

CHAIRMAN'S REPORT
YEAR ENDED SEPTEMBER 30TH 2014

Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek – Barack Obama

And so it was that the year 2013-2014 was a very interesting year in International Cricket as it dealt with change in the ICC hierarchy – change to suit the ever changing landscape of the business of cricket. The ICC Revamp was approved at an ICC Board Meeting held on February 8th 2014. The Revamp:

- Affected the ICC Group Structure Governance, Financial Model, Bilateral Cricket and ICC Events
- Impacted the WICB's projected revenue over the eight (8) year rights cycle 2015-23.

The year 2013/2014 was also a year of change at the WICB. The changes we have implemented will lead to a progressive attainment of our vision – to return the West Indies to dominance in world cricket. My report outlines the steps we have taken to realize our vision.

1. We are looking after our players by working towards a healthy relationship with the Players' Union. The **WICB/WIPA New Memorandum of Understanding/Collective Bargaining Agreement** was signed on September 19th 2014 at the Accra Beach Resort. The new MOU/CBA is ground breaking in that it relies on a percentage of the WICB's approved revenue being allocated to cover all player payments. It includes retainers for fifteen (15) international retainers and ninety (90) regional or franchise retainers.
2. We have introduced the WICB Professional Cricket League. A New WICB Structure approved by the Board of Directors coincided with the appointment of

a new Director of Cricket in Mr Richard Pybus. The New Structure for Regional Cricket is as follows:

- a. WICB will retain 15 players at the elite level. They will be required to spend maximum time at the base camp practicing their craft.
- b. A Tripartite Agreement among WICB, WIPA and the six (6) Franchises has been signed. The Agreement provides that each Franchise will retain a minimum of fifteen (15) cricketers on regional retainers. WICB agreed to pay approximately \$3mm per annum to the Territorial Boards or Franchises (\$500k each) to assist in the financing of the Franchise Operations

WICB continues to assist in all the match costs related to tournaments in which these teams participate.

- c. Under the changed professional cricket structure, each Territorial Board will deliver the minimum standards, which include:
 1. CEO
 2. Marketing officer
 3. Cricket Operations
 4. 2 Coaches
 5. 1 trainer
 6. 15 players

Each franchise will be required to set up a separate commercial structure for the professional system as distinct from its development arm, which lies with the territorial board.

The development arm will continue to earn based on the grant to each Board as approved by the Directors.

This professional structure will also serve as the academy where young talent can be identified and developed. The players will be on location and will be required to report for work – practicing daily and diligently working on their game.

3. WICB will continue to host 2 domestic tournaments per year:

NAGICO Super50

Regional 4 day. This tournament has been expanded to 2 rounds of matches. This is the second time this has been attempted and will be a feature going forward.

All travel and match fees will be for the account of the WICB

All hotel and transportation costs for WICB

We have worked tirelessly to implement a landscape within which our players can improve their games and the fortunes of West Indies cricket. It is a continuous struggle, but we identify with the words of Fredrick Douglass, who said *“If there is no struggle, there is no progress”*.

What will the changes bring for WI cricket and what are the advantages of our plan?

Our changes mean that there will now be:

1. 7 chief executive officers of cricket in the region
2. 7 Marketing officers in the region
3. At least 14 coaches at a minimum level in the region
4. 7 trainers in the region
5. 7 cricket operations officers in the region
6. 120 players on contracts within the system

The ability to have targeted training programs and targeted players

Supporting this structure would be the WICB medical panel consisting of physical therapists and doctors.

There would also be a support structure around this setup of a professional management team for the athletes in the form of lawyers, financial advisors and others.

But there are challenges.

The franchises with support from their governments, will more than likely still have an advantage over others. However we feel the franchises will have at least a minimum to take the game forward.

In order to make this work from commercially, all players will be required to play in our domestic tournaments. WICB will make available the IPL window, CPL and the Champions League. For all other tournaments, events players will be given NOCs on a requested or as needed basis.

Franchises will therefore be able to demand a return on their investment when they allow players from their system to play overseas.

In order to fund the new setup, it required a level of compromise from the senior players in that the current USD35k per day paid to the senior team would be removed and it would give the cash needed to implement same. This was agreed with the WIPA. Subsequent discussions and negotiations have resulted in the USD 35k per day being taken through the dispute resolution process.

We now return to the changes in international cricket and its effect on the WICB.

It is interesting to note that currently the ICC views itself as a members' body, rather than the governing body for the sport of cricket. This means that the ICC will rarely impose anything on members, but rather support the members on request.

The expected payment from ICC will ultimately be based on the rights value they are able to secure for the future eight year rights package. Additional bilateral agreements were secured with India (two additional tours 2017 and 2021) plus tours with the English Cricket Board and with Australia.

So far we have sold our Television and Media rights for just under \$2B. We still have the sponsorship and other audio visual rights to be finalized as the events are undertaken. WICB will be pushing to ensure that the amount of \$110m is assured as income over the next 8 years as our financial planning has been done on that basis.

On the ICC corporate governance structure, the following key decisions were taken:

- The Chairman of the Board will be Mr Niranjan Srinivasan of the BCCI for 2 years, after which any board member can become chairman. From a constitutional change, the Chairman of the Board can be a President or a Full member in keeping with the members' organization.
- The Chairman of the Financial & Commercial Affairs (F&CA) - Mr Giles Clarke – ECB was appointed for two years. The F&CA has been expanded to include at least 5 Full members, with the Chairman coming from among the members after the initial 2 years.
- The Chairman of the Executive Committee - Mr Wally Edwards of Cricket Australia, was appointed for two years initially, and the Committee was expanded to allow at least 5 full members with the Chairman to come from the membership.
- The other committees, Development, HR and Audit are now chaired by another Full member
- The WICB is represented on the Executive, Development and the Nominations Committees

Having looked at the financial model in more depth these are a few observations:

The F&CA committee is stating that the distribution figures represent the amount of money to attract teams to the 6 ICC events over the 8 years. Bearing in mind that when India plays 1 match in India they earn \$9m—which is actually a sacrifice.

When WICB looks at its figures over the same period – only an India tour will generate the kind of revenue that we will get from an FTP tour

Per capita revenue to WI - \$110m vs 6m people vs India \$600m vs \$1.2b. We can see that these numbers are relative.

Finance Matters

As we return to matters of WI cricket, we note that the annual budget presentation now takes place June in each year, so as to enable management adequate time to implement the new budgets once approved. This facilitates the Balanced Score Card method of analyzing and reporting.

This year our Annual Audit was completed within ninety (90) days after the financial year end. This is a first and is in keeping with best practices in industry standards. This was driven largely by the newly created Audit Risk & Compliance Committee.

Our governance and compliance functions were strengthened by the introduction of the internal Audit Function, which was outsourced to PricewaterhouseCoopers on a contractual basis. The step has been significant in that the WICB's internal control environment and systems have been strengthened.

Commercial Matters

The search for a Commercial Director continues. The function of the Commercial Director will be to pursue the sales of available commercial properties.

We are crafting a deliberate strategy that will create a climate for Corporate Caribbean and Governments' increased investment in WI Cricket. We have begun to see the results in the NAGICO Super50 event being hosted in Trinidad & Tobago in January 2014. This had the backing and support of the Government of Trinidad & Tobago, with generally increased sponsorships for the event.

ICC Events

West Indies was awarded two (2) ICC Events starting with the ICC Women's World Twenty20 Tournament to be played in 2018, and the ICC Under 19 World Cup to be played in 2022.

These events will require planning and execution of the highest standard and will bring opportunities for venues to market and position themselves, and to show their capability in delivering another world event as was done in 2007 and 2010. We will start our preparations next year for the first event.

West Indies was also awarded the hosting of the ICC Annual Conference Week scheduled for mid June 2015.

Governance Matters

We have used the services of Marguerite Orane to assist us in the consultation and implementation of a Balanced Scorecard system, which cascades downwards to the various departments of the WICB and to the Franchises.

A significant workshop was hosted in September 2014 involving the six (6) Franchises and WIPA, which sought to deepen the process of business planning at a Franchise level. As we believe that the new franchise system was new and different it was indeed important that we had this exercise. The product was to be a well thought out business plan and road map to ensure growth of the franchises and ultimately, the WICB.

We have included our partners WIPA in all that we have attempted in the last year. We collaborated on our second Awards ceremony, which was held here at the Pegasus Hotel in Kingston, and was quite a success. Plans are afoot for the next event.

As a result of the new WIPA arrangements, we have started to fund the WIPA again to the tune of 1% of our commercial revenues. This is in light of also providing to our players a minimum fixed percentage of our commercial revenues over the next 4 years.

The new relationship has resulted in our legal fees being reduced from \$1m in 2011, \$2.477m in 2012, \$1.125m in 2013 and only \$387k. We are now putting our resources to productive uses.

We keep our governance systems under constant review. At the last AGM we expanded the application of the fit and proper test to member directors. As a Board of Directors, we have as a standing agenda item, the requirement to disclose all conflicts of interests. We have made the Ethics Committee a standing committee of the Board, and have recently approved the tools needed to police ethical infractions, in particular, infractions of the Code of Ethics.

During our January meetings we reviewed the Patterson and Wilkin governance reports as a body and the Directorship felt that as a unit we were functioning as a fit-for-purpose organization. This is an item that we will keep reviewing as there is some feeling that the WICB needs to be more democratic as an organization.

Our relationship with CARICOM has improved as we have had numerous discussions with the secretariat and the Chairman of the sub-committee on cricket. We have asked that we be included in a frequent report to the Heads rather than having discussions whenever there is a crisis.

Cricket

We would like to congratulate the winners of our regional tournaments including:

Barbados, which won the Headley/Weekes trophy, winning the Final of the WICB Regional 4 Day tournament

Jamaica won the President’s Cup by amassing the highest total in the WICB 4 Day Tournament at the end of the preliminary stage

Barbados won the NAGICO Super50 2014 Tournament hosted in Trinidad & Tobago

Guyana won the WICB Regional U 19 Tournament hosted in Guyana

Barbados won the WICB Regional U 17 Tournament hosted in Tobago

Guyana won the WICB Regional U 15 Tournament hosted in Jamaica

Jamaica won the WI Women’s Regional Tournament hosted in Dominica

In terms of our International Performance on the field of play: We have a win/Loss ratio of 50% in all formats and this at least says we are beginning to make strides.

Format	Men				Women			
	Played	Wins	Losses	No Result	Played	Wins	Losses	No Result
Tests	7	3	3	1	n/a	n/a	n/a	n/a
ODI	13	7	6	0	17	7	10	0
T20I	15	7	7	1	17	4	11	2

	Men	Women
Test	8	-
ODI	8	2
T20	6	4

The Women’s Championship League has started in earnest and while we did exceptionally at home, our away tour to Australia did not yield the same result. We are

now placing a lot of attention and focus to our ladies team as we expect this format of the game in the region to grow and flourish as well.

Additionally, we are challenged with the following questions:

1. How do we get the trained coaches in place in short order?
2. Do we use past players as Assistant coaches while trying to get them certified?

Conclusion

The last year in review has been an interesting one. The events that occurred in India which happened after the beginning of the new financial year have been most unfortunate and regrettable. We apologize to you, our shareholders and stakeholders, as well as to the fans of West Indies Cricket everywhere. We sincerely pledge our efforts to rectify the situation in the most efficient manner possible, and with minimal damage to the future of WI Cricket; with a view to ensuring that such a situation is never repeated.

We are encouraged by the systems put in place for the future of the game, as emphasized by the Director of Cricket. The players can rest assured that they have the full support of the Board because we will do all that is necessary to give them the tools to perform optimally.

Our focus is now on ensuring that the PCL grows from strength to strength, as well as fortifying its feeder systems in the various clubs and islands. We will continue to work on the weaker areas, such as the Leeward Islands feeder, so as to bring about a complete turnaround in the shortest possible time, and in the most efficient manner.

We understand that there is much work to be done, but we are confident that we have laid the foundation for development of the game and the governance structure. The vision of returning West Indies cricket to dominance is ever before us. We have started a course of implementation and believe that we are up to the task to continue the implementation of the plan.

As I conclude, I express my most profound gratitude, on behalf of myself and the Vice President, for the opportunity to serve this August body.

May God bless you, and may God bless West Indies cricket.