

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS

12 MONTHS ENDED 31 DECEMBER 2020

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS FOR THE YEAR ENDED 31 DECEMBER 2020

PLAYERS' COMMITTEE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Trade Union rules require the Players' Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements the Players' Committee is required to:

- 1 Select suitable accounting policies and apply them consistently;
- 2 Make judgements and estimates that are reasonable and prudent;
- 3 Prepare Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The Players' Committee is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Trade Union and Labour Relations (Consolidation) Act 1992. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement has been approved by the PCA Management Board at its meeting on 24 February 2021 and received final approval by the Players' Committee at the Annual General Meeting of the Association on 25 February 2021.



R Lynch
Chief Executive

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PROFESSIONAL CRICKETERS' ASSOCIATION FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

We have audited the financial statements of The Professional Cricketers' Association (the 'Association') for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Players' Committee'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 Association'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 Players' Committee with respect to going concern are described in the relevant sections of this report.

Other information

The Officers are responsible for the other information. The other information comprises the information included in the Statement to Members, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PROFESSIONAL CRICKETERS' ASSOCIATION FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters to which the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept in accordance with the requirements; or
- the Union has not maintained a satisfactory system of controls over its transactions in accordance with the requirements; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Officers

As explained more fully in the Statement of Officers' Responsibilities, the Officers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Officers 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 Officers are responsible for assessing the Union'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 Officers either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Officers and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related trade union legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Officers.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PROFESSIONAL
CRICKETERS' ASSOCIATION FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to Professional Cricketers' Association, as a body, in accordance with the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Association'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 Association as a body, for our audit work, for this report, or for the opinions we have formed.



BDO LLP, statutory auditor
London, UK
Date 25 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PROFESSIONAL CRICKETERS' ASSOCIATION**STATEMENT TO MEMBERS****INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

The following statement to members conforms with the Trade Union and Labour Relations (Consolidation) Act 1992. The information is consistent with the Association's Annual Return to the Certification Office.

	Notes	Year to 31 Dec 2020	Year to 31 Dec 2019
Income			
ECB Funding		1,854,000	1,500,000
Member Subscriptions		75,112	51,878
Contribution from Professional Cricketers' Trust		116,720	120,129
Other Donations		10,000	5,000
Interest		1,666	1,019
Dividends		12,259	16,161
		<u>2,069,757</u>	<u>1,694,187</u>
Overheads and Administrative Expenses			
Service Delivery Costs	4	257,724	246,479
Audit and Accountancy Fees		14,452	13,697
Incidental Expenses		3,171	15,426
Bank Charges		6,500	6,457
		<u>(281,847)</u>	<u>(282,059)</u>
(Deficit)/Surplus on Disposal of Investments		(46,969)	1,695
		<u>1,740,941</u>	<u>1,413,823</u>
Surplus before Taxation			
Corporation tax		(317)	(194)
		<u>(317)</u>	<u>(194)</u>
Taxation			
		<u>1,740,624</u>	<u>1,413,629</u>
Surplus after Taxation			
Annual Payments for the Benefit of the Membership			
Communications	5	93,966	156,435
Personal Development	6	618,061	700,489
Insurance	7	147,865	167,463
Legal & Advisory	8	170,867	256,782
Welfare	9	75,258	88,392
		<u>(1,106,017)</u>	<u>(1,369,561)</u>
Surplus of Income over Expenditure			
		634,607	44,068
Other Comprehensive Income/(Expense)			
Change in market value of investment		43,228	94,390
Deferred tax		<u>2,445</u>	<u>(18,312)</u>
		45,673	76,078
Accumulated Surplus as at 1 January 2020		335,960	293,882
Transfer to Insurance Fund		(90,000)	(90,000)
Transfer from Reserve Fund		90,000	90,000
Transfer from (to) Market Value Reserve		10,425	(78,068)
		<u>£1,026,665</u>	<u>£335,960</u>

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

The following statement to members conforms with the Trade Union and Labour Relations (Consolidation) Act 1992. The information is consistent with the Association's Annual Return to the Certification Office

	Notes	31 Dec 2020	31 Dec 2019
Fixed Assets			
Quoted Investments	10	701,742	700,976
Long Term Investments	11	4	4
		<hr/>	<hr/>
		701,746	700,980
Current Assets			
Debtors and Prepayments		65,399	113,232
Amounts owed by Related Parties	12	43,967	-
Cash at Bank and in Hand		1,617,112	300,390
		<hr/>	<hr/>
		1,726,478	413,622
Current Liabilities			
Creditors and Accruals		160,540	111,218
Deferred Income	13	908,994	12,652
Amounts owed to Related Parties	12	-	309,877
Deferred Tax	14	28,885	31,330
		<hr/>	<hr/>
		1,098,419	465,077
		<hr/>	<hr/>
		628,059	(51,455)
		<hr/>	<hr/>
Net Assets		£1,329,805	£649,525
		<hr/>	<hr/>
General Fund	15	1,026,665	335,960
Insurance Fund	15	90,000	90,000
Reserve Fund	15	90,000	90,000
Market Value Reserve	15	123,140	133,565
		<hr/>	<hr/>
		£1,329,805	£649,525
		<hr/>	<hr/>

The Financial Statements were approved by the Players' Committee on 25 February 2021.



R Lynch
Chief Executive

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with applicable UK accounting standards and the following accounting policies:

a Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom And Republic of Ireland' (FRS 102). The financial statements have been prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

b Going Concern

Whilst the PCA's operations have been affected by Covid-19, at 31 December 2020 the union had net assets of £1,329,805 and net current assets of £628,059, with net cash of £732,799, after providing £884,313 in respect of funding for a future project. A commitment for grant funding for 2021 has been received, in the same sum as received in 2020. On this basis the Management Board has prepared cashflow projections, which show that the Union will operate for the foreseeable future within its current cash resources and accordingly the financial statements are prepared on a going concern basis.

c Investments

Quoted investments are measured at fair value based on published data at the Balance Sheet date. Changes in fair value are recognised in the Income Statement.

The investment in PCA Management Limited is accounted for at cost less impairment in these financial statements.

d General Fund

The Association operates a general fund which reflects the annual surplus for the year.

e Insurance Fund and Reserve Fund

The Association maintains an insurance fund for the purpose of meeting members' claims under limits specified in certain insurance policies taken out by the Association. Any surplus, above any claims settled, remaining at the completion of the annual insurance cover period is transferred to the reserve fund up to a maximum of one years aggregate deductible under the terms specified in certain insurance policies.

f Market Value Reserve

The market value reserve represents accumulated recognised but unrealised gains in quoted investments less deferred tax thereon.

g Corporation Taxation

The Association is liable to Corporation Tax on its investment income and realised gains on investments.

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (cont.)

h Deferred Tax

Deferred tax is provided on all material reversing timing differences which arise from transactions reflected through the Income Statement.

i FRS102 Reduced Disclosure

The Association has not produced a Statement of Cash Flows as permitted by FRS102.

i Critical Accounting Assumptions and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable. Revision to accounting estimates are recognised in the period in which the estimates are revised and any future period affected.

The only significant judgement is to provide the full insurance deductible of £90,000, in the policy year, as set out in note 14. Payment of the deductible is dependent on the claims experience in the subsequent year.

2 POLITICAL FUND

The Association does not make political contributions.

3 OFFICER REMUNERATION

With effect from 1 April 2006 staff costs have formed an integral part of a service delivery charge from PCA Management Limited to the Professional Cricketers' Association. Total remuneration paid by PCA Management Limited, relating to members of the Players' Committee in the year to 31 December 2020, was as follows:

	A Irish Chief Executive Res. 15 July	R Lynch Chief Executive Apptd. 15 July
Gross Salary	£99,256	£43,789
Social Security Costs	£12,995	£5,487
Pension Contribution	-	£22,760
Healthcare	£3,069	£1,916

The Chief Executive's salary and benefits, as stated above, are associated with all aspects of the PCA Group and not just the trade union, with 33% of the stated costs forming part of the service delivery charge to the Professional Cricketers' Association.

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE ACCOUNTS

4	SERVICE DELIVERY COSTS	2020	2019
	Staff Remuneration	234,830	213,344
	Travel and Motor Expenses	4,920	13,839
	Office Premises and Service Charges	14,787	16,822
	Telephone Charges	3,187	2,474
		<hr/>	<hr/>
		£257,724	£246,479
		<hr/> <hr/>	<hr/> <hr/>
5	COMMUNICATIONS	2020	2019
	AGM	5,389	8,790
	Membership Meetings and Miscellaneous Costs	18,458	43,640
	Literature and Communication Costs	52,511	84,144
	Membership Scheme and Data Management	17,608	12,621
	Beneficiary Functions	-	7,240
		<hr/>	<hr/>
		£93,966	£156,435
		<hr/> <hr/>	<hr/> <hr/>
6	PERSONAL DEVELOPMENT	2020	2019
	Rookie Camp/Futures Conference	9,406	19,251
	Member Education Claims	82,228	58,536
	Driving	250	1,000
	Coaching	29,070	26,174
	PCA Courses and Workshops	11,542	9,334
	Personal Development Managers	485,565	586,194
		<hr/>	<hr/>
		£618,061	£700,489
		<hr/> <hr/>	<hr/> <hr/>
7	INSURANCE	2020	2019
	Permanent Insurance	81,200	109,150
	Travel Insurance	66,665	58,313
		<hr/>	<hr/>
		£147,865	£167,463
		<hr/> <hr/>	<hr/> <hr/>
8	LEGAL AND ADVISORY	2020	2019
	Legal	96,098	171,095
	Advisory Service	74,769	85,687
		<hr/>	<hr/>
		£170,867	£256,782
		<hr/> <hr/>	<hr/> <hr/>

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE ACCOUNTS

9	WELFARE	2020	2019
	Confidential Helpline	68,720	80,129
	Other	6,538	8,263
		<hr/>	<hr/>
		£75,258	£88,392
		<hr/>	<hr/>
10	QUOTED INVESTMENTS	2020	2019
	Fair value brought forward	700,976	584,043
	Plus additions in year	250,083	95,004
	Less disposals in year	(292,545)	(72,461)
		<hr/>	<hr/>
		658,514	606,586
	Change in valuation during the year	43,228	94,390
		<hr/>	<hr/>
	Market value carried forward	£701,742	£700,976
		<hr/>	<hr/>

A loss of £46,969 (2019: profit of £1,695) arose on the disposals in the period.

11 **LONG TERM INVESTMENTS**

Long term investments are represented by a holding of 4 ordinary shares of £1 each comprising a 100% interest in PCA Management Limited. The net liabilities of PCA Management Limited as at 31st December 2019 were £283,793. No impairment provisions have been made.

12 **RELATED PARTY TRANSACTIONS**

At the year end, the following balances were due to (from) related parties:

	2020	2019
PCA Management Limited	43,937	(309,849)
The Professional Cricketers' Trust	30	(28)
	<hr/>	<hr/>
	£43,967	£(309,877)
	<hr/>	<hr/>

The balances are interest free and repayable on demand.

During the year PCA Management Limited recharged £792,777 (2019: £893,093) to the Association representing salaries, rent and other administration costs.

During the year The Professional Cricketers' Trust contributed £116,720 (2019: £120,129) towards the costs of the activities of the Association.

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE ACCOUNTS

13 DEFERRED INCOME

Deferred income includes £884,313 which was the initial funding of the PCA Futures Fund which is expected to be set up as a discretionary trust in 2021.

14 DEFERRED TAXATION

Deferred taxation provided for at 19% (2019: 19%) is set out below.

	2020	2019
Unrealised gain on quoted investments	£28,885	£31,330

The amount of the net reversal expected to reverse within the next year is unknown.

15 MOVEMENTS ON FUNDS

	General Fund	Insurance Fund	Reserve Fund	Market Value Reserve	Totals
As at 1 January 2020	335,960	90,000	90,000	133,565	649,525
Surplus of Income over Expenditure	634,607	-	-	-	634,607
Other Comprehensive Income	45,673	-	-	-	45,673
Transfer from General Fund	(125,014)	90,000	-	35,014	-
Transfer of Realised Losses	45,439	-	-	(45,439)	-
Transfer from Insurance Fund	-	(90,000)	90,000	-	-
Transfer from Reserve Fund	90,000	-	(90,000)	-	-
As at 31 December 2020	<u>1,026,665</u>	<u>90,000</u>	<u>90,000</u>	<u>123,140</u>	<u>1,329,805</u>

In April 2010, the Association entered into a stop loss arrangement for its personal accident insurance policy for its members. This is an annual agreement and the Association has set aside £90,000 in relation to the balance aggregate deductible under this policy which, with the Reserve Fund (which represents the unused deductible of the prior year) is included in cash at bank and quoted investments in the Balance Sheet as at 31 December 2020.

The market value reserve represents recognised but unrealised gains in quoted investments less deferred tax thereon.

PROFESSIONAL CRICKETERS' ASSOCIATION

STATEMENT TO MEMBERS FOR THE YEAR ENDED 31 DECEMBER 2020

A member who is concerned that some irregularity may be occurring, or has occurred, in the conduct of the financial affairs of the PCA may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.

The member may raise any such concern with one or more of the following as it seems appropriate to raise it with the Chairman of the Association; the Chief Executive, the Chair of the PCA Management Board, the Auditor or Auditors of the Association, the Certification Officer (who is an independent Officer appointed by the Secretary of State) and the Police.

Where a member believes that the financial affairs of the PCA have been or are being conducted in breach of the law or in breach of rules of the Union and contemplates bringing civil proceedings against the Association or Responsible Officials or Trustees, he should consider obtaining independent legal advice.