

MIDDLESEX COUNTY CRICKET CLUB LIMITED

**ANNUAL REPORT
& FINANCIAL STATEMENTS
AND A.G.M. NOTICE & AGENDA
FOR THE YEAR ENDED 31 DECEMBER 2016**



**MIDDLESEX
CRICKET**

NOTICE AND AGENDA OF THE ANNUAL GENERAL MEETING 2017

Notice is hereby given that the 153rd Annual General Meeting of the Club will be held in the Nursery Pavilion at Lord's Cricket Ground, London NW8 8QN, on Wednesday 12th April 2017 at 5.30pm for the purpose of transacting the business listed in the Agenda below.

Members will be asked to show a valid 2016 membership card in order to gain admission to the meeting. Attention is drawn to Rule 9.4 of the Rules of the Club, which states, "Only Full Members and Associate Members may attend and vote at any General Meeting".

March 2017

R J Goatley
Secretary

TEA, COFFEE AND BISCUITS WILL BE AVAILABLE IN THE NURSERY PAVILION FROM 5.00PM.

AGENDA

1. Address by the Chairman M O'Farrell
2. To receive and, if approved, to adopt the report of the Executive Board.
3. To receive and, if approved, to adopt the Statement of the Accounts for the year ended 31 December 2016.
4. To re-elect two members of the Executive Board.

Proposed by IN Lovett and seconded by N Ross that CFE Goldie be re-elected to the Executive Board.

Proposed by A Shah and seconded by C Elliott that R Sykes be re-elected to the Executive Board
5. To elect a new President. Proposed by HC Latchman and seconded by CT Radley that JE Emburey be elected President
6. To re-elect the Chairman. Proposed by D Kendix and seconded by RJ Baxter that M O'Farrell be elected as Chairman
7. To appoint the auditors and to authorise the Executive Board to determine their remuneration under Rule 24.1.
8. To consider 'Any Other Business' that may under Rule 20.6.6 be considered.



MIDDLESEX COUNTY CRICKET CLUB 2017

Founded 1864

Patron: HRH The Prince Philip, Duke of Edinburgh KG KT

REGISTERED OFFICE:

Lord's Cricket Ground
St Johns Wood Road
London
NW8 8QN

As at 31 December 2016

PRESIDENT

H C Latchman

LIFE VICE PRESIDENT

P H Edmonds R A Gale A E Moss M P Murray G W Norris
P H Parfitt C T Radley R V C Robins I N Lovett

STAFF

Secretary/Chief Executive: R J Goatley
Managing Director of Cricket: A R C Fraser MBE
Commercial Director: R Lynch
Director of Participation: Miss K Berry
Fleet Manager & Committee Host: E C P Howes
Commercial Manager: Miss L Angus
PR, Media & Marketing Manager: S Fletcher
Operations/Events Manager: Miss L Poole
Membership Secretary: Miss J Blakesley
Membership Administrator: Mrs S Reingold

Financial Controller: J G Keightley
Head Coach: R J Scott
Assistant Coach: R L Johnson
Assistant Coach: D Houghton
Head of Youth Cricket: A J Coleman
Physiotherapist: P Waxman
Strength & Conditioning: A Mitchell
1st Team Scorer: D K Shelley
Cricket Operations Manager: M Fryer

Bankers: Barclays Bank PLC, Clydesdale Bank PLC

Auditors: Fitzgerald & Law LLP

TRUSTEES OF MIDDLESEX CRICKET TRUST

Chairman: C F E Goldie **Honorary Treasurer:** R J Goatley

Trustees: L Farrant, D F Hiles, D R Holland, P J Lowrey, A E Moss, G C Pettet, R V C Robins, A Soni

COMMITTEE OF THE SEAXE CLUB

President: A Ashton

Chairman: M O' Farrell **Deputy Chairman:** A D Seth-Smith **Honorary Treasurer:** P E J Jackson

Secretary: Mrs E Knight, S G Baldwin, Miss B M Buxton, G W Norris, L W Rowland

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CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016



The chairman presents his statement for the period.

Despite this being one of several articles I have written about 2016, I am a little sad that I am now writing my final word on my first season as your Chairman. It has been a truly wonderful year and bringing the County Championship trophy back to Lord's for the first time in 23 years was an incredible moment for everyone associated with the club. The joyous celebrations of players, staff, members and supporters was a great validation of all the work the club has put in over many years and I am sure you all enjoyed it as much as we did.

And didn't we deserve it? Regardless of any controversy over the declaration at Lord's, the unavailability of England players or the turning pitches at Taunton, it was really gratifying that, without exception, all the other counties I have spoken to thought we were the rightful, and deserving, winners. This was most evidenced by the sporting reaction of the Yorkshire players and management in defeat which was much appreciated and serves as an example to us all.

The Championship was very much a team effort. Whilst there were some brilliant individual performances, notably from Nick Gubbins, Toby Roland-Jones, John Simpson and others, the whole squad contributed brilliantly and, despite injuries and unavailability, those playing were always able to dig deep and complete a remarkable unbeaten season. If there was a key moment, I would suggest that winning at Taunton in July against what turned out to be our closest challengers would take pride of place. With Finn, Murtagh and Roland-Jones all unavailable, the replacement pace attack of Fuller, Harris and Podmore proved the value of a deep squad by taking 18 wickets between them, leaving us a formidable target of 302 in 46 overs. In days gone by, we may have been happy to settle for a draw, but our boys chased down the target with a Simpson six in the final over. From that match onward, we became the front runners, a position we were to hold until the end of the season.

Enough has already been written about the final match against Yorkshire but the memories will undoubtedly be enshrined in the history of the club forever. We are all tremendously fortunate to have been part of it. It has been a wonderful year.

Away from the red ball, progress was made in the shorter forms of the game. We reached the knock out stages of the T20 Blast for the first time since winning the tournament in 2008 and results undoubtedly improved. Our desire for stronger performances in this form of the game led us to sign Brendon McCullum for part of the tournament and he certainly galvanised the squad with some powerful innings. In the off season, we have re-doubled our efforts through the signing of Dan Vettori as our coach for our next three T20 Blast campaigns. Daniel is very highly regarded throughout the world as a very progressive and talented coach and his vast experience



of coaching Royal Challengers Bangalore and Brisbane Heat will be of great benefit to our team. Most importantly, Dan has already integrated well with our coaching staff and I am confident that he will be a popular and successful addition to the club.

The club continues to play a key role for the International side. Eoin Morgan deserves great praise for the way he has revolutionised England's approach to limited overs cricket and, all being well, he will proudly lead England into the Champions Trophy this year with a great chance of success. Nick Compton and Steven Finn also represented the England Test side against Sri Lanka and Pakistan in addition to their role in our Championship success.

The second XI, expertly marshalled by Richard Johnson and Alan Coleman had another excellent year. They retained their 2nd XI T20 title with a nail biting victory over

Somerset (who must be sick of the sight of Middlesex) and nearly emulated their first XI colleagues in winning the Championship, only to be denied in the final by Durham. The excellence of the 2nd XI provided great strength in depth for the club and bodes extremely well for the future.

Off the field, we have added two excellent new members to our Executive Board: Eddie Villiers and Richard Sykes. We had identified that we would appreciate some additional skills in the commercial and governance area of the Board and Eddie and Richard have already made some very important contributions to the club and we are very grateful for their assistance.

The club continues to work extremely closely with the Middlesex Cricket Board in driving participation across the county. It is critically important that the club grows the game within the county to generate more players, members, spectators and volunteers for the entire club network. The ECB has produced an exciting new strategy called 'Cricket Unleashed' and we are very optimistic that we can deploy this with great success.

The Cricket Board also works very closely with the Middlesex Cricket Trust, chaired by Chris Goldie. The work of the trustees is hugely valuable in generating income for deserving cricket causes and has made possible many projects which have enabled young people to play cricket.

The commercial department has been completely revolutionised by the recruitment of a new Commercial Director Rob Lynch. Rob has already brought in a wealth of new sponsors and the fruits of his labour will be really evident in 2017. We were particularly delighted to re-sign our major sponsor, Brooks Macdonald, for a three year term until 2019. They have been a fantastic source of support for the club throughout their tenure and we are particularly pleased that they have seen the value of extending this relationship. My thanks go to Chris Macdonald and his team and I am sure that he is hoping that their logo will be splashed across the back pages of the newspapers again this coming September.

This County Club is special in so many ways so let me close by highlighting some examples of what I believe makes us different:

- We have a growing and expanding partnership with the MCC and I would like to thank Derek Brewer, Colin Maynard, Jon Robinson and their colleagues for that.
- We have Seaxe, that wonderful club within a club that supports up and coming young players to enable them to develop their skills.
- We have a group of people within the Middlesex Cricket Board (MCB) who take cricket to all those places where it is not easily accessible, and to people who would not normally be able to play for a variety of reasons. The MCB, this season, will also continue to offer apprenticeships within the County.

- We have a small but very committed staff who work so hard to make things happen both at Lords and at the out grounds.
- We have a Board you elected to represent your interests; they are all volunteers who give of their time because of their love of this great game and who work together taking collective responsibility on your behalf for all that happens on and off the field.

Finally, we have you, the members who support, contribute, challenge, cajole and motivate all of us to do the best we can for this club with its great history. My thanks to you all.

*M O'Farrell
Chairman
7 March 2017*



EXECUTIVE BOARD MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The Executive Board members present their report and the financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the Club in the year under review was that of a cricket club.

BUSINESS REVIEW

The Club's financial performance in 2016 was the best for several years. Having made a pre tax loss of £284,000 in 2015, the profit of £117,000 in 2016 represents a significant turnaround of £401,000. This also means that, instead of drawing down on our reserves, as has typically occurred in previous years, they have instead been strengthened.

The two main components of this change are a reduction of £232,000 in our operating loss (from £324,000 to £92,000) and, thanks largely to the strong equity markets in 2016, an improvement of £162,000 in the return on our investment portfolio. Although the latter is largely outside the club's control, it is important to recognise that this portfolio, as well as providing financial security in difficult times, is an important source of long term income for the Club. The remainder of our investment portfolio, two residential properties rented by our players, continues to be a strong capital asset.

The greatly reduced operating loss is partly attributable to the removal of one off staff costs incurred in 2015. However the majority of the improvements can be linked to a series of positive trends and management initiatives.

Quite rightly, the vast majority of the prize money for winning the championship went to the players and coaching staff. However around £50,000 was retained as a source of profit for the Club.

The MCC agreement continues to provide the Club with excellent value and financial stability. This value stems not only from the formula driven lump sum paid in lieu of gate receipts for matches played at Lord's, but our ability to harness MCC's office services and purchasing power. As a minor example, the printing of this booklet was this year outsourced to MCC for a lower cost than we could previously achieve.

As shown by the crowds attending the Championship match against Yorkshire, as well as our improved T20 performances, MCC has a clear commercial interest in Middlesex being successful on the field. This alignment has helped turn our agreement from a financial contract into a true partnership.

Away from Lord's, outground revenues grew sharply, in particular thanks to the sell out at Richmond and respectable ticket and hospitality sales elsewhere. Membership income also grew at a healthy rate through a range of initiatives to 'spread the word' that we offer excellent value with no waiting list.

One of the most significant improvements has come in our profits from commercial, sponsorship and hospitality, with scope for significantly more upside in 2017. The creation of a Commercial Director role has finally given the Club the expertise and resources to identify a range of companies that will pay to be associated with our brand. As county champions, this potential should grow further.

As for all counties, profits in any one year will depend heavily on the distributions made by ECB. On a like for like basis, the club benefited from an extra £130,000 in 2016. Payments in respect of England appearances at all levels (including Lions and U19) remain strong, however until some of our hugely talented squad make the final step up, our

finances will remain heavily dependent on the fitness and selection of Eoin Morgan and Steven Finn.

Our costs base, for both cricket and administration, is carefully managed, with opportunities for further efficiencies always being sought. However we are a growing club, in terms of membership, commercial reach and ambition. Therefore the Board will not be afraid to fund this growth where we can see a suitable long term return. Investment in our academy and youth cricket remains a priority as does broadening participation levels in communities with a great love of cricket but limited opportunities to play.

The Club remains on course to eliminate its operating losses by 2018. However, looking further ahead, it is far harder to forecast the financial outlook for the Club. The expected introduction of a second domestic T20 event in 2020, but one in which the counties will not be participants, will significantly change our business model. The Board will continue to seek greater clarity from the ECB as these plans develop.

EXECUTIVE BOARD MEMBERS

The Executive Board members who served during the year were:

M O'Farrell
J C Lowe
M W Gatting
C F E Goldie
A D Seth-Smith
A H West

R J Baxter
R J Goatley
A R C Fraser
D Kendix
R Sykes
E Villiers

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Executive Board members at the time when this Executive Board members' Report is approved has confirmed that:

- so far as the Executive Board member is aware, there is no relevant audit information of which the Club's auditors are unaware, and
- the Executive Board member has taken all the steps that ought to have been taken as a Executive Board member in order to be aware of any relevant audit information and to establish that the Club's auditors are aware of that information.

This report was approved by the board and signed on its behalf.

*D Kendix
Treasurer
7 March 2017*



EXECUTIVE BOARD MEMBERS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The Rules of the Club require the Executive Board to ensure at the end of each financial year that financial statements are prepared, which give a true and fair view of the state of affairs of the Club and of its surplus or deficit for that period. In the preparation of these financial statements, the Executive Board is required to:

- select suitable accounting policies for the Club's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Club will continue in business.

The Executive Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Club's transactions and 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.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MIDDLESEX COUNTY CRICKET CLUB LIMITED

We have audited the financial statements of Middlesex County Cricket Club Limited for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.



This report is made solely to the Club's members, as a body, in accordance with Section 7 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 EXECUTIVE BOARD AND AUDITORS

As explained more fully in the Executive Board members' Responsibilities Statement on page 5, the Executive Board members 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 Financial Reporting Council'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 Executive Board members; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Executive Board members' 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 Club's affairs as at 31 December 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 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.

*Louise Morriss ACA FCCA
(Senior Statutory Auditor)
for and on behalf of Fitzgerald & Law LLP
Chartered Accountants and Statutory Auditors
8 Lincoln's Inn Fields
London,
United Kingdom,
WC2A 3BP
7 March 2017*



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 £000	2015 £000
Turnover	4	5,506	4,969
Cost of Sales		(4,841)	(4,247)
GROSS PROFIT		665	722
Administration Expenses		(1,341)	(1,290)
Other operating income	5	584	244
OPERATING LOSS	6	(92)	(324)
Gain/(loss) from fixed assets investments		174	(240)
Profit on disposal of fixed asset investments		23	275
Interest receivable and similar income		12	-
Promotions from the year		-	5
PROFIT/(LOSS) BEFORE TAX		117	(284)
Tax on profit/(loss)	8	(34)	29
PROFIT/(LOSS) FOR THE YEAR		83	(255)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		83	(255)

The notes on pages 13 to 27 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	NOTE	2016 £000	2015 £000
FIXED ASSETS			
Intangible assets	9	51	70
Tangible assets	10	1,660	1,722
Investments	11	1,287	1,356
		<u>2,998</u>	<u>3,148</u>
CURRENT ASSETS			
Debtors	12	1,166	894
Bank and cash balances		27	82
		<u>1,193</u>	<u>976</u>
Creditors: amounts falling due within one year	13	(1,017)	(859)
		<u>176</u>	<u>117</u>
NET CURRENT ASSETS			
		176	117
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	14	(49)	(287)
		<u>127</u>	<u>(170)</u>
PROVISIONS FOR LIABILITIES			
Deferred tax	16	(182)	(155)
		<u>(182)</u>	<u>(155)</u>
NET ASSETS			
		<u>2,943</u>	<u>2,860</u>
CAPITAL AND RESERVES			
Called up share capital	17	8	8
Revaluation reserve	18	726	726
Profit and loss account	19	2,209	2,126
		<u>2,943</u>	<u>2,860</u>

The notes on pages 13 to 27 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M O'Farrell, Chairman
7 March 2017

D Kendix, Treasurer
7 March 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	CALLED UP SHARE CAPITAL	REVALUATION RESERVE	PROFIT AND LOSS ACCOUNT	TOTAL EQUITY
	£000	£000	£000	£000
AT 1 JANUARY 2015	8	726	2,381	3,115
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(255)	(255)
AT 1 JANUARY 2016	8	726	2,126	2,860
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	83	83
AT 31 DECEMBER 2016	8	726	2,209	2,943



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the financial year	83	(255)
ADJUSTMENTS FOR:		
Amortisation of intangible assets	19	20
Depreciation of tangible assets	60	62
Taxation charge/(credit)	34	(43)
Decrease in stocks	-	50
(Increase)/decrease in debtors	(425)	35
Decrease/(increase) in amounts owed by Radlett CC	153	(165)
(Decrease) in creditors	(180)	(358)
Net fair value (gains) recognised in P&L	(181)	(291)
Corporation tax (paid)	(14)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	(451)	(945)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	-	(77)
Purchase of tangible fixed assets	-	(17)
Sale of listed investments	250	884
NET CASH FROM INVESTING ACTIVITIES	250	790
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(201)	(155)
Cash and cash equivalents at beginning of year	82	237
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	(119)	82
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	27	82
Bank overdrafts	(146)	-
	(119)	82

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

Middlesex County Cricket Club Limited is a private company limited by shares, domiciled and incorporated in England and Wales. The registered office is Lord's Cricket Ground, London, NW8 8QN. The financial statements will be filed with the Mutuals Public Registrar.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Industrial and Provident Society's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes. More specifically, turnover is recognised in respect of the various revenue streams as follows:

ECB turnover represents net invoices raised to the English Cricket Board for fees paid on an annual basis in line with an agreed Memorandum of Understanding. The fees are earned on an accruals basis, based on the performance of the Club in the season. PRFP income earned for the season is recognised in full in the current year.

Ground receipts represents an annual grant from MCC in exchange for gate receipts and merchandise sales at Lord's Cricket Ground. Ground receipts from outground matches are recognised as the cash is collected.

Indoor cricket school turnover represents fees generated from the use of the indoor cricket school facilities net of Value Added Tax. Turnover for the year is recognised as the bookings for use of the school are made.

Membership subscription represents turnover from individuals signing up to be members of the Club net of Value Added Tax. Turnover is recognised for fees earned on signing up for the season in the current year. Prepaid subscriptions are deferred until the following year. Five and ten year memberships are recognised as turnover evenly across the years to which they relate.

Sponsorship represents turnover from our key sponsor net of Value Added Tax. This turnover is recognised for the season in the current year.

Shop trading represents turnover from shop sales net of Value Added Tax and commissions on playing kit sales.

Hospitality and events represents turnover from corporate clients using the boxes and associated hospitality venues at Lord's net of Value Added Tax. Turnover is recognised on an invoice basis at the date the hospitality and events are utilised.

2.3 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Brand development costs - 5 years
Website development costs - 5 years

2.4 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives range as follows:

Long term leasehold property - 10 years
Fixtures and fittings - 5 years
Cricket ground development - 5-50 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 VALUATION OF INVESTMENTS

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Club's cash management.

2.8 FINANCIAL INSTRUMENTS

The Club only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and

subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured

as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Club would receive for the asset if it were to be sold at the reporting date. Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



2.10 FOREIGN CURRENCY TRANSLATION

FUNCTIONAL AND PRESENTATION CURRENCY

The Club's functional and presentational currency is GBP.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.11 OPERATING LEASES: THE CLUB AS LESSEE

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Club has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.



2.12 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Club operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Club pays fixed contributions into a separate entity. Once the contributions have been paid the Club has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Club in independently administered funds.

The Club participates in the ECB pension scheme for the playing staff and also has a discretionary defined contribution scheme, which is open to non playing staff. The Club pays a defined amount into the pension scheme for eligible staff. The pension charge represents contributions payable by the Club for the year. The Club's liability is limited to the amount of the contribution.

2.13 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Club operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2016	2015
	£000	£000
ECB income	2,931	2,583
Ground receipts	600	535
Indoor cricket school	75	72
Membership subscriptions	965	895
Sponsorship	315	315
Shop trading	-	25
Hospitality and events	620	544
	<u>5,506</u>	<u>4,969</u>

5. OTHER OPERATING INCOME

Prize money received	584	244
	<u>584</u>	<u>244</u>

6. OPERATING LOSS

The operating loss is stated after charging:

Depreciation of tangible fixed assets	60	62
Amortisation of intangible assets, including goodwill	19	20
Fees payable to the Club's auditors for audit and non audit related services	22	22
Defined contribution pension cost	185	238
	<u>185</u>	<u>238</u>

7. EMPLOYEES

Staff costs were as follows:

Wages and salaries	2,640	2,417
Social security costs	341	274
Cost of defined contribution scheme	185	238
	<u>3,166</u>	<u>2,929</u>

The remuneration for the year of key management personnel was £307,054 (2015: £488,560).

The amount of wages and salaries paid to the highest paid executive board member amounted to £145,682 (2015: £145,688). The pension contributions paid on behalf of this member were £12,900 (2015: £9,500).

The average monthly number of employees, including the Executive Board members, during the year was as follows:

	2016	2015
	No.	No.
Employees	74	83

8. TAXATION	2016	2015
	£000	£000
CORPORATION TAX	7	14
Corporation tax payable	<u>7</u>	<u>14</u>
TOTAL CURRENT TAX	7	14
DEFERRED TAX		
Origination and reversal of timing differences	<u>27</u>	(43)
TOTAL DEFERRED TAX	27	(43)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	34	(29)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2015 the same as) the standard rate of corporation tax in the UK of 20% (2015 20%) as set out below:

Profit/(loss) on ordinary activities before tax	117	(284)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 20%)	23	57

EFFECTS OF:

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(12)	86
Short term timing difference leading to a (decrease) in taxation	(4)	(15)
Other differences leading to an increase / (decrease) in the tax charge	27	(43)

TOTAL TAX CHARGE FOR THE YEAR	34	(29)
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9. INTANGIBLE ASSETS

	BRAND DEVELOPMENT £000	DEVELOPMENT EXPENDITURE £000	TOTAL £000
COST			
At 1 January 2016	77	22	99
At 31 December 2016	77	22	99
AMORTISATION			
At 1 January 2016	16	13	29
Charge for the year	15	4	19
At 31 December 2016	31	17	48
NET BOOK VALUE			
At 31 December 2016	46	5	51
At 31 December 2015	61	9	70

10. TANGIBLE FIXED ASSETS

	FREEHOLD PROPERTY £000	LONG TERM LEASEHOLD PROPERTY £000	FIXTURES AND FITTINGS £000	CRICKET GROUND DEVELOPMENT £000	TOTAL £000
COST OR VALUATION					
At 1 January 2016	563	815	528	470	2,376
At 31 December 2016	563	815	528	470	2,376
DEPRECIATION					
At 1 January 2016	-	47	499	108	654
Charge for the period	-	14	16	30	60
At 31 December 2016	-	61	515	138	714

NET BOOK VALUE

At 31 December 2016	563	754	13	332	1,662
At 31 December 2015	563	754	29	376	1,722

11. FIXED ASSET INVESTMENTS

	LISTED INVESTMENTS £000
VALUATION	
At 1 January 2016	1,356
Disposals	(250)
Revaluations	181
At 31 December 2016	<u>1,287</u>
NET BOOK VALUE	
At 1 January 2016	<u>1,287</u>
At 31 December 2016	<u>1,356</u>

12. DEBTORS

	2016 £000	2015 £000
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by Radlett CC	<u>128</u>	198
	128	198
DUE WITHIN ONE YEAR		
Trade debtors	108	15
Amounts owed by Radlett CC	82	-
Other debtors	352	241
Prepayments and accrued income	496	440
	<u>1,166</u>	894

The amounts falling due after more than one year relate to an amount owed by Radlett CC. The funds owed relate to the Radlett CC's share of the pavilion improvements made at the Club. This loan is secured by personal guarantees with members of Radlett CC. These funds are repayable in three equal shares in 2017, 2022 and 2027, thus a portion has been included within debtors due within one year.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£000	£000
Bank overdrafts	146	-
Trade creditors	92	39
Corporation tax	7	14
Other taxation and social security	323	339
Other creditors	117	152
Accruals and deferred income	332	315
	<u>1,017</u>	<u>859</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Accruals and deferred income	49	287
	<u>49</u>	<u>287</u>

The amounts due after more than one year relate to five and ten year memberships received in full during the year (2015; £36,602). In 2015, the remaining £250,000 related to ECB income received in relation to 2017.

15. FINANCIAL INSTRUMENTS**FINANCIAL ASSETS**

Financial assets measured at fair value through profit or loss	210	198
	<u>210</u>	<u>198</u>

16. DEFERRED TAXATION

	2016
	£000
At 1 January 2016	(155)
Charged to profit or loss	(127)
AT 31 DECEMBER 2016	<u>(182)</u>

The provision for deferred taxation is made up as follows:

Accelerated capital allowances	(39)
Tax losses carried forward	150
Revaluation of tangible assets	(244)
Fair value tangible fixed asset investments	(49)
	<u>(182)</u>

17. SHARE CAPITAL

	2016	2015
	£000	£000
ALLOTTED, CALLED UP AND PARTLY PAID		
8,000 Ordinary shares of £1 each	8	8

18. RESERVES

REVALUATION RESERVE

The cumulative effect of amounts arising when the value of an asset becomes greater than the value at which it was previously carried on the balance sheet, increasing shareholders' funds. Not every increase in value is added to the revaluation reserve, and the exact treatment depends on the history of the asset: in particular whether it has been impaired.

PROFIT AND LOSS ACCOUNT

This account includes all current and prior period retained profits and losses.

19. PENSION COMMITMENTS

The Club participates in the ECB Pension Scheme for the playing staff. The assets of the scheme are held separately from those of the Club in an independently administered fund. Scheme members and the Club's contributions are dependent upon the age of the members. For members the contribution rate is 5% and the Club's contribution rate is 10%.

The Club also has a discretionary defined contribution scheme which is open to non-playing staff. The Club's contribution ranges between 10% and 15%.

Pension costs are charged to the Statement of Comprehensive Income when incurred.

20. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the Club had future minimum lease payments under non cancellable operating leases as follows:

	2016	2015
	£000	£000
Not later than 1 year	7	7
Later than 1 year and not later than 5 years	2	10
	<u>9</u>	<u>17</u>

At 31 December 2016 the Club had future minimum lease payments under non cancellable operating leases of land and buildings as follows:

Not later than 1 year	60	60
Later than 1 year and not later than 5 years	240	240
Later than 5 years	-	60
	<u>300</u>	<u>360</u>

There was a total expense of £69,000 included in general office expenses within administrative costs in the profit and loss account.

21. RELATED PARTY TRANSACTIONS

During the year, the Club recharged expenses amounting to £544,920 (2015: £646,811) to Middlesex Cricket Board Limited (MCB). The management teams of the MCB and MCCC have several personnel in common. All recharges were made on a normal trading basis. Included within other debtors, at the balance sheet date, is an amount of £179,630 (2015: £165,710) in relation to expenses recharged during the year.



DETAILED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£000	£000
Turnover	5,506	4,969
Cost of Sales	(4,841)	(4,247)
GROSS PROFIT	665	722
GROSS PROFIT %	12.1%	18.5%
Prize money received	584	244
LESS: OVERHEADS		
Administration Expenses	(1,341)	(1,290)
OPERATING LOSS	(92)	(324)
Interest receivable	12	-
Other finance income	-	5
Investment income	197	35
Tax on profit on ordinary activities	(34)	29
PROFIT/(LOSS) FOR THE YEAR	83	(255)

	2016	2015
	£000	£000
TURNOVER		
ECB income	2,931	2,583
Ground receipts	600	535
Indoor cricket school	75	72
Membership subscriptions	965	895
Sponsorship	315	315
Shop trading	-	25
Hospitality and events	620	544
	<u>5,506</u>	<u>4,969</u>

COST OF SALES		
Wages and salaries	2,292	2,028
National insurance	301	225
Staff pension costs defined contribution schemes	146	133
Outground costs	278	215
Indoor school expenses	116	114
Hospitality and events	447	414
Membership expenses	73	69
Other cricket expenses	1,100	910
Shop expenses	-	29
Sponsorship expenses	88	110
	<u>4,841</u>	<u>4,247</u>

OTHER OPERATING INCOME		
Prize money received	584	244



	2016	2015
	£000	£000
ADMINISTRATION EXPENSES		
Staff salaries	348	447
Staff national insurance	40	49
Staff pension costs – defined contribution schemes	39	48
Junior and recreational cricket expenses	375	334
General office expenses	424	278
Charity donations	-	11
Auditors' remuneration	22	22
Depreciation – plant and machinery	60	62
Amortisation – intangible fixed assets	19	20
Investment management fees	13	19
	1,341	1,290
COST OF SALES		
Wages and salaries	2,292	2,028
National insurance	301	225
Staff pension costs – defined contribution schemes	146	133
Outground costs	278	215
Indoor school expenses	116	114
Hospitality and events	447	414
Membership expenses	1,173	979
Shop expenses	-	29
Sponsorship expenses	88	110
	4,841	4,247
INTEREST RECEIVABLE		
Other interest receivable	12	-
Interest on pension scheme liabilities	-	5
INVESTMENT INCOME		
Income from fixed asset investments	138	(291)
Dividends received – investments	36	51
Profit on disposal of investments	23	275
	197	35

Registered Society under the Industrial and Provident Societies Act (1965).
Registered number 29864R (England & Wales)



**MIDDLESEX
CRICKET**

Middlesex County Cricket Club,
Lord's Cricket Ground, London, NW8 8QN

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