

Worcestershire County Cricket Club

Minutes of the Annual General Meeting of the Club held in the Graeme Hick Pavilion at the County Ground on Monday 25th February 2013 at 7.00 p.m.

Present:	President	Mr C D Fearnley
	Chairman of the Board	Mr J M Price
	Chief Executive	Mr D A Leatherdale
	Director of Cricket	Mr S J Rhodes
	Finance Director	Mr C R Smith
	Captain	Mr D K H Mitchell
	Together with 150 members	

The President welcomed Members to the Meeting.

The President then asked members to stand in silent tribute to all the members and friends of the Club who had died during the last year, in particular George Chesterton, ex President, Michael Brinton, Lord Lieutenant of Worcestershire and a Club Patron, Louis Vorster, former player with the Club.

1. **Apologies for Absence**

Apologies for absence were received from: Mrs Pat Mills, Mr Tom Hill, Mr Geoffrey Cox, Mr Eay Hipkins, Mr Tim Jones, Mr Robert Scott, Mr Bill Tansell, Mr Fred Needham, Mrs Joyce Booth, Mr Alec Mackie, Mr Edwin Buckhalter.

2. **Confirmation of Minutes of the AGM held on 27th February 2012**

The Minutes (which had been available to Members prior to the Meeting and were taken as read) were approved by Members and signed as a correct record of the Meeting.

3. **President's Address**

The President said that this would be the last time he would address members in his role as President. First of all he wished to thank everyone for giving him the opportunity to be President and said that he had had a wonderful two years travelling around the Counties with his wife, Mary.

He thanked the members for their support over the last two years with the floods and cricket generally and was sure that the Director of Cricket and Chairman would mention this in their reports.

He said he had had a fantastic two years and hoped that the next president would enjoy his time as much as he had. He hoped members would carry on supporting the Club especially with the new development now underway.

Finally he wished to thank the groundstaff for the wonderful job they were doing at the moment following all the flooding issues we had had during the winter months.

4. **Approval of the Annual Report and Statement of Accounts**

The President invited the Chairman to speak to the Annual Report.

“Mr President, ladies and gentlemen.

12 months ago I stood here and congratulated the team on remaining in Division 1. Sadly this year the task was too great and we were relegated.

The reasons for this will be explained by our Director of Cricket, Steven Rhodes. Suffice it to say, we as a Board were bitterly disappointed. We only won 1 match, lost 7 and drew 8 and finished last in Division 1.

In the Clydesdale Bank 40 over competition we also finished bottom of Group A winning 3 and losing 7.

However, there was a distinct improvement in the Friends Life T20 where we finished in 3rd position and qualified to play Yorkshire at Headingley in the Quarter Finals. A game that we could and probably should have won.

Sky TV followed the team around for 4 weeks and we were subsequently featured in a series on the television from which we received good publicity and excellent feedback.

As you can see, we have finally started the construction of our new stand. This will include a new bar, executive suite, conference facility and new offices. We had to provide the ECB with a 5 year business plan and because we met all their criteria, they have loaned us £1m which we are assured will eventually become a grant.

Having had 4 separate floods and quite a lot of snow, the contractors found themselves 6 weeks behind schedule. At this moment in time they are 4 weeks behind.

There will obviously be some early season disruption and I ask you to please bear with us. As I have said before, to survive and compete we must become a 365 day a year business, making money from non cricket activities to provide cricket with the funds for us to compete at the highest level.

Members have asked how many parking spaces will be lost when the hotel is completed. The answer, which surprised me, will be about 20 since we only have to provide 6 disabled parking spaces for the hotel. As we own the car park we have agreed a £1 per car overnight fee for parking for patrons of the Premier Inn Hotel. This should generate an extra £15 - 20,000 per year.

We continue to invest in our Youth Academies. We have satellite academies in Shropshire, Black Country and Worcester and Damian D'Oliveira is in charge of the 14 students in our main academy.

Almost every club in the country relies on 1 or 2 benefactors. We are very lucky at Worcestershire to have a lady member who provided the funds last year for two new covers and this year has bought some new nets. I respect her wish to remain anonymous but on behalf of the Club I thank her most sincerely.

Worcestershire County Cricket Club relies heavily on the money it received from the ECB. We work to strict budgets and need to make a profit to satisfy our Bankers. Our success on the field and, of course, the weather are huge contributing factors. The weather last year was not very good. However we still made a profit unlike Warwickshire who lost £668,000, and Leicestershire who lost £248,000. 12 other counties have not yet published their accounts but I am sure that many more will be showing a loss.

During the winter we have recruited 2 new members of staff. Jon Graham has become our new Business Development Director (Jon please stand up), and Rachel Ivins has become our Events and Hospitality Executive. We wish both of them every success in their new positions.

We are continuing to invite the players of both teams to join members for a drink in the Graeme Hick Pavilion on the second day of every Championship match and they are expected to stay for at least 1 hour. We should very much appreciate if our members would take advantage of the chance to meet the players.

In conclusion I should like to thank David Leatherdale for fully justifying the faith we had in him when we made him Chief Executive and Steven Rhodes who continues to work as hard as anyone in the game. I know the difficult job that he has with the financial restraints placed upon him but I want to reiterate that he has mine and the Board's full backing.

Finally, can I thank you, the members who own our Club (unlike Hampshire, Durham and Northampton) for being so supportive over the last year and hope we have sunshine and some good cricket this year.

Cricket Report

The Director of Cricket said

"I stand here after the 2012 season disappointed, as the Chairman talked about, and I know the members were disappointed, particularly with relegation. It was a bitter pill to swallow and it was hard for me and the players. I really did feel that if we could survive the players would be better for the experience but unfortunately this was not the case.

With the batting I felt that the experienced players let us down, except for Phil Hughes, and similarly with the ball, Alan Richardson apart, we really failed to give him the right type of support.

It goes without saying that I could give many many excuses but we were just not good enough in four day cricket. There were lots of contests where we could have won but we didn't take enough of our opportunities.

He said he would like to inject a little bit of optimism and look forward to the coming season. It would be a massive season and he was sure members were looking forward to a good season.

He felt that the following players were the ones to watch this season -

Alexei Kervezee - He felt that Alexei had grown so much this winter. He lost his first team place last season and it hurt him badly. He played second team cricket and then suffered an injury. He came back into the first team towards the end of the season. He has pushed on through the winter in games against the England Lions. The Director of Cricket said he had a strong belief that Alexei would do well next season.

Gareth Andrew - Another one to watch. In 2011 you saw him have some fantastic innings. He had a serious knee operation at the start of last season and normally you can almost right off the first season following this type of operation. The Second season should see him progress. He has been playing cricket for Canterbury in New Zealand this winter and had done extremely well.

Daryl Mitchell - Felt that Daryl was the best batsman in the Club and last year wasn't his best season. He is a great leader and it is now time for him to also lead the batting group.

Chris Russell - Chris was very exciting when he played against South Africa last year. He carried this through for much of the remainder of the season. He has been playing club cricket in South Africa and has been doing very well.

Graeme Cessford - Graeme a corporal in the RAF and is probably the quickest bowler in our squad. He is a gamble but he is hungry and wants to work and become a professional cricketer. He has worked very hard with our fitness guys during the winter.

Michael Johnson - Michael grew up in the Western Australia system and is a British passport holder. He lost his contract with Western Australia and has something to prove. Playing for Worcestershire is an opportunity for him to prove he can find success as a professional cricketer. I am looking forward to the battle for the gloves between him and Ben Cox.

Tilan Samaraweera - Again we have signed a guy with a point to prove. He averages 48 in Test cricket. He hasn't played a lot of T20 and ODI so has a point to prove about what he can do in one day cricket. He has always wanted to play one day cricket and would like to play county cricket for 2 to 3 years. At the moment Sri Lanka have no international cricket during our season so hopefully nothing will crop up and we will have Tilan for the whole season.

Our one day games last year were disappointing in the CB40. We were challenging at the midway point of the season and then the T20 started.

In the T20 we had good plans and we stuck to them and things went well initially but the momentum went the wrong way towards the end of the group stages. We did qualify for the quarter finals and we did think we could put up a good show against Yorkshire but unfortunately this didn't happen.

Towards the end of the CB40 competition we got into trouble trying to finish off games.

Expectations for 2013 are very difficult but obviously we would like promotion back into Division 1.

One of the areas we have added to is the inclusion of a Sports Psychologist. He works part time on mental toughness and resilience. He has started well and the players like him and we are already seeing some progress.

The guys have worked extremely hard during the winter and certainly since Christmas when the cricket sessions are added they are working extremely hard.

The Director of Cricket said that that he would love to have a visit to a T20 finals day for the members. He is hoping to sign another player for the T20 series to play alongside Tilan and hopes this will help us get to the Finals.

Finance

The Finance Director gave the finance report.

He said the accounts in our Annual Report were a consolidation extracted from the accounts of Worcestershire County Cricket Club Limited and Worcestershire County

Cricket Trading Ltd. These accounts are audited annually by Bishop Fleming Rabjohns and signed copies of these accounts are held at the Club's offices and are available for inspection during the year and I have copies with me this evening should anyone wish to see the accounts at the end of the meeting.

The AGM accounts are comprehensive, there are two main schedules, income and expenditure account and the balance sheet for years ending 30th September 2012 and 2011, 5 pages of notes which support the figures in the main schedules, a 10 year summary review showing ups and downs of the last decade and a brief narrative which attempts to explain the main factors which underpin the results. He said he would not go through all the detail but focus on the two main schedules.

The income and expenditure account shows that we achieved an overall surplus after interest and before tax of £225,009, and an after tax surplus of £227,312. The tax adjustments in the year are really just timing differences so he would concentrate on the pre tax surplus of £225,009 which is approximately £13,000 better than the 2011 figure.

The first thing to note about 2012 is that there is a mix of good and bad news, with the good outweighing the bad.

We had an exceptional surplus from a land lease to Premier Inns of £350,000. The background to this exceptional surplus is that we are retaining the freehold of the land on which the Premier Inn Hotel is to be built, but we have granted Premier a 150 year lease for this land. This is in effect a disposal as we have in return for the lease consideration (£950,000) forfeited the right to use the land for 150 years, so we have written down our land value by £600,000, as advised by Christie & Co., and included the £950,000 as proceeds from the disposal, equals a net surplus £350,000.

On the downside we had an operating loss of £125,000 which is approximately £337,000 worse than 2011.

This adverse variance was mainly caused by the weather which resulted in total income for 2012 being the lowest figure since the 2007 floods. The 2012 income figure is £271,000 less than the 2011 figure. This was not an ECB cricket income reduction it was linked to attendance, catering, hospitality and gate receipts all being worse than 2011. Cost also increased by £66,000 in the year with cricket costs being £104,000 more than in 2011.

When reviewing the operational loss one should note that the 2012 weather had adversely affected most cricket clubs. According to the Met Office 2012 was the second wettest year on record and the main conclusions drawn from the 2012 results are:

that the results reinforce the Board's long held view that one cannot depend on 50-55 days a year cricket to remain profitable on a sustainable basis. Hence the building programme which has been undertaken in the past and is now in progress at the ground.

and Worcestershire were also able to cope in 2012 because we carried out an extensive cost cutting exercise in 2010/11.

so although the 2012 operational result is disappointing we should not lose sight of the fact that overall we have declared a significant surplus in the year and that our cumulative pre tax surplus in the period 2010 - 2012 is £525,883.

The Balance Sheet show our asset value at 30th September 2012 is £1,880,937 which is the value of the Club, an improvement on the 2011 figure of £227,312, which is the figure of profit after tax declared in 2012 which has been retained in the business.

Fixed assets at £5,057,000 dominate the Balance Sheet. This figure allows for the write down of land leased to Premier of £600,000 and includes £458,000 spend in the year on the new build at net reduction in value of fixed assets of £142,000 against the previous year.

We would normally ask Christie & Co., for a full site valuation in 2012 as this is usually done every 3 years. However, there was little point in valuing buildings which were about to be demolished so the re-valuation will be done in 2013. To be on the safe side we did ask Christie & Co., to provide an estimated valuation of the ground when the new build was completed and their valuation was £6.75m (excluding the hotel) so we are comfortable with the fixed asset figure in the 2012 accounts, and it was worth noting that we had a revaluation reserve of £727,000 in our balance sheet, which would act as a buffer against any adverse ground valuations in future periods.

The final main point to note on the Balance Sheet is that we produced a cash surplus in 2012. However, this was because we received £950,000 plus VAT of £190,00 from Premier. The VAT was not payable until October so at 30th September we had the benefit of £1,140,000 from the lease in the year and against this we had the 2012 spend on the new build in the year.

As a result of the cash surplus from the new build our net current liabilities show an improvement against 2011 of approximately £330,000. However, this improvement is the result of an injection of funds which will be invested in the new build within the next few months so the improvement is really a timing difference rather than an operational improvement.

At the AGM meeting last year I concluded my presentation with the comment that we cannot eliminate risk, but we had done a lot to reduce risks, which was true (eg cost cutting in 2010 and 2011). Clearly we have not yet done enough to fully offset the adverse effects of the weather in 2012. We do, however, now have Premier on site building a 120 room hotel which they expect will have 35,000 - 40,000 occupancies a year and they are providing their professional expertise in the building of new facilities for the Club. All this is part of the Club's drive to improve facilities at New Road and to generate new, as well as extend existing income streams which will create a truly 365 day a year sustainable business.

This now ends my presentation.

The President then asked for questions about the Annual Report

John Wright said he was disappointed that we show we have made a profit when we had actually made an operational loss. He felt that this was quite misleading.

The Finance Director said that he didn't wish to get into an argument about was was misleading. He said that he had pointed out in his report that the results were mixed and that we had made an operational loss. He said he had also pointed out that the exceptional item was the reason why the accounts were showing a profit at the end of the year. With the new buildings we would be able to increase our revenue streams and do business all year round rather than relying so much on cricket.

A member from Redditch asked for clarification with regard to Premier Inns and whether we would be getting any more income from them.

The Finance Director said that we wouldn't be getting any more income from Premier. A major part of the deal is that Premier are using their expertise to build our new facilities. The two parts to the deal are that Premier pay £950,000 and their builders build our new development at a greatly reduced cost.

Stuart Bailey asked that if we would not be getting more money for the lease where was the extra money coming from that is being mention.

The Chief Executive said that at the moment the Club only had the Graeme Hick Pavilion and the marquee to sell on a corporate basis. Once the new development was in place there would be a new sports bar, a new executive suite and a new conference facility which would also be linked to the 10 New Road boxes which we already had. This would be available 365 days of the year to sell commercially and bring more income into the Club.

The President then put the Annual Report and Statement of Accounts to the meeting for approval.

The meeting agreed unanimously.

5. **To Elect a President**

The President handed over the meeting to the Chairman at this point.

The Chairman, on behalf of the Board, said it gave him great pleasure to thank Duncan Fearnley for the job he has done as President over the last two years.

He said that Duncan and Mary have been great ambassadors for this Club and have hardly missed a game home and away. He said the faith put in Duncan by the Board and members had been fully justified.

The Chairman said that it now came to the election of a new President . This is a man who was born and bred in Worcestershire, he played for the Club from 1959 to 1965, served on the Committee for many many years and was also Chairman from 1998 to 2006.

He said that John Elliott had Worcestershire running through his blood and it gave him great pleasure to propose him as President of Worcestershire County Cricket Club for 2013.

This was seconded by Roy Booth and agreed unanimously by the members

Mr Elliott, as President, then took over the meeting.

Mr Elliott then spoke to the meeting.

"Mr Chairman, ladies and gentlemen, I would like to thank the members of Worcestershire County Cricket Club for appointing me as President.

I first played for the Club in 1958 and signed a professional contract the following year. Don Kenyon was Captain at that time.

I was very proud to be a professional cricketer, although it didn't last long, as my great friend Roy Booth would let me play in the first team.

After 27 years on the Board, 8 years as Chairman I am absolutely delighted that the members have elected me as President and felt he was following in the footsteps of some great people.

After being involved with the Club for so long and hearing the comments about the cricket, I am a great believer that sport goes in cycles and hopefully it will be our turn again soon. Last year's squad were young and inexperienced so hopefully the experience from last year will stand them in good stead.

He wished the Director of Cricket and Captain all the best for 2013 and hoped it was our turn to have success.

He also reiterated the Chairman's comments about Duncan Fearnley. He said that Duncan and Mary had travelled the length and breadth of the country supporting the Club and had done a wonderful job.

He also praised the groundstaff for the hard work they put in to get the ground ready for the new season.

He ended by saying he hoped the season went well and we had good weather and good cricket. He said there was one thing about it, we should all enjoy it and meet friends and have some happy days here and he once again thanked the Members for inviting him to be the new President.

6. **Confirmation of Additional Directors**

The Chief Executive asked for the meeting's formal approval to the re-election of Mr J M Price and Professor David Green, Principal of Worcester University as Additional Directors.

This was approved by the meeting.

7. **Confirmation of the Election to the Board**

The Chief Executive confirmed that three nominations had been received for the two available places on the Board, Mr Tim Curtis, Mr Neal Radford and Mr Dennis Hewitt and a ballot had been held. The results were Mr Curtis 1465, Mr Radford 991 and Mr Hewitt 731).

Mr Curtis and Mr Radford were re-elected for a further 3 year period.

The Chief Executive asked for the meeting's formal approval to the re-election of Mr Tim Curtis and Mr Neal Radford to serve for three years.

This was approved by the meeting.

8 **Vote of Thanks to Honorary Advisers**

The Director of Cricket, on behalf of the Board, proposed a Vote of Thanks to the Club's Honorary Medical Advisers.

The proposal was seconded by Mr Tim Curtis and approved by the meeting.

9. **Any Other Business**

Mr Roy French asked about the security arranged for the Graeme Hick Pavilion for the 2013 season.

The Chief Executive said that we had appointed a new Level 4 Steward who would be looking at all security arrangements within the ground, especially for the start of the season when things would be a little different due to the building works.

The President thanked the members for their attendance and formally closed the meeting at 8.00 p.m.

Signed

Dated