

Company Registration No: 3251364

England and Wales Cricket Board Limited
(A company limited by guarantee)

Group Report and Financial Statements

31 December 2006

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England and Wales Cricket Board Limited
(A company limited by guarantee)

**Report and financial statements for the year ended
31 December 2006**

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England and Wales Cricket Board Limited
(A company limited by guarantee)

Report and financial statements for the year ended
31 December 2006

Officers and professional advisers

Bankers

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

Solicitors

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

Slaughter and May
35 Basinghall Street
London
EC2V 5DB

Registered office

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

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

England and Wales Cricket Board Limited

(A company limited by guarantee)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

Directors and their interests

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

Members of the board

F David Morgan

Dennis L Amiss

Keith Bradshaw (appointed 1 October 2006)

C Giles Clarke

David G Collier

Brian W Havill

Robert Jackson

Roger DV Knight (retired 30 September 2006)

Lord William Morris

John B Pickup

R Paul Russell

Michael J Soper

David P Stewart

Position with related parties

Chief Executive, Warwickshire CCC (until 31 May 2006)

Secretary & Chief Executive, MCC

Chairman, Somerset CCC, Chairman, Somerset CB

Director, Reigndel Limited

Secretary, Durham CB, Director, Durham CCC

Secretary & Chief Executive, MCC

Chairman, MCCA, Chairman, Cheshire CCC

Chairman, Glamorgan CCC

Honorary Life Vice President, Surrey CCC

Chairman, Surrey CCC

Other than as disclosed in Note 21 of the financial statements, no directors had at anytime during the year, any material interest in a contract with the company

Principal activities, review of operations and charitable donations

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

Turnover in 2006 amounted to £77,063,000 (2005 – £78,819,000) Cost of sales in 2006 amounted to £6,212,000 (2005 – £11,994,000)

Charitable donations by the England and Wales Cricket Board Limited to the England and Wales Cricket Trust Limited amounted to £6,577,000 (2005 – £8,300,000)

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

Included as a cost in the consolidated profit and loss account are donations to the Cricket Foundation of £585,000 (2005 - £50,000) and other charitable donations which totalled £355,000 (2005 - £23,000)

Future prospects

In 2007, the international programme should be similar to that which took place in 2006 There are scheduled to be seven npower Test Matches, four against West Indies and three against India In addition, there are to be ten NatWest One Day International matches – three against West Indies and seven against India, and two Natwest Twenty20 International Matches – both against West Indies

Results and dividends

The group made a profit on ordinary activities before taxation of £7,378,000 (2005 – profit of £9,808,000)

Retained profit of £7,345,000 (2005 – profit of £9,863,000) has been transferred to reserves No dividend was declared in the year (2005 – £nil)

England and Wales Cricket Board Limited

(A company limited by guarantee)

Directors' report

Principal risks and uncertainties

During 2006, the Board prepared a detailed Risk Analysis Report which

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

Major risks identified include

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

It has also been identified that the impact of such risks should they materialise is much greater because of the relatively low level of group and company reserves, even though such reserves have improved significantly in recent years

	Group reserves £'000	Company reserves £'000	Group reserves as a percentage of turnover %
2003	(4,154)	(4,154)	(5.6%)
2004	(2,672)	(2,672)	(3.6%)
2005	2,984	(5,321)	3.8%
2006	12,227	176	15.9%

Auditors

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

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

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

Approved by the Board of Directors on 15 March 2007
and signed on behalf of the Board of Directors



Brian W Havill
Company Secretary

England and Wales Cricket Board Limited

(A company limited by guarantee)

Statement of directors' responsibilities

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

United Kingdom company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the company 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, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume the company will not continue in business

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

Independent auditors' report to the members of England & Wales Cricket Board Limited (A company limited by guarantee)

We have audited the group and individual company financial statements (the "financial statements") of England & Wales Cricket Board Limited for the year ended 31 December 2006 which comprise the consolidated profit and loss account, the consolidated statement of recognised gains and losses, the consolidated and individual company balance sheets, the consolidated cash flow statement, the and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

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

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

**Independent auditors' report to the members of
England & Wales Cricket Board Limited
(A company limited by guarantee) (continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the individual company's affairs as at 31 December 2006 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

21 March 2007

England and Wales Cricket Board Limited
(A company limited by guarantee)

Consolidated profit and loss account
For the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Turnover	1	77,063	78,819
Cost of sales		(6,212)	(11,994)
Gross profit		70,851	66,825
Other operating expenses		(64,691)	(58,296)
Operating profit		6,160	8,529
Interest receivable and similar income		1,351	1,366
Interest payable and similar charges	9	(133)	(87)
Profit on ordinary activities before taxation	3	7,378	9,808
Tax (charge)/credit on profit on ordinary activities	10	(33)	55
Profit on ordinary activities after taxation for the year transferred to reserves	17	7,345	9,863

All activities arise from continuing operations Movements in members' funds are shown in note 17

Consolidated statement of total recognised gains and losses
Year ended 31 December 2006

	2006 £'000	2005 £'000
Profit for the financial year	7,345	9,863
Actuarial gain/(loss) relating to pension scheme (see note 20)	1,898	(4,207)
Total recognised gains and losses for the year	9,243	5,656

England and Wales Cricket Board Limited
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Consolidated balance sheet
As at 31 December 2006

	Notes	£'000	2006 £'000	£'000	2005 £'000
Fixed assets					
Tangible fixed assets	11		229		230
Current assets					
Stocks	12	82		80	
Debtors amounts falling due within one year	13	7,679		10,427	
Debtors amounts falling due after more than one year	13	255		200	
Investments	14	27,094		25,626	
Cash at bank and in hand		903		391	
			36,013	36,724	
Creditors: amounts falling due within one year	15	(22,943)		(11,759)	
Net current assets			13,070		24,965
Total assets less current liabilities			13,299		25,195
Creditors: amounts falling due after more than one year	16		(369)		(16,097)
Net assets excluding pension deficit			12,930		9,098
Pension deficit	20		(703)		(6,114)
Net assets including pension deficit			12,227		2,984
Reserves					
Profit and loss account	17		12,227		2,984
Members' funds	17		12,227		2,984

These financial statements were approved by the Board of Directors on 15 March 2007

Signed on behalf of the Board of Directors


F D Morgan
Director


B W Havill
Director

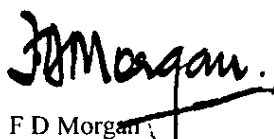
England and Wales Cricket Board Limited
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Company balance sheet
As at 31 December 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Tangible fixed assets	11	229	230
Current assets			
Stocks	12	82	80
Debtors amounts falling due within one year	13	7,603	10,427
Debtors amounts falling due after more than one year	13	255	200
Investments	14	15,694	17,530
Cash at bank and in hand		325	180
		<u>23,959</u>	<u>28,417</u>
Creditors amounts falling due within one year	15	<u>(22,940)</u>	<u>(11,757)</u>
Net current assets		<u>1,019</u>	<u>16,660</u>
Total assets less current liabilities		<u>1,248</u>	<u>16,890</u>
Creditors amounts falling due after more than one year	16	<u>(369)</u>	<u>(16,097)</u>
Net assets excluding pension deficit		<u>879</u>	<u>793</u>
Pension deficit	20	<u>(703)</u>	<u>(6,114)</u>
Net liabilities including pension deficit		<u>176</u>	<u>(5,321)</u>
Reserves			
Profit and loss account	17	<u>176</u>	<u>(5,321)</u>
Members' funds/(deficit)	17	<u>176</u>	<u>(5,321)</u>

These financial statements were approved by the Board of Directors on 15 March 2007

Signed on behalf of the Board of Directors


F D Morgan
Director


B W Havill
Director

England and Wales Cricket Board Limited
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Consolidated cash flow statement
For the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Net cash inflow from operating activities	18	618	2,660
Returns on investments and servicing of finance			
Interest received		1,351	1,366
Net cash inflow from returns on investment and servicing of finance		1,351	1,366
Taxation			
UK corporation tax received/(paid)		323	(1,042)
Overseas taxation paid		(49)	-
Net cash inflow/(outflow) from taxation		274	(1,042)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	11	(268)	(63)
Proceeds from the disposal of tangible fixed assets		5	-
Net cash outflow from capital expenditure and financial investment		(263)	(63)
Net cash inflow before management of liquid resources and financing		1,980	2,921
Management of liquid resources			
Increase in short term deposits		(1,468)	(2,701)
Management of liquid resources		(1,468)	(2,701)
Increase in cash during the year		512	220
Analysis of movement in net funds			
		2006 £'000	2005 £'000
Increase in cash during the year		512	220
Opening cash at bank at 1 January		391	171
Closing cash at bank at 31 December		903	391

England and Wales Cricket Board Limited

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Notes to the accounts

Year ended 31 December 2006

1 Accounting policies

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

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

Turnover

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

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

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 residual value over its useful economic life on the straight-line method.

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

Stocks

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

Current asset investments

Cash deposits are stated at cost.

Translation of foreign currencies

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

Leases

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

England and Wales Cricket Board Limited

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Notes to the accounts

Year ended 31 December 2006

1. Accounting policies (continued)

Deferred tax

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

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

Deferred tax assets and liabilities are not discounted.

Pensions

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

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

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

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

Grants

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

2 Liability of members

England and Wales Cricket Board Limited is a company limited by guarantee and has no share capital. Each member has guaranteed to contribute a sum not exceeding £10 for payment of the company's debts and liabilities should the company be wound up. There were 39 members as at 31 December 2006 and 2005.

England and Wales Cricket Board Limited
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Notes to the accounts
Year ended 31 December 2006

3. Profit on ordinary activities before taxation

	2006	2005
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Profit on foreign currency exchange	5	(23)
Operating leases		
Land and buildings	205	196
Other equipment	389	277
Depreciation of tangible fixed assets (note 11)	207	420
Loss on disposal of tangible fixed assets	57	-
	<hr/>	<hr/>
The analysis of auditors' remuneration is as follows		
Fees payable to the company's auditors for the audit of the company's annual accounts	50	42
Fees payable to the company's auditors for other services to the group	18	88
	<hr/>	<hr/>
Total audit fees	68	132
	<hr/>	<hr/>
Other services pursuant to legislation		
Tax services	18	-
Other services	-	88
	<hr/>	<hr/>
Total non-audit fees	18	88
	<hr/>	<hr/>

Fees payable to Deloitte & Touche LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis

4 Donations to Charities

Charitable donations to the England and Wales Cricket Trust Limited amounted to £6,577,000 (2005 – £8,300,000) As the England and Wales Cricket Trust Limited is a subsidiary, this amount is not reflected in the consolidated profit and loss account

A donation of £585,000 (2005 - £50,000) was paid to the Cricket Foundation during the year

Other Charitable Donations paid in 2006 were £355,000 (2005 – £23,000)

5. Directors' emoluments

Two directors received emoluments of £348,272 (2005 - £307,218) and pension contributions are £47,181 (2005 – £43,688)

No director is a member of the defined benefit pension scheme described in note 20

The emoluments of the highest paid director are £225,580 (2005 - £186,444) and pension contributions are £23,288 (2005 – £23,288)

6. Profit attributable to the company

The profit for the financial year dealt with in the financial statements of the parent company was £3,599,000 (2005 - £1,558,000) As permitted by section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of the parent company

England and Wales Cricket Board Limited
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Notes to the accounts
Year ended 31 December 2006

7 Investments

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

8. Employees

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

	2006	2005
	No.	No.
Cricketers	21	21
Umpires	16	16
Development staff	40	42
Coaching staff	29	27
Administration	53	47
	159	153
	£'000	£'000
Aggregate costs		
Wages and salaries	9,250	9,431
Social security	1,666	1,424
Other pension costs	1,405	997
	12,321	11,852
	£'000	£'000
Wages and salaries		
Cricketers*	4,032	3,969
Umpires	854	959
Development staff	943	1,217
Coaching staff	1,112	1,107
Administration	2,309	2,179
	9,250	9,431

* Costs exclude amounts paid to First Class Counties for the services of players. Such payments totalled £461,000 (2005 – £245,000).

9 Interest payable and similar charges

	2006	2005
	£'000	£'000
Net interest payable on pension scheme liabilities (see note 20)	133	87

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Notes to the accounts
Year ended 31 December 2006

10. Group tax charge on profit on ordinary activities

i) Analysis of tax charge on ordinary activities

	2006 £'000	2005 £'000
UK corporation tax (charge) at 30% (2005 – 30%) based on the taxable profit for the year	(55)	(49)
Adjustment in respect of prior year	22	104
Double taxation relief	55	34
	<u>22</u>	<u>89</u>
Foreign tax for current period	(55)	(34)
	<u>(33)</u>	<u>55</u>

ii) Factors affecting tax charge for the current period

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK - 30% (2005 - 30%)

The differences are explained below

	2006 £'000	2005 £'000
Profit on ordinary activities before tax	7,378	9,808
Tax charge at 30% thereon	(2,213)	(2,942)
Effects of		
Marginal rate relief	13	-
Adjustment in respect of prior year	22	104
Income not taxable	1,124	2,549
Expenses not deductible for tax purposes	(57)	(83)
Capital allowances in excess of depreciation/(depreciation in excess of capital allowances)	25	(27)
Pension contributions paid	1,215	582
Pension charges under FRS 17	(162)	(128)
	<u>(33)</u>	<u>55</u>
Current tax (charge)/credit for period	<u>(33)</u>	<u>55</u>

iii) Factors that may affect the future tax charge

Deferred tax assets have not been recognised as there is not sufficient certainty that asset will be recovered. Such assets totalled £432,000 (2005 - £2,062,000) in respect of both the pension deficit and the tax written down value being in excess of net book value of qualifying assets

England and Wales Cricket Board Limited
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Notes to the accounts
Year ended 31 December 2006

11 Fixed assets

Group and Company	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Software £'000	Total £'000
Tangible fixed assets				
Cost				
At 01 January 2006	61	1,239	610	1,910
Additions	-	268	-	268
Disposals	-	(842)	(610)	(1,452)
At 31 December 2006	61	665	-	726
Accumulated depreciation				
At 01 January 2006	41	1,029	610	1,680
Charge for the year	6	201	-	207
Disposals	-	(780)	(610)	(1,390)
At 31 December 2006	47	450	-	497
Net book value				
At 31 December 2006	14	215	-	229
At 31 December 2005	20	210	-	230

12 Stocks

Group and Company	2006 £'000	2005 £'000
Goods held for resale	82	80

13. Debtors

	Group		Company	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Amounts falling due within one year				
Trade debtors	2,439	6,118	2,439	6,118
Other debtors	3,480	3,074	3,404	3,074
Prepayments and accrued income	1,760	928	1,760	928
Corporation tax recoverable	-	301	-	301
Overseas tax recoverable	-	6	-	6
	7,679	10,427	7,603	10,427
Amounts falling due after more than one year				
Other debtors	255	200	255	200
Total debtors	7,934	10,627	7,858	10,627

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Notes to the accounts
Year ended 31 December 2006

14. Investments

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Cash deposits with terms less than 90 days	27,094	25,626	15,694	17,530

15. Creditors: amounts falling due within one year

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Trade creditors	590	1,817	590	1,817
Other creditors	605	1,132	602	1,130
Corporation tax payable	-	-	-	-
Deferred income	21,003	7,716	21,003	7,716
Accruals	745	1,094	745	1,094
	<u>22,943</u>	<u>11,759</u>	<u>22,940</u>	<u>11,757</u>

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

Group and Company

	2006	2005
	£'000	£'000
Other creditors	322	-
Deferred income	47	16,097
	<u>369</u>	<u>16,097</u>

England and Wales Cricket Board Limited
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Notes to the accounts
Year ended 31 December 2006

17. Reconciliation of movement in members' funds

	2006	2005
	£'000	£'000
Group		
Retained profit for the year	7,345	9,863
Actuarial gain/(loss)	1,898	(4,207)
	<u>9,243</u>	<u>5,656</u>
Net increase to members' funds	9,243	5,656
Opening members' funds/(deficit)	2,984	(2,672)
	<u>12,227</u>	<u>2,984</u>
Closing members' funds		
Company		
Retained profit for the year	3,599	1,558
Actuarial gain/(loss)	1,898	(4,207)
	<u>5,497</u>	<u>(2,649)</u>
Net increase/(decrease) to members' funds/(deficit)	5,497	(2,649)
Opening members' (deficit)	(5,321)	(2,672)
	<u>176</u>	<u>(5,321)</u>
Closing members' funds/(deficit)		

18. Reconciliation of group operating profit to net cash inflow/(outflow) from operating activities

	2006	2005
	£'000	£'000
Operating profit	6,160	8,529
Depreciation of tangible fixed assets	207	420
Loss on disposal of tangible fixed assets	57	-
Decrease in stocks	(2)	(36)
Decrease/(increase) in debtors	2,386	(4,900)
(Decrease)/increase creditors	(4,544)	249
Pension scheme charges	406	341
Pensions contributions paid	(4,052)	(1,943)
	<u>618</u>	<u>2,660</u>
Net cash inflow from operating activities	618	2,660

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19. Operating lease commitments

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

Group and company	2006			2005		
	Land and buildings £'000	Other £'000	Total £'000	Land and buildings £'000	Other £'000	Total £'000
Within one year	13	15	28	13	24	37
Between one and two years	-	84	84	-	45	45
Between two and five years		271	271	-	142	142
After five years	197	-	197	183	-	183
	<u>210</u>	<u>370</u>	<u>580</u>	<u>196</u>	<u>211</u>	<u>407</u>

20 Pensions

The group has made contributions to the ECB Group Pension Plan and the ECB Group Pension Plan for Professional Cricketers, both defined contributions schemes, amounting to £632,000 (2005 – £464,000) and £ 311,000 (2005 – £246,000) respectively

The group also operates a defined benefit pension scheme, the ECB Retirement and Death Benefits Scheme (“the Scheme”), whose assets are held in independent trustee administered funds. Standard contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The most recent full valuation of the Scheme was carried out as at 1 July 2005.

The standard monthly contributions made to the Scheme by the group were 41.7% of pensionable earnings up to October 2005 and they were then increased to a fixed amount of £138,333 per month plus 30.5% of salaries. Standard contributions have totalled £2,052,000 (2005 - £973,000). There are no member contributions. It is expected that standard monthly contributions of 30.5% of pensionable salary will be made in the year to 31 December 2007. In addition, the group has made special contributions into the Scheme of £2,000,000 (2005 - £970,000). In total, contributions payable to the Scheme were £4,052,000 (2005 - £1,943,000). The special contributions are payments in advance of £138,333 per month standard contributions, paid early in order for the deficit to be reduced sooner.

The group has adopted FRS 17 “Retirement Benefits”. The figures below have been based on full actuarial valuations as at 1 July 2005, updated to 31 December 2006 by an independent professional actuary.

The liabilities of the Scheme at 31 December 2006 were calculated on the following bases as required under FRS 17.

Assumptions	2006	2005	2004	2003	2002
Discount rate	5.00%	4.70%	5.25%	5.50%	5.50%
Rate of increase in salaries	3.25%	4.00%	3.25%	3.00%	3.00%
Inflation assumption	3.25%	3.00%	2.25%	2.00%	2.00%

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

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20. Pensions (continued)

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

Asset	Long term rate of return expected	2006 £'000	Long term rate of return expected	2005 £'000	Long term rate of return expected	2004 £'000
Equities	7.00% p.a.	6,381	7.00% p.a.	4,980	7.50% p.a.	4,239
Bonds	4.75% p.a.	6,881	4.25% p.a.	6,030	4.50% p.a.	4,512
Property	5.50% p.a.	55	5.50% p.a.	46	5.50% p.a.	308
Cash	3.50% p.a.	555	3.00% p.a.	903	3.00% p.a.	553
Total fair value of assets		13,872		11,959		9,612
Present value of scheme liabilities		(14,575)		(18,073)		(13,034)
Deficit in the scheme		(703)		(6,114)		(3,422)

The balance sheet position for the Scheme as calculated under FRS 17 as at 31 December 2006 is as follows

	2006 £'000	2005 £'000	2004 £'000
Fair value of assets	13,872	11,959	9,612
Present value of the Scheme liabilities	(14,575)	(18,073)	(13,034)
Deficit in the Scheme	(703)	(6,114)	(3,422)
Related deferred tax asset at 30%	-	-	-
Net deficit in the Scheme	(703)	(6,114)	(3,422)

A deferred tax asset has not been included in the balance sheet in respect of the pension deficit. In the opinion of the directors, it is not possible to conclude that it is more likely than not that this deferred tax asset would be recovered.

Analysis of the amount charged to operating profit under FRS 17	2006 £'000	2005 £'000
Current service cost	(406)	(341)
Past service charge	-	-
Total operating charge	(406)	(341)

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20. Pensions (continued)

Analysis of the amount (charged)/credited to other finance costs under FRS 17

	2006	2005
	£'000	£'000
Expected return on pension scheme assets	660	580
Interest on pension scheme liabilities	(793)	(667)
Net interest payable	<u>(133)</u>	<u>(87)</u>

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

	2006	2005
	£'000	£'000
Actual return less expected return on pension scheme assets	17	810
Experience gains and losses arising on the scheme liabilities	912	313
Changes in assumptions underlying the present value of the scheme liabilities	969	(5,330)
Actuarial gain/(loss)	<u>1,898</u>	<u>(4,207)</u>
Net movement in STRGL	<u>1,898</u>	<u>(4,207)</u>

Movement in deficit during the year

	2006	2005
	£'000	£'000
Deficit in scheme at beginning of the year	(6,114)	(3,422)
Movement in the year		
Current service cost	(406)	(341)
Contributions paid	4,052	1,943
Past service cost	-	-
Net interest payable	(133)	(87)
Actuarial gain/(loss)	<u>1,898</u>	<u>(4,207)</u>
Deficit in scheme at end of the year	<u>(703)</u>	<u>(6,114)</u>

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20 Pensions (continued)

FRS 17 – ‘five year history’

	2006		2005		2004		2003		2002	
	% of scheme assets/ liabilities		% of scheme assets/ liabilities		% of scheme assets/ liabilities		% of scheme assets/ liabilities		% of scheme assets/ liabilities	
	£'000		£'000		£'000		£'000		£'000	
Difference between expected and actual return on scheme assets	0	1	17	7	810	1	120	3	247	19
Experience gains and losses on scheme liabilities	6	912	2	313	1	(88)	1	(79)	6	(611)
Total amount recognised in statement of total recognised gains and losses (before deferred tax)	13	1,898	23	(4,207)	6	(779)	1	168	23	(2,336)

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21. Related party transactions

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

- 1 The eighteen first class counties, MCC, the Minor Counties Cricket Association ("MCCA"), the Minor County Clubs and Cricket Boards have charged the ECB amounts totalling £31,556,856 (2005 - £29,956,455), in respect of fees for the provision of ground facilities and cricketers for matches under the control of ECB, and amounts payable under the terms of memorandums of understanding, licence fees and other commercial agreements. As at 31 December 2006 the ECB owed these parties £408,600 (2005 - £505,000) 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 £8,198,000 (2005 - £9,683,000). As at 31 December 2006 the ECB was owed £655,300 (2005 - £1,109,644) from these parties. In addition the EWCT paid grants totalling £3,085,637 (2005 - £nil) to County Cricket Boards.
- 2 ECB has loans of £2,000,000 (2005 - £200,000) in aggregate due from the eighteen first class counties and the Professional Cricketers' Association.
- 3 The directors have identified Cambridge University Cricket Club, Irish Cricket Union, Koninklijke Cricket Bond, Danish Cricket Association, Oxford University Cricket Club, Professional Cricketers' Association and Scottish Cricket Union as also being related and to which ECB has made payments. During the period, amounts totalling £836,038 (2005 - £581,150) were paid to these organisations.
- 4 ECB paid £197,000 (2005 - £183,000) of commercial rent to MCC in respect of the leasehold property.
- 5 ECB paid premiums of £1,529,000 (2005 - £2,167,000) to Reigndel Limited, an insurance company beneficially owned by the eighteen first class counties, MCC and the MCCA. Claims receivable from Reigndel amounted to £265,000 (2005 - £322,000).
- 6 The group made donations amounting to £585,000 (2005 - £50,000) to the Cricket Foundation during the year. Income of £48,795 (2005 - £551,000) was received by the group from the Cricket Foundation by way of a grant in respect of development activities.
- 7 R Paul Russell, a member of the ECB board and the Chairman of Glamorgan CCC, has personally guaranteed payment of £1.2 million under the 2007-2009 staging agreement between the ECB and Glamorgan CCC, which was signed on 12 December 2006.