

Company Registration No. 5483977

Charity No. 1112540

England and Wales Cricket Trust
(A company limited by guarantee)

Annual Report and Financial Statements

31 January 2018

England and Wales Cricket Trust
(A company limited by guarantee)
Annual Report and Financial Statements for the year ended 31 January 2018

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England and Wales Cricket Trust
(A company limited by guarantee)
Annual Report and Financial Statements for the year ended 31 January 2018

Officers and professional advisers

Directors and Trustees

Colin Graves
Ian Lovett
Tom Harrison
Scott Smith
C Duncan Fearnley
Roger C Moylan-Jones
Ebony Rainford-Brent

Registered Office

Lord's Cricket Ground
London
NW8 8QZ

Registered Charity Number

1112540

Bankers

National Westminster Bank plc
102 St Johns Wood High Street
London
NW8 7SH

Solicitors

Bates Wells & Braithwaite LLP
2-6 Cannon Street
London
EC4A 6YH

Pitmans LLP
1 Crown Court
66 Cheapside
London
EC2V 6LR

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Trustees' Report

Structure, governance and management

The Trustees, who are also the directors for the purposes of Company Law, submit their report and the financial statements of England and Wales Cricket Trust ("The Trust" or "EWCT") for the year ended 31 January 2018.

The Trustees comply with the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2015 in preparing the annual report and financial statements of this charity.

The board of Trustees have overall responsibility for the direction, management and control of the England and Wales Cricket Trust.

Objectives and activities

The objectives of the Trust are, for the benefit of the public, to:

- (i) promote community participation in healthy recreation by providing facilities for playing cricket; and
- (ii) promote all purposes as recognised as charitable under the laws of England and Wales through an association with cricket.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

Achievements and performance

The key elements of the charity's strategy are:

- (i) to continue to deliver revenue funding to the recreational game to facilitate the existing community participation (particularly amongst boys and girls age group cricket) and enable increased participation amongst all levels of the amateur game;
- (ii) to administer an interest free loan scheme for amateur cricket clubs with the aim of increasing the loan pool to £5m in the short term and £10m in the medium term. These loans are specifically for facilities at amateur cricket clubs to support their cricket programmes;
- (iii) to seek to provide facility grants both for cricket machinery and wider facility enhancements to support the amateur game; and
- (iv) to support other cricketing charities whose objects are aligned with that of the Trust.

In 2014/15, as in 2011/12, the Trust made multi-year advance donations to both Chance to Shine and the Lord's Taverners of £3,750,000 and £800,000 respectively. Those donations covered the financial years 2015/16 to 2017/18 and 2014/15 to 2017/18, respectively. In 2017/18, the Trust made an additional donation of £1,000,000 to Chance to Shine.

The activities of the Trust are funded using a combination of restricted funds from Sport England, Waitrose, County Board contributions (to their own Small Grants Scheme funding allocation), the Sports Council for Wales, and the Trust's unrestricted funds. The interest free loan scheme is funded wholly from the Trust's unrestricted funds.

Incorporation

England and Wales Cricket Trust, a private company limited by guarantee (No. 5483977), was incorporated on 17 June 2005 by a Memorandum and Articles of Association, and is a registered charity (No. 1112540). The registered office of the company and Trust is Lord's Cricket Ground, London, NW8 8QZ.

Trustees' Report (continued)

Trustees

The Trustees serving during the year were:

Trustees	Position with related parties
Colin Graves	Chairman, England and Wales Cricket Board
Ian Lovett	Deputy Chairman, England and Wales Cricket Board
Tom Harrison	Chief Executive Officer, England and Wales Cricket Board
Scott Smith	Chief Finance Officer, England and Wales Cricket Board
C Duncan Fearnley	
Roger C Moylan-Jones	President, Minor Counties Cricket Association
	President, Devon CCC
Ebony Rainford-Brent	Director, Surrey CCC

The board is made up of seven Trustees, three of whom are independent of the England and Wales Cricket Board Limited ("ECB"). The Trustees of the England and Wales Cricket Trust are appointed by the ECB for their specific expertise in areas relevant to the charity. The board commits to reviewing the individuals on the board annually at a Trustees' meeting and recommendations are then given to the ECB.

The Trustees meet at least once a year and on any other occasions as judged necessary in order to review progress and determine matters of strategy and policy, whilst leaving the day-to-day matters to the management team or to specific individuals. The management team consists of individuals with specific knowledge of Club and Facility Management and Development, Cricket Board Management and Development and Finance.

New Trustees meet with the current Board members at the Trustees' meeting, and prior to this with the Finance team responsible for the Trust, who provide relevant documents and information about the role. Any Trustee updates (e.g. from the Charity Commission) or decisions to be made are communicated by the Project Accountant responsible for EWCT.

Risk management and internal control

The Trustees have overall responsibility for ensuring that the Trust operates an appropriate system of controls, financial and otherwise, to provide reasonable assurance that the Trust is operating efficiently and effectively, and that the Trust complies with the relevant laws and regulations.

Powers

To further its objectives, the Trust may:

- (i) provide grants and loans for capital improvements to grounds and facilities of community amateur sports clubs, County Boards, charitable sports clubs and other bodies; and
- (ii) provide and assist in the provision of money, materials or other help.

Grant policy

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions are fulfilled. Grants are approved and monitored by the relevant members of the management team.

Social Investment policy

The Trust administers an interest free loan scheme, which aims to finance capital projects to help create a sustainable future for cricket. The scheme can be partnered with the EWCT Grant Aid Programme, the EWCT Small Grant Scheme and other external funding programmes.

Trustees' Report (continued)

The EWCT Interest Free Loan scheme supports projects that could not otherwise be completed as some clubs cannot obtain commercial finance and the availability of grant funding has decreased over the past few years. The loan scheme also allows evidentially sustainable projects to be financed years ahead of schedule when compared to the process of fundraising or building reserves. This in turn often allows clubs to increase revenues due to enhanced facilities, which allows; repayment of the loan, growth in membership and enhanced expenditure on community cricket activities.

The Trust requires clubs to have personal guarantors, who are jointly and severally liable for repayment of the loan in the event of a default, or occasionally (for large value loans) it takes out a legal charge over the club's facilities.

Employees

The Trust does not employ any members of staff.

Reserves policy

The Trust plans to maintain reserves so that at all times during the year, as a minimum, reserves are at least:

- (i) the level of interest free loans to be made to amateur cricket clubs; plus
- (ii) the level of expenditure, both charitable spend and overheads, expected in the next 12 months.

To date, donations have tended to be received towards the end of the financial year while the majority of expenditure has been at the beginning or in the middle of the financial year. This, and the above policy, means that at year end we usually seek to have reserves of at least two times annual expenditure plus the planned loan pool. In addition, we take into account that the major donor has a highly cyclical business, with annual profits varying significantly year-on-year. This means that on occasion, reserves will be far higher than two times annual expenditure plus the loan pool. In 2017/18, reserves are not two times annual expenditure plus the planned loan pool, due to higher budgeted expenditure for 2018/19. It is expected that ECB as parent company will make a large donation in 2019/20.

Investment policy

It is the policy of the Trust to place its investments in cash deposits which provide appropriate liquidity, and which are deemed to be of low risk as defined by the agreed Treasury Management policy.

Going concern

The Trustees have a reasonable expectation that the Trust has adequate resources to continue in existence for the foreseeable future. For this reason, the Trustees continue to adopt the going concern basis in preparing the accounts, as disclosed in the accounting policies.

Strategic report

Financial review and performance

During the period, the Trust received income from charitable activities amounting to £941,139 (2017: £2,595,437). The Trust made revenue grants to County Cricket Boards amounting to £8,397,635 (2017: £6,763,330) in accordance with the rolled-forward MoU from 2013-17 for 2017/18.

Other charitable spend was £5,011,761 (2017: £3,745,758).

Investment returns in 2017/18 were £223,212 (2017: £407,500).

The Trust held unrestricted funds of £30,349,499 (2017: £42,087,208) and total funds of £30,379,499 (2017: £42,646,724). The decrease in funds was due to the cyclical nature of the parent company's income and associated donation of nil in 2018 (2017: nil), so all payments were funded from the Trust's reserves, as planned.

Financial commentary

The charity made a loss of £12,267,225 for the period, compared to a loss of £7,535,993 in the previous year. This was due to the cyclical nature of revenue streams received from ECB and no funding from Sport England to be distributed to County Cricket Boards.

Donations were received towards the Trust's charitable activities from Waitrose, County Cricket Boards and the Sports Council for Wales (capital programmes). In addition, the Trust generated £223,212 from its investments. This will make an emergency fund available to quickly help clubs in need of urgent financial assistance.

Trustees' Report (continued)

The Trust's expenditure has increased year-on-year. In 2017/18, £13,409,396 was spent on charitable activities, compared to £10,509,088 in the previous period. The difference is mainly due to a £1,000,000 donation to Chance to Shine, an £800,000 capital contribution from Sport England towards the Small Grants Scheme that was previously administered through ECB and new programmes (All Stars cricket for children and women's softball cricket).

Analysis of the Trust's performance against objectives

As at 31 January 2018, interest free loans to amateur cricket clubs since the scheme began totalled £7,331,860 (2017: £6,447,496). During the period, the Trust paid out £884,364 in 47 new loans (amount of clubs decreased from 58 loans but increased loan value totalling £831,205 in 2017), and loan offers made to clubs but not yet advanced totalled £451,839 (2017: £527,829). Total facility grants were made of £4,006,761 (including partner funding) (2017: £3,640,758).

Loans Breakdown	2018 £	2017 £
Value of loans (range)	£2,000 to £100,000	£1,000 to £50,000
Number of loans	47	58
New loans paid out in period	£884,364	£831,205

Facility grants paid 2017/18

Type of grant	Number of grants	Paid by EWCT £	Paid by funding partners £	TOTAL £
EWCT's Grant Aid Programme	56	1,959,172	20,000	1,979,172
Small Grants Scheme	755	754,175	891,139	1,645,314
Emergency Fund	9	382,275	-	382,275
Total grants	810	3,095,622	911,139	4,006,761

The EWCT Grant Aid Programme and Small Grants Scheme had funding from Sport England in previous financial years, administered by ECB.

Summary analysis of expenditure and related income for charitable activities

	Grants to County Boards £	Grants to cricketing charities £	Grants to cricket clubs £	Total £
Costs	8,397,635	1,005,000	4,006,761	13,409,396
Grants	-	-	911,139	911,139
Net cost funded from other income	8,397,635	1,005,000	3,095,622	12,498,257

Funding

In 2013, the Trust entered into a four-year Memorandum of Understanding (MoU) with the England and Wales Cricket Board Limited (ECB) and the Recreational Assembly (the 39 County Cricket Boards (CCBs) plus the Minor Counties Cricket Association and ECB Accredited Premier Leagues) for the period from 1 October 2013 to 30 September 2017.

Trustees' Report (continued)

The MoU set out the framework for the funding of recreational cricket in England and Wales in the period. It was rolled forward to extend to the end of EWCT's financial year 2018/19, in advance of new County Partnership Agreements being signed across the game.

Highlights of the achievements from the Trust revenue funding in the period include:

General EWCT funding (£2,871,215 split across all county cricket boards, excluding any specific funding for the below programmes, County Age Group competitions and coaching subsidies):

- Ongoing delivery of targets for participation.

Player Retention theme (£2,241,544 split across all county cricket boards):

The Get the Game On Campaign continued, encouraging leagues to provide more flexible playing formats and to address the increase in conceded and cancelled games. Funding paid to CCBs helped lead to a reduction in abandoned (-25%), cancelled (-35%) and conceded (-5%) games, an increase in frequency of played games (5% from 7.55 to 7.98 games per season), and an increase in net promoter score satisfaction of 4%, which included an increase in satisfaction for female players in eight out of nine age brackets.

Disability cricket (£500,000 split across all county cricket boards), now delivered by a dedicated National Growth Manager for Youth and Disability employed by ECB's Participation and Growth team:

- Year 4 growth - delivery to over 37,000 participants (32% increase)
- Year 4 growth - delivery of programmes in 2,500 environments (School, Community programme and/or Cricket Club) (19% increase)
- Year 4 growth - programmes delivered over 245,000 participant throughput (50% increase)

The **South Asian Communities theme** was originally solely funded by Sport England through EWCT across the five key cities of London, Birmingham, Leicester, Leeds and Bradford. In 2017/18, ECB administered the £500,000 Sport England grant alongside £345,000 of its own funding.

All Stars Cricket as part of Cricket Unleashed (£1,710,244 to 38 County Cricket Boards)

Funding to County Cricket Boards in 2017 enabled the first year of the All Stars programme to reach over 37,000 boys and girls aged 5 to 8 to take part in the programme. Over 70% of the participants were new to the clubs where they took part and the programme received overwhelming feedback with a net promoter score of 8/10. Given the success of the first year, funding is to be continued with an objective to increase both the reach and diversity of the programme.

Women's softball cricket as part of Cricket Unleashed (£401,380 to 34 County Cricket Boards)

Funding was provided to County Cricket Boards to deliver over 250 softball cricket festivals across the country. Over 7,500 participants took part, with 60% citing this as their first experience of cricket. As with the All Stars programme, participant feedback has been excellent and the aspiration is to grow participant numbers to 20,000 in 2018. This programme was also supported by Sport England (funding through ECB) who invested in new women's softball equipment and resources that were distributed to 800 clubs to support them in delivering regular activity for women. The total programme cost was £700,000.

The principal donor to the Trust is ECB, and ECB has determined unringfenced funding to be paid to CCBs for general running costs, County Age Group funding and Coaching Subsidies.

In turn, the Trust is a major donor to the Chance to Shine and Lord's Taverners charities.

Trustees' Report (continued)

Risk management and internal control

During the year a review of the major strategic, business and operational risks that the Trust faces was carried out. As part of this review, systems and procedures were established both to mitigate those risks identified and to minimise any potential impact on the Trust should those risks actually materialise.

The Trust has considered credit risk and believes that the exposure to this risk is equal to the total value of interest free loans outstanding. The controls put in place to reduce this risk are credit checks via detailed financial reviews, agreement of payment terms at the outset of the loan, club appointment of loan guarantors where applicable and close contact with clubs throughout the terms of the loan. A general bad debt provision for 1% of the loan value is made, plus any specific loans where payments are in arrears and subject to legal action.

Other Trust-specific risks have been identified as part of the group's formal risk analysis exercise:

- The impact on community cricket of reductions in public sector funding. The risk was mitigated for the 2013-17 period by an allocation of funding by the Trust to be used if government income is cut, which was utilised in 2017/18 and will be used again in 2018/19.
- Climate change (both drought and floods and storms). The impact has been partially mitigated by interest earned from the Trust's investments being allocated to the emergency fund, as in previous years. This self-funded scheme is not dependent on external donors, though it is impacted by levels of reserves held and prevailing interest rates.

Plans for future periods

The Trust's main objectives and activities for the year to come are:

- (i) to administer the interest free loan scheme and aim to support the recreational game in accessing this financing source for cricket club facilities;
- (ii) to continue to support the County Boards in line with revenue funding agreements;
- (iii) to continue to support other cricketing charities in line with the Trust's own objectives; and
- (iv) to provide support to amateur cricket clubs through special projects approved by the Trustees such as an emergency relief fund, a flood relief fund and/or a sustainable energy fund.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as the trustees are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the trustees have taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board

Tom Harrison
Director
11 April 2018

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of England and Wales Cricket Trust

(A company limited by guarantee)

Opinion

We have audited the financial statements of England and Wales Cricket Trust ("the charitable company") for the year ended 31 January 2018 which comprise the Statement of financial activities, the Balance sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Report, which constitutes the strategic report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report to the members of England and Wales Cricket Trust

(A company limited by guarantee) (continued)

Trustees' responsibilities

As explained more fully in their statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company'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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Russell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

11 April 2018

England and Wales Cricket Trust
(A company limited by guarantee)

Statement of financial activities
For the year ended 31 January 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Income					
Income from charitable activities	10	-	941,139	941,139	2,595,437
Income from investments		231,830	-	231,830	391,391
Total income		231,830	941,139	1,172,969	2,986,828
Expenditure on					
Raising funds	4	(11,481)	-	(11,481)	(18,752)
Charitable activities	4	(12,498,257)	(911,139)	(13,409,396)	(10,509,088)
Other expenditure	4	(10,699)	-	(10,699)	(11,090)
Total expenditure		(12,520,437)	(911,139)	(13,431,576)	(10,538,930)
Net loss on investments		(8,618)	-	(8,618)	16,109
Net (expenditure)/income		(12,297,225)	30,000	(12,267,225)	(7,535,993)
Transfers between funds					
Net movement in funds		(440,484)	440,484	-	-
Reconciliation of funds					
Total funds brought forward		43,087,208	(440,484)	42,646,724	50,182,717
Total funds carried forward	9	30,349,499	30,000	30,379,499	42,646,724

The Trust's income and expenses relate to both unrestricted and restricted funds and continuing charitable operations. The restricted funds are described in note 10.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Trust has no recognised gains or losses other than the net increase in funds for the year.

England and Wales Cricket Trust
(A company limited by guarantee)
Balance sheet
As at 31 January 2018

	Notes	2018 £	2017 £
Fixed assets			
Investments	5	12,965,940	29,968,381
Current assets			
Cash at bank		5,370,387	1,101,889
Investments	5	12,836,396	8,753,927
Prepayments		-	1,236,834
Social investments: amounts falling due within one year	6	747,372	691,676
Social investments: amounts falling due after more than one year	6	2,022,168	1,923,627
Debtors: amounts falling due within one year	7	-	34,418
		20,976,323	13,742,371
Current Liabilities			
Amounts falling due within one year	8	(3,562,764)	(1,064,028)
Net current assets		17,413,559	12,678,343
Total assets less current liabilities		30,379,499	42,646,724
The funds of the charity			
Unrestricted income funds		30,349,499	43,087,208
Restricted income funds		30,000	(440,484)
Total funds	9, 10	30,379,499	42,646,724

These financial statements of England and Wales Cricket Trust, company registration number 5483977, were approved on 11 April 2018

Colin Graves
Director

Tom Harrison
Director

England and Wales Cricket Trust

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 January 2018

1. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards, the applicable requirements of the Statement of Recommended Practice (SORP) ‘*Accounting and Reporting*’ by Charities, FRS102, the Trust Deed, and the Companies Act.

The particular accounting policies adopted are described below, and have been applied consistently throughout the year and the preceding year.

Per FRS 102, a public benefit entity (PBE) is an entity whose primary purpose is for public and social benefit and not to provide a financial return to its shareholders. The Trustees have assessed that the Company meets this definition, thus have accounted for any interest free loans as concessionary loans under section PBE34 of FRS 102 for the purposes of these financial statements.

England and Wales Cricket Trust (the “Company”) is a private company limited by guarantee and incorporated, domiciled and registered in England, in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“*FRS 102*”) as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £.

The Company’s ultimate controlling party, England and Wales Cricket Board Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of England and Wales Cricket Board Limited are prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“*FRS 102*”) and are available to the public and may be obtained from Lord’s Cricket Ground, London, NW8 8QZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement;
- Transactions with Key Management Personnel;
- Related party transactions entered into between two or more members of a group (for wholly-owned subsidiaries).

Due to the current economic conditions there are inherent future uncertainties that may impact the business. As a result of this the directors have made enquiries regarding ECB support and future government funding and have a reasonable expectation that the Trust has adequate resources to continue in existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the accounts.

Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

All incoming resources are included in the Statement of Financial Activities (‘SOFA’) when the Trust is legally entitled to the income, is reasonably certain of receipt and the amount can be measured with sufficient reliability.

- Donations and legacies are recognised in the SOFA in the period in which they are received and paid.

England and Wales Cricket Trust
(A company limited by guarantee)
Notes to the financial statements (continued)
Year ended 31 January 2018

1. Accounting policies (continued)

Incoming resources (continued)

- Income from charitable activities
 - Government capital grants from Sports Council for Wales are recognised upon receipt of the donation and offset against EWCT Grant Aid Programme projects in Wales.
 - Capital grant funding from Waitrose is recognised upon receipt of the donation.
 - Capital grant funding from individual County Cricket Boards is recognised upon an invoice being raised following notification of intention of funding.
 - Capital grant funding from Sport England is recognised upon receipt of the donation.
- Investment income; interest on funds held on deposit is included when receivable, and/or the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank and is requested at year-end.

Grants payable are made to third parties in the furtherance of the charitable objects of the Trust; either revenue grants (County Cricket Boards and cricketing charities) or capital grants (cricket clubs and other appropriate applicants, e.g. local authorities).

Revenue grants

The Trust's intention to pay a certain level of grants to County Cricket Boards (CCBs) and cricketing charities was set out in its 2013-17 Memorandum of Understanding (MoU) agreement, and a schedule of payments was sent out to each CCB at the start of the period. The MoU has been rolled forward, to include financial years 2017/18 and 2018/19 before the new CPA is finalised to cover years 2020-2024.

Capital grants

- EGAP and SGS grants are paid to applicants from a set budget, agreed in the MoU and allocated by region and strategy. The individual grants are recognised once an offer letter has been made for the club to sign and return.
- Emergency Fund grants are paid as required from the Trust's prior year investment income. The grants are recognised once an offer letter has been made for the club to sign and return.

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing loans and different categories of grants are broadly equivalent. The allocation of support and governance costs is analysed in note 4.

Concessionary loans

England and Wales Cricket Trust makes interest free loans to third parties which are repayable in line with agreed upon payment schedules. In line with FRS102 PBE34, Concessionary Loans are initially measured at the amount received or paid. In subsequent years, the carrying amount of concessionary loans in the financial statements is adjusted to reflect any accrued interest payable or receivable. To the extent that a loan that has been made is irrecoverable, an impairment loss is recognised in the statement of financial activities.

England and Wales Cricket Trust
(A company limited by guarantee)
Notes to the financial statements (continued)
Year ended 31 January 2018

1. Accounting policies (continued)

Accounting convention

These accounts are prepared under the historical cost convention.

Company status

The Trust is a Company limited by guarantee.

The Member of the Trust (England and Wales Cricket Board) undertakes to contribute a sum not exceeding £1 to the assets of the Trust if it is wound up during its membership or within one year afterwards.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources.

Grants are charged to the statement of financial activities when a constructive obligation exists not withstanding that they may be paid in future accounting periods.

Governance costs are the costs associated with the governance arrangements of the Trust which relate to the general running of the Trust as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day-to-day management of the Trust's activities. Charitable activities include costs of grants.

Funds

Unrestricted funds are funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes. Restricted funds relate to funds received from donors for specified purposes.

Tax

England and Wales Cricket Trust is a registered charity and, as such, is exempt from taxation on its income to the extent that the income is applied to its charitable purposes.

Investments

Investments are held in the form of cash deposits and are determined as current or non-current on the basis of whether they are planned to be reinvested over the next 12 months. Deposits with an intended investment term of longer than one year are classified as non-current investments.

2. Result for the year

	2018	2017
	£	£
Net expenditure for the year	(12,267,225)	(7,535,993)
Stated after charging:		
Fees payable to the company's auditor for the audit of the company's annual accounts(inclusive of VAT)	4,944	4,800

3. Ultimate controlling party

The England and Wales Cricket Trust is a company limited by guarantee, so has no share capital. On the basis that the Trust is considered to be a subsidiary of the England and Wales Cricket Board Limited, its financial results and position are consolidated into the group accounts of England and Wales Cricket Board Limited. Copies of these group accounts can be obtained from Lord's Cricket Ground, London NW8 8QZ.

England and Wales Cricket Trust
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Notes to the financial statements (continued)
Year ended 31 January 2018

4. Resources expended

	2018	2017
	£	£
Charitable activities		
Unrestricted funds		
Grants to County Boards	8,397,635	3,917,503
Grants to cricketing charities	1,005,000	5,000
Grants to cricket clubs and organisations	3,095,622	3,550,664
	12,498,257	7,473,167
	2018	2017
	£	£
Restricted funds		
Sport England – grants to County Boards	-	2,817,652
Sport England – grants to cricketing charities	-	28,175
Sports Council for Wales	20,000	100,000
Small Grants Scheme (funded by individual County Cricket Board contributions)	59,539	55,994
Small Grants Scheme (funded by Sport England donation, previously administered through ECB)	800,000	-
Small Grants Scheme (funded by Waitrose)	31,600	34,100
	911,139	3,035,921
Governance costs	10,699	11,090
Expenditure on raising funds	11,481	18,752
Total resources expended	13,431,576	10,538,930

Revenue grants to the 39 County Cricket Boards contribute to their running costs, plus delivery of local cricket (including competitions) for all ages and abilities.

Grants are made to specialised institutions to assist them in delivering their cricket programmes. The major beneficiaries received multi-year donations in 2014/15, which covered the 2015/16, 2016/17 and 2017/18 financial years. EWCT agreed a new multi-year contract in 2017/18, and made a further payment for 2017/18 of £1,000,000.

Grants to cricket clubs comprise a major grants scheme for larger-scale facility improvements; an emergency fund for clubs affected by a crisis, for example flooding; and a small grants scheme to purchase equipment for maintenance and upkeep of grounds. A list of grants is available from the England and Wales Cricket Trust.

The Trustees did not receive any emoluments in respect of their services to the Trust during the year or prior year.

One Trustee received reimbursement in relation to out of pocket expenses for travel and subsistence during the period totalling £156 (2017: £457).

England and Wales Cricket Trust
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Notes to the financial statements (continued)
Year ended 31 January 2018

4. Resources expended (continued)

Analysis of support and governance costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	General support	Governance	Total	Basis of
	IFLS	Function/general	£	apportionment
	£	£		
Audit costs	-	4,944	4,944	Governance
Legal	-	6,888	6,888	Specific legal bills
General allowance for doubtful debt (loan scheme)	(2,204)	-	(2,204)	Loans scheme
Trustee expenses	-	156	156	Governance
Bank charges	-	915	915	Governance
TOTAL	(2,204)	12,903	10,699	

5. Investments

Non-current: All non-current investments comprise cash deposits with intended investment terms of longer than one year.

Current: All current investments comprise cash deposits with investment terms of less than one year.

6. Social investments

	2018	2017
	£	£
Amounts falling due within one year:		
Interest free loans to cricket clubs	747,372	691,676
Amounts falling due after more than one year:		
Interest free loans to cricket clubs	2,022,168	1,923,627

As at 31 January 2018, interest free loans to amateur cricket clubs since the scheme began totalled £7,331,860 (2017: £6,447,496). In addition, loan offers made to clubs but not yet advanced totalled £451,839. In 2017/18 a £53,448 allowance for doubtful debts has been made (2017: £55,652), which constitutes both a specific and a general provision of 1% of the loan balance outstanding.

England and Wales Cricket Trust
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Notes to the financial statements (continued)
Year ended 31 January 2018

6. Social investments (continued)

	2018	2017
	£	£
Programme related investments (loans)		
Loans outstanding at start of year	2,670,955	2,540,220
Less loan repayments during year	(732,331)	(784,822)
New loans advanced during year	884,364	915,557
	<hr/>	<hr/>
Loans outstanding at end of year	2,822,988	2,670,955
Provision for doubtful debts	(53,448)	(55,652)
	<hr/>	<hr/>
Loans outstanding at end of year	2,769,540	2,615,303
	<hr/>	<hr/>

7. Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Accrued interest	-	34,418
	<hr/>	<hr/>
	-	34,418
	<hr/>	<hr/>

8. Creditors

	2018	2017
	£	£
Amounts falling due within one year:		
Accruals (grant claims received before year end and grants to County Cricket Boards relating to 2017/18)	3,549,395	1,050,659
Deferred income	13,369	13,369
	<hr/>	<hr/>
	3,562,764	1,064,028
	<hr/>	<hr/>

England and Wales Cricket Trust
(A company limited by guarantee)
Notes to the financial statements (continued)
Year ended 31 January 2018

9. Fund balances

Analysis of movements in unrestricted funds

	Balances as at start of year £	Incoming resources £	Resources expended £	Transfers £	Balances as at end of year £
General fund	43,073,839	231,830	(12,529,055)	(440,484)	30,336,130
Designated Disability Cricket fund	13,369	-	-	-	13,369
Total funds 2017/2018	<u>43,087,208</u>	<u>231,830</u>	<u>(12,529,055)</u>	<u>(440,484)</u>	<u>30,349,499</u>
Total funds 2016/2017	<u>50,182,717</u>	<u>407,500</u>	<u>(7,503,009)</u>	<u>-</u>	<u>43,087,208</u>

The unrestricted fund includes all general donations.

10. Analysis of movements in restricted funds

	Balances as at start of the year £	Incoming resources £	Resources expended £	Transfers £	Balances as at end of year £
Sport England	(440,484)	800,000	(800,000)	440,484	-
Sports Council for Wales	-	50,000	(20,000)	-	30,000
Waitrose boundary fund for small grants scheme	-	31,600	(31,600)	-	-
County Cricket Board contributions for small grants scheme	-	59,539	(59,539)	-	-
Total	<u>(440,484)</u>	<u>941,139</u>	<u>(911,139)</u>	<u>440,484</u>	<u>30,000</u>

In 2017/18, a transfer was made from Sport England unrestricted funds to restricted funds. EWCT had incurred more expenditure than it had recognised income in 2016/17, and it used its own reserves to pay the difference. As the group had received the income, it was considered more meaningful for the users of the accounts to reclassify the negative restricted fund as unrestricted.

Name of restricted fund	Description, nature and purposes of the fund
Sport England	The funds are required to be used to aid the delivery of development programmes and monitoring processes in line with the Trust's national policy
Sports Council for Wales	The funds are required to be used to aid the delivery of high quality facilities, in line with the Trust's national policy
Waitrose boundary fund for small grants scheme	The investment directly supported kitchen and/or indoor and outdoor social areas
County Cricket Board contributions for small grants scheme	Cricket Boards are able to add their own funding as a contribution to the Trust's small grants scheme for use for that county's clubs

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Notes to the financial statements (continued)
Year ended 31 January 2018

11. Related parties

The company has taken advantage of the exemption in section 33.1A of FRS 102 from disclosing transactions with its ultimate controlling party, the ECB. There were no transactions with other related parties during the year.