

Separate Financial Statements of  
**CRICKET WEST INDIES INC.**  
September 30, 2019

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## **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, 2019, the separate statements of changes in equity, comprehensive income, and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

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, 2019, 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 (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 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.(continued)

### **Report on the Audit of the Financial Statements (continued)**

#### ***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 of the current date, the Company's current liabilities exceeded its current assets by \$8,175,368 and its total Liabilities exceeded its total Assets by \$3,017,018. 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 – COVID-19***

We draw attention to Note 26 to the separate financial statements, On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic, in recognition of its rapid spread across the globe. The spread of the virus is expected to have a significant impact on upcoming tours and tournaments. Management has evaluated the impact of the pandemic on its operations for the period to March 2021 and will continue to estimate the impact of the pandemic beyond that date. The ultimate outcome of the matter cannot presently be determined and, accordingly, no provision for any effects on the Company that may result has been made in the separate financial statements. Our opinion is not modified in respect of this matter.

#### ***Emphasis of matter – Comparative information***

We draw attention to note 3 to the separate financial statements which describes that the Company elected to transition to the IFRS for SMEs on October 1, 2017. The standard was applied retrospectively by management however, there was no impact on the amounts previously reported. Consequently, the comparative information in the accompanying financial statements has not been restated. Our opinion is not modified in respect of this matter.



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

To the Shareholders of Cricket West Indies Inc.(continued)

### **Report on the Audit of the Financial Statements (continued)**

#### ***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 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.

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.(continued)

### **Report on the Audit of the Financial Statements (continued)**

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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 auditor's 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.(continued)

### **Report on the Audit of the Financial Statements (continued)**

#### ***Auditor's 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink, appearing to be 'KMG'.

Chartered Accountants  
Antigua and Barbuda  
April 2, 2020

# Cricket West Indies Inc.

## Separate Statement of Financial Position

As at September 30, 2019  
With comparative figures for 2018

(Expressed in United States dollars)

	Notes	2019	2018
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	\$ 5,207,049	786,772
Accounts receivable	7	10,183,368	6,652,896
Prepayments and other assets		142,401	510,417
Due from territorial boards, cricket associations, franchises and subsidiary	8	<u>29,682</u>	<u>678,780</u>
<b>Total current assets</b>		<u>15,562,500</u>	<u>8,628,865</u>
<b>Non-Current Assets</b>			
Investment in subsidiary	9	4,500,000	4,500,000
Property and equipment	10	<u>658,350</u>	<u>778,429</u>
<b>Total non-current assets</b>		<u>5,158,350</u>	<u>5,278,429</u>
<b>Total Assets</b>		<u>\$ 20,720,850</u>	<u>13,907,294</u>
<b>Liabilities and Shareholders' (Deficiency) Equity</b>			
<b>Current liabilities</b>			
Short term loans	11	\$ 8,159,576	10,160,505
Accounts payable and accruals	12	8,755,877	10,186,618
Deferred revenue	13	-	3,049,492
Current portion of ICC loan payable	14	3,128,411	2,597,036
Due to territorial boards, cricket associations and franchises	8	<u>3,694,004</u>	<u>3,476,996</u>
<b>Total current liabilities</b>		<u>23,737,868</u>	<u>29,470,647</u>
<b>Non-Current Liabilities</b>			
Long term portion of ICC loan payable	14	<u>-</u>	<u>3,000,000</u>
<b>Total non-current liabilities</b>		<u>-</u>	<u>3,000,000</u>
<b>Shareholders' Deficiency</b>			
Share capital	15	17	17
Accumulated deficit		<u>(3,017,035)</u>	<u>(18,563,370)</u>
<b>Total shareholders' deficiency</b>		<u>(3,017,018)</u>	<u>(18,563,353)</u>
Contingencies and claims	25	<u>-</u>	<u>-</u>
<b>Total Liabilities and Shareholders' Deficiency</b>		<u>\$ 20,720,850</u>	<u>13,907,294</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, 2019  
With comparative figures for 2018

*(Expressed in United States dollars)*

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	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>Revenue</b>	19	\$ 69,109,349	20,909,887
<b>Expenses:</b>			
Expenses from tours and tournaments	20	(32,305,786)	(29,167,773)
Operating expenses	22	<u>(19,944,610)</u>	<u>(13,694,171)</u>
		<u>(52,250,396)</u>	<u>(42,861,944)</u>
<b>Income (loss) from operations</b>		<u>16,858,953</u>	<u>(21,952,057)</u>
<b>Other (Expenses) Income:</b>			
Finance expense		(1,531,113)	(712,156)
Other income	24	<u>218,495</u>	<u>466,202</u>
		<u>(1,312,618)</u>	<u>(245,954)</u>
<b>Net income (loss)</b>		<u>15,546,335</u>	<u>(22,198,011)</u>
<b>Total Comprehensive Income (Loss)</b>		\$ <u>15,546,335</u>	<u>(22,198,011)</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, 2019  
With comparative figures for 2018

*(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, 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>
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>

*See accompanying notes to the separate financial statements.*

## Cricket West Indies Inc.

### Separate Statement of Cash Flows

For the year ended September 30, 2019

With comparative figures for 2018

(Expressed in United States dollars)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>Cash Flows from Operating Activities</b>			
Net income (loss) for the year		\$ 15,546,335	(22,198,011)
Adjustments for:			
Interest expense		1,100,126	406,224
Interest income		(41)	(59)
Gain on disposal of property and equipment		-	(6,250)
Coolidge Cricket Ground expenses	27	1,234,645	-
Bad debt expense (recovered)		216,487	(373,508)
Amortization of deferred revenue		(1,216,000)	(183,800)
Adjustment to fixed asset costs		97,061	-
Depreciation	10	<u>62,761</u>	<u>79,605</u>
<b>Operating income (loss) before changes in working capital</b>		17,041,374	(22,275,799)
Change in accounts receivable and prepayments		(3,378,943)	(30,104)
Change in due from territorial boards and cricket associations		(585,547)	(659,157)
Change in accounts payable and accruals		(1,430,741)	5,763,912
Change in deferred revenue		(1,833,492)	1,833,492
Change in due to territorial boards and cricket associations		217,008	1,451,829
Change in loans receivable		<u>-</u>	<u>-</u>
<b>Cash from (used in) operations</b>		10,029,659	(13,915,827)
Interest paid		(1,069,680)	(369,061)
Interest received		<u>41</u>	<u>59</u>
<b>Net cash from (used in) operating activities</b>		<u>8,960,020</u>	<u>(14,284,829)</u>
<b>Cash flows from Investing Activities</b>			
Proceeds on disposal of property and equipment		-	6,250
Additions to property and equipment	10	(39,743)	(165,978)
Investment in Coolidge Cricket Ground		<u>-</u>	<u>(4,500,000)</u>
<b>Net cash used in investing activities</b>		<u>(39,743)</u>	<u>(4,659,728)</u>
<b>Cash Flows from Financing Activities</b>			
Proceeds from short term loans (November 2018 disbursement)		5,000,000	10,000,000
Repayment of Sagicor Bank loan payable (May 2018 disbursement)		(5,000,000)	-
Repayment of BCB loan payable		(2,000,000)	-
Repayment of ICC loan payable		<u>(2,500,000)</u>	<u>(500,000)</u>
<b>Net cash (used in) from financing activities</b>		\$ <u>(4,500,000)</u>	<u>9,500,000</u>

## Cricket West Indies Inc.

Separate Statement of Cash Flows (cont'd)

For the year ended September 30, 2019  
With comparative figures for 2018

(Expressed in United States dollars)

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	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>Increase (decrease) in cash and cash equivalents</b>		\$ 4,420,277	(9,444,557)
Cash and cash equivalents, beginning of year		<u>786,772</u>	<u>10,231,329</u>
<b>Cash and cash equivalents, at end of year</b>		\$ <u>5,207,049</u>	<u>786,772</u>
<b>Represented by:</b>			
Cash in hand and at bank	6	\$ <u>5,207,049</u>	<u>786,772</u>

See accompanying notes to the financial statements.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2019

*(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 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- five (55) (2018: 52) 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 current date, the Company's current liabilities exceeded its current assets by \$8,175,368 and its total Liabilities exceeded its total Assets by \$3,017,018.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2019

*(Expressed in United States dollars)*

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## 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 next three (3) years and undertook a review of its financial and business practices. This resulted in key recommendations including a restructuring 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 deals are each for a five-year term covering 2020 to 2025. These are expected to be concluded shortly.

Management believes that the conclusion of the Coolidge Cricket Ground purchase will enable 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 which will result in the cancellation of several tours and tournaments, many of which were projected to be loss-making. Their cancellation is projected to result in cost savings during the period to March 2021. 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 ("IFRS for SMEs") published by the International Accounting Standards Board ("IASB").

These separate financial statements were approved for issuance on April 2, 2020.

The company elected to transition from International Financial Reporting Standards (IFRS) to the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) for the financial year beginning October 1, 2018. The transition from IFRS to IFRS for SMEs was applied retrospectively from October 1, 2017 and there was no impact on the Company's previously reported Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash flows for the year ended September 30, 2018.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

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### 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.

### 4. Summary of Significant Accounting Policies

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

(a) *Revenue Recognition*

Revenue is 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 due and approved.

(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.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

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

### (d) Property and Equipment (cont'd)

#### (i) 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.

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 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.

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, 2019

*(Expressed in United States dollars)*

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

### (f) *Impairment, (cont'd)*

#### (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, 2019

(Expressed in United States dollars)

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

### (g) Financial Instruments, (cont'd)

#### (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.

### (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. (note 16).

#### (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.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2019

*(Expressed in United States dollars)*

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

### (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.

## 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.

### (a) *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.*

### (b) *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.

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2019

*(Expressed in United States dollars)*

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## 6. Cash and Cash Equivalents

	<u>2019</u>	<u>2018</u>
Cash in hand and at bank	\$ <u>5,207,049</u>	<u>786,772</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.

## 7. Accounts Receivable

	<u>2019</u>	<u>2018</u>
Accounts receivable	\$ 10,839,606	7,092,647
Less: Allowance for doubtful accounts	<u>(656,238)</u>	<u>(439,751)</u>
	\$ <u>10,183,368</u>	<u>6,652,896</u>

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2019

*(Expressed in United States dollars)*

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## 8. 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) 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.

# Cricket West Indies Inc.

Notes to the Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

## 8. Related Party Balances and Transactions (cont'd)

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

	<u>2019</u>	<u>2018</u>
<b>Due from territorial boards, cricket associations, franchises and subsidiary</b>		
Barbados Cricket Association	\$ 29,682	29,355
Coolidge Cricket Ground Inc.	-	<u>649,425</u>
	<u>\$ 29,682</u>	<u>678,780</u>

	<u>2019</u>	<u>2018</u>
<b>Due to territorial boards, cricket associations franchises and subsidiary</b>		
Trinidad and Tobago Cricket Board	\$ 820,006	289,126
Guyana Cricket Board	553,489	347,071
Jamaica Cricket Association	521,639	320,105
Barbados Cricket Association	520,117	664,037
Windward Islands Cricket Board of Control	238,496	77,496
Antigua and Barbuda Cricket Association	157,247	317,283
Red Force T & T Inc.	154,022	117,266
Cricket Franchise of Barbados	150,950	401,084
Leeward Islands Cricket Association	127,125	81,489
CCG	107,000	-
Windies Development Foundation	99,975	99,975
St. Vincent & Grenadines Cricket Association	-	316,116
Cricket Guy Inc.	85,298	170,839
Leeward Cricket Development Inc.	96,885	56,534
Jamaica Franchise Development Inc.	32,770	43,284
Windward Cricket Inc.	8,005	41,568
St. Lucia National Cricket Association	7,691	25,050
Twin City Cricket Association	4,930	4,930
St. Kitts Cricket Association	4,909	68,068
St Thomas Cricket Association	2,900	2,900
Grenada Cricket Association	550	19,100
BVI Cricket Association	-	8,025
Montserrat Cricket Association	-	4,400
Anguilla Cricket Association	-	800
Nevis Cricket Association	-	<u>450</u>
	<u>\$ 3,694,004</u>	<u>3,476,996</u>

# Cricket West Indies Inc.

Notes to the Separate Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

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## 8. 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 its behalf by the Company.

(d) *Key management personnel compensation comprises*

	<u>2019</u>	<u>2018</u>
Short-term employee benefits	\$ <u>1,114,454</u>	<u>1,069,290</u>

(e) *Coolidge Cricket Ground Inc.*

Management views Coolidge Cricket Ground as a start-up and with that comes inherent business and financial uncertainties. The receivable due from Coolidge Cricket Ground (CCG) in 2018, of \$649,425 has been expensed in the current year because of delays in bringing this initiative to fruition and the need to obtain appropriate standalone financing. 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 \$585,220 (see Note 27).

## 9. Investment in Subsidiary

Coolidge Cricket Ground Inc.	\$ <u>4,500,000</u>	<u>4,500,000</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. The final payment towards the purchase of this investment was scheduled for and paid on February 29<sup>th</sup>, 2020. The final purchase price was \$6,500,000. (note 26).

# Cricket West Indies Inc.

Notes to the Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

## 10. Property and Equipment

	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	HPC Team Equipment	Motor Vehicles	Total
<b>Cost</b>						
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	-	-	-	-	(16,489)	(16,489)
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>
Additions	2,778	27,769	9,196	-	-	39,743
Disposals	-	-	(97,061)	-	-	(97,061)
At September 30, 2019	\$ <u>669,244</u>	<u>816,096</u>	<u>693,763</u>	<u>18,925</u>	<u>27,376</u>	<u>2,225,404</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	-	-	-	-	(16,489)	(16,489)
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	\$ <u>179,218</u>	<u>714,635</u>	<u>643,874</u>	<u>17,196</u>	<u>12,131</u>	<u>1,567,054</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>
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>



# Cricket West Indies Inc.

Notes to the Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

## 11. Short Term Loans

	<u>2019</u>	<u>2018</u>
RBC Royal Bank Caribbean	\$ 3,083,395	3,034,327
Sagicor Bank Jamaica Limited	5,076,181	5,110,899
Bangladesh Cricket Board	<u>-</u>	<u>2,015,279</u>
	\$ <u>8,159,576</u>	<u>10,160,505</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. It was repaid on April 17<sup>th</sup>, 2019 and drawn down again on May 3<sup>rd</sup>, 2019:

<u>Amount</u>	<u>Due Date</u>
\$3,000,000	April 30, 2020

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. A further Bridging Facility of \$5,000,000 was disbursed by Sagicor Bank (Jamaica) Limited on November 6<sup>th</sup>, 2018. This was repaid on August 31<sup>st</sup>, 2019 with interest.

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:

<u>Amount</u>	<u>Due Date</u>
\$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. This loan was fully repaid during the year under review.

# Cricket West Indies Inc.

Notes to the Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

## 12. Accounts Payable and Accruals

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 5,056,677	7,285,883
Accruals	<u>3,699,200</u>	<u>2,900,735</u>
	<u>\$ 8,755,877</u>	<u>10,186,618</u>

## 13. Deferred Revenue

	<u>2019</u>	<u>2018</u>
Sony	\$ -	1,216,000
Bid Fees re England International Tour 2019	-	1,360,292
Guarantees re Tour Operators England International Tour 2019	-	120,000
ICC	-	100,000
Cricket Development Sponsorship	-	134,200
ICC Americas	<u>-</u>	<u>119,000</u>
	-	3,049,492
Current portion of deferred revenue	<u>-</u>	<u>(3,049,492)</u>
	<u>\$ -</u>	<u>-</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 licence 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 were amortised in the 2018 - 2019 financial year.

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

The amount in relation to ICC Americas was 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 was amortized in the 2018-19 financial year. It relates to the provision of a cricket development programme.

# Cricket West Indies Inc.

Notes to the Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

## 14. 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>2019</u>	<u>2018</u>
Loan amount	\$ 3,000,000		5,500,000
Add: Accrued interest payable	<u>128,411</u>	<u>128,411</u>	<u>97,036</u>
	3,128,411	3,128,411	5,597,036
Current portion of ICC loan payable	<u>(3,128,411)</u>	<u>(3,128,411)</u>	<u>(2,597,036)</u>
Long term portion of ICC loan payable	\$ <u>          -</u>	<u>          -</u>	<u>3,000,000</u>

A portion of the final loan payment was deferred until July 15, 2020.

## 15. Share Capital

	<u>2019</u>	<u>2018</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" 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>

# Cricket West Indies Inc.

Notes to the Financial Statements

For the year ended September 30, 2019

*(Expressed in United States dollars)*

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## 15. Share Capital (*cont'd*)

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.

## 16. Provident Fund

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

The provident fund expense for the year amounted to US\$732,072 (2018: US\$518,068). This fund does not form part of these financial statements.

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

## 18. 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 Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

## 19. Revenue

	<u>2019</u>	<u>2018</u>
Media rights	\$ 33,666,000	986,052
ICC Distributions, Host Management Fees & Participation Fees	17,080,000	9,050,000
Ticketing revenue	5,652,711	681,462
Sponsorship fees	5,137,404	7,620,197
Bid Fees	3,290,441	-
Rights and licences	1,375,000	1,539,079
Release fees	1,363,003	784,310
Development Income	719,999	52,600
Recharges Charters & Group Accommodation	569,486	-
Participation Fees	119,000	150,000
Merchandise	71,316	7,521
UNICEF	59,745	38,666
Coaching Programme Fees	<u>5,244</u>	<u>-</u>
	<u>\$ 69,109,349</u>	<u>20,909,887</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 Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

## 20. Expenses from Tours and Tournaments

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Players' payments	21	\$ 12,463,899	9,359,746
Hosting fees paid to Territorial Boards		7,077,412	7,403,413
Accommodation		2,409,924	2,464,810
Airfares		2,568,328	2,528,517
Professional Cricket League Franchise		1,284,250	900,000
Other direct costs		1,781,983	700,864
Meal allowances		837,192	1,062,861
Training		785,347	1,355,376
Umpires costs		750,267	679,871
Team management fees		532,217	779,308
Balls and gear		533,178	386,274
Selectors' costs		271,742	465,548
Medical		249,825	124,833
President's box		232,111	162,209
Prize money		156,012	477,220
Fitness and conditioning		175,002	-
Contingency float and visas		78,964	88,778
Insurance		78,654	195,222
In transit flights		<u>39,479</u>	<u>32,923</u>
		\$ <u>32,305,786</u>	<u>29,167,773</u>

## 21. Players' Payments

	<u>2019</u>	<u>2018</u>
Match fees	\$ 6,883,206	4,249,080
International retainers	2,149,443	2,451,609
Franchise retainers	2,050,100	1,939,133
Provident fund	623,572	409,924
Players insurance	361,840	-
Incentives	305,432	230,000
Captain's Allowances	80,556	80,000
Injury payments	<u>9,750</u>	<u>-</u>
	\$ <u>12,463,899</u>	<u>9,359,746</u>

# Cricket West Indies Inc.

Notes to the Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

## 22. Operating Expenses

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Personnel expenses	23	\$ 4,927,082	4,464,203
Marketing, communication and publications		1,746,294	890,533
Share of ticket revenue to host venues		1,923,369	150,155
Development expenses		1,790,825	1,395,129
Kiddy Cricket		1,200,022	1,314,561
Release Fees		1,200,371	545,777
High Performance Centre		1,139,332	611,474
Ticket and sponsorship commissions		1,130,458	802,180
Television and audio production costs		829,701	711,991
Grant to West Indies Players Association		489,317	489,414
Meeting expenses		412,296	599,498
Professional fees		393,239	578,949
Travel and representation		274,112	240,167
Material, equipment, third party fees		273,701	275,510
Bad Debts		245,360	-
IT and telecommunication		242,156	225,663
Directors' fees		200,900	132,500
Taxation		93,607	-
Depreciation		62,761	79,605
Player programmes		42,017	32,985
Ambassadorship Programme		38,018	2,150
Foreign exchange differences		34,366	73,996
Courier / Donations		20,661	22,198
Grassroots Development Programmes		-	55,533
		<u>\$ 18,709,965</u>	<u>13,694,171</u>
Coolidge Cricket Ground Inc. expenses	27	<u>1,234,645</u>	<u>-</u>
		<u>\$ 19,944,610</u>	<u>13,694,171</u>

## 23. Personnel Expenses

	<u>2019</u>	<u>2018</u>
Salaries and wages	\$ 3,793,400	2,853,294
Payroll related costs	<u>1,133,682</u>	<u>1,610,909</u>
	<u>\$ 4,927,082</u>	<u>4,464,203</u>
Average number of employees	<u>55</u>	<u>52</u>

# Cricket West Indies Inc.

Notes to the Financial Statements

For the year ended September 30, 2019

(Expressed in United States dollars)

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## 24. Other Income

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

## 25. Contingencies and Claims

### i) Contingencies

There are no material lawsuits pending against the Company. Except for those claims already provided for in the 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.

### ii) 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.

## 26. Subsequent Events

i) Sagicor Bridging Facility #1 for \$5,000,000 was repaid subsequent to year end. A new Short Term Loan was negotiated with Sagicor Bank Jamaica Limited subsequent to year end for \$3,000,000. An advance on new media rights of \$2,000,000 was received from Pitch International subsequent to year end while substantive negotiations are being conducted on New Media Rights for the next five (5) years. A New Loan of \$1,000,000 was received from ICC subsequent to year end. On January 15, 2020, the ICC agreed to the deferral of \$2,000,000 of the outstanding loan principal until July 15, 2020. \$2,000,000 of the outstanding principal and interest was repaid on January 15, 2020 and the residual \$2,000,000 was due on July 15, 2020.

ii) The Sale Purchase Price Agreement between Coolidge Cricket Ground Inc. and the Liquidators has been varied such that the price was discounted by \$1,000,000 to \$6,500,000 with a completion date of February 29<sup>th</sup>, 2020. The sale was subsequently completed on February 29<sup>th</sup>, 2020.

iii) On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic, in recognition of its rapid spread across the globe. The spread of the virus is expected to have a significant impact on upcoming tours and tournaments. Management continues to estimate the impact of the pandemic.



# Cricket West Indies Inc.

Notes to the Financial Statements

For the year ended September 30, 2019

*(Expressed in United States dollars)*

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## 27. CCG Operating Expenses

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

## 28. Reclassification

Certain comparative amounts in the prior year financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported Total Comprehensive Loss.