

Company Registration No. 3251364

**England and Wales Cricket Board
Limited (Company Limited by
Guarantee)**

Annual Report and Financial Statements

31 December 2007



England and Wales Cricket Board Limited

Report and financial statements for the year ended 31 December 2007

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England and Wales Cricket Board Limited

Report and financial statements for the year ended 31 December 2007

Officers and professional advisers

Bankers

National Westminster Bank Plc
102 St John's Wood High Street
London
NW8 7SH

Solicitors

Denton Wilde Sapte
Five Chancery Lane
Clifford's Inn
London
EC4A 1BU

Slaughter and May
35 Basinghall Street
London
EC2V 5DB

Registered office

Lord's Cricket Ground
St John's Wood
London
NW8 8QZ

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

England and Wales Cricket Board Limited

Directors' report (continued)

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

Directors

The following directors, together with where applicable the positions they hold with related parties, have served the company during the year and since the year end except where noted

Members of the board

F David Morgan (resigned 10 October 2007)
Dennis L Amiss
Keith Bradshaw
C Giles Clarke
David G Collier
David E Green (elected 1 April 2007)
Brian W Havill
Nigel R A Hilliard (elected 10 October 2007)
Robert Jackson
Lord William Morris of Handsworth
John B Pickup
R Paul Russell (retired 31 March 2007)
Michael J Soper (resigned 30 September 2007)
David P Stewart

Position with related parties

Chief Executive, Warwickshire CCC (until 31 May 2006)
Secretary & Chief Executive, MCC
Chairman, Somerset CCC, Chairman, Somerset CB

Chairman, Sussex CCC
Director, Reigndel Limited
Chairman Essex CCC
Secretary, Durham CB, Director, Durham CCC

Chairman, MCCA, Chairman, Cheshire CCC
Chairman, Glamorgan CCC
Honorary Life Vice President, Surrey CCC
Chairman, Surrey CCC

Principal activities, review of operations and charitable donations

In the opinion of the directors all the group's turnover is derived solely from cricket-related activities carried out in the UK and in respect of the England Cricket Team Tours

Turnover in 2007 amounted to £93,013,000 (2006 – £77,063,000) Cost of sales in 2007 amounted to £8,170,000 (2006 – £6,212,000)

Charitable donations by the England and Wales Cricket Board Limited to the England and Wales Cricket Trust Limited amounted to £12,910,000 (2006 – £6,577,000)

As the England and Wales Cricket Trust Limited is a subsidiary, these donations are not reflected as a cost in the consolidated profit and loss account

Included as a cost in the consolidated profit and loss account are donations to the Cricket Foundation of £680,000 (2006 - £585,000) and other charitable donations which totalled £212,500 (2006 - £355,000)

Future prospects

In 2008, the international programme should be similar to that which took place in 2007 There are scheduled to be seven npower Test Matches, four against South Africa and three against New Zealand In addition, there are to be ten NatWest One Day International matches – five against South Africa and five against New Zealand, and two Natwest Twenty20 International Matches – one against New Zealand and one against South Africa

Results and dividends

The group made a profit on ordinary activities before taxation of £9,036,000 (2006 – profit of £7,378,000) Retained profit of £8,959,000 (2006 – profit of £7,345,000) has been transferred to reserves No dividend was paid in the year (2006 – £nil)

Supplier Payment Policy

The company's policy, which is also applied by the group, is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment Trade creditors of the group at 31 December 2007 were equivalent to 18 days (2006 – 8 days) purchases, based on the average daily amount invoiced by suppliers during the year

England and Wales Cricket Board Limited

Directors' report (continued)

Principal risks and uncertainties

During 2007, the Board updated a detailed Risk Analysis Report which

- identifies risks faced,
- estimates the financial impact of these risks, and
- considers how major risks can be managed/mitigated

Major risks identified include

- significant breakdown in relations with overseas governing bodies, and
- loss of cricket due to events outside cricket's control – including drought orders, bird flu, threat of terrorist attack and national mourning

In the past, it had also been identified that the impact of such risks should they materialise would have been much greater because of the relatively low level of group and company reserves. Such reserves have improved significantly in recent years.

	Group reserves £'000	Company reserves £'000	Group reserves as a percentage of turnover
2004	(2,672)	(2,672)	(4%)
2005	2,984	(5,321)	4%
2006	12,227	176	16%
2007	21,452	829	23%

Financial Risk Management objective & policies

The group has a policy whereby a maximum of £5m can be invested with any financial institution. All of the financial institutions that hold cash deposits have 'A' ratings.

The group's credit risk is primarily attributable to its trade receivables and amounts receivable from counties & international cricket boards. The amount presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence in a reduction in the recoverability of cash flows.

As the majority of the revenue and expenditure is in sterling, the directors do not feel the group is exposed to significant risk from foreign exchange rate fluctuations.

Auditors

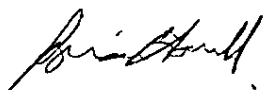
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on ~~17 March~~ 2008
and signed on behalf of the Board of Directors



Brian W Havill
Company Secretary

England and Wales Cricket Board Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of England and Wales Cricket Board Limited

We have audited the group and parent company financial statements (the "financial statements") of England and Wales Cricket Board Limited for the year ended 31 December 2007 which comprise the consolidated profit and loss account, the consolidated statement of recognised gains and losses, the consolidated and individual company balance sheets, the consolidated cash flow statement, and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

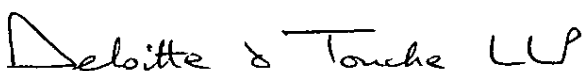
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

27 March 2008

England and Wales Cricket Board Limited

Consolidated profit and loss account For the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Turnover	1	93,013	77,063
Cost of sales		(8,170)	(6,212)
Gross profit		84,843	70,851
Other operating expenses		(77,712)	(64,691)
Operating profit		7,131	6,160
Interest receivable and similar income		2,134	1,351
Interest payable and similar charges		(229)	(133)
Profit on ordinary activities before taxation	3	9,036	7,378
Tax on profit on ordinary activities	9	(77)	(33)
Profit for the financial year	16	8,959	7,345

All activities arise from continuing operations Movements in members' funds are shown in note 16

Consolidated statement of total recognised gains and losses Year ended 31 December 2007

	2007 £'000	2006 £'000
Profit for the financial year	8,959	7,345
Actuarial gain relating to pension scheme (see note 19)	836	1,898
Surplus in pension scheme not recognised (see note 19)	(570)	-
Total recognised gains and losses for the year	9,225	9,243

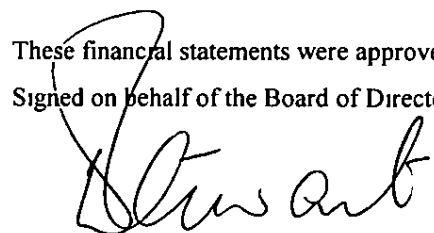
England and Wales Cricket Board Limited

Consolidated balance sheet As at 31 December 2007

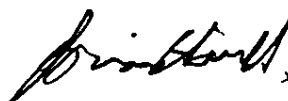
	Notes	£'000	2007 £'000	£'000	2006 £'000
Fixed assets					
Tangible fixed assets	10		226		229
Current assets					
Stocks	11	135		82	
Debtors amounts falling due within one year	12	8,095		7,679	
Debtors amounts falling due after more than one year	12	1,038		255	
Investments	13	31,494		27,094	
Cash at bank and in hand		9,546		903	
		50,308		36,013	
Creditors, amounts falling due within one year	14	(24,029)		(22,943)	
Net current assets			26,279		13,070
Total assets less current liabilities			26,505		13,299
Creditors: amounts falling due after more than one year	15		(5,053)		(369)
Net assets excluding pension deficit			21,452		12,930
Pension deficit	19		-		(703)
Net assets including pension deficit			21,452		12,227
Reserves					
Profit and loss account	16		21,452		12,227
Members' funds	16		21,452		12,227

These financial statements were approved by the Board of Directors on 27 March 2008

Signed on behalf of the Board of Directors



D P Stewart
Director



B W Havill
Director

England and Wales Cricket Board Limited

Company balance sheet As at 31 December 2007

	Notes	2007 £'000	2006 £'000
Fixed assets			
Tangible fixed assets	10	226	229
Current assets			
Stocks	11	135	82
Debtors amounts falling due within one year	12	7,947	7,603
Debtors amounts falling due after more than one year	12	650	255
Investments	13	20,516	15,694
Cash at bank and in hand		304	325
		<u>29,552</u>	<u>23,959</u>
Creditors: amounts falling due within one year	14	<u>(23,896)</u>	<u>(22,940)</u>
Net current assets		<u>5,656</u>	<u>1,019</u>
Total assets less current liabilities		<u>5,882</u>	<u>1,248</u>
Creditors: amounts falling due after more than one year	15	<u>(5,053)</u>	<u>(369)</u>
Net assets excluding pension deficit		<u>829</u>	<u>879</u>
Pension deficit	19	<u>-</u>	<u>(703)</u>
Net assets including pension deficit		<u>829</u>	<u>176</u>
Reserves			
Profit and loss account	16	<u>829</u>	<u>176</u>
Members' funds	16	<u>829</u>	<u>176</u>

These financial statements were approved by the Board of Directors on **27 March** 2008

Signed on behalf of the Board of Directors



D P Stewart
Director



B W Havill
Director

England and Wales Cricket Board Limited

Consolidated cash flow statement For the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Net cash inflow from operating activities	17	11,169	618
Returns on investments and servicing of finance			
Interest received		2,099	1,351
Net cash inflow from returns on investment and servicing of finance		2,099	1,351
Taxation			
UK corporation tax received		-	323
Overseas taxation paid		(40)	(49)
Net cash (outflow)/inflow from taxation		(40)	274
Capital expenditure and financial investment			
Purchase of tangible fixed assets	10	(185)	(268)
Proceeds from the disposal of tangible fixed assets		-	5
Net cash outflow from capital expenditure and financial investment		(185)	(263)
Net cash inflow before management of liquid resources and financing		13,043	1,980
Management of liquid resources			
Increase in short term deposits		(4,400)	(1,468)
Management of liquid resources		(4,400)	(1,468)
Increase in cash during the year		<u>8,643</u>	<u>512</u>

Analysis and reconciliation of movement in net funds

	2007 £'000	2006 £'000
Increase in cash during the year	8,643	512
Opening cash at bank at 1 January	903	391
Closing cash at bank at 31 December	<u>9,546</u>	<u>903</u>

England and Wales Cricket Board Limited

Notes to the accounts Year ended 31 December 2007

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. They have been applied consistently during the current and preceding year. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking drawn up to 31 December each year.

Turnover

In the opinion of the directors all of the group's turnover is derived solely from cricket-related activities carried out in the UK and in respect of the England Cricket Team Tours.

The amount reported as turnover represents revenue from broadcasting revenue, ticket income, sponsorship, perimeter advertising, licensing income, promotions and sundry income after deduction of value added tax.

Revenue is recognised in the season to which it relates.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its useful economic life on the straight-line method.

Leasehold improvements	10% per annum
Fixtures, fittings and office equipment	20% - 33 1/3% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value.

Current asset investments

Cash deposits are stated at cost.

Translation of foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Exchange gains and losses, arising on both settled and unsettled foreign currency transactions, are included in the results on ordinary activities before taxation.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases.

England and Wales Cricket Board Limited

Notes to the accounts

Year ended 31 December 2007

1. Accounting policies (continued)

Deferred tax

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities are not discounted.

Pensions

The Group operates both a defined contribution pension scheme and a defined benefit pension scheme. The Group implemented in full FRS 17 "Retirement Benefits" in 2005.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

For the defined benefit pension scheme, the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

Grants

Non-recourse grants are credited to the profit and loss account when received.

2. Liability of members

England and Wales Cricket Board Limited is a company limited by guarantee and has no share capital. Each member has guaranteed to contribute a sum not exceeding £10 for payment of the company's debts and liabilities should the company be wound up. There were 40 members as at 31 December 2006 and 41 members as at 31 December 2007, the Isle of Wight Cricket Board having become a member on 22 May 2007.

England and Wales Cricket Board Limited

Notes to the accounts

Year ended 31 December 2007

3. Profit on ordinary activities before taxation

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation is stated after (crediting)/charging		
(Profit)/loss on foreign currency exchange	(56)	5
Operating lease rentals		
Land and buildings	240	205
Other equipment	365	389
Depreciation of tangible fixed assets (note 10)	188	207
Loss on disposal of tangible fixed assets	-	57
	<hr/>	<hr/>
The analysis of auditors' remuneration is as follows		
Fees payable to the company's auditors for the audit of the group's annual accounts	52	50
The audit of the company's subsidiary pursuant to legislation	3	3
	<hr/>	<hr/>
Total audit fees	55	53
	<hr/>	<hr/>
Other services pursuant to legislation		
Tax services	35	18
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Total non audit fees	35	18
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4. Donations to Charities

Charitable donations to the England and Wales Cricket Trust Limited amounted to £12,910,000 (2006 - £6,577,000) As the England and Wales Cricket Trust Limited is a subsidiary, this amount is not reflected in the consolidated profit and loss account

A donation of £680,000 (2006 - £585,000) was paid to the Cricket Foundation during the year

Other Charitable Donations paid in 2007 were £212,500 (2006 - £355,000)

5. Directors' emoluments

Two directors received emoluments totalling £328,674 (2006 - £348,272) and pension contributions totalling £50,037 (2006 - £47,181) No other directors received any emoluments

No director is a member of the defined benefit pension scheme described in note 19

The highest paid director received emoluments of £225,645 (2006 - £225,580) and pension contributions of £24,219 (2006 - £23,288)

6. Profit attributable to the company

The profit for the financial year dealt with in the financial statements of the parent company was £387,000 (2006 - £3,599,000) As permitted by section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of the parent company

England and Wales Cricket Board Limited

Notes to the accounts

Year ended 31 December 2007

7. Investments

During 2005 the ECB became a £1 guarantor of the newly formed England and Wales Cricket Trust Limited, a company limited by guarantee and a registered charity, which was incorporated on 17 June 2005. The investment is held at £nil cost in the company balance sheet and is treated as a wholly owned subsidiary for the purpose of the group accounts. The England and Wales Cricket Trust Limited is incorporated in Great Britain and its principal activity is to promote community participation in healthy recreation by providing facilities for playing cricket through charitable donations and interest free loans to amateur cricket clubs.

8. Employees

All staff are employed in cricket related activities. The average number of persons employed by the group and company during the year was

	2007 No	2006 No
Cricketers	23	21
Umpires	18	16
Development staff	50	43
Coaching staff	41	29
Administration	55	50
	<u>187</u>	<u>159</u>
	£'000	£'000
Aggregate costs		
Wages and salaries	10,317	9,250
Social security	2,028	1,666
Other pension costs	1,723	1,405
	<u>14,069</u>	<u>12,321</u>
	£'000	£'000
Wages and salaries		
Cricketers*	4,468	4,032
Umpires	887	854
Development staff	1,270	1,054
Coaching staff	1,461	1,112
Administration	2,231	2,198
	<u>10,317</u>	<u>9,250</u>

* Costs exclude amounts paid to First Class Counties for the services of players. Such payments totalled £764,000 (2006 – £461,000)

England and Wales Cricket Board Limited

Notes to the accounts

Year ended 31 December 2007

9. Group tax charge on profit on ordinary activities

i) Analysis of tax charge on ordinary activities

	2007 £'000	2006 £'000
UK corporation tax (charge) at 30% (2006 – 30%) based on the taxable profit for the year	(77)	(55)
Adjustment in respect of prior year	-	22
Double taxation relief	40	55
	(37)	22
Foreign tax for current period	(40)	(55)
Current tax (charge)	(77)	(33)

ii) Factors affecting tax charge for the current period

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK - 30% (2006 - 30%)

The differences are explained below

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	9,036	7,378
Tax charge at 30% thereon	(2,711)	(2,213)
Effects of		
Marginal rate relief	11	13
Adjustment in respect of prior year	-	22
Income not taxable	2,572	1,124
Expenses not deductible for tax purposes	(134)	(57)
Capital allowances in excess of depreciation	54	25
Pension contributions paid	223	1,215
Pension charges under FRS 17	(92)	(162)
Current tax (charge) for period	(77)	(33)

iii) Factors that may affect the future tax charge

Deferred tax assets have not been recognised as there is not sufficient certainty that asset will be recovered. Such assets totalled £8,000 (2006 - £432,000) in respect of both the pension deficit and the tax written down value being in excess of net book value of qualifying assets

England and Wales Cricket Board Limited

Notes to the accounts Year ended 31 December 2007

10. Fixed assets

Group and Company	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Tangible fixed assets			
Cost			
At 1 January 2007	61	665	726
Additions	-	185	185
At 31 December 2007	61	850	911
Accumulated depreciation			
At 1 January 2007	47	450	497
Charge for the year	6	182	188
At 31 December 2007	53	632	685
Net book value			
At 31 December 2007	8	218	226
At 31 December 2006	14	215	229

11. Stocks

Group and Company	2007 £'000	2006 £'000
Goods held for resale	135	82

12 Debtors

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Amounts falling due within one year				
Trade debtors	1,291	2,439	1,197	2,439
Other debtors	5,044	3,480	4,990	3,404
Prepayments and accrued income	1,760	1,760	1,760	1,760
	8,095	7,679	7,947	7,603
Amounts falling due after more than one year				
Other debtors	1,038	255	650	255
Total debtors	9,133	7,934	8,597	7,858

England and Wales Cricket Board Limited

Notes to the accounts

Year ended 31 December 2007

13. Investments

	Group		Company	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Cash deposits with terms less than 90 days	31,494	27,094	20,516	15,694

14. Creditors: amounts falling due within one year

	Group		Company	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Trade creditors	1,142	590	1,142	590
Corporation tax payable	37	-	37	-
Other creditors	1,165	605	1,135	602
Deferred income	17,905	21,003	17,905	21,003
Accruals	3,780	745	3,677	745
	24,029	22,943	23,896	22,940

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

Group and Company

	2007	2006
	£'000	£'000
Other creditors	322	322
Deferred income	4,731	47
	5,053	369

England and Wales Cricket Board Limited

Notes to the accounts Year ended 31 December 2007

16. Reconciliation of movement in members' funds

	2007 £'000	2006 £'000
Group		
Retained profit for the year	8,959	7,345
Actuarial gain relating to pension scheme	836	1,898
Surplus in pension scheme not recognised	(570)	-
Net increase to members' funds	9,225	9,243
Opening members' funds	12,227	2,984
Closing members' funds	21,452	12,227
Company		
Retained profit for the year	387	3,599
Actuarial gain	836	1,898
Surplus in pension scheme not recognised	(570)	-
Net increase to members' funds	653	5,497
Opening members' funds / (deficit)	176	(5,321)
Closing members' funds	829	176

17. Reconciliation of group operating profit to net cash inflow from operating activities

	2007 £'000	2006 £'000
Operating profit	7,131	6,160
Depreciation of tangible fixed assets	188	207
Loss on disposal of tangible fixed assets	-	57
Increase in stocks	(53)	(2)
(Increase)/decrease in debtors	(1,199)	2,386
Increase/(decrease) in creditors	5,504	(4,544)
Pension scheme charges	340	406
Pensions contributions paid	(742)	(4,052)
Net cash inflow from operating activities	11,169	618

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18. Operating lease commitments

The group and company has the following commitments to make payments in the next year, under operating leases analysed between those where the commitment expires

Group and company	2007			2006		
	Land and buildings £'000	Other £'000	Total £'000	Land and buildings £'000	Other £'000	Total £'000
Within one year	13	44	57	13	15	28
Between one and two years	-	228	228	-	84	84
Between two and five years	-	93	93	-	271	271
After five years	223	-	223	197	-	197
	<u>236</u>	<u>365</u>	<u>601</u>	<u>210</u>	<u>370</u>	<u>580</u>

19. Pensions

The group has made contributions to the ECB Group Pension Plan and the ECB Group Pension Plan for Professional Cricketers, both defined contributions schemes, amounting to £749,000 (2006 – £632,000) and £504,000 (2006 – £311,000) respectively

The group also operates a defined benefit pension scheme, the ECB Retirement and Death Benefits Scheme (“the Scheme”), whose assets are held in independent trustee administered funds. Standard contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The most recent full valuation of the Scheme was carried out as at 1 October 2007.

The standard monthly contributions made to the Scheme by the group were 41.7% of pensionable earnings up to October 2005 and they were then increased to a fixed amount of £138,333 per month plus 30.5% of salaries. Standard contributions have totalled £742,000 (2006 - £2,052,000). There are no member contributions. A new contribution statement came into force at the beginning of 2008 and standard monthly contributions of 28.6% of pensionable salary will be made in the year to 31 December 2008. In addition, the group made special contributions into the scheme of £2,000,000 in 2006. In total, contributions payable to the Scheme were £742,000 (2006 - £4,052,000). The special contributions paid in 2006 were payments in advance of £138,333 per month standard contributions, paid early in order for the deficit to be reduced sooner.

The group has adopted FRS 17 “Retirement Benefits”. The figures below have been based on full actuarial valuations as at 1 October 2007, updated to 31 December 2007 by an independent professional actuary.

The liabilities of the Scheme at 31 December 2007 were calculated on the following bases as required under FRS 17.

Assumptions	2007	2006	2005	2004	2003
Discount rate	5.50%	5.00%	4.70%	5.25%	5.50%
Rate of increase in salaries	4.00%	3.25%	4.00%	3.25%	3.00%
Inflation assumption	3.50%	3.25%	3.00%	2.25%	2.00%

Rate of increase in pensions payment are determined by the scheme rules – being 5% on pension entitlements earned up to 30 June 2005, and the lower of rpi and 2.50% thereafter.

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19. Pensions (continued)

The fair value of the assets and present value of the liabilities in the Scheme on an FRS 17 basis, along with the expected rate of return as at each balance sheet date were

Asset	Long term rate of return expected	2007 £'000	Long term rate of return expected	2006 £'000	Long term rate of return expected	2005 £'000
Equities	7.00% p.a.	6,872	7.00% p.a.	6,381	7.00% p.a.	4,980
Bonds	5.25% p.a.	7,410	4.75% p.a.	6,881	4.25% p.a.	6,030
Property	5.50% p.a.	60	5.50% p.a.	55	5.50% p.a.	46
Cash	5.25% p.a.	597	3.50% p.a.	555	3.00% p.a.	903
Total fair value of assets		14,939		13,872		11,959
Present value of scheme liabilities		(14,369)		(14,575)		(18,073)
Surplus / (deficit) in the scheme		570		(703)		(6,114)

The balance sheet position for the Scheme as calculated under FRS 17 as at 31 December 2007 is as follows

	2007 £'000	2006 £'000	2005 £'000
Fair value of assets	14,939	13,872	11,959
Present value of the Scheme liabilities	(14,369)	(14,575)	(18,073)
Surplus/(deficit) in the Scheme	570	(703)	(6,114)
Related deferred tax asset at 30%	-	-	-
Net surplus / (deficit) in the Scheme	570	(703)	(6,114)
Balance sheet position	-	(703)	(6,114)

The surplus in scheme has not been recognised in the balance sheet. In the opinion of the directors, there is not sufficient certainty that any economic benefit would be derived from the surplus. As no surplus has been recognised in the balance sheet, no deferred tax liability has been accounted for. In previous years, a deferred tax asset was not recognised in respect of the pension deficit. In the opinion of the directors, it was not possible to conclude that it was more likely than not that any deferred tax asset would be recovered.

Analysis of the amount charged to operating profit under FRS 17	2007 £'000	2006 £'000
Current service cost	(340)	(406)
Past service charge	-	-
Total operating charge	(340)	(406)

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19. Pensions (continued)

Analysis of the amount credited/(charged) to interest under FRS 17

	2007 £'000	2006 £'000
Expected return on pension scheme assets	757	660
Interest on pension scheme liabilities	(722)	(793)
Net interest receivable / (payable)	35	(133)

Analysis of the actuarial gain recognised in statement of total recognised gains and losses (STRGL) under FRS 17

	2007 £'000	2006 £'000
Actual return less expected return on pension scheme assets	184	17
Experience gains and losses arising on the scheme liabilities	85	912
Changes in assumptions underlying the present value of the scheme liabilities	567	969
Actuarial gain	836	1,898
Net movement in STRGL	836	1,898

Movement in surplus/(deficit) during the year

	2007 £'000	2006 £'000
Deficit in scheme at beginning of the year	(703)	(6,114)
Movement in the year		
Current service cost	(340)	(406)
Contributions paid	742	4,052
Past service cost	-	-
Net interest receivable/(payable)	35	(133)
Actuarial gain	836	1,898
Surplus /(deficit) in scheme at end of the year	570	(703)
Surplus in scheme not recognised	(570)	-
Balance sheet position at the end of the year	-	(703)

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19 Pensions (continued)

FRS 17 – history of experience gains and losses

	2007		2006		2005		2004		2003	
	% of scheme assets/ liabilities	£'000	% of scheme assets/ liabilities	£'000	% of scheme assets/ liabilities	£'000	% of scheme assets/ liabilities	£'000	% of scheme assets/ liabilities	£'000
Difference between expected and actual return on scheme assets	1.3	184	0.1	17	7	810	1	120	3	247
Experience gains and losses on scheme liabilities	0.8	85	6	912	2	313	1	(88)	1	(79)
Total amount recognised in statement of total recognised gains and losses (before deferred tax)	5.8	836	13	1,898	23	(4,207)	6	(779)	1	168

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20. Related party transactions

The directors have identified a number of cricketing organisations for which payments and receipts by the Group represent a significant transaction

- 1 The eighteen first class counties, MCC, the Minor Counties Cricket Association ("MCCA"), the Minor County Clubs and Cricket Boards have charged the ECB amounts totalling £38,018,135 (2006 - £31,556,856), in respect of fees for the provision of ground facilities and cricketers for matches under the control of ECB, and amounts payable under the terms of memorandums of understanding, licence fees and other commercial agreements. As at 31 December 2007 the ECB owed these parties £408,600 (2006 - £408,600) of unpaid fees. Such charges and fees include amounts in relation to the staging of international and domestic matches. The ECB has received income in relation to these matches of £12,992,000 (2006 - £8,198,000). As at 31 December 2007 the ECB was owed £340,509 (2006 - £655,300) from these parties. In addition the EWCT paid grants totalling £4,423,512 (2006 - £3,085,637) to County Cricket Boards.
- 2 ECB has loans of £2,200,000 (2006 - £2,000,000) in aggregate due from the eighteen first class counties and the Professional Cricketers' Association.
- 3 The directors have identified Cambridge University Cricket Club, Irish Cricket Union, Koninklijke Cricket Bond, Danish Cricket Association, Oxford University Cricket Club, Professional Cricketers' Association and Scottish Cricket Union as also being related and to which ECB has made payments. During the period, amounts totalling £838,095 (2006 - £836,038) were paid to these organisations.
- 4 ECB paid £223,395 (2006 - £197,000) of commercial rent to MCC in respect of the leasehold property.
- 5 ECB paid premiums of £2,092,000 (2006 - £1,529,000) to Reigndel Limited, an insurance company beneficially owned by the eighteen first class counties, MCC and the MCCA. Claims receivable from Reigndel amounted to £254,000 (2006 - £265,000).
- 6 The group made donations amounting to £680,000 (2006 - £585,000) to the Cricket Foundation during the year. Income of £575,000 (2006 - £48,795) was received by the group from the Cricket Foundation by way of a grant in respect of development activities. As at 31 December 2007 the ECB was owed £147,932 (2006 - £nil).
- 7 R Paul Russell, a member of the ECB board until 31 March 2007 is the Chairman of Glamorgan CCC. He has personally guaranteed payment of £1.2 million under the 2007-2009 staging agreement between the ECB and Glamorgan CCC, which was signed on 12 December 2006.