

Registered number: 07017640
Charity number: 1133120

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

Trustees' Report and Financial Statements
For the Year Ended 31 August 2023

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

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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 2023

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 Evelyn Partners 45 Gresham St London EC2V 7BG

Chess in Schools and Communities

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Trustees' Report

For the Year Ended 31 August 2023

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

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

Objectives and activities

a. Objects

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

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

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

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

b. Activities undertaken to achieve objectives

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

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

Chess in Schools and Communities

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Trustees' Report (continued)

For the Year Ended 31 August 2023

Objectives and activities (continued)

Training

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

Newham

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

Liverpool

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

Eurovision

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

City of London

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

Ukrainian Refugees

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

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

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

Objectives and activities (continued)

Online Chess Clubs

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

Prisons

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

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

c. Public benefit

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

Achievements and performance

a. Main achievements of the charity

3rd ChessFest

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

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

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

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

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

Achievements and performance (continued)

DeepMind – Google DeepMind scholars

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

Public Affairs

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

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

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

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

b. Fundraising

John Lyons

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

XTX Markets / MESME Foundation

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

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

Achievements and performance (continued)

c. Supporters

The charity would like to record its gratitude to:

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

Financial review

a. Going concern

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

b. Reserves policy

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

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

c. General review

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

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

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

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

d. Investments policy

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

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

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

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

e. Principal risks and uncertainties

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

Structure, governance and management

a. Constitution

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

b. Methods of appointment or election of Trustees

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

c. Organisational structure and decision-making policies

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

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

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

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

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

e. Remuneration policy

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

f. Financial risk management

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

Plans for future periods

The main plans and objectives for 23/24:

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

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

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

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

Statement of Trustees' responsibilities

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

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

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

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

Disclosure of information to auditors

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

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

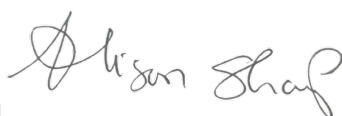
Auditors

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

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

Alison Sharp
Trustee

Date: 17th June 2024



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 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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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.

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

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

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

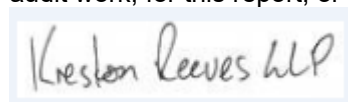
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Use of our report

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

A handwritten signature in blue ink that reads "Kreston Reeves LLP". The signature is written in a cursive style and is enclosed within a light blue rectangular border.

Samantha Rouse FCCA DChA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

Date: **18 June 2024**

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

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

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

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

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

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

Consolidated Balance Sheet
As at 31 August 2023

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

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

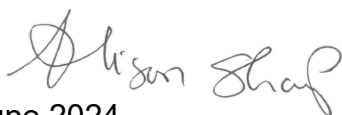
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

Alison Sharp

Trustee

Date: 17th June 2024



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

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

Charity Balance Sheet
As at 31 August 2023

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

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

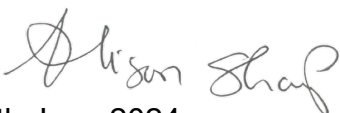
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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

Type text here

Alison Sharp
Trustee
Date:


17th June 2024

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

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

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

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

The notes on pages 19 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 2023

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Going concern

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

2.3 Income

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

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

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

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

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 2023

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
(A company limited by guarantee)

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

3. Income from donations

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

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

4. Income from charitable activities

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

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

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

5. Analysis of expenditure on charitable activities

Summary by fund type

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

6. Analysis of expenditure by activities

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

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

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

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

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

Analysis of support costs

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

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

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

7. Governance costs

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

8. Staff costs

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

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

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

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

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

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

9. Trustees' remuneration and expenses

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

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

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

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

10. Fixed asset investments

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

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

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

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

11. Debtors

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

12. Creditors: Amounts falling due within one year

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

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

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

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

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

14. Statement of funds

Statement of funds - current year

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

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

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

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

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

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

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

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

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

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

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

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

14. Statement of funds (continued)

Statement of funds - prior year

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

15. Summary of funds

Summary of funds - current year

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

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

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

15. Summary of funds (continued)

Summary of funds - prior year

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

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

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

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

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

18. Analysis of cash and cash equivalents

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

19. Analysis of changes in net debt

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

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20. Related party transactions

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

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

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

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

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

21. Pension commitments

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

22. Controlling party

There is no ultimate controlling party.

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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
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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	49,993	(40,703)	9,290	(2,458)