

**England and Wales Cricket Board Limited**

Annual report and consolidated  
financial statements

Registered number 3251364

Year ended 31 January 2016

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## **Strategic report**

In preparing this report, the directors have complied with s414c of the Companies Act 2006.

### **Principal activities, review of operations and charitable donations**

The group's turnover is derived primarily from cricket related activities carried out in England and Wales and in respect of participation by England teams in world events run by the International Cricket Council (ICC).

Turnover in the year amounted to £133,967,000 (2015: £174,679,000). Cost of sales in the year amounted to £18,884,000 (2015: £18,915,000).

Charitable donations by the England and Wales Cricket Board Limited to the England and Wales Cricket Trust Limited amounted to £nil (2015: £32,000,000). As the England and Wales Cricket Trust Limited is a subsidiary, these donations are not reflected as an expense in the consolidated profit and loss account.

Included as an expense in the consolidated profit and loss account are donations to the Cricket Foundation of £nil (2015: £3,750,000); Lord's Taverners £nil (2015: £800,000); and other charitable donations which totalled £4,500 (2015: £8,051).

### **Results and dividends**

The group made a profit on ordinary activities before taxation of £1,371,000 (2015: £28,213,000). The retained profit of £1,230,000 (2015: £28,178,000) has been transferred to reserves.

### **Future prospects**

In addition to having a highly seasonal business, with the vast majority of income being earned in the summer, the business is also highly cyclical – with annual revenues varying significantly year on year – as a result of the timing of ICC cricket events; the timing of overseas tours by the England team; and the timing of overseas teams touring England & Wales.

Given the cyclical nature of the business, the group operates a four year business cycle. Each four year period having one ICC Cricket World Cup; one home Ashes series; and one tour to England & Wales by India. During the previous four year cycle from 1 January 2010 to 31 January 2014, the group nearly doubled reserves from £23.3m to £44.0m. This was despite making losses in two of the four years, the losses a result of the cyclical nature of the business.

The Board consider that this level of reserves protects the group from the unexpected cancellation of a One Day International Series or a pair of back to back Test matches. In the current four year period, 1 February 2014 to 31 January 2018, the intention is to maintain reserve levels. As a result of the cyclical nature of the business, it is anticipated that this will be achieved via the substantial profit in the first year and progressively less strong results in the subsequent three years.

In 2016, there are scheduled to be seven Investec Test Matches, three against Sri Lanka and four against Pakistan; ten Royal London One Day International Matches, five against Sri Lanka and five against Pakistan; and two NatWest Twenty20 International Matches, one against Sri Lanka and one against Pakistan.

### **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, and to 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 January 2016 were equivalent to 5 days (2015: 7 days) of purchases, based on the average daily amount invoiced by suppliers during the year.

## Strategic report (continued)

### Principal risks and uncertainties

During the current period, the Board updated its 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;
- loss of cricket due to events outside cricket's control, including the threat of terrorist attack and national mourning; and
- the impact on community cricket of potential reductions in public sector funding.

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

|                  | Group<br>reserves<br>£'000 | Company<br>reserves<br>£'000 | Group reserves as<br>a percentage of<br>annual turnover |
|------------------|----------------------------|------------------------------|---|
| 31 December 2010 | 22,430                     | 4,767                        | 21%   |
| 31 January 2012  | 36,951                     | 6,595                        | 25%*  |
| 31 January 2013  | 34,963                     | 8,767                        | 31%   |
| 31 January 2014  | 44,009                     | 10,970                       | 36%   |
| 31 January 2015  | 70,039                     | 15,015                       | 40%   |
| 31 January 2016  | 73,106                     | 22,910                       | 55%   |

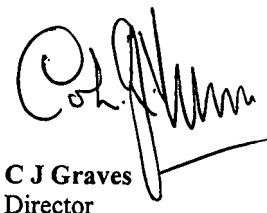
\* This was calculated based on the annual group turnover from 1 January 2011 to 31 December 2011.

### Financial risk management objective and policies

The group has a policy whereby there are maximum limits that can be invested with any single 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 First Class Counties, International Cricket Boards and other International Cricket Organisations. The amounts 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. The company holds contracts that expose it to the financial risks of changes in foreign currency exchange rates. The group uses foreign exchange forward contracts to hedge these exposures where appropriate.

Approved by the Board of Directors and signed on behalf of the Board by:

  
**C J Graves**  
 Director

05 April 2016

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 January 2016.

### 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.

#### Members of the Board

Colin Graves  
C Giles Clarke CBE DL  
Matthew Fleming  
The Rt Hon Baroness Heyhoe Flint OBE DL  
Tom Harrison  
Brian W Havill (resigned 30<sup>th</sup> November 2015)  
  
Ian Lovett  
The Hon Lord Morris of Handsworth OJ DL (resigned  
14 May 2015)  
Andrew Nash  
Professor Lord Patel of Bradford OBE (appointed 14th  
May 2015)  
John B Pickup MBE  
  
Jane Stichbury CBE QPM DL  
Richard Thompson  
James Wood  
Peter Wright

#### Position with related parties

Chairman Yorkshire CCC (until 28 March 2015)  
  
Committee Member, Marylebone CC  
Committee Member, Marylebone CC  
  
Director, Reigndei Limited (resigned 30 November  
2015)  
Chairman, Middlesex CCC (until 31 December 2015)  
  
Chairman, Somerset CCC  
  
Chairman, Minor Counties Cricket Association  
President, Cheshire CCC  
  
Chairman, Surrey CCC  
Chairman, Devon CB  
Chairman, Nottinghamshire CCC

In addition, Giles Clarke is a Full Member representative Director of The International Cricket Council (ICC).

### Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group and the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

## **Directors' report (continued)**

### **Auditor**

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

KPMG LLP were appointed auditors in the year. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



C J Graves  
Director

05 April 2016

## **Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statement**

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors 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 parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 UK Accounting Standards 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 and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **Independent auditor's report to the members of the England and Wales Cricket Board Limited**

We have audited the financial statements of the England and Wales Cricket Board Ltd. for the year ended 31 January 2016 set out on pages 9 to 32. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.




## **Independent auditor's report (*continued*)**

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Jonathan Russell (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

6<sup>th</sup> April 2016

## **Consolidated Profit and Loss Account and Other Comprehensive Income** *for the year ended 31 January 2016*

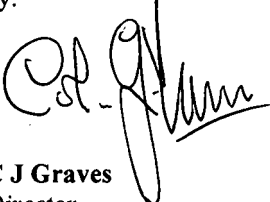
|   | <i>Note</i> | <b>2016</b><br><b>£000</b> | <b>2015</b><br><b>£000</b> |
|---|-------------|----------------------------|----------------------------|
| <b>Turnover</b>   | <i>1,2</i>  | <b>133,967</b>             | <b>174,679</b>             |
| Cost of sales   |             | <b>(18,884)</b>            | <b>(18,915)</b>            |
| <b>Gross profit</b>   |             | <b>115,083</b>             | <b>155,764</b>             |
| Administrative expenses   |             | <b>(114,186)</b>           | <b>(128,036)</b>           |
| <b>Group operating profit</b>                                   |             | <b>897</b>                 | <b>27,728</b>              |
| Other interest receivable and similar income                    | <i>6</i>    | <b>475</b>                 | <b>485</b>                 |
| <b>Profit on ordinary activities before taxation</b>            |             | <b>1,372</b>               | <b>28,213</b>              |
| Tax on profit on ordinary activities                            | <i>7</i>    | <b>(141)</b>               | <b>(35)</b>                |
| <b>Profit for the financial year</b>                            |             | <b>1,231</b>               | <b>28,178</b>              |
| <b>Other comprehensive income</b>                               |             |                            |                            |
| Remeasurement of the net defined benefit surplus not recognised |             | <b>1,836</b>               | <b>(2,148)</b>             |
| Income tax on other comprehensive income                        |             | <b>-</b>                   | <b>-</b>                   |
| <b>Other comprehensive income for the year</b>                  |             | <b>1,836</b>               | <b>(2,148)</b>             |
| <b>Total comprehensive income for the year</b>                  |             | <b>3,067</b>               | <b>26,030</b>              |

The notes on pages 15 to 32 form an integral part of the financial statements.

## Consolidated Balance Sheet at 31 January 2016

|   | Note | 2016<br>£000    | 2015<br>£000    |
|---|------|-----------------|-----------------|
| <b>Fixed assets</b>   |      |                 |                 |
| Intangible assets   | 8    | 2,793           | 4,753           |
| Tangible assets   | 9    | 106             | 18              |
|   |      | <u>2,899</u>    | <u>4,771</u>    |
| <b>Current assets</b>   |      |                 |                 |
| Stocks  | 11   | 65              | 62              |
| Debtors (including £10,883,000 (2015: £2,886,000) due after more than one year) | 12   | 25,757          | 26,863          |
| Investments   | 13   | 62,296          | 54,219          |
| Cash at bank and in hand  |      | 14,965          | 12,656          |
|   |      | <u>103,083</u>  | <u>93,800</u>   |
| <b>Creditors: amounts falling due within one year</b>                           | 14   | <u>(32,125)</u> | <u>(26,450)</u> |
| <b>Net current assets</b>   |      | <u>70,958</u>   | <u>67,350</u>   |
| <b>Total assets less current liabilities</b>                                    |      | <u>73,857</u>   | <u>72,121</u>   |
| <b>Creditors: amounts falling due after more than one year</b>                  | 15   | (751)           | (314)           |
| Pension obligation  | 16   | -               | (1,768)         |
|   |      | <u>(751)</u>    | <u>(2,082)</u>  |
| <b>Net assets</b>   |      | <u>73,106</u>   | <u>70,039</u>   |
| <b>Reserves</b>   |      |                 |                 |
| Profit and loss account   |      | 73,106          | 70,039          |
| <b>Members' funds</b>   |      | <u>73,106</u>   | <u>70,039</u>   |

These financial statements were approved by the board of directors on 05 April 2016 and were signed on its behalf by:

  
**C J Graves**  
Director

  
**I N Lovett**  
Director

Company registered number: 3251364

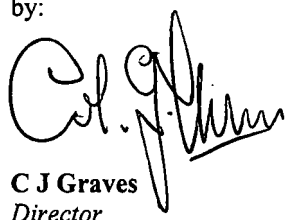
The notes on pages 15 to 32 form an integral part of the financial statements.

## Company Balance Sheet

at 31 January 2016

|   | Note | 2016<br>£000    | 2015<br>£000    |
|---|------|-----------------|-----------------|
| <b>Fixed assets</b>   |      |                 |                 |
| Intangible assets   | 8    | 2,793           | 4,753           |
| Tangible assets   | 9    | 106             | 18              |
| Investments   | 10   | -               | 9,699           |
|   |      | <b>2,899</b>    | <b>14,470</b>   |
| <b>Current assets</b>   |      |                 |                 |
| Stocks  | 11   | 65              | 62              |
| Debtors including £9,050,000 (2015: £1,305,000)<br>due after more than one year | 12   | 23,277          | 24,150          |
| Investments   | 13   | 15,028          | 5,015           |
| Cash at bank and in hand  |      | 13,887          | 5,393           |
|   |      | <b>52,257</b>   | <b>34,620</b>   |
| <b>Creditors: amounts falling due within one year</b>                           | 14   | <b>(31,495)</b> | <b>(31,993)</b> |
| <b>Net current assets</b>   |      | <b>20,762</b>   | <b>2,627</b>    |
| <b>Total assets less current liabilities</b>                                    |      | <b>23,661</b>   | <b>17,097</b>   |
| <b>Creditors: amounts falling due after more than<br/>one year</b>              | 15   | <b>(751)</b>    | <b>(314)</b>    |
| Pension obligation  | 16   | -               | (1,768)         |
|   |      | <b>(751)</b>    | <b>(2,082)</b>  |
| <b>Net assets</b>   |      | <b>22,910</b>   | <b>15,015</b>   |
| <b>Reserves</b>   |      |                 |                 |
| Profit and loss account   |      | 22,910          | 15,015          |
| <b>Members' funds</b>   |      | <b>22,910</b>   | <b>15,015</b>   |

These financial statements were approved by the board of directors on 05 April 2016 and were signed on its behalf by:

  
C J Graves  
Director

  
I N Lovett  
Director

Company registered number: 3251364

The notes on pages 15 to 32 form an integral part of the financial statements.

## Consolidated Statement of Changes in Equity

|  | Profit and loss<br>account | Total reserves |
|--|----------------------------|----------------|
|  | £000                       | £000           |
| Balance at 1 February 2014                       | 44,009                     | 44,009         |
|  | <hr/>                      | <hr/>          |
| <b>Total comprehensive income for the period</b> |                            |                |
| Profit   | 28,178                     | 28,178         |
| Other comprehensive income                       | (2,148)                    | (2,148)        |
|  | <hr/>                      | <hr/>          |
| Total comprehensive income for the period        | 26,030                     | 26,030         |
|  | <hr/>                      | <hr/>          |
| <b>Balance at 31 January 2015</b>                | <b>70,039</b>              | <b>70,039</b>  |
|  | <hr/>                      | <hr/>          |

|  | Profit and loss<br>account | Total reserves |
|--|----------------------------|----------------|
|  | £000                       | £000           |
| Balance at 1 February 2015                       | 70,039                     | 70,039         |
|  | <hr/>                      | <hr/>          |
| <b>Total comprehensive income for the period</b> |                            |                |
| Profit   | 1,231                      | 1,231          |
| Other comprehensive income                       | 1,836                      | 1,836          |
|  | <hr/>                      | <hr/>          |
| Total comprehensive income for the period        | 3,067                      | 3,067          |
|  | <hr/>                      | <hr/>          |
| <b>Balance at 31 January 2016</b>                | <b>73,106</b>              | <b>73,106</b>  |
|  | <hr/>                      | <hr/>          |

The notes on pages 15 to 32 form an integral part of the financial statements.

## Company Statement of Changes in Equity

|  | Profit and loss<br>account | Total reserves |
|--|----------------------------|----------------|
|  | £000                       | £000           |
| Balance at 1 February 2014                       | 10,970                     | 10,970         |
|  | <hr/>                      | <hr/>          |
| <b>Total comprehensive income for the period</b> |                            |                |
| Profit   | 6,193                      | 6,193          |
| Other comprehensive income                       | (2,148)                    | (2,148)        |
|  | <hr/>                      | <hr/>          |
| Total comprehensive income for the period        | 4,045                      | 4,045          |
|  | <hr/>                      | <hr/>          |
| <b>Balance at 31 January 2015</b>                | <b>15,015</b>              | <b>15,015</b>  |
|  | <hr/>                      | <hr/>          |

|  | Profit and loss<br>account | Total reserves |
|--|----------------------------|----------------|
|  | £000                       | £000           |
| Balance at 1 February 2015                       | 15,015                     | 15,015         |
|  | <hr/>                      | <hr/>          |
| <b>Total comprehensive income for the period</b> |                            |                |
| Profit   | 6,059                      | 6,059          |
| Other comprehensive income                       | 1,836                      | 1,836          |
|  | <hr/>                      | <hr/>          |
| Total comprehensive income for the period        | 7,895                      | 7,895          |
|  | <hr/>                      | <hr/>          |
| <b>Balance at 31 January 2016</b>                | <b>22,910</b>              | <b>22,910</b>  |
|  | <hr/>                      | <hr/>          |

The notes on pages 15 to 32 form an integral part of the financial statements.

## **Consolidated Cash Flow Statement**

**for year ended 31 January 2016**

|  | <i>Notes</i> | <b>2016</b><br><b>£000</b> | <b>2015</b><br><b>£000</b> |
|--|--------------|----------------------------|----------------------------|
| <b>Cash flows from operating activities</b>      |              |                            |                            |
| Profit for the year                              |              | <b>1,231</b>               | 28,178                     |
| Adjustments for:                                 |              |                            |                            |
| Depreciation, amortisation and impairment        |              | <b>1,979</b>               | 1,455                      |
| Foreign exchange gains                           |              | <b>182</b>                 | -                          |
| Interest receivable and similar income           |              | <b>(664)</b>               | (920)                      |
| Interest payable and similar charges             |              | <b>189</b>                 | 437                        |
| Pension scheme charges                           | <i>16</i>    | <b>168</b>                 | 158                        |
| Pension contributions paid                       | <i>16</i>    | <b>(155)</b>               | (799)                      |
| Profit on disposal of fixed assets               | <i>16</i>    | <b>(13)</b>                | -                          |
| Taxation   |              | <b>141</b>                 | 35                         |
|  |              | <hr/>                      | <hr/>                      |
| Decrease in trade and other debtors              | <i>12</i>    | <b>1,106</b>               | 819                        |
| (Increase)/decrease in stocks                    | <i>11</i>    | <b>(3)</b>                 | 6                          |
| Increase/(decrease) in trade and other creditors | <i>14</i>    | <b>6,112</b>               | (9,815)                    |
|  |              | <hr/>                      | <hr/>                      |
| Interest paid                                    |              | <b>(189)</b>               | (249)                      |
| Tax paid   |              | <b>(141)</b>               | (35)                       |
|  |              | <hr/>                      | <hr/>                      |
| <b>Net cash from operating activities</b>        |              | <b>9,943</b>               | 19,269                     |
|  |              | <hr/>                      | <hr/>                      |
| <b>Cash flows from investing activities</b>      |              |                            |                            |
| Proceeds from sale of intangible fixed assets    |              | <b>82</b>                  | 67                         |
| Interest received                                |              | <b>537</b>                 | 766                        |
| Acquisition of tangible fixed assets             | <i>9</i>     | <b>(106)</b>               | -                          |
| Acquisition of other intangible assets           | <i>8</i>     | <b>(70)</b>                | (995)                      |
|  |              | <hr/>                      | <hr/>                      |
| <b>Net cash from investing activities</b>        |              | <b>443</b>                 | (162)                      |
|  |              | <hr/>                      | <hr/>                      |
| <b>Net cash from financing activities</b>        |              | <b>-</b>                   | -                          |
|  |              | <hr/>                      | <hr/>                      |
| Net increase in cash and cash equivalents        |              | <b>10,386</b>              | 19,108                     |
| Cash and cash equivalents at 1 February          |              | <b>66,875</b>              | 47,083                     |
|  |              | <hr/>                      | <hr/>                      |
| <b>Cash and cash equivalents at 31 January</b>   |              | <b>77,261</b>              | 66,875                     |
|  |              | <hr/> <hr/>                | <hr/> <hr/>                |

The notes on pages 15 to 32 form an integral part of the financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

England and Wales Cricket Board Limited (the “Company”) is a company limited by guarantee and incorporated and domiciled in the UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Group and the Company have made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the company is provided in note 19.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

Per FRS 102, a public benefit entity (PBE) is an entity whose primary purpose is for public and social benefit and not to provide a financial return to its members. The directors have assessed that the Group and Company meet this definition, thus have accounted for any interest free loans as concessionary loans under section PBE34 of FRS 102 for the purposes of these financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

At the balance sheet date the group had net current assets of £71.0 million, including deferred income balances of £28.3 million, and was holding combined cash and investments (including accrued interest) of £77.3 million. The group continues to have strong visibility of its broadcasting and sponsorship income for the period 2016-2017.

In consideration of the above, and having made appropriate enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts.

#### 1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings, made up to 31 January 2016.



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.4 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.5 Basic financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

##### *Investments*

Fixed asset investments are shown at cost less provision for impairment.

Cash deposits are stated at cost.

#### 1.6 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. The estimated useful lives are as follows:

- Leasehold improvements 10 years
- Fixtures, fittings and office equipment 3 – 5 years

#### 1.7 Intangible fixed assets

Intangible fixed assets represent the purchase of perimeter advertising rights from certain First Class Counties covering the period from 2011 to 2019 and are stated at amortised cost. At the time of purchase, cost was split by year and amortisation is charged based on this split, subject to an increase if any impairment loss is recognised.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

#### 1.8 Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9 Stocks

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

#### 1.10 Employee Benefits

The Group operates both a defined contribution pension scheme and a defined benefit pension scheme.

##### *Defined contribution plan*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

##### *Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit asset for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit asset taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of Pound Sterling, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed triennially by a qualified actuary using the projected unit credit method, and updated at the balance sheet date. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

#### 1.11 Turnover

The group's turnover is derived primarily from cricket related activities carried out in the UK and in respect of England Cricket Team tours, after deduction of value added tax. Revenue recognition policies for specific revenue streams are as follows:

Broadcasting revenue – turnover from broadcasting contracts is recognised in line with the contractual terms and period, which reflect the value of the rights provided in any given year to the broadcaster.

Sponsorship revenue – turnover from sponsorship agreements is recognised in line with the contractual terms and period, which reflect the value of the rights provided.

Match returns – turnover from staging agreements with grounds is recognised once matches have taken place, and in line with contractual terms.

Value in kind – turnover is recognised on a gross basis in respect of significant goods or services received from sponsors in return for sponsorship benefits, based on the fair value of the goods and services received by the ECB. The related costs are also shown gross to reflect the value of such goods and services.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.12 Expenses

##### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### 1.13 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

## Notes (continued)

### 2 Turnover

|                         | 2016<br>£000 | 2015<br>£000 |
|-------------------------|--------------|--------------|
| Rendering of services   | 133,967      | 174,679      |
| Total turnover          | 133,967      | 174,679      |
|                         | 2016<br>£000 | 2015<br>£000 |
| By geographical market: |              |              |
| UK                      | 122,512      | 168,659      |
| Overseas                | 11,455       | 6,020        |
|                         | 133,967      | 174,679      |

In accordance with the Companies Act 2006, Section 68, the directors consider that the disclosure of turnover by activity would be seriously prejudicial to the interests of the company, and as such, has not been disclosed.

### 3 Expenses and auditor's remuneration

*Included in profit are the following:*

|  | 2016<br>£000 | 2015<br>£000 |
|--|--------------|--------------|
| (Profit)/loss on foreign currency exchange       | (420)        | (101)        |
| Operating lease rentals:                         |              |              |
| Land & Buildings                                 | 293          | 296          |
| Other Equipment                                  | 610          | 543          |
| Depreciation of tangible fixed assets (note 9)   | 18           | 21           |
| Amortisation of intangible fixed assets (note 8) | 1,919        | 1,434        |
| Impairment of intangible fixed assets (note 8)   | 42           | -            |

*Auditor's remuneration:*

|  | 2016<br>£000 | 2015<br>£000 |
|--|--------------|--------------|
| Audit of these financial statements  | 59           | 61           |
| <b><i>Disclosures below based on amounts receivable in respect of other services to the company and its subsidiaries</i></b> |              |              |
| Amounts receivable by the company's auditor and its associates in respect of:  |              |              |
| Audit of financial statements of subsidiaries of the company   | 4            | 7            |
| Taxation compliance services   | 13           | 43           |
| Tax advisory services  | 19           | 48           |

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

|                                     | Number of employees |       |
|-------------------------------------|---------------------|-------|
|                                     | 2016                | 2015  |
| Cricketers                          | 37                  | 38    |
| Umpires                             | 28                  | 30    |
| Development Staff                   | 45                  | 45    |
| Coaching Staff                      | 62                  | 53    |
| Business Administration             | 24                  | 20    |
| Commercial, Communications & Events | 36                  | 34    |
| Game Support                        | 29                  | 29    |
| Global Event Management             | 2                   | 2     |
|                                     | <hr/>               | <hr/> |
|                                     | 263                 | 251   |
|                                     | <hr/>               | <hr/> |

The aggregate payroll costs of these persons were as follows:

|                       | 2016   | 2015   |
|-----------------------|--------|--------|
|                       | £000   | £000   |
| Wages and salaries    | 20,657 | 17,991 |
| Social security costs | 2,722  | 2,393  |
| Other pension costs   | 2,497  | 2,166  |
|                       | <hr/>  | <hr/>  |
|                       | 25,876 | 22,550 |
|                       | <hr/>  | <hr/>  |

## **Notes** *(continued)*

### **5 Directors' remuneration**

|   | <b>2016</b>       | 2015       |
|---|-------------------|------------|
|   | <b>£000</b>       | £000       |
| Directors' remuneration                               | <b>543</b>        | 401        |
| Company contributions to money purchase pension plans | <b>190</b>        | 133        |
| Compensation for loss of office                       | <b>133</b>        | 192        |
|   | <u><b>866</b></u> | <u>726</u> |

The aggregate of remuneration of the highest paid director was £341,537 (2015:£360,147), and company pension contributions of £108,441 (2015:£30,266) were made to a money purchase scheme on his behalf.

No director is a member of the defined benefit pension scheme described in note 16.

### **6 Other interest receivable and similar income**

|                                     | <b>2016</b>       | 2015       |
|-------------------------------------|-------------------|------------|
|                                     | <b>£000</b>       | £000       |
| Investment income                   | <b>530</b>        | 485        |
| Net interest cost of pension scheme | <b>(55)</b>       | -          |
|                                     | <u><b>475</b></u> | <u>485</u> |

## Notes (continued)

### 7 Taxation

#### Total tax expense recognised in the profit and loss account, other comprehensive income and equity

|                                      | 2016<br>£000 | 2015<br>£000 |
|--------------------------------------|--------------|--------------|
| <i>Current tax</i>                   |              |              |
| Current tax on income for the period | (141)        | (35)         |
| Total current tax                    | (141)        | (35)         |
| Total tax                            | (141)        | (35)         |

#### Analysis of current tax recognised in profit and loss

|   | 2016<br>£000 | 2015<br>£000 |
|---|--------------|--------------|
| UK corporation tax                              | -            | -            |
| Foreign tax                                     | (141)        | (35)         |
| Total current tax recognised in profit and loss | (141)        | (35)         |

A deferred tax asset has not been recognised in respect of tax losses carried forward as in the opinion of the directors, it is not possible to conclude that it is more likely than not that any deferred tax asset would be recovered.

#### Reconciliation of effective tax rate

|   | 2016<br>£000 | 2015<br>£000 |
|---|--------------|--------------|
| Profit for the year   | 1,230        | 28,178       |
| Total tax expense   | 141          | 35           |
| Profit excluding taxation                                       | 1,371        | 28,213       |
| Tax using the UK corporation tax rate of 20.17% (2015: 21.32 %) | (276)        | (6,015)      |
| Non-deductible expenses   | (67)         | (34)         |
| Tax exempt revenues   | 1,164        | 5,914        |
| Deferred tax not provided                                       | (821)        | 135          |
| Foreign tax   | (141)        | (35)         |
| Total tax expense included in profit or loss                    | (141)        | (35)         |

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

## **Notes (continued)**

### **8 Intangible fixed assets**

| <i>Group and company</i>           | <b>Total<br/>£000</b> |
|------------------------------------|-----------------------|
| <b>Cost</b>                        |                       |
| Balance at 1 February 2015         | 10,489                |
| Additions                          | 70                    |
| Disposals                          | (835)                 |
|                                    | <hr/>                 |
| Balance at 31 January 2016         | <b>9,724</b> <hr/>    |
| <b>Amortisation and impairment</b> |                       |
| Balance at 1 February 2015         | 5,736                 |
| Amortisation for the year          | 1,919                 |
| Impairment charge                  | 42                    |
| Disposals                          | (766)                 |
|                                    | <hr/>                 |
| Balance at 31 January 2016         | <b>6,931</b> <hr/>    |
| <b>Net book value</b>              |                       |
| At 31 January 2016                 | <b>2,793</b> <hr/>    |
|                                    | <hr/>                 |
| At 31 January 2015                 | <b>4,753</b> <hr/>    |

#### *Amortisation and impairment charge*

The amortisation and impairment charge are recognised in the following line item in the profit and loss account:

|               | <b>2016<br/>£000</b> | <b>2015<br/>£000</b> |
|---------------|----------------------|----------------------|
| Cost of sales | <b>1,961</b> <hr/>   | <b>1,434</b> <hr/>   |



## Notes (continued)

### 9 Tangible fixed assets

#### *Group and Company*

|                                    | Leasehold<br>improvements<br>£000 | Fixtures,<br>fittings &<br>equipment<br>£000 | Total<br>£000 |
|------------------------------------|-----------------------------------|--|---------------|
| <b>Cost</b>                        |                                   |  |               |
| Balance at 1 February 2015         | 63                                | 300  | 363           |
| Additions                          | 49                                | 57   | 106           |
|                                    | <hr/>                             | <hr/>  | <hr/>         |
| Balance at 31 January 2016         | <b>112</b>                        | <b>357</b>                                   | <b>469</b>    |
|                                    | <hr/>                             | <hr/>  | <hr/>         |
| <b>Depreciation and impairment</b> |                                   |  |               |
| Balance at 1 February 2015         | 63                                | 282  | 345           |
| Depreciation charge for the year   | -                                 | 18   | 18            |
|                                    | <hr/>                             | <hr/>  | <hr/>         |
| Balance at 31 January 2016         | <b>63</b>                         | <b>300</b>                                   | <b>363</b>    |
|                                    | <hr/>                             | <hr/>  | <hr/>         |
| <b>Net book value</b>              |                                   |  |               |
| At 31 January 2016                 | <b>49</b>                         | <b>57</b>                                    | <b>106</b>    |
|                                    | <hr/>                             | <hr/>  | <hr/>         |
| At 31 January 2015                 | -                                 | 18   | 18            |
|                                    | <hr/>                             | <hr/>  | <hr/>         |

## Notes (continued)

### 10 Fixed asset investments

#### Fixed asset investments – Company

|                      | Total<br>£000 |
|----------------------|---------------|
| <b>Company</b>       |               |
| <i>Cost</i>          |               |
| At beginning of year | 9,699         |
| Disposals            | (9,699)       |
|                      | <hr/>         |
| At end of year       | -             |
|                      | <hr/> <hr/>   |

During 2009, the branch in Dubai was incorporated and became a wholly owned subsidiary - Cricket Management & Promotions FZ-LLC. Prior to incorporation on 31 May 2009, the branch was party to a long-term contract with the International Cricket Council. On incorporation, the ECB contributed this contract in exchange for shares issued. The cost of investment was measured as the estimated present value of the expected future cash flows to be derived from the contract. The investment is held in the company's books at the value of net assets of the subsidiary at the balance sheet date.

During the current year, dividends of £13,313,000 were paid to the ECB, hence the reduction in the net assets of the subsidiary and the resultant reduction in the value of the investment in the company's books.

During 2005 the ECB became a £1 guarantor of the 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 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 England and Wales 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.

The undertakings in which the Group's and Company's interest at the year-end is more than 20% are as follows.

|  | Country of<br>incorporation | Registered<br>number | Principal<br>activity | Class and<br>percentage<br>of shares held             |
|--|-----------------------------|----------------------|-----------------------|---|
| England & Wales Cricket Trust Limited  | United Kingdom              | 1112540              | Charity               | £1 guarantor<br>100% held                             |
| Cricket Management & Promotions FZ LLC | United Arab<br>Emirates     | 0016740              | Administration        | 100 ordinary shares of<br>AED 1,000 each<br>100% held |

## Notes (continued)

### 11 Stocks

| Group and Company | 2016<br>£000 | 2015<br>£000 |
|-------------------|--------------|--------------|
| Finished goods    | 65           | 62           |

### 12 Debtors

|                                    | Group<br>2016<br>£000 | 2015<br>£000  | Company<br>2016<br>£000 | 2015<br>£000  |
|------------------------------------|-----------------------|---------------|-------------------------|---------------|
| Trade debtors                      | 494                   | 3,591         | 494                     | 3,591         |
| Amounts owed by group undertakings | -                     | -             | -                       | 29            |
| Other debtors                      | 21,826                | 19,171        | 19,346                  | 16,429        |
| Prepayments and accrued income     | 3,437                 | 4,101         | 3,437                   | 4,101         |
|                                    | <u>25,757</u>         | <u>26,863</u> | <u>23,277</u>           | <u>24,150</u> |
| Due within one year                | 14,874                | 23,977        | 14,227                  | 22,845        |
| Due after more than one year       | 10,883                | 2,886         | 9,050                   | 1,305         |
|                                    | <u>25,757</u>         | <u>26,863</u> | <u>23,277</u>           | <u>24,150</u> |

Debtors include other debtors of £10,883,000 (2015: £2,886,000), Company: £9,050,000 (2015: £1,305,000) due after more than one year.

## Notes (continued)

### 13 Investments

|   | Group<br>2016<br>£000 | 2015<br>£000 | Company<br>2016<br>£000 | 2015<br>£000 |
|---|-----------------------|--------------|-------------------------|--------------|
| Cash deposits with terms less than one year | 62,296                | 54,219       | 15,028                  | 5,015        |

### 14 Creditors: amounts falling due within one year

|                              | Group<br>2016<br>£000 | 2015<br>£000  | Company<br>2016<br>£000 | 2015<br>£000  |
|------------------------------|-----------------------|---------------|-------------------------|---------------|
| Trade creditors              | 1,230                 | 2,929         | 1,230                   | 2,929         |
| Taxation and social security | 2,746                 | 715           | 2,746                   | 715           |
| Other creditors              | 581                   | 2,246         | 581                     | 2,246         |
| Accruals and deferred income | 27,568                | 20,560        | 26,938                  | 26,103        |
|                              | <u>32,125</u>         | <u>26,450</u> | <u>31,495</u>           | <u>31,993</u> |

### 15 Creditors: amounts falling due after one year

|                              | Group<br>2016<br>£000 | 2015<br>£000 | Company<br>2016<br>£000 | 2015<br>£000 |
|------------------------------|-----------------------|--------------|-------------------------|--------------|
| Other creditors              | -                     | 314          | -                       | 314          |
| Accruals and deferred income | 751                   | -            | 751                     | -            |
|                              | <u>751</u>            | <u>314</u>   | <u>751</u>              | <u>314</u>   |

## Notes (continued)

### 16 Employee benefits

#### Defined benefit plans

##### *Group and Company*

The group operates a defined benefit pension scheme, the ECB Retirement and Death Benefits Scheme ("the Scheme"). 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 30 September 2013. The information below has been updated to 31 January 2016 by an independent professional actuary.

The standard monthly contributions made to the Scheme by the group were 27.5% of pensionable earnings, as per a contribution statement that came into force at the end of 2011. In total, contributions paid to the Scheme were £155,000 (2015: £799,000).

The surplus has been treated as irrecoverable for the purposes of the financial statements. FRS102 is not prescriptive in this area, as such the directors have reverted to the principles as set out in IFRIC14. Per the Scheme rules, there is a unilateral power for the Trustees to wind up the Scheme, which prevents recognition of the surplus on the grounds of a future refund. Furthermore, the value of the contributions due under the current funding agreement towards the accrual of benefits for active members exceeds the corresponding value of those benefits on the FRS102 basis (i.e. the service cost). Under IFRIC14, we consider it suitable to assume the current rate of contributions persists beyond the end of the period covered by the Schedule of Contributions. As such, this prevents the recognition of the surplus on the grounds of future contribution reductions.

The information disclosed below is in respect of the whole of the plans of the Group, for which the parent Company is legally responsible.

##### *Net pension asset*

|                            | 2016<br>£000 |
|----------------------------|--------------|
| Defined benefit obligation | (18,318)     |
| Plan assets                | 18,900       |
|                            | <hr/>        |
| Pension surplus            | 582          |
| Related deferred tax asset | -            |
| Irrecoverable surplus      | (582)        |
|                            | <hr/>        |
| Net pension asset          | -            |
|                            | <hr/> <hr/>  |

##### *Movements in present value of defined benefit obligation*

|                                | 2016<br>£000 |
|--------------------------------|--------------|
| At 1 February 2015             | 22,764       |
| Current service cost           | 168          |
| Interest expense               | 683          |
| Remeasurement actuarial losses | (3,635)      |
| Benefits paid                  | (1,662)      |
|                                | <hr/>        |
| At 31 January 2016             | 18,318       |
|                                | <hr/> <hr/>  |

## **Notes** *(continued)*

### **16 Employee benefits** *(continued)*

#### *Movements in fair value of plan assets*

|   | <b>2016</b><br><b>£000</b>   |
|---|------------------------------|
| At 1 February 2015  | 20,996                       |
| Interest income   | 628                          |
| Remeasurement: return on plan assets less interest income | (1,217)                      |
| Contributions by employer                                 | 155                          |
| Benefits paid   | (1,662)                      |
|   | <hr/>                        |
| At 31 January 2016  | <b>18,900</b><br><hr/> <hr/> |

#### *Expense recognised in the profit and loss account*

|  | <b>2016</b><br><b>£000</b> | 2015<br>£000       |
|--|----------------------------|--------------------|
| Current service cost                                     | <b>168</b>                 | 158                |
| Net interest on net defined benefit asset not recognised | <b>55</b>                  | -                  |
|  | <hr/>                      | <hr/>              |
| Total expense recognised in profit                       | <b>223</b><br><hr/> <hr/>  | 158<br><hr/> <hr/> |

## Notes (continued)

### 16 Employee benefits (continued)

The fair value of the plan assets and the return on those assets were as follows:

|                              | 2016          | 2015          |
|------------------------------|---------------|---------------|
|                              | Fair value    | Fair value    |
|                              | £000          | £000          |
| <b>Asset class</b>           |               |               |
| Equities                     | 8,992         | 8,309         |
| Government debt              | 1,036         | 1,260         |
| Corporate bonds              | 6,121         | 6,940         |
| Property                     | 2,653         | 3,856         |
| Cash and Deposits            | 98            | 631           |
|                              | —             | —             |
|                              | <b>18,900</b> | <b>20,996</b> |
|                              | =             | =             |
| Actual return on plan assets | (589)         | 2,401         |
|                              | =             | =             |

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

|                                     | 2016 | 2015 |
|-------------------------------------|------|------|
|                                     | %    | %    |
| Discount rate                       | 3.90 | 3.10 |
| Future pensionable salary increases | 3.20 | 2.90 |
| Inflation assumption (RPI)          | 3.20 | 2.90 |

Last full actuarial valuation was performed on 30 September 2013. To measure the defined benefit obligation as at 31 January 2016, the Company employed an independent professional actuary to update the full actuarial valuation.

In valuing the liabilities of the pension fund at 31 January 2016, mortality assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 24.2 years (male), 26.7 years (female).
- Future retiree upon reaching 65: 25.8 years (male), 28.4 years (female).

### Defined contribution plans

#### *Group and Company*

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 £2,070,000 (2015: £1,786,000) and £427,000 (2015: £380,000) respectively.

## Notes (continued)

### 17 Operating leases

#### Group and Company

Non-cancellable operating lease rentals are payable as follows:

|                            | Land and<br>buildings<br>£000 | Other<br>£000 | 2016<br>Total<br>£000 | Land and<br>buildings<br>£000 | Other<br>£000 | 2015<br>Total<br>£000 |
|----------------------------|-------------------------------|---------------|-----------------------|-------------------------------|---------------|-----------------------|
| Less than one year         | 280                           | 567           | 847                   | 274                           | 550           | 824                   |
| Between one and five years | 1,118                         | 577           | 1,695                 | 1,059                         | 485           | 1,544                 |
| More than five years       | 190                           | -             | 190                   | 383                           | -             | 383                   |
|                            | <u>1,588</u>                  | <u>1,144</u>  | <u>2,732</u>          | <u>1,716</u>                  | <u>1,035</u>  | <u>2,751</u>          |

During the year £903,000 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £827,000).

### 18 Related parties

#### Group and Company

*Identity of related parties with which the Group has transacted*

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, the Marylebone Cricket Club ("MCC"), the Minor Counties Cricket Association ("MCCA"), the Minor County Clubs and the County Cricket Boards have charged the ECB amounts totalling £32,267,000 (2015: £56,159,000) in respect of fees for the provision of ground facilities and cricketers for matches under the control of ECB, amounts payable under the terms of memorandums of understanding, licence fees and other commercial agreements. As at 31 January 2016 the ECB owed these parties £nil (2015: £nil) 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 £13,132,000 (2015: £11,217,000). In addition, the EWCT paid grants totalling £7,566,000 (2015: £6,230,000) to the County Cricket Boards.
2. ECB has loans of £15,247,000 (2015: £8,094,000) in aggregate due from the eighteen First Class Counties and the Professional Cricketers' Association. Interest is charged on the loans at varying rates ranging from zero for short-term loan to base rate plus 2%.
3. The directors have identified the Irish Cricket Union, Cricket Scotland and the Professional Cricketers' Association as also being related and to which ECB has made payments. During the period, amounts totalling £1,637,000 (2015: £1,723,000) were paid to these organisations.
4. Premiums payable by ECB to Reigndei Limited, an insurance company beneficially owned by the eighteen first class counties, MCC and the MCCA, were £1,987,500 (2015: £1,987,500). Claims receivable during the year from Reigndei Limited amounted to £950,000 (2015: £850,000). As at 31 January 2016 the ECB was owed £3,702,656 from Reigndei Limited (2015: 950,000).
5. The group made donations amounting to £nil (2015: £3,750,000) to the Cricket Foundation during the year.
6. Colin Graves, the Chairman of the ECB Board, is the former Chairman of Yorkshire CCC. He has personally given a guarantee in favour of ECB of £1,800,000 under the 2011 to 2019 perimeter advertising agreement between the ECB and Yorkshire CCC. This was signed on 22 October 2010.

#### *Transactions with key management personnel*

Total compensation of key management personnel (including the directors) in the year amounted to £2,615,000 (2015: £1,850,000).



## Notes (continued)

### 19 Explanation of transition to FRS 102 from old UK GAAP

#### *Reconciliation of profit and reserves from old UK GAAP to FRS 102*

| Group                       | Profit for the<br>year ended 31<br>January 2015<br>£000 | Reserves as at<br>31 January 2015<br>£000 | Reserves as at 1<br>February 2014<br>£000 |
|-----------------------------|---|---|---|
| Amount under old UK GAAP    | 28,365  | 70,039                                    | 44,009                                    |
| Pension                     | (187)   | -   | -   |
| <b>Amount under FRS 102</b> | <b>28,178</b>   | <b>70,039</b>                             | <b>44,009</b>                             |

#### *Notes to the reconciliation of profit*

Under FRS 17 the Company recognised an expected return on pension scheme assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account and other comprehensive income. There has been no change in the net defined benefit liability at either the start or the end of the previous accounting period.

#### *Reconciliation of profit and reserves from old UK GAAP to FRS 102*

| Company                     | Profit for the<br>year ended 31<br>January 2015<br>£000 | Reserves as at<br>31 January 2015<br>£000 | Reserves as at 1<br>February 2014<br>£000 |
|-----------------------------|---|---|---|
| Amount under old UK GAAP    | 6,390   | 15,015                                    | 10,970                                    |
| Pension                     | (187)   | -   | -   |
| <b>Amount under FRS 102</b> | <b>6,203</b>  | <b>15,015</b>                             | <b>10,970</b>                             |

#### *Notes to the reconciliation of profit*

Under FRS 17 the Company recognised an expected return on pension scheme assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account and other comprehensive income. There has been no change in the net defined benefit liability at either the start or the end of the previous accounting period.

### 20. 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 41 members as at 31 January 2015 and 31 January 2016.