

Separate Financial Statements of  
**CRICKET WEST INDIES INC.**

September 30, 2018



## **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, 2018, the separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising 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, 2018, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### ***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 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. 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 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 Team. During the year ended September 30, 2018, the Company incurred a net loss of \$22,198,011 and, as of that date, the Company's total liabilities exceeded its total assets by \$18,563,353. 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.

### ***Emphasis of Matter - Comparative Information***

We draw attention to Note 29 to the financial statements which indicates that the comparative information presented as at and for the year ended September 30, 2017 has been restated. 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 IFRS, 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.



## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**To the Shareholders of Cricket West Indies Inc.**

### ***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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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.



## INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of Cricket West Indies Inc.

### *Auditors' Responsibilities for the Audit of the Financial Statements, continued*

- 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.

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  
March 13, 2019

Antigua and Barbuda

# Cricket West Indies Inc.

## Separate Statement of Financial Position

As at September 30, 2018  
With comparative figures for 2017

(Expressed in United States dollars)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	\$ 786,772	10,231,329
Accounts receivable	8	6,652,896	6,121,323
Prepayments and other assets		510,417	638,378
Due from territorial boards, cricket associations and franchises and subsidiary	9	<u>678,780</u>	<u>19,623</u>
<b>Total current assets</b>		<u>8,628,865</u>	<u>17,010,653</u>
<b>Non-current assets</b>			
Investment in subsidiary	10	4,500,000	-
Property and equipment	11	<u>778,429</u>	<u>692,056</u>
<b>Total non-current assets</b>		<u>5,278,429</u>	<u>692,056</u>
<b>Total Assets</b>		<u>\$ 13,907,294</u>	<u>17,702,709</u>
<b>Liabilities and Shareholders' (Deficiency) Equity</b>			
<b>Current liabilities</b>			
Short term loans	12	\$ 10,160,505	-
Accounts payable and accruals	13	10,186,618	4,422,706
Current portion of deferred revenue	14	3,049,492	183,800
Current portion of ICC loan payable	15	2,597,036	720,378
Due to territorial boards, cricket associations and franchises	9	<u>3,476,996</u>	<u>2,025,167</u>
<b>Total current liabilities</b>		<u>29,470,647</u>	<u>7,352,051</u>
<b>Non-current liabilities</b>			
Long term portion of ICC loan payable	15	3,000,000	5,500,000
Deferred revenue	14	<u>-</u>	<u>1,216,000</u>
<b>Total non-current liabilities</b>		<u>3,000,000</u>	<u>6,716,000</u>
<b>Shareholders' (deficiency) equity</b>			
Share capital	16	17	17
Accumulated (deficit) surplus		<u>(18,563,370)</u>	<u>3,634,641</u>
<b>Total shareholders' (deficiency) equity</b>		<u>(18,563,353)</u>	<u>3,634,658</u>
<b>Total Liabilities and Shareholders' (Deficiency) Equity</b>		<u>\$ 13,907,294</u>	<u>17,702,709</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, 2018

With comparative figures for 2017

*(Expressed in United States dollars)*

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	<u>Notes</u>	<u>2018</u>	<u>2017</u> <b>Restated (Note 29)</b>
<b>Revenue</b>	20	\$ 20,909,887	42,388,505
<b>Expenses:</b>			
Expenses from tours and tournaments	21	(29,362,608)	(27,617,810)
Operating expenses	23	<u>(13,499,336)</u>	<u>(12,778,266)</u>
		<u>(42,861,944)</u>	<u>(40,396,076)</u>
<b>(Loss) income from operations</b>		<u>(21,952,057)</u>	<u>1,992,429</u>
<b>Other (Expenses) Income:</b>			
Interest income		59	49
Finance expense		(712,156)	(351,156)
Other income	25	<u>466,143</u>	<u>414,973</u>
		<u>(245,954)</u>	<u>63,866</u>
<b>Net (loss) income</b>		<u>(22,198,011)</u>	<u>2,056,295</u>
<b>Total Comprehensive (Loss) Income</b>		\$ <u>(22,198,011)</u>	<u>2,056,295</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, 2018

With comparative figures for 2017

*(Expressed in United States dollars)*

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	<u>Notes</u>		<u>Share Capital</u>	<u>Accumulated Surplus (Deficit)</u>	<u>Total</u>
Balance at October 1, 2016		\$	17	1,578,346	1,578,363
Net income for the year ( <b>restated</b> )	29		<u>-</u>	<u>2,056,295</u>	<u>2,056,295</u>
Balance at September 30, 2017 ( <b>restated</b> )	29	\$	<u>17</u>	<u>3,634,641</u>	<u>3,634,658</u>
Balance at October 1, 2017		\$	17	3,634,641	3,634,658
Net loss for the year			<u>-</u>	<u>(22,198,011)</u>	<u>(22,198,011)</u>
Balance at September 30, 2018		\$	<u>17</u>	<u>(18,563,370)</u>	<u>(18,563,353)</u>

*See accompanying notes to the separate financial statements.*

# Cricket West Indies Inc.

## Separate Statement of Cash Flows

For the year ended September 30, 2018

With comparative figures for 2017

(Expressed in United States dollars)

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	<u>Notes</u>	<u>2018</u>	<u>2017</u> <b>Restated (Note 29)</b>
<b>Cash Flows from Operating Activities</b>			
Net (loss) income for the year		\$ (22,198,011)	2,056,295
Adjustments for:			
Interest expense		406,224	351,156
Interest income		(59)	(49)
Gain on disposal of property and equipment		(6,250)	(7,500)
Bad debt (recovered) expense		(373,508)	456,754
Amortization of deferred revenue		(183,800)	(571,500)
Depreciation	11	<u>79,605</u>	<u>85,028</u>
<b>Operating (loss) income before changes in working capital</b>		(22,275,799)	2,370,184
Change in accounts receivable and prepayments		(30,104)	3,727,519
Change in due from territorial boards and cricket associations		(659,157)	50,577
Change in accounts payable and accruals		5,763,912	800,854
Change in deferred revenue		1,833,492	50,000
Change in due to territorial boards and cricket associations		1,451,829	1,123,272
Change in loans receivable		<u>-</u>	<u>42,939</u>
<b>Cash (used in) from operations:</b>		(13,915,827)	8,165,345
Interest paid		(369,061)	(130,778)
Interest received		<u>59</u>	<u>49</u>
<b>Net cash (used in) from operating activities</b>		<u>(14,284,829)</u>	<u>8,034,616</u>
<b>Cash flows from Investing Activities</b>			
Proceeds on disposal of property and equipment		6,250	7,500
Additions to property and equipment	11	(165,978)	(128,568)
Investment in Coolidge Cricket Ground		<u>(4,500,000)</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>(4,659,728)</u>	<u>(121,068)</u>
<b>Cash Flows from Financing Activities</b>			
Proceeds from short term loans		10,000,000	-
Proceeds from ICC loan payable		-	9,300,000
Repayment of ICC loan payable		<u>(500,000)</u>	<u>(3,300,000)</u>
<b>Net cash from financing activities</b>		<u>9,500,000</u>	<u>6,000,000</u>

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## Cricket West Indies Inc.

Separate Statement of Cash Flows (continued)

For the year ended September 30, 2018

With comparative figures for 2017

*(Expressed in United States dollars)*

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	<u>Notes</u>	<u>2018</u>	<u>2017</u> <b>Restated</b> <b>(Note 29)</b>
<b>(Decrease) increase in cash and cash equivalents</b>		(9,444,557)	13,913,548
Cash and cash equivalents, beginning of year		<u>10,231,329</u>	<u>(3,682,219)</u>
<b>Cash and cash equivalents, at end of year</b>		\$ <u><u>786,772</u></u>	<u><u>10,231,329</u></u>
<b>Represented by:</b>			
Cash in hand and at bank	7	\$ <u><u>786,772</u></u>	<u><u>10,231,329</u></u>

*See accompanying notes to the separate financial statements.*

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

*(Expressed in United States dollars)*

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## 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 Kingston, Jamaica.

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- two (52) (2017:49) 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 separate financial statements, the Board of Directors is required to consider whether the Company can continue in operational existence 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 in the normal course of operations. 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.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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## 2. Going Concern, continued

The Company's revenue is cyclical in nature and depends on the popularity of the various reciprocal tours undertaken by the West Indies Team. During 2018, two unpopular tours took place which resulted in the Company incurring a significant loss of \$22,198,011 and its total liabilities exceeding its total assets by \$18,563,353. The Company is using its Five Year Projections to identify any potential shortfall in cash flows and is pursuing the raising of debt via a number of channels to improve its operating cash flows. With this in mind, a Bond Issue and a Mortgage Loan have both been negotiated with Sagicor Bank Jamaica Limited and Sagicor Investments Jamaica Limited. This followed bridging finance lent by Sagicor Bank Jamaica Limited for \$5,000,000 on May 31, 2018 and was followed by a similar line for \$5,000,000 processed on November 7, 2018 (subsequent to year end). The Company expects to complete the Bond Issue in March 2019.

In addition, the Company has taken steps to ensure the long-term viability of the entity by launching its Five (5) Year Strategic Plan 2018-2023. It has identified its requirements over the next five (5) years and created a financial presentation which will be used to sell its needs. Additional sponsorships have been secured during the year under review such that the actual income generated exceeded that budgeted. In addition, the Company has been negotiating a number of sponsorship deals arising from 2019 International Home tours with leading international corporate entities.

Based on these plans and initiatives, the Company has projected positive cash flows over the next three (3) years. The Directors have therefore concluded that there are no remaining 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 strategic plan depends 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

(a) *Statement of compliance*

These separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standard Board (IASB). The Company intends to present financial statements showing the consolidation with its subsidiary Coolidge Cricket Ground Inc.

These separate financial statements were approved for issuance on March 13, 2019.

(b) *Basis of Measurement*

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

(c) *Functional and Presentation Currency*

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

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# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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### 3. Basis of Preparation, continued

(d) *Use of Estimates and Judgments*

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

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

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

1. Estimated useful lives of property and equipment      Note 4 (d) and 11
2. Impairment losses on accounts receivable              Note 8 and 4 (g) (ii)

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

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

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

A number of new standards and amendments to standards are effective for annual periods beginning after October 1, 2017. The Company has not early adopted the following new or amended standards in preparing these separate financial statements.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

*(Expressed in United States dollars)*

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### 3. Basis of Preparation, continued

(f) *New Standards, and Interpretations Issued but not yet adopted, continued*

#### **Effective January 1, 2018**

IFRS 15, 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

The new standard is to be applied for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company is assessing the potential impact on its separate financial statements resulting from the application of IFRS 15.

#### **Effective January 1, 2018**

IFRS 9 Financial Instruments (2015) replaces IAS 39 Financial Instruments - Recognition and Measurement and supersedes the previously published versions of IFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2014). IFRS 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, guidance on own credit risk on financial liabilities measured at fair value and supplements the new general hedge accounting requirements published in 2014. IFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management.

The new standard is to be applied for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company is assessing the potential impact on its separate financial statements resulting from the application of IFRS 9.

#### **Effective January 1, 2019**

IFRS 16 Leases, will result in the accounting treatment of leases by lessees changing fundamentally. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance or operating leases. The Company is assessing the potential impact on its separate financial statements resulting from the application of IFRS 16.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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## 4. Summary of Significant Accounting Policies

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

(a) *Revenue Recognition*

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

(b) *Cash and Cash Equivalents*

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

(c) *Investment in Subsidiary*

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

(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 are determined by comparing the proceeds from disposal with the carrying amount of the property and equipment and are recognized net within "other income" in profit or loss.

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

(ii) *Depreciation*

Depreciation is provided on 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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

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



# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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## 4. Summary of Significant Accounting Policies, continued

The annual rates used are as follows:

Leasehold improvements	10% - 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 Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generated unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

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

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

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

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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## 4. Summary of Significant Accounting Policies, continued

### (f) *Impairment, continued*

#### (ii) *Non-financial assets*

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

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

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

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

### (g) *Financial Instruments*

#### (i) *Non-derivative financial instruments:*

Non-derivative financial instruments comprise, accounts receivable, cash and cash equivalents, due to/due from territorial boards, cricket associations and franchises, accounts payable and accruals, short term loans and ICC loan payable.

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

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

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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## 4. Summary of Significant Accounting Policies, continued

### (g) *Financial Instruments, continued*

#### (ii) *Accounts receivable*

Accounts receivable are carried initially at fair value and subsequently measured at amortised cost less a provision for impairment. 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.

#### (iv) *Borrowing Costs*

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

### (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 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.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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## 4. Summary of Significant accounting Policies, continued

(j) *Employee Benefits*

(i) *Pension Benefits*

The Company's contributions to a defined contribution pension plan (Provident Fund) are charged to profit or loss in the period to which the contributions relate. The Provident Fund is externally funded (note 17).

(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*

Leases of property and equipment where the Company has substantially all risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding.

The corresponding rental obligations, net of finance charges, are included in accounts payable and accruals. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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## 5. Determination of Fair Values

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

(i) *Accounts receivable*

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

(ii) *Non-derivative Financial Assets and Liabilities*

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

The fair value of cash and cash equivalents, accounts receivable, due from territorial boards, cricket associations and franchises, accounts payable and accruals, due to territorial boards, cricket associations and franchises and short term loans are not materially different from their carrying amounts due to their short-term period to maturity.

## 6. Financial Risk Management

(a) *Financial Risk Factors*

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

- Credit Risk
- Liquidity Risk
- Market Risk

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

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

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

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

## 6. Financial Risk Management, continued

### (b) Financial Risk Factors

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

### (c) Credit Risk

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

#### (i) Accounts receivable

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

#### (ii) Cash and Cash Equivalents

Cash and cash equivalents are held with established financial institutions.

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

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 786,772	10,231,329
Accounts receivable	6,652,896	6,121,323
Prepayments and other assets	510,417	638,378
Due from territorial boards, cricket Associations, franchises and subsidiary	<u>678,780</u>	<u>19,623</u>
	\$ <u>8,628,865</u>	<u>17,010,653</u>

Credit risk in respect of accounts receivable, due from territorial boards, cricket associations, franchises and subsidiary is limited as these balances are shown net of provision for doubtful debts. Cash and cash equivalents are held with financial institutions which represent minimum risk of default.

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018  
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(Expressed in United States dollars)

### 6. Financial Risk Management, continued

(c) *Liquidity Risk*

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

The following are the contractual maturities of financial assets and liabilities excluding the impact of the netting arrangement.

	<u>Carrying Amounts</u>	<u>Contractual Cash Flows</u>	<u>6 months Or Less</u>	<u>6-12 Months</u>	<u>More than 1 Year</u>
<b>September 30, 2018</b>					
<b>Assets</b>					
Cash and cash equivalents	\$ 786,772	786,772	786,772	-	-
Accounts receivable	6,652,896	6,652,896	6,652,896	-	-
Prepayments and other assets	510,417	510,417	510,417	-	-
Due from territorial boards, cricket associations, franchises and subsidiary	<u>678,780</u>	<u>678,780</u>	<u>678,780</u>	<u>-</u>	<u>-</u>
	\$ <u>8,628,865</u>	<u>8,628,865</u>	<u>8,628,865</u>	<u>-</u>	<u>-</u>

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

With comparative figures for 2017

(Expressed in United States dollars)

### 6. Financial Risk Management, continued

(c) *Liquidity Risk*

	<u>Carrying Amounts</u>	<u>Contractual Cash Flows</u>	<u>6 months Or Less</u>	<u>6-12 Months</u>	<u>More than 1 Year</u>
<b>Liabilities</b>					
Accounts payable and accruals	\$ 10,186,618	10,186,618	8,686,618	1,050,000	450,000
Short term loans and ICC loan payable	15,757,541	15,757,541	11,757,541	1,000,000	3,000,000
Due to territorial boards, cricket association and franchises	3,476,996	3,476,996	3,476,996	-	-
Current portion of deferred revenue	<u>3,049,492</u>	<u>3,049,492</u>	<u>3,049,492</u>	<u>-</u>	<u>-</u>
	<u>\$ 32,470,647</u>	<u>32,470,647</u>	<u>26,970,647</u>	<u>2,050,000</u>	<u>3,450,000</u>
<b>Liquidity gap</b>	<u>\$ (23,841,782)</u>	<u>(23,841,782)</u>	<u>(18,341,782)</u>	<u>(2,050,000)</u>	<u>(3,450,000)</u>
<b>Cumulative liquidity gap</b>	<u>\$ (23,841,782)</u>	<u>(23,841,782)</u>	<u>(18,341,782)</u>	<u>(20,391,782)</u>	<u>(23,841,782)</u>



## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

With comparative figures for 2017

(Expressed in United States dollars)

### 6. Financial Risk Management, continued

(c) *Liquidity Risk*

	<u>Notes</u>	<u>Carrying Amounts</u>	<u>Contractual Cash Flows</u>	<u>6 months Or Less</u>	<u>6-12 Months</u>	<u>More than 1 Year</u>
<b>September 30, 2017 (as restated)</b>	29					
<b>Assets</b>						
Cash and cash equivalents		\$ 10,231,329	10,231,329	10,231,329	-	-
Accounts receivables		6,121,323	6,121,323	6,121,323	-	-
Prepayments and other assets		638,378	638,378	638,378	-	-
Due from territorial boards, cricket associations and franchises		<u>19,623</u>	<u>19,623</u>	<u>19,623</u>	<u>-</u>	<u>-</u>
		<u>\$ 17,010,653</u>	<u>17,010,653</u>	<u>17,010,653</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>						
Accounts payable and accruals		\$ 4,422,706	4,422,706	4,422,706	-	-
ICC loan payable		6,220,378	6,220,378	-	720,378	5,500,000

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018  
With comparative figures for 2017

(Expressed in United States dollars)

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### 6. Financial Risk Management, continued

(c) *Liquidity Risk*

	<u>Carrying Amounts</u>	<u>Contractual Cash Flows</u>	<u>6 months Or Less</u>	<u>6-12 Months</u>	<u>More than 1 Year</u>
Due from territorial boards, cricket association and franchises	2,025,167	2,025,167	2,025,167	-	-
Deferred revenue	<u>1,399,800</u>	<u>1,399,800</u>	<u>-</u>	<u>183,800</u>	<u>1,216,000</u>
	\$ <u>14,068,051</u>	<u>14,068,051</u>	<u>6,447,873</u>	<u>904,178</u>	<u>6,716,000</u>
<b>Liquidity gap</b>	\$ <u>2,942,602</u>	<u>2,942,602</u>	<u>10,562,780</u>	<u>(904,178)</u>	<u>(6,716,000)</u>
<b>Cumulative liquidity gap</b>	\$ <u>2,942,602</u>	<u>2,942,602</u>	<u>10,562,780</u>	<u>9,658,602</u>	<u>2,942,602</u>

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018  
With comparative figures for 2017

(Expressed in United States dollars)

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## 6. Financial Risk Management, continued

(d) *Market Risk*

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

(i) *Interest Rate Risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is affected where there is a mismatch between interest earning assets and interest bearing liabilities, which are subject to interest rate adjustments within a specified period. The Company's exposure to interest rate risk is disclosed in note 7 and 15.

(ii) *Currency Risk*

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

(e) *Fair Values of Financial Instruments*

The fair values of cash and cash equivalents, accounts receivable, due from territorial boards, cricket associations, franchises and subsidiary, accounts payable and accruals, due to territorial boards, cricket associations and franchises, short term loans and ICC loan payable are not materially different from their carrying amounts due to their short-term to maturity.

Because there are no fixed terms of repayment, it is not practicable to determine the fair value of the amount due from/(to) territorial boards, cricket associations, franchises and subsidiary.

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

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018  
With comparative figures for 2017

(Expressed in United States dollars)

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### 6. Financial Risk Management, continued

(f) *Capital Management*

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

### 7. Cash and Cash Equivalents

	<u>2018</u>	<u>2017</u>
Cash in hand and at bank	\$ <u>786,772</u>	<u>10,231,329</u>

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

### 8. Accounts Receivable

	<u>2018</u>	<u>2017</u>
Accounts receivable	\$ 7,092,647	7,076,451
Less: Allowance for doubtful accounts	<u>(439,751)</u>	<u>(955,128)</u>
	\$ <u>6,652,896</u>	<u>6,121,323</u>

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018  
With comparative figures for 2017

*(Expressed in United States dollars)*

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## 9. 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.
- (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) a government that has control or joint control of, or significant influence over, the Company; and
  - 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

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

### 9. Related Party Balances and Transactions, continued

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

	<u>2018</u>	<u>2017</u>
<b>Due from territorial boards, cricket associations, franchises and subsidiary</b>		
Barbados Cricket Association	\$ 29,355	19,623
Coolidge Cricket Ground	<u>649,425</u>	<u>-</u>
	<u>\$ 678,780</u>	<u>19,623</u>
	<u>2018</u>	<u>2017</u>
<b>Due to territorial boards, cricket associations and franchises</b>		
Barbados Cricket Association	\$ 664,037	658,752
Jamaica Cricket Association	320,105	135,687
Dominica Cricket Association	-	48,625
St. Lucia National Cricket Association	25,050	69,568
Trinidad and Tobago Cricket Board	289,126	106,146
Antigua and Barbuda Cricket Association	317,283	17,500
St. Kitts Cricket Association	68,068	27,142
St. Vincent & Grenadines Cricket Association	316,116	525
Guyana Cricket Board	347,071	118,924
Grenada Cricket Association	19,100	2,200
Cricket Franchise of Barbados	401,084	379,968
Cricket Guy Inc.	170,839	134,539
Red Force T 7 T Inc.	117,266	114,786
Leeward Cricket Development Inc.	56,534	76,122
Leeward Islands Cricket Association	81,489	21,258
Windward Cricket Inc.	41,568	54,766
Windward Islands Cricket Board of Control	77,496	17,293
Jamaica Franchise Development Inc.	43,284	41,366
Nevis Cricket Association	450	-
Anguilla Cricket Association	800	-
BVI Cricket Association	8,025	-
Montserrat Cricket Association	4,400	-
St Thomas Cricket Association	2,900	-
Twin City Cricket Association	4,930	-
Windies Development Foundation	<u>99,975</u>	<u>-</u>
	<u>\$ 3,476,996</u>	<u>2,025,167</u>

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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### 9. Related Party Balances and Transactions, continued

(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 its behalf by the Company.

(d) *Key management personnel compensation comprises*

	<u>2018</u>	<u>2017</u>
Short-term employee benefits	\$ <u>1,069,290</u>	<u>674,995</u>

### 10. Investment in Subsidiary

Coolidge Cricket Ground Inc.	\$ <u>4,500,000</u>	<u>-</u>
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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.

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

### 11. Property, and Equipment

	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	HPC Team Equipment	Motor Vehicles	Total
<b>Cost</b>						
At September 30, 2016	\$ 628,398	741,788	599,065	18,925	122,144	2,110,320
Additions	12,718	19,132	96,718	-	-	128,568
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105,655)</u>	<u>(105,655)</u>
At September 30, 2017	\$ <u>641,116</u>	<u>760,920</u>	<u>695,783</u>	<u>18,925</u>	<u>16,489</u>	<u>2,133,233</u>
At September 30, 2017	641,116	760,920	695,783	18,925	16,489	2,133,233
Additions	25,350	27,407	85,845	-	27,376	165,978
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,489)</u>	<u>(16,489)</u>
At September 30, 2018	\$ <u>666,466</u>	<u>788,327</u>	<u>781,628</u>	<u>18,925</u>	<u>27,376</u>	<u>2,282,722</u>
<b>Depreciation</b>						
At September 30, 2016	\$ 139,203	643,751	553,208	7,699	117,943	1,461,804
Charge for the year	12,867	34,027	32,114	1,819	4,201	85,028
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105,655)</u>	<u>(105,655)</u>
At September 30, 2017	\$ <u>152,070</u>	<u>677,778</u>	<u>585,322</u>	<u>9,518</u>	<u>16,489</u>	<u>1,441,177</u>



## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

### 11. Property and Equipment, continued

	<u>Leasehold Improvements</u>	<u>Office Furniture and Equipment</u>	<u>Computer Equipment</u>	<u>HPC Team Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<b>Depreciation</b>						
At September 30, 2017	152,070	677,778	585,322	9,518	16,489	1,441,177
Charge for the year	13,672	10,829	44,492	5,325	5,287	79,605
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,489)</u>	<u>(16,489)</u>
At September 30, 2018	\$ <u>165,742</u>	<u>688,607</u>	<u>629,814</u>	<u>14,843</u>	<u>5,287</u>	<u>1,504,293</u>
<b>Carrying Value</b>						
At September 30, 2017	\$ <u>489,046</u>	<u>83,142</u>	<u>110,461</u>	<u>9,407</u>	<u>-</u>	<u>692,056</u>
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>

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

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(Expressed in United States dollars)

### 12. Short Term Loans

	<u>2018</u>	<u>2017</u>
RBC Royal Bank Caribbean	\$ 3,034,327	-
Sagicor Bank Jamaica Limited	5,110,899	-
Bangladesh Cricket Board	<u>2,015,279</u>	<u>-</u>
	\$ <u>10,160,505</u>	<u>-</u>

The Company obtained a loan in the amount of US \$3,000,000 from the Royal Bank of Canada on April 26, 2018. The loan bears interest at a rate of 4% per annum plus 90-day USD LIBOR and is reviewed annually on the anniversary date. In each twelve (12) months, the principal is required to be repaid and remain so for ten (10) business days:

Amount	Due Date
\$3,000,000	March 31, 2019

The loan with RBC is 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 Company obtained a bridging facility in the amount of US \$5,000,000 from Sagicor Bank Jamaica Limited on May 31, 2018. The loan bears interest at a rate of 6.5% and was originally to be repaid by August 30, 2018. The Company however sought and received an extension of the repayment date, which was subsequently agreed to be February 28, 2019 and then further extended to May 31, 2019. The loan is secured by deeds of assignment from annual distributions from the ICC, a trust deed and arrangements over bond purchases.

The Company obtained a loan in the amount of US \$2,000,000 from the Bangladesh Cricket Board on July 15, 2018. The loan bears interest at a rate of 4.5% and is repayable by July 15, 2019, in two instalments as follows:

Amount	Due Date
\$1,000,000	January 15, 2019
\$1,000,000	July 15, 2019

The loan is repayable by deduction from the ICC semi-annual distribution to the Company in January and July.

### 13. Accounts Payable and Accruals

	<u>2018</u>	<u>2017</u> <b>As restated (Note 29)</b>
Accounts payable	\$ 7,285,883	2,118,066
Accruals	<u>2,900,735</u>	<u>2,304,640</u>
	\$ <u>10,186,618</u>	<u>4,422,706</u>

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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### 14. Deferred Revenue

	<u>2018</u>	<u>2017</u>
Sony	\$ 1,216,000	1,349,800
Bid Fees re England International Tour 2019	1,360,292	-
Guarantees re Tour Operators England International Tour 2019	120,000	-
ICC	100,000	50,000
Cricket Development Sponsorship	134,200	-
ICC Americas	<u>119,000</u>	<u>-</u>
	3,049,492	1,399,800
Current portion of deferred revenue	<u>(3,049,492)</u>	<u>(183,800)</u>
	\$ <u>-</u>	<u>1,216,000</u>

The deferred revenue from Sony (formerly Taj Television Limited) is derived from the New Media Rights Agreement established with Taj Television on October 22, 2012. The Company granted Sony the exclusive right and license to record and transmit footage of all matches forming part of the tours hosted by the Company covered under the agreement. The agreement covers a period of seven (7) years from January 2013. The amount amortized annually represents the value of the tours occurring in any given year.

The deferred revenue from the International Cricket Council (ICC) is an advance payment for the ICC Women's World T20 matches to be held in November 2018 and represents the first 10% of the host fee.

The Bid Fees represent amounts negotiated with the host venues in relation to the hosting of International Matches for the England 2019 Tour. These amounts will be amortised in the 2018-19 financial year.

The Guarantees represent amounts negotiated with the tour operators for the England International Tour 2019 to the Caribbean. These amounts will be amortised in the 2018-19 financial year.

The amount in relation to ICC Americas will be amortised in the 2018-19 financial year. It relates to the participation of the U.S.A. team in the domestic first class 50 over tournament.

The amount in relation to Cricket Development Sponsorship will be amortized in the 2018-19 financial year. It relates to the provision of a cricket development programme.

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

### 15. 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 is repayable in three (3) instalments, commencing July 2018 and concluding January 1, 2020 as follows:

<u>Amount</u>	<u>Due Date</u>	
\$500,000 + interest	July 15, 2018	
\$2,500,000 + interest	January 1, 2019	
\$3,000,000 + interest	January 1, 2020	

  

	<u>2018</u>	<u>2017</u>
Loan amount	\$ 5,500,000	6,000,000
Add: Accrued interest payable	<u>97,036</u>	<u>220,378</u>
	5,597,036	6,220,378
Current portion of ICC loan payable	<u>(2,597,036)</u>	<u>(720,378)</u>
Long term portion of ICC loan payable	\$ <u>3,000,000</u>	<u>5,500,000</u>

### 16. Share Capital

	<u>2018</u>	<u>2017</u>
<b>Authorised</b>		
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>40,010</u>	<u>40,010</u>
<b>Issued</b>		
12 Class "A" voting shares of US \$1.00 each	\$ 12	12
3 Class "C" 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>

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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### 17. 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\$518,068 (2017: US\$459,052). This fund does not form part of these separate financial statements.

### 18. Lease Commitment

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

### 19. Taxation

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

### 20. Revenue

	<u>2018</u>	<u>2017</u> <b>As restated</b> <b>(Note 29)</b>
ICC Distributions	\$ 9,050,000	10,124,991
Media rights	986,052	22,501,292
Sponsorship fees	7,620,197	5,388,115
Rights and licenses	1,539,079	1,388,500
Ticketing revenue	681,462	1,660,275
ICC Targeted Assistance & Performance Program	-	134,223
Merchandise	7,521	6,406
Release fees	784,310	526,143
UNICEF	38,666	58,560
Contribution to International Tours	-	600,000
Participation Fees	150,000	-
Development Income	<u>52,600</u>	<u>-</u>
	<u>\$ 20,909,887</u>	<u>42,388,505</u>

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

### 20. Revenue, continued

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.

### 21. Expenses from Tours and Tournaments

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
Players' payments	22	\$ 9,359,746	8,414,310
Hosting fees paid to Territorial Boards		7,553,568	7,605,500
Accommodation		2,464,810	2,402,862
Airfares		2,528,517	2,131,006
Professional Cricket League Franchise		900,000	900,000
Other direct costs		745,544	1,161,685
Meal allowances		1,062,861	853,731
Training		1,355,376	1,035,017
Team management fees		779,308	637,876
Selectors' costs		465,548	336,814
Balls and gear		386,274	726,456
Umpires costs		679,871	671,840
Insurance		195,222	164,618
President's box		162,209	163,630
Prize money		477,220	234,615
Medical		124,833	78,021
In transit flights		32,923	40,945
Contingency float and visas		<u>88,778</u>	<u>58,884</u>
		\$ <u>29,362,608</u>	<u>27,617,810</u>

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

### 22. Players' Payments

	<u>2018</u>	<u>2017</u>
Match fees	\$ 4,479,080	4,503,312
Franchise retainers	1,939,133	1,980,000
International retainers	2,749,696	1,531,000
Provident fund	191,837	357,398
Captain's Allowances	-	38,000
Injury payments	-	4,600
	<u>\$ 9,359,746</u>	<u>8,414,310</u>

### 23. Operating Expenses

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
Personnel expenses	24	\$ 4,464,203	4,189,714
Development expenses		1,395,129	1,085,215
Kiddy Cricket		1,314,561	1,177,079
Release Fees		545,777	572,548
Material, equipment, third party fees		275,510	469,429
Meeting expenses		599,498	494,190
High Performance Centre		611,474	761,127
Television and audio production costs		711,991	977,194
Grant to West Indies Players Association		489,414	381,606
Marketing, communication and publications		890,533	357,108
Ambassadorship Programme		2,150	96,750
Travel and representation		240,167	364,732
Grassroots Development Programmes		55,533	231,227
IT and telecommunication		225,663	227,350
Professional fees		1,336,449	558,955
Directors' fees		132,500	136,500
Depreciation		79,605	85,028
Foreign exchange differences		73,996	81,311
Player programmes		32,985	22,663
Courier / Donations		22,198	51,786
Bad debts		-	456,754
		<u>\$ 13,499,336</u>	<u>12,778,266</u>

## Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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### 24. Personnel Expenses

	<u>2018</u>	<u>2017</u>
Salaries and wages	\$ 2,853,294	2,374,194
Payroll related costs	<u>1,610,909</u>	<u>1,815,520</u>
	\$ <u>4,464,203</u>	<u>4,189,714</u>
Average number of employees	<u>52</u>	<u>49</u>

### 25. Other Income

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

### 26. Contingencies

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

### 27. Disputed Claims

On May 30<sup>th</sup> 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.



# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2018

(Expressed in United States dollars)

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## 28. Subsequent Events

A further Bridging Facility of \$5,000,000 was disbursed by Sagicor Bank (Jamaica) Limited which, together with the Bridging done on May 31, 2018, is due to be repaid on May 31, 2019 from the proceeds of the Bond Issue (see Note 2 Going Concern).

The legal documentation and other related documents concerning the Bond Issue are expected to conclude with an estimated drawdown date of March 2019.

## 29. Correction of error

During 2018, it was discovered that the amount of \$600,000 relating to an amount due to the International Cricket Council at September 30, 2017 for the abolishment of the test match fund, should have been recognised as income in 2017 as a part of the overall entitlement of member distributions over the commercial cycle 2016-2023. As a consequence, income for 2017 was understated and accounts payable and accruals were overstated. The error has been corrected by restating each of the financial statement line items for the prior period.

### Separate Statement of Financial Position

		<u>Impact of correction of error</u>	
	As previously Reported	Adjustment	As Restated
Balance at September 30, 2017			
Accounts payable and accruals	5,022,706	(600,000)	4,422,706
Accumulated surplus	3,034,641	600,000	3,634,641

### Separate Statement of Comprehensive Income

		<u>Impact of correction of error</u>	
	As previously Reported	Adjustment	As Restated
For the year ended September 30, 2017			
Revenue	41,788,505	600,000	42,388,505
Net income	1,456,295	600,000	2,056,295

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