

Registered number 28451R
(England and Wales)



Old Trafford

LANCASHIRE COUNTY
CRICKET CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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THANK YOU TO LANCASHIRE CRICKET'S TIER ONE PARTNERS



Officers and Advisers

PRESIDENT:	Sir Howard Bernstein		
VICE PRESIDENTS:	P Allott MA Atherton OBE HF Atkins Sir Robert Atkins Mrs Alice Bennett R Bennett M Cairns OBE J Charlson J Cumbes S Edge FM Engineer	NH Fairbrother Miss Rose Fitzgibbon K Hayhurst J Heaton RI Hinchliffe J Livingstone OBE T Johnston Sir Clive Lloyd CBE D Lloyd M Lorimer L Morgan	D Moss G Ogden WG Robinson G Shindler J Simmons MBE Mrs Jacqueline Simmons His Honour Judge E Slinger KB Standring M Watkinson RA Wilson G Yates
BOARD:			
President:	Sir Howard Bernstein		
Chair:	Andy Anson OBE		
Honorary Treasurer:	Les Platts		
Senior Independent Director:	James Sheridan		
Board Members:	Rachel Downey Andrew Flintoff MBE Sara Tomkins John Abrahams Navin Singh (appointed 21st April 2022)		
Executive Officers:	Chief Executive:	Daniel Gidney	
	Chief Financial Officer:	Angela Lowes	
	Secretary:	Lee Morgan	
	Director of Cricket Performance:	Mark Chilton	
	Acting Operations Director:	Michael Hewson	
	Sales Director:	Angela Hodson	
	Partnership Director:	Elizabeth Cooper	
	Human Resources Director:	Joanne Hunt	
	Head Coach:	Glen Chapple	
Auditor:	Hurst Accountants Limited Lancashire Gate, 21 Tiviot Dale, Stockport SK1 1TD		
Bankers:	Metro Bank PLC One Southampton Row, London WC1B 5HA		
Registered Office:	Emirates Old Trafford Manchester M16 0PX		



CHAIR'S STATEMENT

I hope you have all managed to enjoy your autumn and winter break and are looking forward to a great summer of cricket. As a Club, we approach this summer with optimism and excitement ahead of another domestic campaign for both our men's and women's squads - whilst Emirates Old Trafford hosts a number of high-profile fixtures and events that includes a Men's Ashes Test Match in July and an IT20 match versus New Zealand in September. Additionally, we are hugely excited to open the new development later this year – which will be another important milestone for our fine stadium.

On the field, we are in a really strong position after another positive year of progress in 2022 when we came so close to silverware. The Club continues to focus on the development of homegrown talent which is one of our key objectives. Having recently been out in Dubai on our pre-season tour, I saw first-hand the hard work that is going into our preparations ahead of the new season. It was once again brilliant to see both our men's and women's squads on tour together which really emphasises our one-Club philosophy. Not only did Thunder spend a week in Dubai, but they also spent a further six days in Mumbai, based at Reliance Park – home of the Mumbai Indians. An incredible opportunity for the squad which I know they have taken a lot of learnings from.

There seems to be real excitement around Thunder this year, so we're all looking forward to seeing results continue to improve on the field - after the last couple of years which has seen steady and encouraging progress. Our three new signings - Naomi Dattani, Fi Morris and Tara Norris - have added some real quality and experience to this side – whilst for the men, I know that Mark and Glen were delighted to add the New Zealand pair of Daryl Mitchell and Colin de Grandhomme to their squad for a good chunk of this summer. Across both the men's and women's teams, after a fantastic effort last year, everyone is focused on bringing home a long-awaited trophy to celebrate with our Members and supporters this time round.

Off the field, the Club continues to diversify its revenue streams, which is so important to the development of Lancashire Cricket as a whole. The new development – in

addition to our flourishing Conference, Events and Hotel business - is another example of that and we're all very excited to see the official opening later this summer. It will enhance our facilities and the matchday experience for Lancashire Members attending domestic games in the years to come and further positions Emirates Old Trafford as one of the leading multi-purpose venues in the country.

I would also like to take this opportunity to thank our commercial partners. Our sponsorship revenues are the highest they have ever been in the Club's history and we are fortunate to work with some fantastic partners including Emirates, Hilton, Heineken, Sportsbreaks.com and UA92, amongst others – some of whom I spent quality time with, in Dubai on our pre-season tour. Their support of the Club is very much appreciated, and we look forward to working and collaborating with these partners for many more years to come.

We were delighted to receive the news last month that our second ground project at Farington has been approved in principle by Lancashire County Council. Whilst it is still subject to final approval from the Security of State – normal practice when proposals affect green belt land – this is hugely positive news for the Club.

As Members are aware, the aim is to establish a new year-round facility, which would be able to host men's and women's competitive matches each year, as an alternative to Emirates Old Trafford, and to provide a new training base for Lancashire's teams, from age-group to first team. The Club has committed to continuing to use our current outgrounds even when Farington is complete, but it is a facility that we've needed for a number of years now. It means we aren't as reliant on recreational grounds. The ground will be a first of its kind in domestic cricket and we'll keep Members updated on its progress once work gets underway.

At the time of writing, the Club is awaiting the publication of the report undertaken by the Independent Commission for Equity in Cricket (ICEC), which was formed in March 2021 by the England and Wales Cricket Board. Its mission is to evaluate the state of equity in cricket and to identify and highlight the realities of people's experiences within our game.



We will welcome the publication of the ICEC report, which we expect will bear the scale of the historic and structural issues that have negatively impacted and even excluded people from our game. As a sport, cricket must accept responsibility for this and ensure that discrimination of any kind is eradicated at all levels. As a leading County, over the past 12 months we have worked hard on our own Equality, Diversity and Inclusivity framework to ensure that Lancashire Cricket is going to make a difference to the community we serve. As a Board, we recognise this approach cannot just be about words on paper – we need to take actions which demonstrate that we are on the road to creating a better environment for everyone who is, or who wants to be, involved in cricket.

2023 is going to be another busy year at Emirates Old Trafford as we look forward to hosting another Men's Ashes Test Match in July. We are sold out for the first four days and we're expecting to sell out for our New Zealand IT20 in September. It is absolutely fantastic that we now have over 8,500 Members for 2023, which is a record for many years. This has been a key area of focus for the Club and we're excited to see many new and

returning Members at Emirates Old Trafford throughout the year. We will also have two 50,000 sell-out concert nights as we welcome the Arctic Monkeys in early June, whilst also hosting the Hundred once again.

I would also like to take this opportunity to thank all the staff at Emirates Old Trafford for their hard work that goes into preparing for the season, and then throughout the summer to ensure our Members and supporters have a fantastic and safe experience with us. We have an incredible group of people – working across all areas of the Club – and without their dedication, these major events would not be possible.

We are all excited for another positive and progressive season for the Club, on and off the field and I look forward to seeing you soon.

Andy Anson
CHAIR
6 APRIL 2023



FINANCE REPORT



The Club's post pandemic recovery continued in 2022 as we benefitted from a return to normality with a full year of unrestricted crowds. Both hotel and conference and events business picked up as consumer confidence grew and the Club is pleased to be able to report an operating profit (before exceptional items) of £3,219,120 (2021: £3,675,784) and a surplus before taxation of £2,422,093 (2021: £1,805,747). The surplus is impacted by a gain of £1,570,382 recorded on revaluation of our interest rate cap. Operating profit (before exceptional items) is down on 2021, however 2021 included £2,500,000 of COVID insurance proceeds.

International Matches

Following the huge disappointment of the cancelled England v India Test Match in 2021, the Club successfully hosted two One Day internationals against India and South Africa and also a Test Match against South Africa. Hospitality revenues increased year-on-year to £2,082,387 (2021: £384,604) due to the number of international matches at Emirates Old Trafford.

The sales outlook for 2023 is very positive with record advance sales achieved for the Ashes in July and an IT20 against New Zealand in September. The impact can be seen in the high level of deferred income at year end, which was £9,352,179 (2021: £4,867,135).

Domestic Cricket

Attendances were slightly impacted by the construction works at Emirates Old Trafford during 2022 following the demolition of the Red Rose building and stand. However, all campaigns were successful from a cricketing perspective with the team progressing to the Royal London Cup final and Vitality Blast Finals Day at Edgbaston, where Lancashire narrowly lost out on the final ball, whilst also finishing runners up in the County Championship.

The Hundred competition continued to build on the success of last year with a total attendance of almost 52,000 which was 17% higher than in 2021.

The ECB provided support to all counties in 2020, which included the payment of an unfettered special distribution



of £1.1 million designed to help counties through the Covid-19 crisis. The Club took the view that this funding should be spread over a three-year period as it viewed that it would be 2023 before there is a return to pre-pandemic levels of trading. The final amount of £366,333 related to this specific distribution was recognised within 2022.

Venue

Both hotel and conference and events revenue have recovered post pandemic. The hotel saw record revenue of £5,430,492 in 2022 (2021: £3,386,083) and conference and events revenue continued to return to normal levels £3,373,251 (2021: £1,702,642).

Other Revenues

The Club held four sold out concerts during 2022, one of which, The Killers, was rolled over from 2020. We also hosted two nights of Harry Styles and one night of Red Hot Chili Peppers. The staging fee income, along with additional hospitality and bar revenues, is hugely beneficial to support our working capital requirements. Concert revenue is categorised within 'Miscellaneous income' within the Income and Expenditure account and the associated cost of sales within 'Miscellaneous costs'. The majority of costs associated with the concerts are in relation to stewarding and security and cleaning. The increase between 2022 and 2021 across both Miscellaneous income and costs is due to four concerts compared to one.

During 2022 sponsorship revenues continued to grow, reaching record levels of £1,834,212 (2021: £1,302,249) as we continued to welcome new commercial partners to the Club.

Expenditure

A full calendar of events during 2022 has resulted in increased costs when compared to 2021. Hosting additional concerts and international cricket has meant that salaries, wages and staff related costs have increased by £1.9 million with a corresponding increase in average headcount to 465 (2021: 349). The Financial Year 2021 average headcount was significantly lower until July 2021, due to the COVID-19 pandemic.

All other costs increased predominantly in relation to the increased revenue but also with inflation impacting food, utilities and outsourced labour.

Exceptional administrative expenses are shown separately on the face of the Income and Expenditure account. They relate to one-off, non-recurring expenditure incurred during the year including the cost of holding a Special General Meeting and other one-off professional and legal advice.



Capital Investment

The focus during 2022 was mainly around the demolition of the old Red Rose building and stand in the first half of the year, with works beginning on the new hotel and stand development immediately thereafter. We look forward to unveiling our new stand and restaurant for the Ashes this summer, with an additional 100 bedrooms to complement our existing 150-bedroom Hilton Garden Inn, opening by the end of 2023.

Cashflows

Net cash inflow from operating activities has increased when compared to the prior year, this is due to an increase in deferred income from record advanced sales for the Ashes. This is offset by the increase in net cash flow from investing activities, mainly due to financing of the new development, which saw an investment of £6.4 million during the year. Therefore, the overall cash position dropped year-on-year.

Outlook

As previously reported, to fund the new development the Club has secured external borrowing of £8.5 million along with utilisation of working capital and new sponsorship deals. This will increase our borrowings to £33 million. Management of our debt is the most significant financial challenge for the Club. We do,

however, have a good relationship with our primary lender and based on current plans we expect to meet the repayment and covenant requirements.

The Club have adopted a fairly prudent trading forecast for the next 12 months with reduced capacities factored into cricket (both International and Domestic) event days due to the new development works, guaranteed concerts included, and limited targets set for new sponsorship revenues.

The Board has reviewed the Club's detailed cashflow projections based on these forecasts and its banking facilities and has considered the Club's ability to discharge its liabilities as they fall due. The Board has a reasonable expectation that the Club has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Les Platts
HONORARY TREASURER
6 APRIL 2023



STRATEGIC REPORT



This year's Strategic Report is written at a really exciting time for the Club on a number of levels, both on and off the field. Firstly, it reports on how the Club enjoyed a good year in 2022 beginning to recover post pandemic. Secondly, the risks and uncertainties section focuses on 2023 and how the Club is looking to accelerate growth in 2023 and 2024.

Year ended 31 December 2022

As a business, 2022 finally began to move the pandemic into the Club's rear-view mirror as confidence began to return amongst our Members, fans, clients and customers. It was one of the busiest years operationally on record with more cricket than ever before played at Emirates Old Trafford. A Test Match between England and South Africa, One Day Internationals against India and South Africa and Lancashire games in the LV= Insurance County Championship, Royal London Cup and the Vitality Blast - where we came runners up in all three competitions. On top of this, the second season of The Hundred, where the venue enjoyed vibrant, young and diverse crowds spending record levels at the Club across merchandise, food and beverage. On top of this, Emirates Old Trafford hosted four sell out concerts welcoming over 200,000 music fans to The Killers, Red Hot Chili Peppers and two nights for local artist Harry Styles.

The Club also began to see the green shoots of recovery for its conference and events business, getting back to circa 75% of pre-pandemic levels with loyal returning major clients including Xperiology and Major Events International. The Hilton Garden Inn also stormed back to exceed pre-pandemic levels with record revenues of over £5 million.

Now that cash is being generated from operations throughout the winter, the Club is beginning to fulfil its strategy to develop a fully diversified anti-cyclical business model throughout the year.

An operating profit (before exceptional items) of £3,219,120 is a clear improvement from the 2021 trading of £3,675,784, once the £2,500,000 pandemic insurance pay-out is excluded and evidences the Club's recovery back to pre-pandemic trading levels.

Platform for future accelerated growth

The Club is well under way with the multi-million-pound next phase of stadium development, on an exciting new project at the heart of an ambitious growth plan. The development of a 100 bedroom extension to our

Hilton Garden Inn will take us to 250 bedrooms and turbo charge our conference and events growth for multi-day residential conferences. This is alongside our strong occupancy and average room rate being well ahead of our original business plan - with record revenues and contribution for the 2022 financial year.

The development will also incorporate a new lower tier stand and concourse, a new Members' restaurant at first floor level, closely followed by the long-awaited museum experience on the ground floor.

It shows how far the Club has come with its focused strategy to diversify revenue streams. When the original 150 bedroom Hilton Garden Inn was constructed in 2017, the development was funded via 100% debt, which was challenging.

The new development has seen the Club be creative in its funding strategy with only 50% of the project this time around being funded through debt. That is an extraordinary evolution of the Club's balance sheet in just five years for this to be possible. A combination of working capital and also a significant increase in sponsorship revenues from our key partner Sportsbreaks.com, expanding their partnership, enabling a seven figure investment into the project. On top of this, we have engaged with innovative industry leader Corinthian Sports to acquire advance hospitality inventory for the new development's restaurant for international and major matches as part of our funding strategy. The Club is excited to see the new development complete in 2023, finalising the stadium bowl transformation.

In early 2013, the Club had generated record advance sales for this year's Ashes (in excess of £6 million) but all of the cash was immediately used to fund prior year losses. In early 2023, the Club had generated record advance sales for this year's Ashes (in excess of £7 million) with the majority of the cash being used to fund the new development. In 10 years, the Club has moved from a loss-making position to being able to reinvest its cash into new EBITDA generating assets.

In 2019 (the last time the Club hosted an Ashes) it sold £1.8 million of hospitality. In early 2023 with three months still to go, the Club has already sold £2.5 million of Ashes hospitality, an astonishing growth figure alongside selling out all general admission tickets for days 1 - 4 pre-Christmas for the first time in its history. Over 10,000 tickets have also been sold for Day 5, which we only ever do for Ashes fixtures.

In addition to this, the Club generated record sponsorship revenues in 2022 and is forecast to exceed £2.5 million in 2023. In 2022, LancsTV media platform achieved exponential growth. Widely regarded as the best of its kind in the game with a minimum seven-camera set up, the feed has been used by Sky Sports Cricket for the season opener against Surrey at Emirates Old Trafford. LancsTV has been nominated for numerous awards and recently came runner up in the National YouTube TV channel awards. During 2022, this new media platform saw 7.8 million views of its live streaming - with just under 40% of viewers being based in India. Lancashire remains the only UK Club to stream its matches live on Jio and Fancode, two Indian-based broadcasters. There were 68 million television views of Lancashire Cricket with just under £16 million media value delivered across all Club partners in 2022. All of this serves as evidence that people want to do business with Lancashire Cricket and revenue growth across the Club is clear.

2019 saw a record operating profit generated of £7.5 million. That included an Ashes and six games hosted in the ICC Cricket World Cup. In 2023, the Club hopes to generate in excess of £6 million operating profit without a World Cup. This is a significant growth when you compare the two Ashes fixtures.

Also, recognising the demand for use of Emirates Old Trafford, the Club has reached agreement with Lancashire County Council to build a second ground in Farington in the heart of the county. This is an exciting project that will have two cricket ovals, serving both the elite and the community. This will be a hub for our women's and girls' growth strategy and will also provide a base for the men to train when Emirates Old Trafford is in use. The men will also play some first team matches at Farington although the Club still plans to continue to use the other existing out grounds. Planning permission has just been granted and the project is due to break ground imminently. This is a strategic game changer for the Club and will be the first project of its kind in First-Class Cricket.

The Club has also just undertaken the second joint men's and women's overseas pre-season tours by any First-Class County. Lancashire Cricket remains the only club to do this. This year both the men's and women's squads travelled together to Dubai and stayed in the fantastic Conrad and trained at the Emirates Sevens Stadium and the ICC Academy. The Dubai leg of the tour saw support and attendance from Club Partners: Emirates, Sportsbreaks.com, Hilton, Hill Dickinson, C&C insurance and CMS. Sportsbreaks.com and Hilton in particular, have really engaged with the Thunder regional professional programme. This shows the real potential for commercial growth in sponsorship opportunities within the women's game, which is experiencing rapid and steep growth. Hilton significantly expanded their partnership with the Club which enabled Thunder to travel on from Dubai for a pioneering tour of Mumbai as part of the Club's burgeoning India strategy. The team had a training camp

at Reliance Corporate Park (the home of Mumbai Indians, IPL franchise) and also played two 50 over matches against strong local opposition; Mumbai U18 boys and then the Mahastrata state women's team. Both games were played at Sachin Tendulkar's home ground. On 25 May 2023, Thunder will headline a T20 doubleheader at Emirates Old Trafford with Lancashire Lightning first up and then Thunder playing under the lights later that day. This will be the second time this has ever happened in cricket in England, after Emirates Old Trafford hosted a similar event in 2022. The Thunder squad feel fully engaged with the Club and its 159 year history.

2023 will see a bumper year of cricket with an iconic Ashes Test and an IT20 between World Champions England and New Zealand. In addition, there will be the LV= Insurance County Championship, Vitality Blast, the One Day Cup and the third year of The Hundred that did so much to put elite women's cricket on the map last year.

There will also be two concert nights in June 2023 welcoming global superstars The Arctic Monkeys who will be playing at Emirates Old Trafford.

The Club continues to evolve its comprehensive Equality, Inclusivity and Diversity framework during 2023. The Club has a very clear 10-point rolling action plan that is a standing agenda item at each Board and Executive meeting.

Manchester is famous for celebrating difference and diversity and we, at the Club, feel passionate about embedding this within our core value of welcoming, across the whole organisation, the culture that Lancashire Cricket Club belongs to all communities across the North West of England.

Risks and Uncertainties

The Club is accelerating its growth strategy. As a community and benefit society, without the ability to generate external investment or bring on equity partners, funding for growth will always be a challenge. The Club's debt position at practical completion of the new development will peak at £33 million.

It is important to note, however, that this is relative to the Club's revenues being at record levels. In 2012, the Club generated £14 million of revenue. 2023 will see £34 million of revenues. All debt has been taken out against EBITDA generating assets ensuring that the debt remains constantly serviceable. The Club is also working on an accelerated debt repayment plan from 2025/2026 onwards as revenues from the new development mature and the new ECB major match programme also begins.

The key financial performance indicators monitored are total income for the year and operating profit, both of which are set out in the Income and Expenditure account on page 24.

The key risks and uncertainties facing the Club during 2023 are:



- Completing the new development on time and on budget.
- Continuing to manage cashflows closely and debt servicing during construction.
- Manage the mental health and wellbeing of all our staff during a very busy packed schedule of events in 2023.
- Work closely with the ECB to manage the proliferation of overseas domestic tournaments impacting on our players' availability for us.
- Work closely with the ECB on a game wide response to embed learnings and change post the publication of the upcoming report by the Independent Commission for Equity in Cricket.

In terms of specific mitigation strategies to support the management of these risks and uncertainties:

- We have a fixed price contract with Eric Wright Construction and all 43 works packages have now been procured. Hard construction risk has now passed with the building up and waterproofed and activity has moved inside with a shift in focus towards a finishing programme.
- The 50% of the funding that was coming from Club working capital has now been expended and the new loan facility from Metro is now in place and

all remaining construction contract obligations will be discharged via this external facility.

- The Club has over 40 fully trained mental health First Aiders and a retained wellness counsellor who is available every Wednesday for confidential sessions for all employees free of charge.
- This is a growing challenge for the game as a whole and all counties are actively engaged with the ECB to review the standard player contract with the PCA.
- All counties have been working closely with the ECB to collaborate and align on a game wide response to absorb all learnings and build a truly inclusive sport for all.

Looking forward, the Club has a 2023 Men's Ashes Test to look forward to, new trading revenues post development, Farington progressing and is hoping to confirm in the coming months with the ECB the next major match package from 2025 that is due to run until 2031.



Daniel Gidney
CHIEF EXECUTIVE
6 APRIL 2023

EMIRATES OLD TRAFFORD HOSTS FIRST IFTAR EVENT



Saqib Mahmood has described a recent Iftar event hosted by Lancashire Cricket as a “humbling” experience as the England fast bowler discussed the rewards and challenges of undertaking Ramadan as a professional cricketer.

Iftar is the daily evening fast-breaking meal for Muslims celebrating the holy month, and Mahmood was one of 200 guests from across the local community invited to Emirates Old Trafford last Monday to join in prayer and share that meal.

A collaboration between three charities – the Lancashire Cricket Foundation, Young Interfaith and Islamic Relief – delivered the first ever Iftar at the home of the Red Rose county. Held in the iconic Member’s Suite, guests heard a number of speakers about the significance of the event and Imam Abid Khan of Cheadle Muslim Association led the evening prayer.

The evening included a traditional Iftar, where Muslim and non-Muslim guests were able to share an evening meal directly after sunset and to break the days fast together, as well as a panel session including Lancashire and England fast bowler, Saqib Mahmood.

“Our Director of Cricket Performance Mark Chilton messaged me a couple of months ago and said the event was going to happen,” said Mahmood. “He asked if I would come down, and I agreed straightaway.

“For the Club to do this for the local community, it raises awareness and shows that this is possible within the club and this environment.

“Also, it offers education for others. I had George Balderson sitting next to me, and it was a big education for him. He didn’t know a great deal about it. That opened my eyes a bit.

“I just go about my own business during Ramadan, I go about it quietly. I’m not openly talking about it.



“But it was a reminder to me that I can do little bits every now and again and speak to lads about it so that they know more about it. That makes everyone’s life easier.

“It was a humbling experience at the Iftar, with how many people wanted to come and chat to me. The event was supposed to finish at 8.30pm, but I didn’t get out until after 10.

“From my point of view, you have to give back. The way I have to handle myself away from the field is important because there are a lot of people who watch. Those are the responsibilities we have in the position we are.”

Fasting is one of five pillars of Islam - the others are possession of faith, prayer, charitable giving and pilgrimage - with Muslims not permitted to eat and drink between dawn and sunset during Ramadan.

Clearly that presents a challenge for an athlete such as Mahmood, though he admits game days are not feasible for fasting.

“When I’m playing, it’s hard work, especially as a fast bowler,” he said, mirroring someone such as Australia opener Usman Khawaja, who does not fast on game days.

“There’s a lot of risk involved. So, I don’t do it when I’m playing. And those days I miss, I have to make up further down the line.

“I speak a lot to the nutritionist to get a lot of advice to make sure I am fuelled appropriately when I’m doing it on days off and training days so that it doesn’t affect my performance.



“It’s slow-release carbs such as oats, bananas, proteins, eggs on toast. You also have to make sure you’re well hydrated through the night and drink a lot.”

Ramadan’s start and end dates are never set in stone because the Islamic calendar is purely based upon the lunar cycle, though the celebratory feast of Eid will likely take place in the early 20s of April.

Mahmood will obviously go beyond because of the start of the LV= Insurance County Championship prior to that.

“It’s a blessed month, and it’s about being the best person you can be,” said the 26-year-old. “It’s not just a detox of the body but the soul as well.

“It helps you as a person. I’m somebody who generally gets quite angry and moody when I’m hungry. It

just teaches you to remain patient and to know that food’s not just available to make you feel better.

“I always find that when this month comes around, there’s so much togetherness as Muslims. Somebody who you might not be friends with or even like, all of a sudden you’re respectful to each other.”

And that togetherness, revealed the one-Test Match star, has extended to non-Muslim members of the Lancashire squad.

“They’ve been great with me,” he said.

“I spoke to Luke Wood the other day, and I asked him would he be willing to take part in fasting on a day off - maybe get a few of the other boys involved to experience what it’s like. I’d then take them out for dinner somewhere in Manchester to treat them afterwards.

“That way, it raises awareness, and you can have some good conversations around it.”

For the remainder of the holy month there will be recreational cricketers across England and Wales who will opt to continue fasting whilst playing league cricket.

They will likely not have the nutritional advice available to Mahmood, who offered a word of advice.

“Give yourself the best chance by putting the right foods into your body. And, through the night, hydrate well,” he added.

SUSTAINABILITY AT EMIRATES OLD TRAFFORD

Emirates Old Trafford has made a commitment to become a more sustainable venue as part of the wider work the England & Wales Cricket Board is doing to reduce cricket's environmental footprint.

Lancashire Cricket is committed to having a positive impact on our environment by improving Emirates Old Trafford's energy efficiency, reducing the venues carbon footprint and also inspiring others to take actions of their own.

The Club has a newly formed sustainability committee which comprising staff from departments across the business, including the men's and women's squads, who meet regularly to work on a number of new initiatives around Emirates Old Trafford that can help Lancashire Cricket to meet its sustainability goals, as we aim to deliver a sustainable, eco-friendly, and innovative venue for cricket, concerts and hospitality events.

One of groups first initiatives saw six new trees and new beech hedges planted around Emirates Old Trafford – to support a reduction in our carbon footprint as well as enhance the local environment. This saw Lancashire Cricket collaborate with City of Trees MCR as part of their mission to plant three million trees, one for every person across Greater Manchester, in the next five years.



A new rooftop terrace is currently being installed in the Players' and Media Centre at Emirates Old Trafford. This terrace will be a new ecological habitat – with planters, living walls, bat boxes, a green house and solar panels. The area will not only benefit our ecological habitat but also benefit Lancashire Cricket staff – providing a calm location to spend time during work hours.

The Club has also signed up to a number of pilot schemes which include free bikes for staff who wish to cycle into work at Emirates Old Trafford, whilst staff members can also take advantage of a discounted Metrolink pass as Lancashire Cricket encourages its staff to be as sustainable as possible when making their way into the venue.

The venue uses local food suppliers and locally sourced food, eco-friendly take away food containers and ensures that food waste is composted. Catering staff are also trained in sustainable food provision, to know what the food they are serving contains and where the ingredients come from.

A food bank has also been set up in the Pavilion Reception at Emirates Old Trafford in aid of supporting the work of charity The Bread and Butter Thing - an organisation based locally in Trafford Park and bring nutritious, affordable food to the centre of the UK's most deprived communities.



Michael Hewson, Acting Operations Director at Lancashire Cricket said: "We are really pleased with the work our sustainability committee has been undertaking as we continue our sustainability mission that the Club is currently undertaking.

"It's great to be collaborating with a number of local charity initiatives such as City of Trees and The Bread and Butter Thing as we work together to reduce our environmental footprint, help to give back to those in our community who are in need and hopefully we can also inspire other businesses in the local area to do the same.

"This is just the start of our sustainability journey, and we look forward to continuing to work on more projects in the months and years to come."

Aimee Lawless from City of Trees commented: "The trees planted at Emirates Old Trafford will provide many benefits, not just visually, but will also contribute to addressing the climate emergency, help with local nature recovery by creating habitats for wildlife and do their bit for improving air quality by creating a barrier to the pollution from traffic on Talbot Road. It will also be a great opportunity to engage with local children, helping them to understand why tree planting is so important, especially in such an urban area."

Mark Game, CEO The Bread and Butter Thing, added: "We're completely bowled over by the support from Lancashire Cricket and we're excited to be working together to help alleviate food insecurity for local families. Our members are struggling with the relentless challenges of the cost-of-living crisis, and this food donation will be very gratefully received."

CORPORATE GOVERNANCE

The Board is accountable to the Members and is responsible for ensuring an appropriate corporate governance regime is in place to meet the needs of the business. The following report briefly summarises how the Board fulfils these responsibilities.

The Board

The Board is comprised of Members who have successfully met the criteria laid down by the Nominations Committee to ensure they are of the appropriate calibre required to meet the business needs of the Club. They are all independent, experienced and influential individuals from a range of relevant industries. Their mix of skills and business experience is a major contribution to the proper functioning of the Board ensuring that matters are fully debated. The Board operates under a defined Code of Conduct and is subject to a formal Board Self Assessment process. An Equity Policy aimed at achieving gender parity and greater diversity on the Board is in place.

Club Rules are in place under which the Club is governed. These rules are reviewed regularly and where necessary updated following approval by the membership.

The Board sets the strategic objectives of the Club and approves all key policies whilst delegating to management the detailed planning and implementation of those objectives and policies in accordance with appropriate risk parameters. The Board monitors compliance with policies and achievement against objectives by holding management accountable for its activities through monthly performance reporting and updates against budget. The Board meets at least once a month and more frequently should circumstances require it.

There is a schedule of matters which are dealt with exclusively by the Board. These include approval of financial statements, the annual capital expenditure plan, major capital projects, major changes to the Club's management and control structure, risk management strategy and treasury policies. The Board has established sub-committees with specific terms of reference, namely those covering audit & risk, remuneration and nominations and more recently to cover ongoing ground re-development and re-financing exercises.



The Remuneration Committee sets the level and structure of remuneration and bonuses for the Chief Executive and members of the Executive Team. It is Chaired by the Club's Senior Independent Director.

The Nominations Committee is formally constituted with written terms of reference which are referred to in the Club Rules and have been updated in early 2022. The Nominations Committee currently consists of the Club Chairman, one sitting Board Member, Sara Tomkins, and a Member who is not on the Board, which is Kirti Sharma.



Internal Control

The directors are responsible for the Club's system of internal control and for maintaining and reviewing its effectiveness from both a financial and an operational perspective. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable but not absolute assurance against material misstatement or loss. The Club's approach to internal control is based on the underlying principle of line management's accountability for control and risk management. In reviewing the effectiveness of the system of internal control, the Board has taken account of the results of the work carried out by the external auditor to audit and review the activities of the Club.

There is an ongoing process to identify, assess, manage and communicate risk, including those risks affecting the Club's reputation. This process is subject to continuous improvement and has been in place throughout the financial year to which these statements apply and up to the date of their approval.

The Club has a clearly defined organisation structure within which operational management has detailed responsibilities and levels of authorisation, supported by written job descriptions and operating procedures.

Accountability and Audit

The Board's obligation to establish formal and transparent arrangements for considering how it should apply financial reporting and internal control principles, and for maintaining an appropriate relationship with the Club's external auditor, Hurst Accountants Limited, is met through the Audit & Risk Committee. The role of this Committee is to monitor the integrity of the financial statements of the Club and review and, when appropriate, make recommendations to the Board on business risks, internal controls and compliance. The Committee satisfies itself, by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and manage business risks and that the Club's business is conducted in a proper and economically sound manner.

The Audit & Risk Committee is chaired by the Honorary Treasurer and is also comprised of the President and Senior Independent Director. The Chief Executive and Chief Financial Officer also attended meetings. The Chairman of the Committee reports to the subsequent meeting of the Board on the Committee's work and the Board receives a copy of the minutes of each meeting.

The Audit & Risk Committee assesses annually the qualification, expertise and resources, and independence of the external auditor and the effectiveness of the audit process.

BOARD'S RESPONSIBILITIES STATEMENT

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year or period which give a true and fair view of the state of affairs of the Club and of the financial result of the Club for that period.

In preparing those financial statements the Board is required to:

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

The Board confirms that it has complied with the above requirements in preparing the financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF **LANCASHIRE COUNTY CRICKET CLUB LIMITED**

Opinion

We have audited the financial statements of Lancashire County Cricket Club Limited (the "Club") for the year ended 31 December 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, 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 FRS 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 2022 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Board is responsible for the other information. The other information comprises the information included in the Annual Report, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Club and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- a satisfactory system of control over transactions has not been maintained; or
- the Club has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Board's Responsibilities Statement on Page 20, the Board is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine 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 Board 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 directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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

which our procedures are capable of detecting irregularities, including fraud is detailed below

We identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks relating to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the key drivers for remuneration and bonus levels;
- enquiring of management concerning the policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- obtaining and understanding the legal and regulatory frameworks that the Club operates in, such as provisions of the Co-operative and Community Benefit Societies Act 2014, pensions and tax legislation, General Data Protection requirements, Anti-Bribery policy, Health and Safety and the application of Coronavirus Job Retention Scheme and other central and local government grants and support.
- revenue recognition gives rise to a risk of material misstatement due to fraud. Revenue may be recognised inappropriately or in the wrong period.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- enquiring of management concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing manual journals posted by management throughout the period and testing any unusual or unexpected entries;
- carrying out substantive testing to confirm the validity and accuracy of grant claims under the Coronavirus Job Retention Scheme;
- testing a sample of bookings and orders across all revenue streams throughout the year and at the year end ensuring the revenue has been recognised in line with United Kingdom Generally Accepted Accounting Practice. Reviewing contractual agreements with key strategic partners ensuring that revenue has been recognised in line with United Kingdom Generally Accepted Accounting Practice;

We have also considered the risks noted above in addressing the risk of fraud through management override of controls:

- testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias;
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures and there is an unavoidable risk that we may not have detected some material misstatements in the financial statements. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Club and the Club's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Glover

SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF
HURST ACCOUNTANTS LIMITED

Chartered Accountants
Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD

(6 April 2023)

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
Income for the year					
Subscriptions		526,881		361,787	
Cricket match receipts		5,287,265		5,497,154	
Hospitality		2,082,387		384,604	
ECB distributions		4,771,278		4,891,760	
Sponsorships		1,834,212		1,302,249	
Advertising		665,000		95,000	
Catering sales - cricket		1,779,569		720,643	
Conferences and events revenue		3,373,251		1,702,642	
Indoor Cricket Centre		63,075		40,638	
Retail income		470,650		346,704	
Government furlough scheme grant income		-		452,954	
Insurance proceeds		-		2,500,000	
Miscellaneous income		2,928,903		913,236	
Hotel income		5,430,492		3,386,083	
Total income for the year			29,212,963		22,595,454
Expenditure for the year					
Salaries, wages and staff related costs	3 & 4	11,966,395		10,064,058	
Cricket match expenses (incl hospitality)		4,644,184		2,900,063	
Conferences & events and catering purchases and overheads		1,545,091		660,917	
Ground expenses		2,106,874		1,541,096	
Office costs		1,757,142		1,497,142	
Miscellaneous costs		1,456,898		743,470	
Hotel purchases and overheads		2,126,844		1,167,822	
Indoor Cricket Centre purchases and overheads		2,210		1,240	
Cricket Development overheads		52,278		52,130	
Retail costs		335,927		291,732	
Total expenditure for the year			(25,993,843)		(18,919,670)
Operating profit before exceptional items			3,219,120		3,675,784
Exceptional administrative expenses	24		(151,094)		-
Operating profit			3,068,026		3,675,784
Amortisation of capital grants	16		1,068,045		1,089,046
Depreciation	8		(2,132,593)		(2,056,599)
Finance charges	6a		(1,155,422)		(922,194)
Finance income	6b		1,574,037		(19,710)
Surplus before taxation			2,422,093		1,805,747
Corporation tax	7		-		-
Surplus after taxation & total comprehensive income			£2,422,093		£1,805,747

The Club has no other income, other than the results in the income and expenditure account shown above, for the two years ended on 31 December 2022. Accordingly no separate statement of comprehensive income has been presented. All operations are continuing. The notes on pages 29 to 39 form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
Tangible fixed assets	8	58,095,758		52,450,561	
Current assets					
Debtors and prepayments	9	4,064,024		3,329,518	
Financial derivative asset	23	1,808,960		238,579	
Stocks	10	418,488		509,042	
Cash at bank and in hand		1,469,479		3,550,007	
		7,760,951		7,627,146	
Creditors: amounts falling due within one year					
Sundry creditors and accrued liabilities	11	(6,524,779)		(7,224,793)	
Net current assets			1,236,172		402,353
Total assets less current liabilities			59,331,930		52,852,914
Less deferred income	12		(9,352,179)		(4,867,135)
			49,979,751		47,985,779
Financed by:					
Creditors: amounts falling due after more than one year	13	23,765,124		23,675,282	
Unamortised grants	16	20,137,008		20,655,053	
			43,902,132		44,330,335
Capital and reserves					
Share capital	17	255		173	
General reserve		6,077,364		3,655,271	
			6,077,619		3,655,444
			£49,979,751		£47,985,779

The financial statements of Lancashire County Cricket Club Limited, Registration number 28451R, on pages 24 to 39 were approved on 27 March 2022 on behalf of the Board by:

LM PLATTS | HONORARY TREASURER

DG GIDNEY | CHIEF EXECUTIVE

A LOWES | CHIEF FINANCIAL OFFICER

The notes on pages 29 to 39 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	General reserve £	Total equity £
At 1 January 2021	163	1,849,524	1,849,687
Surplus for the financial year	-	1,805,747	1,805,747
Decrease in share capital	10	-	10
At 31 December 2021	173	3,655,271	3,655,444
Surplus for the financial year	-	2,422,093	2,422,093
Increase in share capital	82	-	82
At 31 December 2022	£255	£6,077,364	£6,077,619

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Net cash inflow from operating activities	A	6,084,991	4,435,668
Investing activities			
Payments to acquire tangible fixed assets		(6,812,234)	(1,329,273)
Net cash flow from investing activities		(6,812,234)	(1,329,273)
Taxation			
Tax received / (paid)		-	-
Financing activities			
Interest received		3,655	4,032
Interest paid		(752,162)	(824,165)
Interest element of finance lease rental payments		(24,488)	(47,808)
Finance costs paid		(181,531)	(222,900)
Subscription to acquire shares		82	10
Grant money received		550,000	-
Repayment of long term loans		(737,117)	(1,049,585)
Repayment of capital element of finance leases		(211,725)	(409,034)
Net cash flow from financing activities		(1,353,285)	(2,549,450)
Increase / (decrease) in cash and cash equivalents		(2,080,528)	556,945
Cash and cash equivalents at 1 January		3,550,007	2,993,062
Cash and cash equivalents at 31 December	B	£1,469,479	£3,550,007

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

Note A**Reconciliation of surplus to net cash inflow from operating activities**

	2022 £	2021 £
Surplus before taxation	2,422,093	1,805,747
Adjustments to reconcile surplus for the year to net cash flow from operating activities:		
Depreciation charges	2,132,593	2,056,599
Amortisation of capital grants	(1,068,045)	(1,089,046)
Bank and loan interest receivable	(3,655)	(4,032)
Bank and loan interest payable	1,155,422	922,194
Finance income	(1,570,382)	15,678
Working capital movements:		
(Decrease)/ increase in deferred income	4,485,044	(397,762)
Increase/(decrease) in creditors	(824,127)	2,315,032
(Increase)/decrease in debtors	(734,506)	(1,054,009)
(Increase)/decrease in stocks	90,554	(103,377)
Net cash inflow from operating activities	£6,084,991	£4,467,024

Note B**Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	<u>£1,469,479</u>	<u>£3,550,007</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 General information

Lancashire County Cricket Club Limited ("The Club") is a cricket club that competes in English First Class Cricket competitions as well as hosting international cricket. It trades from Emirates Old Trafford Cricket Ground where it also operates a hotel and runs conferences and events.

The Club is a registered society under the Co-operative and Community Benefit Societies Act 2014. The address of its registered office is Emirates Old Trafford, Manchester M16 0PX.

2 Accounting policies**a) Accounting convention**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The financial statements have been prepared on a going concern basis.

As set out in the Board's Responsibilities Statement on page 20, in preparing these financial statements the Board is required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Club will continue in operation. The Club currently meets its day to day working capital requirements with, when required, the help of an overdraft facility which will be in place until at least the end of March 2024.

The financial projections include completion of development of the ground in 2023. As previously reported, to support the development the Club has secured additional external borrowing or up to £8.5 million

The Board has reviewed in detail the Club's cash flow projections, and its banking facilities and has considered the Club's ability to discharge its liabilities as they fall due and meet its financial covenants. In doing so, they have a reasonable expectation that the Club has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

b) Fixed assets

i) Fixed assets are stated at cost less depreciation.

ii) The improvement element of expenditure on major ground refurbishment work is capitalised.

iii) Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditure for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

iv) Fixed assets are reviewed for impairment only if there is an indication that impairment has occurred. Impairment is measured by comparing the carrying value of the fixed asset or income-generating unit with its recoverable amount. The recoverable amount is the higher of the amounts that can be obtained from selling the fixed asset or income-generating unit, net realisable value, or using the fixed asset or income-generating unit, value in use.

c) Depreciation

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

Stands and buildings: various periods from 5 years to 50 years

Equipment, furniture & fittings: various periods from 3 years to 25 years

Motor vehicles: over 5 years

Land is not depreciated

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (cont'd)

d) Income

All income, including subscriptions, sponsorships and amounts received from the England and Wales Cricket Board (ECB), is accounted for on an accruals basis except for donations which are accounted for in the year of receipt. Income represents amounts receivable from the Club's principal activities.

The Club's principal activities are comprised of the following:

The staging of domestic and international cricket matches and other large events leading to amounts received from gate receipts, ticket sales, advertising, sponsorship and hospitality.

The provision of catering, hotel, retail and car parking services.

Income received in respect of future periods is treated as deferred income

e) Exceptional administrative expenses

One-off non-recurring material items are split out on the face of the income and expenditure account

f) Stocks

Stocks are stated at the lower of cost or net realisable value.

g) Pensions

Contributions payable to the defined contribution pension schemes are charged to the income and expenditure account in the year to which they relate. The total cost charged to income of £538,694 (2021: £437,343) represents contributions payable to these schemes. As at 31 December 2022 contributions of £130,505 (2021: £85,626) due in respect of the current year had not been paid over to the schemes.

h) Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in the statement of Consolidated Comprehensive Income in the same period as the related expenditure.

i) Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all timing differences where the transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Club's relievable tax losses and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

j) Leased assets

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the term of the lease.

k) Finance costs

Finance costs of debt are recognised in the income and expenditure account over the term of such instrument at a constant rate on the carrying amount.

l) Interest Income

Interest income is recognised in the income and expenditure account using the effective interest method. (The treatment of the gain on the interest cap is included in the financial instruments policy).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (cont'd)

2 Accounting policies (cont'd)**m) Finance leases**

It is the Club's policy to lease certain fixtures and equipment under finance leases. The lease terms range between 3 and 7 years. For the year ended 31 December 2022, the average effective borrowing rate was 5 per cent (2021: 6 per cent). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

n) Financial Instruments

Financial assets and financial liabilities are recognised when the Club becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Club after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Club intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Club transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Club, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

o) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Club performs impairment tests based on fair value less costs to sell or a value in use calculation.

Depreciation

The officers of the Club exercise significant judgement in estimating the useful life of tangible fixed assets. Should these estimates vary, the profit or loss and balance sheet of the following years could be impacted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (cont'd)

3 Salaries, wages and staff related costs

	2022 £	2021 £
Playing and coaching	3,357,497	3,179,735
Venue	2,466,116	2,134,248
Administration and operations	6,142,782	4,750,075
	<u>£11,966,395</u>	<u>£10,064,058</u>

4 Staff numbers and costs

	2022 £	2021 £
Salaries and wages	9,656,045	8,212,071
Social security costs	917,047	749,423
Defined contribution pension costs	538,694	437,343
Staff related costs including medical and travelling expenses	854,609	665,221
	<u>£11,966,395</u>	<u>£10,064,058</u>

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

	2022 Numbers	2021 Numbers
Playing and coaching	87	54
Venue	204	152
Administration and operations	174	143
	<u>465</u>	<u>349</u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the Club's auditor for the audit of the Club's financial statements	23,000	26,000
Tax compliance services	4,500	4,000
Total fees payable	<u>£27,500</u>	<u>£30,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (cont'd)

6a Finance costs

	2022 £	2021 £
Bank interest	1,044,891	823,849
Non-bank interest	35,822	316
Finance lease charges	24,488	47,808
Amortisation of finance costs	50,221	50,221
Total finance costs	<u>1,155,422</u>	<u>922,194</u>

6b Finance income

	2022 £	2021 £
Bank interest receivable	3,655	4,032
Gain arising on interest rate cap (note 23)	1,570,382	15,678
Total finance income	<u>1,574,037</u>	<u>19,710</u>

7 Corporation tax

	2022 £	2021 £
Current tax on surplus	-	-
UK corporation tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the surplus before tax is as follows:

	2022 £	2021 £
Surplus before taxation	2,422,093	1,805,747
Tax at 19% (2021: 19%)	460,213	343,092
Expenses not deductible for tax purposes	8,527	-
Income not taxable in determining taxable profit	(255,766)	(259,757)
Depreciation in the year in excess of capital allowances	171,456	115,906
Capital allowances in the year in excess of depreciation	-	-
Utilisation of tax losses brought forward	(384,430)	(199,241)
Losses not utilised	-	-
- current year	-	-
- prior year	-	-
Adjustments in respect of prior years	-	-
Other movements	-	-
Total tax credit	<u>-</u>	<u>-</u>

Deferred taxation

	2022 £	2021 £
Unrelieved tax losses	430,000	430,000
	<u>£430,000</u>	<u>£430,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (cont'd)

7 Corporation tax (cont'd)

At the balance sheet date, the Club has unused tax losses of £3,110,546 (2021: £5,209,390) available for offset against future profits. A deferred tax asset of £430,000 (2021: £430,000) has been recognised in previous periods on the basis of the expected utilisation of losses in the foreseeable future. The amount recognised has been reviewed as at 31 December 2022, no adjustment to the asset recognised was deemed to be necessary. The main rate of corporation tax is due to increase to 25% in the tax year commencing 1 April 2023 for companies where profits exceed £250,000. A tapered rate will be introduced for profits above £50,000 up to the £250,000 limit.

8 Tangible fixed assets

	Assets under construction £	Motor vehicles £	Equipment, furniture and fittings £	Stands and buildings £	Total £
Cost					
1 January 2022	1,111,106	56,948	12,282,978	61,334,931	74,785,963
Additions	7,359,336	6,000	412,454	-	7,777,790
Disposal	-	-	-	-	-
At 31 December 2022	<u>£8,470,442</u>	<u>£62,948</u>	<u>£12,695,432</u>	<u>£61,334,931</u>	<u>£82,563,753</u>
Depreciation					
1 January 2022	-	28,935	9,017,232	13,289,235	22,335,402
Charge for the year	-	32,347	955,092	1,145,154	2,132,593
Disposal	-	-	-	-	-
At 31 December 2022	-	<u>£61,282</u>	<u>£9,972,324</u>	<u>£14,434,389</u>	<u>£24,467,995</u>
Net book value					
31 December 2022	<u>£8,470,442</u>	<u>£1,666</u>	<u>£2,723,108</u>	<u>£46,900,542</u>	<u>£58,095,758</u>
31 December 2021	£1,111,106	£28,013	£3,265,746	£48,045,696	£52,450,561

The net book value of assets held under finance leases within equipment, furniture and fittings is £520,062 (2021: £1,971,460).

The land which the Club occupies is held by Lancashire County Cricket Club Limited on a freehold basis and is subject to a charge in favour of Metro Bank plc (note 14).

9 Debtors and prepayments

	2022 £	2021 £
Trade debtors	1,909,159	1,364,240
Other debtors	967,451	692,643
Deferred tax debtor	430,000	430,000
Prepayments and accrued income	741,575	640,733
Amounts owing from related parties (note 20)	15,839	201,902
	<u>£4,064,024</u>	<u>£3,329,518</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (cont'd)

10 Stocks

	2022 £	2021 £
Catering stocks	270,894	268,271
Stocks relating to cricket activities	4,093	4,093
Retail stocks	143,501	236,678
	<u>£418,488</u>	<u>£509,042</u>

11 Sundry creditors and accrued liabilities

	2022 £	2021 £
Trade creditors	2,173,768	1,579,948
Finance lease creditors (note 15)	106,335	211,722
Accruals	1,369,609	1,143,227
Loans (note 14)	1,011,301	2,075,907
Other taxes and social security costs	1,434,203	1,363,425
Other creditors	429,563	850,564
	<u>£6,524,779</u>	<u>£7,224,793</u>

12 Deferred income

	2022 £	2021 £
At 1 January	4,867,135	5,264,897
Increase/(decrease) in advance cricket receipts during the year	3,838,131	(105,813)
Increase/(decrease) in other advance receipts	646,913	(291,949)
At 31 December	<u>£9,352,179</u>	<u>£4,867,135</u>

13 Creditors falling due after more than one year

	2022 £	2021 £
Loans (note 14)	23,490,335	23,294,156
Finance lease creditors (note 15)	274,789	381,126
	<u>£23,765,124</u>	<u>£23,675,282</u>

14 Bank loans and overdrafts

	2022 £	2021 £
Bank loans	23,957,926	24,695,043
Other loans	1,042,014	1,042,014
Less: unamortised finance costs	(498,304)	(366,994)
	<u>£24,501,636</u>	<u>£25,370,063</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (cont'd)

14 Bank loans and overdrafts (cont'd)

Instalments relating to the loans fall due as follows:

	2022 £	2021 £
Amounts falling due within one year (note 11)	1,078,162	2,126,128
Less: unamortised finance costs	<u>(66,861)</u>	<u>(50,221)</u>
	1,011,301	2,075,907
Amounts falling due after more than one year (note 13)	23,921,778	23,610,929
Less: unamortised finance costs	<u>(431,443)</u>	<u>(316,773)</u>
	23,490,335	23,294,156
	<u>£24,501,636</u>	<u>£25,370,063</u>

Loan maturity analysis:

In one year or less or on demand	1,011,301	2,075,907
In more than one year but not more than two years	1,902,526	1,069,558
In more than two years but not more than five years	2,959,567	3,432,407
In more than five years	<u>18,628,242</u>	<u>18,792,191</u>
	<u>£24,501,636</u>	<u>£25,370,063</u>

The bank loan is secured by a first legal charge over the Lancashire County Cricket Club Limited ground, in favour of Metro Bank plc.

15 Financial commitments

	2022 £	2021 £
Minimum lease payments payable:		
Within one year	106,335	211,722
In the second to fifth years inclusive	<u>274,789</u>	<u>381,126</u>
	381,124	592,848
Less: future finance charges	<u>(34,053)</u>	<u>(69,840)</u>
Present value of minimum lease payments	<u>£347,071</u>	<u>£523,008</u>

The Finance leases are secured against the individual assets against which they relate.

16 Unamortised capital grants

	2022 £	2021 £
Unamortised capital grants at 1 January	20,655,053	21,744,099
New grants	550,000	-
Amortised to Income and Expenditure account	<u>(1,068,045)</u>	<u>(1,089,046)</u>
Unamortised capital grants at 31 December	<u>£20,137,008</u>	<u>£20,655,053</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (cont'd)

17 Share capital

	2022 £	2021 £
Allotted, called up and fully paid Ordinary 5p shares allotted to 5,100 (2021: 3,460) Members in accordance with the rules of Lancashire County Cricket Club Limited	<u>£255</u>	<u>£173</u>

Share capital has been adjusted to reflect the number of existing Members, with voting rights, holding a 5 pence share as at 31 December 2022.

18 Contingent liability

The Club has to date received capital grants amounting to £30,142,878 (2021: £29,592,878) which may become repayable should the Club breach certain conditions relating to those grants, none of which have been breached to date or are forecast to be.

19 Capital commitments

	2022 £	2021 £
Amounts contracted for but not provided for	<u>£9,538,729</u>	<u>£656,414</u>

20 Related party transactions

As at the 31 December 2022 Lancashire County Cricket Club Limited had a debtor balance owing from Lancashire County Cricket Club Development Association of £15,549 (2021: £24,072).

As at 31 December 2022 Lancashire County Cricket Club Limited had a debtor balance owing from Lancashire Cricket Foundation Limited of £290 (2021: £177,830).

Key management compensation in the year totalled £1,180,954 (2021: £1,349,117).

21 Leasing commitments

Operating lease charges paid during the year for the hire of equipment, including short term hire arrangements, amounted to £462,376 (2021: £498,521).

There are no future minimum lease payments due under non-cancellable operating leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (cont'd)

22 Financial Instruments

	2022	2021
	£	£
The Club has the following financial instruments:		
Financial assets at fair value through income or expenditure	<u>1,808,960</u>	<u>238,578</u>
Financial assets that are debt instruments measured at amortised cost:		
- Trade receivables	1,909,159	1,364,240
- Other receivables	<u>967,451</u>	<u>893,034</u>
	<u>2,876,610</u>	<u>2,257,274</u>
Financial liabilities measured at fair value through income or expenditure:		
- Derivative financial instruments	<u>-</u>	<u>-</u>
Financial liabilities measured at amortised cost:		
- Bank term loans	(23,957,926)	(24,695,043)
- Other loans	(1,042,014)	(1,042,014)
- Finance leases	(381,124)	(592,848)
- Trade creditors	(2,173,768)	(1,579,948)
- Deferred revenue	(9,352,179)	(4,867,135)
- Other creditors	<u>(429,563)</u>	<u>(518,994)</u>
	<u>(37,336,574)</u>	<u>(33,295,982)</u>
Other financial liabilities measured at fair value	<u>-</u>	<u>-</u>

23 Derivative financial instruments

	2022	2021
	£	£
Assets		
Interest rate cap	<u>£1,808,960</u>	<u>£238,579</u>

On the 17th September 2021 the Club purchased an interest rate cap to hedge against future interest movements. The cap was purchased at 3% based on a debt value of £24,571,553.

The interest rate cap is valued at fair value through income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (cont'd)

24 Exceptional administrative expenses

	2022	2021
	£	£
Legal and professional advice	116,096	-
Special General Meeting	<u>34,998</u>	<u>-</u>
	<u>151,094</u>	<u>-</u>

Exceptional expenses are one-off, non-recurring expenditure incurred during the year including the cost of holding a Special General Meeting and other one off professional and legal costs.





Old Trafford