

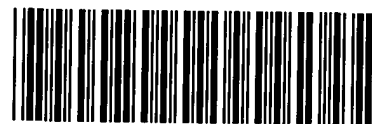
**Company Registration No. 3251364**

**England and Wales Cricket Board Limited**

**Annual Report and Financial Statements**

**31 January 2015**

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# **England and Wales Cricket Board Limited**

## **Report and financial statements**

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# **England and Wales Cricket Board Limited**

## **Report and financial statements**

## **Officers and professional advisers**

### **Directors**

C Giles Clarke CBE DL  
David G Collier (retired 30th September 2014)  
Matthew Fleming  
The Rt Hon Baroness Heyhoe Flint OBE DL  
Colin Graves  
Tom Harrison (appointed 19th January 2015)  
Brian W Havill  
Robert Jackson MBE (retired 20th May 2014)  
Ian Lovett  
The Hon Lord Morris of Handsworth OJ DL  
Andrew Nash  
John B Pickup MBE  
Jane Stichbury CBE QPM DL  
Richard Thompson  
James Wood (appointed 20th May 2014)  
Peter Wright

### **Secretary**

B W Havill

### **Registered Office**

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

### **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 1B

OnSide Law  
23 Elysium Gate  
126-128 New Kings Road  
London  
SW6 4LZ

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
2 New Street Square  
London  
EC4A 3BZ

# England and Wales Cricket Board Limited

## 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 the England Team's participation in world events run by the International Cricket Council (ICC)

Turnover in the year amounted to £174,679,000 (2014: £123,294,000). Cost of sales in the year amounted to £18,915,000 (2014: £17,794,000).

Included as an expense in the consolidated profit and loss account are donations to the Cricket Foundation of £3,750,000 (2014: £nil); Lords Taverners £800,000 (2014: £20,000); and other charitable donations which totalled £8,051 (2014: £7,500).

Charitable donations by the England and Wales Cricket Board Limited to the England and Wales Cricket Trust Limited amounted to £32,000,000 (2014: £12,000,000). 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.

### Results and dividends

The group made a profit on ordinary activities before taxation of £28,400,000 (2014: £9,067,000). The retained profit of £28,365,000 (2014: £9,008,000) has been transferred to reserves. No dividend was paid in the year (2014: £nil).

### 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 2015, the home international programme is similar to that which took place in 2014. There are scheduled to be seven Investec Test Matches, two against New Zealand and five against Australia; ten Royal London One Day International Matches, five against New Zealand and five against Australia; and two NatWest Twenty20 International Matches, one against New Zealand and one against Australia.

### 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 2015 were equivalent to 7 days (2014: 11 days) of purchases, based on the average daily amount invoiced by suppliers during the year.

# England and Wales Cricket Board Limited

## Strategic report

### 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.

	<b>Group reserves £'000</b>	<b>Company reserves £'000</b>	<b>Group reserves as a percentage of annual turnover</b>
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%

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

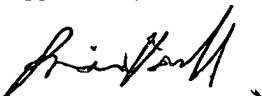
### Financial risk management objective and policies

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.

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



Brian W Havill

Company Secretary

9 April 2015

# England and Wales Cricket Board Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 January 2015.

### 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

C Giles Clarke CBE DL  
David G Collier (retired 30th September 2014)  
Matthew Fleming  
The Rt Hon Baroness Heyhoe Flint OBE DL  
Colin Graves  
Tom Harrison (appointed 19th January 2015)  
Brian W Havill  
Robert Jackson MBE (retired 20th May 2014)  
Ian Lovett  
The Hon Lord Morris of Handsworth OJ DL  
Andrew Nash  
John B Pickup MBE  
  
Jane Stichbury CBE QPM DL  
Richard Thompson  
James Wood (appointed 20th May 2014)  
Peter Wright

#### Position with related parties

Committee Member, Marylebone CC  
Committee Member, Marylebone CC  
Chairman, Yorkshire CCC (until 28 March 2015)  
  
Director, Reigndei Limited  
Chairman, Durham CB, Director, Durham CCC  
Chairman, Middlesex CCC  
  
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.

# England and Wales Cricket Board Limited

## Directors' report

### 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.

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



Brian W Havill  
Company Secretary  
9 April 2015

# **England and Wales Cricket Board Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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 2006. They 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.



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

We have audited the group and parent company financial statements (the "financial statements") of England and Wales Cricket Board Limited for the year ended 31 January 2015 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and individual company balance sheets, the consolidated cash flow statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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 (APB's) Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

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

### **Opinion on other matter prescribed by the Trade Union and Labour Relations (Consolidation) Act 1992**

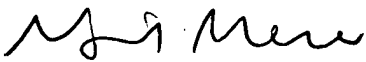
- The company has kept proper accounting records in accordance with section 28 of the 1992 Act
- The company has maintained a satisfactory system of control over its transactions in accordance with the requirements of section 28 of the 1992 Act.

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



Nigel Mercer ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
9 April 2015

# England and Wales Cricket Board Limited

## Consolidated profit and loss account Year ended 31 January 2015

	Notes	2015 £'000	2014 £'000
<b>Turnover</b>	1	174,679	123,294
Cost of sales		(18,915)	(17,794)
<b>Gross profit</b>		155,764	105,500
Other operating expenses		(128,036)	(97,035)
<b>Operating profit</b>		27,728	8,465
Interest receivable and similar income		672	602
<b>Profit on ordinary activities before taxation</b>	2	28,400	9,067
Tax on profit on ordinary activities	7	(35)	(59)
<b>Profit for the financial year</b>	16	28,365	9,008

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

## Consolidated statement of total recognised gains and losses Year ended 31 January 2015

	2015 £'000	2014 £'000
Profit for the financial year	28,365	9,008
Actuarial (loss)/gain relating to pension scheme (see note 19)	(2,335)	38
<b>Total recognised gains and losses for the year</b>	26,030	9,046

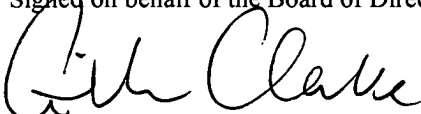
# England and Wales Cricket Board Limited

## Consolidated balance sheet As at 31 January 2015

	Notes	£'000	2015 £'000	£'000	2014 £'000
<b>Fixed assets</b>					
Intangible fixed assets	8		4,753		5,259
Tangible fixed assets	9		18		39
			<u>4,771</u>		<u>5,298</u>
<b>Current assets</b>					
Stocks	11	62		68	
Debtors: amounts falling due within one year	12	23,977		24,279	
Debtors: amounts falling due after more than one year	12	2,886		3,403	
Investments	13	54,219		37,306	
Cash at bank and in hand		12,656		10,495	
		<u>93,800</u>		<u>75,551</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(26,450)</u>		<u>(34,574)</u>	
<b>Net current assets</b>			<u>67,350</u>		<u>40,977</u>
<b>Total assets less current liabilities</b>			<u>72,121</u>		<u>46,275</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(314)</u>		<u>(2,005)</u>
<b>Net assets excluding pension deficit</b>			<u>71,807</u>		<u>44,270</u>
<b>Pension deficit</b>	19		<u>(1,768)</u>		<u>(261)</u>
<b>Net assets including pension deficit</b>			<u>70,039</u>		<u>44,009</u>
<b>Reserves</b>					
Profit and loss account	16		<u>70,039</u>		<u>44,009</u>
<b>Members' funds</b>	16		<u>70,039</u>		<u>44,009</u>

The financial statements of England and Wales Cricket Board Limited, (Company Registration No. 3251364) were approved by the Board of Directors on 9 April 2015.

Signed on behalf of the Board of Directors



C G Clarke  
Director



B W Havill  
Director

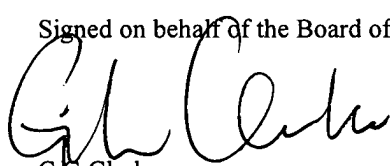
# England and Wales Cricket Board Limited

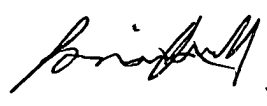
## Company balance sheet As at 31 January 2015

	Notes	£'000	2015 £'000	£'000	2014 £'000
<b>Fixed assets</b>					
Intangible fixed assets	8		4,753		5,259
Tangible fixed assets	9		18		39
Fixed asset investments	10		9,699		24,567
			<u>14,470</u>		<u>29,865</u>
<b>Current assets</b>					
Stocks	11	62		68	
Debtors: amounts falling due within one year	12	22,845		23,764	
Debtors: amounts falling due after more than one year	12	1,305		1,729	
Investments	13	5,015		4,090	
Cash at bank and in hand		5,393		1	
		<u>34,620</u>		<u>29,652</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(31,993)</u>		<u>(39,379)</u>	
<b>Net current assets/ (liabilities)</b>			<u>2,627</u>		<u>(9,727)</u>
<b>Total assets less current liabilities</b>			<u>17,097</u>		<u>20,138</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(314)</u>		<u>(8,907)</u>
<b>Net assets excluding pension deficit</b>			<u>16,783</u>		<u>11,231</u>
<b>Pension deficit</b>	19		<u>(1,768)</u>		<u>(261)</u>
<b>Net assets including pension deficit</b>			<u>15,015</u>		<u>10,970</u>
<b>Reserves</b>					
Profit and loss account	16		<u>15,015</u>		<u>10,970</u>
<b>Members' funds</b>	16		<u>15,015</u>		<u>10,970</u>

The financial statements of England and Wales Cricket Board Limited, (Company Registration No. 3251364) were approved by the Board of Directors on 9 April 2015.

Signed on behalf of the Board of Directors

  
C G Clarke  
Director

  
B W Havill  
Director

# England and Wales Cricket Board Limited

## Consolidated cash flow statement Year ended 31 January 2015

	Notes	£'000	2015 £'000	2014 £'000
<b>Net cash inflow/(outflow) from operating activities</b>	17		19,552	(7,064)
<b>Returns on investments and servicing of finance</b>				
Interest received		517	622	
<b>Net cash inflow from returns on investment and servicing of finance</b>			517	622
<b>Taxation</b>				
Overseas taxation paid		(35)	(59)	
<b>Net cash outflow from taxation</b>			(35)	(59)
<b>Capital expenditure and financial investment</b>				
Purchase of intangible fixed assets		(995)	(257)	
Disposal of intangible fixed assets		67	378	
<b>Net cash (outflow)/ inflow from capital expenditure and financial investment</b>			(928)	121
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>			19,106	(6,380)
<b>Management of liquid resources</b>				
Increase in short term deposits		(16,945)	(2,036)	
<b>Management of liquid resources</b>			(16,945)	(2,036)
<b>Increase/(decrease) in cash during the year</b>			2,161	(8,416)

### Analysis and reconciliation of movement in net funds

	2015 £'000	2014 £'000
Increase/(decrease) in cash during the year	2,161	(8,416)
Opening cash at bank at the beginning of the year	10,495	18,911
Closing cash at bank at the end of the year	12,656	10,495

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. They have been applied consistently during the current period 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 undertakings.

#### Going concern

At the balance sheet date the group had net current assets of £67.4 million, including deferred income balances of £19.3 million, and was holding combined cash and investments of £66.9 million. The group continues to have strong visibility of its broadcasting and sponsorship income for the period 2014-2015.

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.

#### Turnover

The group's turnover is derived primarily from cricket related activities carried out in the UK and in respect of the 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.

#### Tangible fixed assets

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

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

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

#### 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.

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 1. Accounting policies (continued)

#### Stocks

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

#### Investments

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

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.

The company uses the derivatives to hedge its exposures to changes in foreign currency exchange rates. The fair values are based on market values of equivalent instruments at the balance sheet date. The fair values are not recognised, and are disclosed within the notes to the accounts.

#### Leases

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

#### 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.

#### Pensions

The group operates both a defined contribution pension scheme and a defined benefit pension scheme. The group has implemented in full FRS 17 "Retirement Benefits" since 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.



# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 1. Accounting policies (continued)

#### Pensions (continued)

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.

### 2. Profit on ordinary activities before taxation

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation is stated after charging:		
Profit/(loss) on foreign currency exchange	101	(40)
Operating lease rentals:		
Land and buildings	296	296
Other equipment	543	446
Depreciation of tangible fixed assets (note 9)	21	32
Amortisation of intangible fixed assets (note 8)	1,434	1,436
The analysis of auditor's remuneration is as follows:		
Fees payable to the company's auditor for the audit of the group's annual accounts	61	61
The audit of the company's subsidiaries pursuant to legislation	7	7
<b>Total audit fees</b>	<b>68</b>	<b>68</b>
Tax services	43	54
Other	5	138
<b>Total non-audit fees</b>	<b>48</b>	<b>192</b>

### 3. Donation to charities

Charitable donations from the company to the England and Wales Cricket Trust Limited amounted to £32,000,000 (2014: £12,000,000). As the England and Wales Cricket Trust Limited is a subsidiary, this amount is not reflected in the consolidated profit and loss account.

Donations of £3,750,000 (2014: £nil) were paid to the Cricket Foundation during the year. Donations of £800,000 (2014: £20,000) were paid to Lords Taverners during the year.

Other charitable donations paid in the year were £8,051 (2014: £7,500).

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 4. Directors' emoluments

Three directors received emoluments totalling £400,715 (2014: £460,470), defined contribution pension contributions totalling £133,089 (2014: £73,571) and compensation for loss of office totalling £192,138 (2014: £nil). No other directors received any emoluments in either year.

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

The highest paid director received emoluments of £168,010 (2014: £290,173), defined contribution pension contributions of £30,266 (2014: £30,813) and compensation for loss of office totalling £192,138 (2014: £nil).

### 5. Profit attributable to the company

The profit for the financial period dealt with in the financial statements of the parent company was £6,380,000 (2014: £2,165,000). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company.

### 6. Employees

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

	2015 No.	2014 No.
Cricketers	38	29
Umpires #	30	28
Development staff	45	43
Coaching staff	53	46
Administration	84	76
	<u>250</u>	<u>222</u>
Aggregate costs	<b>£'000</b>	<b>£'000</b>
Wages and salaries	16,952	17,279
Social security	3,632	3,216
Other pension costs	2,207	2,061
	<u>22,791</u>	<u>22,556</u>
Wages and salaries	<b>£'000</b>	<b>£'000</b>
Cricketers	6,446	7,624
Umpires	1,387	1,386
Development staff	1,737	1,696
Coaching staff	2,628	2,457
Administration	4,754	4,116
	<u>16,952</u>	<u>17,279</u>

# Umpires are those umpires employed by the ECB to officiate in the domestic season in ECB matches. The total number of umpires employed in the year was 39 (2014: 39). The numbers in the table above reflect the fact that not all umpires are formally employed by the ECB for the entire year.

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 6. Employees (continued)

Costs exclude amounts paid to First Class Counties for the services of players. Such payments totalled £1,776,285 (2014: £844,125).

### 7. Tax charge on profit on ordinary activities

#### a) Analysis of tax charge on ordinary activities

	2015 £'000	2014 £'000
UK corporation tax charge at 21.32% (prior period 23.17%) based on the taxable profit for the year	-	-
Adjustment in respect of prior year	-	-
	<hr/>	<hr/>
Foreign tax for current year	(35)	(59)
	<hr/>	<hr/>
Current tax charge	<u>(35)</u>	<u>(59)</u>

#### b) Factors affecting tax charge for the current period

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK – 21.32 % (prior year: 23.17%). The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	28,400	9,067
	<hr/>	<hr/>
Tax (charge) at 21.32% thereon (prior year 23.17%)	(6,055)	(2,101)
Effects of:		
Profit not taxable	4,687	1,678
Income not taxable	1,227	448
Expenses not deductible for tax purposes	(34)	(60)
Capital allowances greater than depreciation	11	(2)
Pension payments accrued	(12)	-
Pension contributions paid	170	71
Pension charges under FRS 17	(34)	(62)
FRS 17 interest not taxable	40	28
Foreign tax	(35)	(59)
	<hr/>	<hr/>
	<u>(35)</u>	<u>(59)</u>

#### c) Factors that may affect the future tax charge

Deferred tax assets have not been recognised as there is not sufficient certainty that the assets will be recovered. Such assets totalled £690,000 (2014: £762,000) in respect of tax losses not utilised and the tax written down value of assets being in excess of the net book value of assets.

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 8. Intangible fixed assets

#### Group and Company

	<b>Total £'000</b>
<b>Cost</b>	
At 1 February 2014	9,561
Additions	995
Disposal	(67)
At 31 January 2015	<u>10,489</u>
<b>Accumulated amortisation</b>	
At 1 February 2014	4,302
Charge for the year	1,434
At 31 January 2015	<u>5,736</u>
<b>Net book value</b>	
At 31 January 2015	<u>4,753</u>
At 31 January 2014	<u>5,259</u>

### 9. Tangible fixed assets

	<b>Leasehold improvements £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 February 2014	63	443	506
Disposals	-	(143)	(143)
At 31 January 2015	<u>63</u>	<u>300</u>	<u>363</u>
<b>Accumulated depreciation</b>			
At 1 February 2014	63	404	467
Charge for the year	-	21	21
Disposals	-	(143)	(143)
At 31 January 2015	<u>63</u>	<u>282</u>	<u>345</u>
<b>Net book value</b>			
At 31 January 2015	<u>-</u>	<u>18</u>	<u>18</u>
At 31 January 2014	<u>-</u>	<u>39</u>	<u>39</u>

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 10. Fixed asset investment

	Company	
	2015	2014
	£'000	£'000
Subsidiary undertakings	9,699	24,567

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.

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 to 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 £15,500,000 were paid, hence the reduction in the net assets of the subsidiary and the resultant reduction in the value of the asset in the company's books.

### 11. Stocks

	2015	2014
	£'000	£'000
Group and Company		
Goods held for resale	62	68

### 12. Debtors

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year</b>				
Trade debtors	3,591	1,490	3,591	1,490
Amounts owed by group undertakings	-	-	29	376
Other debtors	16,285	19,277	15,124	18,386
Prepayment and accrued income	4,101	3,512	4,101	3,512
	23,977	24,279	22,845	23,764
<b>Amounts falling due after more than one year</b>				
Other debtors	2,886	3,403	1,305	1,729
<b>Total debtors</b>	<b>26,863</b>	<b>27,682</b>	<b>24,150</b>	<b>25,493</b>

Other debtors include loans advanced to First Class Counties of £7,875,000 (2014: £13,214,296).

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 13. Investments

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash deposits with terms less than one year	54,219	37,306	5,015	4,090

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

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	2,929	2,733	2,929	2,733
Other creditors	2,961	1,912	2,961	1,912
Deferred income	19,263	29,000	25,324	33,820
Accruals	1,297	929	779	914
	<u>26,450</u>	<u>34,574</u>	<u>31,993</u>	<u>39,379</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Other creditors	314	1,301	314	1,301
Deferred income	-	704	-	7,606
	<u>314</u>	<u>2,005</u>	<u>314</u>	<u>8,907</u>

### 16. Reconciliation of movement in members' funds

<b>Group</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Retained profit for the year	28,365	9,008
Actuarial (loss)/profit relating to pension scheme	(2,335)	38
Net increase to members' funds	<u>26,030</u>	<u>9,046</u>
Opening members' funds	44,009	34,963
Closing members' funds	<u>70,039</u>	<u>44,009</u>
<b>Company</b>		
Profit for the period	6,380	2,165
Actuarial (loss)/profit relating to pension scheme	(2,335)	38
Net increase in members' funds	<u>4,045</u>	<u>2,203</u>
Opening members' funds	10,970	8,767
Closing members' funds	<u>15,015</u>	<u>10,970</u>

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

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

	2015 £'000	2014 £'000
Operating profit	27,728	8,465
Amortisation of intangible fixed assets	1,434	1,436
Depreciation of tangible fixed assets	21	32
Decrease in stocks	6	66
Decrease in debtors	819	781
Decrease in creditors	(9,815)	(17,808)
Pension scheme charges	158	269
Pension contributions paid	(799)	(305)
Net cash inflow /(outflow) from operating activities	19,552	(7,064)

### 18. Operating lease commitments

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

	2015			2014		
	Land and buildings £'000	Other £'000	Total £'000	Land and buildings £'000	Other £'000	Total £'000
<b>Group and Company</b>						
Within one year	11	67	78	11	28	39
Between one and two years	-	153	153	-	72	72
Between two and five years	20	324	344	20	290	310
After five years	265	-	265	265	-	265
	296	544	840	296	390	686

### 19. Pensions

The group has made contributions to the ECB Group Pension Plan and the ECB Group Pension Plan for Professional Cricketers, both defined contributions schemes, amounting to £1,827,000 (2014: £1,557,000) and £380,000 (2014: £504,000) respectively.

The group also 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 standard monthly contributions made to the Scheme by the group were 31.6% 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 £799,000 (2014: £305,000).

The group has adopted FRS 17 "Retirement Benefits". The figures below have been based on full actuarial valuations as at 30 September 2013, updated to 31 January 2015 by an independent professional actuary.

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 19. Pensions (continued)

The liabilities of the Scheme at 31 January 2015 were calculated on the following bases as required under FRS 17:

Assumptions	2015 £'000	2014 £'000
Discount rate	3.10%	4.30%
Rate of increase in salaries	2.90%	3.50%
Inflation assumption	2.90%	3.50%
Expected return on scheme assets at the beginning of the year		

The rate of increase in pensions payment are determined by the scheme rules— being the lower of RPI and 5% on pension entitlements earned up to 30 June 2005, and the lower of RPI and 2.5% thereafter.

The overall expected return on assets is calculated as the weighted average of the expected returns on each individual asset class. The expected return on gilts and bonds is the current market yield on long term gilts and bonds. The expected return on equities and property are based on the rate of return on gilts with an adjustment for out-performance. The expected return on cash is based on the current interest rate set by the Bank of England.

Assumed life expectations on retirement at age 65 are:

	2015 Year	2014 Year
Retiring today:		
Males	24.2 years	24.2 years
Females	26.7 years	26.7 years
Retiring in 10 years:		
Males	25.8 years	25.8 years
Females	28.4 years	28.4 years

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	2015 £'000	Long term rate of return expected	2014 £'000
Equities	7.00%	8,309	7.00%	6,618
Bonds	3.50%	8,200	3.50%	8,395
Property	7.00%	3,856	7.00%	3,015
Cash	2.50%	631	2.50%	204
		<hr/>		<hr/>
		20,996		18,232
Present value of scheme liabilities		(22,764)		(18,493)
		<hr/>		<hr/>
(Deficit) in the scheme		(1,768)		(261)
		<hr/>		<hr/>



# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 19. Pensions (continued)

The balance sheet position for the Scheme as calculated under FRS 17 as at 31 January 2015 is as follows:

	2015 £'000	2014 £'000
Fair value of assets	20,996	18,232
Present value of the Scheme liabilities	(22,764)	(18,493)
(Deficit) in the Scheme	(1,768)	(261)
Related deferred tax asset	-	-
Net (deficit) in the Scheme	(1,768)	(261)
Balance sheet position	(1,768)	(261)

As in previous years, a deferred tax asset has not been recognised in respect of the pension deficit 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 the present value of the scheme liabilities:

	2015 £'000	2014 £'000
Balance at the beginning of the year	18,493	18,413
Current service cost	158	269
Interest cost	789	806
Actuarial loss/(gain)	3,760	(529)
Benefits paid	(436)	(466)
Balance at the end of the year	22,764	18,493

#### Reconciliation of the present value of the scheme assets:

	2015 £'000	2014 £'000
Balance at the beginning of the year	18,232	17,955
Expected return on scheme assets	976	929
Actuarial gain/(loss)	1,425	(491)
Contributions by the company	799	305
Benefits paid	(436)	(466)
Balance at the end of the year	20,996	18,232

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 19. Pensions (continued)

#### Analysis of the amount charged to operating profit under FRS 17

	2015 £'000	2014 £'000
Current service cost	158	269
Total operating charge	158	269
Analysis of the amount credited/(charged) to interest under FRS 17		
Expected return on pension scheme assets	976	929
Interest on pension scheme liabilities	(789)	(806)
Net interest receivable	187	123

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

	2015 £'000	2014 £'000
Actual return less expected return on pension scheme assets	1,425	(491)
Experience gains and losses arising on the scheme liabilities	444	548
Changes in assumptions underlying the present value of the scheme liabilities	(4,204)	(19)
Actuarial (loss)/gain	(2,335)	38
Net movement in STRGL	(2,335)	38

The cumulative amount of actuarial loss recognised in the statement of total recognised gains and losses since adoption of FRS 17 is £6,657,000 (2014: £4,322,000).

The actual return on scheme assets in the year was £2,401,000 (2014: £438,000). The company expects to contribute £155,000 to its defined benefit pension plan in the year ending 31 January 2016.

#### Movement in (deficit) during the year

	2015 £'000	2014 £'000
(Deficit) in scheme at the beginning of the year	(261)	(458)
Movement in the year		
Current service cost	(158)	(269)
Contributions paid	799	305
Net interest receivable	187	123
Actuarial (loss)/gain	(2,335)	38
(Deficit) in scheme at the end of the year	(1,768)	(261)

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 19. Pensions (continued)

#### FRS 17 — history of experience gains and losses

	% of scheme assets/ liabilities	2015 £'000	% of scheme assets/ liabilities	2014 £'000	% of scheme assets/ liabilities	2013 £'000	% of scheme assets/ liabilities	2012 £'000	% of scheme assets/ liabilities	2011 £'000
Difference between expected and actual return on scheme assets	8	1,425	3	(491)	3	588	3	(490)	4	583
Experience gains and losses on scheme liabilities	2	444	3	548	0.1	10	0.3	51	5	704
Total amount recognised in statement of total recognised gains and losses (before deferred tax)	13	(2,335)	0.2	38	5	(954)	10	(1,698)	3	453

#### FRS 17 – history of assets and liabilities

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Fair value of scheme assets	20,996	18,232	17,955	15,977	14,940
Present value of defined benefit obligation	(22,764)	(18,493)	(18,413)	(16,177)	(14,203)
Pension scheme (deficit)/surplus	<u>(1,768)</u>	<u>(261)</u>	<u>(458)</u>	<u>(200)</u>	<u>737</u>

### 20. Related party transactions

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

1. The eighteen First Class Counties, 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 £56,159,000 (2014: £33,039,000) 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 2015 the ECB owed these parties £nil (2014: £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 £11,217,000 (2014: £15,447,000). In addition, the EWCT paid grants totalling £6,230,000 (2014: £5,750,000) to the County Cricket Boards.
2. ECB has loans of £8,094,000 (2014: £13,284,000) 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 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 £1,723,000 (2014: £1,576,000) were paid to these organisations.
4. ECB paid £265,000 (2014: £265,000) of commercial rent to MCC in respect of the leasehold property. As at 31 January 2015, £22,000 was owing (2014: £22,000 owing).
5. Premiums payable by ECB to Reigndei Limited, an insurance company beneficially owned by the eighteen first class counties, MCC and the MCCA, were £1,988,000 (2014: £1,935,000). Claims receivable during the year from Reigndei Limited amounted to £850,000 (2014: £850,000). As at 31 January 2015 the ECB was owed £950,000 from Reigndei Limited (2014: nil).
6. The group made donations amounting to £3,750,000 (2014: £nil) to the Cricket Foundation during the year.
7. Colin Graves, a member of the ECB Board since 7 June 2010, is the 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.

# England and Wales Cricket Board Limited

## Notes to the financial statements Year ended 31 January 2015

### 21. Directors' indemnities

ECB has, in accordance with its Articles of Association, granted indemnities to each of the ECB directors. These indemnities constitute 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006 and were in force during the whole of the current period and prior years or from the date of appointment. The indemnities remain in force for the duration of a director's period of office. Copies of indemnities granted to existing directors are available for inspection at the ECB's registered office.

### 22. 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 2014 and 31 January 2015.

### 23. Derivatives not included at fair value

The company had derivatives which were not included at fair value in the accounts:

	Principal		Fair Value	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Forward exchange contracts	-	59,345	-	1,630

The company held contracts that exposed it to the financial risks of changes in foreign currency exchange rates. The company used foreign exchange forward contracts to mitigate these exposures.

The nominal value of the forward exchange contracts were £59,345,000 which were settled in March 2014 and May 2014. The fair values are based on market values of equivalent instruments at the balance sheet date.

At 31 January 2014, the company had three open foreign exchange forward contracts, which involved selling US dollars and buying Pounds Sterling. Market foreign exchange rates implied that at 31 January 2014, a similar contract for selling US dollars would have received £57,716,000 compared to £59,345,000 per the actual foreign exchange forward contracts. This generated the fair value gain of £1,630,000.