

**Glamorgan County Cricket Club**

**Annual Report  
for the year ended 30 November 2006**

# Glamorgan County Cricket Club

## Report and financial statements for the year ended 30 November 2006

	<b>Page</b>
Chairman's report	1 – 4
Statement of the General Committee's responsibilities	5
Report of the independent auditors	6 - 7
Income and expenditure account	8
Balance sheet	9
Cash flow statement	10
Notes to the financial statements	11 - 22

# **Glamorgan County Cricket Club**

## **Report and financial statements for the year ended 30 November 2006**

### ***The Annual General Meeting of Members***

*Will be held at  
The National Cricket Centre,  
Sophia Gardens,  
Cardiff,*

*on Thursday 29 March 2007*

*at 7.00pm.*

***Admission on production of your 2007 Membership ticket***

***We gratefully acknowledge the support of ALLPRINT***

*Who have printed this report*

### ***Agenda***

*Apologies for absence*

*Minutes of previous A.G.M.*

*Report and financial statements for year 2006*

*Election of Officers*

*Election of Auditors*

*Formal confirmation of election of General Committee*

*Chairman's report*

*Yours faithfully*  
***M J Fatkin (Chief Executive)***

## Chairman's Report 2007

What a difference 12 months make! Last year's Annual Report portrayed a rather depressing snapshot of Glamorgan Cricket. It is therefore pleasing to report that the Club is now entering the most exciting chapter in its long history.

### Ground Development

Months of hard work and perseverance by both our staff and a number of external bodies have paid dividends. The transformation of Sophia Gardens into a modern, purpose built stadium that will host an England vs. South Africa One Day International in 2008 and an Ashes test match in 2009 is well underway.

The importance of these fixtures to Glamorgan Cricket, Wales and Cardiff cannot be overstated. I would like to take this opportunity to thank, the Welsh Assembly Government, Cardiff Council and Allied Irish Bank for their invaluable support and belief in our ability to deliver.

However, the really hard work begins now as we plan meticulously for the challenges that lie ahead. The England and Wales Cricket Board's decision to award a staging agreement to Glamorgan Cricket has not been universally well received! The eyes of the world will now be upon us, not all of them relishing success. The Stadium must now be built on time and on budget and all our business targets achieved.

Our contractors, Carillion plc, have been on site for some time and the new stadium is scheduled to be completed by the end of March next year. The enhanced facilities in the new stadium coupled with regular International and Test Cricket being staged here, will have a profound effect on the Club's finances. We look forward, with some eagerness, to delivering improved cash flow and sustainable profits.

The Club made a great success of selling out and staging the England vs. Pakistan ODI: further proof of our increasing ability to stage such high profile matches.

The attendances at Twenty20 matches continue to soar and the four 2007 group stage matches to be played at Sophia Gardens will give our members and supporters a first "sneak" preview as to how the new development is progressing.

### Playing Performance

On the field, a disappointing season culminated with David Hemp taking over the captaincy reins from Robert Croft and Adrian Shaw replacing John Derrick as coach. I would like to take this opportunity to thank both Robert and John for their contributions during what was a difficult time for them both. Robert continues to be a valuable member of our playing side.

Adrian, together with Steve Watkin and Richard Almond, has conducted a thorough review of our playing strengths and weaknesses. I have been impressed with their eagerness and energy, particularly in the task of developing our many young players. Our search for a sponsor to fund an overseas player proved hard work and, eventually successful. Jimmy Maher will join the Club in mid May when he is free of his commitments to Queensland.

### Financial Position

Although the trading loss of £81,102 represents an improvement on the prior year's performance (2005: loss of £175,885), it re-enforces the importance of transforming Sophia Gardens into a venue capable of staging high profile profitable events – both on-and-off the field.

The continuation of losses has further eroded the club's net assets down to £13,005 (2005: £94,107) whilst net debt increased to £3,248,448 (2005: £2,753,123).

## Chairman's Report 2007 (continued)

However, it is not all doom and gloom. The Club recognises the vital importance of non-cricket related income and our commercial department have worked diligently to bring in new sources of income.

Our conferencing and banqueting facilities are first class and have played host to a number of high profile organisations (including Arsenal, West Ham United, the Welsh Rugby Union and the Welsh Conservative Party Conference). All have given glowing endorsements of our conference and hospitality services.

In addition, over 8,000 satisfied customers came through our doors during December to enjoy their company's Christmas parties.

### Home Venues

Due to the re-development work taking place at Sophia Gardens, we will be playing a number of our home matches at various locations throughout Wales. Cresselly, Swansea, Ebbw Vale, Abergavenny and Colwyn Bay will stage Glamorgan matches this season.

Our current plans call for the twenty/20 matches to be played at Cardiff with the full cricket programme being re-instated in the middle of August.

### Club Structure

Glamorgan Cricket is now the only county to operate as a members club with unlimited liability. At the end of last year, I informed you of our plan to incorporate the Club. To facilitate this, our membership closed at the end of February this year. We are currently working with our legal advisors to finalise the details of the new structure. Full details will be sent to each member before the end of March.

The support of our members continues to represent an important part of our business and I am delighted to report that membership renewals are at their highest levels for 3 years.

### The Executive Team

The work undertaken by the Executive Management team and all of the Club's staff cannot be overstated and I would like to personally thank each of them, in particular Chief Executive Mike Fatkin, for their continued hard work and support.

As we enter a crucial phase in the club's history, we have begun the process of bringing on board, the specialist skills required for the new business model. Last December, Alan Hamer joined as the Club's new Finance and Commercial Director, having previously enjoyed a successful career at the Welsh Rugby Union. I am sure that you will join me in wishing Alan the very best in this challenging role.

Alan takes over the responsibilities discharged previously by Clive Franklin (Finance) and Fiona Neivandt (Commercial). I would like to thank both Clive and Fiona for their significant contributions and to wish them well in their new careers.

### In Conclusion

Finally as we look forward to exciting times, I would like to save the last "thank you" for you, the members, for your support. The past few years have been difficult for our all associated with the Club. We now have the opportunity to change forever the face of Glamorgan Cricket. It is an opportunity that we will not let pass us by.

## Adroddiad Blynyddol y Cadeirydd

Oes wir mae deuddeg mis wedi mynd heibio bellach ac am newid sydd wedi bod yn hanes Clwb Criced Morgannwg! Yn ein hadroddiad y llynedd rhaid cyfaddef darlun digon di-galon o'r clwb a gafwyd. Braf yw cael cyhoeddi felly fod y clwb bellach ar drothwy un o'r cyfnodau mwya' cyffrous yn ei hanes.

### Datblygiadau'r Cae

Does dim dwywaith fod yr holl ymdrech a'r gwaith caled gan ein staff (ar y cyd â chorfforiaethau amrywiol) wedi talu ar ei ganfed. Mae'n golygu nawr y bydd Gerddi Soffia yn cael ei weddnewid yn gyfanbwbl gyda stadiwm ysblennydd yn cael ei godi sy'n mynd i alluogi ni i ddenu gemau blaenllaw y calendr criced (eisoes wedi'u cadarnhau mae gem undydd Lloegr a De'r Affrig yn 2008 ac un o gemau cyfres y Llundw yn 2009).

Does dim modd amau pwysigrwydd y gemau hyn i ddyfodol Clwb Criced Morgannwg. Hoffwn fanteisio ar y cyfle i ddiolch i'r Cynulliad, Cyngor Dinas Caerdydd ac Allied Irish Bank am eu cefnogaeth a'u cred yng ngweledigaeth a dyfodol y clwb.

Serch hynny, gwelwn mai nawr mae'r gwaith caled yn dechrau wrth i ni gynllunio'n ddyfal ar gyfer y sialens fawr sy'n ein gwynebu. Yn anffodus mae cynnig Bwrdd Criced Cymru a Lloegr i Glwb Criced Morgannwg lwyfannu un o gêmâu cyfres y Llundw a gemau undydd rhyngwladol wedi ei feirniadu gan nifer. Mae llygaid y cyhoedd a sylw'r byd bellach arnom ni, gyda rhai yn dymuno gwell lwc nag eraill yn ein hymdrechion i lwyfannu rai o brif ddigwyddiadau'r calendr criced. Tra fod rhai yn dymuno lwc dda fydd eraill yn cal boddhad gweld methiant yn ein menter.

Fel mae llawer yn gwybod mae'n contractwyr ni Carillion plc. wedi bod wrthi'n gweithio'n ddyfal i ddatblygu'r maes ers peth amser nawr. Y bwriad yw y bydd y stadiwm ar ei newydd wedd, yn gallu cynnal gemau prawf a gemau rhyngwladol. Yn sgil hyn i gyd y gobaith yw y bydd sefyllfa ariannol y clwb yn fwy sefydlog o ganlyniad.

Cynhaliwyd y gêm undydd rhwng Lloegr a Phacistan eleni yn ogystal. Mesur o lwyddiant y diwrnod oedd y ffaith fod pob tocyn ar gyfer y gem wedi ei werthu – tystiolaeth bellach os oes angen, ein bod yn raddol ddysgu sut i lwyfannu gemau mawrion.

Mae poblogrwydd gynyddol y gemau ugain pelawd yn amlwg i bawb wrth i'r niferoedd sy'n mynychu barhau i gynyddu. Mae'r ffaith fod y bedair gem rhagbrofol yn cael eu cynnal ar erddi Soffia yn rhagflas i'r aelodau a'r cefnogwyr o'r datblygiadau cyffrous newydd sydd ar droed.

### Perfformiadau ar y cae

Yn anffodus tymor digon siomedig bu hi i'r clwb y llynedd. Gwelyd David Hemp yn cymryd yr awennau fel capten y clwb a hynny oddi ar Robert Croft. Gwelwyd hefyd Adrian Shaw yn camu i esgudiau John Derrick a hynny fel hyfforddwr y tîm cyntaf. Hoffwn fanteisio ar y cyfle i dalu diolch i Robert a John am eu hymdrech a'u gwasanaeth i Glwb Criced Morgannwg yn ystod eu cyfnodau wrth y llyw (er ei fod wedi ildio'r awennau fel capten bydd Robert yn parhau fel chwaraewr i'r clwb).

Yn rhinwedd ei rôl newydd mae Adrian (ynghyd â Steve Watkin a Richard Almond) wedi llunio arolwg manwl ar rai o gryfderau a gwendidau'r perfformiadau ar y cae ac rwyf wedi fy mhlesio gyda'u hawydd a'u hegni hyd yma – yn enwedig yr awch i ddatblygu y chwaraewyr ifanc i'r dyfodol. Profodd chwilio am noddwyr i ariannu ein chwaraewr tramor yn llafurus ar y dechrau ond talodd yr holl waith caled ar ei ganfed a braf yw gallu cyhoeddi y gallwn ni estyn croeso cynnes unwaith yn rhagor i Jimmy Maher. Bydd Jimmy yn ail-ymuno a'r clwb ganol mis Mai pan y bydd yn rhydd o'i ddyletswyddau gyda Queensland.

## Sefyllfa Ariannol

Er fod y golled fasnachol o £81,102 yn cynrychioli gwelliant o'r flwyddyn blaenorol (2005 : £175,885) serch hyn gwelir unwaith yn rhagor bwysigrwydd yr angen i drawsnewid Gerddi Soffia i fewn i leoliad byddai'n gallu cynnal prif ddigwyddiadau ar ac oddi ar y cae – digwyddiadau a fyddai'n dod ag elw cynhwysfawr i fewn i'r clwb.

Mae parhâd y colledion wedi erydu fwyfwy asedau net y clwb lawr i £13,005 (2005 : £94,107) tra bod y ddyled net wedi cynyddu i £3,248,448 (2005 : £2,753,123). Serch hynny nid yw pethau yn ddu i gyd i lawr ar Erddi Soffia. Mae'r Clwb yn ymwybodol o bwysigrwydd elw sy'n gallu dod yn sgil cynnal digwyddiadau sydd ddim yn gysylltiedig a chriced yn unig. Yn wir mae adran fasnach y clwb wedi bod yn gweithio'n ddyfal a'r gobaith yw y gallwn ddenu elw o ffynhonnellau amrywiol.

Mae ein cyfleusterau arlwygo a chynadledda o radd flaenaf yn wir cynhauwyd amrywiol bethau gan gwmnïoedd cydnabyddedig megis Arsenal, West Ham United, Undeb Rygbi Cymru, ac yn ddiweddar Plaid Geidwadol Cymru – I gyd yn rhoi canmoliaeth ar y wasanaeth a dderbyniwyd / gan dderbyn adborth calonogol iawn oddi wrthynt. Rhaid cofio hefyd i ni arlwygo ar gyfer dros 8,000 o bobl dros gyfnod y Nadolig mewn amrywiol giniawau gwaith.

## Gemau Catref y Clwb

Golyga hyn fod yr holl waith ddatblygu sy'n mynd ymlaen i lawr ar Erddi Soffia y bydd tim Morgannwg yn chwarae eu gemau 'catref' y tymor hwn mewn lleoliadau amrywiol megis Creseli, Abertawe, Glyn Ebwy, Y Fenni, a Bae Colwyn. Ein bwriad ar hyn o bryd yw parhau i gynnal gemau 20 pelawd yn Gaerdydd gyda gweddill y tymor yn mynd ymlaen fel yr arfer o ganol Awst.

## Strwythr y Clwb

Ar hyn o bryd Clwb Criced Morgannwg yw'r unig glwb Sirol sy'n gweithredu fel Clwb Aelodaeth gyda rhwymedigaeth ddiderfyn. Ar ddiwedd y llynedd soniais am y bwriad i gyfuno'r Clwb. Ar hyn o bryd rydym yn gweithio gyda chwmnïau cyngor cyfreithiol yn y gobaith o allu cadarnhau manylion y strwythr newydd hyn. Fydd pob aelod yn derbyn y wybodaeth diweddaraf ar y sefyllfa hon cyn diwedd mis Mawrth.

Mae cefnogaeth ein haelodau yn elfen sy'n parhau i fod yn ganolog i'r ffordd rydym yn gweithredu fel busnes a braf yw cael cyhoeddi fod cyfradd adnewyddu aelodaeth ar ei uchaf ers tair mlynedd.

## Y tim Gweithredol

Mae'r holl waith cydwybodol sy'n cal ei wneud gan y Tim Gweithredol yn amlwg i bawb, a dyma gyfle gwych i mi gael diolch i'r aelodau hynny am eu hymroddiad a'u cymorth yn enwedig Y Prif Weithredwr Mike Fatkin.

A ninnau ar drothwy cyfnod hanesyddol i'r Clwb rydym wedi cychwyn ar y broses o fabwysiadu'r sgiliau sy'n greiddiol i'r strwythr busnes newydd. Ym mis Rhagfyr aeth heibio ymunodd Alan Hamer a'r Clwb a hynny fel Cyfarwyddwr Cyllid a Masnachol a hyn wedi gyrra lwyddiannus gydag Undeb Rygbi Cymru. Rwy'n shwr fod pawb fel minnau yn hoffi dymuno pob lwc i Alan yn ei rôl newydd.

Mae Alan yn cymryd yr awennau oddi ar Clive Franklin (Adran Gyllid) a Fiona Neivandt (Adran Fasnachol). Hoffwn ddiolch i'r ddau am eu cyfraniad i'r clwb a dymuno pob hwyl iddynt yn eu gyrfaoedd newydd.

## Casgliad

I gloi, wrth i ni edrych ymlaen yn eiddgar at gyfnod cyffrous yn hanes y Clwb hoffwn dalu diolch i chi'r aelodau am eich cefnogaeth. Does dim cuddio'r ffaith fod y blynyddoedd diwethaf wedi bod yn rhai digon annodd i bawb sy'n gysylltiedig a'r clwb. Er hyn i gyd mae yna gyfle i ni nawr osod gwedd newydd i Glwb Criced Morgannwg – fel ei bod yn ffyn ym y dyfodol. Cyfle sydd yn rhy dda i'w golli a gwae ni os na wnawn ni geisio'n gorau glâs.

## **Statement of the General Committee's Responsibilities in respect of the Financial Statements**

The General Committee, on behalf of the Club's members, are responsible for the preparation of the annual report for each financial year which gives a true and fair view of the state of affairs of Glamorgan Cricket Club as at the end of the financial year and of the income and expenditure account of the Club for that period.

The General Committee confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 November 2006. The General Committee also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The General Committee are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Club and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the General Committee

## Report of the independent auditors to the members of Glamorgan County Cricket Club

We have audited the financial statements of Glamorgan County Cricket Club for the year ended 30 November 2006 which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of general committee and auditors**

The general committee, on behalf of the Club's members, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of General Committee's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Club's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Chairman's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Club has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding other transactions is not disclosed.

We read the Chairman's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the general committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Club's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Ongoing funding arrangements

As set out in Note 22 to the financial statements the Club is dependent on the loan and overdraft facilities of its Bank and continuing financial support of its Chairman. The financial statements have been prepared on the going concern basis, the validity of which depends on future funding being available. The financial statements do not include any adjustments that would result from continuing support from the Bank and the financial support of the Chairman not being available. Details of the circumstances relating to this position are set out in Note 22. Our opinion is not qualified in this respect.

## Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2006 and of its loss and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Chairman's Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*  
*Chartered Accountants and Registered Auditors*  
*Cardiff*

## Notes:

The maintenance and integrity of the Glamorgan County Cricket Club website is the responsibility of the general committee members; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

## Income and Expenditure Account for the year ended 30 November 2006

	Notes	2006 £	2005 £
<b>Income</b>			
England and Wales Cricket Board		1,472,100	1,354,544
Subscriptions		206,768	280,115
Gate and other Cricket Income		205,359	254,479
Coaching Fees (including Indoor School)		121,145	125,663
Sponsorship		140,731	130,164
Advertising and other Marketing Income		214,519	172,526
Catering and Hospitality Income		470,410	610,542
Shop Franchise and Sales Income		39,992	40,007
Miscellaneous Income		-	1,165
		<b>2,871,024</b>	<b>2,969,205</b>
<b>Expenditure</b>			
Match Expenses	1	1,158,828	1,215,359
Ground Expenses	2	432,834	405,499
Coaching	3	138,653	124,159
Administration and General Expenses	4	402,459	435,824
Marketing Expenditure	5	227,717	279,363
Catering and Hospitality Expenses		372,686	455,384
Depreciation	10	252,780	219,704
Grant income	16(b)	(78,741)	(80,330)
		<b>2,907,216</b>	<b>3,054,962</b>
<b>Operating loss</b>			
		<b>(36,192)</b>	<b>(85,757)</b>
Profit from one day internationals	6	4,315	18,666
<b>Total operating loss for the year</b>			
		<b>(31,877)</b>	<b>(67,091)</b>
Donations receivable	7	113,764	51,921
<b>Profit / (loss) before interest and taxation</b>			
		<b>81,887</b>	<b>(15,170)</b>
Net interest payable	8	(162,989)	(160,715)
Taxation	9	-	-
<b>Excess of expenditure over income</b>			
	17	<b>(81,102)</b>	<b>(175,885)</b>

# Glamorgan County Cricket Club

9

## Balance Sheet as at 30 November 2006

	Notes	2006 £	2005 £
<b>Fixed assets</b>	10	<b>6,701,260</b>	6,513,391
<b>Investments</b>	11	<b>27,000</b>	27,000
<b>Current assets</b>			
Stocks	12	<b>16,747</b>	18,552
Debtors and prepaid expenses	13	<b>303,683</b>	492,775
Bank and cash balances		<b>4,217</b>	4,056
		<b>324,647</b>	515,383
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	14(a)	<b>(3,452,401)</b>	(1,365,460)
<b>Net current liabilities</b>		<b>(3,127,754)</b>	(850,077)
<b>Total assets less current liabilities</b>		<b>3,600,506</b>	5,690,314
Creditors: Amounts falling due after more than one year	14(b)	<b>(492,173)</b>	(2,292,118)
Accruals and deferred income	16(a)	<b>(3,095,328)</b>	(3,304,089)
Non repayable grants		<b>2,932,163</b>	3,010,904
Other deferred income		<b>163,165</b>	293,185
<b>Net Assets</b>		<b>13,005</b>	94,107
Financed by:			
<b>Reserves</b>		<b>13,005</b>	94,107
<b>Income and expenditure account</b>	17	<b>13,005</b>	94,107

Approved by the General Committee on 19 March 2007 and signed on its behalf by

R Paul Russell (Chairman)

A Hamer (Finance and Commercial Director)

## Cash flow statement for the year ended 30 November 2006

	Notes	2006 £	2005 £
<b>Cash inflow from operating activities</b>	19	<b>164,254</b>	77,458
<b>Returns on investments and servicing of finance</b>			
Interest paid		<b>(212,188)</b>	(122,487)
Interest element of finance lease rentals		<b>(6,742)</b>	(11,469)
		<b>(218,930)</b>	(133,956)
<b>Taxation</b>		-	-
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		<b>(440,649)</b>	(311,789)
<b>Cash outflow before management of liquid resources and financing</b>		<b>(495,325)</b>	(368,287)
<b>Financing</b>			
Purchase of debentures		-	(3,000)
Loans repaid		<b>(5,949)</b>	(45,818)
Other loan received		<b>466,595</b>	3,200
Finance leases		<b>67,547</b>	-
Bank loan received		-	235,000
Capital element of finance lease rental payments		<b>(26,702)</b>	(59,520)
Net cash inflow from financing		<b>501,491</b>	129,862
<b>Increase/(decrease) in cash</b>	18	<b>6,166</b>	(238,425)

## Notes to the accounts for the year ended 30 November 2006

### Accounting policies

#### Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### England and Wales Cricket Board Limited

Income from the England and Wales Cricket Board is accounted for on an accruals basis. The share of ECB receipts comprises Test Match, County Championship, National League, Nat West Trophy, and Cheltenham & Gloucester Sponsorship and other receipts.

#### Tangible fixed assets

Leasehold land and buildings are stated at cost less accumulated depreciation.

Neath Indoor School improvements are stated in the balance sheet at cost less accumulated depreciation.

Fixtures and Fittings and motor vehicles are stated in the balance sheet at cost less accumulated depreciation.

Floodlights are stated in the balance sheet at cost less accumulated depreciation.

#### Depreciation

Depreciation is provided so as to write off, on a straight line basis, the net book value of tangible fixed assets. They are depreciated from the date they are brought into use over the estimated useful economic lives. The estimated useful lives of assets are reviewed regularly and, when necessary, revised. Accelerated depreciation is provided where an asset is expected to become obsolete before the end of its useful life. No further depreciation is provided in respect to assets which are fully written down but still in use. Tangible assets are reviewed for impairment if events or changes in circumstances indicate the carrying amounts may not be recoverable. The depreciation rates of the main categories of fixed assets are:

Motor vehicles	25%
Fixture and fittings	5% - 50%
Neath Indoor School Improvements	2%
Floodlights	5%

Leasehold land and buildings are amortised over 125 years, or if shorter, the period of the lease

## Notes to the accounts for the year ended 30 November 2006

### Accounting Policies (continued)

#### Capital grants

Capital grants received in respect of expenditure on fixed assets have been credited to the Club's balance sheet and disclosed under the heading 'deferred income'. This balance is being amortised over the expected useful economic life of the relevant assets.

#### Stocks

Stocks are stated in the balance sheet at the lower of cost and net realisable value.

#### Subscriptions

Annual membership subscriptions are credited to income and expenditure account over the period to which they relate. Subscriptions received in advance are credited to deferred income.

#### Premier Membership

Premier membership subscriptions are credited to income and expenditure account over periods of five, ten and fifteen years depending on the subscription term.

#### Investments

Investments are stated in the balance sheet at the lower of cost or market value.

#### Hire purchase and lease agreements

Where assets are financed by hire purchase agreements that give rights approximating to ownership, the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum hire purchase payments payable during the hire purchase term. The corresponding hire purchase commitments are shown as obligations to the hire purchase company. Depreciation on the relevant assets is charged to operating profit. Hire purchase payments are treated as consisting of capital and interest elements and the interest is charged to the income and expenditure account using the annuity method. All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term.

#### Deferred taxation

Deferred taxation is provided in full on all material timing differences arising between the recognition of gains and losses in the accounts and their recognition in tax computations. Deferred tax assets are recognised where their recovery is more likely than not. Deferred tax assets and liabilities have not been discounted.

## Notes to the accounts for the year ended 30 November 2006

### 1 Match expenses

	2006	2005
	£	£
Players' remuneration	955,043	998,162
Hotel expenses, travelling and allowances	130,850	135,571
Catering	10,833	10,520
Equipment	13,531	8,658
General (income) / expenses	(2,896)	12,624
Physio and medical equipment	43,401	40,932
Youth cricket (net of grants)	8,066	8,892
	<b>1,158,828</b>	<b>1,215,359</b>

### 2 Ground expenses

	2006	2005
	£	£
General maintenance	147,829	131,140
Rent and rates	39,828	33,078
Stewards	62,408	57,433
Police charges	5,129	7,103
Hire of facilities	20,950	23,755
Groundsmens' remuneration and expenses	156,690	152,990
	<b>432,834</b>	<b>405,499</b>

### 3 Coaching

	2006	2005
	£	£
Salaries	84,901	81,648
Travel and expenses	3,160	2,188
Indoor school expenses	19,576	14,406
Development officers' costs (net of grants)	27,340	20,008
Neath indoor school expenses	3,676	5,909
	<b>138,653</b>	<b>124,159</b>

## Notes to the accounts for the year ended 30 November 2006

### 4 Administration and general expenses

	2006	2005
	£	£
Salaries and pension costs	210,852	198,933
Office equipment repairs	5,869	10,414
Insurance	81,828	92,570
Printing and stationery	9,802	12,254
Postage and telephones	31,864	36,361
Travel and subsistence	8,047	11,032
Meeting/committee hospitality	3,753	9,115
Health and safety	1,428	1,372
Auditors' fee	8,500	8,500
Professional fees	25,666	14,650
Bank charges	9,966	11,659
Sundry expenses	4,884	28,964
	<b>402,459</b>	<b>435,824</b>

### 5 Marketing expenditure

	2006	2005
	£	£
Salaries	125,479	141,527
Facilities hire and expenses	12,266	19,192
Membership promotion	13,891	18,939
Perimeter advertising	7,685	6,870
Publicity and hospitality	46,434	37,924
Development costs	21,962	54,911
	<b>227,717</b>	<b>279,363</b>

### 6 One Day Internationals

	2006	2005
	£	£
Income	684,407	81,013
Expenditure	(680,092)	(62,347)
	<b>4,315</b>	<b>18,666</b>

## Notes to the accounts for the year ended 30 November 2006

### 7 Donations

	2006 £	2005 £
St Helen's Balconiers	25,081	18,000
The Sophians	1,100	1,400
Benefit Appeal	10,989	10,000
Members' donations	76,594	22,521
	<b>113,764</b>	<b>51,921</b>

### 8 Net interest payable

	2006 £	2005 £
Bank loans	147,213	131,720
Bank overdraft	9,034	17,526
Hire purchase	6,742	11,469
	<b>162,989</b>	<b>160,715</b>

### 9 Taxation

#### (a) Analysis of charge in the year

The charge for taxation is made up as follows:

#### Current Tax:

	2006 £	2005 £
UK corporation tax on losses of the year	-	-
Adjustments in respect of previous periods	-	-
<b>Total current tax (note 9 (b))</b>	-	-
Origination and reversal of timing differences	-	-
<b>Total deferred tax</b>	-	-
<b>Total tax on loss on ordinary activities</b>	-	-

## Notes to the accounts for the year ended 30 November 2006

### 9 Taxation

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from the small companies rate of corporation tax in the United Kingdom of 19% (2005: 19%). The differences are explained below:

	2006 £	2005 £
Loss multiplied by the small companies' rate of corporation tax in the United Kingdom of 19% (2005: 19%)	<b>(15,409)</b>	(33,419)
Effects of temporary differences between taxable and accounting loss:		
Accelerated capital allowances / other timing differences	<b>24,583</b>	25,282
Expenses not deductible for tax purposes	<b>(9,174)</b>	8,137
<b>Current tax charge for year (note 9(a))</b>	<b>-</b>	<b>-</b>

### 10 Fixed assets

	Leasehold land and buildings £	Plant, machinery and floodlights £	Neath Indoor School Improvement £	Fixtures, fittings and motor vehicles £	Assets in course of construction £	Total £
<b>At cost</b>						
At 1 December 2005	3,966,652	2,806,613	71,523	1,130,611	-	7,975,399
Additions at cost	-	41,000	-	91,407	308,242	440,649
<b>At 30 November 2006</b>	<b>3,966,652</b>	<b>2,847,613</b>	<b>71,523</b>	<b>1,222,018</b>	<b>308,242</b>	<b>8,416,048</b>
<b>Depreciation</b>						
At 1 December 2005	528,888	215,038	70,917	647,165	-	1,462,008
Charge for the year	79,333	56,473	605	116,369	-	252,780
<b>At 30 November 2006</b>	<b>608,221</b>	<b>271,511</b>	<b>71,522</b>	<b>763,534</b>	<b>-</b>	<b>1,714,788</b>
<b>Net book value</b>						
<b>At 30 November 2006</b>	<b>3,358,431</b>	<b>2,576,102</b>	<b>1</b>	<b>458,484</b>	<b>308,242</b>	<b>6,701,260</b>
At 30 November 2005	3,437,764	2,591,575	606	483,446	-	6,513,391

The net book value of tangible fixed assets held under finance leases was £194,680 (2005: £163,183).

## Notes to the accounts for the year ended 30 November 2006

### 11 Investments

	2006	2005
	£	£
<b>Lords Debentures</b>		
At 1 December 2005	27,000	24,000
Additions	-	3,000
<b>At 30 November 2006</b>	<b>27,000</b>	<b>27,000</b>

### 12 Stocks

	2006	2005
	£	£
Catering and bar stocks	12,663	13,649
Cricket balls and clothing (for use not for resale)	4,084	4,903
	<b>16,747</b>	<b>18,552</b>

### 13 Debtors and prepaid expenses

	2006	2005
	£	£
Trade debtors	199,483	243,651
Accrued income (ECB)	72,700	60,000
Future Ground Development	-	148,798
Other debtors	-	10,000
Prepayments	31,500	30,326
	<b>303,683</b>	<b>492,775</b>

## Notes to the accounts for the year ended 30 November 2006

### 14 Creditors

#### (a) Amounts falling due within one year

	2006	2005
	£	£
Bank overdraft	451,251	457,256
Bank loans (Note 14 (c))	1,835,000	3,176
Other loans (Note 14 (e))	472,595	6,000
Trade creditors	409,875	379,531
Obligations under finance leases (Note 14 (d))	28,646	25,629
Other creditors	66,612	86,040
Accruals	188,422	407,828
	<b>3,452,401</b>	<b>1,365,460</b>

Included in the accruals balance is accrued interest payable of £16,305 (2005: £65,505)

#### (b) Amounts falling due after more than one year

	2006	2005
	£	£
Bank loans (Note 14 (c))	-	1,831,824
Obligations under finance leases (Note 14 (d))	76,616	38,788
Other loans (Note 14 (e))	415,557	421,506
	<b>492,173</b>	<b>2,292,118</b>

#### (c) Bank loans

	2006	2005
	£	£
Amounts falling due within one year	1,835,000	3,176
Amounts falling due after more than one year	-	1,831,824
	<b>1,835,000</b>	<b>1,835,000</b>

At 30 November 2006, the club had interest bearing loans with HSBC of £1,835,000 (2005: £1,835,000). These loans were secured against the leasehold property known as the land and buildings at Sophia Gardens, Cardiff.

These loans have been disclosed as falling due within one year because of the new financing agreement with Allied Irish Bank, as set out in note 23 to the financial statements.

## Notes to the accounts for the year ended 30 November 2006

### Creditors (continued)

#### (d) Finance leases

	2006	2005
	£	£
<b>Amounts due under finance leases are payable as follows</b>		
Within one year	<b>28,646</b>	25,629
Between one and two years	<b>32,652</b>	14,665
Between two and five years	<b>43,964</b>	24,123
	<b>105,262</b>	64,417

#### (e) Other loans

	2006	2005
	£	£
<b>Within one year</b>		
Beneficiary loans	<b>366,595</b>	-
Other loans	<b>106,000</b>	6,000
	<b>472,595</b>	6,000

The Club has interest free loans from beneficiaries of £366,595 (2005: £Nil) which are repayable when the Club re-finances with the Allied Irish Bank, as part of the funding arrangement for the new ground development. See note 23 for further details.

Other loans of £100,000 (2005: £Nil) are due to the ECB and will be recouped in early 2007 through a reduction in the monthly ECB distribution received.

	2006	2005
	£	£
<b>After more than one year</b>		
Beneficiary loans	<b>400,000</b>	400,000
Other loans	<b>15,557</b>	21,506
	<b>415,557</b>	421,506

The Club has interest free loans from beneficiaries of £400,000 (2005:400,000) which are entirely payable after more than one year.

Other loans, due within one year and after more than one year, of £21,557 (2005: £27,506) are due to a major brewery and are repayable over a ten year period. The Club has entered into an agreement whereby this loan will be waived in annual instalments if the club purchases a certain volume of bar stock every year.

## Notes to the accounts for the year ended 30 November 2006

### 15 Provisions for liabilities and charges

	2006	2005
	£	£
<b>Deferred taxation</b>		
At start of year	-	-
Profit and loss account	-	-
<b>At end of year</b>	-	-

  

	2006	2005
	£	£
Deferred tax is made up as follows:		
Accelerated capital allowances	<b>53,627</b>	61,829
Other timing differences	<b>(53,627)</b>	(61,829)
	-	-

Deferred tax assets have not been recognised with a tax value of £338,415 (2005: £309,957) due to uncertainty of utilisation.

### 16 Accruals and deferred income

	2006	2005
	£	£
<b>(a) Accruals and deferred income</b>		
Grant income	<b>2,932,163</b>	3,010,904
Premier membership funds	<b>156,126</b>	198,783
Subscriptions in advance	<b>90</b>	87,453
Wilfred Wooller Memorial Fund	<b>6,949</b>	6,949
	<b>3,095,328</b>	3,304,089

	Sportlot grants	SGI and other grants	Total
	£	£	£
<b>(b) Grant income</b>			
As at 1 December 2005	2,773,212	237,692	3,010,904
Released during the year	(73,100)	(5,641)	(78,741)
<b>As at 30 November 2006</b>	<b>2,700,112</b>	<b>232,051</b>	<b>2,932,163</b>

	2006	2005
	£	£
<b>(c) Premier membership funds</b>		
As at 1 December 2005	<b>198,783</b>	285,168
Released during the year	<b>(42,657)</b>	(86,385)
<b>As at 30 November 2006</b>	<b>156,126</b>	198,783

## Notes to the accounts for the year ended 30 November 2006

### 17 Income and expenditure account

	2006	2005
	£	£
As at 1 December 2005	94,107	269,992
Loss for the year	(81,102)	(175,885)
<b>As at 30 November 2006</b>	<b>13,005</b>	<b>94,107</b>

### 18 Reconciliation of net cash flow to movement in net debt

	2006	2005
	£	£
Increase/(decrease) in cash in the period	6,166	(238,425)
Increase in other net debt	(501,491)	(129,862)
Movement in net debt in the period	(495,325)	(368,287)
Net debt at start of year	(2,753,123)	(2,384,836)
<b>Net debt at end of year</b>	<b>(3,248,448)</b>	<b>(2,753,123)</b>

### 19 Reconciliation of operating loss to net cash inflow from operating activities

	2006	2005
	£	£
Operating loss	(31,877)	(67,091)
Depreciation of tangible fixed assets	252,780	219,704
Grant income released	(78,741)	(80,330)
Deferred asset profit released	-	(1,165)
Premier member funds released	(42,657)	(86,385)
Prior year subscriptions in advance	(87,453)	(127,268)
Subscription income in advance	90	87,453
Donations received	123,764	41,921
Decrease/(increase) in debtors	179,092	(173,486)
(Decrease)/increase in creditors	(152,549)	264,387
Increase in development Fund	-	2,517
Decrease/(increase) in stocks	1,805	(2,799)
<b>Net cash inflow from operating activities (including donations)</b>	<b>164,254</b>	<b>77,458</b>

## Notes to the accounts for the year ended 30 November 2006

### 20 Analysis of net debt

	2006 £	Cashflow £	2005 £
<b>Net cash</b>			
Cash in hand and at bank	4,217	161	4,056
Overdrafts	(451,251)	6,005	(457,256)
Net overdrafts	(447,034)	6,166	(453,200)
<b>Net debt</b>			
Loans due within one year	(2,307,595)	(2,298,419)	(9,176)
Loans due after one year	(415,557)	1,837,773	(2,253,330)
Finance leases	(105,262)	(40,845)	(64,417)
Current asset investments	27,000	-	27,000
Net debt	(2,801,414)	(501,491)	(2,299,923)
<b>Total</b>	<b>(3,248,448)</b>	<b>(495,325)</b>	<b>(2,753,123)</b>

### 21 Related party transactions

Interest accrued on the Beneficiary Loans of £69,583 (2005: £47,202) has been waived during the year. This has been included as donation income in the year ending 30 November 2006. The balance of accrued interest as at 30 November 2006 is £Nil (2005: £47,202). No Beneficiary Loan repayments of capital have been made to date.

### 22 Basis of preparation of the financial statements

It is the responsibility of the General Committee to prepare these financial statements on the going concern basis unless it is inappropriate to do so. Currently, the Club is dependent on Bank loan and overdraft facilities and the ongoing support of its Chairman in providing personal loans and funding commitments in order to continue as a going concern. The General Committee has considered the ongoing funding requirements of the Club based on detailed cashflow forecasts and believes that the funding package put in place with its new bankers (see note 23), supported by loan commitments from the chairman are sufficient for these financial statements to be prepared on the going concern basis.

### 23 Post balance sheet event

In January 2007, the Club entered into construction contracts and work has begun on the new ground development. A funding agreement is in place, with a number of parties, to aid with the construction costs associated with the new ground development. The chairman has also made loan commitments in respect to the fees over the new ground development.

On 1 March 2007, the Club entered into a financing agreement with the Allied Irish Bank in part to consolidate the current HSBC loans of £1,835,000. This finance agreement, totalling £5,400,000, has also generated additional funds of £165,000 for continued use in the Club and a further £3,400,000 towards the new ground development.

The £5,400,000 loan facility has been secured against the leasehold land and buildings, known as Glamorgan County Cricket Ground, Sophia Gardens, Cardiff.

## Five Year Trading Summary

	2006	2005	2004	2003	2002
		£	£	£	£
<b>Income</b>					
England & Wales Cricket Board	1,472,100	1,354,544	1,447,366	1,439,366	1,336,320
Subscriptions	206,768	280,115	281,512	306,686	288,690
Gate and other Cricket Income	205,359	254,479	185,126	121,550	93,905
Coaching Fees (including indoor school)	121,145	125,663	116,191	107,693	97,627
Sponsorship	140,731	130,164	102,250	132,229	94,272
Advertising and other marketing income	214,519	172,526	98,010	110,056	93,370
Catering and hospitality income	470,410	610,542	488,464	345,490	309,449
Shop franchise and sales income	39,992	40,007	46,514	40,105	54,071
Miscellaneous income	-	1,165	1,165	1,165	1,165
	<b>2,871,024</b>	<b>2,969,205</b>	<b>2,766,598</b>	<b>2,604,340</b>	<b>2,368,869</b>
<b>Expenditure</b>					
Match expenses	1,158,828	1,215,359	1,220,910	1,203,297	1,113,579
Ground expenses	432,834	405,499	399,304	321,140	321,350
Coaching	138,653	124,159	108,755	99,773	158,766
Administration and general expenses	402,459	435,824	400,796	478,917	343,879
Marketing expenditure	227,717	279,363	218,302	188,084	160,093
Catering and hospitality expenses	372,686	455,384	382,529	292,786	293,166
Shop franchise and sales expenses	-	-	6,323	22,900	26,438
Depreciation	252,780	219,704	204,695	175,249	185,717
Grant income	(78,741)	(80,330)	(72,182)	(78,732)	(78,964)
	<b>2,907,216</b>	<b>3,054,962</b>	<b>2,869,432</b>	<b>2,703,414</b>	<b>2,524,024</b>
<b>Operating (loss)</b>	<b>(36,192)</b>	<b>(85,757)</b>	<b>(102,834)</b>	<b>(99,074)</b>	<b>(155,155)</b>
<b>Other operating income</b>					
Income from one day internationals	4,315	18,666	92,004	42,702	46,461
<b>Total operating (loss) for the year</b>	<b>(31,877)</b>	<b>(67,091)</b>	<b>(10,830)</b>	<b>(56,372)</b>	<b>(108,694)</b>
<b>Other non operating income</b>					
Profit on disposal of fixed assets	-	-	-	4,985	950
Donations receivable	113,764	51,921	94,412	52,303	56,710
<b>Profit/(loss) before interest and taxation</b>	<b>81,887</b>	<b>(15,170)</b>	<b>83,582</b>	<b>916</b>	<b>(51,034)</b>
<b>Net interest payable</b>	<b>(162,989)</b>	<b>(160,715)</b>	<b>(132,433)</b>	<b>(113,967)</b>	<b>(142,211)</b>
<b>Taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of (expenditure) over Income</b>	<b>(81,102)</b>	<b>(175,885)</b>	<b>(48,851)</b>	<b>(113,051)</b>	<b>(193,245)</b>