activities

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

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Dividends from trading subsidiary	-	-	11,989
Total 2021	<u>11,989</u>	<u>11,989</u>	

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

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

6. Analysis of expenditure on charitable activities

Summary by fund type

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

7. Analysis of expenditure by activities

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

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

Analysis of support costs

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

8. Governance costs

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

9. Staff costs

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

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

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

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

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

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

10. Trustees' remuneration and expenses

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

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

11. Fixed asset investments

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

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

12. Debtors

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

13. Creditors: Amounts falling due within one year

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

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

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

15. Statement of funds

Statement of funds - current year

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

15. Statement of funds (continued)

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

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

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

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

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

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

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

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

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

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

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

15. Statement of funds (continued)

Statement of funds - prior year

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

16. Summary of funds

Summary of funds - current year

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

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

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

16. Summary of funds (continued)

Summary of funds - prior year

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

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

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

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

19. Analysis of cash and cash equivalents

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

20. Analysis of changes in net debt

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

Chess in Schools and Communities
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Notes to the Financial Statements
For the Year Ended 31 August 2022

21. Related party transactions

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

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

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

22. Pension commitments

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

23. Controlling party

There is no ultimate controlling party.

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

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

24. Principal subsidiaries

The following was a subsidiary undertaking of the charity:

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

Class of shares	Holding	Included in consolidation
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Ordinary	100%	Yes
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The financial results of the subsidiary for the year were:

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