

WEST INDIES CRICKET BOARD INC.

Financial Statements

September 30, 2014



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, 2014, and the statements of comprehensive loss, changes in shareholders' deficiency and cash flows for the year 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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance 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 principles 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, 2014, and of its financial performance, and 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, appearing to read 'KPMG'.

Chartered Accountants
January 20, 2015

Antigua and Barbuda

WEST INDIES CRICKET BOARD INC.

Statement of Financial Position

September 30, 2014

(Expressed in United States Dollars)

	Notes	2014	As restated 2013
Assets			
Current Assets			
Cash and cash equivalents	7	\$ 966,454	405,613
Accounts receivable and prepayments	8	7,205,392	10,920,916
Due from Territorial Boards and Cricket Associations	9	400,136	74,687
Loans receivable	10	51,175	60,000
Total Current Assets		8,623,157	11,461,216
Non-current Assets:			
Accounts receivable and prepayment	8	-	1,010,000
Loans receivable	10	88,532	139,143
Property and equipment	11	799,601	878,718
Total Non-current Assets		888,133	2,027,861
Total Assets		\$ 9,511,290	13,489,077
Liabilities and Shareholders' Deficiency			
Current Liabilities:			
Bank overdraft	12	\$ 2,429,113	556,731
Accounts payable and accruals	13	3,878,331	5,348,340
Deferred revenue	14	632,300	790,900
Due to Territorial Boards and Cricket Associations	9	540,061	843,912
Total Current Liabilities		7,479,805	7,539,883
Non-current liability			
Deferred Revenue	14	7,456,183	9,842,517
Total Non-current Liability		7,456,183	9,842,517
Shareholders' Deficiency			
Share capital	15	17	17
Accumulated deficit		(5,424,715)	(3,893,340)
Total Shareholders' Deficiency		(5,424,698)	(3,893,323)
Contingencies	25		
Total Liabilities and Shareholders' Deficiency		\$ 9,511,290	13,489,077

Approved on behalf of the Board

Director

Director *D G Winby*

The notes on pages 7 to 33 are an integral part of these financial statements.

WEST INDIES CRICKET BOARD INC.

Statement of Comprehensive Loss

For the year ended September 30, 2014

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2014</u>	<u>As restated 2013</u>
Revenue	19	\$ 28,757,756	26,104,665
Expenses:			
Expenses from tours and tournaments	20	(22,051,146)	(19,011,657)
Operating expenses	22	(11,992,937)	(12,499,474)
		(34,044,083)	(31,511,131)
Loss from operations		(5,286,327)	(5,406,466)
Other Income/(Expenses):			
Interest income		35,347	51,334
Finance expenses		(117,608)	(212,383)
Other income	24	3,837,213	1,096,102
		3,754,952	935,053
Net Loss		\$ (1,531,375)	(4,471,413)
Total Comprehensive loss		\$ (1,531,375)	(4,471,413)

The notes on pages 7 to 33 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, 2014

(Expressed in United States Dollars)

	<u>Notes</u>	<u>Share Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance as at September 30, 2012		\$ 17	128,073	128,090
Prior period adjustment	29	-	450,000	450,000
Balance at September 30, 2012 as restated		\$ 17	578,073	578,090
Net loss for the year as previously stated		-	(5,821,413)	(5,821,413)
Prior period adjustment	29	-	1,350,000	1,350,000
Net loss for 2013 as restated			(4,471,413)	(4,471,413)
Balance at September 30, 2013 as restated		17	(3,893,340)	(3,893,323)
Net loss for the year		-	(1,531,375)	(1,531,375)
Balance at September 30, 2014		\$ 17	(5,424,715)	(5,424,698)

The notes on pages 7 to 33 are an integral part of these financial statements.

WEST INDIES CRICKET BOARD INC.

Statement of Cash Flows

For the year ended September 30, 2014

(Expressed in United States Dollars)

	<u>Notes</u>	2014	As Restated 2013
Cash flows from operating activities			
Net loss		\$ (1,531,375)	(4,471,413)
Adjustments for:			
Interest expense		117,608	212,383
Interest income		(35,347)	(51,334)
Depreciation	11	137,687	128,810
Gain on disposal property and equipment		-	(24,277)
Operating loss before changes in working capital		(1,311,427)	(4,205,831)
Change in accounts receivable and prepayments		4,725,524	(149,069)
Change in due from Territorial Boards and Cricket Associations		(325,449)	(37,934)
Change in accounts payable and accruals		(1,470,009)	(7,253,281)
Change in deferred revenue		(2,544,934)	10,633,419
Change in due to Territorial Boards and Cricket Associations		(303,851)	717,868
Change in loans receivable		59,436	857
Cash used in operations		(1,170,710)	(293,971)
Interest paid		(117,608)	(212,383)
Interest received		35,347	51,334
Net cash used in operating activities		(1,252,971)	(455,020)
Cash flows from investing activity			
Additions to property and equipment	11	(58,570)	(240,803)
Proceeds from disposals of property and equipment		-	23,652
Net cash used in investing activity		(58,570)	(217,151)
Decrease in cash and cash equivalents			
Cash and cash equivalents, beginning of year		(1,311,541)	(672,171)
		(151,118)	521,053
Cash and cash equivalents, end of year		(1,462,659)	(151,118)
Represented by:			
Cash in hand and at bank	7	\$ 894,682	334,159
Short-term deposit	7	71,772	71,454
		966,454	405,613
Bank overdraft		(2,429,113)	(556,731)
		\$ (1,462,659)	(151,118)

The notes on pages 8 to 33 are an integral part of these financial statements.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements

September 30, 2014

(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-seven (47) persons at the year end (2013: 44). 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 incurred a net loss of US\$1,531,375 (2013: US\$4,471,413) during the year ended September 30, 2014 and as at that date, it had a shareholders’ deficiency of US\$5,424,698 (2013: \$3,893,323)

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, 2014

(Expressed in United States Dollars)

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

- A share of ICC Cricket World Cup in Australia & New Zealand 2015

Based on these additional resources, 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 January 20, 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.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

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

(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.

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, 2013, and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Company.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

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 the statement of comprehensive 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.

(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.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

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

(c) Property and Equipment: (*cont'd*)

The annual rates used are as follows:

Leasehold improvements or term of lease, whichever 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.

(e) Expenses from Tours and Tournaments:

Expenses from tours and tournaments are recognised in the statement of comprehensive 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 the statement of comprehensive 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.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

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

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

i. Financial assets: (*cont'd*)

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.

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.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

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

(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 the statement of comprehensive 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 the statement of comprehensive loss.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(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 the statement of comprehensive 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 the statement of comprehensive 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 the statement of comprehensive 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.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

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

(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 statement of comprehensive 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.

(m) *Change in Accounting Policy of the Future Tours Programme:*

Arising from the ICC Revamp and the decision to move to bilateral tours which will be negotiated between ICC Full Members going forward, the Board will cease to account for Notional Tour Guarantee Fees and, in these financial statements, the cumulative effect of the accounting from 2001-02 to 2012-13 has been reversed from the Statement of Comprehensive Income and Statement of Financial Position. It was in 2001-02, when the Future Tours Programme was first implemented, that the Board began accounting for Notional Tour Guarantee Fees. For Away Tours, the Notional Fees were debited to Accounts Receivable and credited to Income. For Home Tours, the Notional Fees were debited to Tour Expenses and credited to Accounts Payable. The Receivable and Payable effectively offset each other once the tour content from the pairs of the tour arrangement was identical or deemed to be identical.

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.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

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.

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.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

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

(b) Credit Risk: (*cont'd*)

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:

	2014	As restated 2013
Cash and cash equivalents	\$ 966,454	405,613
Accounts receivable and prepayments	7,205,392	10,920,916
Due from Territorial Boards and Cricket Associations	400,136	74,687
Loans receivable - current	51,175	60,000
Loans receivable – non-current	88,532	139,143
	<u>\$ 8,711,689</u>	<u>11,600,359</u>

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.

(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, 2014

*(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	-	-
Loan 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, 2014

*(Expressed in United States Dollars)***6. Financial Risk Management:** (*cont'd*)*(d) Liquidity Risk: (cont'd)*

	2013 as restated				
	Carrying Amounts	Contractual Cash Flows	6 months or less	6-12 Months	More than 1 Year
Assets					
Cash and cash equivalents	\$ 405,613	405,613	405,613	-	-
Accounts receivables	11,474,048	11,905,261	8,875,261	2,020,000	1,010,000
Prepayments	456,868	456,868	456,868	-	-
Due from related parties	74,687	74,687	74,687	-	-
Loans receivable	199,143	199,143	60,000	-	139,143
	<u>12,610,359</u>	<u>13,041,572</u>	<u>9,872,429</u>	<u>2,020,000</u>	<u>1,149,143</u>
Liabilities					
Accounts payable and accruals	5,348,340	5,348,340	5,348,340	-	-
Due to related parties	843,912	843,912	843,912	-	-
Bank overdraft	556,731	556,731	556,731	-	-
	<u>6,748,983</u>	<u>6,748,983</u>	<u>6,748,983</u>	<u>-</u>	<u>-</u>
Liquidity gap	\$ <u>5,861,376</u>	<u>6,292,589</u>	<u>3,123,446</u>	<u>2,020,000</u>	<u>1,149,143</u>
Cumulative liquidity gap	\$ <u>5,861,376</u>	<u>6,292,589</u>	<u>3,123,446</u>	<u>5,143,446</u>	<u>6,292,589</u>

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(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 and Cricket Associations.

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, 2014

(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:**

	2014	2013
Cash in hand and at bank	\$ 894,682	334,159
Short-term deposit	71,772	71,454
	<u>\$ 966,454</u>	<u>405,613</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. This facility was renewed on August 31st 2014 with a limit of \$4,000,000 at an interest rate of 4.75% above the six (6) month LIBOR. The facility is renewable annually on the anniversary date. The facility is secured by an assignment of the receivables arising from the distributions made in relation to world events held by the International Cricket Council up until 2015.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

8. Accounts Receivable and Prepayments:

	2014	As restated 2013
Accounts receivable	\$ 8,208,707	11,905,261
Less: Allowance for doubtful accounts	(1,305,442)	(431,213)
	6,903,265	11,474,048
Prepayments	302,127	456,868
	7,205,392	11,930,916
Less: Non-current portion	-	(1,010,000)
Current portion	\$ 7,205,392	10,920,916

9. Related Party Balances and Transactions:

(a) *A Party is related to a company if:*

- (i) directly, or indirectly through one or more intermediaries, the party:
 - (a) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
 - (b) has an interest in the Company that gives it significant influence over the Company;
or
 - (c) has joint control over the Company;
- (ii) the party is an associate of the Company;
- (iii) the party is a joint venture in which the Company is a venturer;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is a Company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such Company resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any Company that is a related party of the Company.

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, 2014

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

	2014	2013
Due from Territorial Boards and Cricket Associations		
Barbados Cricket Association	\$ 6,165	24,235
Trinidad and Tobago Cricket Board	390,449	26,528
Leeward Islands Cricket Association	600	2,194
Windward Islands Cricket Board of Control	-	9,150
St. Vincent & Grenadines Cricket Association	2,476	2,476
Dominica Cricket Association	446	447
Antigua Barbuda Cricket Association	-	9,657
	\$ 400,136	74,687

	2014	2013
Due to Territorial Boards and Cricket Associations		
Barbados Cricket Association	\$ 248,080	194,185
Jamaica Cricket Association	11,658	22,628
Dominica Cricket Association	-	24,136
St. Lucia National Cricket Association	56,615	65,710
Trinidad and Tobago Cricket Board	-	372,646
Antigua Barbuda Cricket Association	-	1,779
St. Kitts Cricket Association	68,348	64,929
St. Vincent & Grenadines Cricket Association	91,335	19,870
Guyana Cricket Board	45,425	70,230
Grenada Cricket Association	18,600	-
Anguilla Cricket Association	-	1,900
BVI Cricket Association	-	1,900
St. Maarten Cricket Association	-	1,900
Nevis Cricket Association	-	1,655
Montserrat Cricket Association	-	444
	\$ 540,061	843,912

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, 2014

(Expressed in United States Dollars)

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

(c) *Transactions with Territorial Boards and Cricket Associations:*

The transactions with territorial boards and cricket associations 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. 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) *Transactions with Related Party:*

<u>Related Party</u>	<u>Relationship</u>	<u>Nature of Transactions</u>	<u>2014</u>	<u>2013</u>
West Indies General Insurance Company Limited	Common Director	Rent	\$ -	30,667

The Board terminated a lease for an office in St. Lucia for use by the former President in April 2013. The office was leased from West Indies General Insurance Company Limited whose major shareholder was also a director of the Board.

(e) *Key management personnel compensation comprises:*

	<u>2014</u>	<u>2013</u>
Short-term employee benefits	\$ 550,943	358,059

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

10. Loans Receivable:

	2014	2013
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.	\$ 128,532	179,143
Loan to Windward Islands Cricket Board for US\$20,000 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 2013.	-	20,000
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 becomes payable by West Indies Cricket Board in March 2015.	11,175	-
	139,707	199,143
Less: Current Portion	(51,175)	(60,000)
	\$ 88,532	139,143

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

11. Property and Equipment:

	<u>Leasehold Improvements</u>	<u>Cricket Box</u>	<u>Office Furniture and Equipment</u>	<u>Computer Equipment</u>	<u>HPC Team Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost:							
At September 30, 2012	\$ 563,434	477,659	635,995	461,870	10,908	167,896	2,317,762
Additions	39,564	-	88,270	45,738	-	67,231	240,803
Disposals	-	-	(4,460)	-	-	(67,805)	(72,265)
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
Depreciation:							
At September 30, 2012	90,354	477,659	456,482	392,806	1,621	132,740	1,551,662
Charge for the year	11,937	-	49,387	39,962	1,190	26,334	128,810
Written back on disposals	-	-	(2,490)	-	-	(70,400)	(72,890)
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
Carrying Value:							
At September 30, 2014	\$ 489,063	-	167,698	80,375	11,039	51,426	799,601
At September 30, 2013	\$ 500,707	-	216,426	74,840	8,097	78,648	878,718

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

September 30, 2014

*(Expressed in United States Dollars)***12. Bank Overdraft:**

The operating bank overdraft account bears interest at a rate of 4.75% above the six (6) month LIBOR and is secured by way of an assignment of future income from ICC events until 2015.

13. Accounts Payable and Accruals:

	<u>Notes</u>	<u>2014</u>	<u>As restated 2013</u>
Trade payables		\$ 3,878,331	5,200,192
Finance lease liability	17	-	148,148
		<u>\$ 3,878,331</u>	<u>5,348,340</u>

14. Deferred Revenue:

		<u>2014</u>	<u>2013</u>
Taj Television Limited		\$ 8,088,483	10,633,417
Less: Current portion		<u>(632,300)</u>	<u>(790,900)</u>
		<u>\$ 7,456,183</u>	<u>9,842,517</u>

The Deferred Revenue 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, 2014

(Expressed in United States Dollars)

15. Share Capital:

		2014	2013
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	10,000	10,000
10,000	Class "C" non-voting shares of US\$1.00	10,000	10,000
		<hr/>	<hr/>
		\$ 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	3	3
2	Class "AP" voting shares of US\$1.00 each	2	2
		<hr/>	<hr/>
		\$ 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\$365,467 (2013: US\$343,454). 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, 2014

(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:**

	2014	As restated 2013
Media rights	\$ 7,826,197	10,286,335
ICC events	9,312,195	4,110,546
Sponsorship fees	6,345,133	7,950,525
Ticketing revenue	883,478	1,229,264
Merchandising rights and licenses	2,033,846	1,386,350
IPL release fees	355,967	93,332
UNICEF	50,940	-
Appearance fees	500,000	298,313
ICC Targeted Assistance & Performance Program	1,450,000	750,000
	<u>\$ 28,757,756</u>	<u>26,104,665</u>

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, 2014

*(Expressed in United States Dollars)***20. Expenses from Tours and Tournaments:**

	<u>Note</u>	<u>2014</u>	<u>As restated 2013</u>
Players' payments	21	\$ 9,591,929	7,213,295
Accommodation		2,037,717	1,871,181
Hosting fees paid to Territorial Boards		5,135,515	3,668,703
Other direct costs		463,297	1,589,769
Airfares		1,662,620	1,806,669
Prize money		88,006	404,246
Meal allowances		803,428	428,523
Team management fees		489,819	420,685
Training		361,070	178,755
Balls and gear		561,102	442,642
Umpires fees		238,583	284,600
Insurance		160,950	220,850
Selectors' fees and allowances		198,115	195,388
President's box		153,718	126,784
Medical		52,730	119,741
Contingency float and visas		26,342	22,468
In transit flights		26,205	17,358
		<u>\$ 22,051,146</u>	<u>19,011,657</u>

21. Players' Payments:

	<u>2014</u>	<u>2013</u>
Match fees	\$ 2,801,602	2,954,389
Other payments	2,663,000	1,540,000
Share of ICC distribution	2,200,000	925,000
Retainers	1,575,817	1,524,000
Provident fund	302,510	255,906
Injury payments	49,000	14,000
	<u>\$ 9,591,929</u>	<u>7,213,295</u>

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

22. Operating Expenses:

	<u>Note</u>	<u>2014</u>	<u>2013</u>
Materials, equipment, third party fees		\$ 1,229,426	2,781,579
Television and audio production costs		1,117,580	1,315,538
Personnel expenses	23	3,120,014	2,759,181
High Performance Centre		1,230,713	1,317,106
Development expenses		1,532,794	1,045,905
Grassroots Development Programmes		439,762	1,030,441
Marketing communications and publications		644,338	486,485
Kiddy Cricket		859,607	735,821
IT and telecommunication		219,920	197,503
Depreciation		137,684	128,810
Travel and representation		184,960	101,235
Bad debts		896,571	186,180
Directors fees		138,000	113,563
Miscellaneous		33,146	127,095
Foreign exchange differences		108,272	89,645
Professional Fees		51,567	33,521
Player programmes		48,583	49,866
		<u>\$ 11,992,937</u>	<u>12,499,474</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\$439,571 (2013: \$489,652) 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, 2014

(Expressed in United States Dollars)

23. Personnel Expenses:

	2014	2013
Salaries and wages	\$ 2,187,629	2,081,080
Payroll related costs	932,385	678,101
	\$ 3,120,014	2,759,181
Average number of employees	47	44

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.

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.

WEST INDIES CRICKET BOARD INC.

Notes to Financial Statements (*cont'd*)

September 30, 2014

(Expressed in United States Dollars)

28. **Subsequent Events:**

BCCI Claim

Following the cancellation of the West Indies Men's Team Tour to India on October 17, 2014, the BCCI wrote to the WICB claiming compensation for loss of income arising from five (5) matches which were not played. The parties have been engaged in bilateral discussions on the resolution of the claim.

29. **Prior Period Adjustment**

As a result of a change in accounting policy related to the Future Tours Programme, the Board has restated revenue, expenses from tours and tournaments, accounts receivable and accounts payables. The comparative figures have been restated in order to reflect the correct balance. The effect of the restatement resulted in an increase in retained earnings of \$450,000, a decrease in accounts receivable of 1,050,000 and a decrease in accounts payable of \$1,500,000 for the financial year ended September 30, 2012; and decreases in revenue and accounts receivable of \$2,050,000, and expenses from tours and tournaments and accounts payables of \$3,400,000 for the financial year ended September 30, 2013.