



## 1. How did Sussex Cricket record a £1.33m operating loss for 2024/25?

For the year ended 31 October 2025, Sussex Cricket Limited recorded an operating loss of £1.33m. At consolidated group level, the loss was £762k.

By comparison, in 2023/24 the operating loss was £297k and the consolidated group loss was £162k. This represents a significant deterioration year on year.

It is important to note that 2023/24 was supported by one-off income, including a £150k legacy payment and £100k income from a T20 home quarter-final. Without those items, the underlying position in 2023/24 would have been materially weaker. In hindsight, this should have prompted a more cautious approach when setting the 2024/25 budget.

In 2024/25, the cost base increased as part of a growth strategy, but income did not meet budgeted expectations, and corrective action was not taken early enough to prevent the deficit widening materially.

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## 2. What was the original 2024/25 budget, and when did it begin to deteriorate?

The original 2024/25 budget was set close to break-even.

With hindsight, that position was too optimistic given the underlying financial performance in 2023/24 and should have been subject to more rigorous challenge around the assumptions supporting it.

During early 2025, internal forecasts began to show an emerging deficit, moving from around £250k in January towards approximately £360k by March.

The Club had increased elements of its cost base as part of a broader growth strategy, including the professional player wage budget. Forecasts assumed contributions from new commercial initiatives, including Sixes and an open-air concert, together with anticipated interest linked to The Hundred capital proceeds. As it became clearer through late spring and into summer 2025 that those income assumptions were not materialising as expected, the forecast position deteriorated significantly.

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## 3. Why were members not informed earlier about the scale of the deterioration?

The Club accepts that communication last year was not clear or timely enough.

Forecasts during the year were overly optimistic, with a belief that expected income and mitigations would stabilise the position. As those assumptions proved incorrect, the scale of the deterioration became clearer later in the year.

There was no intention to withhold information. However, the combination of optimistic forecasting and insufficient escalation meant that members were not provided with earlier clarity on the emerging position.

Improving transparency and providing clearer, more timely financial communication is now a priority.

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#### **4. Did the Club rely too heavily on anticipated income, including money linked to The Hundred?**

Yes.

In 2024/25, Sussex received a £413k one-off ECB Member distribution linked to Hundred equity arrangements. That payment helped reduce the consolidated loss for the year. However, it was a one-off distribution and not recurring operating income.

The Club also built approximately £100k of anticipated interest linked to the centrally held Hundred capital proceeds into its budget. That interest was not received during the year and could not be recognised in the accounts.

The capital proceeds themselves are held by the ECB and are governed by framework arrangements. They can only be used for approved long-term strategic purposes and cannot be used to cover operating losses.

There was an over-reliance on anticipated Hundred-related income acting as a financial safety net. That assumption did not materialise as expected.

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#### **5. Were management accounts and financial reports produced in a timely and accurate manner throughout the year?**

Management accounts were produced and reviewed throughout the year.

However, the level of financial risk in the business increased materially as the growth strategy expanded the cost base ahead of income. The scrutiny and challenge applied to those risks was not sufficiently rigorous, particularly in relation to cashflow forecasting and the timing impact of a deteriorating operating position.

While deterioration was visible in forecasts, there were not sufficiently formal processes that automatically triggered decisive structural cost correction at an early stage.

Reporting discipline, escalation procedures and cash management oversight have since been significantly strengthened.

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#### **6. Were governance systems strong enough to manage financial risk?**

No.

Governance structures were in place, including Board oversight and a Audit and Risk Committee. However, those systems were not robust enough for the level of financial risk being carried as the cost base expanded.

Forecast deterioration did not consistently lead to early and proportionate structural cost correction. The degree of challenge and escalation applied to emerging financial risks was not sufficient in hindsight.

Governance processes, reporting discipline and oversight structures have since been strengthened significantly to ensure clearer accountability and earlier intervention when risks emerge.

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## **7. To what extent does the Board accept responsibility for what happened?**

The Board accepts collective responsibility for governance oversight during this period.

Executive management is responsible for delivering strategy and operational performance. However, the Board's role is to provide effective challenge, scrutinise key financial assumptions — such as income forecasts and cashflow projections — and ensure corrective action is taken when risks emerge. In hindsight, the level of challenge and escalation did not translate quickly enough into structural intervention as forecasts deteriorated.

That is why governance reform is now underway, including strengthened reporting discipline, clearer escalation thresholds and enhanced cashflow oversight.

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## **8. What role did the former CEO play in the 2024/25 financial position?**

The Chief Executive is responsible for setting and delivering strategy, including budget proposals, cost control and revenue generation.

The 2024/25 budget was developed based on a growth strategy that increased elements of the cost base in anticipation of income growth that did not fully materialise. With hindsight, the assumptions underpinning that strategy were too optimistic.

While executive leadership decisions were a contributing factor to the financial outcome, the level of scrutiny, challenge and escalation applied across the organisation was not sufficient for the level of financial risk being carried.

Governance oversight and financial control processes have since been strengthened significantly.

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## **9. Were any ECB rules breached?**

No. Sussex did not breach ECB rules in the sense of wrongdoing or misuse of funds.

The reason the Club is now operating under an ECB Exceptional Funding Framework Agreement is that the scale of the 2024/25 loss created a liquidity and sustainability challenge which required ECB support.

Cashflow forecasting and financial risk monitoring did not sufficiently anticipate the timing and impact of the deteriorating operating position. As a result, ECB exceptional financial support was required to stabilise the Club's position.

That support included the clearance of an overdraft position and the provision of a structured loan facility. Once such support is required, it brings additional reporting obligations, financial controls and oversight, which is what the Framework Agreement provides.

In simple terms, it is a structured route map back to stability. The associated points deduction is a regulatory consequence linked to financial sustainability and risk management, not misconduct.

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## **10. What role did the Audit and Risk Committee play?**

The Audit and Risk Committee regularly reviewed financial reports and forecasts throughout the year.

There is no evidence of fraud or missing accounting records. However, the level of scrutiny applied to the growth strategy and its key financial assumptions was not sufficiently rigorous for the level of risk being carried. Emerging pressures in operating performance and cashflow did not trigger structural corrective action early enough.

Governance processes, reporting discipline and escalation mechanisms have since been strengthened to ensure clearer challenge, earlier intervention and stronger financial oversight.

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## **11. What is the impact of this financial position on the Men's First Team?**

The current squad for the upcoming season is unaffected and builds on last year's strong County Championship performance. Professional cricket remains central to Sussex's ambitions, and the Club is determined to compete strongly under Paul Farbrace's leadership while operating on a sustainable financial footing.

The financial position means that the Club must operate within tighter budget controls going forward. The player wage budget increased in recent seasons and contributed to overall cost pressure. Spending will now be aligned more closely with sustainable income levels, with a stronger focus on cash management and financial discipline.

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## **12. Will Women's and Disability cricket continue to be protected and properly funded?**

Yes. Women's and Disability cricket are integral to Sussex's purpose and long-term pathway.

The cost of operating a professional women's programme currently exceeds the level of direct ECB funding received, which is a challenge faced by many Tier 2 counties. The Club has made a conscious decision to support and invest in the development of the women's game as part of its long-term strategy.

Going forward, these programmes will continue to be supported, but within a more disciplined framework that ensures investment is aligned with the Club's overall sustainable position.

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## **13. What is the impact on the Sussex Cricket Foundation?**

The Sussex Cricket Foundation is a ringfenced charitable entity with its own governance structure, financial controls and reserves. Its funds cannot be used to support Sussex Cricket Limited's operating position, and it does not subsidise the Club's professional activities.

The Foundation's community work continues and is not directly impacted by the Club's operating deficit.

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## **14. What has changed to ensure this cannot happen again?**

The events of 2024/25 have been a significant wake-up call for everyone connected with the Club.

A number of difficult but necessary decisions have already been taken to reduce the cost base and strengthen financial control. The Club is operating within a tighter financial framework, with enhanced oversight of expenditure and clearer accountability across the organisation.

Finance resource has been strengthened to improve visibility and discipline, including bringing purchase ledger processes in-house to ensure greater internal control.

Cashflow forecasting has been improved, with clearer escalation mechanisms so that emerging pressures are addressed earlier and more decisively.

The Club is working closely with the ECB under the Exceptional Funding Framework Agreement to ensure appropriate oversight as these reforms embed. ECB engagement provides an additional layer of scrutiny and support as governance and financial discipline are strengthened.

Sustainability and governance discipline are now guiding principles for all strategic decisions, ensuring the Club is better placed for long-term stability.

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