



Somerset County Cricket Club Limited

Number 29995R

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

Accounts for the Year to 31 December 2022

Somerset County Cricket Club Limited
Accounts for the Year to 31 December 2022

The 2021 Annual General Meeting was held on 22 June 2022. The Officers of the Club at this point were as below. All resigned on the evening.

Brian Rose*	President
Gordon Baird*	Chairman
Richard Brice*	Vice Chairman, Area Representative - Taunton
Andrew Hurry*	Director of Cricket
Gordon Hollins*	Chief Executive
Nick Farrant*	Honorary Treasurer
Keith Parsons*	
Rosalie Fairbairn*	
Nick Engert*	
Peter Wanless*	
Christine Brewer	Area Representative - Bridgwater & West Somerset
Kevin Russell	Area Representative - Mid Somerset
David Foot	Area Representative - South Somerset & Dorset
Geoff Vian	Area Representative - North Somerset & Bristol
Stephen Southwell	Area Representative - Weston-Super-Mare
David Pope	Area Representative - Bath & Wiltshire
Eddie Dymond	Area Representative - Devon & Cornwall

* - Member of Management Sub-Committee

A new Board of Directors was formed during the same meeting:-

Sir Michael Barber	Chair
Rachel Baillache	Appointed Director
Rowena Sellens	Appointed Director
Nathan Goddard	Appointed Director
Vic Marks	Appointed Director
Dr Habib Naqvi MBE SCF	Nominee Director
Christine Brewer	Member Director
Geoff Vian	Member Director
Richard Brice	Member Director
Gordon Hollins	Chief Executive

Registered Office

The County Ground
St James Street
Taunton
TA1 1JT

Independent Auditors

Sumer Audit
Blackdown House
Blackbrook Park Avenue
Taunton
TA1 2PX

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Board of Directors' Responsibilities Statement

The Co-operative and Community Benefit Societies Act 2014 require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the club and of the income and expenditure of the club for that period. In preparing these financial statements, the Board is required to:

- i select suitable accounting policies and then apply them consistently.
- ii make judgements and estimates that are reasonable and prudent.
- iii state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- iv prepare the financial statements on the going concern basis unless it is inappropriate to presume that the club will continue in operation.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the club and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. It is also responsible for ensuring that the assets of the club are safeguarded and for taking reasonable steps to ensure prevention and detection of fraud and other irregularities.

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

Financial Report

The financial statements presented in these accounts for the year ended 31 December 2022 have been prepared in accordance with the Club Rules. Somerset County Cricket Club is a registered society under the Co-operative and Community Benefit Societies Act 2014.

Having made all necessary enquiries and given due consideration to the impact of a volatile global economic and political outlook with inflationary cost pressures, the Board confirms that the accounts are prepared on a going concern basis.

Financial Review

Following two years of significant disruption resulting from Covid-19, the year ended 31 December 2022 represented a return to something resembling a more 'normal' year, although operations were negatively impacted by challenges emanating from the legacy of the pandemic. We are certainly not back to pre-pandemic levels of activity across the Club and new headwinds arrived in the year in the form of inflationary increases not seen for a generation, conflict in Europe, and interest rates rising to a level more consistent with historic norms.

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Financial Report continued

Despite these challenges, we achieved a surplus before taxation in line with expectations at £486,565, which compares favourably to the 2021 surplus of £464,285.

The balance sheet remains strong (net assets of £10,231,772 compared to £9,833,700 in 2021), with a healthy cash position of £1,703,393 compared to £1,734,830 in 2021. This has been supplemented by further cash generation from operating activities in the year of £748,598 compared to £941,547 in 2021. Debt levels remain manageable at £2,281,207, represented by loans with Barclays Bank plc and Somerset West & Taunton Council. The loan with Barclays Bank plc is repayable later in 2023 and we are in advanced stages with Barclays Bank plc to re-finance this loan for a further period of 5 years.

We are well positioned financially to absorb potential economic shocks over the coming months and to take advantage of opportunities that we are proactively seeking out, as we operate in an economic, political and cricketing landscape of rapidly-changing variables and volatility. However, we proceed with caution, acknowledging that the advancement of the short form of the game across the globe, in conjunction with the development of the financial giant of franchise cricket, challenges the financial structures of the game and we must scrutinise the status quo of our operating and financial model. Significant investment in our strategy is already underway, and will continue throughout 2023, to tackle the challenges and opportunities that will be presented to us in the short to medium term.

Income and Expenditure

Total income for the year of £7,153,318 was £28,099 higher than last year, primarily the result of an additional £540,562 in membership subscriptions and match receipts compared to a Covid-19 disrupted 2021. In addition, a strong performance from the Commercial team delivered an increased level of income with key business partners and sponsors. During the year we entered into a profit share partnership with Baxter Storey, an experienced independent hospitality provider, to deliver our catering and hospitality offer. Due to the profit share nature of this agreement, we do not recognise gross income and expenditure from the catering business, only our profit share element, so our growth in total income is in spite of this change in presentation of income from 2021 to 2022.

Trading challenges in catering have been significant this year for the Club, as for the whole hospitality sector. With unprecedented inflationary input and energy costs along with workforce challenges following two years of inactivity as a result of Covid-19, the catering division delivered a disappointing break even position for the year. We continue to work extremely closely with our partner, Baxter Storey, to deliver an improved and viable offering for 2023.

This year, £3,937,100 of income was received by the ECB, representing 55% of total income. This absolute level of funding is broadly in line with last year, although a like-for-like comparison of percentage of total income (adjusting for the accounting treatment of catering income) demonstrates a positive reduction

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Financial Report continued

from 60%. We continue to seek ways to reduce our reliance on ECB income and to become a more self-sufficient Club.

Total expenditure in 2022 of £6,666,753 increased by £5,819 against a prior year that included catering costs as noted above, with investment in cricket prioritised in the year, some of which reflects the inflationary impacts in the game as previously described. Additional investment in our commercial team and commercial expenditure has helped to drive the income increase outlined earlier and we have begun to see the significant inflationary pressures of energy costs, particularly in the latter half of the year.

Balance Sheet

The balance sheet of the Club remains strong, with net assets once again increasing beyond £10m by the year end. The Barclays loan, repayable during 2023, is recognised as a current liability, although we are in advanced negotiations with the Bank to extend this loan for another 5 years. Including the Barclays loan in 'liabilities due in more than one year' for illustrative purposes would result in a net current liability position of £238,592, compared to £238,271 in the prior year.

We have continued to reduce our levels of debt during the year, with loan capital repayments totalling £335,331. This has been achieved by targeting a cash inflow from operating activities of £748,598 compared to £941,547 last year. During 2023 we will continue to monitor and balance the desire to reduce debt obligations against the need to invest in the Club to secure a prosperous future.

Summary, principal risks and uncertainties

The year ended 31 December 2022 has delivered a positive financial result in a challenging environment and we end the year with a strong balance sheet and sound levels of cash. Our objective is to continue to invest in facilities and in cricket, and to inspire communities across the South West. We seek to achieve an appropriate balance of investment against the real need to retain contingencies that enable us to manage the Club confidently and progressively in a volatile and fast-changing environment. We also acknowledge that the landscape of cricket is rapidly evolving and we will need to proactively position the Club to deal with challenges and to take advantage of opportunities as they arise. With that in mind, investment in the longer-term strategy as well as the day-to-day activity will be crucial this year.

We note the following principal risks and uncertainties inherent within the Club:

The lasting effects of the pandemic: Whilst lockdowns appear to be consigned to history for the time-being, a small risk remains of lockdowns in the future. Maybe of greater significance is the pace of return to normal levels of economic and social activity, particularly in the hospitality sector. We have observed the long-term impact of the pandemic on levels of income across the Club, such as catering, and whilst levels are returning to near pre-pandemic activity, there is still some way to go

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Financial Report continued

Economic uncertainty: The war in Ukraine, pressures on supply chain, energy inflation and the resultant impact on general inflation, alongside increasing interest rates, has impacted on levels of disposable income. The consequence is a cost of living crisis and we await to see the impact this may have on membership sales, ticket sales, catering income and other income for the Club in 2023. We have budgeted prudently and early signs are positive, but we must continue to monitor this closely and to react appropriately

Professional cricket performance in a rapidly evolving landscape: A positive financial performance is critical in ensuring investment and sustainability of our squad of players and respective support staff. With inflationary pressures in the game resulting from economic volatility, white ball and franchise cricket, it is essential our financial model is appropriately challenged and adapted to future proof the competitiveness of our teams

Suitability of the ground and facilities: As elements of the ground age and approach end of life, it is imperative that plans are developed to invest in facilities and the environment that Members, supporters, coaches and players require to thrive. The strategic work currently taking place aims to address such concerns and to alleviate the risk of falling behind in the maintenance, refurbishment and renovation of the ground



Gordon Hollins – Chief Executive

Dated 27/3/23

Independent Auditor's Report to the Members of Somerset County Cricket Club Limited

Opinion

We have audited the financial statements of Somerset County Cricket Club Limited (the 'company') for the year ended 31 December 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the Financial Statements, 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 Standard, 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 company's affairs as at 31 December 2022 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the board of director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board of directors with respect to going concern are described in the relevant sections of this report.

Other information

The board of directors are responsible for the other information. The other information comprises the information in the Financial Report but does not include the financial statements and our Report of the Auditors 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.

Independent Auditor's Report to the Members of Somerset County Cricket Club Limited

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Financial Report.

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:

- the company has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the income and expenditure account, any other accounts to which our report relates, and the balance sheet are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of the board of director's

As explained more fully in the statement of board of directors responsibilities set out on page 2, the board of directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such control as the board of director's determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors are responsible for assessing the company'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 board of directors either intend to liquidate the company 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 a Report of the Auditors 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.

Independent Auditor's Report to the Members of Somerset County Cricket Club Limited

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the company and the industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery, employment law, England & Wales Cricket Board requirements and Club regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements of the company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Community Benefit Societies Act 2014 and taxation legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to reduce revenue or increase expenditure, and management bias in accounting estimates and judgemental areas of the financial statements such as the depreciation policy and valuation of debtors. Audit procedures performed by the audit engagement team included:

- discussions with management and the board of directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- understanding and review of management's internal controls designed to prevent and detect irregularities, and fraud;
- review of the Board and Committee meeting minutes;
- review of tax compliance;
- designing audit procedures to incorporate unpredictability;
- performing analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud;
- review of the financial statements disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of the board of directors and third-party advisors about actual and potential litigation and claims;
- testing transactions entered into outside of the normal course of the company's business; and
- identifying and testing journal entries, in particular any journal entries with fraud characteristics such as journals with round numbers.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and the transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

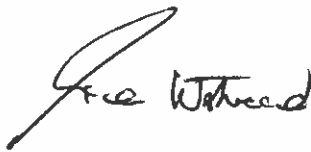
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at

Independent Auditor's Report to the Members of Somerset County Cricket Club Limited

www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's members, for our audit work, for this report, or for opinions we have formed.



Fiona Westwood (Senior Statutory Auditor)
For and on behalf of Sumer Audit
Statutory Auditors
Suite B
Blackdown House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date 30/3/23

SOMERSET COUNTY CRICKET CLUB LIMITED
ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2022

INCOME & EXPENDITURE ACCOUNT

	Notes	2022	2021
Turnover		<u>£7,128,136</u>	<u>£6,977,892</u>
Income			
Subscriptions		£895,155	£732,946
Match Receipts		£971,003	£592,650
Commercial		£915,213	£789,547
ECB Pool		£3,937,100	£3,850,965
Catering		£0	£700,656
Car Parking, Rents, Lettings etc		£182,838	£136,734
Interest Received	3	£21,215	£1,175
Miscellaneous Income		£26,588	£4,607
Concert		£36,984	£40,245
JRS Grant Scheme		£0	£104,288
Other Grant Income		£5,000	£41,229
Regional Academy & Pathway		£79,673	£66,885
Fundraising and Donations		£102,549	£83,292
		<u>£7,153,318</u>	<u>£7,125,219</u>
Expenditure			
Regional Academy & Pathway		£340,142	£275,935
Commercial		£748,887	£567,894
Catering		£14,279	£762,032
Cricket Costs		£2,900,931	£2,547,191
Ground Maintenance		£323,605	£247,344
Match Expenses		£476,566	£352,733
Business Services		£660,269	£787,741
Venue Operations		£744,078	£540,796
Concert		£41,097	£27,019
Finance Charges		£123,262	£126,586
Depreciation (add: Loss on Disposal and less: Grant Amortisation)		£293,637	£425,663
		<u>£6,666,753</u>	<u>£6,660,934</u>
Surplus for the Year before taxation	2	£486,565	£464,285
Taxation Charge	4	-£87,237	-£315,198
Surplus for the Year after Taxation		<u>£399,328</u>	<u>£149,087</u>

SOMERSET COUNTY CRICKET CLUB LIMITED
ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2022

	2022 £	2021 £
Commercial		
Matchday Hospitality	£0	£14,806
Sponsorship and Advertising	£771,828	£662,724
Executive Boxes	£140,200	£106,644
Scorecards (Deficit)/Surplus	-£656	£1,105
Miscellaneous Income	£3,841	£4,268
	<u>£915,213</u>	<u>£789,547</u>
Less Salaries and Administration Expenses	£748,887	£567,894
Surplus/Loss for the Year	<u>£166,326</u>	<u>£221,653</u>
Catering		
Sales		£700,656
Less Cost of Sales		£233,907
Gross Profit	<u>£0</u>	<u>£466,749</u>
Less Salaries		£361,101
Less Fosters Share		£41,076
Less Overheads	£14,279	£125,948
Loss for the Year	<u>-£14,279</u>	<u>-£61,376</u>
Fund Raising and Donations		
Area Donations	£900	£3,507
Donations and Legacies	£101,649	£59,785
	<u>£102,549</u>	<u>£63,292</u>
Cricket Costs		
Salaries and Associated Costs	£2,628,412	£2,254,763
Clothing	£3,769	£6,212
Medical and Physio	£84,581	£69,830
Hotels and Travelling	£147,717	£173,971
Hotels and Travelling 2XI and Trialists	£36,452	£42,415
	<u>£2,900,931</u>	<u>£2,547,191</u>
Ground Maintenance		
Salaries and Expenses	£196,463	£151,145
Repairs and Upkeep	£127,142	£96,199
	<u>£323,605</u>	<u>£247,344</u>
Match Expenses		
Seating and Tentage	£69,165	£52,779
General Match Day Operational Costs	£166,873	£106,451
Stewarding and Security	£184,332	£152,767
Catering	£56,196	£40,736
	<u>£476,566</u>	<u>£352,733</u>

SOMERSET COUNTY CRICKET CLUB LIMITED
ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2022

	2022 £	2021 £
Business Services		
Salaries, Pensions, Welfare and Training	£371,128	£377,884
Audit Fees	£12,413	£10,117
Professional Charges	£91,257	£173,622
Donations Payable	£2,000	£500
Postage, Printing and Stationery	£10,739	£7,965
Telephone	£21,401	£21,934
IT Expenditure	£116,974	£94,694
Bad Debts Provision	£0	-£11,100
Membership Mailings	£0	£15,498
Rates	£21,690	£7,351
Insurance	£0	£76,875
General Expenses	£12,667	£12,401
	<u>£660,269</u>	<u>£787,741</u>
Venue Operations		
Salaries	£114,258	£88,272
Electricity, Gas and Water	£325,300	£152,646
Ground Security	£18,386	£10,497
Alarm Systems	£6,699	£6,870
Insurance	£78,909	£0
General Maintenance and Repairs	£200,526	£282,511
	<u>£744,078</u>	<u>£540,796</u>
Finance Charges		
Charges Payable	£23,342	£36,159
Interest Payable	£99,920	£90,427
	<u>£123,262</u>	<u>£126,586</u>
Depreciation		
Depreciation Charge	£326,970	£318,847
Impairment	£0	£140,149
Grant Amortisation	-£33,333	-£33,333
	<u>£293,637</u>	<u>£425,663</u>

SOMERSET COUNTY CRICKET CLUB LIMITED
ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2022

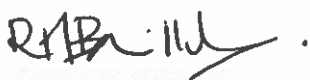
BALANCE SHEET

	Notes	Year 2022	Year 2021
Fixed Assets	5	£13,904,291	£14,039,103
Current Assets			
Stocks	6	£0	£1,032
Debtors	7	£687,720	£462,114
Cash at Bank and In Hand		£1,703,393	£1,734,830
		<u>£2,391,113</u>	<u>£2,197,976</u>
Current Liabilities			
Creditors	8	£2,294,350	£2,098,383
Other Loans	10	£1,335,248	£337,864
		<u>£3,629,598</u>	<u>£2,436,247</u>
Net Current Liabilities		-£1,238,485	-£238,271
		<u>£12,665,806</u>	<u>£13,800,832</u>
Liabilities due after more than one year	9	£945,959	£2,283,721
Deferred Income		£841,667	£875,000
Provisions for liabilities	12	£646,408	£808,411
Net Assets		<u>£10,231,772</u>	<u>£9,833,700</u>
Members Funds			
General Fund			
Balance Brought Forward		£9,826,987	£9,677,900
Net Surplus for the year		£399,328	£149,087
Balance Carried Forward		<u>£10,226,315</u>	<u>£9,826,987</u>
Revaluation Reserve			
Balance Brought Forward		£0	£0
Reversal of Revaluation	1	£0	£0
Reversal of Deferred Tax	1	£0	£0
Balance Carried Forward		<u>£0</u>	<u>£0</u>
Share Capital	14	£5,457	£6,713
		<u>£10,231,772</u>	<u>£9,833,700</u>

The financial statements were approved on behalf of the Board on 27th March 2023 by



Secretary



Board Member



Board Member

SOMERSET COUNTY CRICKET CLUB LIMITED
ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2022

1. Summary of significant accounting policies

General information and basis of preparation

Somerset County Cricket Club Limited is a club registered under The Co-operative and Community Benefit Societies Act 2014 and is incorporated in England within the United Kingdom. The address of the registered office is given in the club information on page 1 of these financial statements.

The financial statements are presented in sterling which is the functional currency of the club.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Key Accounting Judgements and sources of estimation uncertainty

In the application of the club's accounting policies management are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgements that have a significant effect on the financial statements are in respect of going concern, as described in the below accounting policy, and the accounting treatment of freehold land and buildings.

The key estimate that has a significant effect on the amounts recognised in these financial statements is the depreciation charge. Estimation is required in respect of the depreciation rates used, residual value of the land (estimated as £1.82M in line with the 2017 valuation), and an assessment as to whether an indicator of permanent impairment has occurred.

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

b) **Going Concern.** The directors of the club are satisfied that the going concern basis of preparation remains appropriate and, whilst recognising the net current liabilities of £1,238,485 (2021: £238,271), the officers look forward to 2023 and beyond with confidence. The directors have prepared detailed financial forecasts for 2023, taking into consideration the significant cash balances available, the ongoing and confirmed ECB funding, the current status of the renewal of the bank loan and having made all necessary enquiries, are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

c) **Tangible Fixed Assets.** Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset on a systematic basis over its expected useful life as follows:

Plant and Fixtures - Over 5 years

Floodlights (inc in Freehold Land and Buildings) - Over 30 years

Freehold Land and Buildings - Over 20 to 125 years

d) **Stocks.** Stocks are valued at lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, cost of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow moving stock where appropriate.

SOMERSET COUNTY CRICKET CLUB LIMITED
ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2022

e) **Debtors and creditors receivable / payable within one year.** Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

f) **Impairment.** Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in income & expenditure unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

g) **Provisions.** Provisions are recognised when the club has an obligation at the balance sheet date as a result of a past event. It is probable that the outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

h) **Leases.** Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of these obligations is charged to the Income and Expenditure account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable and receivable under operating leases are charged to the Income and Expenditure account on a straight line basis over the period of the lease.

i) **Taxation.** Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

j) **Recognition of income.** Turnover comprises the value of services (net of VAT and trade discounts) in the normal course of business. Revenue derived from the sale of match tickets is recognised as revenue when the relevant event takes place. Revenue in relation to sponsorship and the lease of hospitality boxes is recognised in accordance with the terms of the contracts. Subscription revenue relating to membership of SCCC are recognised on a straight line basis over the periods to which they relate. ECB distributions scheduled for receipt within the year 31st January 2023 are considered to relate to the 2022 Season and have been included in the accounts consistent with the policy of previous years.

k) **Donations.** Donations received towards the cost of specific items of capital expenditure have been credited in the Balance Sheet against the cost of the Asset. The residual donations are credited to the Income and Expenditure account.

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

m) **Deferred income.** Deferred income is represented for the grant received towards the cost of the floodlights. The grant is amortised over the same useful life of the floodlights, 30 years.

n) **Net Debt.** Net debt consists of the borrowings of the entity less any cash and cash equivalents.

o) **Government grants.** Government grant income is accounted for under the accruals model and is recognised in the period in which it becomes receivable.

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

	2022	2021
Wages and salaries	£3,330,659	£3,091,984
Social security costs	£367,867	£304,200
Other pension costs	£198,094	£235,858
Auditors remuneration	£12,413	£10,117
	<u>£3,909,033</u>	<u>£3,642,159</u>

Staff Numbers

The average monthly number of employees during the period was as follows:

	2022	2021
Employees	<u>103</u>	<u>108</u>

Key Management Personnel

Total remuneration in respect of key management for the period was £207,139 (2021: £197,953).

3. Interest receivable and payable and similar expenses

	2022	2021
a) Interest receivable and similar income		
Other	£21,215	£1,175
b) Interest payable and similar expenses:		
Bank loan interest	£49,990	£49,538
Other	£49,930	£40,889
	<u>£99,920</u>	<u>£90,427</u>

4. Taxation

Analysis of tax charge

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

Current tax		
UK corporation tax	£111,483	£128,868
Under/(Over) provision previous year	£7	-£13,244
Total current tax	<u>£111,490</u>	<u>£115,624</u>
Deferred tax		
Origination and reversal of timing differences	-£24,253	£199,574
Tax on surplus on trading activities	<u>£87,237</u>	<u>£315,198</u>

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
Profit on ordinary activities before tax	<u>£488,565</u>	<u>£464,285</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 19% (2020 - 19%)	£92,447	£88,214
Effects of:		
Depreciation in excess of capital allowances	£23,218	£41,483
Expenses not deductible for tax purposes	-£925	£3,885
Profit exempt from tax	-£3,257	-£4,714
Under/(Over) provision previous year	£7	-£13,244
Deferred tax	-£24,253	£199,574
	<u>£87,237</u>	<u>£315,198</u>

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6. Fixed Assets

	Plant & Fixtures	Freehold Land & Buildings	Total
Cost			
Brought Forward at beginning of Year	£533,829	£14,224,344	£14,758,173
Additions	£68,513	£125,647	£192,160
Disposals	-£27,914		-£27,914
Carried Forward at end of Year	<u>£572,428</u>	<u>£14,349,991</u>	<u>£14,922,419</u>
Depreciation			
Brought Forward at beginning of Year	£309,130	£409,940	£719,070
Charge in the year	£156,925	£170,047	£326,972
On Disposal	-£27,914		-£27,914
Carried Forward at end of Year	<u>£438,141</u>	<u>£579,987</u>	<u>£1,018,128</u>
Net Book Value			
As at end of Year	<u>£134,287</u>	<u>£13,770,004</u>	<u>£13,904,291</u>
As at beginning of Year	<u>£224,699</u>	<u>£13,814,404</u>	<u>£14,039,103</u>

Included within Plant & Fixtures are items on hire purchase and finance lease with a NBV of £6,749 (2021: £27,740).

6. Stocks

	2022	2021
Bar Stock		£0
Other Stock		£1,032
	<u>£0</u>	<u>£1,032</u>

7. Debtors

	2022	2021
Trade Debtors	£156,152	£151,927
Other Debtors and Prepayments	£253,521	£34,112
ECB Pool	£278,047	£276,075
	<u>£687,720</u>	<u>£462,114</u>

8. Creditors

	2022	2021
Trade Creditors	£267,770	£84,745
Accruals and Deferred Income	£1,519,849	£1,369,980
Deferred Income (Grants)	£33,333	£33,333
Social Security and Other Taxes	£358,341	£455,566
Taxation	£111,483	£128,868
Hire Purchase (note 11)	£5,574	£20,891
	<u>£2,294,350</u>	<u>£2,093,383</u>

9. Liabilities Due After More Than One Year

	2022	2021
Bank Loans	£0	£1,181,360
Hire Purchase (note 11)	£0	£5,049
Somerset West & Taunton Council	£945,959	£1,097,312
	<u>£945,959</u>	<u>£2,283,721</u>

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

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10. Loans

An analysis of the maturity of loans is given below:

Amounts falling due within one year or on demand:

	2022	2021
Bank Loans	£1,183,895	£186,511
Somerset West and Taunton Borough Council	£151,353	£151,353
	<u>£1,335,248</u>	<u>£337,864</u>

Amounts falling due between one and two years:

Bank Loans	£0	£1,181,360
Somerset West and Taunton Borough Council	£151,353	£151,353
	<u>£151,353</u>	<u>£1,332,713</u>

Amounts falling due between two and five years:

Bank Loans	£0	£0
Somerset West and Taunton Borough Council	£454,060	£454,060
	<u>£454,060</u>	<u>£454,060</u>

Amounts falling due after five years:

Repayable by instalments		
Somerset West and Taunton Borough Council	£340,545	£491,899
	<u>£340,545</u>	<u>£491,899</u>

11. Leasing agreements

Minimum lease payments fall due as follows:

Hire purchase contracts

	2022	2021
Net obligations repayable	£	£
Within one year	£5,574	£20,891
Between one and five years	£0	£5,049
	<u>£5,574</u>	<u>£25,940</u>

Non-cancellable operating leases

	2022	2021
	£	£
Within one year	£65,574	£80,891
Between one and five years	£0	£65,049
	<u>£65,574</u>	<u>£145,940</u>

The hire purchase agreements and finance lease agreements are non-cancellable. The items on hire purchase lease secured on the assets in which they relate

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12. Provisions for Liabilities	2022	2021
Deferred Taxation		
Accelerated Capital Allowances	£609,813	£634,583
Other timing differences	-£6,155	-£6,672
	<u>£603,658</u>	<u>£627,911</u>
Other provisions		
Ground maintenance provision	£42,750	£180,500
Aggregate Amounts	<u>£646,408</u>	<u>£808,411</u>
	Deferred	Other
	tax	provisions
	£	£
Balance at 1 January 2022	£627,911	180,500
Provided during the year	-£24,253	-£137,750
Balance at 31 December 2022	<u>£603,658</u>	<u>£42,750</u>

The deferred tax is provided for at 25% (2021: 25%) and comprises £603,658 (2021: £627,911) in respect of timing differences between depreciation and capital allowances.

Other provisions relate to contracted catering provisions in the year and the prior year relates to ground maintenance. The ground maintenance work has been fully realised in the year.

13. Capital Commitments	2022	2021
Contracted but not provided for in the financial statements	<u>£467,824</u>	<u>£0</u>

At 31 December the club had contracted to various costs relating to the stand and the ground amounting to £467,824 (2021: £nil), as of the year end the club had paid deposits of £158,970 leaving £308,854 outstanding.

14. Share Capital	2022	2021
5457 Ordinary shares of £1 each	<u>£5,457</u>	<u>£6,713</u>

15. Related party Transactions

During the period the club entered into transactions with a Board member at arm's length, the following took place:

	2022	2021
Sales	£77,525	£72,479
Purchases	£9,988	£6,418

Amount due from the related party at the balance sheet date is £21,543 (2021: £24,205).

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CASHFLOW STATEMENT

	2022	2021
Reconciliation of operating surplus to net cash inflow from operating activities		
Surplus before taxation	£486,565	£464,285
Depreciation charges	£326,972	£318,847
Grant amortisation	-£33,333	-£33,333
Impairment of fixed assets	£0	£140,149
Ground maintenance provisions (increase)	-£137,750	-£180,500
Finance costs	£123,262	£126,586
Finance income receivable	-£21,215	-£1,175
Increase/(Decrease) in stock	£1,032	£20,415
(Increase)/Decrease in debtors	-£225,606	-£307,855
Increase/(Decrease) in creditors	£228,671	£394,128
Net cash inflow from operating activities	£748,598	£941,547

Cashflow Statement

Net cash inflow from operating activities	£748,598	£941,547
Returns on Investments and servicing of finance		
Interest received	£21,215	£1,175
Interest paid	-£123,262	-£132,537
Taxation		
Taxation paid	-£128,874	-£41,277
Cash flows from investing activities		
Payments to acquire tangible fixed assets	-£192,160	-£85,337
Disposal proceeds	£0	£0
Net cash from investing activities	£325,517	£683,571
Cash flows from financial activities		
Increase/(Decrease) in ordinary share capital	-£1,256	£2,602
Hire Purchase Repayments	-£20,366	-£20,893
Loans Advanced	£0	£677,450
Loan Repayments	-£335,331	-£1,110,880
Net cash from financial activities	-£356,953	-£451,721
Increase/(Decrease) in cash at bank, in hand and on deposit	-£31,436	£231,850

Reconciliation of net cash flow to movement in net debt

(Decrease)/Increase in cash in period	-£31,436	£231,850
Loan Repayments	£335,331	£1,110,880
Loan Advances	£0	-£677,450
Change in net debt	£303,895	£665,280
Net debt at 1 January 2022	-£881,707	-£1,546,987
Net debt at 31 December 2022	-£577,812	-£881,707

Analysis of changes in net debt

	At 1 Jan 2022 £	Cash Flows £	Other Changes £	At 31 December 2022 £
Cash in hand, at bank and on deposit	£1,734,830	-£31,436		£1,703,394
Debt due within one year	-£337,864	-£997,384		-£1,335,248
Debt due after one year	-£2,278,673	£1,332,715		-£945,958
Total	-£881,707	£303,895	£0	-£577,812