

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Non-consolidated Financial Statements

September 30, 2011

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**WEST INDIES CRICKET BOARD INC.**  
(Parent Company Only)

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## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of  
**WEST INDIES CRICKET BOARD INC.**

We have audited the accompanying non-consolidated financial statements of West Indies Cricket Board Inc., which comprise the non-consolidated statement of financial position as at September 30, 2011, and the non-consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT** *(cont'd)*

To the Shareholders of  
**WEST INDIES CRICKET BOARD INC.**

**Opinion**

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2011, and of its financial performance, and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants  
March 02, 2012

Antigua and Barbuda

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

## Non-consolidated Statement of Financial Position

September 30, 2011

(Expressed in United States Dollars)

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	<u>Notes</u>	<u>2011</u>	<u>2010</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	6	\$ 11,155,716	6,177,829
Accounts receivable and prepayments	7	17,152,123	9,084,624
Due from Territorial Boards and Cricket Associations	8	<u>200,174</u>	<u>217,096</u>
<b>Total Current Assets</b>		<u>28,508,013</u>	<u>15,479,549</u>
<b>Non-current Assets:</b>			
Loan receivable		-	100,112
Property and equipment	9	<u>655,300</u>	<u>706,362</u>
<b>Total Non-current Assets</b>		<u>655,300</u>	<u>806,474</u>
<b>Total Assets</b>		\$ <u>29,163,313</u>	<u>16,286,023</u>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities:</b>			
Accounts payable and accruals	10	\$ 13,215,568	10,563,382
Deferred revenue	11	568,700	3,589,100
Due to Territorial Boards and Cricket Associations	8	<u>377,181</u>	<u>675,422</u>
<b>Total Current Liabilities</b>		<u>14,161,449</u>	<u>14,827,904</u>
<b>Non-current Liability:</b>			
Deferred revenue	11	-	<u>493,700</u>
<b>Total Non-current Liability</b>		-	<u>493,700</u>
<b>Total Liabilities</b>		<u>14,161,449</u>	<u>15,321,604</u>
<b>Shareholders' Equity</b>			
Share capital	12	17	17
Retained earnings		<u>15,001,847</u>	<u>964,402</u>
<b>Total Shareholders' Equity</b>		<u>15,001,864</u>	<u>964,419</u>
Contingencies	21		
<b>Total Liabilities and Shareholders' Equity</b>		\$ <u>29,163,313</u>	<u>16,286,023</u>

Approved on behalf of the Board

Director .....

Director .....

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*The notes on pages 7 to 28 are an integral part of these non-consolidated financial statements.*

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**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

## Non-consolidated Statement of Comprehensive Income

Year ended September 30, 2011

(Expressed in United States Dollars)

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	<u>Notes</u>	<u>2011</u>	<u>2010</u>
<b>Revenue</b>	16	\$ <u>56,835,823</u>	<u>24,295,467</u>
<b>Expenses:</b>			
Expenses from tours and tournaments	17	(24,891,157)	(16,798,997)
Operating expenses	19	<u>(17,879,609)</u>	<u>(13,899,449)</u>
		<u>(42,770,766)</u>	<u>(30,698,446)</u>
<b>Income/(loss) from operations</b>		<u>14,065,057</u>	<u>(6,402,979)</u>
<b>Other Income/(Expenses):</b>			
Interest income		50,138	66,035
Finance expenses		(185,665)	(32,124)
Other income		<u>107,915</u>	<u>879,276</u>
		<u>(27,612)</u>	<u>913,187</u>
<b>Net income/(loss)</b>		\$ <u>14,037,445</u>	<u>(5,489,792)</u>
<b>Total Comprehensive income/(loss)</b>		\$ <u>14,037,445</u>	<u>(5,489,792)</u>

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*The notes on pages 7 to 28 are an integral part of these non-consolidated financial statements.*

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

## Non-consolidated Statement of Changes in Shareholders' Equity

Year ended September 30, 2011

(Expressed in United States Dollars)

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	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance at September 30, 2009</b>	\$ 17	6,454,194	6,454,211
Total comprehensive loss for the year	<u>-</u>	<u>(5,489,792)</u>	<u>(5,489,792)</u>
<b>Balance at September 30, 2010</b>	17	964,402	964,419
Total comprehensive income for the year	<u>-</u>	<u>14,037,445</u>	<u>14,037,445</u>
<b>Balance at September 30, 2011</b>	\$ <u>17</u>	<u>15,001,847</u>	<u>15,001,864</u>

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*The notes on pages 7 to 28 are an integral part of these non-consolidated financial statements.*

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Non-consolidated Statement of Cash Flows

Year ended September 30, 2011

(Expressed in United States Dollars)

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	<u>Notes</u>	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>			
Total comprehensive income/(loss)		\$ 14,037,445	(5,489,792)
<b>Adjustments for:</b>			
Interest expense		185,665	32,124
Interest income		(50,138)	(66,035)
Depreciation	9	180,887	160,435
Gain on disposal property and equipment		<u>-</u>	<u>(1,283)</u>
<b>Operating income/(loss) before changes in working capital</b>		14,353,859	(5,364,551)
(Increase)/decrease in accounts receivable and prepayments		(8,067,499)	6,175,521
Decrease in due from Territorial Boards and Cricket Associations		16,922	57,734
Increase/(decrease) in accounts payable and accruals		2,652,186	(1,268,235)
Decrease in deferred revenue	11	(3,514,100)	(385,800)
Decrease in due to Territorial Boards and Cricket Associations		(298,241)	(133,477)
Decrease in loans receivable		<u>100,112</u>	<u>-</u>
<b>Cash provided by /(used in) operations</b>		5,243,239	(918,808)
Interest paid		(185,665)	(32,124)
Interest received		<u>50,138</u>	<u>66,035</u>
<b>Net cash provided by /(used in) operating activities</b>		<u>5,107,712</u>	<u>(884,897)</u>
<b>Cash flows from investing activity</b>			
Additions to property and equipment	9	(129,825)	(243,008)
Proceeds from disposals of property and equipment		<u>-</u>	<u>51,342</u>
<b>Net cash used in investing activity</b>		<u>(129,825)</u>	<u>(191,666)</u>
<b>Cash flows from financing activity</b>			
Repayment of ICC Financial Assistance Facility		<u>-</u>	<u>(1,202,970)</u>
<b>Net cash used in financing activity</b>		<u>-</u>	<u>(1,202,970)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		4,977,887	(2,279,533)
Cash and cash equivalents, beginning of year		<u>6,177,829</u>	<u>8,457,362</u>
<b>Cash and cash equivalents, end of year</b>		\$ <u>11,155,716</u>	<u>6,177,829</u>
<b>Represented by:</b>			
Cash in hand and at bank	6	\$ 5,125,785	3,292,884
Short-term deposit	6	<u>6,029,931</u>	<u>2,884,945</u>
		\$ <u>11,155,716</u>	<u>6,177,829</u>

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*The notes on pages 7 to 28 are an integral part of these non-consolidated financial statements.*

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## WEST INDIES CRICKET BOARD INC.

(Parent Company Only)

Notes to Non-consolidated Financial Statements

September 30, 2011

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### 1. Reporting Entity:

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

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

The Board is owned jointly by six (6) regional territorial boards as follows:

- |                                       |   |
|---------------------------------------|---|
| ▪ Leeward Islands Cricket Association | ▪ Windward Islands Cricket Board of Control |
| ▪ Jamaica Cricket Association         | ▪ Barbados Cricket Association              |
| ▪ Trinidad and Tobago Cricket Board   | ▪ Guyana Cricket Board.                     |

The Company employed forty-five (45) persons at the year end (2010: 38). 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.

### 2. Basis of Preparation:

#### (a) *Statement of Compliance:*

These non-consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standard Board (IASB).

These non-consolidated financial statements were approved for issuance on February 24, 2012.

#### (b) *Basis of Measurement:*

These non-consolidated financial statements have been prepared on the historical cost basis.

#### (c) *Functional and Presentation Currency:*

These non-consolidated 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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**WEST INDIES CRICKET BOARD INC.**  
(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

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

(d) *Uses of Estimates and Judgments:*

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

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

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

- |   |                   |
|---|-------------------|
| 1. Estimated useful lives on property and equipment       | Note 3 (c) and 10 |
| 2. Determination for fair values of financial instruments | Note 4            |
| 3. Impairment losses on accounts receivable               | Note 7            |

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

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

(f) *New Standards, and Interpretations of and Amendments to Existing Standards that are not yet Effective:*

At the date of authorization of the financial statements, certain new standards, and amendments to and interpretations of existing standards, have been issued which are not yet effective and which the Company has not early-adopted. The Company has assessed the relevance of all such new standards, amendments and interpretations with respect to its operations, has determined that the following may be relevant to its operations and has concluded as follows:

- IFRS 9, *Financial Instruments*, is effective for annual reporting periods beginning on or after January 1, 2013. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost

and fair value. The Company is assessing the impact that the standard will have on the 2014 financial statements.

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

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

(f) *New Standards, and Interpretations of and Amendments to Existing Standards that are not yet Effective:* (*cont'd*)

- IFRS 9, *Financial Instruments* (2010). The revised IFRS supersedes the previous version of IFRS 9 issued in 2009 and is effective for accounting periods beginning on or after January 1, 2013. The revised standard now includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss and incorporates certain existing requirements of IAS 39 *Financial Instruments: Recognition and Measurement* on the recognition and de-recognition of financial assets and financial liabilities. The company is assessing the impact that the standard will have on the 2014 financial statements.
- IFRS 13, *Fair Value Measurement*, which is effective for annual reporting periods beginning on or after January 1, 2013, defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value and is applicable to assets, liabilities and an entity's own equity instruments that, under other IFRSs, are required or permitted to be measured at fair value, or when disclosure of fair values is provided. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The company is assessing the impact that this standard will have on its financial statements when effective.
- IAS 24, *Related Party Disclosure*, revised (effective January 1, 2011) introduces changes to the related party disclosure requirements for government-related entities and amends the definition of a related party. The standard also expands the list of transactions that require disclosure.
- Disclosures – *Transfer of Financial Assets* (Amendments to IFRS 7) is effective for accounting periods beginning on or after July 1, 2011. The amendment requires disclosure of information that enable users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities and to evaluate the nature of and risks associated with, the entity's continuing involvement in these derecognized assets.

**WEST INDIES CRICKET BOARD INC.**  
(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

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**3. Summary of Significant Accounting Policies:**

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

(a) *Revenue Recognition:*

Revenue is recognised in the non-consolidated statement of comprehensive income upon the occurrence of a particular cricket event according to television rights contracts, sponsorship contracts, tour guarantees, and ticket sales.

(b) *Cash and Cash Equivalents:*

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

(c) *Property and Equipment:*

i. *Recognition and Measurement:*

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Initially, an item of plant and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. Gain and loss on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant 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 day-to-day servicing of an asset are recognised in the period in which it is incurred.

ii. *Depreciation:*

Depreciation is provided on plant and equipment using the straight-line method at rates considered adequate to write off the cost of this depreciable plant and equipment, less residual value, over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

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

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**WEST INDIES CRICKET BOARD INC.**  
(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

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

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

The annual rates used are as follows:

Leasehold improvements	10% - 33 1/3% per annum or term of lease, whichever is shorter
Cricket box	10 % per annum
Office furniture and equipment	10% - 33 1/3% per annum
Computer equipment	33 1/3% per annum
HPC Team equipment	20% per annum
Motor vehicles	25% - 33 1/3% per annum

(d) *Accounts Receivable and Prepayments:*

Accounts receivable and prepayments are stated at cost less impairment losses.

An allowance for impairment of these receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the contract.

(e) *Expenses from Tours and Tournaments:*

Expenses from tours and tournaments are recognised in the non-consolidated statement of comprehensive income on an accrual basis as they are incurred.

(f) *Impairment:*

i. *Financial assets:*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generated unit exceeds its recoverable amount. Impairment losses are recognised in the non-consolidated statement of comprehensive income.

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.

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

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

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

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

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

ii. *Non-financial assets:*

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

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

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

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

**WEST INDIES CRICKET BOARD INC.**  
(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

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

(g) *Financial Instruments:*

i. *Non-derivative financial instruments:*

Non-derivative financial instruments comprise, trade and other receivables, prepayments, cash and cash equivalents, loans, due to/due from related parties, accounts payable and accrued liabilities.

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

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

ii. *Trade receivables:*

Trade receivables are carried initially at fair value and subsequently measured at amortised cost less a provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income. Trade receivables, being short term, are not discounted.

iii. *Accounts payable and accrued liabilities:*

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Company.

iv. *Borrowing Costs:*

Borrowing costs are recognised in the period in which they are incurred and charged to the non-consolidated statement of comprehensive income.

## WEST INDIES CRICKET BOARD INC.

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

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

(h) *Foreign Currency Transactions:*

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the non-consolidated statement of financial position date are translated to United States Dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the non-consolidated statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to United States Dollars at foreign exchange rates ruling at the dates the values were determined.

(i) *Provisions:*

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(k) *Employee Benefits:*

i. *Pension Benefits:*

The Company's contributions to a defined contribution pension plan (Provident Fund) are charged to the non-consolidated statement of comprehensive income in the period to which the contributions relate. The Provident Fund is externally funded (note 14).

Obligations for contributions to Social Security Fund and Medical Benefits Scheme are recognised as an expense in the non-consolidated statement of comprehensive income as incurred.

(l) *Share Capital:*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(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 non-consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the

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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.

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

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**4. Determination of Fair Values:**

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

(i) *Trade and Other Receivables:*

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

(ii) *Non-derivative Financial Liabilities:*

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

The fair value of cash in hand and at bank, accounts receivable, due from related parties, accounts payable and accruals, due to related parties, are not materially different from their carrying amount due to their short-term period to maturity.

**5. 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

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by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements *(cont'd)*

September 30, 2011

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

(a) *Financial Risk Factors: (cont'd)*

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 Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Company.

(b) *Credit Risk:*

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

i. *Trade and Other Receivables:*

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

ii. *Cash and Cash Equivalents:*

Cash and cash equivalents are held with established financial institutions, which represent minimum risk of default.

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

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 11,155,716	6,177,829
Accounts receivable	13,710,694	8,301,207
Due from Territorial Boards and Cricket Associations	231,536	217,096
Loan receivable	<u>-</u>	<u>100,112</u>
	\$ <u>25,097,946</u>	<u>14,796,244</u>

Credit risk in respect of accounts receivable, due from Territorial Boards and Cricket Associations and loan receivable is limited as these balances are shown net of provision for

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doubtful debts. Cash and cash equivalents are held with financial institutions which represent minimum risk of default.

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

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

(c) *Liquidity Risk:*

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

The following are the contractual maturities of financial assets and liabilities excluding the impact of netting arrangements:

	<b>2011</b>				
	<b>Carrying Amounts</b>	<b>Contractual Cash Flows</b>	<b>6 months or less</b>	<b>6-12 Months</b>	<b>More than 1 Year</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 11,155,716	11,155,716	11,155,716	-	-
Accounts receivables	13,710,694	13,710,694	13,710,694	-	-
Prepayments	2,843,687	2,843,687	2,843,687	-	-
Due from related parties	231,536	231,536	231,536	-	-
	<u>27,941,633</u>	<u>27,941,633</u>	<u>27,941,633</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>					
Accounts payable and accruals	12,621,065	12,621,065	12,621,065	-	-
Due to related parties	405,304	405,304	405,304	-	-
	<u>13,026,369</u>	<u>13,026,369</u>	<u>13,026,369</u>	<u>-</u>	<u>-</u>
<b>Liquidity gap</b>	<u>\$ 14,915,264</u>	<u>15,915,264</u>	<u>14,915,264</u>	<u>-</u>	<u>-</u>
<b>Cumulative liquidity gap</b>	<u>\$ -</u>	<u>14,915,264</u>	<u>14,915,264</u>	<u>14,915,264</u>	<u>14,915,264</u>

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

5. **Financial Risk Management:** (*cont'd*)(c) *Liquidity Risk:* (*cont'd*)

	<b>2010</b>				
	<b>Carrying Amounts</b>	<b>Contractual Cash Flows</b>	<b>6 months or less</b>	<b>6-12 Months</b>	<b>More than 1 Year</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 6,177,829	6,177,829	6,177,829	-	-
Accounts receivables	8,301,207	8,301,207	8,301,207	-	-
Prepayments	783,417	783,417	783,417	-	-
Due from related parties	217,096	217,096	217,096	-	-
	<u>15,479,549</u>	<u>15,479,549</u>	<u>15,479,549</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>					
Accounts payable and accruals	10,563,382	10,563,382	10,563,382	-	-
Due to related parties	675,422	675,422	675,422	-	-
	<u>11,238,804</u>	<u>11,238,804</u>	<u>11,238,804</u>	<u>-</u>	<u>-</u>
<b>Liquidity gap</b>	\$ <u>4,240,745</u>	<u>4,240,745</u>	<u>4,240,745</u>	<u>-</u>	<u>-</u>
<b>Cumulative liquidity gap</b>	\$ <u>-</u>	<u>4,240,745</u>	<u>4,240,745</u>	<u>4,240,745</u>	<u>4,240,745</u>

## WEST INDIES CRICKET BOARD INC.

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

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### 5. **Financial Risk Management:** (*cont'd*)

(d) *Market Risk:*

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

(i) *Price Risk:*

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in the market. The Company has no significant exposure to such risk.

(ii) *Interest Rate Risk:*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is affected where there is a mismatch between interest earning assets and interest bearing liabilities, which are subject to interest rate adjustments within a specified period. The Company's exposure to interest rate risk is disclosed in notes 6 and 8.

(iii) *Currency Risk:*

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

(e) *Fair Values of Financial Instruments:*

The fair value of cash and cash equivalents, accounts receivable, loan receivable, accounts payable and accruals are not materially different from their carrying amount due to their short-term to maturity.

Because there are no fixed terms of repayment, it is not practicable to determine the fair value of the amount due from/(to) Territorial Boards and Cricket Associations.

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

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

5. **Financial Risk Management:** (*cont'd*)*(f) Capital Management:*

It is the Company's policy to maintain a strong capital base so as to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as total shareholder's 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.

6. **Cash and Cash Equivalents:**

	<u>2011</u>	<u>2010</u>
Cash in hand and at bank	\$ 5,125,785	3,292,884
Short-term deposit	<u>6,029,931</u>	<u>2,884,945</u>
	<u>\$ 11,155,716</u>	<u>6,177,829</u>

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

The Company concluded negotiations on a Standby Credit Facility with United National Bank on December 20<sup>th</sup> 2010 with a limit of \$6,000,000.00 at an interest of six month US LIBOR plus 525 basis points. The facility is renewable annually on the anniversary date. The facility is secured by an assignment of the receivables arising from the distributions made in relation to world events held by the International Cricket Council up until 2015.

7. **Accounts Receivable and Prepayments:**

	<u>2011</u>	<u>2010</u>
Accounts receivable	\$ 15,727,867	9,195,627
<b>Less:</b> Allowance for doubtful accounts	<u>(1,419,431)</u>	<u>(894,420)</u>
	14,308,436	8,301,207
Prepayments	<u>2,843,687</u>	<u>783,417</u>
	<u>\$ 17,152,123</u>	<u>9,084,624</u>

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements *(cont'd)*

September 30, 2011

**8. Related Party Balances and Transactions:***(a) Related Parties: (cont'd)*

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

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

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

	<u>2011</u>	<u>2010</u>
<b>Due from Territorial Boards and Cricket Associations</b>		
Trinidad and Tobago Cricket Board	\$ -	106,728
Leeward Islands Cricket Association	109,464	108,590
Windward Islands Cricket Board of Control	52,882	1,778
Guyana Cricket Board	35,961	-
St. Kitts Cricket Association	-	-
St. Lucia National Cricket Association	<u>1,867</u>	<u>-</u>
	<u>\$ 200,174</u>	<u>217,096</u>

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements *(cont'd)*

September 30, 2011

**8. Related Party Balances and Transactions: *(cont'd)****(b) Balances with Territorial Boards and Cricket Associations: *(cont'd)**

	<u>2011</u>	<u>2010</u>
<b>Due to Territorial Boards and Cricket Associations</b>		
Grenada Cricket Association	\$ 1,950	6,638
Barbados Cricket Association	67,855	210,615
Jamaica Cricket Association	9,003	97,271
Guyana Cricket Board	-	324,746
Dominica Cricket Association	5,566	17,829
St. Lucia National Cricket Association	-	18,323
Trinidad and Tobago Cricket Board	272,423	-
Antigua Cricket Association	6,612	-
St. Kitts Cricket Association	13,218	-
St. Vincent Cricket Association	<u>554</u>	<u>-</u>
	\$ <u>377,181</u>	<u>675,422</u>

These amounts are interest free, unsecured and without any fixed terms of repayment.

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

The transactions with territorial boards and cricket associations comprise advances made to cover the cost of hosting regional first class matches and international matches involving ICC Full Member Countries touring the West Indies. Territorial cricket boards and cricket associations earn management fees and a share of the perimeter board advertising revenue in relation to the hosting of international matches.

*(d) Key management personnel compensation comprises:*

	<u>2011</u>	<u>2010</u>
Short-term employee benefits	\$ <u>409,822</u>	<u>402,429</u>



**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

**9. Property and Equipment:**

	Leasehold Improvements	Cricket Box	Office Furniture and Equipment	Computer Equipment	HPC Team Equipment	Motor Vehicles	Total
<b>Cost:</b>							
<b>At September 30, 2009</b>	\$ 411,904	477,659	394,424	316,225	-	224,632	1,824,844
Additions	69,684	-	94,399	59,005	3,431	16,489	243,008
Disposals	-	-	-	-	-	(77,522)	(77,522)
<b>At September 30, 2010</b>	481,588	477,659	488,823	375,230	3,431	163,599	1,990,330
Additions	9,804	-	70,616	42,427	6,978	-	129,825
Disposals	-	-	-	-	-	-	-
<b>At September 30, 2011</b>	\$ <u>491,392</u>	<u>477,659</u>	<u>559,439</u>	<u>417,657</u>	<u>10,409</u>	<u>163,599</u>	<u>2,120,155</u>
<b>Depreciation:</b>							
<b>At September 30, 2009</b>	60,608	476,135	328,668	175,718	-	109,867	1,150,996
Charge for the year	8,840	1,524	32,360	84,210	29	33,472	160,435
Written back on disposals	-	-	-	-	-	(27,463)	(27,463)
<b>At September 30, 2010</b>	\$ 69,448	477,659	361,028	259,928	29	115,876	1,283,968
Charge for the year	9,900	-	58,471	85,311	408	26,797	180,887
Written back on disposals	-	-	-	-	-	-	-
<b>At September 30, 2011</b>	\$ <u>79,348</u>	<u>477,659</u>	<u>419,499</u>	<u>345,239</u>	<u>437</u>	<u>142,673</u>	<u>1,464,855</u>
<b>Carrying Value:</b>							
<b>At September 30, 2011</b>	\$ <u>412,044</u>	<u>-</u>	<u>139,940</u>	<u>72,418</u>	<u>9,972</u>	<u>20,926</u>	<u>655,300</u>
<b>At September 30, 2010</b>	\$ <u>412,140</u>	<u>-</u>	<u>127,795</u>	<u>115,302</u>	<u>3,402</u>	<u>47,723</u>	<u>706,362</u>

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

**10. Accounts Payable and Accruals:**

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
Trade payables		\$ 13,067,420	10,415,234
Finance lease liability	14	<u>148,148</u>	<u>148,148</u>
		<u>\$ 13,215,568</u>	<u>10,563,382</u>

**11. Deferred Revenue:**

	<u>2011</u>	<u>2010</u>
Taj Television Limited	\$ 568,700	4,082,800
<b>Less: Current portion</b>	<u>-</u>	<u>(3,589,100)</u>
Non current portion	<u>\$ 568,700</u>	<u>493,700</u>

The balance pertaining to Taj Television Limited relates to the ten (10%) percent down payment required by the television broadcast agreement signed on February 24, 2009. Taj Television Limited owns the television broadcast rights to all tours to West Indies for the rest of the World (excluding the United Kingdom and the Caribbean) for five (5) years 2008 to 2012.

**12. Share Capital:**

		<u>2011</u>	<u>2010</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>

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

**13. 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\$275,493 (2010: US\$260,573). This fund does not form part of these non-consolidated financial statements.

**14. Lease Commitment:**

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

**15. Taxation:**

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

**16. Revenue:**

	<u>2011</u>	<u>2010</u>
ICC events	\$ 14,779,021	8,353,939
Media rights	31,375,723	5,283,000
Sponsorship fees	6,572,993	4,274,250
Ticketing revenue	1,041,936	2,454,193
Notional tour guarantee fees	1,050,000	1,500,000
Corporate hospitality	-	1,257,086
Merchandising rights and licenses	1,249,483	1,006,332
Appearance fees	<u>766,667</u>	<u>166,667</u>
	<u>\$ 56,835,823</u>	<u>24,295,467</u>

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

**17. Expenses from Tours and Tournaments:**

	<u>Note</u>	<u>2011</u>	<u>2010</u>
Players' payments	18	\$ 10,486,746	7,954,702
Notional tour guarantee fees		1,925,000	2,250,000
Match costs		1,973,521	1,264,570
Accommodation		1,863,002	1,248,737
Airfares		1,608,998	1,129,141
Hosting fees paid to Territorial Boards to host regional matches		2,135,750	1,098,631
Other direct costs		1,607,353	245,384
Meal allowances		576,438	280,006
Training		240,226	271,744
Balls and gear		307,794	245,609
Insurance		501,276	233,271
Prize money		589,768	121,241
Selectors' fees and allowances		202,962	78,600
Umpires Fees		394,726	109,128
Medical		48,625	27,455
In transit		27,678	43,730
President's Box		137,317	47,719
Team Management Fees		184,586	127,352
Contingency Float & Visas		<u>79,391</u>	<u>21,977</u>
		\$ <u>24,891,157</u>	<u>16,798,997</u>

**18. Players' Payments:**

	<u>2011</u>	<u>2010</u>
Match fees	\$ 2,743,114	2,765,452
Retainers	1,531,800	1,868,000
Other payments	1,855,000	1,750,000
Share of distribution	3,848,494	1,373,000
Injury payments	280,713	101,950
Provident fund	<u>227,625</u>	<u>96,300</u>
	\$ <u>10,486,746</u>	<u>7,954,702</u>

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

**19. Operating Expenses:**

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
Television and audio production costs		\$ 4,660,738	3,701,742
Materials, equipment, third party fees		4,881,606	3,290,584
Personnel expenses	20	2,691,475	2,739,837
Event management		897,973	947,636
Marketing communications and publications		649,773	871,801
Miscellaneous		47,361	367,714
Travel and representation		147,392	411,145
IT and telecommunication		318,118	229,815
Bad debts		399,570	243,635
Development tournaments		639,485	249,265
West Indies Players Association expenses		110,569	147,071
Territorial Development Officers		162,188	117,211
Kiddy Cricket		314,287	48,216
West Indies Women Cricket expenses		19,237	48,015
Foreign exchange differences		113,147	4,740
Grassroots Development Programmes		576,814	-
High Performance Center		790,595	250,003
Depreciation		180,887	160,435
Audit fees		25,954	63,656
Workshops		<u>252,440</u>	<u>6,928</u>
		\$ <u>17,879,609</u>	<u>13,899,449</u>

*i) High Performance Centre*

The High Performance Centre (HPC) commenced operations on June 01, 2010 at Cave Hill University of the West Indies, Barbados. During the current year, the HPC employed eight (8) persons and their emoluments amounted to US\$408,348 and these have been included in personnel expenses for year.

Under the terms of the sponsorship agreement between Sagicor Financial Corporation and the University of the West Indies and the West Indies Cricket Board of Control and the University of the West Indies, sponsorship revenue is required to be paid directly to the University of the West Indies from Sagicor.

The University of the West Indies utilizes the funds as deemed necessary for certain items of expenditure and the remaining amount is remitted to the company and recognized as sponsorship revenue for the purpose of financing operating activities of the High Performance Centre. The amount of funds withheld by the University of the West Indies during the life of the current sponsorship agreement is \$600,007.

**WEST INDIES CRICKET BOARD INC.**

(Parent Company Only)

Notes to Non-consolidated Financial Statements (*cont'd*)

September 30, 2011

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**20. Personnel Expenses:**

	<u>2011</u>	<u>2010</u>
Salaries and wages	\$ 1,974,411	1,490,395
Payroll related costs	<u>717,064</u>	<u>1,249,442</u>
	\$ <u>2,691,475</u>	<u>2,739,837</u>
Average number of employees	<u>45</u>	<u>38</u>

**21. Contingencies:**

Various material lawsuits are pending against the Company. Except for those claims already provided for in the financial statements, final determination of the amounts to be settled, if any, cannot be made. Any settlement resulting from such proceedings will be charged or credited to income of the period in which the settlement occurs.

**22. Comparatives:**

During the year the Company modified several items to provide the users of the financial statements with greater clarity related to the various expenditure items presented. Comparative information within Expenses from Tours and Tournament and Operating Expenses were reclassified for consistency.

Since the amounts were reclassifications within operating activities in the non-consolidated statement of comprehensive income, these reclassifications did not have any effect on the non-consolidated statement of financial position.