

DERBYSHIRE

County Cricket Club

2019 Annual Report
and Accounts



Proud to be
DERBYSHIRE



DERBYSHIRE County Cricket Club 2019 Annual Report and Accounts

CLUB DETAILS

Patron His Grace the Duke of Devonshire KCVO CBE DL

President H.J. Rhodes

Past Presidents M.A. Holding
E. Smith
K.J. Barnett
G. Miller OBE
W. Tucker
R.W. Taylor MBE
N. Owen
D.K. Amott HonDUniv
Sir N. Rudd D.L.

Vice Presidents D. Booth
A.J. Borrington
J.D. Brown
V.L. Brownnett
J.R. Cater
K.J. Dean
Sir J. Gains
C.I. Grant
D.A. Griffin
M.A. Horton
P.J. Kirby
H.W. Lund
C.N. Middleton
I.P. Samways
D.R. Skipworth
R. Tice
Mrs J.H. Turner
Brigadier C.E. Wilkinson

Chairman I. Morgan OBE

Chief Executive R. Duckett

Head of Cricket D.L. Houghton

Supervisory Board

Commercial Director I. Morgan OBE

Finance Director H. Punchihewa

Operations & Facilities Director I. McFarlane

Cricket Advisory Director C.J. Tunncliffe

Legal Services Director K. Bidmead

Administration Director J. Fage

DEAR MEMBER

The Annual General Meeting of Derbyshire County Cricket Club Limited will be held on Wednesday 25 March, 2020, in the Pattonair Pavilion, The Pattonair County Ground, Nottingham Road, Derby, DE21 6DA, commencing at 7.30pm.

Please bring your Membership Card in order to gain entry.

Doors open at 7pm.

The agenda for the meeting is below.

Yours faithfully,

Ryan Duckett
Chief Executive

2020 AGM AGENDA

1. Apologies.
2. In Memoriam.
3. To confirm the minutes from the Annual General Meeting of Members held on Wednesday 17 April, 2019. If any Member has a query as to the accuracy of these minutes, it would be appreciated if this could be raised in writing with the Chief Executive in advance.
4. Any matters arising.
5. To receive and, if approved, adopt the Annual Report of the Supervisory Board statements for the previous year ending 31st December.
6. To approve and adopt the accounts for 2019.
7. To notify the Members of the appointment of Club President until the next AGM.
8. To elect the Club Auditors for 2020.
9. Any other business. Only those items of 'any other business' forwarded to the Chief Executive, in writing, before 5pm on Monday 23 March will be discussed on the night at the AGM.

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LEADERSHIP TEAM

Ryan Duckett
Chief Executive

Tim Baker
Head of Finance

Jamie Guthrie
Venue Operations Manager

Helen Deakin
Catering and Events Manager

Beverley Andrews
HR Manager

Dave Houghton
Head of Cricket

USEFUL CONTACTS

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Hospitality & Commercial
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Conference & Events
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Heritage Officer
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Chief Executive
01332 388 101
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DERBYSHIRE County Cricket Club 2019 AGM



2019 Annual General Meeting

Minutes of the 2019 Annual General Meeting

**Meeting held at 7.30pm, Wednesday 17 April
2019 at The Pattonair County Ground, Derby**

PRESENT

Ian Morgan Chairman,

Jason Fage, Ian McFarlane, Hari Punchihewa, Colin Tunncliffe

IN ATTENDANCE

Ryan Duckett - CEO Tim Baker - Head of Finance

Dave Houghton - Head of Cricket

MINUTES

Jason Fage Administration Director

Chairman Ian Morgan welcomed 54 members to The Pattonair County Ground and the meeting commenced promptly at 7.30pm

1. Apologies

Mr John Cater, Mr Alan Flintoff, Mr Chris Grant, Mr Chris Middleton, Mr E G Hunt, Mr Edwin Smith, Mr Frank and Mrs Kath Moseley, Mrs Kirpal Bidmead, Mr Kevin Litting, Brigadier Peter Dally, Mr Paul Schofield, Mr Robin Lumb.

2. In Memoriam

Administration Director Jason Fage asked all members to stand and observe a brief period of silence in memory of all members, past players and friends of Derbyshire County Cricket Club who had passed away since the AGM in 2018.

Mr Alan Medlock, Mr Bob Band, Mr Brian Williamson, Mr Chris Wilkins PP, Mr Dave Brown, Mr Derek Sederman, Mr Fred Gale, Mr Geoff Ball, Mr George Fallon, Mr John Blacton, Mr Karl Buckley, Mr Ken Warrender, Mr Peter Garside, Mr Peter Harrison, Mr Roy Haslam, Mr Roy Storry, Mr Tony Pope, Mrs Thelma Holling.

**3. To confirm the minutes of the Annual General Meeting of
Members held on Wednesday 28 March 2018.**

Proposer - Mrs Jane McFarlane

Second - Mr Mike Madin

4. Any Matters Rising

There were no matters arising.

**5. To receive and if approved adopt the Chairman's report
and Supervisory Board statements for 2018**

Mr Andy Walker

Question: Within the Chair's Report -What was the "action taken to address the problem" in respect to failing to improve the margin on "our conference and events Business"?

Answer (Ian Morgan): A restructure of the staffing is underway with the long term aim to reduce the fixed staffing costs in this area of the business and change of personnel has taken place. The club continues to analyse conference and events performance to move forward and improve the margins.

Proposer – Mr Edward Wilkinson

Second – Mr Mike Madin

6. To Approve and adopt the accounts for 2018

Prior to acknowledging a number of questions that the club had received from members in attendance or absent on the night, Finance Director Hari Punchihewa presented a detailed update on the finances of the club over the last 12 months supported by Tim Baker DCCC Head of Finance. The majority of answers formed part of this presentation, but specific responses are highlighted below.

Andy Walker

Question: During the last Members Forum at the County Ground in 2018 I asked the Board, represented by Hari Punchihewa, to consider undertaking a full 'forensic audit' of the club finances and accounts going back to ten years if not longer. I handed Hari a paper I'd contributed previously on the same/ related issue and followed the request up in writing with Ian Morgan. I wish to know at the AGM if any such review has been conducted?

Answer (Hari Punchihewa): The Board have considered undertaking a full forensic audit of the previous 10 years and for the cost and benefits it may bring have decided not to proceed with this.

The Board reviews finances on a monthly basis and look back and forward as it feels necessary. The Board also has a mandatory external audit from an external party in which it relies on.



DERBYSHIRE County Cricket Club 2019 AGM

Question: A number of staff, particularly coaching and playing staff, have left the club and been subject to Non-Disclosure Agreements - NDAs. I want to know if the NDAs are solely between the club and the individual ex-employees, or whether they also cover any third parties?

Answer (Ian Morgan): Any settlement agreements that the club have issued have only been between the club and ex-employees.

Question: Given the general disrepute such agreements are now held in, is it time for the club to waive its requirement for them to be enforceable?

Answer (Ian Morgan): We do not accept that NDAs are held in disrepute and will continue to use them as and when we feel it is beneficial to the club.

Question: I raised this issue back in 2016 with regard to Smith Cooper. They were reappointed at the AGM, on the nod, for another year. An aspect of good corporate governance is that the independence and effectiveness of the external auditor should be reviewed and monitored and the best way of doing this is to set a time limit for periods of appointments and to periodically re-tender for the service. A standard recommendation is every five years, but we don't appear to have followed this good practice guideline. Therefore, rather than reappoint Smith Coopers 'on the nod' at 2019 AGM, as has been the case in every year as far as I can remember, I think the resolution should be to seek expressions of interest from other firms. If sufficient interest results, then quotes should be sought for this service to provide a competitive price and potential cost saving to the club and comply with good practice in corporate governance.

Answer (Hari Punchihewa): This is a sensible recommendation and good governance. After discussions with the Board I agree that a review of the auditors should be undertaken. For this process to take place it is suggested we re-appoint Smith Cooper for the coming year in line with our procedures and the Board will look to tender out the role of auditors prior to the next AGM.

Question: The Annual Report Financial Accounts continues to be provided in abridged form. For instance, it still isn't possible to identify all the constituents of revenue that make up the overall Turnover figure, which is reported for information only on the top line of the accounts.

Answer (Tim Baker): The annual report financial accounts are printed in an abridged form, to make them easier for members to view and read. A paper version of the full statutory accounts are available to be viewed and if any members would like to do this, they can contact the club reception.

Question: Staff Costs are shown as a separate item under all Heads of Income and Expenditure with the exception of Conference and Events, where it's aggregated with Direct Costs. Therefore, it's impossible to make worthwhile comparisons and assessments on performance, for instance between non-playing and playing staff costs or year on year changes within the financial performance of Conference and Events.

Answer (Tim Baker): Staff costs for conference and events are considered a direct cost of the sale. For conference and events staff costs for 2018 were £364k which equated to a staff vs applicable income margin of 53%. 2017 we had staff costs of £435k which was 52% of applicable income.

Question: Other Costs given under each heading are a significant proportion of all costs reported. How are Members to be reassured that there aren't major items that may be of interest or concern to them within these aggregated costs?

Answer (Hari Punchihewa): The Board of Directors reviews the club's detailed management accounts on a monthly basis and you can be reassured that we investigate any items of concern and agree corrective action wherever necessary.

Question: Unfortunately it seems the club shop has reported a loss. I'm at a loss, once more, as to how this can happen?

Answer (Tim Baker): The shop reported a loss of £4k in 2018. The reason for this is that there was a large stock write-off related to loss of our principal sponsor, 3aaa, because under accounting rules we can only value the stock in our shop at the lower of cost or what we are able to sell it for.

Adrian Bonsall

Question: Could the club make a statement concerning its medium and long-term debt position? Under the agreement reached with the ECB re its new competition Derbyshire will receive £1.3m per annum from 2020 to 2024 - after taking into account debt repayments and the increase in the players' 'salary collar' as agreed between the ECB and the PCA, approximately what sum of money is budgeted to be available for e.g. investment in infrastructure, setting aside as reserves etc.?

Answer (Hari Punchihewa): The club has three debts - the mortgage on the Gateway Centre, the medium-term loan that enabled us to build the Media Centre, and a bank overdraft facility. The Gateway Centre mortgage is repayable over 25 years in total and the current amount outstanding is £360k which will be fully paid off by 2040. We do not currently intend changing the terms of this mortgage. The Media Centre loan will be repaid before the end of 2024 from the income from the new competition. With regard to the overdraft, it is very useful to have an overdraft facility available to help us manage the inevitable seasonality associated with cricket and the peaks and troughs of our monthly cash flow profile but we do not intend using this as a long-term source of cash.

So, if we turn to the money from the new competition, we will receive five lots of £1.3m which totals £6.5m. Around £1.5m of this is required to repay the Media Centre loan and around £1.2m may be required to fund the creation of a salary collar. But please bear in mind that Hari has already explained in his presentation that cricket runs at an annual loss and we have to work exceptionally hard each year to fund this loss from commercial and other activities. If we are successful in funding the whole of this loss and if there are no other changes in our cost base, we will be left with around £3.8m to invest in the venue and create reserves. But this is a big 'if' and if we do not fund the underlying loss there could be less than £2m left. There are lots of unknowns, though - for example, we do not yet know what our longer-term total playing budget needs to be to remain competitive and we do not know what effect the new competition will have on attendances, sponsorship and advertising. So, we would urge all members to treat these figures with extreme caution. We can assure you, though, that the Board of Directors' priority is to ensure long term sustainability and that we are addressing issues with the intention of establishing a certain future for the club in an uncertain world.

Proposer - Mr Gareth Cure

Secunder - Mr Edward Wilkinson



DERBYSHIRE County Cricket Club 2019 AGM

7. To declare the results of the Supervisory Board Elections for the next two years

As no intentions to stand for election to the Supervisory Board had been received by 4pm February 15th 2019 and all current Board members had expressed their desire to stand for a further period the current Board were re-elected to their positions unopposed.

In addition, at a Board meeting prior to the AGM Ian Morgan was asked to stand as Chairman for a further 2 years to which he duly accepted.

8. To notify the members of the Club President until March 2020

Ian Morgan announced Harold Rhodes as the Derbyshire County Cricket Club President for 2019.

Harold made a brief speech stating how honoured he was to be asked to fulfil the role and wished Dave Houghton and the team all the best for the current season.

9. To elect the Club Auditors for 2019.

The Supervisory Board proposed Smith Cooper to continue as the club's auditors for 2019 and received no objection from the floor.

As outlined in Item 6, the Supervisory Board confirmed that the club will conduct a full audit tender process ahead of the AGM in 2020.

10. Any Other Business-only items of Any Other Business forwarded to the Chief Executive in writing before 5pm on Monday 15th April will be discussed on the night at the AGM.

None was received.

The formal business was concluded and the Meeting closed at 8.27pm





DERBYSHIRE County Cricket Club Chairman's Report



Ian Morgan OBE

Chairman

Welcome to the 2019 Annual Report.

"Targeting more success, on and off the field"

As we expected, last year's financial loss proved to be a one-off due in the main to unforeseen circumstances, and I am pleased to report that the club returned to profitability in 2019 and achieved a surplus after operations and before tax of £402,000. Taking the last two years together, the club's combined profit is £133,000. The 2019 result was achieved to a large extent by an increase in central ECB revenue, improving our margins (and the quality) of our Conference and Events business, increased attendances at matches, reaching the T20 Vitality Blast Finals Day and by savings in the cricket budget.

Following the unexpected challenges in 2018 we were able to re-establish our commercial sponsorship revenue and, on behalf of the Supervisory Board, I would like to thank Pattonair for becoming the club's Principal Partner. Their support combined with that of the wider business community and our membership allowed us to maintain our budget for both cricket and other aspects of the club.

Going forward there is room for cautious optimism regarding our financial position as a result of the new media rights deal which commences in 2020. The deal includes a new white ball tournament – The Hundred – which has already given cricket in this country much needed attention and profile and will, we hope, attract many new spectators and sponsors to all formats of the game. There is also of course the additional £1.3million every year for the next five years which will provide much needed financial security for all eighteen First Class Counties.

A new County Partnership Agreement (CPA) with the ECB for all First Class Counties includes new funding streams on the back of the media rights deal. For Derbyshire this means that we can now progress our plans to develop the Pattonair County Ground, by installing new toilets, increasing our seating capacity, installing a new scoreboard, improving our floodlights and replacing the Marquee which generates much needed commercial income for the club. Other improvements are also planned but most importantly it means that we can now budget to ensure that the club is debt free (with the exception of the mortgage on the Gateway building) and sustainable going forward by the end of the CPA and the current media rights deal in 2024.

The highlight of the season on the field for many of us was our appearance for the first time at the T20 Vitality Blast Finals Day. It was a huge achievement and surprised much of the cricket world. There were a number of memorable performances on the way headed by Ravi Rampaul who was the tournament's leading wicket taker. I am delighted that Dominic Cork has accepted Dave Houghton's invitation to return for the 2020 campaign particularly as Dominic has made it clear that getting to Finals Day is good but not good enough and he still wants and expects Derbyshire to pick up the trophy.



Some success in the Vitality Blast though cannot and should not mask our disappointment at not being in the promotion mix during our County Championship campaign as we had hoped. We were certainly good enough, but we felt that we had left two or three wins 'out there' and those games would have made the difference. Much the same could be said for our One Day Cup campaign and whilst we continue to make progress as a club there is still much to achieve. Billy Godleman, Wayne Madsen, Luis Reece and Ravi Rampaul all had good seasons in all formats and the emergence of Leus du Plooy and Fynn Hudson-Prentice gives us cause for optimism next season. The addition of Sean Abbott, Ben McDermott and Michael Cohen to the squad will further strengthen our playing resources.



DERBYSHIRE County Cricket Club Chairman's Report

Attendances overall were up again last year which reflects our success, the optimism and I believe the family feel at our club. The players, coaches and support staff enjoy the close relationship that they have with our members and spectators and they cherish that support.

Off the field our Conference and Events business continues to make a significant and essential contribution to the wellbeing of the club and we have a growing reputation for our ability to stage major events safely, efficiently, and successfully. We were disappointed that our major concert last year was unfortunately cancelled for reasons out of our control. Co-incidentally, at the point that it was cancelled we also lost our second overseas player through injury and as this created a negative cash flow, we decided to proceed without a replacement overseas player for the T20 Vitality Blast. This demonstrated clearly our dependence on major events to fund our cricket.

We have another programme of exciting events in 2020, including Michael Bublé in concert and we expect the programme to be successful and maintain our credentials as a major events venue in the County.

I have said on several occasions that I continue to be proud and appreciative of the positive, optimistic, friendly and helpful attitude of everyone at Derbyshire County Cricket Club. The family feel permeates throughout the club, from the players, coaches and

support staff, to the important off-field teams and the Board. There is an encouraging, can-do, cooperative spirit everywhere you look. We have some amazing people here at Derbyshire and I sincerely thank you all for your efforts which I feel sure will take us on to success both on and off the field in the not too distant future.

Ian Morgan OBE
Chairman, on behalf of the Supervisory Board.





DERBYSHIRE County Cricket Club Finance Director's Report



Hari Punchihewa

Finance Director

It is my pleasure to present this year's annual accounts with a commendable positive result. This clearly demonstrates the effectiveness of the steps we have taken so far in our journey to turn our financial state of the club to a robust position. Further it is important to note that we have a clean audit report with no material items of deficiency reported by our auditors, Smith Cooper, in their management letter. This shows further improvements we have made during the 2019 in reviewing our processes and controls.

2018 was a challenging year financially and we recorded a deficit of £279k, I am pleased to be able to present a surplus from operations before taxation of £402k for 2019. The main contributors were increased revenues from ECB along with better ticket sales, efficient operations and tighter cost and margin management compared to last year.

In summary, 2019 saw an increase of £417k in our revenue, reasons for this included extra ECB disbursements (£443k), increased Match Ticket sales (£91k), prize money for reaching Finals Day (£57k) and an increase in sales from the Club Shop (£8k). This also helped to fund a pre-season tour to Zimbabwe, new ticket scanners and allowed us to invest in two overseas signings for the 2020 season. We had anticipated that commercial revenue may fall, so to instead see such an increase is especially pleasing.

We are also very fortunate to have sponsors signed up for all of our major assets, and I would like to thank them all for their ongoing financial support of the club.

As well as our revenue increasing, the leadership team was very clearly focused on reducing our cost base and they delivered an overall reduction of £262k compared to 2018. The main drivers behind this were a reduction in off field staffing costs, running the conference and events business more efficiently etc.

In addition, we also saved some money from the cricket budget. This was incidental, at the time when we realised Billy Stanlake could not come as our second T20 overseas player, the cash position was becoming tricky due to the cancellation of the planned concert so we took a prudent decision not to re-invest in a replacement for him. Despite that we did very well to get to the semi-finals.

On the balance sheet we have seen an improvement in net current liabilities by £332k. During the year we had to deal with some working capital shortfalls using some short-term borrowing

including the use of overdraft facility.

Further we took the prudent decision to rearrange the repayment of all our loans in line with the planned additional cash release from ECB from 2020 onwards. For example, we signed a new agreement between ECB and Derby City Council which, repays the existing balance of the loan across the terms of the new CPA (2020-2024).

By this time next year, we should see a reduction in the level of debt as we pay the instalments in line with the new agreement.

The cash flow forecast looks much healthier over the next 12 months and the next five years and this will allow us to deliver our goal of becoming debt free by the end of 2024 apart from our long-term mortgage we have on the Gateway Building (Indoor School).

We continue to work hard to generate extra revenue to keep to our promise of maintaining investment in our playing squad and also to invest in improving the facilities and infrastructure of the club. Our over-riding focus remains to manage the club's finances in a responsible manner to enable long term sustainability and robust financial state.

Looking to the future, I am pleased to report the 2020 budget looks healthy which is driven by increased ECB disbursements relating to the Hundred competition and the new CPA. We hope to be in a position to record a surplus once again and with a net cash inflow. We do, however, need to keep a tight rein on our financial management because we will require this cash to continue to repay our existing borrowings and also to fund the Cricket Operations of the club as it is still projected to be a deficit budget partially supported from the funds generated by other elements of the business.

Early 2020 membership sales look promising as we enter our 150th year and I am sure all Members will play their part in helping the club to increase the membership, the gate receipts and income from other ancillary sales. Together we can make our club a high performing and a financially sustainable one going forward.

Hari Punchihewa
Finance Director



DERBYSHIRE County Cricket Club Supervisory Board Statements

GROUND DEVELOPMENT

Ian McFarlane

Operations & Facilities Director

Following the club's off-field challenges in 2018, this year's focus has been on stabilising our financial position to enable us to move forward with our short and long-term development plans.

I am delighted to say that, due to our excellent financial and commercial performance in 2019, along with improved ECB support, we are now in a position to carry out some of the site improvements that we have for so long talked about.

From 2020 for a period of five years the ECB will provide an annual maintenance grant to all Counties. In addition to this a ground development pot of £50million has been created and all clubs are invited to submit their plans and bid to access an element of this grant.

In order to respond to this improved situation, we have outlined our internal priorities and are preparing a master plan to enable us compete for a share of the ECB's Ground Development Grant.

Our priorities include: new toilet facilities, a new scoreboard and additional seating.

Should we be successful in securing development funding from the ECB then our additional focus would be on: -

- Replacement floodlights
- Replacement of the marquee with a new events facility and kitchen

Like many other venues, we plan in 2020 to extend the rollout of our point of sale technology to make our venue cashless. I would ask the Members for patience and support throughout this transition.

Our Groundstaff performed admirably throughout the 2019 season producing first-class wickets often in challenging conditions. On behalf of all of us I would like to wish them well in their 2020 preparations as the weather has been almost impossible for them since the end of last season.

Thank you to all of our operations and facilities team for your efforts and achievements in 2019 and again here's to an enjoyable and successful season in 2020.

ADMINISTRATION

Jason Fage

Administration Director

2019 has once again been a busy year off the field with the preparations ongoing for our 150th Anniversary celebrations. We have several exciting events planned to include: A celebratory fixture at Queen's Park and finishing up with the Celebration Dinner on Wednesday 4th November. Throughout the planning we have always looked at making every event accessible to the members of the club whilst importantly looking to involve our past players that so many of us have grown up watching. Please support these where possible so we can celebrate together a landmark year for our club.

Membership is still the key area where I have an input and I am pleased that the special launch offer to the 150th Anniversary celebrations of a £150 membership was taken up by many existing members but also new and lapsed members. This has driven our membership numbers to some of the highest in recent years which is all very positive. With everything evolving in the cricket world it is very important that we support our local club by increasing our numbers as much as possible.

Once again, the membership team have been able to add in some very exciting members benefits and I hope that as many of us as possible have the opportunity to take up these offers throughout the year. We will continue to issue lanyards with your membership packs, and I hope that many of you will wear these on matchdays along with your 150th members pin badges so all staff and members can recognise each other more easily. It was good to see many members wearing these both down at The Pattonair County Ground and also at away fixtures last season. Growing the membership is still a very important area we can work together on and I urge every member to try and persuade a family member or friend to join the club and use the Ambassador Scheme to do this. I will always advocate there is far more to being member of a County Cricket Club than it just paying for the admission to the 40-plus days cricket that we play out on the field.

We shall continue to support the membership with four Members' Forums throughout 2020 and once again we have tried to spread these over weekends and weekdays. This year's forum at Queen's Park Chesterfield will take place during the festival in June. These forums are your chance to learn more about what is going on at the club and to raise any valid points you feel are needed. The more people that support these the better as they should represent as broader spectrum of the membership of the club as possible. The dates for this year are;

Sunday 19 April; 10am to 10:45am
Day One vs Leicestershire
The Pattonair County Ground
The EVAD Boardroom

Monday 15 June; 10am to 10:45am
Day Two vs Worcestershire
Queen's Park, Chesterfield
The Marquee

Sunday 30 August; 10am to 10:45am
Day Two vs Glamorgan
The Pattonair County Ground
The EVAD Boardroom

Thursday 12 November; 7:30pm to 8:15pm
The Pattonair County Ground
The Pattonair Members' Lounge

Finally, as has always been the case, please feel free to catch up with me during the season at any time as I am always happy to listen and discuss any members priorities whilst watching the cricket. Enjoy the 150th Year of Derbyshire County Cricket Club.



DERBYSHIRE County Cricket Club Supervisory Board Statements

CRICKET

Colin Tunnicliffe
Cricket Advisory Director

It has been a pleasure to serve as Cricket Advisory Director for a second season, and I have been encouraged by the steps forward the club has taken both on and off-the-field in this time.

In many ways it was an improved season, and I would like to thank Dave Houghton, Billy Godleman and all of the coaching staff and players for their dedication and hard work to keep moving the team forward.

Twenty20 cricket continues to be a success story for the club and it should be noted that only three counties have won more group matches in the format since 2017 than Derbyshire.

Finals Day was a tremendous achievement and I know everyone associated with the club are striving to continue that progress and entertain supporters again this summer.

This season promises to offer opportunities to our young talent, with the likes of Sam Connors regularly challenging for a position in the first-team.

This progression of talent is something we need to harness and I'm delighted to see Daryn Smit appointed as Head of Talent Pathway.

Daryn will work closely with local clubs and the Derbyshire Cricket Foundation to find and develop local talent, with the aim of finding players for Derbyshire and ultimately England.

I remain objective in my assessment of on-field matters and while we enjoyed great T20 success, it is important we continue to be a resilient and adaptable four-day unit. It's a talented squad here at Derbyshire and I am optimistic that we can compete in all forms next season.

I would also like to thank the Members for their support and feedback throughout last summer. I will continue to watch as much cricket as I am able, and will be present around the ground to talk to Members in what will be a historic 150th year for the club.

LEGAL

Kirpal Bidmead
Legal Services Director

As the club's Legal Services Director, much of my work is confidential. I have liaised throughout the year with the executive management team and first and foremost thank Ryan Duckett, Tim Baker and the rest of the team for all their hard work and commitment.

The Supervisory Board is committed to ensuring we have the highest standards of corporate governance. As part of the new County Partnership Agreement (CPA), the ECB is in the process of finalising a Governance Framework document with minimum standards introduced for all first class counties. Over the past year, we have established a Governance Committee and will assess any changes we need to make in terms of structure and practice over the next few months before consulting with the wider membership of the club.

The club is committed to continuing to support the growth of women's cricket in the county. Former Olympic swimmer, Sharron Davies MBE, gave an inspirational talk to 170 businesswomen at the annual "This Girl Can" event last May, a campaign by Sport England to promote sport among women.

There are numerous barriers to women and girls' participation in sport; these are practical, personal and also social and cultural. I have been working with the club to ensure that the facilities encourage women and girls to participate. One small and easy step was to introduce the offer of free sanitary products at the club. I am determined to work to continue to break down the barriers.

In Derbyshire, the biggest BAME group is South Asians but this is not reflected in our membership. In 2018, the ECB unveiled its South Asian Action Plan to transform the way it engages with South Asian communities and draw more players and fans into every level of the game. The single biggest barrier to South Asian participation is access to facilities in urban areas. I am hopeful that the club can help to break down this barrier over the next year as there must be huge untapped potential of wannabe Ben Stokes, Jofra Archers Wayne Madsens and Billy Godlemans.

According to the ECB, 3% of domestic, non-international, ticket sales are from South Asian audiences, compared to 40% in the Champions Trophy. We have a real opportunity to make cricket diverse and representative of the county, with the welcome side effect of increasing our membership.

Cricket fans, and I count myself among them, enjoyed an amazing summer of cricket in 2019. It was fantastic watching the Team progress to the Vitality Blast Finals Day at Edgbaston. This year we celebrate the club's 150th anniversary with a whole host of events planned and I am optimistic for the year ahead.

2019 Accounts

Accounts for year ended 31 December 2019

INCOME AND EXPENDITURE ACCOUNT

Year Ended 31 December 2019

Notes	2019 £000	2018 £000
INCOME		
ECB - note 8	2,437	1,937
Membership	173	153
Match Tickets	312	221
Commercial	681	747
Gateway Net Hire	29	29
Shop	24	16
Conference and Events - Note 9	856	1,008
Rental Income	65	70
Other Income	71	50
	4,648	4,231
COST OF SALES		
Ticketing and Membership	(155)	(148)
Commercial	(142)	(226)
Shop	(19)	(21)
Conference and Events - note 10	(783)	(833)
	(1,099)	(1,228)
OVERHEAD EXPENDITURE		
Other matchday expenditure - note 4	(179)	(155)
Cricket - note 5	(1,728)	(1,919)
Stadium - note 6	(715)	(666)
Administration - note 7	(415)	(431)
Other expenditure	(10)	(9)
	(3,047)	(3,180)
OPERATING SURPLUS/(DEFICIT)	502	(177)
Other Interest receivable and similar income	2	4
Interest Payable and similar charges	(102)	(105)
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	402	(278)
Taxation on Surplus on ordinary activities	-	-
Deferred Tax Asset	265	
SURPLUS/(DEFICIT) FOR THE PERIOD	667	(278)





DERBYSHIRE County Cricket Club 2019 Accounts

BALANCE SHEET

Year Ended 31 December 2019

Notes	2019 £000	2018 £000
FIXED ASSETS		
Tangible Assets <i>note 12</i>	8,693	9,011
Receivables greater than one Year		
Debtors	25	40
Deferred Tax Asset	197	-
	<u>222</u>	<u>40</u>
CURRENT ASSETS		
Stock	24	27
Debtors <i>note 1</i>	524	391
Cash at bank and in hand	535	8
CREDITORS: AMOUNTS FALLING WITHIN ONE YEAR <i>note 2</i>	<u>(1,261)</u>	<u>(936)</u>
NET CURRENT LIABILITIES	<u>(178)</u>	<u>(510)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	8,737	8,541
CREDITORS: AMOUNTS FALLING DUE MORE THAN ONE YEAR <i>note 2</i>		
Long term loans	(1,619)	(1,881)
Hire Purchase	(40)	(62)
Deferred Income	<u>(5,654)</u>	<u>(5,841)</u>
	<u>1,424</u>	<u>757</u>
CAPITAL AND RESERVES		
Share Capital	0.1	0.1
General Reserve	<u>1,424</u>	<u>757</u>
	<u>1,424</u>	<u>757</u>





DERBYSHIRE County Cricket Club 2019 Accounts

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

1. DEBTORS

	2019	2018
	£000	£000
Trade Debtors	111	122
Prepayments	310	243
Deferred Tax Asset	68	-
Other Debtors	35	26
	524	391

2. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

ECB Cabling Loan	(52)	(0)
Directors Loan	(100)	(0)
Mortgage	(9)	(0)
Council Loan	(300)	(0)
Trade Creditors	(309)	(458)
Hire Purchase	(20)	(31)
Taxation	(224)	(175)
Accruals	(120)	(120)
Deferred Income	(127)	(152)
	(1,261)	(936)

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

Council Loan	(1,168)	(1,469)
Directors Loan	(100)	(0)
Mortgage	(351)	(360)
ECB Cabling Loan	(0)	(52)
Hire Purchase	(40)	(62)
Deferred Income	(5,654)	(5,841)
	(7,313)	(7,784)

4. OTHER MATCHDAY COSTS

Steward Costs	(69)	(63)
Scorer	(8)	(8)
Cancellation Insurance	(23)	(19)
Chesterfield	(38)	(45)
St Johns Ambulance	(12)	(6)
Public Address	(7)	(7)
Other	(22)	(7)
	(179)	(155)

5. PLAYING COSTS

Players Salaries and employment cost	(871)	(1,093)
Coaches Salaries and employment costs	(241)	(173)
Kit and Clothing	(47)	(38)
Medical and Physiotherapist	(158)	(161)
Training and Pre-season	(16)	(1)
Accommodation	(65)	(61)
Travel and Subsistence	(42)	(40)
Other Costs	(288)	(352)
	(1,728)	(1,919)

6. STADIUM

Salaries and employment costs	(180)	(150)
Building and Ground maintenance	(108)	(127)
Pitch Maintenance	(16)	(17)
Utilities and Rates	(138)	(111)
Depreciation	(182)	(167)
Health and Safety and Security	(32)	(41)
Insurance	(49)	(44)
Other stadium costs	(10)	(9)
	(715)	(666)

7. ADMINISTRATION COSTS

Salaries and staff costs	(266)	(285)
Telephones	(17)	(17)
Stationary and Postage	(19)	(24)
Travel and Expenses	(8)	(10)
Office Equipment	(35)	(37)
IT Support	(20)	(19)
Audit	(17)	(17)
Legal Costs	(40)	(7)
Other overheads	(7)	(15)
	(415)	(431)



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NOTES RELATING TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

	2019 £000	2018 £000		2019 £000	2018 £000
8. ECB Income			10. Conference and Events Costs		
ECB General Fees	900	900	Fireworks	(29)	(32)
Performance (PRFP) Fees	780	737	Music Concerts	(36)	(80)
Prize Money	57	-	Labour - Fixed and Variable	(259)	(328)
One off Payment	700	300	Agency Staff	(110)	(58)
	2,437	1,937	Food Costs	(142)	(122)
			Drink Costs	(97)	(101)
9. Conference and Events Income			Consumables and Equipment	(70)	(87)
Fireworks	39	47	Other	(40)	(25)
Room Hire and Equipment	108	191		(783)	(833)
Catering Non Matchday	285	320			
Bars Non Matchday	173	173	11. Conference and Events		
Concerts and Music Events	74	135	Costs relating to internal events, which are required to be contractually delivered, are included in conference and events. These costs include hospitality food, where revenue is included in commercial income, player's matchday food, as well as food for the Media and also any related staff costs. Previously, expenditure was recharged to individual cost centres, but these internal recharges have been eliminated to ensure that income and expenditure are not overstated for the current and previous year. The estimated costs were £49k in 2019 (2018: £29k) for food and £67k in 2019 (2018: £41k) for staffing. This change in presentation has no impact on the net result for either year		
Catering Matchdays	22	8			
Bar Income Matchdays	114	76			
3rd Party Catering Commission	41	58			
	856	1,008			



DERBYSHIRE County Cricket Club 2019 Accounts

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019
£000

12. FIXED ASSETS	Freehold Land and Buildings	Plant and Equipment	Pavilion Equipment	Total
Cost				
1 January 2019	9,033	2,277	1,072	12,382
Additions	1	68	0	69
Disposals / Transfers	0	(19)	0	(19)
31 December 2019	<u>9,034</u>	<u>2,326</u>	<u>1,072</u>	<u>12,432</u>
Depreciation				
1 January 2019	1,127	1,977	267	3,371
Charge for the year	220	103	56	379
Disposals / Transfers	-	(11)	-	-
31 December 2019	<u>1,347</u>	<u>2,069</u>	<u>323</u>	<u>3,739</u>
Net Book Value				
31 December 2019	<u>7,687</u>	<u>257</u>	<u>749</u>	<u>8,693</u>
31 December 2018	<u>7,906</u>	<u>300</u>	<u>805</u>	<u>9,011</u>

13. LOANS

Interest free loans repayable within one year:	52
Interest payable loans within one year	409
Interest payable loans repayable after one year:	1,619
	<u>2,080</u>

14. DEFERRED INCOME

Deferred Income includes funding received to date in respect of the Media Centre, Gateway building development, the car park development and the 2010 and 2014 ground developments and a Technology Grant. Grant and funding income is accounted for in this way. The total income received is recorded as deferred income and then it is transferred into the revenue account over the life of the asset, being set against the depreciation of the asset.

15. DEFERRED TAX ASSET

The deferred tax asset recognises that in future years the club is likely to be making surpluses against which brought forward tax losses can be utilised to reduce corporation tax liabilities.



DERBYSHIRE County Cricket Club 2019 Audit Report



Audit Report

Independent Auditor's Report

Draft Independent Auditors' Report to the Members of Derbyshire County Cricket Club Limited

Opinion

We have audited the financial statements of Derbyshire County Cricket Club Limited (the 'Club') for the year ended 31 December 2019 which comprise the Revenue Account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

give a true and fair view of the state of the club's affairs as at 31 December 2019 and of its income and expenditure for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the club in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

the Supervisory Board of Management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the Supervisory Board of Management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the club's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Supervisory Board of Management is responsible for the other information. The other information comprises the information included in the annual report distributed to members other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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:

the club has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or

the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the club's books of account; or

we have not obtained all the information and explanations necessary for the purposes of our audit.



DERBYSHIRE County Cricket Club 2019 Audit Report

Responsibilities of the Supervisory Board of Management

As explained more fully in the Supervisory Board of Management's responsibilities statement, the Supervisory Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Supervisory Board of Management is responsible for assessing the club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Supervisory Board of Management either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the club's members, as a body, in accordance with section 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 society and the club's members as a body, for our audit work, for this report, or for the opinions we have formed.

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