

Separate Financial Statements of
CRICKET WEST INDIES INC.
September 30, 2020

CRICKET WEST INDIES INC.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Cricket West Indies Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of Cricket West Indies Inc. ("the Company"), which comprise the separate statement of financial position as at September 30, 2020, the separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at September 30, 2020, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (the IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Antigua and Barbuda and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of Cricket West Indies Inc.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the separate financial statements, which describes that the Company's revenue is cyclical in nature and depends on the popularity of the various reciprocal tours undertaken by the West Indies Teams. As at September 30, 2020, the Company's current liabilities exceeded its current assets by US\$14,619,097 and its total liabilities exceeded its total assets by US\$13,317,466. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of Cricket West Indies Inc.

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of Cricket West Indies Inc.

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Chartered Accountants
Antigua and Barbuda
March 25, 2021

Cricket West Indies Inc.

Separate Statement of Financial Position

As at September 30, 2020
With comparative figures for 2019

(Expressed in United States dollars)

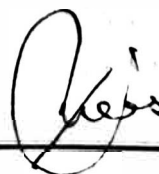
	Notes	2020	2019
Assets			
Current Assets			
Cash and cash equivalents	5	\$ 366,878	5,207,049
Accounts receivable	6	4,811,149	10,183,368
Prepayments and other assets		82,959	142,401
Inventory		89,188	-
Due from territorial boards, cricket associations, franchises and subsidiary	7	<u>41,162</u>	<u>29,682</u>
Total current assets		<u>5,391,336</u>	<u>15,562,500</u>
Non-Current Assets			
Investment in subsidiary	8	3,900,000	4,500,000
Property and equipment	9	<u>581,239</u>	<u>658,350</u>
Total non-current assets		<u>4,481,239</u>	<u>5,158,350</u>
Total Assets		\$ <u>9,872,575</u>	<u>20,720,850</u>
Liabilities and Shareholders' (Deficiency) Equity			
Current liabilities			
Short term loans	10	\$ 2,790,360	8,159,576
Accounts payable and accruals	11	7,392,015	7,976,864
Deferred revenue	12	3,001,002	-
Current portion of ICC loan payable	13	-	3,128,411
Current portion of RBL EC Ltd loan payable	13	1,184,572	-
Due to territorial boards, cricket associations and franchises	7	<u>5,642,484</u>	<u>4,473,017</u>
Total current liabilities		<u>20,010,433</u>	<u>23,737,868</u>
Non-Current Liabilities			
Non-current portion for deferred revenue	12	96,000	-
Long term portion of RBL EC Ltd loan payable	13	<u>3,083,608</u>	<u>-</u>
Total non-current liabilities		<u>3,179,608</u>	<u>-</u>
Shareholders' Deficiency			
Share capital	14	17	17
Accumulated deficit		<u>(13,317,483)</u>	<u>(3,017,035)</u>
Total shareholders' deficiency		<u>(13,317,466)</u>	<u>(3,017,018)</u>
Contingencies and claims	24	<u>-</u>	<u>-</u>
Total Liabilities and Shareholders' Deficiency		\$ <u>9,872,575</u>	<u>20,720,850</u>

See accompanying notes to the separate financial statements.

Approved by the Board of Directors:



Director



Director

Cricket West Indies Inc.

Separate Statement of Comprehensive Income

For the year ended September 30, 2020
With comparative figures for 2019

(Expressed in United States dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Revenue	18	\$ 23,558,667	69,109,349
Expenses:			
Expenses from tours and tournaments	19	(18,247,201)	(32,305,786)
Operating expenses	21	<u>(15,276,416)</u>	<u>(19,944,610)</u>
		<u>(33,523,617)</u>	<u>(52,250,396)</u>
(Loss) income from operations		<u>(9,964,950)</u>	<u>16,858,953</u>
Other (expenses) Income:			
Finance expense		(664,604)	(1,531,113)
Other income	23	<u>329,106</u>	<u>218,495</u>
		<u>(335,498)</u>	<u>(1,312,618)</u>
Net (loss) income		<u>(10,300,448)</u>	<u>15,546,335</u>
Total Comprehensive (Loss) Income		\$ <u>(10,300,448)</u>	<u>15,546,335</u>

See accompanying notes to the separate financial statements.

Cricket West Indies Inc.

Separate Statement of Changes in Equity

For the year ended September 30, 2020
With comparative figures for 2019

(Expressed in United States dollars)

		Share Capital	Accumulated Surplus (Deficit)	Total
Balance at October 1, 2018	\$	17	(18,563,370)	(18,563,353)
Net income for the year		<u>-</u>	<u>15,546,335</u>	<u>15,546,335</u>
Balance at September 30, 2019	\$	<u>17</u>	<u>(3,017,035)</u>	<u>(3,017,018)</u>
Balance at October 1, 2019	\$	17	(3,017,035)	(3,017,018)
Net income for the year		<u>-</u>	<u>(10,300,448)</u>	<u>(10,300,448)</u>
Balance at September 30, 2020	\$	<u>17</u>	<u>(13,317,483)</u>	<u>(13,317,466)</u>

See accompanying notes to the separate financial statements.

Cricket West Indies Inc.

Separate Statement of Cash Flows

For the year ended September 30, 2020

With comparative figures for 2019

(Expressed in United States dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities			
Net (loss) income for the year		\$ (10,300,448)	15,546,335
Adjustments for:			
Interest expense		664,604	1,100,126
Interest income		(17)	(41)
Loss on disposal of property and equipment		23,439	-
Bad debt expense		1,736,370	216,487
Amortization of deferred revenue- Sony		-	(1,216,000)
Adjustment to fixed asset costs		-	97,061
Depreciation	9	<u>77,226</u>	<u>62,761</u>
Operating (loss) income before changes in working capital		(7,798,826)	15,806,729
Change in accounts receivable and prepayments		3,695,291	(2,144,298)
Change in inventory		(89,188)	-
Change in due from territorial boards and cricket associations		(11,480)	(585,547)
Change in accounts payable and accruals		(584,849)	(1,430,741)
Change in deferred revenue - other	12	3,097,002	(1,833,492)
Change in due to territorial boards and cricket associations		<u>1,169,467</u>	<u>217,008</u>
Cash (used in) from operations		(522,583)	10,029,659
Interest received		<u>17</u>	<u>41</u>
Net cash (used in) from operating activities		<u>(522,566)</u>	<u>10,029,700</u>
Cash flows from Investing Activities			
Change in investment in subsidiary	8	600,000	-
Additions to property and equipment	9	<u>(23,554)</u>	<u>(39,743)</u>
Net cash used in investing activities		\$ <u>576,446</u>	<u>(39,743)</u>

Cricket West Indies Inc.

Separate Statement of Cash Flows (*cont'd*)

For the year ended September 30, 2020
With comparative figures for 2019

(Expressed in United States dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Cash Flows from Financing Activities			
Proceeds from short term loans (Sagicor)		\$ 3,000,000	5,000,000
Proceeds from short term loans (ICC)		1,000,000	-
Proceeds from short term loans (England Cricket Board)	10	3,000,000	-
Proceeds from short term loans (RBL EC Ltd)	10	2,750,000	-
Proceeds from medium term loans	13	4,200,000	-
Repayment of Sagicor Bank loan payable (May 2018 disbursement)		(8,000,000)	(5,000,000)
Repayment of RBC Royal Bank loan		(3,000,000)	-
Repayment of ECB loan		(3,000,000)	-
Repayment of BCB loan payable		-	(2,000,000)
Repayment of ICC loan payable		(4,000,000)	(2,500,000)
Interest paid		<u>(844,051)</u>	<u>(1,069,680)</u>
Net cash used in financing activities		\$ <u>(4,894,051)</u>	<u>(5,569,680)</u>
(Decrease) increase in cash and cash equivalents		\$ (4,840,171)	4,420,277
Cash and cash equivalents, beginning of year		<u>5,207,049</u>	<u>786,772</u>
Cash and cash equivalents, at end of year		\$ <u><u>366,878</u></u>	<u><u>5,207,049</u></u>
Represented by:			
Cash in hand and at bank	5	\$ <u><u>366,878</u></u>	<u><u>5,207,049</u></u>

See accompanying notes to the financial statements.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

1. Reporting Entity

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

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

The Board was re-registered in the BVI under the BVI Business Companies Act, 2004 on January 1, 2007 and effective February 23, 2017, has changed its name to Cricket West Indies Inc. ("the Company"). 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 St Kitts.

The Company 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) (2019: 46) persons at the year end.

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

2. Going Concern

In determining the appropriate basis of preparation of the financial statements, the Board of Directors is required to consider whether the Company is able to continue to operate in the normal course of business for the foreseeable future.

These separate 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 as they come due in the normal course of business. 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.

The Company's revenue is cyclical in nature and depends on the popularity of the various reciprocal tours undertaken by the West Indies Team. As of the reporting date, the Company's current liabilities exceeded its current assets by \$14,619,097 (2019: \$8,175,368) and its total Liabilities exceeded its total Assets by \$13,317,466 (2019: \$3,017,018).

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

2. Going Concern (cont'd)

The Company has taken, and will continue to take, steps to enhance the likelihood of its long-term viability. It has identified its projected requirements over the three (3) year period 2021 to 2023 and undertook a review of its financial and business practices. This resulted in key recommendations including a re-structuring of the finance function and new emphasis on cost reduction initiatives supported by the implementation of a comprehensive and functional procurement system.

As well, to better plan and control its day-to-day operations and longer-term plans, the cashflow forecasting process has been strengthened and incorporated into its financial and business management activities.

The Company has also been negotiating new Media Rights deals with all the key markets namely the Indian Sub-Continent; United Kingdom and Ireland; Europe; the Middle East; Southern Africa; Australia and New Zealand; North America and the Caribbean. The contracts have varying terms with the maximum being five (5) years. These are expected to be concluded in the financial year 2021.

Management believes that, with the conclusion of the Coolidge Cricket Ground purchase, it enables the Company to better leverage these assets to provide suitable long-term funding needs.

Based on these plans and initiatives, the Company has projected positive cash flows over the next three (3) years. These projected cash flows have incorporated the estimated impact of the COVID-19 pandemic. The Directors have therefore considered that they have taken into account all material uncertainties, which may cast significant doubt upon the Company's ability to continue as a going concern. The Directors are aware that some risk remains as there is a degree of uncertainty as to the level of results that will be achieved in the year ahead, commitments are not guaranteed, and the success of the Company's business plans will depend on several projects being implemented timely and effectively. However, having carefully considered all factors, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future.

3. Basis of Preparation

The separate financial statements have been prepared by management in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("the IFRS for SMEs") published by the International Accounting Standards Board ("IASB").

These separate financial statements were approved for issuance on March 25, 2021.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

3. Basis of Preparation (cont'd)

The separate financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

These financial statements are presented in United States dollars (USD), which is the Company's functional and presentational currency. Unless otherwise indicated, all financial information presented in USD has been rounded to the nearest dollar.

The outbreak of the COVID-19 pandemic and the measures adopted by governments in countries worldwide to mitigate the pandemic's spread have significantly impacted the operations of Cricket West Indies (CWI). These measures caused CWI to cancel or postpone many of its scheduled tours and tournaments during the financial year. Consequently, the reduction in revenues from Media Rights and Ticket Sales has had a negative and material impact on CWI's financial performance for the year.

There was substantial uncertainty over how the outbreak would impact CWI's future business plans both in terms of its ability to bring fans back into the stadium and to secure long-term media rights and related agreements.

However, management has been successful in negotiating numerous multi-year media rights contracts since International Cricket restarted when the West Indies travelled to England in June 2020. By working closely with medical advisors and the governments, management has been able to gain approval to stage tournaments and International Series, albeit in a bio-secure bubble, with matches played behind closed doors, which has significantly increased the hosting cost and eliminated ticketing revenues.

Accordingly, it is management's assessment that it is reasonable and supportable to assume that CWI will continue to host tournaments and harvest the benefits of long-term media rights and sponsorship agreements for the foreseeable future; thus, corroborating the viability and sustainability of the organization.

As part of the spill-over effect of the outbreak and in-line with CWI's business cycle, management is projecting that it will need additional working capital financing to continue to meet its financial obligations. CWI is currently in discussions with its bank regarding additional financing accommodations.

These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(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) *Critical accounting judgements and key sources of estimation uncertainty*

The preparation of the financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates.

Other than the establishment of routine provisions for accounts receivable, no significant estimates or judgements have been required in applying policies which may have a material impact on the Company's reported assets, liabilities, revenues and expenses.

(b) *Revenue Recognition*

Revenue is recognized in the statement of comprehensive income or loss upon the occurrence of a particular cricket event according to media rights contracts, sponsorship contracts, licensing contracts, tour guarantees, and ticket sales. The Company is a full member of the International Cricket Council (ICC) and is granted an annual distribution which is recognized in income in the period for which it is due and approved.

(c) *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash balances at bank and 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.

(d) *Investment in Subsidiary*

The investment in Coolidge Cricket Ground Inc. is carried at cost less accumulated impairment losses.

(e) *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 property 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. The gain or loss on disposal of an item of property and equipment is 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.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

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

(e) Property and Equipment (cont'd)

(ii) Depreciation

Depreciation is provided on property and equipment using the straight-line method at rates considered adequate to write off the cost of this depreciable property and equipment, less residual value, over the estimated useful lives of each component. Immovable assets erected on leasehold property 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 property and equipment are depreciated from the date that they are installed and ready for use.

The annual rates used are as follows:

Leasehold improvements	2% - 33 1/3% per annum or term of lease, whichever is shorter
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

(f) Expenses from Tours and Tournaments

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

(g) Impairment

(i) Financial Assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is objective evidence 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.

(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").

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

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

(g) *Impairment, (cont'd)*

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

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.

(h) *Financial Assets and liabilities*

(i) *Non-derivative financial instruments:*

Financial assets and liabilities comprise, accounts receivable, cash and cash equivalents, due to/due from territorial boards, cricket associations and franchises, accounts payable and accruals and loans payable.

When a financial asset or financial liability is recognised initially, it is measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction for either the entity (for a financial liability) or the counterparty (for a financial asset) to the arrangement.

Cash and cash equivalents comprise cash balances at bank and 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.

(ii) *Accounts receivable*

Accounts receivable are carried initially at fair value. A provision for impairment of accounts receivable 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 accruals*

Liabilities for accounts payable and accruals 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.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

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

(i) *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. Nonmonetary 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.

(j) *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.

(k) *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. (note 15).

(ii) *Statutory Deductions*

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

(l) *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.

(m) *Leased Assets*

Operating Leases:

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Finance Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

4. Summary of Significant accounting Policies (cont'd)

(n) *Inventory*

Inventory has been valued at cost less impairment in value.

(o) *Borrowing Costs*

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

5. Cash and Cash Equivalents

	<u>2020</u>	<u>2019</u>
Cash in hand and at bank	\$ <u>366,878</u>	<u>5,207,049</u>

6. Accounts Receivable

	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ 7,166,317	10,839,606
Less: Allowance for doubtful accounts	<u>(2,355,168)</u>	<u>(656,238)</u>
	\$ <u>4,811,149</u>	<u>10,183,368</u>

Included in accounts receivable is the amount of \$2,100,000 (2019: \$1,797,042) which is due from The Government of Antigua & Barbuda (GOAB) with respect to the purchase of the Coolidge Cricket Ground (CCG). (See note 8).

Pursuant to a Unanimous Shareholders' Agreement, full ownership of the property will vest in favour of the Company should the GOAB not settle its portion of the purchase price by October 2021.

7. Related Party Balances and Transactions

(a) *Related Party*

A related party is a person or entity that is related to the Company.

- (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 Company;
 - ii. has significant influence over the Company; or
 - iii. is a member of the key management personnel of the Company, or of a parent of the Company.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

7. Related Party Balances and Transactions (cont'd)

- (b) An entity is related to the Company if any of the following conditions apply:
- i. The entity and the Company 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 Company or an entity related to the Company.
 - 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).
 - viii. The Company 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 Company; 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 Company and the other entity.
 - ix. The entity, or any member of a group of which it is a part, provides key management personnel services to the Company

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

(b) *Balances with Territorial Boards, Cricket Associations, Franchises and Subsidiary:*

	<u>2020</u>	<u>2019</u>
Due from territorial boards, cricket associations, franchises and subsidiary		
Barbados Cricket Association	\$ 29,682	29,682
Cricket Guy Inc.	<u>11,480</u>	<u>-</u>
	<u>\$ 41,162</u>	<u>29,682</u>

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

7. Related Party Balances and Transactions (cont'd)

(b) Balances with Territorial Boards, Cricket Associations, Franchises and Subsidiary (cont'd):

	<u>2020</u>	<u>2019</u>
Due to territorial boards, cricket associations franchises and subsidiary		
Trinidad and Tobago Cricket Board	\$ 1,031,856	820,006
West Indies Retired Players Foundation	924,062	779,013
Barbados Cricket Association	872,615	520,117
Jamaica Cricket Association	656,610	521,639
Guyana Cricket Board	547,368	553,489
Windward Islands Cricket Board of Control	388,584	238,496
Leeward Islands Cricket Association	328,036	127,125
Cricket Franchise of Barbados	144,239	150,950
Antigua and Barbuda Cricket Association	109,783	157,247
CCG	107,000	107,000
Windies Development Foundation	99,975	99,975
Red Force T & T Inc.	86,982	154,022
Leeward Cricket Development Inc.	77,789	96,885
St. Lucia National Cricket Association	73,717	7,691
Jamaica Franchise Development Inc.	56,220	32,770
Grenada Cricket Association	35,581	550
Anguilla Cricket Association	23,806	-
St. Kitts Cricket Association	21,375	4,909
Windward Cricket Inc.	16,456	8,005
St Maarten Cricket Association	11,700	-
St. Vincent & Grenadines Cricket Association	7,200	-
Dominica Cricket Association	7,200	-
Twin City Cricket Association	4,930	4,930
St Thomas Cricket Association	3,700	2,900
Montserrat Cricket Association	3,000	-
Nevis Cricket Association	2,700	-
Cricket Guy Inc.	-	<u>85,298</u>
	<u>\$ 5,642,484</u>	<u>4,473,017</u>

The related party balances are unsecured, interest free and have no specific terms of repayment. No bad debt expenses were recorded on related party balances.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

7. Related Party Balances and Transactions (cont'd)

(c) *Expenses from tours and tournaments include the following related party transactions:*

	<u>2020</u>	<u>2019</u>
St. Lucia National Cricket Association	\$ -	73,827
Leeward Islands Cricket Association	-	25,444
St. Kitts Cricket Association	64,210	15,419
Antigua & Barbuda Cricket Association	125,638	99,038
Guyana Cricket Board	65,881	18,136
Barbados Cricket Association	58,125	176,643
Cricket Franchise of Barbados	33,712	9,500
Grenada Cricket Association	44,098	19,293
Trinidad & Tobago Cricket Board	188,179	30,926
Red Force	1,540	2,450
Windward Islands Cricket Board	<u>-</u>	<u>53,559</u>
Total	\$ <u>581,383</u>	<u>524,235</u>

These relate to match costs and host fees.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

7. Related Party Balances and Transactions (cont'd)

(d) Operating expenses include the following related party transactions:

	<u>2020</u>	<u>2019</u>
Trinidad & Tobago Cricket Board	\$ 318,192	465,114
Jamaica Cricket Association	264,740	255,149
Guyana Cricket Board	251,732	118,750
Barbados Cricket Association	242,092	219,253
Leeward Islands Cricket Association	224,982	50,634
Cricket Franchise of Barbados	46,396	58,168
Cricket Guy Inc.	24,458	22,781
Jamaica Cricket Franchise Development Co.	24,018	5,750
Anguilla Cricket Association	20,956	1,650
Leeward Islands Cricket Development Company	9,929	45,050
St. Maarten Cricket Association	8,850	1,650
St. Lucia National Cricket Association	7,200	-
Grenada Cricket Association	7,200	-
SVG Cricket Association	7,200	-
Dominica Cricket Association	7,200	-
Montserrat Cricket Association	5,750	1,650
Twin City Cricket Association	4,930	-
St. Kitts Cricket Association	4,500	-
Nevis Cricket Association	4,350	1,650
St. Thomas Cricket Association	3,700	-
Antigua Cricket Association	3,292	-
Red Force	-	4,970
Windward Islands Cricket Board	-	130,397
Windwards Cricket Inc.	-	2,840
Total	\$ <u>1,491,667</u>	<u>1,87,106</u>

These relate to Development Grants, Player Production Fees & the Kiddy Cricket Program.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

7. Related Party Balances and Transactions (cont'd)

- (c) *Transactions with Territorial Boards, Cricket Associations, Franchises and Subsidiary*
The transactions with territorial boards, cricket associations, franchises and subsidiary 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 the Professional Cricket League which was launched in October 2014. Territorial cricket boards and cricket associations earn host management fees in relation to the hosting of international matches. The transactions with the subsidiary represent payments for expenses made on behalf by the Company.
- (d) *Key management personnel compensation comprises*
The total remuneration of key management personnel (including salaries and benefits) was 2020 \$838,717 (2019 - \$1,114,454).
- (e) *Coolidge Cricket Ground Inc.*
Management views Coolidge Cricket Ground as a start-up and with that comes inherent business and financial uncertainties. Management is in the process of preparing a comprehensive strategic and a business plan for CCG. To fund this business plan will require long term financing facilities for which the aforementioned documents are critical. In the interim, operating expenses such as personnel costs, equipment upgrades, maintenance and utilities funded by CWI in the current year have been expensed and total \$301,016 (2019 - \$1,234,645) (see Note 26).

8. Investment in Subsidiary

	<u>2020</u>	<u>2019</u>
Coolidge Cricket Ground Inc.	\$ <u>3,900,000</u>	<u>4,500,000</u>

A Memorandum of Understanding was established between the Government of Antigua & Barbuda and Cricket West Indies in relation to the joint acquisition of the restaurant facility and cricket ground at Coolidge. The Company holds a 60% ownership interest of the investment in Coolidge and the Government of Antigua & Barbuda holds a 40% ownership interest. The sale/purchase agreements and lease agreements between the respective parties and the liquidators of Stanford Development Company Limited and Stanford Investment Bank Limited were approved by a sitting of the Parliament on November 9, 2017. The Coolidge Cricket Ground facilities include a cricket field, a gymnasium, a carpark and restaurant. The facilities are ideal for the conduct of training camps and the High-Performance Programmes and are complementary to the Company's ongoing preparation of representative teams for international tours and events. The final payment towards the purchase of this investment was scheduled for and paid on February 29th, 2020. The transaction was finalized in August 2020. The final purchase price was \$6,500,000 hence the Company's 60% share was reduced from \$4,500,000 to \$3,900,000 with the difference being included in the receivable due from the Government of Antigua and Barbuda. (see note 6).

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

9. Property and Equipment

	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	HPC Team Equipment	Motor Vehicles	Total
Cost						
At September 30, 2018	\$ 666,466	788,327	781,628	18,925	27,376	2,282,722
Additions	2,778	27,769	9,196	-	-	39,743
Adjustment	-	-	(97,061)	-	-	(97,061)
At September 30, 2019	669,244	816,096	693,763	18,925	27,376	2,225,404
Additions	-	11,287	12,267	-	-	23,554
Disposals	-	(78,690)	-	-	-	(78,690)
At September 30, 2020	\$ <u>669,244</u>	<u>748,693</u>	<u>706,030</u>	<u>18,925</u>	<u>27,376</u>	<u>2,170,268</u>
Depreciation						
At September 30, 2018	\$ 165,742	688,607	629,814	14,843	5,287	1,504,293
Charge for the year	13,476	26,028	14,060	2,353	6,844	62,761
Disposals	-	-	-	-	-	-
At September 30, 2019	179,218	714,635	643,874	17,196	12,131	1,567,054
Charge for the year	13,504	24,266	30,918	1,694	6,844	77,226
Disposals	-	(55,251)	-	-	-	(55,251)
At September 30, 2020	\$ <u>192,722</u>	<u>683,650</u>	<u>674,792</u>	<u>18,890</u>	<u>18,975</u>	<u>1,589,029</u>
Carrying Value						
At September 30, 2018	\$ <u>500,724</u>	<u>99,720</u>	<u>151,814</u>	<u>4,082</u>	<u>22,089</u>	<u>778,429</u>
At September 30, 2019	\$ <u>490,026</u>	<u>101,461</u>	<u>49,889</u>	<u>1,729</u>	<u>15,245</u>	<u>658,350</u>
At September 30, 2020	\$ <u>476,522</u>	<u>65,043</u>	<u>31,238</u>	<u>35</u>	<u>8,401</u>	<u>581,239</u>

* Loss on disposal of Property and Equipment 2020: \$23,439 (2019: NIL)

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

10. Short Term Loans

	<u>2020</u>	<u>2019</u>
Republic Bank EC Limited	\$ 2,790,360	-
Sagicor Bank Jamaica Limited	-	5,076,181
RBC Royal Bank Caribbean	<u>-</u>	<u>3,083,395</u>
	\$ <u>2,790,360</u>	<u>8,159,576</u>

During the financial year 2020, the company received a loan of \$3,000,000 from the England Cricket Board. The interest free loan was advanced in May 2020 and it was subsequently repaid in full from the July 2020 member distribution from the ICC.

On September 23rd, 2020, a temporary extension of US \$500,000 on the Revolving Credit was approved by Republic Bank EC Limited repayable in January 2021. A partial drawdown of US \$250,000 was made on September 23rd, 2020. A further drawdown for US \$250,000 occurred subsequent to the reporting date.

The proceeds of the Medium-Term Loan were used to repay the following Short-Term Loans in June 2020:

- i) RBC Royal Bank Caribbean US \$3,000,000
- ii) Sagicor Bank Jamaica Limited US \$3,000,000

The Company obtained a loan in the amount of US \$3,000,000 from the RBC Royal Bank Caribbean on April 26, 2018. The loan bore interest at a rate of 4% per annum plus 90-day USD LIBOR and was reviewed annually on the anniversary date.

The loan with RBC Royal Bank Caribbean was secured by a demand debenture over the fixed and floating assets stamped to secure \$3,200,000 and the assignment of media contract rights. The loan was repaid during the current year.

11. Accounts Payable and Accruals

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 5,335,827	5,056,677
Accruals	<u>2,056,188</u>	<u>2,920,187</u>
	\$ <u>7,392,015</u>	<u>7,976,864</u>

Accruals relate to statutory contributions, release fees and gratuities.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

12. Deferred Revenue

	<u>2020</u>	<u>2019</u>
Opening balance:	\$ -	3,049,492
Amounts recognised:		
Broadcast rights	-	(1,216,000)
Other deferred revenue	-	(1,833,492)
Additions:		
Pitch International	\$ 2,000,002	-
Supersports South Africa	1,001,000	-
ICC	<u>96,000</u>	<u>-</u>
	3,097,002	-
Current portion of deferred revenue	<u>(3,001,002)</u>	<u>-</u>
	<u>\$ 96,000</u>	<u>-</u>

The deferred revenue from the International Cricket Council (ICC) is an advance payment for the ICC U19 World Cup 2022 matches to be held in January 2022 and represents the first 5% of the host fee.

The amount in relation to Pitch International represents an advance on the value of the International Broadcast Rights being currently negotiated in the market and is repayable from the deposits on those contracts.

The amount in relation to Supersports South Africa is an advance on the value of the rights fees associated with the tour by South Africa Men to the Caribbean in 2021.

13. Loans Payable

A) ICC Loan Payable

On October 14, 2016, the International Cricket Council approved a general-purpose loan of \$6,000,000 at an interest rate of 3.00% above the average of the deposit rates earned on their fixed deposits. This loan was disbursed in full on November 15, 2016. This loan was repayable in three (3) instalments, commencing July 2018 and concluding January 1, 2020. A portion of the final loan payment was repaid on July 15, 2020.

	<u>2020</u>	<u>2019</u>
Loan amount	\$ -	3,000,000
Add: Accrued interest payable	<u>-</u>	<u>128,411</u>
	-	3,128,411
Current portion of ICC loan payable	<u>-</u>	<u>(3,128,411)</u>
Long term portion of ICC loan payable	<u>\$ -</u>	<u>-</u>

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

13. Loans Payable (cont'd)

B) RBL EC Limited Medium-Term Loan

	<u>2020</u>	<u>2019</u>
Loan amount	\$ 4,200,000	-
Add: Interest	<u>68,180</u>	<u>-</u>
	4,268,180	-
Current portion of RBL EC Ltd loan payable	<u>(1,184,572)</u>	<u>-</u>
Long term portion of RBL EC Ltd loan payable	\$ <u><u>3,083,608</u></u>	<u><u>-</u></u>

The Company obtained a Medium-term loan of US \$4,200,000 and a Revolving Credit loan for US\$2,500,000 from Republic Bank EC Limited in St Lucia the proceeds of which were disbursed on June 2nd, 2020. The facilities are secured by:

- i) ICC Distributions to be directed to the Company's account with Republic Bank EC Ltd 2020 to 2024
- ii) First Right of Refusal on the Mortgage Financing for Coolidge Cricket Ground Inc
- iii) Secondary assignment of Future Media Rights Contracts over the period 2020 to 2024
- iv) Secondary assignment of Future Sponsorship Rights Contracts over the period 2020 to 2024
- v) Charge over the fixed and floating assets of the Company

The Medium-term loan is repayable in eight (8) semi-annual instalments of US \$592,286 over four (4) years 2021 to 2024, starting January 2021 and July 2021.

The Revolving Credit is repayable every six (6) months commencing January 2021.

A six (6) month moratorium was approved by Republic Bank EC Limited arising from the global pandemic and its impact on the Company which deferred the repayment of Medium-Term and Revolving Credit until January 2021.

14. Share Capital

	<u>2020</u>	<u>2019</u>
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	<u>10,000</u>	<u>10,000</u>
	\$ <u><u>40,010</u></u>	<u><u>40,010</u></u>

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

14. Share Capital (cont'd)

	<u>2020</u>	<u>2019</u>
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	<u>2</u>	<u>2</u>
	\$ <u>17</u>	<u>17</u>

The authorised capital is made up of four (4) classes of shares divided into 20,000 Class A voting shares of \$1.00 par value each with one vote per share, 10 Class AP voting shares of \$1.00 par value each with one vote per share exercisable as provided in the Articles of Association, 10,000 non-voting Class B shares of \$1.00 par value each and 10,000 non-voting Class C shares of \$1.00 par value each.

15. 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\$549,470 (2019: US\$732,072). This fund does not form part of these financial statements.

16. Lease Commitment

A 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 expensed. The lease also offers an option to a further forty- nine (49) years at a yearly rental of US\$37 (EC\$100).

17. Taxation

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

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

18. Revenue

	<u>2020</u>	<u>2019</u>
ICC Distributions, Host Management Fees & Participation Fees	\$ 15,075,000	17,080,000
Sponsorship fees	4,906,486	5,137,404
Release fees	1,325,669	1,363,003
Rights and licences	1,065,625	1,375,000
Media rights	704,624	33,666,000
Development Income	252,000	719,999
Participation Fees	100,000	119,000
Ticketing revenue	63,766	5,652,711
UNICEF	41,385	59,745
Merchandise	24,112	71,316
Bid Fees	-	3,290,441
Recharges Charters & Group Accommodation	-	569,486
Coaching Programme Fees	-	5,244
	<u>\$ 23,558,667</u>	<u>69,109,349</u>

The revenues of the Company 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 Revised Financial Model was approved at the ICC Annual Meeting held in June 2017. It provides for a significant improvement in the overall expected distributions payable to Cricket West Indies over the eight-year cycle 2015-2023.

This is premised on the ICC Revenues generated from the sale of rights for the next eight (8) years covering the ICC Events scheduled to take place from 2015 to 2023. These events include two (2) ICC Cricket World Cups, two (2) ICC World Twenty20 events and two (2) ICC Champions Trophy events.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

19. Expenses from Tours and Tournaments

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Players' payments	20	\$ 8,916,018	12,463,899
Hosting fees paid to Territorial Boards		2,561,842	7,077,412
Airfares		1,591,427	2,568,328
Accommodation		1,247,255	2,409,924
Professional Cricket League Franchise		1,131,000	1,284,250
Meal allowances		685,394	837,192
Umpires costs		534,906	750,267
Training		358,641	785,347
Balls and gear		332,370	533,178
Selectors' costs		209,437	271,742
Team management fees		195,781	532,217
Prize money		165,268	156,012
Other direct costs		148,875	1,781,983
In transit flights		79,133	39,479
Fitness and conditioning		45,068	175,002
President's box		28,306	232,111
Contingency float and visas		12,535	78,964
Medical		3,945	249,825
Insurance		-	78,654
		<u>\$ 18,247,201</u>	<u>32,305,786</u>

20. Players' Payments

	<u>2020</u>	<u>2019</u>
Match fees	\$ 3,531,892	6,883,206
International retainers	2,347,386	2,149,443
Franchise retainers	1,834,523	2,050,100
Provident fund	418,757	623,572
Players insurance	327,502	361,840
Incentives	200,090	305,432
Franchise Housing Allowance	144,000	-
Injury payments	56,368	9,750
Captain's Allowances	39,000	80,556
Franchise Relocation Airfare	16,500	-
	<u>\$ 8,916,018</u>	<u>12,463,899</u>

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

21. Operating Expenses

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Personnel expenses	22	\$ 4,825,010	4,927,082
Development expenses		1,801,389	1,790,825
Bad Debts		1,736,370	245,360
Television and audio production costs		1,538,822	829,701
Release Fees		1,048,910	1,200,371
Marketing, communication and publications		763,880	1,746,294
Ticket and sponsorship commissions		468,340	1,130,458
High Performance Centre		411,290	1,139,332
Grant to West Indies Players Association		408,141	489,317
Material, equipment, third party fees		310,600	273,701
IT and telecommunication		275,039	242,156
Directors' fees		261,050	200,900
Meeting expenses		254,042	412,296
Travel and representation		223,008	274,112
Kiddy Cricket		203,022	1,200,022
Professional fees		191,928	393,239
Depreciation		77,226	62,761
Foreign exchange differences		59,325	34,366
Ambassadorship Programme		54,496	38,018
Courier / Donations		41,691	20,661
Player programmes		21,821	42,017
Share of ticket revenue to host venues		-	1,923,369
Taxation		-	93,607
		<u>14,975,400</u>	<u>18,709,965</u>
Coolidge Cricket Ground Inc. expenses	26	<u>301,016</u>	<u>1,234,645</u>
		\$ <u>15,276,416</u>	<u>19,944,610</u>

22. Personnel Expenses

	<u>2020</u>	<u>2019</u>
Salaries and wages	\$ 3,566,038	3,793,400
Payroll related costs	<u>1,258,972</u>	<u>1,133,682</u>
	\$ <u>4,825,010</u>	<u>4,927,082</u>
Number of employees	<u>46</u>	<u>46</u>

23. Other Income

Other income arises from the adjustment of provisions of estimated expenditure from prior years.

Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

24. Contingencies and Claims

i) *Contingencies*

There are no material lawsuits pending against the Company.

ii) *Claims*

On May 30th, 2018, the Headquarters Agreement between the Company and the Government of Antigua & Barbuda was re-negotiated. One of the outcomes of the re-negotiated Headquarters Agreement was the clarification in relation to statutory deductions, namely, that it was applicable to all employees of the Company. As such, compliance commenced with immediate effect. In relation to any retrospective effect of the outcome, there will be a negotiation with the statutory organizations in Antigua and Barbuda accordingly. 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.

25. Subsequent Events

- i) Subsequent to September 30, 2020, the media rights sales contracts were negotiated and concluded in the following markets: United Kingdom, Southern Africa, United States of America, New Zealand, Bangladesh, India and Pakistan. The contracts have varying terms with the maximum being five (5) years.
- ii) The ICC Board approved Distribution Income of \$14,000,000 for the ensuing year 2021 at their Quarterly Board Meetings held on November 16th, 2020.

26. CCG Operating Expenses

	<u>2020</u>	<u>2019</u>
Personnel expenses	\$ 220,549	460,479
Maintenance	42,279	318,166
Insurance	38,188	-
Materials, Equipment & Third-Party Fees	-	156,537
Cable, Electricity & Water	-	227,006
Legal Fees	-	61,357
Meeting Expenses	-	10,431
Travel and Accommodation	-	669
Total	\$ <u>301,016</u>	<u>1,234,645</u>

Consolidated Financial Statements of

CRICKET WEST INDIES INC.

September 30, 2020



CRICKET WEST INDIES INC.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Cricket West Indies Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cricket West Indies Inc. and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at September 30, 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (the IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Antigua and Barbuda and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of Cricket West Indies Inc.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements, which describes that the Group's revenue is cyclical in nature and depends on the popularity of the various reciprocal tours undertaken by the West Indies Teams. As at September 30, 2020, the Group's current liabilities exceeded its current assets by US\$14,836,946 and its total liabilities exceeded its total assets by US\$10,747,720. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of Cricket West Indies Inc.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of Cricket West Indies Inc.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG'.

Chartered Accountants
Antigua and Barbuda
March 25, 2021

Cricket West Indies Inc.

Consolidated Statement of Financial Position

As at September 30, 2020
With comparative figures for 2019

(Expressed in United States dollars)

	Notes	2020	2019
Assets			
Current Assets			
Cash and cash equivalents	5	\$ 385,762	5,266,279
Accounts receivable	6	4,832,098	10,195,170
Prepayments and other assets		87,559	146,978
Inventory		89,188	-
Due from territorial boards, cricket associations, franchises and subsidiary	7	<u>41,162</u>	<u>29,682</u>
Total current assets		<u>5,435,769</u>	<u>15,638,109</u>
Non-Current Assets			
Deposit on property	8	-	4,500,000
Property and equipment	9	<u>7,268,834</u>	<u>844,691</u>
Total non-current assets		<u>7,268,834</u>	<u>5,344,691</u>
Total Assets		\$ <u>12,704,603</u>	<u>20,982,800</u>
Liabilities and Shareholders' (Deficiency) Equity			
Current liabilities			
Short term loans	10	\$ 2,790,360	8,159,576
Accounts payable and accruals	11	7,761,297	8,155,886
Deferred revenue	12	3,001,002	-
Current portion of ICC loan payable	13	-	3,128,411
Current portion of RBL EC Ltd loan payable	13	1,184,572	-
Due to territorial boards, cricket associations and franchises	7	<u>5,535,484</u>	<u>4,366,017</u>
Total current liabilities		<u>20,272,715</u>	<u>23,809,890</u>
Non-Current Liabilities			
Non-current portion for deferred revenue	12	96,000	-
Long term portion of RBL EC Ltd loan payable	13	<u>3,083,608</u>	<u>-</u>
Total non-current liabilities		<u>3,179,608</u>	<u>-</u>
Shareholders' Deficiency			
Share capital	14	17	17
Accumulated deficit		(13,340,398)	(2,827,107)
Non-controlling interest	27	<u>2,592,661</u>	<u>-</u>
Total shareholders' deficiency		<u>(10,747,720)</u>	<u>(2,827,090)</u>
Contingencies and claims	24	<u>-</u>	<u>-</u>
Total Liabilities and Shareholders' Deficiency		\$ <u>12,704,603</u>	<u>20,982,800</u>

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors:


Director


Director

Cricket West Indies Inc.

Consolidated Statement of Comprehensive Income

For the year ended September 30, 2020

With comparative figures for 2019

(Expressed in United States dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Revenue	18	\$ 23,716,763	69,461,533
Expenses:			
Expenses from tours and tournaments	19	(18,247,201)	(32,305,786)
Operating expenses	21	<u>(15,669,146)</u>	<u>(20,162,989)</u>
		<u>(33,916,347)</u>	<u>(52,468,775)</u>
(Loss) income from operations		<u>(10,199,584)</u>	<u>16,992,758</u>
Other (expenses) Income:			
Finance expense		(664,904)	(1,531,539)
Other income	23	<u>343,858</u>	<u>218,495</u>
		<u>(321,046)</u>	<u>(1,313,044)</u>
Net (loss) income		<u>(10,520,630)</u>	<u>15,679,714</u>
Total Comprehensive (Loss) Income		\$ <u>(10,520,630)</u>	<u>15,679,714</u>

See accompanying notes to the consolidated financial statements.

Cricket West Indies Inc.

Consolidated Statement of Changes in Equity

For the year ended September 30, 2020

With comparative figures for 2019

(Expressed in United States dollars)

	<u>Note</u>	<u>Share Capital</u>	<u>Accumulated (Deficit)</u>	<u>Non- Controlling Interest</u>	<u>Total</u>
Balance at October 1, 2018	\$	17	(18,506,821)	-	(18,506,804)
Net income for the year		<u>-</u>	<u>15,679,714</u>	<u>-</u>	<u>15,679,714</u>
Balance at September 30, 2019	\$	<u>17</u>	<u>(2,827,107)</u>	<u>-</u>	<u>(2,827,090)</u>
Balance at October 1, 2019	\$	17	(2,827,107)	-	(2,827,090)
Non-controlling interest	27			2,600,000	2,600,000
Net loss for the year		<u>-</u>	<u>(10,513,291)</u>	<u>(7,339)</u>	<u>(10,520,630)</u>
Balance at September 30, 2020	\$	<u>17</u>	<u>(13,340,398)</u>	<u>2,592,661</u>	<u>(10,747,720)</u>

See accompanying notes to the consolidated financial statements.

Cricket West Indies Inc.

Consolidated Statement of Cash Flows

For the year ended September 30, 2020

With comparative figures for 2019

(Expressed in United States dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities			
Net (loss) income for the year		\$ (10,520,630)	15,679,714
Adjustments for:			
Interest expense		664,905	1,100,552
Interest income		(17)	(41)
Loss on disposal of property and equipment		23,439	-
Bad debt expense		1,736,370	216,487
Amortization of deferred revenue- Sony		-	(1,216,000)
Adjustment to fixed asset costs		-	97,061
Depreciation	9	<u>101,720</u>	<u>87,179</u>
Operating (loss) income before changes in working capital		(7,994,213)	15,964,952
Change in accounts receivable and prepayments		3,686,121	(2,144,328)
Change in inventory		(89,188)	-
Change in due from territorial boards and cricket associations		(11,480)	(585,547)
Change in accounts payable and accruals		(394,589)	(1,530,130)
Change in deferred revenue - other	12	3,097,002	(1,833,492)
Change in due to territorial boards and cricket associations		<u>1,169,467</u>	<u>217,008</u>
Cash (used in) from operations		(536,880)	10,088,463
Interest received		<u>17</u>	<u>41</u>
Net cash from operating activities		<u>(536,863)</u>	<u>10,088,504</u>
Cash flows from Investing Activities			
Additions to property and equipment	9	(49,302)	(39,743)
Change in deposit on property	8	4,500,000	-
Coolidge		<u>(6,500,000)</u>	<u>-</u>
Net cash used in investing activities		\$ <u>(2,049,302)</u>	<u>(39,743)</u>

Cricket West Indies Inc.

Consolidated Statement of Cash Flows (cont'd)

For the year ended September 30, 2020

With comparative figures for 2019

(Expressed in United States dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Cash Flows from Financing Activities			
Proceeds from short term loans (Sagicor)		\$ 3,000,000	5,000,000
Proceeds from short term loans (ICC)		1,000,000	-
Proceeds from short term loans (England Cricket Board)	10	3,000,000	-
Proceeds from short term loans (RBL EC Ltd)	10	2,750,000	-
Proceeds from medium term loans	13	4,200,000	-
Repayment of Sagicor Bank loan payable (May 2018 disbursement)		(8,000,000)	(5,000,000)
Repayment of RBC Royal Bank loan		(3,000,000)	-
Repayment of ECB loan		(3,000,000)	-
Repayment of BCB loan payable		-	(2,000,000)
Repayment of ICC loan payable		(4,000,000)	(2,500,000)
Interest paid		(844,352)	(1,069,254)
Non-controlling Interest	8, 27	<u>2,600,000</u>	<u>-</u>
Net cash used in financing activities		\$ <u>(2,294,352)</u>	<u>(5,569,254)</u>
(Decrease) increase in cash and cash equivalents		\$ (4,880,517)	4,479,507
Cash and cash equivalents, beginning of year		<u>5,266,279</u>	<u>786,772</u>
Cash and cash equivalents, at end of year		\$ <u><u>385,762</u></u>	<u><u>5,266,279</u></u>
Represented by:			
Cash in hand and at bank	5	\$ <u><u>385,762</u></u>	<u><u>5,266,279</u></u>

See accompanying notes to the consolidated financial statements.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

1. Reporting Entity

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

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

The Board was re-registered in the BVI under the BVI Business Companies Act, 2004 on January 1, 2007 and effective February 23, 2017, has changed its name to Cricket West Indies Inc. ("the Company"). 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 St Kitts.

The Company 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 fifty (50) (2019: 50) persons at the year end.

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

These consolidated financial statements comprise the Company and its subsidiary, Coolidge Cricket Ground Inc. ("CCG"), together referred to as the ("Group").

2. Going Concern

In determining the appropriate basis of preparation of the financial statements, the Board of Directors is required to consider whether the Group is able to continue to operate in the normal course of business for the foreseeable future.

These consolidated 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 as they come due in the normal course of business. 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.

The Group's revenue is cyclical in nature and depends on the popularity of the various reciprocal tours undertaken by the West Indies Team. As of the reporting date, the Group's current liabilities exceeded its current assets by \$14,836,946 (2019: \$8,171,781) and its total Liabilities exceeded its total Assets by \$10,747,720 (2019: \$2,827,090).

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

2. Going Concern (cont'd)

The Group has taken, and will continue to take, steps to enhance the likelihood of its long-term viability. It has identified its projected requirements over the three (3) year period 2021 to 2023 and undertook a review of its financial and business practices. This resulted in key recommendations including a re-structuring of the finance function and new emphasis on cost reduction initiatives supported by the implementation of a comprehensive and functional procurement system.

As well, to better plan and control its day-to-day operations and longer-term plans, the cashflow forecasting process has been strengthened and incorporated into its financial and business management activities.

The Group has also been negotiating new Media Rights deals with all the key markets namely the Indian Sub-Continent; United Kingdom and Ireland; Europe; the Middle East; Southern Africa; Australia and New Zealand; North America and the Caribbean. The contracts have varying terms with the maximum being five (5) years. These are expected to be concluded in the financial year 2021.

Management believes that, with the conclusion of the Coolidge Cricket Ground purchase, it enables the Group to better leverage these assets to provide suitable long-term funding needs.

Based on these plans and initiatives, the Group has projected positive cash flows over the next three (3) years. These projected cash flows have incorporated the estimated impact of the COVID-19 pandemic. The Directors have therefore considered that they have taken into account all material uncertainties, which may cast significant doubt upon the Group's ability to continue as a going concern. The Directors are aware that some risk remains as there is a degree of uncertainty as to the level of results that will be achieved in the year ahead, commitments are not guaranteed, and the success of the Group's business plans will depend on several projects being implemented timely and effectively. However, having carefully considered all factors, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future.

3. Basis of Preparation

The consolidated financial statements have been prepared by management in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("the IFRS for SMEs") published by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved for issuance on March 25, 2021.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

3. Basis of Preparation (cont'd)

The consolidated financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

These financial statements are presented in United States dollars (USD), which is the Group's functional and presentational currency. Unless otherwise indicated, all financial information presented in USD has been rounded to the nearest dollar.

The outbreak of the COVID-19 pandemic and the measures adopted by governments in countries worldwide to mitigate the pandemic's spread have significantly impacted the operations of the Company. These measures caused the Company to cancel or postpone many of its scheduled tours and tournaments during the financial year. Consequently, the reduction in revenues from Media Rights and Ticket Sales has had a negative and material impact on the Company's financial performance for the year.

There was substantial uncertainty over how the outbreak would impact the Company's future business plans both in terms of its ability to bring fans back into the stadium and to secure long-term media rights and related agreements.

However, management has been successful in negotiating numerous multi-year media rights contracts since International Cricket restarted when the West Indies travelled to England in June 2020. By working closely with medical advisors and the governments, management has been able to gain approval to stage tournaments and International Series, albeit in a bio-secure bubble, with matches played behind closed doors, which has significantly increased the hosting cost and eliminated ticketing revenues.

Accordingly, it is management's assessment that it is reasonable and supportable to assume that the Company will continue to host tournaments and harvest the benefits of long-term media rights and sponsorship agreements for the foreseeable future; thus, corroborating the viability and sustainability of the organization.

As part of the spill-over effect of the outbreak and in-line with the Company's business cycle, management is projecting that it will need additional working capital financing to continue to meet its financial obligations. The Company is currently in discussions with its bank regarding additional financing accommodations.

These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(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) *Critical accounting judgements and key sources of estimation uncertainty*

The preparation of the financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates.

Other than the establishment of routine provisions for accounts receivable, no significant estimates or judgements have been required in applying policies which may have a material impact on the Group's reported assets, liabilities, revenues and expenses.

(b) *Revenue Recognition*

Revenue is recognized in the statement of comprehensive income or loss upon the occurrence of a particular cricket event according to media rights contracts, sponsorship contracts, licensing contracts, tour guarantees, and ticket sales. The Company is a full member of the International Cricket Council (ICC) and is granted an annual distribution which is recognized in income in the period for which it is due and approved.

(c) *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash balances at bank and 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.

(d) *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 property 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. The gain or loss on disposal of an item of property and equipment is 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 Group. 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 property and equipment using the straight-line method at rates considered adequate to write off the cost of this depreciable property and equipment, less residual value, over the estimated useful lives of each component. Immovable assets erected on leasehold property 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.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

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

(d) Property and Equipment (cont'd)

(ii) Depreciation (cont'd)

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

The annual rates used are as follows:

Leasehold improvements	2% - 33 1/3% per annum or term of lease, whichever is shorter
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

(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 Group's assets are reviewed at each reporting date to determine whether there is objective evidence 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.

(ii) Non-financial assets

The carrying amounts of the Group'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.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(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 Assets and liabilities*

(i) *Non-derivative financial instruments:*

Financial assets and liabilities comprise, accounts receivable, cash and cash equivalents, due to/due from territorial boards, cricket associations and franchises, accounts payable and accruals and loans payable.

When a financial asset or financial liability is recognised initially, it is measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction for either the entity (for a financial liability) or the counterparty (for a financial asset) to the arrangement.

Cash and cash equivalents comprise cash balances at bank and 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.

(ii) *Accounts receivable*

Accounts receivable are carried initially at fair value. A provision for impairment of accounts receivable is established when there is objective evidence that the Group 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 accruals*

Liabilities for accounts payable and accruals 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 Group.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(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. Nonmonetary 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 Group 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 Group's contributions to a defined contribution pension plan (Provident Fund) are charged to profit or loss in the period to which the contributions relate. (note 15).

(ii) Statutory Deductions

Obligations for contributions to the 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

Operating Leases:

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Finance Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Group at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

4. Summary of Significant accounting Policies (cont'd)

(m) *Inventory*

Inventory has been valued at cost less impairment in value.

(n) *Borrowing Costs*

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

5. Cash and Cash Equivalents

	<u>2020</u>	<u>2019</u>
Cash in hand and at bank	\$ <u>385,762</u>	<u>5,266,279</u>

6. Accounts Receivable

	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ 7,187,266	10,851,408
Less: Allowance for doubtful accounts	<u>(2,355,168)</u>	<u>(656,238)</u>
	\$ <u>4,832,098</u>	<u>10,195,170</u>

Included in accounts receivable is the amount of \$2,100,000 (2019: \$1,797,042) which is due from The Government of Antigua & Barbuda (GOAB) with respect to the purchase of the Coolidge Cricket Ground Inc. (CCG). (See note 8).

Pursuant to a Unanimous Shareholders' Agreement, full ownership of the property will vest in favour of the Company should the GOAB not settle its portion of the purchase price by October 2021.

7. Related Party Balances and Transactions

(a) *Related Party*

A related party is a person or entity that is related to the Group.

- (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 Group;
 - ii. has significant influence over the Group; or
 - iii. is a member of the key management personnel of the Group, or of a parent of the Group.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

7. Related Party Balances and Transactions (cont'd)

- (b) An entity is related to the Group if any of the following conditions apply:
- i. The entity and the Group 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 Group or an entity related to the Group.
 - 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).
 - viii. The Company 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 Group; 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 Group and the other entity.
 - ix. The entity, or any member of a group of which it is a part, provides key management personnel services to the Group

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

(b) *Balances with Territorial Boards, Cricket Associations, Franchises and Subsidiary:*

	<u>2020</u>	<u>2019</u>
Due from territorial boards, cricket associations, franchises and subsidiary		
Barbados Cricket Association	\$ 29,682	29,682
Cricket Guy Inc.	<u>11,480</u>	<u>-</u>
	<u>\$ 41,162</u>	<u>29,682</u>

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

7. Related Party Balances and Transactions (cont'd)

(b) Balances with Territorial Boards, Cricket Associations, Franchises and Subsidiary (cont'd):

	<u>2020</u>	<u>2019</u>
Due to territorial boards, cricket associations franchises and subsidiary		
Trinidad and Tobago Cricket Board	\$ 1,031,856	820,006
West Indies Retired Players Foundation	924,062	779,013
Barbados Cricket Association	872,615	520,117
Jamaica Cricket Association	656,610	521,639
Guyana Cricket Board	547,368	553,489
Windward Islands Cricket Board of Control	388,584	238,496
Leeward Islands Cricket Association	328,036	127,125
Cricket Franchise of Barbados	144,239	150,950
Antigua and Barbuda Cricket Association	109,783	157,247
Windies Development Foundation	99,975	99,975
Red Force T & T Inc.	86,982	154,022
Leeward Cricket Development Inc.	77,789	96,885
St. Lucia National Cricket Association	73,717	7,691
Jamaica Franchise Development Inc.	56,220	32,770
Grenada Cricket Association	35,581	550
Anguilla Cricket Association	23,806	-
St. Kitts Cricket Association	21,375	4,909
Windward Cricket Inc.	16,456	8,005
St Maarten Cricket Association	11,700	-
St. Vincent & Grenadines Cricket Association	7,200	-
Dominica Cricket Association	7,200	-
Twin City Cricket Association	4,930	4,930
St Thomas Cricket Association	3,700	2,900
Montserrat Cricket Association	3,000	-
Nevis Cricket Association	2,700	-
Cricket Guy Inc.	-	85,298
	<u>\$ 5,535,484</u>	<u>4,366,017</u>

The related party balances are unsecured, interest free and have no specific terms of repayment. No bad debt expenses were recorded on related party balances.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

7. Related Party Balances and Transactions (cont'd)

(c) Expenses from tours and tournaments include the following related party transactions:

	<u>2020</u>	<u>2019</u>
St. Lucia National Cricket Association	\$ -	73,827
Leeward Islands Cricket Association	-	25,444
St. Kitts Cricket Association	64,210	15,419
Antigua & Barbuda Cricket Association	125,638	99,038
Guyana Cricket Board	65,881	18,136
Barbados Cricket Association	58,125	176,643
Cricket Franchise of Barbados	33,712	9,500
Grenada Cricket Association	44,098	19,293
Trinidad & Tobago Cricket Board	188,179	30,926
Red Force	1,540	2,450
Windward Islands Cricket Board	<u>-</u>	<u>53,559</u>
Total	\$ <u>581,383</u>	<u>524,235</u>

These relate to match costs and host fees.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

7. Related Party Balances and Transactions (cont'd)

(d) Operating expenses include the following related party transactions:

	<u>2020</u>	<u>2019</u>
Trinidad & Tobago Cricket Board	\$ 318,192	465,114
Jamaica Cricket Association	264,740	255,149
Guyana Cricket Board	251,732	118,750
Barbados Cricket Association	242,092	219,253
Leeward Islands Cricket Association	224,982	50,634
Cricket Franchise of Barbados	46,396	58,168
Cricket Guy Inc.	24,458	22,781
Jamaica Cricket Franchise Development Co.	24,018	5,750
Anguilla Cricket Association	20,956	1,650
Leeward Islands Cricket Development Company	9,929	45,050
St. Maarten Cricket Association	8,850	1,650
St. Lucia National Cricket Association	7,200	-
Grenada Cricket Association	7,200	-
SVG Cricket Association	7,200	-
Dominica Cricket Association	7,200	-
Montserrat Cricket Association	5,750	1,650
Twin City Cricket Association	4,930	-
St. Kitts Cricket Association	4,500	-
Nevis Cricket Association	4,350	1,650
St. Thomas Cricket Association	3,700	-
Antigua Cricket Association	3,292	-
Red Force	-	4,970
Windward Islands Cricket Board	-	130,397
Windwards Cricket Inc.	-	2,840
	<hr/>	<hr/>
Total	\$ <u>1,491,667</u>	<u>1,87,106</u>

These relate to Development Grants, Player Production Fees & the Kiddy Cricket Program.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

7. Related Party Balances and Transactions (cont'd)

- (e) *Transactions with Territorial Boards, Cricket Associations, Franchises and Subsidiary*
The transactions with territorial boards, cricket associations, franchises and subsidiary 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 the Professional Cricket League which was launched in October 2014. Territorial cricket boards and cricket associations earn host management fees in relation to the hosting of international matches. The transactions with the subsidiary represent payments for expenses made on behalf by the Company.
- (f) *Key management personnel compensation comprises*
The total remuneration of key management personnel (including salaries and benefits) was 2020: \$838,717 (2019 - \$1,114,454).

8. Coolidge Cricket Ground

	<u>2020</u>	<u>2019</u>
Deposit on property	\$ <u> -</u>	<u>4,500,000</u>

In 2017, a Memorandum of Understanding was entered into between the Government of Antigua & Barbuda (GOAB) and the Company in relation to the acquisition of the cricket ground at Coolidge, including the sticky wicket restaurant and the Antigua Athletics Club, through a new subsidiary; Coolidge Cricket Ground Inc. (hereinafter referred to as CCG)

The sale/purchase agreements and lease agreements between the respective parties and the liquidators of Stanford Development Company Limited and Stanford Investment Bank Limited were approved by a sitting of the Parliament on November 9, 2017. CCG facilities include a cricket field, a gymnasium, a carpark and restaurant. The facilities are ideal for the conduct of training camps and the High-Performance Programmes and are complementary to the Company's ongoing preparation of representative teams for international tours and events.

The acquisition was completed on August 24, 2020 for cash consideration of \$6,500,000. Prior to the transaction, the Company was directly responsible for substantially all CCG's operating costs. The Company and GOAB hold a 60% and 40% interest respectively. GOAB's interest in CCG has been recognized as a Non-controlling Interest \$2,600,000. (Note 27)

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

9. Property and Equipment

		Land	Buildings	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	HPC Team Equipment	Motor Vehicles	Total
Cost									
At September 30, 2018	\$			666,466	788,327	781,628	18,925	27,376	2,282,722
Additions				2,778	27,769	9,196	-	-	39,743
Adjustment				-	-	(97,061)	-	-	(97,061)
At September 30, 2019				669,244	816,096	693,763	18,925	27,376	2,225,404
Additions				-	11,287	12,267			23,554
Disposals				-	(78,690)	-			(78,690)
At September 30, 2020	\$			<u>669,244</u>	<u>748,693</u>	<u>706,030</u>	<u>18,925</u>	<u>27,376</u>	<u>2,170,268</u>
Depreciation									
At September 30, 2018	\$			165,742	688,607	629,814	14,843	5,287	1,504,293
Charge for the year				13,476	26,028	14,060	2,353	6,844	62,761
Disposals				-	-	-	-	-	-
At September 30, 2019				179,218	714,635	643,874	17,196	12,131	1,567,054
Charge for the year				13,504	24,266	30,918	1,694	6,844	77,226
Disposals				-	(55,251)	-	-	-	(55,251)
At September 30, 2020	\$			<u>192,722</u>	<u>683,650</u>	<u>674,792</u>	<u>18,890</u>	<u>18,975</u>	<u>1,589,029</u>
Carrying Value									
At September 30, 2018	\$			<u>500,724</u>	<u>99,720</u>	<u>151,814</u>	<u>4,082</u>	<u>22,089</u>	<u>778,429</u>
At September 30, 2019	\$			<u>490,026</u>	<u>101,461</u>	<u>49,889</u>	<u>1,729</u>	<u>15,245</u>	<u>658,350</u>
At September 30, 2020	\$			<u>476,522</u>	<u>65,043</u>	<u>31,238</u>	<u>35</u>	<u>8,401</u>	<u>581,239</u>

* Loss on disposal of Property and Equipment 2020: \$23,439 (2019: NIL)

Land and buildings amounting to \$6.5 million were acquired in August 2020 and were not put into use before September 30, 2020.

6,500,000

Carrying values of other assets not included above 2020: \$187,595 (2019: \$186,341).

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

10. Short Term Loans

	<u>2020</u>	<u>2019</u>
Republic Bank EC Limited	\$ 2,790,360	-
Sagicor Bank Jamaica Limited	-	5,076,181
RBC Royal Bank Caribbean	<u>-</u>	<u>3,083,395</u>
	\$ <u>2,790,360</u>	<u>8,159,576</u>

During the financial year 2020, the Company received a loan of \$3,000,000 from the England Cricket Board. The interest free loan was advanced in May 2020 and it was subsequently repaid in full from the July 2020 member distribution from the ICC.

On September 23rd, 2020, a temporary extension of US \$500,000 on the Revolving Credit was approved by Republic Bank EC Limited repayable in January 2021. A partial drawdown of US \$250,000 was made on September 23rd, 2020. A further drawdown for US \$250,000 occurred subsequent to the reporting date.

The proceeds of the Medium-Term Loan were used to repay the following Short-Term Loans in June 2020:

- i) RBC Royal Bank Caribbean US \$3,000,000
- ii) Sagicor Bank Jamaica Limited US \$3,000,000

The Company obtained a loan in the amount of US \$3,000,000 from the RBC Royal Bank Caribbean on April 26, 2018. The loan bore interest at a rate of 4% per annum plus 90-day USD LIBOR and was reviewed annually on the anniversary date.

The loan with RBC Royal Bank Caribbean was secured by a demand debenture over the fixed and floating assets stamped to secure \$3,200,000 and the assignment of media contract rights. The loan was repaid during the current year.

11. Accounts Payable and Accruals

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 5,705,109	5,235,699
Accruals	<u>2,056,188</u>	<u>2,920,187</u>
	\$ <u>7,761,297</u>	<u>8,155,886</u>

Accruals relate to statutory contributions, release fees and gratuities.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

12. Deferred Revenue

	<u>2020</u>	<u>2019</u>
Opening balance:	-	3,049,492
Amounts recognised:		
Broadcast rights	-	(1,216,000)
Other deferred revenue	-	(1,833,492)
Additions:		
Pitch International	\$ 2,000,002	-
Supersports South Africa	1,001,000	-
ICC	<u>96,000</u>	<u>-</u>
	3,097,002	-
Current portion of deferred revenue	<u>(3,001,002)</u>	<u>-</u>
	<u>\$ 96,000</u>	<u>-</u>

The deferred revenue from the International Cricket Council (ICC) is an advance payment for the ICC U19 World Cup 2022 matches to be held in January 2022 and represents the first 5% of the host fee.

The amount in relation to Pitch International represents an advance on the value of the International Broadcast Rights being currently negotiated in the market and is repayable from the deposits on those contracts.

The amount in relation to Supersports South Africa is an advance on the value of the rights fees associated with the tour by South Africa Men to the Caribbean in 2021.

13. Loans Payable

A) ICC Loan Payable

On October 14, 2016, the International Cricket Council approved a general-purpose loan of \$6,000,000 at an interest rate of 3.00% above the average of the deposit rates earned on their fixed deposits. This loan was disbursed in full on November 15, 2016. This loan was repayable in three (3) instalments, commencing July 2018 and concluding January 1, 2020. A portion of the final loan payment was repaid on July 15, 2020.

	<u>2020</u>	<u>2019</u>
Loan amount	\$ -	3,000,000
Add: Accrued interest payable	<u>-</u>	<u>128,411</u>
	-	3,128,411
Current portion of ICC loan payable	<u>-</u>	<u>(3,128,411)</u>
Long term portion of ICC loan payable	<u>\$ -</u>	<u>-</u>

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

13. Loans Payable (cont'd)

B) RBL EC Limited Medium-Term Loan

	<u>2020</u>	<u>2019</u>
Loan amount	\$ 4,200,000	-
Add: Interest	<u>68,180</u>	<u>-</u>
	4,268,180	-
Current portion of RBL EC Ltd loan payable	<u>(1,184,572)</u>	<u>-</u>
Long term portion of RBL EC Ltd loan payable	\$ <u><u>3,083,608</u></u>	<u>-</u>

The Company obtained a Medium-term loan of US \$4,200,000 and a Revolving Credit loan for US\$2,500,000 from Republic Bank EC Limited in St Lucia the proceeds of which were disbursed on June 2nd, 2020. The facilities are secured by:

- i) ICC Distributions to be directed to the Company's account with Republic Bank EC Ltd 2020 to 2024
- ii) First Right of Refusal on the Mortgage Financing for Coolidge Cricket Ground Inc
- iii) Secondary assignment of Future Media Rights Contracts over the period 2020 to 2024
- iv) Secondary assignment of Future Sponsorship Rights Contracts over the period 2020 to 2024
- v) Charge over the fixed and floating assets of the Company

The Medium-term loan is repayable in eight (8) semi-annual instalments of US \$592,286 over four (4) years 2021 to 2024, starting January 2021 and July 2021.

The Revolving Credit is repayable every six (6) months commencing January 2021.

A six (6) month moratorium was approved by Republic Bank EC Limited arising from the global pandemic and its impact on the Company which deferred the repayment of Medium-Term and Revolving Credit until January 2021.

14. Share Capital

	<u>2020</u>	<u>2019</u>
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	<u>10,000</u>	<u>10,000</u>
	\$ <u><u>40,010</u></u>	<u><u>40,010</u></u>

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

14. Share Capital (cont'd)

	<u>2020</u>	<u>2019</u>
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	<u>2</u>	<u>2</u>
	\$ <u>17</u>	<u>17</u>

The authorised capital is made up of four (4) classes of shares divided into 20,000 Class A voting shares of \$1.00 par value each with one vote per share, 10 Class AP voting shares of \$1.00 par value each with one vote per share exercisable as provided in the Articles of Association, 10,000 non-voting Class B shares of \$1.00 par value each and 10,000 non-voting Class C shares of \$1.00 par value each.

15. Provident Fund

The Group 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\$549,470 (2019: US\$732,072). This fund does not form part of these financial statements.

16. Lease Commitment

A 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 expensed. The lease also offers an option to a further forty- nine (49) years at a yearly rental of US\$37 (EC\$100).

17. Taxation

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

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

18. Revenue

	<u>2020</u>	<u>2019</u>
ICC Distributions, Host Management Fees & Participation Fees	\$ 15,075,000	17,080,000
Sponsorship fees	4,906,486	5,137,404
Release fees	1,325,669	1,363,003
Rights and licences	1,065,625	1,375,000
Media rights	704,624	33,666,000
Development Income	252,000	719,999
Participation Fees	100,000	119,000
Ticketing revenue	63,766	5,652,711
UNICEF	41,385	59,745
Merchandise	24,112	71,316
Coolidge Cricket Ground	158,096	352,184
Bid Fees	-	3,290,441
Recharges Charters & Group Accommodation	-	569,486
Coaching Programme Fees	-	5,244
	<u>\$ 23,716,763</u>	<u>69,461,533</u>

The revenues of the Company 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 Revised Financial Model was approved at the ICC Annual Meeting held in June 2017. It provides for a significant improvement in the overall expected distributions payable to Cricket West Indies over the eight-year cycle 2015-2023.

This is premised on the ICC Revenues generated from the sale of rights for the next eight (8) years covering the ICC Events scheduled to take place from 2015 to 2023. These events include two (2) ICC Cricket World Cups, two (2) ICC World Twenty20 events and two (2) ICC Champions Trophy events.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

19. Expenses from Tours and Tournaments

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Players' payments	20	\$ 8,916,018	12,463,899
Hosting fees paid to Territorial Boards		2,561,842	7,077,412
Airfares		1,591,427	2,568,328
Accommodation		1,247,255	2,409,924
Professional Cricket League Franchise		1,131,000	1,284,250
Meal allowances		685,394	837,192
Umpires costs		534,906	750,267
Training		358,641	785,347
Balls and gear		332,370	533,178
Selectors' costs		209,437	271,742
Team management fees		195,781	532,217
Prize money		165,268	156,012
Other direct costs		148,875	1,781,983
In transit flights		79,133	39,479
Fitness and conditioning		45,068	175,002
President's box		28,306	232,111
Contingency float and visas		12,535	78,964
Medical		3,945	249,825
Insurance		-	78,654
		<u>\$ 18,247,201</u>	<u>32,305,786</u>

20. Players' Payments

	<u>2020</u>	<u>2019</u>
Match fees	\$ 3,531,892	6,883,206
International retainers	2,347,386	2,149,443
Franchise retainers	1,834,523	2,050,100
Provident fund	418,757	623,572
Players insurance	327,502	361,840
Incentives	200,090	305,432
Franchise Housing Allowance	144,000	-
Injury payments	56,368	9,750
Captain's Allowances	39,000	80,556
Franchise Relocation Airfare	16,500	-
	<u>\$ 8,916,018</u>	<u>12,463,899</u>

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

21. Operating Expenses

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Personnel expenses	22	\$ 4,825,010	4,927,082
Development expenses		1,801,389	1,790,825
Bad Debts		1,736,370	245,360
Television and audio production costs		1,538,822	829,701
Release Fees		1,048,910	1,200,371
Marketing, communication and publications		763,880	1,746,294
Ticket and sponsorship commissions		468,340	1,130,458
High Performance Centre		411,290	1,139,332
Grant to West Indies Players Association		408,141	489,317
Material, equipment, third party fees		310,600	273,701
IT and telecommunication		275,039	242,156
Directors' fees		261,050	200,900
Meeting expenses		254,042	412,296
Travel and representation		223,008	274,112
Kiddy Cricket		203,022	1,200,022
Professional fees		191,928	393,239
Depreciation		77,226	62,761
Foreign exchange differences		59,325	34,366
Ambassadorship Programme		54,496	38,018
Courier / Donations		41,691	20,661
Player programmes		21,821	42,017
Share of ticket revenue to host venues		-	1,923,369
Taxation		-	93,607
		<u>14,975,400</u>	<u>18,709,965</u>
Coolidge Cricket Ground Inc. expenses	26	<u>693,746</u>	<u>1,453,024</u>
		\$ <u>15,669,146</u>	<u>20,162,989</u>

22. Personnel Expenses

	<u>2020</u>	<u>2019</u>
Salaries and wages	\$ 3,566,038	3,793,400
Payroll related costs	<u>1,258,972</u>	<u>1,133,682</u>
	\$ <u>4,825,010</u>	<u>4,927,082</u>
Number of employees	<u>50</u>	<u>50</u>

23. Other Income

Other income arises from the adjustment of provisions of estimated expenditure from prior years.

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

24. Contingencies and Claims

i) *Contingencies*

There are no material lawsuits pending against the Group.

ii) *Claims*

On May 30th, 2018, the Headquarters Agreement between the Company and the Government of Antigua & Barbuda was re-negotiated. One of the outcomes of the re-negotiated Headquarters Agreement was the clarification in relation to statutory deductions, namely, that it was applicable to all employees of the Company. As such, compliance commenced with immediate effect. In relation to any retrospective effect of the outcome, there will be a negotiation with the statutory organizations in Antigua and Barbuda accordingly. 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.

25. Subsequent Events

- i) Subsequent to September 30, 2020, the media rights sales contracts were negotiated and concluded in the following markets: United Kingdom, Southern Africa, United States of America, New Zealand, Bangladesh, India and Pakistan. The contracts have varying terms with the maximum being five (5) years.
- ii) The ICC Board approved Distribution Income of \$14,000,000 for the ensuing year 2021 at their Quarterly Board Meetings held on November 16th, 2020.

26. CCG Operating Expenses

	<u>2020</u>	<u>2019</u>
Personnel expenses	\$ 248,841	504,720
Maintenance	42,279	318,166
Insurance	38,188	-
Materials, Equipment & Third-Party Fees	241,820	295,068
Cable, Electricity & Water	-	227,006
Legal Fees	-	61,357
Meeting Expenses	-	10,431
High Performance Centre	59,706	6,918
Marketing, Communication and Publication	35,710	1,183
Professional Fees	-	3,088
Depreciation	24,494	24,418
Other	2,708	-
Travel and Accommodation	-	669
Total	\$ <u>693,746</u>	<u>1,453,024</u>

Cricket West Indies Inc.

Notes to the Consolidated Financial Statements

For the year ended September 30, 2020

(Expressed in United States dollars)

27. Non-controlling Interest

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Non-controlling interest at date of transaction August 2020	8	\$ 2,600,000	-
Non-controlling interest's share in net equity since August 2020		<u>(7,339)</u>	<u>-</u>
Total		\$ <u>2,592,661</u>	<u>-</u>

Minority interest in net loss of subsidiary 40% (1 month) (7,339)