

SUSSEX COUNTY CRICKET CLUB LIMITED

ANNUAL REPORT AND ACCOUNTS

2011

SUSSEX COUNTY CRICKET CLUB LIMITED

2011 REPORT AND ACCOUNTS

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SUSSEX COUNTY CRICKET CLUB LIMITED

8th February 2012

Dear Member

Notice is hereby given that the Annual General Meeting of the Club will be held in the Boundary Rooms at Sussex CCC, The PROBIZ County Ground, Eaton Road, Hove on 15th March 2012 at 7.00pm. After the formal proceedings conclude we will conduct an open forum with opportunities for Members to ask questions of the Board Officers, the cricket management and myself.

Yours faithfully,

Dave Brooks, Chief Executive, Sussex Cricket

AGENDA

1. Apologies for Absence.
2. Minutes of the Annual General Meeting held on 31st March 2011.
3. Chairman's Board Report
4. Hon. Treasurer's Report and to adopt the Accounts for the Year ended 31st October 2011.
5. To elect a President for 2012/2013 – Bryan Bedson has been nominated.
6. To re-elect the Patron for 2012/2013 - The Duke of Richmond and Gordon FCA has been nominated.
7. To elect a new Vice-President – Don Trangmar has been nominated.
8. To re-elect the Vice-Presidents as listed on the next page of this Report.
9. To announce the results of the election of Members to the Board.
10. To approve the amendments to the Club Rules
 - i. Rule 7 concerning amendments to the Board membership
 - ii. Rule 10 to adopt the relevant ECB Regulations on governance
 - iii. All other Rules noted in the mark up
11. To discuss and vote upon "*This meeting does not support the proposal to reduce the number of County Championship matches to 14 with effect from 2014 and calls on the Officers and Executive of Sussex CCC to oppose that proposal*" (Proposer : Professor J F Pickering, Seconder : Mr Richard Rees)
12. To elect Auditors.
13. Any Other Business.

Members will be admitted to the Annual General Meeting only on production of the Notice convening the Meeting and a valid 2012 Membership Card. Only fully paid up Members for 2012 will be admitted (Rule 17f). Junior Members and Martlet Members under the age of 18 are entitled to attend the Meeting but are NOT entitled to vote (Rule 17f).

The Minutes of the 2011 Annual General Meeting and the Accounts for Year Ending 31st October 2011 will be available online at www.sussexcricket.co.uk and for inspection by Members at the Club during normal office hours (9.00am to 5.00pm, Monday to Friday) from 1st March 2012 to 14th March 2012 inclusive at The County Ground, Hove, and also between 5.00pm and 7.00pm at the Club, on the day of the Annual General Meeting. It is hoped that Members will accept a proposal to take the Minutes as read when item 2 on the Agenda is reached.

Please note that immediately preceding the Club AGM and Open Forum, the Annual General Meeting of the Sussex Cricket in the Community Trust (SCCT) will be held at 6.00pm. All "Friends of Sussex Young Cricketers" are welcome to attend the meeting

SUSSEX COUNTY CRICKET CLUB LIMITED

Patron: The Duke of Richmond and Gordon FCA

President: B S Bedson

Vice-Presidents:

C J Adams	J R Greenwood MBE DL	P G Parsons
S R Allen MBE	A W Greig	J W Scott
J R T Barclay DL	M G Griffith	C E M Snell
A M Caffyn	K G Hopkins	J A Snow
Miss C Connor OBE	R M Leadley	D J Stoner FCA
E R Dexter CBE	L J Lenham	A N C Wadey
G H G Doggart OBE	Mrs F E Low	P Watson
T J Ebdon DL	A Long	R Webb
D R Gilbert	R G Marlar	A P Wells
I J Gould	P Moores	
P J Graves	P W G Parker	
D E Green	J M Parks	

The Board 2011/2012

Chairman:	J R May
Vice-Chairman:	R J Barrow
Hon. Treasurer:	S Crundwell

Elected Members:

JM Abbott CBE, QPM, R Holste, B Warren	To retire March 2012
R J Barrow, D B R Bowden, J W Pengelly	To retire March 2013
J R T Barclay DL, S Crundwell, J R May	To retire March 2014

Co-Opted Member:

Miss C Connor OBE

The President is an ex-officio Member of the Board.

Executive Team at 1 February 2012

Chief Executive:	D G Brooks
Professional Cricket Manager:	M A Robinson
Cricket Performance Manager:	K Greenfield
Head of Recreational Cricket:	T Shutt
Catering & Hospitality Manager:	K Berry
Sales & Marketing Manager:	T Mould
Business Relationship Manager:	P A Cottey
Operations and Facilities Manager:	I C Waring
Finance Manager:	Miss S J Hill
HR Manager:	Miss F Stokes

Sussex County Cricket Club Limited

CHAIRMAN'S REPORT

for the year ended 31 October 2011

Professional Cricket

We can be pleased that Sussex continued to develop in a transitional year. Finishing fifth in the Championship was a good achievement as we found that matches were played with much greater intensity, and our opposition had greater strength in depth, than those in Division Two. Murray Goodwin and Ed Joyce performed very well with the bat, Jimmy Anyon showed great improvement and genuine pace to deservedly gain his County Cap, whilst Monty Panesar was the leading wicket-taker in Division One and earned his recall to the England Test squad for the Pakistan series in early 2012. Several youngsters also showed promise for the future, notably Luke Wells who was selected for the England Player Performance squad this winter.

In the one-day competitions, Sussex was one of the only three counties to reach the knock-out stages of both the Friends Life t20 and the CB40 competitions. Unfortunately we did not play to our normal standard in our final matches and fell short of making a Finals Day. Again, we saw notable individual contributions with Chris Nash named at the PCA Awards as 'CB40 Player of the Year' and Chris Liddle, fully fit after a testing couple of seasons, proving his worth with over 20 wickets in each competition.

All together 2011 can be regarded as encouraging, particularly granted that Michael Yardy and Luke Wright missed large parts of the season. It was very good to see Mike back at the Club and as I write, he is looking forward to leading the team in the Caribbean t20 competition in January.

We are all very proud that Matt Prior is an established player for England who became the best Test Team in the World in 2011. He joined us as a youngster and has grown into a world-class wicketkeeper batsman. In recognition of his service to Sussex, Matt has been awarded a benefit in 2012.

Recreational Cricket

The Sussex women's team had another good season in 2011 and finished second in the County Championship and third in the Twenty20 cup. We are proud that Sussex players Holly Colvin, Sarah Taylor and Georgia Elwiss played in the England team as did Arran Brindle who joined Sussex mid-way through last season.

The recreational game continues to flourish throughout Sussex. Dave Brooks, Chief Executive of both Sussex CCC and the Sussex Cricket Board has ensured that both bodies work well together. Andy Hobbs, who was Head of Recreational Cricket, left us in November 2011 to take up the post of Development Programmes Manager for the ICC based in Dubai. It is pleasing to see another Sussex person graduate to a significant position in the game. Andy has been succeeded by Tim Shutt. The Sussex Cricket Board is regarded as one of the leading bodies in England which bodes well for the longer term development of the County Club.

Sussex Cricket Charities

Our two charities continue to play vital roles for the Sussex Cricket family and are worthy and reliant on your support. Sussex Cricket in the Community Trust (SCCT) does much to support young cricketers at the Sutton Winston Academy at Blackstone, and in the wider community around the County. SCCT celebrated its 25th anniversary this year with a major fund raising exercise in addition to its normal activities. David Bowden as Management Committee Chairman and his team did exceptionally well as the additional appeal generated close to £50,000 towards a new Score Box and other capital equipment for Blackstone.

Sussex Cricket World (SCW) is the rebranded name for the Sussex Cricket Museum & Educational Trust which opened a new museum in the basement of the Spen Cama Pavilion. Richard Barrow as Chairman and his fellow Trustees have ambitious plans for SCW. They were off to a good start with the exhibition for the India match receiving widespread publicity in the sub-continent.

Ground Development

Last year was notable for the completion of the second phase of the £8m development of the PROBIZ County Ground. The refurbishment of the Pavilion has been well received with the Long Room and Dining Room being excellent venues for hire outside cricket matches. The new South Stand and the new South West stand, together with the Indoor School, means we have invested nearly £10m improving Hove since 2003 and we now have a ground which can compare with any in the sport.

We are very fortunate to have achieved this due to the legacy of the late Spen Cama after whom we named the Pavilion in September 2011. Our thanks are due to the work of Dave Brooks, Ian Waring and our professional team in partnership with our various contractors led by Farnrise Construction. They ensured that a first rate development

Sussex County Cricket Club Limited

CHAIRMAN'S REPORT

for the year ended 31 October 2011

was carried out on schedule whilst the ground was being used. In particular Ian Waring, Operations Manager, has been a model of calm professionalism in this challenging period!

We have modernised the ground whilst respecting the unique culture of Hove, and the Board has ensured that our heritage is celebrated to a much greater degree than before. The extensive collection of photographs displayed in the Pavilion together with the Players' Piazza and the new SCW museum are amongst the initiatives in this area.

Commercial

Our operating income in 2011 increased to £5.20m (£4.86m). After taking account of interest earned, we have recorded a surplus of just under £12,000 for the year. Further details are contained in the Treasurer's report that follows on page 7.

In summary we are pleased by the continuing progress on our trading position. This is especially notable as we received very little interest income compared with three years ago due to falling interest rates. Our timing in investing the vast bulk of the Cama legacy in ground improvements has been fortunate.

There has been a major increase in commercial income in the last three years and we offer our thanks to our sponsors, corporate partners, Members, and members of the Supporters Club, Boundary Club and of the Players Club. Particularly thanks go to our main sponsor Farnrise Construction Ltd and to our ground sponsor PROBIZ.

Corporate Governance

The Board continues the oversight of the Club looking at strategic matters with the Chief Executive and the Executive team fully responsible for the day-to-day running of the Club. The Board is recommending Amendments to the Club Rules which are detailed in the documentation for the AGM. Most of these are by nature a tidying up and are in line with modern governance. One substantive proposal is that the elected Directors be reduced over time from nine to six, which we consider is appropriate for a Club of our size. We have also introduced a more detailed Board Director Application process which dovetails with the ECB's introduction of a 'fit and proper person' test for the Director or Committee Members of First Class Counties. This should give greater assurance to Members that Sussex has suitably qualified Board Members.

At the AGM, the Board is proposing to nominate Bryan Bedson as President for a further year. Bryan is a former Chief Executive of a public company who has many links in Sussex and adds value to the Board.

Summary

The past season was the third one that Dave Brooks and I have served as Chief Executive and Chairman respectively. In that time the Club continued to make significant progress both on and off the field. The development of the PROBIZ County Ground is a major landmark in the Club's history and our side remains very competitive in all forms of the game. The Board is fully committed to our aim of ensuring that we have a successful playing squad underpinned by a sound business.

Our aim should be that the domestic county game is vibrant. In order that the non-Test match Ground Counties remain competitive with the larger Counties, we need a playing schedule that makes commercial sense as well as providing a grounding that enables players to graduate to international standard. The ECB has done very well developing Team England for men and women and has done much to help facilitate the growth of recreational cricket. We welcome the ECB having more focus on the County game though at the time of writing we are concerned that yet another restructuring of the county schedule is proposed for 2014. We are engaging in the debate in a constructive manner and hope to influence the outcome.

In closing, I wish to convey my thanks to Members, staff, Board colleagues and others from the Sussex Cricket family, many of whom put in masses of unpaid effort for the game we all love. Whilst 2012 may be challenging economically, we look forward to the season with optimism at our lovely redeveloped ground as I believe that under Mark Robinson and Mike Yardy's leadership, we are well placed with a settled squad which has plenty of room for personal growth as cricketers.



J R May
Chairman

Sussex County Cricket Club Limited

TREASURER'S REPORT

for the year ended 31 October 2011

2011 has seen a period of significant change at the Club with the completion of a major investment into the development of the ground, providing not just a top class facility but also the flexibility to begin to broaden revenues away from purely cricketing related activities. During this year of continued transition, I am pleased to be able to report an operating surplus of £ 12k after taking into account interest earned.

Due to the ground development, we have decided to amend the format of our Income and Expenditure Account to make it more user friendly for our membership. Whilst it is not the norm to strip out depreciation as we have done here, the Board feel that this format offers a better representation of our underlying trading.

Financially, overall operating income increased by 7% (£340k), we have seen a major uplift in match revenues in 2011 largely driven by the one day match against the touring Indians and our home t20 quarter final.

In terms of membership, adjusting for the one off release of life membership in 2009/10, membership across the various groups is broadly flat – this is an area of consumer spend that is now the subject of even greater focus with marketing plans in place to grow this line in 2012.

Catering income has seen significant growth (up 35% on 2010) primarily resulting from an increase in consumer spend including the benefit of a T20 home quarter final draw and the visiting Indian tourists. Equally important has been the significant growth in non-match day event income (conferencing / weddings etc), up in excess of 50% on 2010, reflecting the improved Pavilion and Boundary Room facilities alongside the contribution from the Elton John concert. However, one area of the catering operation that we are focusing more closely on is costs through the implementation of more robust control systems to more tightly manage resource and potential margin leakage. Our aim is to continue to develop our 1839 hospitality and events business, especially on our non-match days. Led by our Catering Manager, Kevin Berry, and Commercial Manager, Trevor Mould, we are confident that we can maintain quality and grow margins in a sector where our quality has won much praise.

Within the commercial side of our operation, we have seen further excellent growth largely reflecting Trevor Mould and his team capitalising on the new facilities in terms of the wider introduction of naming rights e.g. the new South West stand and welcoming PROBIZ as our new Ground sponsors. Allied to this has been a marked change in terms of a much more innovative and varied approach towards sponsorship packaging.

Turning to costs, operating expenditure is up 4.25%, primarily in match and catering costs reflecting commensurate increase in income in both these lines. Prior to depreciation, legacies, interest and exceptional items, the Club recorded a deficit of £31k (2010: loss of £156k). After these items have been accounted for, the club has recorded a deficit for the year after tax of £124k (2010 deficit £171k)

In interpreting the Club's financial performance it is important to note that the final deficit is struck after depreciation of £403k (£233k – 2010) which has increased materially as a result of the ground redevelopment. This reflects a prudent approach by the board to write off the value of our building over periods up to a maximum 50 years as opposed to some clubs who write their building assets over periods in excess of 100 years.

Movements in the make up of the Club's balance sheet reflect the investment in the ground development with fixed assets increasing to £11.5m, up £5.5m funded by way of a commensurate reduction in cash balances. Cash/cash investments stood at £1.6m at the year end.

As in previous years, I would like to extend my thanks to Sandra Hill and her finance team for their robust financial controls and strict financial discipline.

As I alluded to at the start of my report, with the ground development now largely behind us it is important that we look to not just the commercial opportunities but also the consumer in driving new and increased revenues from the facilities that we now have at our disposal. With an established and class leading catering operation, we enter 2012 with record levels of bookings for non-match day events which provides an excellent platform to materially grow this area of our operation.

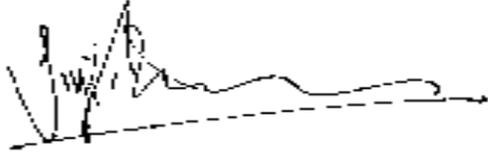
Similarly, whilst we have no core or long term debt and cash reserves the envy of many counties, following the significant investment into the ground development it is important that we do not become complacent and manage costs and cashflow ever more tightly in what continue to be difficult economic times. In this respect the Board has approved prudent budgets for 2012 where all areas of operational costs and potential wastage have been examined and rigorously challenged.

Sussex County Cricket Club Limited

TREASURER'S REPORT

for the year ended 31 October 2011

One outcome of this detailed examination of costs has been to do away with the costly printing and production of Annual Report and Accounts and hopefully you will approve of the move to a more cost effective method of posting of results on the Club's website; this alone is expected to save in the region of £3k in the current financial year.

A handwritten signature in black ink, appearing to read 'S Crundwell', written over a horizontal dashed line.

S Crundwell
Honorary Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUSSEX COUNTY
CRICKET CLUB LIMITED
for the year ended 31 October 2011

We have audited the financial statements on pages 11 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Club's members, as a body, in accordance with the provisions of the Industrial and Provident Societies Acts 1965 to 2002. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept 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 opinion we have formed.

Respective responsibilities of the Board and auditor

As explained more fully in the Statement of the Board's Responsibilities set out below, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Basis for qualified opinion on financial statements

The Industrial and Provident Societies Acts 1965 to 2002 require the Club to comply with UK Accounting Standards, including all Financial Reporting Standards. As explained in Note 3, certain items have been described as exceptional in the Income and Expenditure account.

We disagree with the presentation of these items after the Operating Deficit because Financial Reporting Standard 3, *Reporting Financial Performance* paragraph 19, requires exceptional items to be included in the headings to which they relate unless separate disclosure is necessary in order to give a true and fair view.

In our opinion, separate disclosure in the Income and Expenditure account of the exceptional income of £300,000 and exceptional expenditure of £39,152 is not necessary for a true and fair view. Therefore the exceptional income should be included within Operating Income and the exceptional expenditure should be included in Administrative Expenses.

The Deficit for the financial year is unaffected by these matters.

Qualified opinion on financial statements

In our opinion, except for the effects of the matters described in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Club's affairs as at 31 October 2011 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Industrial and Provident Societies Acts 1965 to 2002.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUSSEX COUNTY
CRICKET CLUB LIMITED
for the year ended 31 October 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Friendly and Industrial and Provident Societies Act 1968 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the society in accordance with the requirements of the legislation; or
- a satisfactory system of control over transactions has not been maintained by the society in accordance with the requirements of the legislation; or
- the revenue account or other accounts (if any) to which our report related, and the balance sheet are not in agreement with the books of account of the society; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Statutory Auditor
Preece House
Davigdor Road
Hove
BN3 1RE

10th February 2012

STATEMENT OF THE BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Friendly and Industrial Societies Act 1968 and the Friendly and Industrial Societies Act 1965 require the Board to prepare financial statements for each financial year which give a true and fair view. Under those regulations the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the Friendly and Industrial Societies Act 1968 the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Club and of the surplus or deficit of the period.

In preparing these financial statements the Board are required to:

- a) select suitable accounting policies and then apply them consistently
- b) make judgements and accounting estimates that are reasonable and prudent
- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Club will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Club's transactions and disclose with reasonable accuracy at any time the financial position of the Club and enable it to ensure that the financial statements comply with the provisions of the Friendly and Industrial Societies Act 1968 and the Friendly and Industrial Societies Act 1965. They are also responsible for safeguarding the assets of the Club and hence taking reasonable steps for the prevention of fraud or error or other irregularities.

The Board is responsible for the maintenance and integrity of the financial and other information included on the Club's website.

Legislation in the United Kingdom governing the preparation of financial statements may differ from legislation in other jurisdictions.

Sussex County Cricket Club Limited

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 October 2011

	Note	2011 £	2010 (restated – note 19) £
OPERATING INCOME			
Match income		619,239	455,225
Membership subscriptions		433,576	473,687
Commercial and sponsorship		717,140	638,050
ECB distribution		1,927,445	1,979,597
Other income		159,644	107,042
County Age Groups and Academy		268,626	320,095
Catering		1,029,180	761,439
Retail shop		47,279	127,834
		<u>5,202,129</u>	<u>4,862,969</u>
OPERATING EXPENDITURE			
Match costs		2,863,509	2,787,549
Commercial and sponsorship		503,354	533,041
County Age Groups and Academy		386,835	373,882
Catering		803,691	601,035
Retail shop		50,289	124,182
		<u>4,607,678</u>	<u>4,419,689</u>
GROSS SURPLUS		594,451	443,280
Other operating income - rents receivable		144,830	132,750
Administrative expenses		(770,050)	(732,008)
OPERATING DEFICIT, BEFORE DEPRECIATION, LEGACIES, INTEREST AND EXCEPTIONAL ITEMS		<u>(30,769)</u>	<u>(155,978)</u>
Depreciation		(403,046)	(233,365)
OPERATING DEFICIT AFTER DEPRECIATION, BEFORE LEGACIES, INTEREST AND EXCEPTIONAL ITEMS		<u>(433,815)</u>	<u>(389,343)</u>
Legacies receivable	6	-	92,978
Interest receivable		42,895	142,385
Exceptional expenditure	3	(39,152)	-
Exceptional income	3	300,000	-
DEFICIT FOR THE YEAR BEFORE TAXATION	2	<u>(130,072)</u>	<u>(153,980)</u>
Tax on ordinary activities	5	6,354	(16,548)
DEFICIT FOR THE FINANCIAL YEAR	14	<u><u>(123,718)</u></u>	<u><u>(170,528)</u></u>
All the Club's operations are continuing.			
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES			
		£	£
Deficit for the financial year		(123,718)	(170,528)
Unrealised surplus on revaluation of investment property		-	1,374,133
Total gains and losses recognised since last annual report		<u>(123,718)</u>	<u>1,203,605</u>

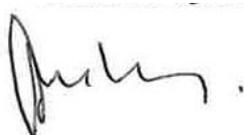
Sussex County Cricket Club Limited

BALANCE SHEET

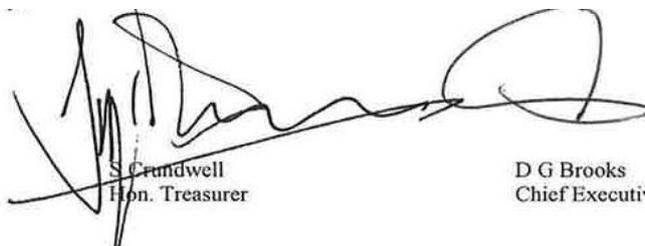
as at 31 October 2011

	Note	2011 £	2010 (restated – note 19) £
FIXED ASSETS			
Tangible	7	11,548,022	6,018,407
CURRENT ASSETS			
Stocks		58,502	65,491
Debtors	8	443,108	679,347
Investments	8	995,100	1,000,000
Cash at bank and in hand		682,344	6,302,387
		2,179,054	8,047,225
CREDITORS: amounts falling due within one year	9	(1,203,218)	(1,504,536)
NET CURRENT ASSETS		975,836	6,542,689
TOTAL ASSETS LESS CURRENT LIABILITIES		12,523,858	12,561,096
Deferred income	11	(183,698)	(97,222)
NET ASSETS		12,340,160	12,463,874
Financed by:			
Share capital	12	159	155
Investment revaluation reserve	13	1,374,133	1,374,133
General fund	14	10,965,868	11,089,586
MEMBERS' FUNDS	15	12,340,160	12,463,874

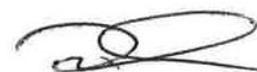
The financial statements on pages 11 to 23 were approved and authorised for issue by the Board on 8th February 2012 and were signed on its behalf by:



J R May
Chairman



S Crundwell
Hon. Treasurer



D G Brooks
Chief Executive

Sussex County Cricket Club Limited

CASH FLOW STATEMENT

for the year ended 31 October 2011

	2011		2010 (restated – see note 19)	
	£	£	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (Note 20a)		284,436		(447,178)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		47,795		224,996
OTHER CASH INFLOWS				
Legacies received		-		92,978
TAXATION				
Corporation tax recovered		6,354		28,864
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(323,197)		(755,336)	
Payments for ground development project	(5,617,935)		(1,941,060)	
		(5,941,132)		(2,696,396)
CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES AND FNANCING		(5,602,547)		(2,796,736)
MANAGEMENT OF LIQUID RESOURCES				
Purchase of investment		-		(1,000,000)
FINANCING				
Issue of ordinary share capital	9		6	
Redemption of ordinary share capital	(5)		(10)	
ECB loan received	282,500		215,000	
ECB loan repaid	(300,000)		(490,000)	
		(17,496)		(275,004)
DECREASE IN CASH IN THE YEAR		(5,620,043)		(4,071,740)

Further details are given in note 20.

Sussex County Cricket Club Limited

NOTES TO THE ACCOUNTS

for the year ended 31 October 2011

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investment properties and in accordance with applicable United Kingdom accounting standards.

a. FIXED ASSETS

The Eaton Road ground at Hove is included in the accounts at a nominal value of £1 and “The Sussex Cricketer”, 1 Eaton Road and Flat 4 Wilbury Grange are all included at open market value. All other fixed assets are stated at cost.

Depreciation is provided on all fixed assets, other than land and investment property, at rates calculated to write off the cost of each asset over its expected useful life on a straight line basis as follows:

Freehold ground improvements	10 - 50 years
Freehold properties:	
Hospitality boxes	50 years
Indoor School	25 years
Other freehold buildings	5 – 50 years
Furniture, fixtures and equipment	3 – 50 years

b. INVESTMENT PROPERTY

“The Sussex Cricketer” public house together with the adjoining residential property 1 Eaton Road and Flat 4 Wilbury Grange are classified as investment property.

The investment property is accounted for in accordance with SSAP 19, “Accounting for Investment Properties”, which provides that these should not be subject to periodic depreciation charges, but should be shown at open market value. This is contrary to the Industrial and Provident Societies Act 1965 and the Industrial and Provident Societies Act 1968 which state that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price.

The treatment of investment properties under these Acts does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect the operations of the Club. In such a case it is the current value of the investment, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for the investment property.

The investment property will be re-valued annually by the board and every third year by independent Chartered Surveyors on an open market basis. Changes in market value are recognised in reserves other than deficits expected to be permanent, which are charged to the income and expenditure account for that period. No depreciation is provided on the freehold investment property.

Details of the current value and historical cost information for investment property is given in Note 7.

c. STOCK

Stock, which comprises shop goods for resale and catering stocks, is stated at the lower of cost and net realisable value.

Sussex County Cricket Club Limited

NOTES TO THE ACCOUNTS

for the year ended 31 October 2011

1. ACCOUNTING POLICIES (*continued*)

d. OPERATING INCOME

The operating income shown in the income and expenditure account represents the amounts receivable for goods and services sold during the period, exclusive of value added tax and exclusive of exceptional income.

Match income

Match income is recognised in respect of all cricket matches played during the current season.

Membership subscriptions

Membership subscriptions are recognised to the extent that they relate to the current period with advance subscriptions carried forward to future periods within deferred income. Life membership subscriptions are recognised in the year in which they are received as the element that would be carried forward to future periods is not material to report.

Commercial and sponsorship income

Commercial and sponsorship income is recognised in respect of events held during the period and in respect of agreements covering the current period.

ECB distribution

ECB income is recognised on the basis of distributions receivable for the ECB's financial year ended 31 December.

Other income, county age groups and academy income, and catering income

These sources of income are recognised in respect of all goods and services arising from activities held in the current period.

Retail shop income

For 2011, and following the departure of the previous Retail Manager, the Club formed a Joint Venture with John Newbery Ltd for them to act as the management of the retail outlet, with profits being split equally. The income made here relates to 50% of the income made in the shop.

e. DONATIONS AND LEGACIES

Donations and Legacies are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Club being notified of a distribution or the receipt of the legacy.

f. RENTAL INCOME

Rental income is accounted for as it becomes receivable by the club.

g. PENSION COSTS

The Club makes contributions to players' personal pension funds. The Club also operates defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the Club. The annual contributions payable are charged to the income and expenditure account.

h. OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account on a straight line basis over the period of the lease.

Sussex County Cricket Club Limited

NOTES TO THE ACCOUNTS

for the year ended 31 October 2011

1. ACCOUNTING POLICIES (*continued*)

i. DEFERRED CAPITAL GRANTS

Grants received in respect of capital expenditure are released to income and expenditure account over the life of the related asset.

j. DEFERRED TAXATION

Deferred tax is recognised on an undiscounted basis in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, at a future date with the exception that an asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

k. FOREIGN CURRENCIES

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. Other exchange differences are included in operating profit.

l. INVESTMENTS

Investments not intended to be held for the long term are classified as current asset investments, and are stated at the lower of cost and net realisable value.

2. DEFICIT FOR THE YEAR BEFORE TAXATION

The deficit for the year before taxation is stated after charging:

	2011	2010
	£	£
Auditor's remuneration - Audit services	12,120	11,500
- Non-audit services	2,500	2,500
Operating lease costs – other	3,242	3,625
Depreciation of owned assets	403,046	233,365
Loss on disposal of fixed assets	8,471	-

3. EXCEPTIONAL ITEMS

Exceptional expenditure

A sum of £39,152 has been incurred by the Club in pursuing a claim against a legal adviser. Further sums are likely to be invested in pursuing this claim in the year to October 2012. Whilst the Board believe there is reasonable chance that all of these costs – plus compensation – will be recovered, it is felt prudent to write these costs off as they are incurred.

Exceptional income

In the year to October 2011, the Club received a payment of £300,000 from the ECB as recognition of meeting model compliance in the provision of services within the PROBIZ County Ground. This is a one off payment, in line with that received by some other non-Test Match grounds.

4. PARTICULARS OF EMPLOYEES

	2011	2010
	£	£
The aggregate payroll costs of the employees were:		
Wages and salaries	2,636,720	2,545,117
Social security costs	277,631	266,151
Pension costs	129,090	131,302
Private healthcare and players other costs	212,055	200,871
	<u>3,255,496</u>	<u>3,143,441</u>

The average number of persons (excluding temporary and casual staff) employed by the Club during the year was:

	2011	2010
	Number	Number
Administration and coaching	28	30
Ground (inc Apprentices)	8	8
Cricket	24	23
	<u>60</u>	<u>61</u>

EMPLOYEES' PENSION SCHEME

The Club operates defined contribution pension schemes with various providers, principally Scottish Equitable and Legal & General. Money purchase benefits are funded by contributions from employees and, for eligible employees, from the employer. Employer contributions fall in the range 5% to 10% of pensionable salary. The pension charge for the year was £129,090 (2010 - £131,302). Contributions totalling £17,553 (2010 - £20,487) were payable to these funds at the year end.

5. TAX ON DEFICIT FOR THE YEAR

a) Analysis of charge in the year

	2011 £	2010 £
CURRENT TAX (Overprovision)/Underprovision in prior periods	(6,354)	16,548
Total current tax (credit)/charge	<u>(6,354)</u>	<u>16,548</u>

b) Factors affecting tax charge for the year

The tax charge for the year is not the same as the deficit multiplied by the small profits rate of corporation tax in the UK which was 21% for the period to 31 March 2011, and 20% thereafter, an average rate for the year of 20.4%. The differences are explained below:

	2011 £	2010 £
Deficit for the year before tax	<u>(130,072)</u>	<u>(153,980)</u>
Deficit on ordinary activities multiplied by the average Small profits rate of corporation tax in the UK of 20.4% (2010: 21%)	(26,535)	(32,336)
Effects of:		
Income not taxable	(56,103)	(76,475)
Expenses not deductible for tax purposes	9,297	12,534
Capital allowances less than depreciation	60,211	27,788
(Overprovision)/Underprovision in prior periods	(6,354)	16,548
Other timing differences	772	-
Tax losses unused carried forward	<u>12,358</u>	<u>68,489</u>
Current tax (credit)/charge for the year	<u>(6,354)</u>	<u>16,548</u>

c) Factors that may affect future tax charges

The Club has unused trading losses which are available for offset against future trading profits as disclosed in note 10.

6 LEGACIES

	2011 £	2010 £
Edgar Collins Brett legacy	<u>-</u>	<u>92,978</u>
	<u>-</u>	<u>92,978</u>

7 TANGIBLE FIXED ASSETS

	Investment Property £	Freehold ground and improvements £	Indoor school £	Other buildings £	Fixtures and equipment £	Total £
COST OR VALUATION						
At 1 November 2010	1,400,000	3,403,271	945,628	182,175	1,680,320	7,611,394
Additions	243,111	5,617,935	-	8,822	71,264	5,941,132
Disposals	-	-	-	(21,179)	-	(21,179)
At 31 October 2011	<u>1,643,111</u>	<u>9,021,206</u>	<u>945,628</u>	<u>169,818</u>	<u>1,751,584</u>	<u>13,531,347</u>
DEPRECIATION						
At 1 November 2010	-	454,035	173,812	121,865	843,275	1,592,987
Charge for the year	-	224,796	45,396	7,029	125,825	403,046
Disposals	-	-	-	(12,708)	-	(12,708)
At 31 October 2011	<u>-</u>	<u>678,831</u>	<u>219,208</u>	<u>116,186</u>	<u>969,100</u>	<u>1,983,325</u>
NET BOOK VALUE						
At 31 October 2011	<u>1,643,111</u>	<u>8,342,375</u>	<u>726,420</u>	<u>53,632</u>	<u>782,484</u>	<u>11,548,022</u>
At 31 October 2010	<u>1,400,000</u>	<u>2,949,236</u>	<u>771,816</u>	<u>60,310</u>	<u>837,045</u>	<u>6,018,407</u>

Freehold ground and improvements at 31 October 2010 included £1,437,636 at cost and net book value relating to the ground redevelopment scheme which was in the course of construction. Depreciation has been charged in respect of the scheme only from the date the assets were brought into use.

Cost or valuation at 31 October 2011

	Investment Property £	Freehold ground and improvements £	Indoor school £	Other buildings £	Fixtures and equipment £	Total £
Cost	-	9,021,206	945,628	169,818	1,751,584	11,888,236
Valuation at 2011	1,643,111	-	-	-	-	1,643,111
	<u>1,643,111</u>	<u>9,021,206</u>	<u>945,628</u>	<u>169,818</u>	<u>1,751,584</u>	<u>13,531,347</u>

The freehold investment property held at 31 October 2010 was valued on an open market existing use basis on 7 April 2010 by R O J Paine MRICS in accordance with the Statement of assets Valuation Practice No. 4 and the Guidance Notes of the Royal Institute of Chartered Surveyors. The Club purchased a flat during 2011 – 4 Wilbury Grange at a cost of £243,111. The board consider that the valuation remains unchanged at 31 October 2011. No depreciation is provided in respect of the investment property.

On a historical cost basis this investment property would have been reported as follows:

	2011 £	2010 £
Cost	<u>317,338</u>	<u>74,227</u>

8	DEBTORS	2011 £	2010 £
	Trade debtors	236,044	146,383
	Other debtors	144,392	483,943
	Prepayments	62,672	49,021
		<u>443,108</u>	<u>679,347</u>

INVESTMENT

For an explanation of the prior period adjustment affecting this balance please see note 19.

	2011 £	2010 £
Investments – step up coupon note	<u>995,100</u>	<u>1,000,000</u>

The maturity date of the investment is April 2013 at a value of £1m.

9	CREDITORS – amounts falling due within one year	2011 £	2010 £
	Trade creditors	109,178	643,314
	Other taxation and social security	78,570	73,016
	Other creditors	47,609	71,287
	Accruals and deferred income	735,361	466,919
	ECB advance	232,500	250,000
		<u>1,203,218</u>	<u>1,504,536</u>

Included within other creditors is a deferred capital grant of £19,723 (2010 £29,584), which is to be written off over the life of the related asset.

10 DEFERRED TAX

As at 31 October 2011 the Club had unrelieved tax losses of £1,575,000 (2010 £1,500,000) giving rise to a potential deferred tax asset, at current rates of 20% (2010 21%) of £315,000 (2010 £315,000). There is not sufficient certainty concerning the recoverability of tax losses to justify recognising a deferred tax asset in respect thereof.

11 DEFERRED INCOME

	2011 £	2010 £
ECB Floodlights distribution	<u>183,698</u>	<u>97,222</u>
	<u>183,698</u>	<u>97,222</u>

The ECB floodlight distribution is to be released to income annually over the 15 year expected useful life of the asset to which it relates.

12 SHARE CAPITAL

Shares are allotted to members, other than Martlets:

	2011 £	2010 £
At 1 November 2010: 3,094 Ordinary Shares of 5p each	155	159
Allotted during the year: 171 Ordinary Shares of 5p each	9	6
Redeemed during the year: 100 Ordinary Shares of 5p each	(5)	(10)
	<u>159</u>	<u>155</u>
At 31 October 2011: 3,165 Ordinary Shares of 5p each	<u><u>159</u></u>	<u><u>155</u></u>

Each member of the club is allotted one Ordinary Share of 5p each which is applied from their first subscription following the reconstitution of the Club as Sussex County Cricket Club Limited on 1 November 2006. The shares are not transferable and carry no rights to interest, dividends or bonuses and neither may any share be held in trust for any other person. The share of a Member shall be forfeited to the Club when any Member ceases to be a Member.

13 INVESTMENT REVALUATION RESERVE

	2011 £	2010 £
Opening reserve	1,374,133	-
Revaluation surplus arising in the year	-	1,374,133
	<u>1,374,133</u>	<u>1,374,133</u>
Closing reserve	<u><u>1,374,133</u></u>	<u><u>1,374,133</u></u>

14 GENERAL FUND

	2011 £	2010 £
Opening surplus	11,089,586	11,260,114
Deficit for the year	(123,718)	(170,528)
	<u>10,965,868</u>	<u>11,089,586</u>
Closing surplus	<u><u>10,965,868</u></u>	<u><u>11,089,586</u></u>

15 MEMBERS' FUNDS

	2011 £	2010 £
(Deficit) for the year	(123,718)	(170,528)
Revaluation surplus arising in the year	-	1,374,133
Issue of new shares	9	6
Redemption of shares	(5)	(10)
	<u>(123,714)</u>	<u>1,203,601</u>
(Decrease)/Increase in funds for the year	<u>(123,714)</u>	<u>1,203,601</u>
Opening members' funds	12,463,874	11,260,273
	<u>12,340,160</u>	<u>12,463,874</u>
Closing members' funds	<u><u>12,340,160</u></u>	<u><u>12,463,874</u></u>

16 CAPITAL COMMITMENTS

At 31 October 2011 the Club didn't have any capital commitments (2010: £4,600,000).

17 RECIPROCAL FACILITIES

During the previous year the Club entered into a number of reciprocal agreements totalling in 2010: £17,200 for the supply of goods and services in return for the provision of promotional facilities, such as boxes, tents and ground advertising, to the suppliers concerned. These transactions are reflected in the income and expenditure account. 2011:Nil.

18 OTHER FINANCIAL COMMITMENTS

At 31 October 2011 the Club had annual commitments under non-cancellable operating leases as set out below.

	2011	2010
	Other	Other
	£	£
Expiring:		
Within 1 year	-	-
Within 2 to 5 years	3,242	3,625
After more than 5 years	-	-
	<u> </u>	<u> </u>

19 PRIOR YEAR ADJUSTMENT

In 2010 a step-up coupon note was purchased and included within the cash figure at the 2010 Balance Sheet date. In preparing the 2011 Financial Statements the step-up coupon has been included under the heading Investments as the Board consider that this approach provides a fairer presentation of the financial position of the company because the £1,000,000 is subject to restrictions up until the April 2013 maturity date. The comparative figures in the financial statements and notes have been restated to reflect the new policy.

The Income and Expenditure account has also been reformatted to better explain the results for the year, and the comparative figures have been changed. The change was that Depreciation was previously included in Match Costs. There is no effect of this adjustment on the Deficit for the financial year, or Members' funds.

20 NOTES TO THE CASH FLOW STATEMENT

a.	RECONCILIATION OF OPERATING DEFICIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES	2011 £	2010 £		
	Operating deficit	(433,815)	(389,343)		
	Depreciation	403,046	233,365		
	Loss on sale of fixed assets	8,471	-		
	Exceptional items	260,848	-		
	Decrease/(Increase) in stock	6,989	(12,798)		
	Decrease in debtors	236,239	256,017		
	(Decrease) in creditors	(197,342)	(534,419)		
	NET CASH OUTFLOW FROM OPERATING ACTIVITIES	<u>284,436</u>	<u>(447,178)</u>		
b.	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2011 £	2010 £		
	Decrease in cash in the year	(5,620,043)	(4,071,740)		
	Cash outflow from decrease in debt	17,500	275,000		
	Cash movement – liquid resources	-	1,000,000		
	Non-cash changes	(4,900)	-		
	Movement in net funds in the year	<u>(5,607,443)</u>	<u>(2,796,740)</u>		
	Net funds at 1 November 2010	7,052,387	9,849,127		
	Net funds at 31 October 2011	<u>1,444,944</u>	<u>7,052,387</u>		
c.	ANALYSIS OF CHANGES IN NET FUNDS				
		At 1 November 2010 £	Cash flows £	Non-cash item £	At 31 October 2011 £
	Cash at bank and in hand	6,302,387	(5,620,043)	-	682,344
	ECB loan	(250,000)	17,500	-	(232,500)
	Liquid Resources	1,000,000	-	(4,900)	995,100
	Net funds	<u>7,052,387</u>	<u>(5,602,543)</u>	<u>(4,900)</u>	<u>1,444,944</u>