



TOGETHER, WE ARE KENT



# KENT COUNTY CRICKET CLUB LIMITED

Notice of Annual General Meeting (2017)  
Reports and Accounts (2016)

Registered Office:  
The Spitfire Ground, St Lawrence,  
Old Dover Road, Canterbury, Kent CT1 3NZ  
Registered under the Co-operative  
and Community Benefit Societies Act 2014.  
Register No. 28955R

Members will be admitted to the  
Annual General Meeting only on  
production of this Notice and  
evidence of 2017 membership



## NOTICES

### SUBSCRIPTIONS

Members are reminded that subscriptions become payable on January 1 each year. Members' passes will be issued only after payment of the subscriptions, unless the member has subscribed to the multiple Direct Debit option.

Members who have not already paid their subscriptions, are asked to complete and return the enclosed Subscription Remittance form together with their remittance.

Please consider paying the subscription by Direct Debit – it saves time and trouble for you and the Club.

### KENT COUNTY CRICKET CLUB ANNUAL

Annuals will be available at the start of the season. They may be collected from the Club Shop, either at The Spitfire Ground, St Lawrence, or at Home grounds when the first eleven is playing. Annuals will be posted to Members who are unable to collect them upon request (£3 postage, plus the applicable Annual charge).

### ANNUAL GENERAL MEETING – MEMBERS' QUESTIONS

In order that full and complete answers to questions at the Annual General Meeting can be provided, Members are requested to submit these in writing to the Chief Executive by close of business on Friday 24th March 2017. This request does not preclude the membership from asking spontaneous questions at the meeting.



## KENT COUNTY CRICKET CLUB LIMITED

THE SPITFIRE GROUND, ST LAWRENCE, OLD DOVER ROAD, CANTERBURY, KENT

Dear Sir/Madam,

The ANNUAL GENERAL MEETING of Members of Kent County Cricket Club Limited will be held in the HR GO Recruitment Harris Room, Kent County Cricket Club, The Spitfire Ground, St Lawrence, Old Dover Road, Canterbury, Kent CT1 3NZ on Tuesday 28th March 2017 at 7.00pm.

Yours faithfully  
(Sgd.) J A S Clifford  
Chief Executive Officer

### AGENDA

To confirm the Minutes of the Annual General Meeting of Members of Kent County Cricket Club Limited held in the JM Recruitment Harris Room, Kent County Cricket Club, The Spitfire Ground, St Lawrence, Old Dover Road, Canterbury, Kent CT1 3NZ on Monday 4th April 2016.

1. To announce the result of the election of Members to the General Committee.
2. To receive the General Committee Report for 2016.
3. To receive the Accounts for 2015/2016.
4. To appoint Auditors for 2016/2017.
5. To introduce the President for 2017.
6. Playing performance in 2016 and prospects for 2017.
7. Any Other Business

NB: The Minutes of the 2016 Annual General Meeting will be available for inspection by Members at The Spitfire Ground, St Lawrence during normal office hours (9.00 am to 5.00 pm – Monday to Friday) from Tuesday 21st March 2017 to Tuesday 28th March 2017 inclusive, and between 5.00 pm and 6.30 pm on Tuesday 28th March 2017.

A copy of the Club Constitution and Rules is available under 'The Club' tab on the Club website [www.kentcricket.co.uk](http://www.kentcricket.co.uk). Alternatively, these can be sent to Members via email, upon request.



## KENT COUNTY CRICKET CLUB LIMITED

### 2016 CLUB INFORMATION

**PATRON** HRH THE DUKE OF KENT, KG  
**PRESIDENT** LADY KINGSDOWN, OBE

#### PAST PRESIDENTS

R J BAKER WHITE	A LEVICK
R BEVAN, MBE	P MORGAN
R E C COLLINS	R H B NEAME, CBE, DL
A A DUNNING, DL	C F OPENSHAW
P H EDGLEY	J F PRETLOVE
N HÉROYS	J N SHEPHERD
G W JOHNSON	D G UFTON
D S KEMP	D L UNDERWOOD, MBE
G M KENNEDY, CBE	

#### HONORARY LIFE MEMBERS:

HRH THE DUKE OF EDINBURGH, KG	D S KEMP
HRH THE DUKE OF KENT, KG	A P E KNOTT
A A DUNNING, DL	A LEVICK
P H EDGLEY	C F OPENSHAW
J C FOLEY	D G UFTON
N HÉROYS	D L UNDERWOOD, MBE

**CHAIRMAN:** G M KENNEDY, CBE  
**VICE CHAIRMAN:** R E C COLLINS  
**HONORARY TREASURER:** S R C PHILIP  
**CHIEF EXECUTIVE OFFICER:** J A S CLIFFORD  
**CAPTAIN:** S A NORTHEAST  
**HONORARY MEDICAL ADVISER:** DR J B THOMPSON, MBBS  
**HONORARY CURATOR:** D J ROBERTSON  
**INDEPENDENT AUDITORS:** KRESTON REEVES LLP  
**SOLICITORS:** GIRLINGS  
**BANKERS:** NATIONAL WESTMINSTER BANK PLC



## GENERAL COMMITTEE

#### FROM 2014 (FOR THREE YEARS)

G M KENNEDY, CBE  
J N H RICE  
D R TAYLOR

#### FROM 2015 (FOR THREE YEARS)

J L CLARK  
R E C COLLINS  
G W JOHNSON

#### FROM 2016 (FOR THREE YEARS)

J M BAKER WHITE  
J N SHEPHERD  
B R K MOORHEAD DL

#### CO-OPTED 2016

D BARNARD  
(NOMINEE OF KENT CRICKET SUPPORTERS' CLUB)  
D H W TURNER  
(NOMINEE OF KENT COMMUNITY GROUP FORMERLY  
KENT CRICKET BOARD)



## GENERAL COMMITTEE NOMINATIONS

Mr J N H Rice, Mr S R C Philip and Mr D R Taylor all stood for election and there being no other candidates a ballot was not required. For the information of Members:

### Mr J N H Rice

Jonathan Rice has been a Member of Kent County Cricket Club for about 30 years, and a member of General Committee since 2004. From 2006 to 2008 he was National Chairman of The Lord's Taverners cricket charity, and since 2014 he has been Chairman and Trustee of the Brian Johnston Memorial Trust. A member of M.C.C. for 40 years, he served on their Arts and Library Committee from 2003 to 2011. He is Chairman and Trustee of Kent Cricket Heritage Forum. He is a Trustee and playing member of Saltwood Cricket Club (KVL Div 2; HS 65 v Great Chart, BB 7 for 10 v Newington, both many years ago). He is also an after dinner speaker, lecturer and author of over 50 books, on cricket, golf, popular music, television sitcoms and business in Japan, among other things. He lives in Saltwood, near Hythe.

### Mr S R C Philip

Simon is a Life Member of the Club. He has been Honorary Treasurer since 2009, a period during which the finances of the Club have been transformed. Simon also chairs the Club's Finance Group and the Community Cricket Group, which supports the delivery of recreational cricket across Kent. Simon is a Chartered Fellow of the Securities Institute and was formerly a partner in two large international accounting firms, latterly Deloitte. He was Chief Executive of a Deloitte subsidiary company and authored several books on personal finance. Simon played for St Lawrence & Highland Court CC for 15 years and is a member of several leading wandering cricket clubs, including MCC. He is Chairman of The Kent Trust for Youth Sport, a Director of Kempton Park Racecourse and a Trustee of The Allergy Research Foundation. He also is involved with the Starlight Children's Foundation.

### Mr D R Taylor

A lifelong supporter and for over 25 years a Life Member of Kent Cricket. A qualified accountant who retired as a Director of a major building society in 1996. He has channelled his love of sport into various voluntary activities throughout his life. This included serving 19 years as a Director of a professional football club, including 3 years in the Premier League. A member of the Lord's Taverners for 25 years during which he served as a Regional Chairman for 8 years. On retirement Derek accepted the role of Chair of Coachwise, the trading subsidiary of Sports Coach UK, a sports charity charged with developing coaches in all sports. Derek retired from this role after 20 years during which they covenanted more than £10million to the charity. For 6 years Derek served as Vice Chair of the charity. Derek was Co-opted to the Kent Committee in 2010 and then elected in 2014. During that time, Derek also sat on the Finance Sub Committee. Derek believes great progress has been made in stabilising the Club's finances and feel it is now important that the Club moves forward so members and supporters see this translated to success on the playing field. Achieving this will have the added benefit of generating the feel-good factor which will benefit all concerned future of Kent Cricket.



## RECORD OF MEETINGS HELD IN 2015/2016 AND ATTENDANCE FIGURES

General Committee Member	No. of Meetings Held: 8
J M Baker White	6
D Barnard	7
J L Clark	8
R E C Collins	8
G W Johnson	7
G M Kennedy, CBE	8
Lady Kingsdown, OBE	8
B R K Moorhead DL	8
S R C Philip	8
J N H Rice	7
J N Shepherd	8
D R Taylor	8
D W Turner	6



## PRESIDENT'S WELCOME

### Year ending 31 October 2016

It has once again been a huge honour to serve as President of the Club for the past 12 months. To have been given the chance of a second year is more than I could have dreamed of. I would like to thank everyone at the Club and beyond for helping to ensure that it has been such a wonderful experience – I will miss it a great deal.

As you will read elsewhere it has been a very encouraging year from a financial perspective – the Club now being in a much healthier position than for many years.

On the field it was most disappointing to end up in the spot that normally would have brought promotion and I really feel for the players. You will also read of our strained relationship with the England & Wales Cricket Board during the year which has been challenging and something I now hope is behind us.

May I wish all the players, staff, sponsors, members, supporters and my successor as President, Charles Rowe, a wonderful year in 2017.

**Lady Kingsdown OBE** President 2016

## GENERAL COMMITTEE REPORT 2016

### Year ending 31 October 2016

2016 will be a year remembered for season-long differences of opinion, on many subjects, between Kent Cricket and the England and Wales Cricket Board (ECB). This has been a source of great frustration for the General Committee and the membership. Towards the end of the year however matters improved with offers of support in developing The County Ground, Beckenham. It is hoped that this will be the start of the two organisations seeing eye-to-eye more often.

The opening fixture of the season set the tone for matters with the governing body during the year. Worcestershire away seemed like a good way to start the season. A match that many Kent supporters would make the effort to attend, it being a lovely place to watch and an opportunity to get off to a winning start. But both the travelling support and the players were left disappointed, as incredibly no cricket during 4 days of spring sunshine was possible.

A 41-page submission relating to the circumstances was provided to ECB. It made the case that Kent had been wrongfully denied an opportunity to compete – through no fault of their own. In a season with only one promotion spot the inability to accrue points from the fixture was even more keenly felt.

At that early stage we believed that Kent's promotion prospects had been dented by the events at New Road. The Chairman of the Cricket Discipline Commission (CDC), Mr. Gerard Elias QC, considered the report. He concluded there would be no further action, stating he "found there was no evidence that the pitch itself was unfit".

Not a good start to the season. And it was only a month later that another submission was being made to the CDC. On this occasion Matt Coles was facing a suspension from cricket as a consequence of an underarm throw – aimed at the stumps, which hit the batsman. It was put to the CDC that the incident was innocuous and without intent and that a ban would be disproportionate. However, as result of previous infringements, whilst at Hampshire, the CDC upheld the ruling and Coles was duly required to serve a ban. The Club has made the plea that there is greater consistency in application of playing regulations in future.



We hadn't reached the mid-way point of the season, but there was greater tension to follow as the future of Twenty20 and the wider professional game in England was debated.

Various suggested future structures were being proposed by ECB and there was much public discussion about their merits. Through the early stages of talks the Kent view was that this represented an existential threat to the Club. A T20 competition run with new teams and promoted alongside the existing county programme was, to us, likely to side-line county cricket and by extension the county clubs. In an already difficult financial climate, this was of great concern and this view was expressed strongly at every opportunity.

Matters came to a head in September as ECB executives presented their vision for the future to the Chairmen and CEOs of the 18 counties. It was a tense meeting but Kent stood firm, requesting greater detail and making it clear that the downsides of the risk involved in a new competition had not been properly considered. It was the case however that the vast majority were broadly in favour of the direction of travel and it will be the case therefore that the proposals are worked up and a further indication of support, or otherwise, will be taken from the counties in spring 2017. It has been an uncomfortable period for the Club, but we will continue to hold the line to ensure that the future does not marginalise the county game.

The final act in the season-long saga was played out at the conclusion of the Championship campaign. Durham, who had been suffering considerable financial struggles, were demoted to Division 2 as part of a bail-out package agreed with ECB. Kent had no issue with this support, but as a consequence of their move to the lower division ECB had to make a judgement on whether Hampshire, who had already been relegated, should be given a reprieve, or, Kent, having finished second in Division 2 – in the only season when only one promotion spot was available – should be moved up to the top division. ECB sided with Hampshire.

Communications from ECB on the matter was extremely poor, with the Chairman finding out via Twitter that this was the outcome – this only served to fuel the sense of disappointment. The Club fundamentally disagreed with the judgement and immediately engaged legal support to challenge the ruling. A meeting with the Chairman of ECB was quickly convened, but this was also deeply unsatisfactory and raised more questions. Further legal exchanges ensued. Ultimately however the Club felt it was necessary to move on, but we still remain deeply unhappy about the whole promotion and relegation matter and will never accept the conclusion of the ECB. To that end discussions will continue with the ECB to ensure that issues such as this do not occur in the future.

Despite these numerous distractions the General Committee's desire to see the Club lead the way on the field remained undiminished. This desire was backed with the recruitment of Tom Latham, Kagiso Rabada and Hardus Viljoen at various points through the season, all of whom performed well. It was felt that whilst ultimately 2016 didn't deliver the targeted outcomes it pointed to a bright future.

To miss out on promotion and finish second in the County Championship was deeply disappointing. It was the case that – despite the non-cricket issues outlined above – promotion was within grasp, but results in key fixtures got away from the team. Notably at Beckenham against Northamptonshire, when the worst performance of the season came just at the moment a good win was required. Prior to that however there was some excellent cricket and the players should be very proud of their efforts and the feeling of having missed out will drive them in 2017.

The NatWest T20 Blast campaign was, by recent standards, poor. The team never quite got into its stride and much work will be required during 2017 to ensure that there is a better showing in the new mid-summer T20 'block' of fixtures. It is now such an important part of the Club's match revenues that anything less than a quarter-final spot represents underperformance.

Quarter-finals have though been causing the Club considerable heartbreak in recent years. It was the case again in 2016 as a Yorkshire team, loaded with international talent, was run very close at The Spitfire Ground, St



Lawrence. The televised fixture was a high point for supporters, but falling just short again at the knockout stage means that work is required to ensure that this doesn't become a very unwelcome habit.

It may be that more firepower is required and a more ruthless approach taken to player development, for players who cannot quite deliver the performance we need to see. Certainly now that the Club is on a much more financially sound footing the focus needs to shift to regularly competing for honours. This has been tricky over recent years as finances were so tight, but there will be a renewed focus on the development of the most competitive squad possible over the coming months.

Off the field we saw the commencement of the McCarthy & Stone development, which will be completed during 2017 - the building to be named after Kent's all-time record wicket-taker Tich Freeman and work continued at The County Ground, Beckenham to make it a second ground to be proud of.

As is now the expectation a number of other events were hosted during the year... charity and community events, ECB national competitions, dinners and afternoon teas. The highest profile of these events were two excellent, operationally and financially successful concerts – Simply Red and Bryan Adams. As we now know these non-cricket activities remain important opportunities to support the Club's core focus.

During 2016 the Club said goodbye to Rob Key, David Griffiths and Sam Weller. We are grateful to all their efforts for the Club and wish them well, but special mention must be made of Rob Key. He gave his whole career to the Club and should be extremely proud of all he achieved in the game. We are all very grateful for his selfless leadership in his many seasons as captain of Kent. We will now enjoy his regular contributions on Sky Sports and be able to reflect on what a significant player he was in the Club's history.

At the end of the season we bade farewell to Jimmy Adams who had been Head Coach since 2012. Jimmy's tireless work, often without all the resources he might have liked, will be long remembered. Earlier in the season Academy Director Simon Willis also moved on to a new challenge. Many Kent players will look back on the support they both provided to their development with much thanks. We wish them well as Jimmy joins the West Indies to take on the role of Director of Cricket and Simon becomes High Performance Manager for Sri Lanka.

The General Committee would, once again, like to thank all involved with the Club for their unstinting support, whether business partner, long-standing member, casual supporter or member of the Club's staff. It remains hugely encouraging that we have a skilled and hard-working team of people determined to ensure that Kent Cricket is as good as it can be. That they are backed by the unstinting support of so many supporters is very reassuring.

We now look forward to the 2017 campaign, under new Head Coach Matt Walker and his assistant Allan Donald, with huge anticipation. Let's hope that the time spent in the Caribbean during the early part of the year will lead the Club towards domestic honours.

And one final hope – that Kent and ECB can work positively together during the coming year for the long-term health of the game we all love.

#### **Jamie Clifford**

Chief Executive Officer

For and on behalf of

Kent County Cricket Club General Committee



## HONORARY TREASURER'S REPORT

### **Year ending 31 October 2016**

This year's Treasurer's Report brings news of continued improvement in the state of the Club's balance sheet, significant fee payments from the ECB after the year end and a more difficult trading year as anticipated this time last year.

Members should also note the introduction of Financial Reporting Standard 102 which means that the comparative figures for 2015 have needed to be altered, so they are relevant for comparison purposes. This has principally meant an increase in last year's surplus (now called 'comprehensive income'), a reduction in net asset value and changes in nomenclature. There are also new liabilities that need to be recognised (such as holiday pay and deferred tax on revaluation gains) and a plethora of new notes to the Accounts. Those enthused by the prospect of understanding the impact of FRS 102 will find a detailed analysis in Note 27.

The most important financial development since the last Report is that the £3 million due from McCarthy & Stone Retirement Lifestyles Limited for the Old Dover Road site at the Spitfire Ground, St Lawrence has been received in full. Members should note that there were deferred payment terms as part of the deal, resulting in £600,000 + vat being in debtors at the year end.

In addition, Performance Related Fee Payments from the England & Wales Cricket Board ('ECB') amounting to £1.3 million have been received after the year end. The injection of £4.3 million of cash has enabled the Club to make very significant inroads in to the debt position, with material repayments to Canterbury City Council and George Kennedy CBE.

Members will see that the loan to Canterbury City Council has been reduced by nearly £1.5 million; £290,000 of which relates to the very onerous penalty conditions for the 12 month loan deferral granted when planning permission was originally not given for the site, involving additional payments over and above those due. A further £500,000 is due to be repaid after the year end as part of the penalty agreement, meaning the Club is way ahead of the original 30 year repayment schedule. Whilst debt repayment is, per se, a good thing, absorbing huge amounts of free cash will have a direct impact on the investments we are able to make in our grounds (particularly finding a radical solution to the Frank Woolley Stand) and playing squad. It should be noted that, although the sums repaid are very significant, the impact on our annual repayments is fairly minor. In addition, George Kennedy's loan to the Club has been repaid in full. Of the loan, £100,000 was paid during the year and £480,000 subsequently. As has been documented in these Reports previously, the Club is hugely indebted to George for his funding during periods during which the Club has been under extreme financial stress. The penalties visited upon Durham County Cricket Club at the end of last summer are a stark reminder of the predicament that the Club could have faced if George had not been able to provide vital cash flow support. Turning to our trading performance, last year's Report highlighted that we were anticipating the most difficult year of the four year financial cycle (defined by tours by Australia and India and global tournaments). It was suggested that Members should expect 'significantly worse results for 2016' over 2015, a prediction that was accurate.

Looking at the results in detail, subscription income fell by £5,000 to £345,000 which is not surprising as the Australia game drove this in 2015. Despite the reduction, this income is still £14,000 higher than five years ago, bucking a trend across other counties of falling membership.

Gate receipts were down by £147,000, which considering we lost £166,000 of income from the Australia game and the Women's Ashes Test Match is a very good performance. Looking at our Championship revenues,



these were up £7,000 to £104,000, which considering there was one wash out in 2015, means a broadly flat performance.

The figures are underpinned by the Sussex game at Tunbridge Wells (£43,000) and Canterbury Cricket Week (£22,000). This contrasts with revenues of only £20,000 for the first four home games. The impact of playing Sussex at Tunbridge Wells is significant, with receipts increasing by £14,000 over the equivalent game against Essex in 2015.

The T20 revenues were suppressed by no quarter final revenue, which amounted to £79,000 last year. Stripping this revenue out, the group games generated £325,000, a growth rate of 6%. Highlights were the games at Canterbury against Middlesex (£59,000) and Essex (a sell out of £68,000) and a further sell out at Tunbridge Wells against Surrey (£60,000). Unfortunately, we will not be able to repeat the very successful T20 games at the latter venue, which are nearly always sold out, in 2017. Yet another change to fixture scheduling sees the T20 move from mid May to mid July to early July to the middle of August, with only Canterbury Week breaking the diet. Having been given a Sunday afternoon for our first home fixture, we had a choice as to whether to combine a Championship game at Beckenham or Tunbridge Wells with that game. Given the very successful Sunday afternoons at Beckenham previously, the Club has plumped for that venue.

The financial impact of the scheduling change on T20 will be interesting and may well not be positive. Members will recall that our attendances have grown massively for this format since the implementation of the Morgan Review in 2014, which led to Friday nights becoming the default night for T20. Whilst we now play seven home games, rather than five, gate receipts have increased by 129% overall or 63% per game. This is phenomenal growth in a three year period and the game tampers with the format at its peril. Whilst a superficially attractive case can be made for shifting the tournament to the school holidays, it may be that playing in August, while holidays are being taken and over a shorter period makes the move a Pyrrhic victory.

The Royal London One Day Cup games produced interesting gate receipts. The first two group games at Canterbury produced total revenues of £10,000. The Beckenham game and the Canterbury Week game produced total revenues of £48,000. This led to a group game aggregate broadly similar to 2015. The consequence of qualifying for a home Quarter Final against international-laden Yorkshire led to a bonus gate of £55,000 after our opponent's share.

This tournament bears the brunt of the change in scheduling of the T20 in 2017, with games taking place, largely midweek, in late April and May. A significant fall in overall competition revenues should be expected.

The 2017 scheduling changes are intended to be player friendly, with tournaments being played in blocks, enabling focus on a particular format. This may well require a significant investment by counties to compensate for lost gate receipts.

ECB revenues were broadly level and there was a continued further deterioration in Sports Centre profits. This revenue line is very much dependant on the demand of local schools and colleges, which is falling. The physiotherapy clinic, which has been a shining beacon of financial success in the last two years, slipped in a major way in 2016. The issue has been the availability of qualified physiotherapists, for whom there is currently a very difficult recruitment market in East Kent. Quite simply, the Club has not been able to procure the necessary number of practitioners to fulfil the demand that is available. Whilst this situation is disappointing, the profit level has returned to the level of 2013, rather than being a major black hole. It may be that if this structural issue does not change, the 2014 and 2015 performances should be regarded as outliers.

The catering profit remains unchanged at £100,000 and marketing profit only dropped by £30,000 despite a significant change in personnel. Community Cricket is a new line in the accounts and follows the combination of the Kent Cricket Board's finances with the Club's from 30th September 2015, the end of the Board's final



accounting period. The inclusion of only a month of activity accounts for the very low comparative figure for last year.

Direct expenditure was up by £187,000. A significant amount of this was playing salaries and extensive refurbishments at The Spitfire Ground, St Lawrence at the start of the season. The costs of staging games also increased, particularly as we had to fund the mobile replay screen, provided at T20 games, for the first time as it was not covered by sponsorship and we made two separate visits to Beckenham. Administration expenses have risen by £47,000, largely as a result of increased legal and professional charges (£25,000) and energy costs (£7,000). It should be borne in mind that despite the increase, costs have been reduced to such an extent that these costs are still £175,000 lower than they were in 2008. It is a testimony to all of our staff that they are able to operate the Club at such a high level of efficiency.

Wages and salaries have increased by £370,000, as a result of increased spending on the playing squad, but more particularly the Kent Cricket Board team being included for a full 12 months, rather than one.

Members have shown interest in the past about the level of spend on playing salaries. The comparative figures for all 18 counties are only available to Treasurers retrospectively and so the latest figures are for 2015. At that point, Kent stood 10th of the 18th counties, with an investment in playing resources greater than two Test Match Ground counties and again behind only Surrey in Division Two. This spend increased further in 2016.

The consequence of the falls in revenue and increased expenses is that EBITDA fell by more than £400,000. This has been mitigated by the receipt of £1.3 million of ECB cash shortly after the year end. Other figures in the Statement of comprehensive income (which is what the Profit & Loss Account is now called) are unexceptional. Depreciation is consistent with 2015 and the interest figure is £24,000 lower, reflecting the repayment of debt.

Members should note that there is a tax credit of £190,000, which results from a release of part of the tax provision of £450,000 made last year. This means that the overall deficit is £352,000, of which £260,000 is depreciation. Moving to the note of historic gains and losses, the disposal of the Old Dover Road site is reflected through a gain on disposal of £2.764 million, which then leads to a historical surplus for the year of £1.897 million.

Turning to the Balance Sheet, Tangible Assets are down by £3.2 million, mainly as a result of the property disposal. Debtors are up by £686,000, with £600,000 + VAT of this relating to the final tranche of sale consideration from McCarthy & Stone. Cash balances now stand at £240,000, up by £223,000.

Creditors are down by £1.476 million. The main components of this are, as previously mentioned, a reduction in the Canterbury City Council loan of £1.5 million, George Kennedy's loan of £100,000 and an ECB loan of £300,000. There is an increase of £275,000 in Accruals and deferred income, the principle element of which is £300,000 from ECB and a provision of £250,000 in respect of Corporation tax on the disposal of the Old Dover Road site. Finally, deferred tax now needs to be provided on the extent to which our property has been revalued and a provision of £457,000 has been added to cover this.

Members will have read about the ECB's intention to introduce a city based T20 competition from 2020. Detailed work is being done on this tournament and it is anticipated that significant sums, in excess of £1.3 million per county will be distributed annually as a result of increased television rights. This proposal has been received with varying degrees of enthusiasm around the country. Kent's position has been that a solution delivering smaller additional revenues, but involving 18 counties rather than new teams, is an infinitely preferable outcome. However, that option was not offered to counties. The quality of county cricket during the six week July/August period, when it is envisaged that there will be a 50 over tournament shorn of over 100 top county professionals and the Test team, remains to be seen.



From a Treasurer's perspective, whilst huge sums of additional revenue are welcome, there must be legitimate financial questions to be asked about the consequences. Firstly, will any additional money coming into the game drive salary inflation, rather than being used to rid the game of the mountains of debt that are in existence, particularly at some Test Match Ground counties? Secondly, what will be the impact of an even bigger proportion of our revenue coming from the ECB, rather than our own sources? Thirdly, to what extent will clubs like Kent, which are Non Test Match Ground counties, be marginalised going forward? Will this tournament be the forerunner to all cricket, including red ball, being organised on an eight team, city based basis? Finally, counties must be wary of expanding their cost base, in case the television deal is not renewed (or is renewed at a far lower level). To date, franchise sports teams have not really taken off in the UK. This tournament is a step in the dark to a great extent. It is going to be focused on families and is predicated on attracting a new and younger audience. Whilst this is very laudable, one pundit described it as 'a tournament for people who don't know they like cricket yet!'

With the Old Dover Road site now finally dealt with, the six years of redevelopment are over from a financial perspective. Next year's accounts will be those of a cricket club, rather than a property development company with a works cricket team! As ever, particular thanks are due to the Executive Team and all our staff, who work tirelessly to make sure that the Club's off-field activities are a success.

To close, this Report is a final chance to pay tribute to George Kennedy, from a Treasurer's perspective, as he is not seeking re-election to the Committee. To do this, a reminder of the Report from 2013 is appropriate:

*Throughout this period, the contribution of one individual has stood out. George Kennedy CBE has supported the Club with tireless effort and hard cash. Without George, there would now be no Kent County Cricket Club. He has acted as a 'lender of last resort' on countless occasions without complaint, with the aggregate of his loans to the Club being comfortably in excess of £1 million. A consequence of years of losses and getting on with the redevelopment has been that, at certain times of the year, cash is beyond tight. Whenever this happens, George has been there. His help has enabled the Club to run normally and make the right long term decisions, rather than being sucked into endless rounds of short-termism. The savings generated by George facilitating the continuity of the building work runs into hundreds of thousands of pounds. At the same time, his relentless quest to ensure the Club is, in his words, 'fit for purpose' has kept all minds firmly focused on the job in hand and raised the stock of the Club within the ECB. He is a tough negotiator and it has been a relief to have him on the Club's side during discussions on a multitude of issues! When the history of the Club is updated, George's contribution must surely rank alongside other great Club leaders and philanthropists, such as Lord Harris and Stuart Chiesman.*

**Simon Philip**

Honorary Treasurer

February 2017

In recent years, the Club has held meetings before the AGM with Members who wished to get a more detailed understanding of the finances. Any Member interested in meeting with the Chief Executive and/or Honorary Treasurer should contact Tanya Nicholls at the Club. tanya.nicholls.kent@ecb.co.uk



## KENT COUNTY CRICKET CLUB LIMITED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 OCTOBER 2016



## GENERAL COMMITTEE'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2016

The members of the General Committee are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the members of the General Committee to prepare financial statements for each financial year. Under that law the members of the General Committee have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102

The financial reporting standard applicable in UK and Republic of Ireland. The financial statements are required by law to give a true and fair view of the state of affairs of the club and of its income and expenditure for that period. In preparing these financial statements, the members of the General Committee are required to:

- **select suitable accounting policies 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 members of the General Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the club and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They have general responsibility for taking reasonable steps to safeguard the assets of the club and to prevent and detect fraud and other irregularities.

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



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENT COUNTY CRICKET CLUB LIMITED

We have audited the financial statements of Kent County Cricket Club Limited ("the club") for the year ended 31 October 2016, set out on pages 24 to 43. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the club's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the club's members those matters we are required to state to them in an auditors' report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the club and the club's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the general committee and auditor

As explained more fully in the Statement of General Committee's responsibilities on page 16, the members of the General Committee are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the club's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the club's affairs as at 31 October 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with requirements of the Co-operative and Community Benefit Societies Act 2014.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENT COUNTY CRICKET CLUB LIMITED (continued)

### Matters on which we are required to report by exception

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

- proper books of account have not been kept by the club in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the club in accordance with the requirements of the legislation;
- the financial statements are not in agreement with the books of account of the club;
- or we have not obtained all the information and explanations necessary for the purposes of our audit.

**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
Canterbury  
26 January 2017



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2016

	Note	2016 £	2015 £
<b>Income</b>	4	<b>3,841,201</b>	4,035,360
<b>Direct expenditure</b>	5	<b>(3,554,500)</b>	(3,367,704)
Administration expenses		(385,599)	(338,872)
Other operating income		33,063	16,238
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>(65,835)</b>	345,022
Depreciation less amortisation of capital grant		(260,729)	(256,531)
Profit on disposal of fixed assets		-	1,000
Bank interest receivable	9	1,201	-
Long term loan interest payable	10	(218,415)	(242,271)
<b>Deficit before taxation for the year</b>		<b>(543,778)</b>	(152,780)
Taxation	11	191,856	22,000
<b>Deficit after taxation for the year</b>		<b>(351,922)</b>	(130,780)
<b>Other comprehensive income</b>			
Unrealised surplus on revaluation of property, plant and equipment		-	1,994,425
Taxation		(1,577)	(251,874)
<b>Total comprehensive income for the year</b>		<b>(353,499)</b>	1,611,771
<b>Note of historical cost gains and losses for the year ended 31 October 2016</b>		<b>2016 £</b>	<b>2015 £</b>
<b>Reported deficit on ordinary activities before taxation</b>		<b>(543,778)</b>	(152,780)
Gain on disposal of freehold land		2,764,545	-
		<b>2,220,767</b>	(152,780)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated at the revalued amount		15,301	9,359
<b>Historical cost surplus/(deficit) on ordinary activities before taxation</b>		<b>2,236,068</b>	(143,421)
<b>Historical surplus/(deficit) for the year after taxation</b>		<b>1,897,108</b>	(121,421)

The notes on pages 24 to 43 form part of these financial statements



## BALANCE SHEET AS AT 31 OCTOBER 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	12	10,261,910	13,436,448
Investment property	13	<u>1,100,000</u>	<u>1,100,000</u>
		<b>11,361,910</b>	<b>14,536,448</b>
<b>Current assets</b>			
Stocks	15	73,170	79,906
Debtors: amounts falling due within one year	16	1,264,114	578,023
Cash at bank and in hand	17	<u>240,566</u>	<u>17,280</u>
		<b>1,577,850</b>	<b>675,209</b>
<b>Creditors: amounts falling due within one year</b>	18	<u>(2,320,453)</u>	<u>(3,334,583)</u>
<b>Net current liabilities</b>		<b>(742,603)</b>	<b>(2,659,374)</b>
<b>Total assets less current liabilities</b>		<b>10,619,307</b>	<b>11,877,074</b>
<b>Creditors: amounts falling due after more than one year</b>	19	<b>(3,298,785)</b>	<b>(3,760,514)</b>
<b>Provisions for liabilities</b>			
Deferred tax	21	<u>(457,259)</u>	<u>(899,498)</u>
<b>Net assets</b>		<b><u>6,863,263</u></b>	<b><u>7,217,062</u></b>
<b>Capital and reserves</b>			
Called up share capital	22	118	118
Revaluation reserve	23	407,083	3,188,506
Other reserves	23	136,331	69,333
Income and expenditure account	23	<u>6,319,731</u>	<u>3,959,105</u>
		<b><u>6,863,263</u></b>	<b><u>7,217,062</u></b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 January 2017.

**G M Kennedy CBE**  
Chairman

**S R C Philip**  
Honorary Treasurer

**J A S Clifford**  
Chief Executive Officer

The notes on pages 24 to 43 form part of these financial statements



## STATEMENT OF CHANGES IN EQUITY

### For the Year Ended 31 October 2016

	Called Up Share Capital	Revaluation Reserve	J & K Huntley Bursary	Colin Page Cricket Sponsorship Fund	Woolley Appeal Fund	Community Cricket	Income and Expenditure Reserve	Total Equity
	£	£	£	£	£	£	£	£
At 1 November 2015	118	3,188,506	49,711	3,534	15,101	987	3,959,105	7,217,062
Surplus/(deficit) for the year	-	(1,577)	-	-	-	67,298	(419,220)	(353,499)
Bursary paid	-	-	-	(300)	-	-	-	(300)
Realisation of gain on disposal of land	-	(2,764,545)	-	-	-	-	2,764,545	-
Transfer between revaluation reserve and general reserve	-	(15,301)	-	-	-	-	15,301	-
<b>At 31 October 2016</b>	<b>118</b>	<b>407,083</b>	<b>49,711</b>	<b>3,234</b>	<b>15,101</b>	<b>68,285</b>	<b>6,319,731</b>	<b>6,863,263</b>

The notes on pages 24 to 43 form part of these financial statements



## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2015

	Called Up Share Capital	Revaluation Reserve	J & K Huntley Bursary	Colin Page Cricket Sponsorship Fund	Woolley Appeal Fund	Community Cricket	Income and Expenditure Reserve	Total Equity
	£	£	£	£	£	£	£	£
At 1 November 2014	118	1,455,314	49,711	3,784	15,101	-	4,081,513	5,605,541
Surplus/(deficit) for the year	-	1,742,551	-	-	-	987	(131,767)	1,611,771
Bursary paid	-	-	-	(250)	-	-	-	(250)
Transfer between revaluation reserve and general reserve	-	(9,359)	-	-	-	-	9,359	-
<b>At 31 October 2015</b>	<b>118</b>	<b>3,188,506</b>	<b>49,711</b>	<b>3,534</b>	<b>15,101</b>	<b>987</b>	<b>3,959,105</b>	<b>7,217,062</b>

The notes on pages 24 to 43 form part of these financial statements



## STATEMENT OF CASH FLOWS

For the Year Ended 31 October 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Deficit for the financial year	(351,922)	(130,780)
<b>Adjustments for:</b>		
Depreciation of tangible assets	265,479	256,531
Loss on disposal of tangible assets	-	(1,000)
Interest paid	218,415	242,271
Interest received	(1,201)	-
Taxation	(191,856)	(22,000)
Decrease in stocks	6,736	7,472
Decrease in debtors	55,909	1,072,089
Increase/(decrease) in creditors	171,689	(322,187)
<b>Net cash generated from operating activities</b>	<b>173,249</b>	<b>1,102,396</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(74,579)	(57,529)
Sale of tangible fixed assets	2,258,000	1,000
Interest received	1,201	-
HP interest paid	(2,257)	(2,572)
<b>Net cash from investing activities</b>	<b>2,182,365</b>	<b>(59,101)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	8	14
Other new loans	-	315,650
Repayment of other loans	(1,896,418)	(1,103,691)
Repayment of/new finance leases	(19,760)	(26,703)
Interest paid	(216,158)	(239,699)
<b>Net cash used in financing activities</b>	<b>(2,132,328)</b>	<b>(1,054,429)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>223,286</b>	<b>(11,134)</b>
Cash and cash equivalents at beginning of year	17,280	28,414
<b>Cash and cash equivalents at the end of year</b>	<b>240,566</b>	<b>17,280</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	240,566	17,280
	<b>240,566</b>	<b>17,280</b>



# NOTES TO THE FINANCIAL STATEMENTS

## For the Year Ended 31 October 2016

### 1. General information

Kent County Cricket Club Limited is a society registered under the Co-operative and Community Benefit Societies Act 2014. The address of its registered office is St Lawrence Ground, Old Dover Road, Canterbury, Kent, CT1 3NZ.

The principal activities and objects of the club are to:

- a) promote and further the game of cricket at all levels within and beyond the County of Kent;
- b) to carry on the activity of County Cricket and to undertake such cricket fixtures and other activities as the General Committee may decide;
- c) to be a member of the First-Class Cricket Forum of the England and Wales Cricket Board (ECB) and to take part in the activities of the ECB or any successor;
- d) to strengthen the bonds between the club and local communities in Kent and surrounding areas;
- e) to maintain and develop the County Ground at the St Lawrence Ground, Canterbury and/or such other location or locations as the General Committee may from time to time determine as the headquarters of the club and/or as a venue for playing cricket and so as to provide the best possible facilities for Members and those visiting the Ground or Grounds; and
- f) to apply the profits of the club in furthering the objects of the club

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The functional and presentational currency is Pounds Sterling.

The financial statements are presented to the nearest pound.

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

The following principal accounting policies have been applied:

#### 2.2 Going concern

Although the club had net current liabilities at the balance sheet date, the position has improved significantly from the prior year following the disposal of surplus property, the cash generated from which has been used to reduce debt.

The club has prepared budgets and cash flow forecasts that demonstrate that it will be able to continue to meet its obligations as they fall due for payment for the foreseeable future, including the repayment of its loan commitments.

After making enquiries and taking into account the factors described above, the club's management have a reasonable expectation that the club has adequate resources to continue trading for the foreseeable future.



Therefore they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

#### 2.3 Revenue

All income is accounted for on an accruals basis except for donations which are accounted for in the year of receipt. Income represents amounts receivable from the club's principal activities and is analysed between the club's income streams in note 4.

#### Subscriptions

Subscription income comprises amounts receivable from members in respect of the current season. Subscriptions received in respect of future seasons is treated as deferred income.

#### Match receipts

Relate to amounts received from gate charges, ticket sales and guarantees directly attributable to staging domestic cricket matches in Kent.

#### England and Wales Cricket Board (ECB)

ECB income relates to fees receivable, including performance related elements, in the current season distributed from central funds in accordance with the First Class Memorandum of Understanding. ECB fees received in respect of future seasons are treated as deferred income. ECB distributions receivable to fund capital projects are treated as deferred income and are released to the Income and Expenditure Account by equal installments over the expected useful lives of the relevant assets in accordance with accounting policy 2.5 Tangible fixed assets, as set out below.

#### Other income

Other income relates to amounts received, net of related expenditure, from marketing, catering guarantees, facility hire, physiotherapy, rentals, concerts and community cricket. Income received in respect of future seasons is treated as deferred income.

#### 2.4 Donations and legacies

Donations and legacies are accounted for on a receivable basis where the amount can be ascertained.

#### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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. Freehold land and buildings are under the revaluation model and recognised in accordance with accounting policy

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold Land	- nil
Freehold Buildings	- 50 - 75 years
Floodlit Area and Academy Fixtures	- 25 years
Leasehold Improvements	- 3 to 25 years
Motor vehicles	- 3 years
Ground and Office equipment	- 3 to 10 years

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



losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

#### **2.6 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value 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 balance sheet 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 unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the income and expenditure account.

#### **2.7 Investment property**

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the income and expenditure account.

#### **2.8 Valuation of investments**

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

#### **2.9 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads. At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### **2.10 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.

#### **2.11 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.

#### **2.12 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.



#### **2.13 Finance costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **2.14 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.

#### **2.15 Leased assets: the club as lessee**

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **2.16 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 balance sheet. The assets of the plan are held separately from the club in independently administered funds.

#### **2.17 Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

#### **2.18 Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

#### **2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the club a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the statement of comprehensive income in the year that the club becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the balance sheet.

#### **2.20 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 balance sheet 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 balance sheet 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 balance sheet date.

#### **2.21 Capital & revenue grants**

Grants relating to tangible fixed assets are treated as deferred income and released to the income and expenditure account over the expected useful lives of the assets concerned. Grants received to date relate primarily to the freehold buildings and will be credited to the income and expenditure account over a period of fifty years. Grants relating to revenue costs are credited to the income and expenditure account in line with the relevant costs.

#### **2.22 England and Wales Cricket Board (ECB)**

ECB income relates to fees receivable, including performance related elements, in the current season distributed from central funds in accordance with the First Class Memorandum of Understanding. ECB fees received in respect of future seasons are treated as deferred income.

#### **2.23 Life members' subscriptions**

Life membership subscriptions received during the year are placed to a deferred income account and amounts are transferred as income to the income and expenditure account over a period of ten years.

#### **2.24 Membership subscriptions**

Annual subscriptions are accounted for on a cash-received basis except for those amounts received which relate to the following season, in which case the subscriptions is carried forward as deferred income. Any arrears recovered are included as income in the year received. Subscriptions paid by members beyond the Balance Sheet date have been apportioned and provisions made.

### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates. The following judgements have had the most significant impact on amounts recognised in the financial statements:



#### **Investment properties**

The club holds investment property with fair value of £1,100,000 at the year end (see note 13). In order to determine the fair value of investment property the company has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

#### **Tangible fixed assets**

The club has recognised tangible fixed assets with a carrying value of £10,261,910 at the reporting date (see note 12). The club has adopted the revaluation model for the measurement of land and buildings, other assets are stated at their cost less provision for depreciation and impairment. In order to determine the fair value of land and buildings the club has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. Valuations are obtained with sufficient regularity to ensure that the carrying value of revalued assets reflects current market conditions. The determined fair value of the investment property is most sensitive to fluctuations in the property market. The club's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the club determines at acquisition or the date of revaluation reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions.

At subsequent reporting dates management consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used. Where there are indicators that the carrying value of tangible assets may be impaired the club undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use.

Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the club's forecasts for the foreseeable future which do not include any restructuring activities that the club is not yet committed to or significant future investments that will enhance the asset's performance.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

#### **Taxation**

Provision has been made in the financial statements for deferred tax amounting to £457,259 at the reporting date (see note 21). This provision is based upon estimates of the availability of future taxable profits, the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of future tax planning strategies.



#### 4. INCOME

	2016	2015
	£	£
Subscriptions	345,047	350,162
Match Receipts	558,764	705,127
England and Wales Cricket Board	1,893,826	1,878,143
Sports Centre	29,460	39,173
Physiotherapy Clinic	43,641	114,149
Catering Income	100,000	100,000
Marketing	575,126	604,127
Rental and Sport Hire Income	198,066	219,874
Concert Income	29,973	23,618
Community Cricket	67,298	987
	<b>3,841,201</b>	<b>4,035,360</b>

Sports centre, physiotherapy clinic, marketing, concert and community cricket income is stated net of directly related expenditure. The total gross income for the year is £5,473,380 (2015: £5,112,067).

#### 5. DIRECT EXPENDITURE

	2016	2015
	£	£
Salaries and related costs	2,359,286	2,295,074
Match expenses - ground	224,106	211,068
Match expenses - cricket	377,051	347,923
Ground operating costs	546,991	466,289
Cricket Development and Academy	47,066	47,350
	<b>3,554,500</b>	<b>3,367,704</b>

#### 6. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	265,479	261,281
Profit on sale of tangible assets	-	(1,000)
Other operating lease rentals	51,333	43,023
Defined contribution pension cost	204,837	181,397
Capital grants released	(4,750)	(4,750)

During the year, no member of the General Committee received any emoluments (2015 - £NIL).



#### 7. AUDITORS' REMUNERATION

	2016	2015
	£	£
Fees payable to the club's auditor and its associates for the audit of the club's annual financial statements	<b>13,500</b>	<b>13,200</b>

#### 8. EMPLOYEES

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	2,905,504	2,535,937
Social security costs	281,674	256,341
Other staff costs	135,489	143,198
Cost of defined contribution scheme	204,837	181,397
	<b>3,527,504</b>	<b>3,116,873</b>

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

	2016	2015
	No.	No.
Cricket	23	22
Cricket - Coaches, scorers and administration	6	6
Ground/Operations	8	9
Marketing and sales	6	5
Sports Centre	3	3
Physiotherapy Clinic	10	8
Administration	4	4
Community cricket	12	13
	<b>72</b>	<b>70</b>

#### 9. INTEREST RECEIVABLE

	2016	2015
	£	£
Other interest receivable	<b>1,201</b>	-
	<b>1,201</b>	-



## 10. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Interest payable	216,158	239,699
Finance leases and hire purchase contracts	2,257	2,572
	<u>218,415</u>	<u>242,271</u>

## 11. TAXATION

	2016	2015
	£	£
<b>Corporation tax</b>		
Current tax on profits for the year	(180,856)	-
<b>Total current tax</b>	<u>(180,856)</u>	<u>-</u>
<b>Deferred tax</b>		
Changes to tax rates	(11,000)	(22,000)
<b>Total deferred tax</b>	<u>(11,000)</u>	<u>(22,000)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(191,856)</u>	<u>(22,000)</u>

In addition to the above a taxation charge of £1,577 has been recognised in other comprehensive income (2015: a tax charge of £251,874). This comprises a charge of £432,816 in respect of current taxation and a credit of £431,239 in respect of deferred taxation, and effectively represents an underprovision of deferred tax in respect of revalued land that was disposed of during the year. The prior year charge represented solely deferred taxation.



## 11. TAXATION (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016	2015
	£	£
Loss on ordinary activities before tax	<u>(543,778)</u>	<u>(152,780)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(108,756)	(30,556)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,125	3,693
Capital allowances for year in excess of depreciation	(83,958)	5,969
Short term timing difference leading to an increase (decrease) in taxation	(11,000)	(22,000)
Unrelieved tax losses carried forward	-	25,092
Income not taxable for tax purposes	8,733	(4,198)
<b>Total tax charge for the year</b>	<u>(191,856)</u>	<u>(22,000)</u>

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.



## 12. TANGIBLE FIXED ASSETS

	Freehold property	Plant & machinery	Motor vehicles	Fixtures & fittings	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 November 2015	11,400,000	3,215,664	4,950	80,569	14,701,183
Additions	-	73,276	17,665	-	90,941
Disposals	(3,000,000)	-	(1,950)	-	(3,001,950)
<b>At 31 October 2016</b>	<b>8,400,000</b>	<b>3,288,940</b>	<b>20,665</b>	<b>80,569</b>	<b>11,790,174</b>
<b>Depreciation</b>					
At 1 November 2015	-	1,192,006	2,367	70,362	1,264,735
Charge for the period on owned assets	55,908	188,553	1,167	3,018	248,646
Charge for the period on financed assets	-	13,593	3,240	-	16,833
Disposals	-	-	(1,950)	-	(1,950)
<b>At 31 October 2016</b>	<b>55,908</b>	<b>1,394,152</b>	<b>4,824</b>	<b>73,380</b>	<b>1,528,264</b>
<b>Net book value</b>					
At 31 October 2016	8,344,092	1,894,788	15,841	7,189	10,261,910
At 31 October 2015	11,400,000	2,023,658	2,583	10,207	13,436,448

The net book value of land and buildings may be further analysed as follows:

	2016	2015
	£	£
Freehold	8,344,092	11,400,000
	<b>8,344,092</b>	<b>11,400,000</b>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016	2015
	£	£
Motor vehicles	13,424	-
Equipment	18,699	42,598
	<b>32,123</b>	<b>42,598</b>



## 12. TANGIBLE FIXED ASSETS (CONTINUED)

Included in land and buildings is freehold land at a valuation of £585,000 (2015: £3,813,834), cost £6,621 (2015: £6,621) which is not depreciated.

At 31 October 2016 the total net book value of land and buildings related to freehold land and buildings.

Cost or valuation at 31 October 2016 is as follows:

	Land and buildings
	£
<b>At cost</b>	<b>5,931,267</b>
<b>At valuation:</b>	
Strutt & Parker Valuation 31 October 2015	2,468,733
	<b>8,400,000</b>

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

	2016	2015
	£	£
Cost	5,695,812	5,931,267
Accumulated depreciation	(2,691,186)	(2,650,579)
<b>Net book value</b>	<b>3,004,626</b>	<b>3,280,688</b>

## 13. INVESTMENT PROPERTY

	Freehold investment property
	£
<b>Valuation</b>	
At 1 November 2015	1,100,000
<b>At 31 October 2016</b>	<b>1,100,000</b>

The investment property was revalued in 2015 by independent external valuers Strutt & Parker LLP, Chartered Surveyors of 2 St Margaret's St, Canterbury Kent, CT1 2SL at fair value. At 31 October 2016 this valuation is considered appropriate by management and the property is recognised at fair value.



## 14. INVESTMENTS

The club has an investment of 30,000 ordinary £1 shares in Reigndei Limited, an unquoted company registered in Guernsey, established in order to provide insurance cover for rain affected domestic and international matches. In common with other First Class Counties who have like investments, these shares are being held by England and Wales Cricket Board Limited as Trustees for the club. The fair value of this investment is deemed to be £Nil. The club also owns other assets, for example paintings and other memorabilia, where the value is not recognised in the financial statements.

## 15. STOCKS

	2016	2015
	£	£
Finished goods and goods for resale	<u>73,170</u>	<u>79,906</u>
	<b>73,170</b>	<b>79,906</b>

## 16. DEBTORS

	2016	2015
	£	£
Trade debtors	246,431	323,496
Deferred consideration on disposal of property	742,000	-
Other debtors	191,010	159,095
Prepayments and accrued income	<u>84,673</u>	<u>95,432</u>
	<b>1,264,114</b>	<b>578,023</b>

## 17. CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash at bank and in hand	<u>240,566</u>	<u>17,280</u>
	<b>240,566</b>	<b>17,280</b>



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

	2016	2015
	£	£
Other loans	2,036	2,236
Trade creditors	256,960	441,122
Corporation tax	251,960	-
Taxation and social security	423,051	363,171
Obligations under finance lease and hire purchase contracts	11,814	18,001
Other creditors	114,154	63,154
Accruals and deferred income	678,652	402,821
Deferred capital grants	4,750	4,750
Chairman's loan	480,000	580,000
England and Wales Cricket Board - loan	-	300,000
Canterbury City Council loan	<u>97,076</u>	<u>1,159,328</u>
	<b>2,320,453</b>	<b>3,334,583</b>

Canterbury City Council have a first charge over parts of the club's ground at Canterbury.

## 19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Net obligations under finance leases and hire purchase contracts	26,559	23,770
Other loans	11,179	13,414
Accruals and deferred income	61,209	87,011
Deferred capital grants	63,444	68,194
Canterbury City Council loan	<u>3,136,394</u>	<u>3,568,125</u>
	<b>3,298,785</b>	<b>3,760,514</b>

## 20. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2016	2015
	£	£
Within one year	11,814	18,001
Between 1-2 years	12,463	8,051
Between 2-5 years	<u>14,096</u>	<u>15,719</u>
	<b>38,373</b>	<b>41,771</b>



## 21. DEFERRED TAXATION

	2016	2015
	£	£
At beginning of year	(899,498)	(669,624)
Charged to income and expenditure account	11,000	22,000
Charged to other comprehensive income	431,239	(251,874)
<b>At end of year</b>	<b>(457,259)</b>	<b>(899,498)</b>

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
On revaluation of freehold land and buildings	(270,259)	(788,498)
On revaluation of investment property	(187,000)	(198,000)
Unutilised tax losses	-	87,000
	<b>(457,259)</b>	<b>(899,498)</b>

## 22. SHARE CAPITAL

	2016	2015
	£	£
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
2,354 (2015 - 2,348) Ordinary shares shares of £0.05 each	<b>118</b>	118
<b>Movement in membership numbers</b>		
At 1 November 2015	2,348	2,356
Allotted in year	165	286
Cancelled in year	(159)	(294)
<b>At 31 October 2016</b>	<b>2,354</b>	<b>2,348</b>



## 23. RESERVES

### Revaluation reserve

The club has adopted the revaluation model for the measurement of its land and buildings. This reserve is used to record increases in the fair value of land and buildings, less any related provision for deferred tax. The amount of depreciation provided on book value which represents valuation surpluses is transferred each year by way of a reserve movement to the profit and loss account.

### Other reserves

Other reserves include:

- J & K Huntley Bursary for the benefit of providing an educational grant in conjunction with the University of Kent to students with proven cricketing ability.
- Colin Page Cricket Scholarship for the benefit of youth cricket.
- Woolley Appeal Fund.
- Community cricket fund for the development of recreational cricket.

### Income and expenditure account

This reserve comprises all current and prior period retained surpluses and deficits.

## 24. PENSION COMMITMENTS

Included in staff costs for the period is £204,837 (2015: £181,397) in respect of the club's contributions to staff and players group personal pension schemes. Amounts outstanding at the balance sheet date amounted to £16,864 (2015: £16,707).

## 25. COMMITMENTS UNDER OPERATING LEASES

At 31 October 2016 the club had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Not later than 1 year	33,387	29,917
Later than 1 year and not later than 5 years	13,175	54,401
	<b>46,562</b>	<b>84,318</b>

## 26. RELATED PARTY TRANSACTIONS

Included within creditors is a loan of £480,000 (2015: £580,000) due to G M Kennedy CBE, the club chairman. On 27 June 2016, £100,000 was repaid to Mr Kennedy. The loan attracts interest at 3% above the NatWest base rate. At 31 October 2016 unpaid interest owed to Mr Kennedy totalling £100,540 has been accrued for (2015: £72,733). This loan is repayable on demand.

### Key management personnel

The total remuneration payable in respect of key management personnel for the year was £267,802 (2015: £256,632).



## 27. FIRST TIME ADOPTION OF FRS 102

The club transitioned to FRS 102 from previously extant UK GAAP as at 1 November 2014.

The impact of the transition to FRS 102 is as follows:

	Note	As previously stated 1 November 2014	Effect of transition 1 November 2014	FRS 102 (as restated) 1 November 2014	As previously stated 31 October 2015	Effect of transition 31 October 2015	FRS 102 (as restated) 31 October 2015
		£	£	£	£	£	£
Fixed assets	1	12,733,496	(28,500)	<b>12,704,996</b>	14,564,948	(28,500)	<b>14,536,448</b>
Current assets		1,765,905	-	<b>1,765,905</b>	675,209	-	<b>675,209</b>
Creditors: amounts falling due within one year	2	(4,321,879)	(24,642)	<b>(4,346,521)</b>	(3,309,178)	(25,405)	<b>(3,334,583)</b>
<b>Net current liabilities</b>		<b>(2,555,974)</b>	<b>(24,642)</b>	<b>(2,580,616)</b>	<b>(2,633,969)</b>	<b>(25,405)</b>	<b>(2,659,374)</b>
<b>Total assets less current liabilities</b>		<b>10,177,522</b>	<b>(53,142)</b>	<b>10,124,380</b>	<b>11,930,979</b>	<b>(53,905)</b>	<b>11,877,074</b>
Creditors: amounts falling due after more than one year		(3,849,214)	-	<b>(3,849,214)</b>	(3,760,514)	-	<b>(3,760,514)</b>
Provisions for liabilities	3	-	(669,624)	<b>(669,624)</b>	(450,000)	(449,498)	<b>(899,498)</b>
<b>Net assets</b>		<b>6,328,308</b>	<b>(722,766)</b>	<b>5,605,542</b>	<b>7,720,465</b>	<b>(503,403)</b>	<b>7,217,062</b>
Capital and reserves	1,2,3	6,328,308	(722,766)	<b>5,605,542</b>	7,720,465	(503,403)	<b>7,217,062</b>



## 27. FIRST TIME ADOPTION OF FRS 102 (CONTINUED)

	Note	As previously stated 31 October 2015	Effect of transition 31 October 2015	FRS 102 (as restated) 31 October 2015
		£	£	£
Income		4,035,360	-	<b>4,035,360</b>
Direct expenditure	2	(3,366,942)	(762)	<b>(3,367,704)</b>
		668,418	(762)	<b>667,656</b>
Administrative expenses		(338,872)	-	<b>(338,872)</b>
Other operating income		16,238	-	<b>16,238</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>345,784</b>	<b>(762)</b>	<b>345,022</b>
Depreciation less amortisation of capital grant		(256,531)	-	<b>(256,531)</b>
Profit on disposal of fixed assets		1,000	-	<b>1,000</b>
Long term loan interest payable		(242,271)	-	<b>(242,271)</b>
Taxation	3	-	22,000	<b>22,000</b>
<b>Loss on ordinary activities after taxation and for the financial year</b>		<b>(152,018)</b>	<b>21,238</b>	<b>(130,780)</b>

Explanation of changes to previously reported profit and equity:

- 1 Adjustment required to recognise the Club's investment in Reigndei Limited at its fair value. Previously it was recognised at cost.
- 2 FRS 102 requires short term employee benefits to be charged to the income and expenditure account as the employee service is received. This has resulted in the company recognising a liability for holiday pay on transition to FRS 102.
- 3 In accordance with FRS 102 deferred tax has been recognised in respect of the revaluation of freehold land and buildings and investment property.



## MEMBERSHIP NUMBERS

	As at 1/11/15	Transferred, Deceased & Cancelled	New	As at 31/10/16
Life	1,101	(25)	-	1,076
Annual Honorary	79		5	84
<b>FULL</b>				
All Rounder & Friend	190	(24)	10	176
All Rounder	415	(37)	58	436
Junior Associate*	245	(93)	124	276
Student	15	(6)	5	14
Family	19	(5)	3	17
Championship Plus - Single	166	(22)	15	159
Championship Plus - Double	70	(9)	7	68
Spitfire - Single	45	(1)	30	74
Spitfire - Double	41	(2)	17	56
<b>COUNTRY</b>				
Member & Friend	48	(6)	5	47
Member	159	(22)	10	147
<b>TICKETING PACKAGES</b>				
Six Pack*	498	(158)	187	527
13th Man*	34	(11)	7	30
	3,125	(421)	483	3,187

\* Non- shareholders

Championship Plus & Spitfire are now shareholder packages

The above has not been subject to audit.



Kent County Cricket Club would like to thank their Sponsors and Business Partners for their support



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