

**ENGLAND AND WALES CRICKET BOARD
LIMITED**

(A company limited by guarantee)

Report and Financial Statements

31 December 1999

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



ENGLAND AND WALES CRICKET BOARD LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS 1999

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ENGLAND AND WALES CRICKET BOARD LIMITED
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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

BANKERS

Barclays Bank PLC
North London Corporate Banking Centre
PO Box 16300
1/2 Trinity Way
Chingford
London E4 8UT

SOLICITORS

Slaughter and May
35 Basinghall Street
London
EC2V 5DB

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

REGISTERED OFFICE

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

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

ENGLAND AND WALES CRICKET BOARD LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

In the opinion of the directors all the company'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 1999 amounted to £83,712,000 (1998 - £50,733,000) including £48,030,000 in respect of the 1999 World Cup. The domestic international programme was curtailed and the domestic First-Class programme rescheduled to accommodate the hosting of the 1999 World Cup, with a consequent one-off reduction in ECB turnover from ticket sales, broadcasting and sponsorship although the reduction was substantially outweighed by revenue from the World Cup.

Cost of sales in 1999 amounted to £77,679,000 (1998 - £42,805,000) including £33,562,000 in respect of the World Cup.

FUTURE DEVELOPMENTS

The international programme is being extended in 2000 into a new format comprising seven Cornhill Test Matches, two against Zimbabwe and five against the West Indies and the ten match Nat West series involving England, the West Indies and Zimbabwe.

The ECB has concluded the following broadcasting and sponsorship contracts since 31 December 1999:

BBC-UK radio rights for the five years from 2001 to 2005

Nat West International One-Day Series for the three years from 2000 to 2002

Benson & Hedges Cup for 2001 and 2002

The Cornhill Test Match sponsorship and the Nat West Trophy sponsorship conclude at the end of this year. The ECB is actively searching for replacement sponsors and is confident of a successful outcome.

RESULTS

The company made a profit on ordinary activities before taxation of £135,000 (1998 - profit £145,000). Retained losses of £10,000 (1998 - profits of £60,000) have been transferred from reserves.

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The following directors have served the company during the year and since the year end:

Members of the management board

Lord MacLaurin Chairman
D L Acfield
B G K Downing (resigned 1 July 1999)
P J Edwards (deceased 18 February 2000)
F H Elliott (deceased 1 January 2000)
P W Gooden
R Jackson
R D V Knight
F D Morgan
J B Pickup
B G Ford
J B Bolus (appointed 1 January 1999)
D G Collier (appointed 1 January 1999)
M J Soper (appointed 2 February 1999)
H M V Gray (appointed 1 January 2000)
R Moylan-Jones (appointed 3 March 2000)

No directors had, at any time during the year, any material interest in a contract with the company.

YEAR 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the Year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business, however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 27 April 2000

and signed on behalf of the Board of Directors



S E Atkin

Company Secretary

ENGLAND AND WALES CRICKET BOARD LIMITED
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that 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. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF

ENGLAND AND WALES CRICKET BOARD LIMITED (A company limited by guarantee)

We have audited the financial statements on pages 6 to 15 which have been prepared under the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 of the state of affairs of the company as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

DELOITTE & TOUCHE

Chartered Accountants and
Registered Auditors

27 April 2000

ENGLAND AND WALES CRICKET BOARD LIMITED
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PROFIT AND LOSS ACCOUNT
For the year ended 31 December 1999

	Note	1999 £'000	1998 £'000
TURNOVER	1	83,712	50,733
Cost of sales		(77,679)	(42,805)
Gross Profit		<u>6,033</u>	<u>7,928</u>
Expenses			
Surplus on acquisition of Women's Cricket Association		-	100
Other administration		(6,348)	(5,744)
Administration expenses		(6,348)	(5,644)
Donations to the Cricket Foundation		-	(2,350)
OPERATING LOSS		<u>(315)</u>	<u>(66)</u>
Interest receivable and similar income	8	<u>450</u>	<u>211</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	135	145
Taxation on profit on ordinary activities	9	(145)	(85)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR		<u>(10)</u>	<u>60</u>
TRANSFERRED (FROM)/TO RESERVES		<u>(10)</u>	<u>60</u>

All activities arise from continuing operations.

Movements in members' funds and on reserves are shown in note 14.

There are no recognised gains or losses for the current year or preceding year or movements in reserves other than as stated in the profit and loss account.

ENGLAND AND WALES CRICKET BOARD LIMITED
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BALANCE SHEET
31 December 1999

	Note	1999 £'000	1998 £'000
FIXED ASSETS			
Tangible fixed assets	10	404	358
Investments	10	-	-
		<u>404</u>	<u>358</u>
CURRENT ASSETS			
Stocks	11	67	240
Debtors	12	4,500	13,711
Cash at bank and in hand		169	6,680
		<u>4,736</u>	<u>20,631</u>
CREDITORS: amounts falling due within one year	13	(5,009)	(20,848)
NET CURRENT LIABILITIES		<u>(273)</u>	<u>(217)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>131</u>	<u>141</u>
NET ASSETS		<u>131</u>	<u>141</u>
RESERVES			
Profit and loss account	14	131	141
MEMBERS' FUNDS	14	<u>131</u>	<u>141</u>

These financial statements were approved by the Board of Directors on 27 April 2000.

Signed on behalf of the Board of Directors


Lord MacLaurin
Director

ENGLAND AND WALES CRICKET BOARD LIMITED
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CASH FLOW STATEMENT
For the year ended 31 December 1999

	Note	1999 £'000	1998 £'000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	15	(6,691)	6,274
Returns on investments and servicing of finance			
Interest received		450	211
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		450	211
Taxation paid		(99)	(78)
Capital expenditure and financial investment			
Net cash acquired with business		-	8
Purchase of tangible fixed assets	10	(171)	(239)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(171)	(231)
(DECREASE)/INCREASE IN CASH DURING THE YEAR		(6,511)	6,176

All operating cash flows derive from continuing operations.

ANALYSIS OF MOVEMENT IN NET FUNDS

	1999 £'000	1998 £'000
(Decrease)/increase in cash during the year from operations	(6,511)	6,168
Cash acquired with business	-	8
Opening net funds at 1 January	6,680	504
Closing net funds at 31 December	169	6,680

NOTES TO THE ACCOUNTS
For the year ended 31 December 1999

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

The amount reported as turnover represents revenue from gross ticket income, sponsorship, television and radio, perimeter advertising, promotions and sundry income after deduction of Value Added Tax.

1999 World Cup

All income and expenditure in respect of the 1999 World Cup, including deferred amounts brought forward, have been accounted for in the current year's profit and loss account.

Goodwill

Negative goodwill, being the excess of the fair value of net assets acquired over the purchase price, is credited to the profit and loss account in the period in which the net assets are realised for cash.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

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.

Investments

Investments held are stated at cost less provision for any impairment in value.

Accounting for overseas tours

The income and expenditure in respect of individual tours for the 1999/2000 winter overseas tour programme is recognised in the profit and loss account in the accounting period in which the tour occurs.

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
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NOTES TO THE ACCOUNTS

For the year ended 31 December 1999

1. ACCOUNTING POLICIES (continued)

Pensions

The company operates a defined benefit pension scheme and a defined contribution scheme.

Contributions to the defined benefit pension scheme, as recommended by a qualified actuary, are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Contributions to the defined contribution scheme are charged to the profit and loss account in the period in which they become payable.

2. LIABILITY OF MEMBERS

England and Wales Cricket Board Limited ("ECB") 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 39 members as at 31 December 1999 and 1998.

3. 1999 CRICKET WORLD CUP

Turnover includes £48,030,000 (1998 - £nil) arising from the 1999 Cricket World Cup. Turnover from recurring operations amounted to £35,682,000 (1998 - £50,733,000) reflecting the reduced international programme and the re-scheduling of the domestic First Class programme to accommodate the World Cup.

The following amounts relating to the World Cup were included in the balance sheet as at 31 December 1998:

	£'000
Debtors	
Prepaid expenses in respect of the World Cup	6,932
Debtors in respect of the World Cup	3,454
	<hr/>
Creditors	
Income receivable in respect of the World Cup	17,406
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4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION IS STATED AFTER CHARGING/(CREDITING):

	1999 £'000	1998 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting)		
(Profit)/loss on foreign currency exchange	(80)	62
Operating leases:		
Land and buildings	169	160
Other equipment	165	109
Auditors' remuneration:		
Audit fees	30	29
Other services	48	47
Amortisation of negative goodwill	-	(100)
Depreciation of tangible fixed assets (note 10)	125	124
	<hr/>	<hr/>

ENGLAND AND WALES CRICKET BOARD LIMITED
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NOTES TO THE ACCOUNTS
For the year ended 31 December 1999

5. CHARITABLE DONATIONS

ECB did not pay a donation (1998 - £2,350,000) during the year to the Cricket Foundation ("the Foundation"). ECB did, however, pay in March 2000 a donation of £2,450,000 to the Foundation, which fell within the Foundation's financial year ended 5 April 2000.

6. EMPLOYEES

All staff are employed in cricketing related activities. The average number of persons employed by the company during the year was:

	1999 No.	1998 No.
Secretariat	96	94
Cricketers	28	23
Umpires	17	17
	<u>141</u>	<u>134</u>
	1999	1998
	£'000	£'000
Aggregate costs:		
Wages and salaries	4,772	4,290
Social security	466	404
Other pension costs	482	578
	<u>5,720</u>	<u>5,272</u>

7. DIRECTORS' EMOLUMENTS

Directors' emoluments, including pension contributions, are £nil (1998 - £23,000 (pension contributions £nil)).

No director is a member of the pension schemes described in note 17.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	1999 £'000	1998 £'000
Interest received	<u>450</u>	<u>211</u>

ENGLAND AND WALES CRICKET BOARD LIMITED
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NOTES TO THE ACCOUNTS
For the year ended 31 December 1999

9. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1999 £'000	1998 £'000
United Kingdom corporation tax at 30¼% (1998 - 31%)	146	100
Over-provision in prior years	(1)	(15)
	<u>145</u>	<u>85</u>

The level of tax charge arises from expenditure not deductible for tax purposes.

10. FIXED ASSETS

	Leasehold improve- ments £'000	Fixtures, fittings and equipment £'000	Total £'000
Tangible fixed assets			
Cost			
At 1 January 1999	43	490	533
Additions	-	171	171
At 31 December 1999	<u>43</u>	<u>661</u>	<u>704</u>
Accumulated depreciation			
At 1 January 1999	7	168	175
Charge for the year	3	122	125
At 31 December 1999	<u>10</u>	<u>290</u>	<u>300</u>
Net book value			
At 31 December 1999	<u>33</u>	<u>371</u>	<u>404</u>
At 31 December 1998	<u>36</u>	<u>322</u>	<u>358</u>

Investments

ECB and Marylebone Cricket Club ("MCC") are both £50 guarantors of Lords.org Limited, a company limited by guarantee. This investment is held at £nil cost in the balance sheet. Lords.org Limited is incorporated in Great Britain and its principal activity is to produce and develop the official website of the ECB and MCC. During the year, Lords.org Limited recorded turnover of £57,000 (1998 - £40,000), loss before and after tax of £128,000 (1998 - £142,000) and at 31 December 1999 has net liabilities of £328,000 (1998 - £231,000) including amounts due to ECB of £160,000 (1998 - £100,000).

11. STOCKS

	1999 £'000	1998 £'000
Goods held for resale	<u>67</u>	<u>240</u>

ENGLAND AND WALES CRICKET BOARD LIMITED
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NOTES TO THE ACCOUNTS
For the year ended 31 December 1999

12. DEBTORS

	1999 £'000	1998 £'000
Trade debtors	284	872
Other debtors	2,283	641
Prepayments and accrued income	1,933	1,812
Payments in respect of the World Cup	-	6,932
Debtors in respect of the World Cup	-	3,454
	<u>4,500</u>	<u>13,711</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £'000	1998 £'000
Trade creditors	1,508	2,389
Other creditors	134	122
Income receivable in respect of the World Cup	-	17,406
Corporation tax payable	146	100
Accruals and deferred income	3,221	831
	<u>5,009</u>	<u>20,848</u>

14. COMBINED STATEMENT OF MOVEMENTS IN MEMBERS' FUNDS AND STATEMENT OF MOVEMENT IN RESERVES

	Profit and loss account £'000	Members' funds £'000
At 1 January 1999	141	141
Retained loss for the year	(10)	(10)
At 31 December 1999	<u>131</u>	<u>131</u>

ENGLAND AND WALES CRICKET BOARD LIMITED
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NOTES TO THE ACCOUNTS

For the year ended 31 December 1999

15. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	1999 £'000	1998 £'000
Operating loss	(315)	(66)
Depreciation of tangible fixed assets	125	124
Amortisation of negative goodwill	-	(100)
Decrease/(increase) in stocks	173	(74)
Decrease/(increase) in debtors	9,211	(8,866)
(Decrease)/increase in creditors	(15,885)	15,256
Net cash (outflow)/inflow from operating activities	<u>(6,691)</u>	<u>6,274</u>

16. OPERATING LEASE COMMITMENTS

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

	1999			1998		
	Land and buildings £'000	Other £'000	Total £'000	Land and buildings £'000	Other £'000	Total £'000
Within one year	-	15	15	-	73	73
Between one and two years	-	35	35	-	36	36
Between two and five years	13	103	116	-	-	-
After five years	160	-	160	160	-	160
	<u>173</u>	<u>153</u>	<u>326</u>	<u>160</u>	<u>109</u>	<u>269</u>

17. PENSIONS

The company operates a defined benefit pension scheme, the ECB Retirement and Death Benefits Scheme ("the scheme"), whose assets are held in independent trustee administered funds. Contributions payable during the year were £354,000 (1998 - £484,000). Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation of the scheme was carried out as at 1 January 1997. The trustees are awaiting a valuation as at 1 January 2000.

The principal actuarial assumptions used were a rate of return on investments of 8½% per annum, salary increases of 6½% per annum and an allowance for pensions to increase at a rate in accordance with the scheme's rules, depending on the benefits.

At the valuation date the actuarial value of the assets on this basis was sufficient to cover 90% of the benefits that had accrued to members in the scheme. The actuarially assessed value of the scheme's assets was £3,379,000.

The company also made contributions to the ECB Group Pension Plan for Professional Cricketers and the ECB Group Pension Plan, both defined contributions schemes, amounting to £101,000 (1998 - £87,000) and £27,000 (1998 - £7,000) respectively.

NOTES TO THE ACCOUNTS
For the year ended 31 December 1999

18. RELATED PARTY TRANSACTIONS

The directors have identified a number of cricketing organisations for which payments and receipts by the ECB represents a significant source of income.

1. The eighteen first class counties, MCC, the Minor Counties Cricket Association ("MCCA"), the Minor County Clubs and Cricket Boards have charged ECB amounts totalling £29,314,000 (1998 - £28,551,000), 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 licence fees and other commercial agreements. As at 31 December 1999 ECB owed these parties £1,123,000 (1998 - £294,000) of unpaid fees.
2. The directors have identified Cambridge University Cricket Club, Irish Cricket Union, Koninklijke Cricket Bond, Danish Cricket Association, Oxford University Cricket Club, Professional Cricketers' Association, Lords.org Limited and Scottish Cricket Union as being related and to which ECB has made payments. During the period, amounts totalling £815,000 (1998 - £550,000) were paid to these organisations.
3. ECB paid £160,000 (1998 - £160,000) commercial rent to MCC in respect of the leasehold property.
4. ECB paid premiums of £260,000 (1998 - £616,000) to Reigndei Limited, an insurance company beneficially owned by the eighteen first class counties, MCC and the MCCA.
5. ECB made donations amounting to £nil (1998 - £2,350,000) to the Cricket Foundation during the year. Income of £398,000 (1998 - £378,000) was receivable by ECB from the Cricket Foundation in respect of development activities. As at 31 December 1999, £99,000 (1998 - £nil) was receivable.
6. Under the terms of the World Cup Organisation and Promotion Agreement, ECB has paid £16,524,000 (1998 - £3,278,000) to the ICC and its members in respect of the 1999 World Cup.

19. CONTINGENT LIABILITY

ECB has issued a stand-by letter of credit to an overseas broadcaster for the sum of US\$1,100,000 (£680,000) in respect of part of the 1999 licence fee income which may, under certain circumstances, be presented for payment by the broadcaster no later than 30 September 2002. The directors consider it unlikely in the present circumstances that a liability will be incurred.