



MIDDLESEX  
CRICKET

**ANNUAL REPORT  
& FINANCIAL STATEMENTS  
AND A.G.M. NOTICE & AGENDA  
FOR THE YEAR ENDED 31 DECEMBER 2017**

MIDDLESEX COUNTY CRICKET CLUB LIMITED

## NOTICE AND AGENDA OF THE ANNUAL GENERAL MEETING 2018

**Notice is hereby given that the 154th Annual General Meeting of the Club will be held in the Nursery Pavilion at Lord's Cricket Ground, London NW8 8QN, on Wednesday 11th April 2018 at 6.30pm for the purpose of transacting the business listed in the Agenda below.**

Members will be asked to show a valid 2017 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".

**R J Goatley  
Secretary**

### **March 2018**

*Tea, coffee and biscuits will be available in the nursery pavilion from 6.00pm.*

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## 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 2017.
4. To re-elect two members of the Executive Board.  
  
Proposed by PH Parfitt and seconded by CT Radley that AH West be re-elected to the Executive Board.  
  
Proposed by JC Lowe and seconded by GW Norris that AD Seth-Smith be re-elected to the Executive Board.
5. To elect a new Honorary Life Vice President. Proposed by AD Seth-Smith and seconded by JC Lowe that HC Latchman be elected as Honorary Life Vice President.
6. To appoint the auditors and to authorise the Executive Board to determine their remuneration under Rule 24.1.
7. 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 2017

## PRESIDENT

JE Emburey

## LIFE VICE PRESIDENT

P H Edmonds	R A Gale	A E Moss	M P Murray	G W Norris
P H Parfitt	C T Radley MBE	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 & Safeguarding:** 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, G Birkwood,  
Miss B M Buxton, K Macrae, L W Rowland Hon Vice President G W Norris

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## CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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### **THE CHAIRMAN PRESENTS HIS STATEMENT FOR THE PERIOD.**

**After the wonderful success of the Championship win in 2016, it is sad that I must start my report reflecting on the disappointment of relegation in 2017. This is doubly disappointing, not just because we are starting 2018 in Division 2 of the Championship but also because it can overshadow the other excellent activities that are going on in the Club, but more of that later.**

A league table is the ultimate meritocracy and, whether we like it or not, our relegation was confirmed because we simply did not do enough to be one of the top six teams in the country last year. The one certainty

this year is that we will not be guilty of any complacency. The players and coaches realise they will need to be absolutely on the mark at all times this coming season to attain the promotion we require and they are completely focussed on the task.

We are also focussed on improved performances in our white ball cricket. The non selection of Eoin Morgan for the IPL means that we will be bolstered by England's white ball captain for our 50 over campaign and the second year of tenure of Dan Vettori as our T20 coach should bear great fruit. We are very optimistic that we are well positioned for success in all three competitions this year.

It was a year of great success for our England Cricketers. Dawid Malan and Toby Roland-Jones



made their England debuts and both performed with great distinction in securing series wins against South Africa and the West Indies. It was very sad for Toby that, like Steve Finn, the Ashes tour was cruelly denied him by injury but they are both back fully fit now and ready for the new campaign. Dawid continues to go from strength to strength and, in a disappointing tour for his country, he excelled in the Ashes and made a beautiful hundred to cement his England place. Dawid was also greatly honoured to be appointed as our captain for the coming season with Sam Robson as his deputy. We believe we have a terrific pairing for the foreseeable future. Dawid's inevitable absences due to International calls will be amply compensated by Sam and we are lucky to be led by two such fine, talented Middlesex men.

As exciting as our Test calls was the call up of four of our youngsters for the England Young Lions and the U19 World Cup. Ethan Bamber, Jack Davies, Luke Hollman and Savin

Perera deserve all our congratulations and excitement that the future of Middlesex Cricket is bright indeed. They all formed a significant part of our 2nd XI team last year, expertly marshalled by Richard Johnson and Alan Coleman. Our 2nd XI did not enjoy the trophy successes of prior years but is a very young and hugely talented group of players who will grow together into being very serious cricketers indeed in the coming years.

Off the field, the club has focussed on growing cricket in Middlesex. Bob Baxter has worked hard to integrate the leagues around the county and we are likely to have a much more unified structure in the coming years. Katie Berry continues to do a marvellous job as our Participation Director and has launched one key initiative this year with a Middlesex venue at Kidzania at Westfield in Shepherd's Bush. This city for kids is an educational theme park which attracts around 500,000 children each year.



This gives us the opportunity to present cricket and Middlesex to a whole new generation of children with targets that introduce 50,000 new kids to cricket each year. This venture is the most exciting new proposition for attracting children to cricket I have seen.

We had a very strong year for sponsorship and hospitality under the guidance of Rob Lynch our Commercial Director. Brooks Macdonald remain our chief sponsor under the new management of incoming CEO Caroline Connellan and continue to be great supporters of all our activities. Other hospitality income increased by nearly 50%, my thanks to all these sponsors who have supported us.

I would also like to welcome MCC CEO Guy Lavender to his post. He has already made significant steps to support us. He has made sure we have all our County Championship matches at Lord's this year and has also returned the Middlesex Room for the 2018 season. These are huge benefits to our club and we are grateful for this ever strengthening relationship.

The club would not run in the manner it does if it were not for the support of our wonderful Executive Board. They work tirelessly and, largely thanklessly, in supporting the Executive and are a great personal support. My thanks to them all.

This year is especially important to the Seaxe club "the club within a club" which celebrates its 50th Anniversary as a group of Middlesex members who support young men and women in the goal of furthering their cricketing ambitions. I thank them and all members for your continued commitment and, as always, look forward to seeing as many of you as possible this season and sharing your views!

**M O'FARRELL**

Chairman | 2<sup>nd</sup> March 2018

# EXECUTIVE BOARD MEMBERS' REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2017

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**The Executive Board Members present their report and the financial statements for the year ended 31 December 2017.**

### PRINCIPAL ACTIVITY

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

### BUSINESS REVIEW

Despite the disappointments on the field, the Club's financial performance in 2017 was broadly in line with expectations.

The statement of comprehensive income shows a 2017 deficit of £199k (£243k pre-tax). This figure can be attributed to a reduction of £300k in the discretionary payment (i.e. above the stipulated minimum) made by the ECB to each of the counties. Any understanding of the Club's finances must be built on an awareness of these hugely volatile annual flows. In 2016, our income benefited from an exceptional income of £550k, in 2017 it fell to £250k, in 2018 it will be zero and in 2019 it will be £1.0m. Therefore regardless of how well the Club performs on or off the field, you may assume that there will be a large loss in 2018 and an even larger profit in 2019. These ECB amounts largely reflect the value derived from the previous season's internationals – the 2019 dividend reflects the value of the 2018 Indian tour. With a four year cycle for Australian and Indian tours, the counties themselves inherit this volatility.

Clearly a county with its own stadium that provides a regular stream of non-cricketing income will be able to dampen the effect of these yearly changes. While Middlesex is more exposed in this regard, we are fortunate to be free of debt and with sufficient reserves to allow us to absorb these yearly movements without compromising

our long term strategy. The primary financial target for the Club is to provide success on the field whilst breaking even over the 2016-19 funding cycle and we remain on course to do so.

There are two significant changes from 2016 in respect of ECB payments made specifically to Middlesex. The championship prize money disappeared, but in its place were payments made to our England players who were not centrally contracted. The financial incentives to produce England cricketers are substantial, so while seeing Dawid Malan and Toby Roland-Jones performing so well would have brought pride to all members, it also provided an income to the Club that broadly mirrored the value of the previous year's championship.

Player wage inflation continued, associated in part with a club that had just won the championship. We will need to ensure we strike the right balance between building a strong squad and retaining long term financial discipline.

The MCC agreement continues to provide the Club with excellent value and financial stability. Their generous offer to host all seven of our championship matches in 2018 will save us from the losses associated with four days at an outground. With Lord's hosting several ICC World Cup matches in 2019 and one of the new T20 teams from 2020 onwards, we will shortly be starting talks as to how our relationship with MCC can continue to flourish in seasons with so many competing demands for the Lord's square.

Aside from ECB income, our two main financial items are the income and expenditure arising from the Club's own activities and the performance of our investment portfolio. In each case 2017 was a satisfactory year.

Our focus on identifying more corporate sponsorship opportunities continues to bear fruit,





with an increase in profits from £173k to £304k. Our outground one-day matches were more profitable as was our use of the indoor school. Our expenses rose at the level agreed by the Board when setting the cricket and administrative budgets. This included a significant investment in women's cricket which we expect to increase further in the coming years as well as the Kidzania project in Westfield White City.

The value of the Club's investment portfolio grew by £87k in 2017, while the three yearly revaluation of our freehold property generated an increase of £180k. These are the assets that allow us to set a cricket budget geared to sustainable success rather than short term profitability.

The outstanding balance of a £250k loan made to Radlett Cricket Club in 2012 was repaid in full and ahead of schedule during the year.

The introduction of the new T20 event in 2020 will significantly change our business model, offering significant short term cash from the ECB's reserves, but with little clarity as to the long term impact on the counties. The Board will continue to seek greater clarity and assurances from the ECB on behalf of our members.

## 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 (resigned 19 April 2017)  
A D Seth-Smith | A H West | R J Baxter  
R J Goatley | A R C Fraser | D Kendix  
R Sykes | E Villiers**

## EXECUTIVE BOARD MEMBERS' RESPONSIBILITIES STATEMENT

The Executive Board Members are responsible for preparing the Executive Board Members' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Executive Board Members to prepare financial statements for each financial year. Under that law the Executive Board Members have elected to prepare the financial statements in accordance with applicable law and 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'. Under company law the Executive Board Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Club and of the profit or loss of the Club for that period.

In preparing these financial statements, the Executive Board Members are required to:

- select suitable accounting policies for the Club's financial statements and then apply them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Club and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## 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 an 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

Executive Board Member

2<sup>nd</sup> March 2018

## OPINION

We have audited the financial statements of Middlesex County Cricket Club Limited (the 'Club') for the year ended 31 December 2017, which comprise the Income Statement, 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, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Club's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Club in accordance with the ethical requirements that are relevant to our audit of the financial statements in

the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Executive Board Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Executive Board Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Club's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **OTHER INFORMATION**

The Executive Board Members are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider

whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **OPINION ON OTHER MATTERS PRESCRIBED BY THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chairman's Report and the Executive Board members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chairman's Report and the Executive Board members' Report have been prepared in accordance with applicable legal requirements.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Club and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's Report and the Executive Board members' Report.

We have nothing to report in respect of the

following matters in relation to which 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 Executive Board Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF EXECUTIVE BOARD MEMBERS

As explained more fully in the Executive Board Members' Responsibilities Statement on page 4, 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, and for such internal control as the Executive Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Board Members are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board Members either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements

as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

## USE OF OUR REPORT

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.

### **Louise Morriss ACA FCCA**

(Senior Statutory Auditor)

for and on behalf of

### **Fitzgerald & Law LLP**

**Chartered Accountants and Statutory Auditors**

New Penderel House

4th Floor

283-288 High Holborn

London

United Kingdom

WC1V 7HP

**Date:** 5<sup>th</sup> March 2018

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTE	2017 £000	2016 £000
Turnover		6,050	5,506
Cost of Sales		(5,284)	(4,841)
<b>GROSS PROFIT</b>		<b>766</b>	<b>665</b>
Administration expenses		(1,446)	(1,341)
Other operating income	5	156	584
<b>OPERATING LOSS</b>	6	<b>(524)</b>	<b>(92)</b>
Income from fixed assets investments		(96)	174
Amounts written off investments		197	23
Interest receivable and similar income		-	12
<b>(LOSS)/PROFIT BEFORE TAX</b>		<b>(423)</b>	<b>117</b>
Tax on (loss)/profit	8	44	(34)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(379)</b>	<b>83</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>			
Gain on revaluation of property	10	180	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>180</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(199)</b>	<b>83</b>



## STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2017

		As Restated	
	NOTE	2017 £000	2016 £000
<b>FIXED ASSETS</b>			
Intangible assets	9	72	51
Tangible assets	10	1,786	1,660
Investments	11	737	1,287
		<u>2,595</u>	<u>2,998</u>
<b>CURRENT ASSETS</b>			
Debtors	12	1,140	1,166
Bank and cash balances		10	27
		<u>1,150</u>	<u>1,193</u>
Creditors: amounts falling due within one year	13	(797)	(1,017)
		<u>353</u>	<u>176</u>
<b>NET CURRENT ASSETS</b>			
		<u>353</u>	<u>176</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>2,948</u>	<u>3,174</u>
Creditors: amounts falling due after more than one year	14	(66)	(49)
		<u>(66)</u>	<u>(49)</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	15	(138)	(182)
		<u>(138)</u>	<u>(182)</u>
<b>NET ASSETS</b>			
		<u>2,744</u>	<u>2,943</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	8	8
Profit and loss account		2,736	2,935
		<u>2,744</u>	<u>2,943</u>

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

**M O'Farrell | Chairman**  
5 March 2018

**D Kendix | Treasurer**  
5 March 2018

*The notes on pages 14 to 28 form part of these financial statements.*



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	CALLED UP SHARE CAPITAL	PROFIT AND LOSS ACCOUNT	TOTAL EQUITY
	£000	£000	£000
<b>AT 1 JANUARY 2016</b> <i>as previously stated</i>	8	2,126	2,134
Prior year adjustment (note 21)	-	726	726
<b>AT 1 JANUARY 2016</b> <i>as restated</i>	8	2,852	2,860
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	83	83
<b>AT 1 JANUARY 2017</b>	8	2,935	2,943
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
(Loss) for the year	-	(379)	(379)
Gain on revaluation of property	-	180	180
<b>AT 31 DECEMBER 2017</b>	8	2,736	2,744

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£000	£000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit for the financial year	(423)	83
<b>ADJUSTMENTS FOR:</b>		
Amortisation of intangible assets	19	19
Depreciation of tangible assets	54	60
Taxation charge	-	34
(Increase) in debtors	(184)	(425)
Decrease in amounts owed by Radlett CC	210	153
(Decrease) in creditors	(76)	(180)
Net fair value (gains) recognised in P&L	(87)	(181)
Corporation tax (paid)	-	(14)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(487)</b>	<b>(451)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Intangible fixed asset additions	(40)	-
Sale of listed investments	637	250
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>597</b>	<b>250</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>110</b>	<b>(201)</b>
Cash and cash equivalents at beginning of year	(119)	82
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>(9)</b>	<b>(119)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	10	27
Bank overdrafts	(19)	(146)
	<b>(9)</b>	<b>(119)</b>





# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2017

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### 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 Mutuels Public Register.

### 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 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.

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:

**Leasehold property improvements** - 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.

The Committee has decided not to depreciate Freehold Property as the residual value of the buildings at the end of their useful lives is such that annual and cumulative depreciation would be insignificant.

### 2.5 Revaluation of tangible fixed assets

Individual leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income.

### 2.6 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 the Income Statement for the period.

### 2.7 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.



### **2.8 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.

### **2.9 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.

### **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 2017

### 4. TURNOVER

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

	2017	2016
	£000	£000
ECB income	3,100	2,931
Ground receipts	663	600
Indoor cricket school	100	75
Membership subscriptions	996	965
Sponsorships	285	315
Hospitality and events	906	620
	<u>6,050</u>	<u>5,506</u>

### 5. OTHER OPERATING INCOME

Other income	142	-
Prize money received	-	584
Donations received	14	-
	<u>156</u>	<u>584</u>

### 6. OPERATING LOSS

The operating loss is stated after charging:

Depreciation of tangible fixed assets	54	60
Amortisation of intangible assets, including goodwill	19	19
Fees payable to the Club's auditor and its associates for the audit of the Club's annual financial statements	22	22
Defined contribution pension cost	196	185
	<u>196</u>	<u>185</u>

### 7. EMPLOYEES

Staff costs were as follows:

Wages and salaries	3,012	2,641
Social security costs	376	341
Cost of defined contribution scheme	196	185
	<u>3,584</u>	<u>3,167</u>



The remuneration for the year of key management personnel was £452,623 (2016: £307,054).

The amount of wages and salaries paid to the highest paid Executive Board Member amounted to £171,473 (2016: £145,682). The pension contributions paid on behalf of this Member were £15,167 (2016: £12,900).

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

	2017	2016
	No.	No.
Employees	<b>76</b>	74

## 8. TAXATION

	2017	2016
	£000	£000
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	7
<b>TOTAL CURRENT TAX</b>	<b>-</b>	7
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	<b>(25)</b>	27
Prior year adjustment	<b>(19)</b>	-
<b>TOTAL DEFERRED TAX</b>	<b>(44)</b>	27
<b>TAXATION ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES</b>	<b>(44)</b>	34

### FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

(Loss)/profit on ordinary activities before tax	<b>(423)</b>	(117)
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	<b>(81)</b>	23

**EFFECTS OF:**

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	54	12
Short term timing difference leading to an increase (decrease) in taxation	27	(4)
Other differences leading to an increase (decrease) in the tax charge	(25)	(27)
Prior year adjustment	(19)	-

**TOTAL TAX CHARGE FOR THE YEAR**

(44)	34
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**9. INTANGIBLE ASSETS**

	BRAND DEVELOPMENT £000	DEVELOPMENT EXPENDITURE £000	TOTAL £000
<b>COST</b>			
At 1 January 2017	77	22	99
Additions – internal	40	-	40
At 31 December 2017	117	22	139
<b>AMORTISATION</b>			
At 1 January 2017	31	17	48
Charge for the year	15	4	19
At 31 December 2017	46	21	67
<b>NET BOOK VALUE</b>			
At 31 December 2017	71	1	72
At 31 December 2016	46	5	51

**10. TANGIBLE FIXED ASSETS**

	FREEHOLD PROPERTY £000	LONG TERM LEASEHOLD PROPERTY £000	LEASEHOLD PROPERTY IMPROVEMENT £000	FIXTURES AND FITTINGS £000	CRICKET GROUND DEVELOPMENT £000	TOTAL £000
<b>COST OR VALUATION</b>						
At 1 January 2017	563	670	145	527	470	2,375
Revaluations	-	180	-	-	-	180
At 31 December 2017	563	850	145	527	470	2,555



## DEPRECIATION

At 1 January 2017	-	-	61	515	138	714
Charge for the year on owned assets	-	-	14	12	28	54
At 31 December 2017	-	-	75	527	166	768

## NET BOOK VALUE

At 31 December 2017	563	850	70	-	304	1,787
At 31 December 2016	563	670	83	12	332	1,660

The Committee has decided not to amortise Freehold Property as the residual value of the buildings at the end of their useful lives is such that annual and cumulative amortisation would be insignificant.

The leasehold property was revalued on the 28 February 2018 by Savills (UK) Limited, a chartered surveyor external to the Cricket Club. The Members considered it appropriate to reflect this revaluation in the most recent financial statements. The property was valued at £850,000 previously £670,000.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017	2016
	£000	£000
Cost	670	670
<b>NET BOOK VALUE</b>	<b>670</b>	<b>670</b>

The Committee would have considered annual and cumulative amortisation to be insignificant to the residual value of the buildings at the end of their useful lives.



## 11. FIXED ASSET INVESTMENTS

	LISTED INVESTMENTS
	£000
<b>VALUATION</b>	
At 1 January 2017	1,287
Disposals	(637)
Revaluations	87
At 31 December 2017	737
<b>NET BOOK VALUE</b>	
At 31 December 2017	737
At 31 December 2016	1,287

## 12. DEBTORS

	2017	2016
	£000	£000
Trade debtors	233	108
Amounts owed by Radlett CC	-	210
Other debtors	244	352
Prepayments and accrued income	663	496
	<u>1,140</u>	<u>1,166</u>

In the prior year an amount of £128,000 was included as debtors due after more than one year. This has been fully recovered in the current year and as such has been reclassified to debtors due within one year.

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£000	£000
Bank overdrafts	19	146
Trade creditors	115	92
Corporation tax	7	7
Other taxation and social security	523	323
Other creditors	2	117
Accruals and deferred income	131	332
	<u>797</u>	<u>1,017</u>

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

	<b>2017</b>	2016
	<b>£000</b>	£000
Accruals and deferred income	<b>66</b>	49
	<b>66</b>	49

The amounts due after more than one year relate to five and ten year memberships received in full during the year (2016: £49,000).

**15. DEFERRED TAXATION**

	<b>2017</b>
	<b>£000</b>
At beginning of year	<b>(182)</b>
Charged to profit or loss	<b>19</b>
Utilised in year	<b>25</b>
<b>AT END OF YEAR</b>	<b>(138)</b>

The provision for deferred taxation is made up as follows:

	<b>2017</b>	2016
	<b>£000</b>	£000
Accelerated capital allowances	<b>(1)</b>	(39)
Tax losses carried forward	<b>164</b>	150
Revaluation of tangible assets	<b>(282)</b>	(244)
Fair value tangible fixed asset investments	<b>(19)</b>	(49)
	<b>(138)</b>	(182)

**16. SHARE CAPITAL**

	<b>2017</b>	2016
	<b>£000</b>	£000
<b>ALLOTTED, CALLED UP AND UNPAID</b>		
8,000 Ordinary shares of £1 each	<b>8</b>	8



## 17. 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 Income Statement when incurred.

## 18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the Club had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2017</b>	2016
	<b>£000</b>	£000
Not later than 1 year	2	7
Later than 1 year and not later than 5 years	-	2
	<u>2</u>	<u>9</u>

At 31 December 2017 the Club had future minimum lease payments under non-cancellable operating leases of land and buildings as follows:

Not later than 1 year	<b>60</b>	60
Later than 1 year and not later than 5 years	<b>180</b>	240
	<u><b>240</b></u>	<u>300</u>



## 19. RELATED PARTY TRANSACTIONS

During the year, the Club recharged expenses amounting to £889,881 (2016: £544,920) 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 £200,895 (2016: £165,710) in relation to expenses recharged during the year.

## 20. POST BALANCE SHEET EVENTS

There were no adjusting events occurring between the end of the reporting period and the date these financial statements were approved.

On 12th February 2018 Middlesex County Cricket Club Limited subscribed for 100% of the share capital, with a value of £2, of a subsidiary company. The financial impact of this transaction was £10,916 in the year ended 31 December 2017 and £2,917 in the following financial period to the date at which the financial statements were approved.

## 21. PRIOR YEAR ADJUSTMENT

In the prior year, a revaluation reserve of £726,000 was brought forward in relation to the 2014 revaluation of long term leasehold property. The members are of the opinion that the revaluation reserve should have been accounted for as other comprehensive income during the year ended 31 December 2015, upon FRS 102 early adoption. As such an adjustment to transfer the amount from the revaluation reserve to the profit and loss reserve has been made to the brought forward figures as at 1 January 2016. This adjustment has had no net impact on previously reported reserves or results.







**DETAILED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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MIDDLESEX COUNTY CRICKET CLUB LIMITED



## DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£000	£000
Turnover	6,050	5,506
Cost of sales	5,284	4,841
<b>GROSS PROFIT</b>	<b>766</b>	<b>665</b>
Other operating income	156	584
<b>LESS: OVERHEADS</b>		
Administration expenses	1,446	1,341
<b>OPERATING LOSS</b>	<b>(524)</b>	<b>(92)</b>
Interest receivable	-	12
Investment income	101	197
Tax on profit on ordinary activities	44	(34)
<b>(LOSS)/PROFIT FOR THE YEAR</b>	<b>(379)</b>	<b>83</b>
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>TURNOVER</b>		
ECB income	3,100	2,931
Ground receipts	663	600
Indoor cricket school	100	75
Membership subscriptions	996	965
Sponsorship	285	315
Hospitality and events	906	620
	<b>6,050</b>	<b>5,506</b>

	2017	2016
	£000	£000
<b>COST OF SALES</b>		
Wages and salaries	2,580	2,292
National insurance	326	301
Staff pension costs - defined contribution scheme	150	146
Outground costs	233	278
Indoor school expenses	110	116
Hospitality and events	602	447
Other cricket expenses	1116	1100
Sponsorship expenses	89	88
Membership expenses	78	73
	<b>5,284</b>	<b>4,841</b>

	2017	2016
	£000	£000
<b>OTHER OPERATING INCOME</b>		
Other income	142	-
Royalty receivable	-	584
Donations received	14	-
	<b>156</b>	<b>584</b>



	2017	2016
	£000	£000
<b>ADMINISTRATION EXPENSES</b>		
Staff salaries	432	348
Staff national insurance	50	40
Staff pension costs - defined contribution schemes	46	39
Junior and recreational cricket expenses	393	375
General office expenses	417	424
Auditors' remuneration	22	22
Depreciation - plant and machinery	54	60
Amortisation - intangible fixed assets	19	19
Investment management fees	13	13
	<b>1,446</b>	<b>1,340</b>

	2017	2016
	£000	£000
<b>INTEREST RECEIVABLE</b>		
Other interest receivable	-	12
	-	12

	2017	2016
	£000	£000
<b>INVESTMENT INCOME</b>		
(Loss)/gain from fixed asset investments	(126)	137
Dividends received - listed investments	30	37
Profit on disposal of listed investments	197	23
	<b>101</b>	<b>197</b>

Registered Society under the Co-operative and Community Benefit Societies Act 2014



**MIDDLESEX  
CRICKET**

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

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