

Somerset County Cricket Club Limited

Number 29995R

**A Registered Society under the Co-Operative and Community Benefit Societies Act
2014**

Accounts for the Year to 30 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOMERSET COUNTY CRICKET CLUB LIMITED

We have audited the financial statements of Somerset County Cricket Club Limited for the year ended 30th September 2016 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 Club's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Club'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 Club and the Club's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the committee of management and auditor

The Committee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Committee is required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Club and of its excess of income over expenditure for that period. In preparing these financial statements, the Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Club will continue in business.

The Committee is responsible for maintaining satisfactory systems of internal control and keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Club and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Club and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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 Club's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Committee, 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. 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 Club's affairs as at 30th September 2016 and of its income and expenditure for the year then ended and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- proper books of account have not been kept by the Club in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Club in accordance with the requirements of the legislation;
- the income and expenditure account or the other accounts (if any) to which our report relates, and the balance sheet are not in agreement with the books of account of the Club or;
- we have not obtained all the information and explanations necessary for the purposes of our audit.

BJ Dixon Walsh Ltd

BJ Dixon Walsh Limited, Statutory Auditor
Chartered Accountants
Rumwell Hall
Rumwell
Taunton
Somerset
TA4 1EL

Date 24.11.16

Somerset County Cricket Club Limited

Accounts for the Year to 30 September 2016

Officers

Richard Parsons *	President
Andy Nash *	Chairman
David Gabbitass *	Vice Chairman & Area Representative – Devon & Cornwall
Matt Maynard*	Director of Cricket
Guy Lavender	Chief Executive
Malcolm Derry*	Honorary Treasurer
Rosalie Fairbairn *	
Nick Engert *	
Charles Clark *	
Peter Wanless *	
Viv Brewer	Area Representative – Bridgwater and West Somerset
Geoff Hepworth	Area Representative – Mid Somerset
David Foot	Area Representative – South Somerset & Dorset
Brian Daw	Area Representative – Taunton
Martin Parker	Area Representative – North Somerset & Bristol
John Scott	Area Representative – Weston-super-Mare
David Pope	Area Representative – Bath & Wiltshire

* - Member of Management Sub-Committee

Registered Office

The County Ground
St James's Street
Taunton TA1 1JT

Auditors

BJ Dixon Walsh Ltd, Statutory Auditor
Chartered Accountants
BJ Dixon Walsh Ltd
Rumwell Hall
Rumwell
Taunton
TA4 1EL

Somerset County Cricket Club Limited

Accounts for the Year to 30 September 2016

Treasurers Report

The attached financial statements have been prepared in accordance with the Club Rules (as amended).

The Company is a registered society under the Co-Operative and Community Benefit Societies Act 2014.

The Committee confirm that the accounts are prepared on a going concern basis.

Financial Review

I am pleased to report an excellent financial performance in 2016. A surplus for the year before taxation of £596,700 compares to a 2015 surplus of £330,389, an increase of £266,311 (81%). The Club benefited from a full year of operational activity on the new pavilion development, which together with an outstanding cricket performance, were key contributors in delivering these exceptional results.

Further, this has been achieved whilst still remaining committed to the financial goals of the Club:

- To operate within our budgets
- To meet our responsibilities in terms of loan and interest payments
- To ensure we have funds available for continued investment in cricket

The introduction of a new accounting standard (FRS102) has necessitated a valuation, on an open market basis, of the freehold land and buildings at the Cooper Associates County Ground. This revaluation has resulted in an uplift of the current holding value in the balance sheet of £93,460. A further consequence of this exercise is the removal of all qualifications on the audit report.

Income and Expenditure

Total income for the year of £4,261,791 was £181,666 (4%) up on last year, with direct cricket income of £1,538,481, comprising membership and gate receipts, up by 20% (£254,733).

Income received from the ECB of £1,943,909 was £107,384 (5%) down on last year.

Catering and Commercial continued to deliver excellent result, driven by the opening of the new facilities, and reaffirmed their importance to the financial performance of the Club.

We have supported our commitment to investing heavily on cricket, by further consolidating our position as an upper quartile investor in our playing squad, when compared to other FCC's. Indeed, when expressing total playing costs as a percentage of income Somerset rank 3rd in the list of FCC's.

Ground maintenance costs have increased in the year as the Club continue to make significant investments to its infrastructure, and particularly in the drainage of the playing surface.

The increase in financial charges is a function of the full year impact of interest payments on the loans taken to finance the development of the new pavilion. The sale of 25 St James Street was made in order to help fund the new pavilion development, and the profit on the sale of this asset was £115,022.

The overall expenditure of £3,698,783 was only 0.5% ahead of last year.

Balance Sheet

The strengthening of the balance sheet is a reflection of the investment the Club has made in its infrastructure, and in particular the development of the new pavilion.

The reduction in net debt in the year of £1.1M further serves to recognise the progress the Club has made in driving cash flows and effectively managing its debt obligations.

Cash/bank balances are in a very strong position at year end, but it should be noted that significant sums owed by the ECB were received just prior to the balance sheet date and that a number of creditors were due to be settled in October.

2016

The outstanding financial results have matched the exceptional performances achieved on the pitch, and are testament to all involved at the Club.

Whilst the financial future of the Club remains very positive we will continue to invest in strong financial controls and robust management to endure we are prepared for any challenges that may lie ahead.

The ambition of the Club remains to provide financial results that will enable us to further develop our superb cricket facilities, to significantly reduce the levels of debt whilst not detracting from any investment in cricket.



M F Derry
Honorary Treasurer

SOMERSET COUNTY CRICKET CLUB LIMITED

ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2016

INCOME & EXPENDITURE ACCOUNT

	Notes	2016 £	2015 £
Turnover		<u>6,230,158</u>	<u>5,621,403</u>
Income			
Subscriptions		850,694	736,227
Match Receipts		687,787	547,521
Commercial Income (net)		224,380	227,083
ECB Pool		1,943,909	2,051,293
Catering (net)		355,705	311,235
Car Parking, Rents, Lettings etc		192,430	186,985
Interest Received		3,022	13,895
Miscellaneous Income		3,864	5,886
		<u>4,261,791</u>	<u>4,080,125</u>
Expenditure			
Regional Academy		74,112	71,487
Cricket Costs		2,247,028	2,371,723
Ground Maintenance		550,903	460,690
Match Expenses		328,013	328,586
Administration		382,366	377,023
Finance Charges		135,048	100,572
Depreciation		96,335	86,390
Profit on Asset Disposal		-115,022	0
		<u>3,698,783</u>	<u>3,796,471</u>
Trading Surplus for the Year		563,008	283,654
Fund Raising and Donations		33,692	46,735
Surplus for the Year before Taxation	2	<u>596,700</u>	<u>330,389</u>
Taxation Charge	3	-69,039	-90,279
Surplus for the Year after Taxation		<u>527,661</u>	<u>240,110</u>
EBITDA		<u>670,111</u>	<u>411,681</u>

There are no acquisitions or discontinued operations in the current or preceding year.

SOMERSET COUNTY CRICKET CLUB LIMITED

ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2016

OTHER COMPREHENSIVE INCOME

	Notes	2016 £	2015 £
Surplus for the Year after Taxation		527,661	240,110
Other Comprehensive Income			
Freehold land & buildings revaluation		93,460	0
Deferred tax on revaluation		<u>-18,692</u>	<u>0</u>
		74,768	0
Total Comprehensive Income for the year		<u><u>602,429</u></u>	<u><u>240,110</u></u>

SOMERSET COUNTY CRICKET CLUB LIMITED

	2016	2015
	£	£
Commercial		
Sponsorship	66,026	48,273
Taunton		
Main Sponsors	340,111	297,055
Executive Boxes	101,492	67,000
Ground and Other Advertising	173,469	149,743
Handbook (Deficit)/Surplus	-7,163	456
Scorecards (Deficit)/Surplus	-3,864	-1,424
Miscellaneous Income	28,780	54,791
	<u>698,851</u>	<u>615,894</u>
Salaries and Administration Expenses	474,471	388,811
Surplus for the Year	<u>224,380</u>	<u>227,083</u>
Catering		
Sales	1,664,780	1,383,033
Cost of Sales	<u>518,128</u>	<u>419,085</u>
Gross Profit	1,146,652	963,948
Salaries	609,337	520,910
Overheads	<u>181,610</u>	<u>131,803</u>
Surplus for the Year	<u>355,705</u>	<u>311,235</u>
Fund Raising, Donations and Pavilion Appeal		
Area Donations	14,281	0
Donations and Legacies	19,411	2,700
<u>Pavilion Donations:</u>		
Taunton Area	0	5,927
Bath and Wiltshire Area	0	2,000
Weston-Super-Mare Area	0	412
Mid Somerset Area	0	605
Bridgwater and West Somerset Area	0	1,561
Devon and Cornwall Area	0	1,295
North Area	0	2,708
Club	0	29,527
	<u>33,692</u>	<u>46,735</u>
Regional Academy		
Salaries and Administration Expenses	<u>74,112</u>	<u>71,487</u>
Net Cost for the Year	<u>74,112</u>	<u>71,487</u>

SOMERSET COUNTY CRICKET CLUB LIMITED

	2016	2015
	£	£
Cricket Costs		
Salaries and Associated Costs	1,984,673	2,173,350
Womens Cricket	10,000	0
Clothing	8,563	9,135
Medical and Physio	72,119	51,123
Hotels and Travelling	124,276	102,951
Hotels and Travelling 2XI and Trialists	47,397	35,164
	<u>2,247,028</u>	<u>2,371,723</u>
Ground Maintenance		
Salaries and Expenses	99,198	89,622
Electricity, Gas and Water	117,446	111,541
Insurances	54,285	46,705
Rates	34,010	7,210
Repairs and Upkeep	245,964	205,612
	<u>550,903</u>	<u>460,690</u>
Match Expenses		
Seating and Tentage	7,772	32,017
Rent and Preparation	111,489	107,317
Gatemen	138,956	113,594
Catering	67,893	73,753
Uniforms	1,903	1,905
	<u>328,013</u>	<u>328,586</u>
Administration		
Salaries, Pensions, Welfare and Training	310,237	303,637
Audit Fees	8,750	9,150
Professional Charges	12,360	12,282
Donations Payable	3,949	11,717
Postage, Printing and Stationery	8,225	5,516
Telephone	7,424	5,470
Bad Debts Written Off	0	319
General Expenses	31,421	28,932
	<u>382,366</u>	<u>377,023</u>
Finance Charges		
Charges Payable	11,228	26,375
Interest Payable	123,820	74,197
	<u>135,048</u>	<u>100,572</u>

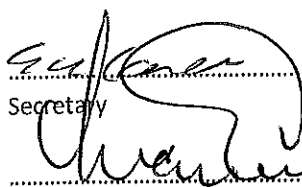
SOMERSET COUNTY CRICKET CLUB LIMITED


ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2016


BALANCE SHEET

	Notes	2016		2015	
		£	£	£	£
Fixed Assets	4	14,179,938		13,445,880	
Less: Grants Received		<u>1,490,000</u>		<u>1,190,000</u>	
			12,689,938		12,255,880
Current Assets					
Stocks	5	44,563		31,092	
Debtors	6	488,714		619,826	
Cash at Bank and In Hand		<u>739,381</u>		<u>230,159</u>	
		<u>1,272,658</u>		<u>881,077</u>	
Current Liabilities					
Bank Overdraft		0		602,946	
Other Loans		216,638		402,875	
Creditors	7	<u>1,317,881</u>		<u>550,284</u>	
		<u>1,534,519</u>		<u>1,556,105</u>	
Net Current Assets/(Liabilities)			<u>-261,861</u>		<u>-675,028</u>
			12,428,077		11,580,852
Liabilities due after more than one year	8		3,271,101		3,090,819
Deferred Tax	9		<u>304,988</u>		<u>241,257</u>
Net Assets			<u>8,851,988</u>		<u>8,248,776</u>
Members Funds					
General Fund					
Balance Brought Forward		8,243,980		8,003,870	
Net Surplus for the year		<u>527,661</u>		<u>240,110</u>	
Balance Carried Forward			8,771,641		8,243,980
Revaluation Reserve					
Revaluation		93,460		0	
Deferred Tax		<u>-18,692</u>		<u>0</u>	
Balance Carried Forward			74,768		0
Share Capital	11		<u>5,579</u>		<u>4,796</u>
			<u>8,851,988</u>		<u>8,248,776</u>

The financial statements were approved on behalf of the committee on 21st November 2016 by



 Secretary


 Committee Member


 Committee Member

SOMERSET COUNTY CRICKET CLUB LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2016

1. Accounting Policies

a) **Accounting Convention.** The accounts have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets.

b) **Depreciation.** Depreciation is provided on all tangible fixed assets at rates calculated to write off the costs of the assets evenly over their expected useful lives as follows:

Plant and Fixtures - Over 5 years

Freehold Land and Buildings - Over 50 years on the difference between cost and net realisable value.

Net realisable value, based in the RICS cost approach, is calculated annually and any impairment will be recognised in full in the Income & Expenditure Account.

c) **Stocks.** Stocks are valued at lower of cost and net realisable value.

d) **Deferred Taxation.** Provision is made at current rates for taxation deferred in respect of all material timing differences.

e) **Recognition of Income.** Membership subscriptions received in respect of the year ended 31st December 2016 and ECB distributions scheduled for receipt within the year ended 31st January 2017, are considered to relate to the 2016 Season and have been included in the accounts consistent with the policy of previous years. All other income is recognised in the period to which it accrues.

f) **Grants and Donations.** Grants and donations received towards the cost of specific items of capital expenditure have been credited in the Balance Sheet against the cost of the Asset.

g) **Share Capital.** Share Capital represents the number of qualifying members with a share allocated at £1 nominal value. As members join and leave the share capital is adjusted for the movement in effective share ownership.

h) **Fixed Assets.** All fixed assets are initially recorded at cost.

i) **Hire Purchase Agreements.** Assets obtained under hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their estimated useful lives. The interest element of these obligations is charged to the Income and Expenditure account over the relevant period. The capital element of the future payments is treated as a liability. Rentals paid under operating leases are charged to the Income and Expenditure account on a straight line basis over the period of the lease.

2. The surplus for the year is stated after charging:

	2016	2015
	£	£
Staff salaries and wages	3,144,255	3,176,373
Auditors remuneration	8,750	9,150
Bank interest	69,750	60,573
Hire purchase interest	0	0
Interest on other loans	<u>54,070</u>	<u>13,624</u>

3. Taxation

Analysis of tax charge

The tax charge on the trading surplus for the year was as follows:

Current tax:		
UK corporation tax	24,000	0
Under/(over) provision previous year	0	1,433
Deferred tax:		
Origination and reversal of timing differences	45,039	88,846
Tax on surplus on trading activities	<u>69,039</u>	<u>90,279</u>

SOMERSET COUNTY CRICKET CLUB LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2016

4. Fixed Assets

	Plant & Fixtures £	Freehold Land & Buildings £	Total £
Cost			
Brought Forward at beginning of Year	462,681	13,232,489	13,695,170
Additions	162,882	614,588	777,470
Revaluation	0	93,460	93,460
Disposals	<u>-69,948</u>	<u>-40,537</u>	<u>-110,485</u>
Carried Forward at end of Year	<u>555,615</u>	<u>13,900,000</u>	<u>14,455,615</u>
Depreciation			
Brought Forward at beginning of Year	249,290	0	249,290
Additions	96,335	0	96,335
Disposals	<u>-69,948</u>	<u>0</u>	<u>-69,948</u>
Carried Forward at end of Year	<u>275,677</u>	<u>0</u>	<u>275,677</u>
Net Book Value			
As at end of Year	<u>279,938</u>	<u>13,900,000</u>	<u>14,179,938</u>
As at beginning of Year	<u>213,391</u>	<u>13,232,489</u>	<u>13,445,880</u>

Included within Fixed Assets NBV of £14,179,938 is £1,345 relating to assets held under hire purchase. During the year depreciation of £375 has been charged to these assets.

Cost or valuation at 30 September 2016 is represented by:

	Plant & Fixtures £	Freehold Land & Buildings £	Total £
Cost	555,615	13,806,540	14,362,155
Revaluation in 2016	<u>0</u>	<u>93,460</u>	<u>93,460</u>
	<u>555,615</u>	<u>13,900,000</u>	<u>14,455,615</u>

If Freehold land & buildings had not been revalued they would have been included at the following historical cost:

	2016	2015
Cost	<u>13,806,540</u>	<u>13,232,489</u>
Aggregate depreciation	<u>0</u>	<u>0</u>
Value of freehold land & buildings	<u>1,400,000</u>	<u>1,400,000</u>

Freehold land & buildings were valued on an open market basis on 30 September 2016 by Chesters Commercial Ltd, Chartered Surveyors.

	2016	2015
5. Stocks		
Bar Stock	20,754	13,317
Other Stock	<u>23,809</u>	<u>17,775</u>
	<u>44563</u>	<u>31092</u>
6. Debtors	£	£
Trade Debtors	133,848	182,310
Other Debtors and Prepayments	54,866	85,237
Social Security and other Taxes	0	52,279
ECB Pool	<u>300,000</u>	<u>300,000</u>
	<u>488,714</u>	<u>619,826</u>

SOMERSET COUNTY CRICKET CLUB LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2016

	2016	2015
7. Creditors		
Trade Creditors	137,882	98,983
Other Creditors	213,290	30,200
Accruals and Deferred Income	485,715	325,284
Social Security and Other Taxes	456,919	94,542
Taxation	24,000	0
Hire Purchase	75	1,275
	<u>1,317,881</u>	<u>550,284</u>

8. Liabilities Due After More Than One Year

Bank Loans	1,927,881	1,955,141
ECB	500,000	225,000
Taunton Deane Borough Council	843,220	910,678
	<u>3,271,101</u>	<u>3,090,819</u>

Bank loans and overdrafts are secured by a first charge on the land and buildings

	2016	2015
	£	£
9. Provisions for Liabilities and Charges		
Deferred Taxation	<u>304,988</u>	<u>241,257</u>
Balance at 1 October 2015	241,257	
Reversal of timing differences	45,039	
Movement on revalued freehold land & buildings	<u>18,692</u>	
Balance at 30 September 2016	<u>304,988</u>	

10. Capital Commitments

There were no Capital Commitments at the year end.

11. Share Capital

5579 Ordinary shares of £1 each	<u>5,579</u>	<u>4,796</u>
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SOMERSET COUNTY CRICKET CLUB LIMITED

ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2016

CASHFLOW STATEMENT

	2016		2015	
	£	£	£	£
Reconciliation of operating surplus to net cash inflow from operating activities				
Surplus before taxation		596,700		330,389
Depreciation charges		96,335		86,390
Profit on disposal of fixed assets		-115,022		0
(Increase)/Decrease in stock		-13,471		-2,388
(Increase)/Decrease in debtors		131,112		-340,381
Increase/(Decrease) in creditors		773,497		-102,226
Services In Kind		-28,700		-65,400
Net cash inflow from operating activities		<u>1,440,451</u>		<u>-93,616</u>

Cashflow Statement

Net cash inflow from operating activities		1,440,451		-93,616
Taxation (Paid)		0		-5,678
Capital Expenditure				
Payments to acquire tangible fixed assets		-777,470		-3,126,689
Receipts from sale of fixed assets		155,559		0
Receipt of grants		300,000		1,000,000
		<u>1,118,540</u>		<u>-2,225,983</u>

Financing

Increase/(Decrease) in ordinary share capital		783		-98
Loans Advanced		150,000		1,850,000
Loan Repayments		-157,154		-1,179,632
			-6,371	670,270

Increase/(Decrease) in cash at bank, in hand and on deposit		<u>1,112,169</u>		<u>-1,555,713</u>
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Reconciliation of net cash flow to movement in net debt

(Decrease)/Increase in cash in period		1,112,169		-1,555,713
Loan Repayments		157,154		1,179,632
Services in Kind in lieu of Loan Repayments		28,700		65,400
Loan Advances		-150,000		-1,850,000
Change in net debt		<u>1,148,023</u>		<u>-2,160,681</u>
Net debt at 1.10.15		<u>-3,848,758</u>		<u>-1,688,077</u>
Net debt at 30.9.16		<u>-2,700,735</u>		<u>-3,848,758</u>

Analysis of changes in net debt

	At 1 Oct 2015 £	Cash Flows £	Other Changes £	At 30 Sept 2016 £
Cash in hand, at bank and on deposit	-372,789	1,112,170		739,381
Debt due within one year	-385,150	216,135		-169,015
Debt due after one year	-3,090,819	-180,282		-3,271,101
Total	<u>-3,848,758</u>	<u>1,148,023</u>	0	<u>-2,700,735</u>