

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 2015

Somerset County Cricket Club Limited

Accounts for the Year to 30 September 2015

Officers

Roy Kerslake *	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
Vic Marks *	
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
Richard Parsons	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 ENDED 30TH SEPTEMBER 2015

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 be able to report an excellent financial performance in 2015. A surplus for the year before taxation of £330,389 compares to a 2014 surplus of £239,943, an increase of £90,446 (38%). The year was expected to provide significant financial challenges due to the major off field upheavals associated with the new pavilion development and the subsequent loss of a number of key facilities. The declared result is a testament to all at the Club in delivering such a strong performance in demanding circumstances.

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

Our accounts once again carry a qualified audit report, as they have every year for the last fifteen years. The Committee remain of the opinion that the County Ground is an asset that we continue to invest in, and thus do not feel a necessity to provide for depreciation on an appreciating asset.

Income and Expenditure

Total income for the year of £4,080,125 was £189,538 (5%) up on last year, however direct cricket income of £1,283,748, comprising membership and gate receipts, was up by 10% (£115,791).

Income received from the ECB of £2,051,293 was £215,121 (12%) ahead of last year. Catering and commercial continued to deliver excellent results and reaffirmed their importance to the financial performance of the Club. The contributions of these areas was even more creditable bearing in mind the reduction in catering / commercial outlets due to the demolition of the old pavilion.

We have supported our commitment to investing heavily on cricket, by 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 as 2nd in the list of FCC's.

The increase in finance charges is solely a function of the interest payments on the loans taken to finance the development of the new pavilion.

The overall expenditure of £3,796,471 was only 1.8% ahead of last year.

Donations to assist in the build of the new pavilion contributed an invaluable £44,035 in the year.

The taxation charge for the year primarily relates to deferred tax which is unlikely to crystallise in the near future and will have minimal cash impact.

Balance Sheet

The balance sheet and cash flow continue to reflect the investment the Club has made in its infrastructure and in particular the development of the new pavilion. The total spend on the pavilion is anticipated to be £3.875m with a balance of £0.3m remaining to be committed at the balance sheet date.

Cash / bank balances are in an overdraft position at the year-end but recognise that the vast majority of funding obtained for the new development have now been utilised.

The ECB short term loan of £1m was converted to a Capital Grant in the year and this has further served to strengthen the balance sheet.

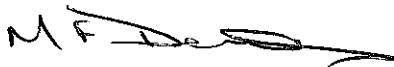
Net debt increased by £2.2m in the year as the Club drew down the balance of the loans from Barclays and Taunton Deane Borough Council to finance the new pavilion.

2015

The 2015 financial results show a significant increase on 2014. This outstanding financial performance was achieved against a backdrop of a major off field development and a disappointing cricket performance.

The delivery of the new pavilion and subsequent international cricket enables us to view the financial future of the Club in a very positive light. We recognise however that the investments made will require strong financial controls and management to ensure we minimise the risks associated with any venture of this scale.

The ambition of the Club is to continue to provide financial results that will enable us to significantly reduce the levels of debt whilst not detracting from any investment in cricket.



M F Derry
Honorary Treasurer

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 2015 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.

Basis for qualified opinion on the financial statements

As described in the accounting policies note, the Club does not provide for depreciation on freehold buildings. This accounting treatment is not in accordance with Financial Reporting Standard 15 "Tangible Fixed Assets". If depreciation had been accounted for, this would have resulted in a charge of £165,796, reducing the surplus for the year and reducing net assets by that amount. It is not possible to quantify the effect on the net book value of freehold buildings if depreciation had been provided on all buildings since their acquisition.

Qualified opinion on financial statements

In our opinion, except for the absence of the provision described in the Basis for Qualified Opinion paragraph above, the financial statements:

- give a true and fair view of the state of the Club's affairs as at 30th September 2015 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 *30/4/15*

SOMERSET COUNTY CRICKET CLUB LIMITED

ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2015

INCOME & EXPENDITURE ACCOUNT

	Notes	2015 £	2014 £
Turnover		<u>5,605,070</u>	<u>5,554,560</u>
Income			
Subscriptions		736,227	703,313
Match Receipts		547,521	464,644
Commercial Income (net)		227,083	166,737
ECB Pool		2,051,293	1,836,172
Catering (net)		311,235	368,341
Car Parking, Rents, Lettings etc		186,985	269,508
Interest Received		13,895	17,525
Miscellaneous Income		5,886	64,347
		<u>4,080,125</u>	<u>3,890,587</u>
Expenditure			
Regional Academy		71,487	121,076
Playing Costs		2,371,723	2,385,207
Ground Maintenance		460,690	469,920
Match Expenses		328,586	271,610
Administration		377,023	353,282
Finance Charges		100,572	24,009
Depreciation and Loss on Plant Disposal		86,390	104,038
		<u>3,796,471</u>	<u>3,729,142</u>
Trading Surplus for the Year		283,654	161,445
Fund Raising and Donations		46,735	78,498
Surplus for the Year before Taxation	2	<u>330,389</u>	<u>239,943</u>
Taxation Charge	3	-90,279	-29,143
Surplus for the Year after Taxation		<u>240,110</u>	<u>210,800</u>
EBITDA		<u>411,681</u>	<u>323,385</u>

There are no recognised Surpluses or Deficits for either year other than the surpluses for the years shown in the above Income and Expenditure Accounts.

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

SOMERSET COUNTY CRICKET CLUB LIMITED

	2015	2014
	£	£
Commercial		
Sponsorship	48,273	60,779
Taunton		
Main Sponsors	297,055	284,500
Executive Boxes	67,000	87,700
Ground and Other Advertising	149,743	99,082
Handbook Surplus	456	0
Scorecards (Deficit)/Surplus	-1,424	-1,880
Miscellaneous Income	54,791	16,724
	<u>615,894</u>	<u>546,905</u>
Salaries and Administration Expenses	388,811	380,168
Surplus for the Year	<u>227,083</u>	<u>166,737</u>
Catering		
Sales	1,383,033	1,520,622
Cost of Sales	419,085	547,936
Gross Profit	963,948	972,686
Bar Barrelage Discounts	0	0
	<u>963,948</u>	<u>972,686</u>
Salaries	520,910	509,742
Overheads	131,803	94,603
Surplus for the Year	<u>311,235</u>	<u>368,341</u>
Fund Raising, Donations and Pavilion Appeal		
Area Donations	0	0
Donations and Legacies	2,700	7,160
<u>Pavilion Donations:</u>		
Taunton Area	5,927	11,445
Bath and Wiltshire Area	2,000	1,590
Weston-Super-Mare Area	412	790
Mid Somerset Area	605	740
Bridgwater and West Somerset Area	1,561	1,799
Devon and Cornwall Area	1,295	3,054
North Area	2,708	2,110
Club	29,527	49,810
	<u>46,735</u>	<u>78,498</u>
Regional Academy		
Salaries and Administration Expenses	71,487	121,076
Net Cost for the Year	<u>71,487</u>	<u>121,076</u>

SOMERSET COUNTY CRICKET CLUB LIMITED

	2015	2014
	£	£
Playing Costs		
Salaries and Associated Costs	2,173,350	2,175,519
Clothing	9,135	4,358
Medical and Physio	51,123	72,944
Hotels and Travelling	102,951	99,399
Hotels and Travelling 2XI and Trialists	35,164	32,987
	<u>2,371,723</u>	<u>2,385,207</u>
Ground Maintenance		
Salaries and Expenses	89,622	87,102
Electricity, Gas and Water	111,541	115,286
Insurances	46,705	43,992
Rates	7,210	34,785
Repairs and Upkeep	205,612	188,755
	<u>460,690</u>	<u>469,920</u>
Match Expenses		
Seating and Tentage	32,017	12,937
Rent and Preparation	107,317	101,637
Gatemen	113,594	97,675
Catering	73,753	57,905
Uniforms	1,905	1,456
	<u>328,586</u>	<u>271,610</u>
Administration		
Salaries, Pensions, Welfare and Training	303,637	283,675
Audit Fees	9,150	7,550
Professional Charges	12,282	9,397
Donations Payable	11,717	2,651
Postage, Printing and Stationery	5,516	7,263
Telephone	5,470	11,481
Bad Debts Written Off	319	0
General Expenses	28,932	31,265
	<u>377,023</u>	<u>353,282</u>
Finance Charges		
Charges Payable	26,375	11,631
Interest Payable	74,197	12,378
	<u>100,572</u>	<u>24,009</u>

SOMERSET COUNTY CRICKET CLUB LIMITED

ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2015

BALANCE SHEET

	Notes	2015		2014	
		£	£	£	£
Fixed Assets	4	13,445,880		10,405,581	
Less: Grants Received		<u>1,190,000</u>		<u>190,000</u>	
			12,255,880		10,215,581
Current Assets					
Stocks	5	31,092		28,704	
Debtors	6	619,826		279,445	
Cash at Bank and In Hand		<u>230,159</u>		<u>1,579,925</u>	
		<u>881,077</u>		<u>1,888,074</u>	
Current Liabilities					
Bank Overdraft		602,946		397,000	
Other Loans		402,875		1,150,000	
Creditors	7	<u>550,284</u>		<u>692,180</u>	
		<u>1,556,105</u>		<u>2,239,180</u>	
Net Current Assets/(Liabilities)			<u>-675,028</u>		<u>-351,106</u>
			11,580,852		9,864,475
Liabilities due after more than one year	8		3,090,819		1,703,300
Deferred Tax	9		<u>241,257</u>		<u>152,411</u>
Net Assets			<u>8,248,776</u>		<u>8,008,764</u>
Members Funds					
General Fund					
Balance Brought Forward			8,003,870		7,793,070
Net Surplus for the year			<u>240,110</u>		<u>210,800</u>
Balance Carried Forward			8,243,980		8,003,870
Share Capital	11		<u>4,796</u>		<u>4,894</u>
			<u>8,248,776</u>		<u>8,008,764</u>

The financial statements were approved on behalf of the committee on 24th November 2015 by

G A Conder

 Secretary

John

 Committee Member

M Edwards

 Committee Member

SOMERSET COUNTY CRICKET CLUB LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2015

1. Accounting Policies

a) **Accounting Convention.** The accounts are prepared under the historical cost convention.

b) **Depreciation.** Depreciation is provided on all tangible fixed assets other than freehold land and buildings, 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

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 2015 and ECB distributions scheduled for receipt within the year ended 31st January 2016, are considered to relate to the 2015 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:

	2015	2014
	£	£
Staff salaries and wages	3,176,373	3,195,336
Auditors remuneration	9,150	7,550
Bank interest	60,573	56,276
Hire purchase interest	0	3,642
Interest on other loans	<u>13,624</u>	<u>22,946</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	0	4,245
Under/(over) provision previous year	1,433	-899
Deferred tax:		
Origination and reversal of timing differences	88,846	25,797
Tax on surplus on trading activities	<u>90,279</u>	<u>29,143</u>

SOMERSET COUNTY CRICKET CLUB LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2015

4. Fixed Assets

	Plant & Fixtures £	Freehold Land & Buildings £	Total £
Cost			
Brought Forward at beginning of Year	619,745	10,148,470	10,768,215
Additions	42,670	3,084,019	3,126,689
Impairment	-199,734	0	-199,734
Disposals	0	0	0
Carried Forward at end of Year	<u>462,681</u>	<u>13,232,489</u>	<u>13,695,170</u>
Depreciation			
Brought Forward at beginning of Year	362,634	0	362,634
Additions	86,390	0	86,390
Disposals	-199,734	0	-199,734
Carried Forward at end of Year	<u>249,290</u>	<u>0</u>	<u>249,290</u>
Net Book Value			
As at end of Year	<u>213,391</u>	<u>13,232,489</u>	<u>13,445,880</u>
As at beginning of Year	<u>257,111</u>	<u>10,148,470</u>	<u>10,405,581</u>

Included within Fixed Assets NBV of £13,445,880 is £1,720 relating to assets held under hire purchase.
During the year depreciation of £155 has been charged to these assets.

	2015	2014
5. Stocks		
Bar Stock	13317	13965
Other Stock	<u>17775</u>	<u>14739</u>
	<u>31092</u>	<u>28704</u>
6. Debtors	£	£
Trade Debtors	182,310	105,881
Other Debtors and Prepayments	85,237	33,564
Social Security and other Taxes	52,279	0
ECB Pool	<u>300,000</u>	<u>140,000</u>
	<u>619,826</u>	<u>279,445</u>
7. Creditors		
Trade Creditors	98,983	67,731
Other Creditors	30,200	67,200
Accruals and Deferred Income	325,284	264,331
Social Security and Other Taxes	94,542	288,673
Taxation	0	4,245
Hire Purchase	<u>1,275</u>	<u>0</u>
	<u>550,284</u>	<u>692,180</u>
8. Liabilities Due After More Than One Year		
Bank Loans	1,955,141	1,674,600
ECB	225,000	0
Taunton Deane Borough Council	<u>910,678</u>	<u>28,700</u>
	<u>3,090,819</u>	<u>1,703,300</u>

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

SOMERSET COUNTY CRICKET CLUB LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2015

	2015 £	2014 £
9. Provisions for Liabilities and Charges		
Deferred Taxation	<u>241,257</u>	<u>152,411</u>
Balance at 1 October 2014	152,411	
Reversal of timing differences	<u>88,846</u>	
Balance at 30 September 2015	<u>241,257</u>	

10. Capital Commitments

At the end of the financial year the building of the new pavilion was not complete with a commitment of approx. £300k yet to be billed. A new drainage and irrigation system of approx £250k had been agreed.

11. Share Capital

4796 Ordinary shares of £1 each	<u>4,796</u>	<u>4,894</u>
---------------------------------	--------------	--------------

SOMERSET COUNTY CRICKET CLUB LIMITED

ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2015

CASHFLOW STATEMENT

	2015		2014	
	£	£	£	£
Reconciliation of operating surplus to net cash inflow from operating activities				
Surplus before taxation		330,389		239,943
Depreciation charges		86,390		104,038
Loss/(Profit) on disposal of fixed assets		0		0
(Increase)/Decrease in stock		-2,388		3,788
(Increase)/Decrease in debtors		-340,381		51,891
(Decrease) in creditors		-102,226		-225,230
Services In Kind		-65,400		-65,400
Net cash inflow from operating activities		<u>-93,616</u>		<u>109,030</u>

Cashflow Statement

Net cash inflow from operating activities		-93,616		109,030
Taxation (Paid)		-5,678		-39,539
Capital Expenditure				
Payments to acquire tangible fixed assets		-3,126,689		-438,796
Receipts from sale of fixed assets		0		0
Receipt of grants		1,000,000		0
		<u>-2,225,983</u>		<u>-369,305</u>
Financing				
(Decrease) in ordinary share capital		-98		-232
Loans Advanced		1,850,000		0
Loan Repayments		<u>-1,179,632</u>		<u>-24,790</u>
		670,270		-25,022
Increase/(Decrease) in cash at bank, in hand and on deposit		<u>-1,555,713</u>		<u>-394,327</u>

Reconciliation of net cash flow to movement in net debt

(Decrease)/Increase in cash in period		-1,555,713		-394,327
Loan Repayments		1,179,632		24,790
Services in Kind in lieu of Loan Repayments		65,400		65,400
Loan Advances		<u>-1,850,000</u>		<u>0</u>
Change in net debt		<u>-2,160,681</u>		<u>-304,137</u>
Net debt at 1.10.14		<u>-1,688,077</u>		<u>-1,383,940</u>
Net debt at 30.9.15		<u>-3,848,758</u>		<u>-1,688,077</u>

Analysis of changes in net debt

	At 1 Oct 2014	Cash Flows	Other Changes	At 30 Sept 2015
	£	£	£	£
Cash in hand, at bank and on deposit	1,182,925	-1,555,713		-372,788
Debt due within one year	-1,167,701	782,551		-385,150
Debt due after one year	-1,703,300	-1,452,919	65,400	-3,090,819
Total	<u>-1,688,076</u>	<u>-2,226,081</u>	<u>65,400</u>	<u>-3,848,757</u>