

WEST INDIES CRICKET BOARD INC.

Financial Statements

September 30, 2015



WEST INDIES CRICKET BOARD INC.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
WEST INDIES CRICKET BOARD INC.

We have audited the accompanying financial statements of West Indies Cricket Board Inc., which comprise the statement of financial position as at September 30, 2015, the statements of comprehensive income, changes in shareholders' deficiency and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2015, and its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



INDEPENDENT AUDITORS' REPORT

To the Shareholders of
WEST INDIES CRICKET BOARD INC.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Board's ability to continue as a going concern.

A handwritten signature in black ink that reads 'KPMG' in a stylized, cursive font.

Chartered Accountants
December 24, 2015

Antigua and Barbuda

WEST INDIES CRICKET BOARD INC.

Statement of Financial Position

September 30, 2015

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
Assets			
Current Assets			
Cash and cash equivalents	7	\$ 1,401,706	966,454
Accounts receivable	8	11,260,241	6,903,265
Prepayments and other assets		971,641	302,127
Due from Territorial Boards, Cricket Associations and Franchises	9	73,575	400,136
Loans receivable	10	40,000	51,175
Total Current Assets		13,747,163	8,623,157
Non-current Assets:			
Loans receivable	10	43,312	88,532
Property and equipment	11	709,861	799,601
Total Non-current Assets		753,173	888,133
Total Assets		\$ 14,500,336	9,511,290
Liabilities and Shareholders' Deficiency			
Current Liabilities:			
Bank overdraft	12	\$ 4,191,467	2,429,113
Accounts payable and accruals	13	3,382,930	3,878,331
Deferred revenue	14	2,114,278	632,300
Due to Territorial Boards, Cricket Associations and Franchises	9	960,653	540,061
Total Current Liabilities		10,649,328	7,479,805
Non-current liability			
Deferred Revenue	14	5,863,871	7,456,183
Total Non-current Liability		5,863,871	7,456,183
Shareholders' Deficiency			
Share capital	15	17	17
Accumulated deficit		(2,012,880)	(5,424,715)
Total Shareholders' Deficiency		(2,012,863)	(5,424,698)
Contingencies	25		
Total Liabilities and Shareholders' Deficiency		\$ 14,500,336	9,511,290

Approved on behalf of the Board

Director

Director

The notes on pages 7 to 50 are an integral part of these financial statements.

WEST INDIES CRICKET BOARD INC.

Statement of Comprehensive Income

For the year ended September 30, 2015

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
Revenue	19	\$ 34,743,947	28,757,756
Expenses:			
Expenses from tours and tournaments	20	(21,030,854)	(22,051,146)
Operating expenses	22	(10,307,907)	(11,992,937)
		(31,338,761)	(34,044,083)
Income/(Loss) from operations		3,405,186	(5,286,327)
Other Income/(Expenses):			
Interest income		34,165	35,347
Finance expenses		(198,663)	(117,608)
Other income	24	171,147	3,837,213
		6,649	3,754,952
Net Income/(Loss)		3,411,835	(1,531,375)
Total Comprehensive Income/(Loss)		\$ 3,411,835	(1,531,375)

The notes on pages 7 to 31 are an integral part of these financial statements.

WEST INDIES CRICKET BOARD INC.

Statement of Changes in Shareholders' Deficiency

For the year ended September 30, 2015

(Expressed in United States Dollars)

	<u>Share Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance as at September 30, 2013 as restated	\$ 17	(3,893,340)	(3,893,323)
Net loss for the year	<u>-</u>	<u>(1,531,375)</u>	<u>(1,531,375)</u>
Balance at September 30, 2014	17	(5,424,715)	(5,424,698)
Net income for the year	<u>-</u>	<u>3,411,835</u>	<u>3,411,835</u>
Balance at September 30, 2015	<u>\$ 17</u>	<u>(2,012,880)</u>	<u>(2,012,863)</u>

The notes on pages 7 to 31 are an integral part of these financial statements.

WEST INDIES CRICKET BOARD INC.

Statement of Cash Flows

For the year ended September 30, 2015

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities			
Net income/(loss)	\$	3,411,835	(1,531,375)
Adjustments for:			
Interest expense		198,663	117,608
Interest income		(34,165)	(35,347)
Depreciation	11	127,564	137,687
Operating income/(loss) before changes in working capital		3,703,897	(1,311,427)
Change in accounts receivable and prepayments		(5,026,490)	4,725,524
Change in due from Territorial Boards and Cricket Associations		326,561	(325,449)
Change in accounts payable and accruals		(495,401)	(1,470,009)
Change in deferred revenue		(110,334)	(2,544,934)
Change in due to Territorial Boards and Cricket Associations		420,592	(303,851)
Change in loans receivable		56,395	59,436
Cash used in operations		(1,124,780)	(1,170,710)
Interest paid		(198,663)	(117,608)
Interest received		34,165	35,347
Net cash used in operating activities		(1,289,278)	(1,252,971)
Cash flows from investing activity			
Additions to property and equipment	11	(37,824)	(58,570)
Net cash used in investing activity		(37,824)	(58,570)
Decrease in cash and cash equivalents		(1,327,102)	(1,311,541)
Cash and cash equivalents, beginning of year		(1,462,659)	(151,118)
Cash and cash equivalents, end of year		(2,789,761)	(1,462,659)
Represented by:			
Cash in hand and at bank	7	1,329,752	894,682
Short-term deposit	7	71,954	71,772
		1,401,706	966,454
Bank overdraft		(4,191,467)	(2,429,113)
	\$	(2,789,761)	(1,462,659)

The notes on pages 8 to 31 are an integral part of these financial statements.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements

September 30, 2015

(Expressed in United States Dollars)

1. Reporting Entity:

The West Indies Cricket Board Inc. (“the Company”) was incorporated on November 27, 1998 under the International Business Companies Act, Cap. 291 of the British Virgin Islands.

The Company was also registered in Antigua and Barbuda on April 25, 2000 under the Companies Act of 1995.

The Board is owned jointly by six (6) regional territorial boards as follows:

- Leeward Islands Cricket Association
- Windward Islands Cricket Board of Control
- Jamaica Cricket Association
- Barbados Cricket Association
- Trinidad and Tobago Cricket Board
- Guyana Cricket Board.

The Company employed forty-six (46) persons at the year end (2014: 47). The registered office is located at Simmond’s Building, 30 De Castro Street, Road Town, Tortola, British Virgin Islands. The administrative and executive offices of the Company are located in St. John’s, Antigua and Kingston, Jamaica.

The Company is responsible for the administration of domestic and international cricket within the Caribbean region.

2. Going Concern:

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

The Company had a shareholders’ deficiency of US\$2,012,863 as of September 30, 2015 (2014: \$5,424,698).

The Company’s revenue is cyclical in nature and depends on the popularity of the various reciprocal tours undertaken by the West Indies Team. During less popular tours, the Company is significantly dependent on financing from an overdraft facility.

The Company has taken steps to ensure the long-term viability of the entity by identifying and obtaining additional sources of income designed to generate increased cash flow. The expected additional resources include:

- A share of the ICC Rights 2015 – 2023

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

2. **Going Concern:** (*cont'd*)

Based on this additional resource, the Company has projected positive cash flows over the next two (2) years

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption were not appropriate, then adjustments would be necessary to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

3. **Basis of Preparation:**

(a) *Statement of Compliance:*

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standard Board (IASB).

These financial statements were approved for issuance on December 24, 2015.

(b) *Basis of Measurement:*

These financial statements have been prepared on the historical cost basis.

(c) *Functional and Presentation Currency:*

These financial statements are presented in United States Dollars, which is the Company's functional and presentation currency. All financial information presented in United States Dollars has been rounded to the nearest dollar.

(d) *Uses of Estimates and Judgments:*

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the statement of financial position date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

3. **Basis of Preparation:** (*cont'd*)

(d) *Uses of Estimates and Judgments:* (*cont'd*)

In particular, significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect in the amounts recognised in the financial statements are as follows:

- | | |
|---|-------------------|
| 1. Estimated useful lives on property and equipment | Note 4 (c) and 11 |
| 2. Determination for fair values of financial instruments | Note 5 |
| 3. Impairment losses on accounts receivable | Note 8 |

(e) *New Standards and Interpretation of and Amendments to existing standards effective during the year:*

Certain new IFRS and interpretations of, and amendments to, existing standards, which were in issue and were relevant to the company, came into effect for the current financial year. None of these pronouncements had a material effect on the financial statements.

(f) *New Standards, and Interpretations not yet adopted:*

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended September 30, 2015, and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Company.

4. **Summary of Significant Accounting Policies:**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Revenue Recognition:*

Revenue is recognised in profit or loss upon the occurrence of a particular cricket event according to media rights contracts, sponsorship contracts, licensing contracts, tour guarantees, and ticket sales. In the case of the ICC's Targeted Assistance and Performance Programme, the grants received are recognized in the period in which they are received.

(b) *Cash and Cash Equivalents:*

Cash and cash equivalents comprise cash in hand, bank overdraft, deposits held on call with banks and other short-term highly liquid investments with original maturities of three (3) months or less.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

4. Summary of Significant Accounting Policies: (*con'd*)

(c) Property and Equipment:

i. Recognition and Measurement:

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Initially, an item of plant and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. Gain or loss on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property and equipment and are recognized net within "other income" in profit or loss.

Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Company. The costs of the day-to-day servicing of an asset are recognised in the period in which it is incurred.

ii. Depreciation:

Depreciation is provided on plant and equipment using the straight-line method at rates considered adequate to write off the cost of this depreciable plant and equipment, less residual value, over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

Items of plant and equipment are depreciated from the date that they are installed and ready for use.

The annual rates used are as follows:

Leasehold improvements or term of lease, Which ever is shorter	10% - 33 1/3% per annum
Office furniture and equipment	10% - 33 1/3% per annum
Computer equipment	33 1/3% per annum
HPC Team equipment	20% per annum
Motor vehicles	25% - 33 1/3% per annum

(d) Accounts Receivable and Prepayments:

Accounts receivable and prepayments are stated at cost less impairment losses.

An allowance for impairment of these receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the contract.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

4. Summary of Significant Accounting Policies: (*cont'd*)

(e) *Expenses from Tours and Tournaments:*

Expenses from tours and tournaments are recognised in profit or loss on an accrual basis as they are incurred.

(f) *Impairment:*

i. *Financial assets:*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generated unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.

ii. *Non-financial assets:*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

4. Summary of Significant Accounting Policies: (*cont'd*)

(f) *Impairment: (cont'd)*

ii. *Non-financial assets: (cont'd)*

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

(g) *Financial Instruments:*

i. *Non-derivative financial instruments:*

Non-derivative financial instruments comprise, trade and other receivables, cash and cash equivalents, loans, due to/due from territorial boards and cricket associations, accounts payable and accrued liabilities.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances at bank and on hand and bank overdraft.

ii. *Trade receivables:*

Trade receivables are carried initially at fair value and subsequently measured at amortised cost less a provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

iii. *Accounts payable and accrued liabilities:*

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Company.

iv. *Borrowing Costs:*

Borrowing costs are recognised in the period in which they are incurred and charged to profit or loss.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

4. Summary of Significant Accounting Policies: (*cont'd*)

(h) *Foreign Currency Transactions:*

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to United States Dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to United States Dollars at foreign exchange rates ruling at the dates the values were determined.

(i) *Provisions:*

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(j) *Employee Benefits:*

i. *Pension Benefits:*

The Company's contributions to a defined contribution pension plan (Provident Fund) are charged to profit or loss in the period to which the contributions relate. The Provident Fund is externally funded (note 16).

Obligations for contributions to Social Security Fund and Medical Benefits Scheme are recognised as an expense in profit or loss as incurred.

(k) *Share Capital:*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(l) *Leased Assets:*

Leases of property and equipment where the Company has substantially all risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in accounts payable and accruals. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

5. Determination of Fair Values:

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) *Trade and Other Receivables:*

The fair value of accounts receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(ii) *Non-derivative Financial Liabilities:*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The fair value of cash in hand and at bank, accounts receivable and prepayments, due from related parties, accounts payable and accruals, and due to related parties, are not materially different from their carrying amounts due to their short-term period to maturity.

6. Financial Risk Management:

(a) *Financial Risk Factors*

The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and it also assesses financial and control risks to the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

6. **Financial Risk Management:** (*cont'd*)

(a) *Financial Risk Factors (cont'd)*

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's Audit, Risk & Compliance Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Company.

(b) *Credit Risk:*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

i. *Trade and Other Receivables:*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the country in which customers operate, has less of an influence on credit risk. Geographically there is no concentration of credit risk.

ii. *Cash and Cash Equivalents:*

Cash and cash equivalents are held with established financial institutions.

The maximum exposure to credit risk at the reporting date was:

	2015	2014
Cash and cash equivalents	\$ 1,401,706	966,454
Accounts receivable	11,260,241	6,903,265
Prepayments and other assets	971,641	302,127
Due from Territorial Boards and Cricket Associations	73,575	400,136
Loans receivable - current	40,000	51,175
Loans receivable – non-current	43,312	88,532
	\$ 13,790,475	8,711,689

Credit risk in respect of accounts receivable, due from Territorial Boards and Cricket Associations and loans receivable is limited as these balances are shown net of provision for doubtful debts. Cash and cash equivalents are held with financial institutions which represent minimum risk of default.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

6. **Financial Risk Management:** (*cont'd*)

(c) *Liquidity Risk:*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial assets and liabilities excluding the impact of netting arrangements:

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

6. **Financial Risk Management:** (*cont'd*)

(c) **Liquidity Risk:** (*cont'd*)

	2015				
	Carrying Amounts	Contractual Cash Flows	6 months or less	6-12 Months	More than 1 Year
Assets					
Cash and cash equivalents	\$ 1,401,706	1,401,706	1,401,706	-	-
Accounts receivables	11,260,241	12,492,206	9,844,206	2,398,000	250,000
Prepayments and other assets	971,641	971,641	971,641	-	-
Due from related parties	73,575	73,575	73,575	-	-
Loan receivable	83,312	83,312	20,000	20,000	43,312
	<u>13,790,475</u>	<u>15,022,440</u>	<u>12,311,128</u>	<u>2,418,000</u>	<u>293,312</u>
Liabilities					
Accounts payable and accruals	3,382,930	3,382,930	3,382,930	-	-
Due to related parties	960,653	960,653	960,653	-	-
Bank overdraft	4,191,467	4,191,467	4,191,467	-	-
	<u>8,535,050</u>	<u>8,535,050</u>	<u>8,535,050</u>	<u>-</u>	<u>-</u>
Liquidity gap	\$ 5,255,425	6,487,390	3,776,078	2,418,000	293,312
Cumulative liquidity gap	\$ 5,255,425	6,487,390	3,776,078	6,194,078	6,487,390

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

6. **Financial Risk Management:** (*cont'd*)

(c) *Liquidity Risk:* (*cont'd*)

	2014				
	Carrying Amounts	Contractual Cash Flows	6 months or less	6-12 Months	More than 1 Year
Assets					
Cash and cash equivalents	\$ 966,454	966,454	966,454	-	-
Accounts receivables	6,903,265	8,208,707	8,026,422	182,285	-
Prepayments	302,127	302,127	302,127	-	-
Due from related parties	400,136	400,136	400,136	-	-
Loans receivable	139,707	139,707	51,175	-	88,532
	<u>8,711,689</u>	<u>10,017,131</u>	<u>9,746,314</u>	<u>182,285</u>	<u>88,532</u>
Liabilities					
Accounts payable and accruals	3,878,331	3,878,331	3,878,331	-	-
Due to related parties	540,061	540,061	540,061	-	-
Bank overdraft	2,429,113	2,429,113	2,429,113	-	-
	<u>6,847,505</u>	<u>6,847,505</u>	<u>6,847,505</u>	<u>-</u>	<u>-</u>
Liquidity gap	\$ <u>1,864,184</u>	<u>3,169,626</u>	<u>2,898,809</u>	<u>182,285</u>	<u>88,532</u>
Cumulative liquidity gap	\$ <u>1,864,184</u>	<u>3,169,626</u>	<u>2,898,809</u>	<u>3,081,094</u>	<u>3,169,626</u>

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

6. **Financial Risk Management:** (*cont'd*)

(d) *Market Risk:*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and price risk will affect the value of the Company's assets, the amount of its liabilities and/or income. Market risk arises from fluctuations in the value of liabilities and the value of investments held. The Company is exposed to market risk on certain of its financial assets.

(i) *Price Risk:*

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in the market. The Company has no exposure to such risk.

(ii) *Interest Rate Risk:*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is affected where there is a mismatch between interest earning assets and interest bearing liabilities, which are subject to interest rate adjustments within a specified period. The Company's exposure to interest rate risk is disclosed in note 7.

(iii) *Currency Risk:*

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The main currencies giving rise to this risk are the Eastern Caribbean Dollar and United States Dollar arising from purchasing transactions. The Company does not face any such risk since it transacts its operations in United States Dollars, which is its functional currency. The Eastern Caribbean Dollar, in which the Company also transacts business, is fixed in relation to the United States Dollar.

(e) *Fair Values of Financial Instruments:*

The fair values of cash and cash equivalents, accounts receivable, loan receivable, accounts payable and accruals are not materially different from their carrying amounts due to their short-term to maturity.

Because there are no fixed terms of repayment, it is not practicable to determine the fair value of the amount due from/(to) Territorial Boards, Cricket Associations and Franchises.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

6. Financial Risk Management: (*cont'd*)

(f) Capital Management:

It is the Company's policy to maintain a strong capital base so as to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as total shareholders' equity. The Company is not subject to externally imposed capital requirements and there were no changes in the Company's approach to capital management during the year.

7. Cash and Cash Equivalents:

	2015	2014
Cash in hand and at bank	\$ 1,329,752	894,682
Short-term deposit	71,954	71,772
	<u>\$ 1,401,706</u>	<u>966,454</u>

Cash at bank earns interest at the respective bank deposit rates. Funds placed on short-term deposit are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company maintains a Standby Credit Facility with United Bank Limited, United Kingdom. Subsequent to year end, this facility was renewed on 14th December 2015 with a limit of \$6,000,000 at an interest rate of 4.75% above the six (6) month LIBOR. The facility is secured by:

- a) All distributions of full member surpluses and contribution costs paid to each full member by ICC to WICB for the period from 1 January 2016 to 31 December 2019.
- b) All receivables payable under the rights agreement between Taj TV limited and WICB dated 22 October 2012. This rights agreement expires on the earlier of 30 April 2020 or 30 days after the scheduled close of the last tour match played prior to 31 March 2020.

8. Accounts Receivable and Prepayments:

	2015	2014
Accounts receivable	\$ 12,492,206	8,208,707
Less: Allowance for doubtful accounts	<u>(1,231,965)</u>	<u>(1,305,442)</u>
	<u>11,260,241</u>	<u>6,903,265</u>

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

9. Related Party Balances and Transactions:

(a) Related Party

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - i) has control or joint control over the reporting entity;
 - ii) has significant influence over the reporting entity; or
 - iii) is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity.

- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi) The entity is controlled, or jointly controlled by a person identified in (a).
 - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control or joint control of, or significant influence over, the reporting entity; and
- b) another entity that is a related party because the same government has control or joint control of or significant influence over, both the reporting entity and the other entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

WEST INDIES CRICKET BOARD INC.Notes to Financial Statements *(cont'd)*

September 30, 2015

*(Expressed in United States Dollars)***9. Related Party Balances and Transactions: *(cont'd)****(b) Balances with Territorial Boards, Cricket Associations and Franchises:*

	2015	2014
Due from Territorial Boards, Cricket Associations and Franchises		
Barbados Cricket Association	\$ 7,335	6,165
Trinidad and Tobago Cricket Board	62,378	390,449
Leeward Islands Cricket Association	939	600
St. Vincent & Grenadines Cricket Association	2,476	2,476
Dominica Cricket Association	447	446
	\$ 73,575	400,136

	2015	2014
Due to Territorial Boards, Cricket Associations and Franchises		
Barbados Cricket Association	\$ 236,941	248,080
Jamaica Cricket Association	15,581	11,658
Dominica Cricket Association	8,000	-
St. Lucia National Cricket Association	14,472	56,615
Trinidad and Tobago Cricket Board	176,667	-
Antigua Barbuda Cricket Association	17,500	-
St. Kitts Cricket Association	-	68,348
St. Vincent & Grenadines Cricket Association	-	91,335
Guyana Cricket Board	94,592	45,425
Grenada Cricket Association	18,601	18,600
Anguilla Cricket Association	18,400	-
Cricket Franchise of Barbados	49,364	-
St. Maarten Cricket Association	10,920	-
Cricket Guy Inc.	148,689	-
Red Force T & T Inc.	25,995	-
Leewards Cricket Development Company	104,448	-
Windward Cricket Inc.	20,183	-
Jamaica Franchise Development Inc.	300	-
	\$ 960,653	540,061

These amounts are interest free, unsecured and without any fixed terms of repayment.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

9. Related Party Balances and Transactions: (*cont'd*)

(c) Transactions with Territorial Boards, Cricket Associations and Franchises:

The transactions with territorial boards, cricket associations and franchises comprise advances made to cover the cost of hosting regional first class matches and international matches involving ICC Full Member Countries touring the West Indies as well as to cover franchise operating expenses under Professional Cricket League which was launched in October 2014. Territorial cricket boards and cricket associations earn host management fees and a share of the perimeter board advertising revenue in relation to the hosting of international matches.

(d) Key management personnel compensation comprises:

	2015	2014
Short-term employee benefits	\$ 576,275	550,943

10. Loans Receivable:

	2015	2014
Long-term loan of US\$200,000 granted to the Jamaica Cricket Association. The loan is repayable over a period of five (5) years with fixed payments of \$40,000 per annum at an interest rate of 5.25%, and is secured by way of an assignment of the Jamaica Cricket Association's present and future rights, title and interest to development grants which become payable by the West Indies Cricket Board from September 30, 2013 through September 30, 2017.	\$ 83,312	128,532
Loan to Windward Islands Cricket Board for US\$11,000 which is secured by way of an assignment of Windward Islands Cricket Board Present and future rights, title and interest in development grants which became payable by West Indies Cricket Board in March 2015. The loan was fully settled in 2015.	-	11,175
	83,312	139,707
Less: Current Portion	(40,000)	(51,175)
	\$ 43,312	88,532

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

11. Property and Equipment:

	Leasehold Improvements	Cricket Box	Office Furniture and Equipment	Computer Equipment	HPC Team Equipment	Motor Vehicles	Total
Cost:							
At September 30, 2013	\$ 602,998	477,659	719,805	507,608	10,908	167,322	2,486,300
Additions	546	-	5,701	48,131	4,192	-	58,570
Disposals	-	(477,659)	-	-	-	(45,178)	(522,837)
At September 30, 2014	603,544	-	725,506	555,739	15,100	122,144	2,022,033
Additions	14,412	-	-	23,412	-	-	37,824
Disposals	-	-	-	-	-	-	-
At September 30, 2015	\$ 617,956	-	725,506	579,151	15,100	122,144	2,059,857
Depreciation:							
At September 30, 2013	102,291	477,659	503,379	432,768	2,811	88,674	1,607,582
Charge for the year	12,190	-	54,429	42,596	1,250	27,222	137,687
Written back on disposals	-	(477,659)	-	-	-	(45,178)	(522,837)
At September 30, 2014	114,481	-	557,808	475,364	4,061	70,718	1,222,432
Charge for the year	12,278	-	45,398	41,655	1,819	26,414	127,564
Written back on disposals	-	-	-	-	-	-	-
At September 30, 2015	\$ 126,759	-	603,206	517,019	5,880	97,132	1,349,996
Carrying Value:							
At September 30, 2015	\$ 491,197	-	122,300	62,132	9,220	25,012	709,861
At September 30, 2014	\$ 489,063	-	167,698	80,375	11,039	51,426	799,601

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

12. Bank Overdraft:

The operating bank overdraft account was renewed subsequent to year end on December 14th 2015 and bears interest at a rate of 4.75% above the six (6) month LIBOR and is secured by way of:

- a) All distributions of full member surpluses and contribution costs paid to each full member by ICC to WICB for the period from 1 January 2016 to 31 December 2019.
- b) All receivables payable under the rights agreement between Taj TV limited and WICB dated 22 October 2012. This rights agreement expires on the earlier of 30 April 2020 or 30 days after the scheduled close of the last tour match played prior to 31 March 2020.

13. Accounts Payable and Accruals:

	2015	2014
Trade payables	\$ 3,305,715	3,870,257
Accruals	77,215	8,074
	<u>3,382,930</u>	<u>3,878,331</u>

14. Deferred Revenue:

	2015	2014
Taj Television Limited	\$ 7,440,451	8,088,483
Digicel	377,246	-
JOMA Sports	160,452	-
	7,978,149	8,088,483
Less: Current portion	(2,114,278)	(632,300)
	<u>\$ 5,863,871</u>	<u>7,456,183</u>

The Deferred Revenue from Taj Television Limited is derived from the New Media Rights Agreement established with Taj Television on October 22, 2012. The Board granted TAJ TV Ltd the exclusive right and licence to record and transmit footage of all matches forming part of the tours hosted by the WICB covered under the agreement. The agreement covers a period of seven (7) years from January 2013.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

15. Share Capital:

		2015	2014
Authorised			
20,000	Class "A" voting shares of US\$1.00 each	\$ 20,000	20,000
10	Class "AP" voting shares of US\$1.00 each	10	10
10,000	Class "B" non-voting shares of US\$1.00 each	10,000	10,000
10,000	Class "C" non-voting shares of US\$1.00 each	10,000	10,000
		\$ 40,010	40,010
Issued:			
12	Class "A" voting shares of US\$1.00 each	12	12
3	Class "C" non-voting shares of US\$1.00 each	3	3
2	Class "AP" voting shares of US\$1.00 each	2	2
		\$ 17	17

16. Provident Fund:

The Company operates a defined contribution provident fund for players and employees. The fund is being administered by Zurich International Life Limited (formerly Eagle Star International Life).

The provident fund expense for the year amounted to US\$393,240 (2014: US\$365,467). This fund does not form part of these financial statements.

17. Lease Commitment:

A finance lease for the premises presently occupied by the Company has been executed by the Government of Antigua and Barbuda, which provides for a term of fifty (50) years from September 1, 1996 at a total amount of US\$148,148 (EC\$400,000). This amount was paid. The lease also offers an option to a further forty nine (49) years at a yearly rental of US\$37 (EC\$100).

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

18. **Taxation:**

The Company has been granted exemption from income taxes in Antigua and Barbuda and the British Virgin Islands.

19. **Revenue:**

	2015	2014
ICC events	\$ 18,333,442	9,312,195
Media rights	5,335,671	7,826,197
Sponsorship fees	5,334,802	6,345,133
Rights and licenses	3,668,460	2,029,185
Ticketing revenue	1,037,108	883,478
ICC Targeted Assistance & Performance Program	1,000,000	1,450,000
Merchandise	34,464	4,661
Appearance fees	-	500,000
IPL release fees	-	355,967
UNICEF	-	50,940
	\$ 34,743,947	28,757,756

The revenues of the Board are cyclical in nature as per the bilateral tour arrangements by which international cricket is organised and planned, each Full Member of the ICC is able to sell the rights associated with their respective international home tours with the value of those rights fluctuating depending on the tour content and on which country is visiting the West Indies. The ICC Revamp of the future tours programme was approved at the ICC Board Meeting held on February 8th 2014 and this paved the way for bilateral tour arrangements between Full Member Countries. The Revamp enables Full Members to benefit from a larger share of the ICC Revenues generated from the sale of rights for the next eight (8) years covering the ICC Events scheduled to take place from 2016 to 2023. These events include two (2) ICC Cricket World Cups, two (2) ICC World Twenty20 events and two (2) ICC Champions Trophy events. The expected earnings of the Board will increase significantly over the earnings for the previous eight (8) years rights sales for 2007-2015.

WEST INDIES CRICKET BOARD INC.Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

20. Expenses from Tours and Tournaments:

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Players' payments	21	\$ 9,843,445	9,591,929
Hosting fees paid to Territorial Boards		3,976,246	5,135,515
Airfares		1,959,757	1,662,620
Professional Cricket League Franchise		1,107,690	-
Accommodation		1,095,425	2,037,717
Training		530,449	361,070
Team management fees		504,311	489,819
Other direct costs		411,173	463,297
Meal allowances		354,660	803,428
Selectors' fees and allowances		308,768	198,115
Balls and gear		234,964	561,102
Umpires fees		183,722	238,583
Insurance		180,697	160,950
President's box		112,876	153,718
Prize money		74,000	88,006
Medical		59,300	52,730
In transit flights		52,037	26,205
Contingency float and visas		41,334	26,342
		<u>\$ 21,030,854</u>	<u>22,051,146</u>

21. Players' Payments:

	<u>2015</u>	<u>2014</u>
Match fees	2,697,418	2,801,602
Share of ICC distribution	2,531,163	2,200,000
Franchise retainers	1,980,000	-
International retainers	1,958,668	1,575,817
Other payments	347,000	2,663,000
Provident fund	306,196	302,510
Injury payments	23,000	49,000
	<u>\$ 9,843,445</u>	<u>9,591,929</u>

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

22. Operating Expenses:

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Personnel expenses	23	\$ 3,109,475	3,120,014
Materials, equipment, third party fees		1,083,089	903,315
Development expenses		1,058,345	1,532,794
Kiddy Cricket		935,804	859,607
High Performance Centre		623,652	1,230,713
Meeting expense		538,937	326,111
Television and audio production costs		500,593	1,117,580
Bad debts		484,591	896,571
Grassroots Development Programmes		369,212	439,762
Grant to West Indies Players Association		332,244	-
Marketing communications and publications		308,962	644,338
Travel and representation		233,459	184,960
IT and telecommunication		211,926	219,920
Directors fees		138,000	138,000
Depreciation		127,564	137,684
Foreign exchange differences		98,246	108,272
Professional Fees		72,072	51,567
Player programmes		51,645	48,583
Miscellaneous		30,091	33,146
		<u>\$ 10,307,907</u>	<u>11,992,937</u>

i) High Performance Centre

The High Performance Centre (HPC) commenced operations on June 01, 2010 at Cave Hill University of the West Indies, Barbados. During the current year, the HPC employed eight (8) persons and their emoluments amounted to US\$471,072 (2014: \$439,571) and these have been included in personnel expenses for year.

Under the terms of the sponsorship agreement between Sagicor Financial Corporation and the University of the West Indies and the West Indies Cricket Board of Control, sponsorship revenue is required to be paid directly to the University of the West Indies from Sagicor.

The West Indies Cricket Board has received an accounting statement from the University of the West Indies Cave Hill which confirms that a total of \$1,081,405 has been expended in improving the physical facilities of the High Performance Center and a further \$231,095 remains unutilized.

The sponsorship agreement with Sagicor Financial Corporation expired in September 2014.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(Expressed in United States Dollars)

23. **Personnel Expenses:**

	2015	2014
Salaries and wages	\$ 2,073,935	2,187,629
Payroll related costs	1,035,540	932,385
	<u>\$ 3,109,475</u>	<u>3,120,014</u>
Average number of employees	<u>42</u>	<u>40</u>

24. **Other Income:**

Other income is comprised of writebacks of provisions brought forward from prior years in relation to operational matters.

25. **Contingencies:**

There are no material lawsuits pending against the Company. Except for those claims already provided for in the financial statements, final determination of the amounts to be settled, if any, cannot be made at this time. Any settlement resulting from such proceedings will be charged or credited to income of the period in which the settlement occurs.

BCCI Matter

Following the cancellation of the West Indies Tour to India in October 2014 and the resulting correspondence issued by Board of Control for Cricket in India (BCCI) setting out their estimate of the income they had foregone from the non-playing of five (5) matches; the West Indies Cricket Board (WICB) and BCCI have arrived at an agreement in December 2015 whereby the BCCI will resume bilateral relations with WICB on the basis of written assurances received jointly from the WICB and the West Indies Players Association to return to India to complete the tour from 2014 and other conditions which will be finalized. The parties agreed to the WICB making a public release to this effect.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2015

(*Expressed in United States Dollars*)

26. **Disputed Claims:**

The Company has received a claim from a statutory organization in Antigua and Barbuda in respect of amounts which it considers to be exempt under its Headquarters agreement with the Government. In Barbados, the company is in discussion with another statutory authority in respect of income taxes. Both of these matters are ongoing and the outcome cannot be ascertained at this time. In the event there is a final determination that the company is liable to the two statutory authorities, the respective amounts would be recognized in the year of occurrence and charged against income for that year.

27. **Comparatives:**

Certain of the comparative figures have been reclassified to conform to the current year's financial statement presentation.