

ICC DEVELOPMENT (INTERNATIONAL) LTD  
AND ITS SUBSIDIARIES

# **CONSOLIDATED FINANCIAL STATEMENTS**

31 DECEMBER 2013

# DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors take pleasure in presenting their report together with the audited consolidated financial statements for the year ended 31 December 2013 which comprise the results of ICC Development (International) Limited (IDI) and its subsidiary companies ICC (Events) Limited, International Cricket Council FZ LLC, IDI Mauritius Limited and IDI Hungry KFT, hereafter referred to as the 'IDI Group'. The IDI Group is owned by the International Cricket Council (the ICC). Collectively the ICC and the IDI Group is hereafter referred to as the ICC Group.

## BUSINESS ACTIVITIES

During the year the IDI Group conducted such business activities as were necessary to manage international cricket. These activities included the provision of Match Officials for bilateral international cricket and staging the ICC Champions Trophy 2013 and the ICC WT20 Qualifier 2013. The development programme continued with its activities to promote and develop the game globally.

## CONSOLIDATED FINANCIAL RESULTS

The net surplus for the year before taxation amounted to USD 64.7M (2012: USD 101.2M). Key features include:

- Total revenue amounted to USD 127.4M (2012: USD 161.6M), which includes USD Nil (2012: USD 20.7M) from Members subscriptions, USD 110.9M (2012: USD 131.9M) from events revenue and USD 14.9M (2012: USD 5.7M) from the IDI Group's commercial and other activities. Interest and other financial income totalled USD 1.6M (2012: USD 3.3M).
- Operating costs amounted to USD 62.7M (2012: USD 60.4M), which includes events cost of USD 33.4M (2012: USD 37.1M). General and administrative and other expenses relating to the management of the global game of cricket totalled USD 29.3M (2012: USD 23.3M).

During the year, Members were paid dividends amounting to USD 85.4 M (2012: Nil).

## CAPITAL AND RESERVES

- Capital and Reserves amount to USD 97.9M (2012: USD 126.4M), represented by Reserves of USD 45M (2012: USD 36.4M) and Surplus (Allocable and Retained) of USD 52.9 M (2012: USD 90M).


## INSURANCE OF DIRECTORS AND OFFICERS

During the year the IDI Group paid premiums to insure all Directors and Officers of the ICC and IDI. The insurance policy covers any Director or Officer of the ICC or IDI including past Directors, the Chairman, Managing Director, Secretary and employees of the ICC Group. The liabilities insured include claims and costs that may be incurred in defending any proceedings that may be brought against any Director or Officer when acting in their capacity as a Director /Officer of the ICC or IDI.

## AUDITORS

A resolution to re-appoint Ernst & Young as auditors for the ensuing year will be put to the members of the Annual General Meeting.

For and on behalf of the IDI Board of Directors



Alan Isaac  
Chairman  
10 April 2014

# GROUP DIRECTORY

AT 31 DECEMBER 2013

## GENERAL INFORMATION

### INTERNATIONAL CRICKET COUNCIL (“ICC”)

The ICC is primarily responsible for all aspects of the day to day running and the development of international cricket. This extensive remit includes management of the ICC Code of Conduct and the playing conditions relevant to the international game, provision of qualified and independent Match Officials for Tests, One Day and Twenty20 Internationals and initiating and implementing key policy decisions for the benefit of the game. The ICC is a company registered in the BVI, is limited by guarantee, does not have share capital and undertakes no transactions.

The ICC currently has 106 Members located worldwide.

### ICC DEVELOPMENT (INTERNATIONAL) LIMITED (“IDI”)

IDI was incorporated in the British Virgin Islands in 1993 and is principally responsible for:

- (i) Managing ICC cricket events;
- (ii) Managing the commercial rights to cricket events;
- (iii) Managing the ICC Development Program; and
- (iv) Providing such administration and other services as are required by the ICC.

IDI is a wholly owned subsidiary of ICC.

*The address of the company’s registered office is as follows:*

Craigmuir Chambers,  
Road Town,  
Tortola,  
Territory of the British Virgin Islands

### INTERNATIONAL CRICKET COUNCIL FZ-LLC (“FZ LLC”)

FZ LLC was incorporated in the United Arab Emirates in May 2005 in order to provide administrative support services to IDI Group. FZ LLC is a wholly owned subsidiary of IDI.

*The address of the company’s registered office is as follows:*

Office No 28, Bldg # 2  
Second Floor  
Dubai Media City  
Dubai  
United Arab Emirates

### ICC (EVENTS) LIMITED (“IEL”)

IEL was incorporated in the Republic of Cyprus in May 2004 in order to manage certain commercial rights of IDI. IEL is a wholly owned subsidiary of IDI.

*The address of the company’s registered office is as follows:*

Diomidous , 10,  
Alphamega-Akropolis Building, Office No 401  
3rd Floor, PC 2024, Nicosia  
Cyprus

### IDI MAURITIUS LIMITED (“IML”)

IML was incorporated in Mauritius in April 2009 to manage certain commercial rights of IDI. IML is a wholly owned subsidiary of IDI.

*The address of the company’s registered office is as follows:*

4th Floor, Les Jamalacs Bldg  
Vieux Conseil Street  
Port Louis  
Mauritius

### IDI HUNGARY KFT (“IHK”)

IHK was incorporated in Hungary in May 2009 to manage certain commercial rights of IDI. IHK is a wholly owned subsidiary of IDI.

*The address of the company’s registered office is as follows:*

H-2724, Ujlengyel,  
Petöfi Sandor U, 40,  
Hungary

# GROUP DIRECTORY

AT 31 DECEMBER 2013

## IDI BOARD DIRECTORS

### Executive Director

David Richardson	Managing Director	Appointed 2012
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### Non-Executive Directors

Director		Director Since
Alan Isaac	Chairman	2008
Mustafa AHM Kamal	Vice Chairman	2009
Wally Edwards	Full Member representative, Australia *	2012
Nazmul Hassan	Full Member representative, Bangladesh *	2012
Giles Clarke	Full Member representative, England *	2007
N Srinivasan	Full Member representative, India *	2011
Martin Snedden	Full Member representative, New Zealand *	2013
Najam Sethi	Full Member representative, Pakistan *	2013
Chris Nenzani	Full Member representative, South Africa *	2013
Jayantha Dharmadasa	Full Member representative, Sri Lanka *	2013
Dave Cameron	Full Member representative, West Indies *	2013
Peter Chingoka	Full Member representative, Zimbabwe *	1997
Neil Speight	Associate Member representative, Bermuda +	2008
Imran Khwaja	Associate Member representative, Singapore +	2008
Keith Oliver	Associate Member representative, Scotland <sup>+</sup>	2010

\* Full Member representatives are the President/Chairman of the National Cricket Federation in their respective country or the designated representative of that National Cricket Federation.

+ The three Associate Member representatives are elected for a two year term by the Associate Members and the representatives of the Affiliate members at the Annual Meeting of the Associates.

The following Directors served during the period until their resignation or expiry of their term in office:

Director	Designation	Resigned/Term ended
Chris Moller	Full Member representative, New Zealand	2013
Zaka Ashraf	Full Member representative, Pakistan	2013
Upali Dharmadasa	Full Member representative, Sri Lanka	2013

No Director held an interest in the shares of IDI during the year.



Iain Higgins  
Company Secretary  
10 April 2014

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INTERNATIONAL CRICKET COUNCIL

We have audited the accompanying consolidated financial statements of ICC Development (International) Limited (the "IDI") and its subsidiaries (together the "IDI Group"), which comprise the consolidated statement of financial position as at 31 December 2013 and the consolidated statement of comprehensive income, consolidated statement of changes in Members' funds and consolidated statement of cash flows for the year and then ended, and a summary of significant accounting policies and other explanatory information.

## DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of these 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 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 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 ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

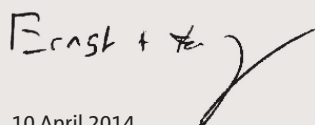
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the IDI Group as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

## EMPHASIS OF MATTER

We draw attention to Note 23a to the consolidated financial statements which describes in detail a legal action against ICC. Our opinion is not qualified in respect of this matter.



10 April 2014  
Dubai

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2013

	Notes	2013 USD'000	2012 USD'000
<b>Event related activities</b>			
Revenue from ICC Events	3	110,927	131,906
Cost relating to ICC Events	4	(33,383)	(37,121)
Net surplus relating to ICC Events		77,544	94,785
<b>Other activities</b>			
Subscription and other revenue	5	14,875	26,402
Interest and investment income – net	6	1,008	3,420
General and administrative expenses	7	(27,886)	(23,271)
Foreign exchange (loss) gain – net		(1,374)	10
Net gain (loss) on financial asset at fair value through profit or loss	12	610	(131)
Net (loss) income from other activities		(12,767)	6,430
<b>Net surplus before taxation</b>		64,777	101,215
Taxation	8	(130)	(15)
<b>NET SURPLUS FOR THE YEAR</b>		64,647	101,200
<b>Other comprehensive income</b>			
Realised gain (loss) on sale of available-for-sale investments		384	(1,239)
Unrealised (loss) gain on revaluation of available-for-sale investments		(1,520)	703
<b>Other comprehensive loss for the year</b>		(1,136)	(536)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		63,511	100,664

The attached notes 1 to 28 form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2013

	Notes	2013 USD'000	2012 USD'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	10	6,968	7,451
Available-for-sale investments	11	44,871	38,256
Financial asset at fair value through profit or loss	12	5,479	4,869
Loan to Members	13a	3,712	6,000
Event related prepayments	13a	26,025	-
		<b>87,055</b>	56,576
<b>Current assets</b>			
Receivables and prepayments	13a	47,281	68,524
Advance to Members	13b	44,386	75,056
Short term deposits, current accounts and cash	14	25,383	23,371
		<b>117,050</b>	166,951
<b>Total assets</b>		<b>204,105</b>	223,527
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employees' end of service benefits	15	3,453	2,740
Advances received	16	15,935	23,378
		<b>19,388</b>	26,118
<b>Current liabilities</b>			
Advances received	16	65,816	28,920
Bank overdraft	17	1,055	20
Short term loan	18	5,000	6,020
Accounts payable, accruals and provisions	19	7,575	25,138
Surplus in cricket development funds	20	7,411	10,933
		<b>86,857</b>	71,031
<b>Total liabilities</b>		<b>106,245</b>	97,149
<b>Net assets</b>		<b>97,860</b>	126,378
<b>REPRESENTED BY</b>			
<b>Members' Funds</b>			
Share capital	21	-	-
Reserves	22	44,972	36,424
Allocable surplus		52,495	86,740
Retained surplus		393	3,214
		<b>97,860</b>	126,378

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 10 April 2014 and were signed on its behalf by:

**Alan Isaac**  
Chairman

**David Richardson**  
Managing Director

*The attached notes 1 to 28 form part of these consolidated financial statements.*

# CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS

YEAR ENDED 31 DECEMBER 2013

	Allocable surplus USD'000	Retained surplus USD'000	Total surplus USD'000	Reserves (note 22) USD'000	Total USD'000
At 1 January 2012	-	4,569	4,569	29,059	33,628
Net surplus for the year	101,200	-	101,200	-	101,200
Other comprehensive loss	-	-	-	(536)	(536)
Total comprehensive income for the year	101,200	-	101,200	(536)	100,664
<i>Appropriations</i>					
Allocation to ICC Global Cricket					
Development Programme	(7,914)	-	(7,914)	-	(7,914)
Transfer	(6,546)	(1,355)	(7,901)	7,901	-
At 31 December 2012	86,740	3,214	89,954	36,424	126,378
Net surplus for the year	64,647	-	64,647	-	64,647
Other comprehensive loss	-	-	-	(1,136)	(1,136)
Total comprehensive income for the year	64,647	-	64,647	(1,136)	63,511
<i>Appropriations</i>					
Dividend to Members	(85,423)	-	(85,423)	-	(85,423)
Allocation to ICC Global Cricket Development Programme	(6,606)	-	(6,606)	-	(6,606)
Transfer	(6,863)	(2,821)	(9,684)	9,684	-
<b>At 31 December 2013</b>	<b>52,495</b>	<b>393</b>	<b>52,888</b>	<b>44,972</b>	<b>97,860</b>

The attached notes 1 to 28 form part of these consolidated financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 USD'000	2012 USD'000
<b>OPERATING ACTIVITIES</b>			
Net surplus before tax		<b>64,777</b>	101,215
Adjustments to reconcile net surplus to net cash flows:			
Depreciation	10	<b>1,234</b>	1,272
Provision for employees' end of service benefits	15	<b>905</b>	1,007
Interest and investment income – net	6	<b>(1,008)</b>	(3,420)
Net (gain) / loss on financial asset at fair value through profit or loss	12	<b>(610)</b>	131
Exchange loss on available-for-sale-investments	11	<b>1,076</b>	68
		<b>66,374</b>	100,273
Working capital adjustments:			
Receivables and prepayments		<b>(2,494)</b>	(6,367)
Advance to Members		<b>30,670</b>	(75,056)
Accounts payable, accruals and provisions		<b>(17,563)</b>	(51,651)
Advances received		<b>29,453</b>	18,402
		<b>106,440</b>	(14,399)
Employees' end of service benefits paid	15	<b>(192)</b>	(542)
Income tax paid	8	<b>(130)</b>	(15)
Net cash flows from / (used in) operating activities		<b>106,118</b>	(14,956)
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment	10	<b>(751)</b>	(1,983)
Purchase of available-for-sale investments	11	<b>(35,473)</b>	(41,048)
Purchase of financial asset at fair value through profit or loss		-	(5,000)
Proceeds from sale of available-for-sale investments	11	<b>26,646</b>	38,766
Term deposits having maturity after 3 months		<b>(1,150)</b>	9,627
Interest and other financial income received	6	<b>1,008</b>	3,420
Net cash flows (used in) / from investing activities		<b>(9,720)</b>	3,782
<b>FINANCING ACTIVITIES</b>			
Short term loan obtained during the year		<b>5,000</b>	6,020
Short term loans repaid during the year		<b>(6,020)</b>	(6,004)
Net amount utilised for ICC Global Cricket Development Programme		<b>(10,128)</b>	(9,985)
Dividend to Members	9	<b>(85,423)</b>	-
Net cash flows used in financing activities		<b>(96,571)</b>	(9,969)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(173)</b>	(21,143)
Cash and cash equivalents at 1 January		<b>22,987</b>	44,130
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	14	<b>22,814</b>	22,987

The attached notes 1 to 28 form part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 1 ACTIVITIES

ICC Development (International) Limited (the “Company” or “IDI”) is a limited liability company registered and incorporated in the British Virgin Islands. IDI is owned by the International Cricket Council (“ICC”) for the benefit of all its Members. There are currently 106 Members of the ICC.

IDI is principally responsible for:

- (i) Managing ICC cricket events;
- (ii) Managing the commercial rights to cricket events;
- (iii) Managing the ICC Development Programme; and
- (iv) Providing such administrative and other services as are required by the ICC.

The registered head office of IDI is at Craigmuir Chambers, Road Town, Tortola, Territory of the British Virgin Islands.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements are prepared under the historical cost convention, modified to include the measurement at fair value of available-for-sale investments and financial asset at fair value through profit or loss.

The consolidated financial statements have been presented in US Dollars, which is the functional currency of the Company. All values are rounded to the nearest thousand (USD’000) except otherwise stated.

### BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements as at 31 December 2013 of the IDI and its following subsidiaries (“the IDI Group”).

Name of the subsidiary	Country of incorporation	Percentage Shareholding		Principal activities
		2013	2012	
International Cricket Council FZ-LLC	United Arab Emirates	100%	100%	To provide administrative services to IDI.
ICC (Events) Ltd	Cyprus	100%	100%	To manage certain commercial rights of IDI.
IDI Hungary Kft	Hungary	100%	100%	To manage certain commercial rights of IDI.
IDI Mauritius Ltd	Mauritius	100%	100%	To manage certain commercial rights of IDI.

The IDI Group’s principal place of business is at Street 69, Dubai Sports City, Sheikh Mohammad Bin Zayed Road, P.O. Box 500070, Dubai, United Arab Emirates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### BASIS OF CONSOLIDATION (continued)

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the IDI Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the IDI Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

### CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC Interpretations effective as of 1 January 2013:

- IAS 1 Presentation of Items of Other Comprehensive Income — Amendments to IAS 1
- IAS 1 Clarification of the requirement for comparative information (Amendment)
- IAS 19 Employee Benefits (Revised 2011)
- IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement

The adoption of the above new and amended standards did not have any impact on the accounting policies, consolidated financial position or performance of the IDI Group.

### STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the IDI Group's consolidated financial statements are disclosed below. The IDI Group intends to adopt these standards, if applicable, when they become effective.

- IFRS 9 Financial Instruments (effective for annual periods beginning on or after January 2018)
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual periods beginning on or after: 1 January 2014)
- IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32 (effective for annual periods beginning on or after: 1 January 2014)
- IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39 (effective for annual periods beginning on or after: 1 January 2014)

The IDI Group is currently assessing the impact of IFRS 9 Financial Instruments. Other than this the IDI Group does not expect that the adoption of the above new standards and amendments will have material impact in the future consolidated financial statements.

### USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that may affect the reported amount of assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies (that have the most significant effect on the amount recognised in the consolidated financial statements) are discussed in Note 27.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the IDI Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The IDI Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The IDI Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

#### *Event related activities*

Revenue from cricket events is recognised as earned at the time when respective cricket events are concluded. The interim collections for cricket events are held as advances received in the consolidated statement of financial position.

#### *Commercial revenue*

Revenue is recognised on an accrual basis in accordance with the contractual terms.

#### *Interest and investment income*

Interest income is recognised as the interest accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Income from investments is recognised when right to receive is established.

#### *Grants*

Grants are recognised as income over the period necessary to match them with the related costs which they are intended to compensate.

### EVENT COSTS

The IDI Group recognises event expenditure when the revenues from that event are recognised. In the interim, expenses incurred on cricket events to the extent that they are recoverable are held as prepaid expenses in the consolidated statement of financial position.

### TAXES

#### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the IDI Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### PROPERTY AND EQUIPMENT

Property and equipment comprises the ICC Headquarters Building, furniture, fixtures, equipment and vehicles. Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

Building	over 20 years
Fixture, furnitures, equipment and vehicles	over 2 to 5 years

No depreciation is charged on the Cricket World Cup trophy because management believes that its residual value is not less than its carrying value.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of plant and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

### IMPAIRMENT AND UNCOLLECTIBILITY OF FINANCIAL ASSETS

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

- For assets carried at fair value, impairment is the difference between cost and fair value; less any impairment loss previously recognised in the statement of comprehensive income;
- For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset; and
- For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### FINANCIAL INSTRUMENTS - INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

#### FINANCIAL ASSETS

##### *Initial recognition and measurement*

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The IDI Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the IDI Group commits to purchase or sell the asset.

The IDI Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

##### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as described below:

#### FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial asset at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial asset at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented in the income statement.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied.

### DERIVATIVE FINANCIAL INSTRUMENTS

The IDI Group uses derivative financial instruments (forward currency contracts) to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The IDI Group uses these derivatives for strategic hedging, which do not qualify for special hedge accounting and these derivatives are therefore accounted for as financial asset at fair value through profit or loss, and any realised and unrealised gain or loss arising from a change in fair value is included in the income statement.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of comprehensive income. The losses arising from impairment are recognised in the consolidated statement of comprehensive income in finance costs for loans or operating expenses for receivables.

### AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS

Available-for-sale financial investments include equity investments and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income and credited in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the consolidated statement of comprehensive income. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR method.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The IDI Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the IDI Group has transferred substantially all the risks and rewards of the asset, or (b) the IDI Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the IDI Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the IDI Group's continuing involvement in the asset. In that case, the IDI Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the IDI Group has retained.

### FINANCIAL LIABILITIES

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The IDI Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The IDI Group's financial liabilities include trade and other payables, bank overdraft and loan and borrowings.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification as described below:

### LOANS AND BORROWINGS

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of comprehensive income.

### OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

### FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments that are traded in active markets at each reporting date are determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

### CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

### EMPLOYEES' END OF SERVICE BENEFITS

The IDI Group provides end of service benefits to its employees. The entitlement to these benefits is usually based upon the employees' salary and length of service subject to completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

### ACCOUNTS PAYABLE AND ACCRUALS

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### PROVISIONS

Provisions are recognised when the IDI Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the IDI Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### LEASES

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

### CONTINGENCIES

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

### FOREIGN CURRENCIES

Transactions in foreign currencies are recorded by the IDI Group at the currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the consolidated statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

### DIVIDEND TO MEMBERS'

Dividend to Members' represent those amounts that are determined by the Board of Directors as due to the Members' of ICC at the conclusion of the cricketing event in accordance with the established policies of the IDI Group.

## 3 REVENUE FROM ICC EVENTS

	2013 USD'000	2012 USD'000
ICC Champions Trophy 2013	109,541	-
ICC WT20 Qualifier 2013	1,386	-
ICC World Twenty20 2012	-	128,755
ICC U19 CWC 2012	-	3,151
	110,927	131,906

Please see note 20b.

## 4 COST RELATING TO ICC EVENTS

	2013 USD'000	2012 USD'000
ICC Champions Trophy 2013	25,330	-
ICC WT20 Qualifier 2013	3,797	-
ICC World Twenty20 2012	-	29,141
ICC U19 CWC 2012	-	5,075
ICC Awards	302	733
	29,429	34,949
Annual Ranking Awards	686	500
Umpires and Referees	5,994	3,785
	36,109	39,234
Allocated to Cricket Development Funds (Note 20)	(2,726)	(2,113)
	33,383	37,121

ICC events are held in various tax jurisdictions. IDI Group's commercial arrangements with its constituents are tax protected through a combination of tax exemptions obtained from Government of host nations, indemnity obtained from host cricket boards and tax protected commercial agreements. In respect of ICC events held to date the directors believe that the exemptions received to date are adequate and certain formalisations are currently in progress. As such, the directors believe that the IDI Group is protected in all the event jurisdictions from any incremental tax liability.

## 5 SUBSCRIPTION AND OTHER REVENUE

	2013 USD'000	2012 USD'000
Member subscriptions*	-	20,660
Other commercial revenue	4,618	3,543
Excess provisions written back	8,339	115
Match fines, fees and others	1,918	2,084
	14,875	26,402

\*The IDI Group has discontinued charging of the annual subscription to ICC members.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 6 INTEREST AND INVESTMENT INCOME - NET

	2013 USD'000	2012 USD'000
Interest income from short term deposits	101	594
Interest on loan to Members	223	314
Income from available-for-sale investments	684	2,512
	<b>1,008</b>	3,420

## 7 GENERAL AND ADMINISTRATIVE EXPENSES

	2013 USD'000	2012 USD'000
Staff and consultants' related cost	9,568	11,410
Travel related costs	2,433	1,749
Special projects	301	582
Meetings and annual conference	1,555	1,636
Depreciation	1,234	1,272
Legal and professional costs	737	1,031
Utilities and other premises related costs	425	426
Targeted assistance performance programme grants	4,879	-
Others	8,111	6,322
	<b>29,243</b>	24,428
Allocated to Cricket Development Funds (Note 20)	(1,357)	(1,157)
	<b>27,886</b>	23,271

## 8 INCOME TAX

	2013 USD'000	2012 USD'000
Corporation tax - subsidiaries	130	15

## 9 DIVIDEND TO MEMBERS AND ALLOCATION TO ICC GLOBAL CRICKET DEVELOPMENT PROGRAMME

	2013 USD'000	2012 USD'000
<i>Dividend to Members</i>		
ICC Champions Trophy 2013*	-	-
ICC World Twenty20 2012	85,423	-
Sub-total	<b>85,423</b>	-
<i>Allocation to ICC Global Cricket Development Programme (Note 20)</i>		
ICC Champions Trophy 2013	6,523	-
ICC WT20 Qualifier 2013	83	-
ICC World Twenty20 2012	-	7,725
ICC U19 CWC 2012	-	189
Sub-total	<b>6,606</b>	7,914
Total	<b>92,029</b>	7,914

\* The dividend to Members in respect of the ICC Champions Trophy 2013 will be declared after the event accounts are finalised (also see Note 13b).

Allocation to the ICC Global Cricket Development Programme represents the amount set aside for the development of the Associate and Affiliate Members. The amounts unspent at year end are recognised as a liability (see Note 20).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 10 PROPERTY AND EQUIPMENT

	ICC Headquarters Building USD'000	Furniture, fixtures, equipment & vehicles USD'000	Total USD'000
Cost:			
At 1 January 2013	6,796	6,231	13,027
Additions during the year	-	751	751
At 31 December 2013	<b>6,796</b>	<b>6,982</b>	<b>13,778</b>
Accumulated depreciation:			
At 1 January 2013	1,237	4,339	5,576
Depreciation charge for the year	357	877	1,234
At 31 December 2013	<b>1,594</b>	<b>5,216</b>	<b>6,810</b>
Net book value:			
<b>At 31 December 2013</b>	<b>5,202</b>	<b>1,766</b>	<b>6,968</b>
Cost:			
At 1 January 2012	6,787	4,257	11,044
Additions during the year	9	1,974	1,983
At 31 December 2012	6,796	6,231	13,027
Accumulated depreciation:			
At 1 January 2012	880	3,424	4,304
Depreciation charge for the year	357	915	1,272
At 31 December 2012	1,237	4,339	5,576
Net book value:			
At 31 December 2012	5,559	1,892	7,451

### ICC Headquarters Building

The building was constructed by International Cricket Council FZ-LLC on land granted free of charge in Dubai Sports City. The land registered in the name of a subsidiary, International Cricket Council FZ-LLC has been recorded in the financial statements at a nominal value of USD 1, as allowed by International Financial Reporting Standards. After 1 January 2015, the IDI Group can exercise a "put option" to sell the land and building to Dubai Sports City at the cost of construction and fit out which it had initially incurred.

Property and equipment includes assets costing USD 3 million (2012: USD 2.7 million) which are fully depreciated but are still in active use.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 11 AVAILABLE-FOR-SALE INVESTMENTS

	2013 USD'000	2012 USD'000
At 1 January	38,256	36,578
Additions during the year	35,473	41,048
Disposals during the year	(26,646)	(38,766)
Change in fair values	(1,136)	(536)
Exchange loss on foreign currency instruments	(1,076)	(68)
At 31 December	44,871	38,256
<i>Available-for-sale investments are made up of as follows:</i>		
Instruments – cost after amortisation	45,651	37,900
Cumulative fair value reserve (see Note 22)	(780)	356
At the end of the year	44,871	38,256

Included in available-for-sale investments are debt and equity instruments and term deposits with carrying value amounting to USD 44.9 million (2012: USD 38.3 million) which are under lien against the overdraft facility and short term loan availed by the IDI Group (see Note 17 and 18).

## 12 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

Movements in the financial asset at fair value through profit or loss in the consolidated statement of financial position were as follows:

	2013 USD'000	2012 USD'000
At 1 January	4,869	-
Addition during the year	-	5,000
Fair value adjustment	610	(131)
At 31 December	5,479	4,869

The above represents an investment of USD 4.9 million and unrealised fair value gain on foreign exchange forward contracts held at 31 December 2013, amounting to USD 549 thousand (see note below).

Financial asset at fair value through profit or loss amounting to USD 4.9 million (2012: USD 4.9 million) is under lien against the overdraft facility availed by the IDI Group (Note 17).

As at 31 December 2013, the IDI Group was a party to foreign exchange forward contracts which were to manage foreign exchange risks arising or expected to arise from the IDI Group's contracted or anticipated commitments under contract for the ICC World Cup 2015. The foreign exchange forward contracts settlement date starts from 2 April 2014 and ends on 1 April 2015. For the year ended 31 December 2013, the IDI Group has recorded an unrealised fair value gain on its foreign exchange forward contracts in the consolidated statement of comprehensive income of USD 549 thousand (2012: USD Nil).

	2013	2012
Notional value of foreign exchange forward contract:		
Purchase- Australian Dollar (AUD'000)	26,896	-
Purchase- New Zealand Dollar (NZD'000)	19,870	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 13a RECEIVABLES AND PREPAYMENTS

	2013 USD'000	2012 USD'000
Advances – ICC Global Cricket Development Programme	829	67
Receivables for sale of media and commercial rights	21,610	41,824
Staff advances	810	1,044
Interest receivable	207	415
Loan to Associate Members	354	-
Loan to Full Members	6,458	8,543
Amounts due from Full Members	2,875	1,065
Amounts due from Associate Members	-	177
Associate Member Fund	4,429	-
Events related prepayments	37,290	14,913
Prepaid expenses and other receivables	2,156	6,476
	77,018	74,524
<i>Non-current portion</i>		
Loan to Full Members	(3,549)	(6,000)
Loan to Associate Members	(163)	-
Total non-current loans to members	(3,712)	(6,000)
Event related prepayments (non-current portion)	(26,025)	-
	47,281	68,524

Loan to Associate Members represents loans advanced to two Associate Members, which carry interest at three month LIBOR plus 3%. These loans will be repaid from dividends projected to be distributed from cricketing events to be held in future years. An amount of USD 163 thousand (2012: Nil) advanced to Associate Member Boards is classified as non-current as it is due twelve months after the date of consolidated statement of financial position.

Loan to Full Members represents loans advanced to two Full Members, which carry interest at three month LIBOR plus 3%. These loans will be repaid from dividends projected to be distributed from cricketing events to be held in future years. An amount of USD 3.5 million (2012: USD 6 million) advanced to Full Member Boards is classified as non-current as it is due twelve months after the date of consolidated statement of financial position.

Associate Member Fund represents the advances paid to Members in respect of the prospective dividend for ICC Champions Trophy 2013 event.

Event related prepayments in respect of the ICC Cricket World Cup 2015 amounting to USD 26,025 thousand are classified as non-current in the consolidated statement of financial position.

Movements in the allowance for impairment of receivables were as follows:

	2013 USD'000	2012 USD'000
At 1 January	-	40
Amount written off	-	(40)
At 31 December	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 13a RECEIVABLES AND PREPAYMENTS (continued)

As at 31 December, the ageing of unimpaired receivables is as follows:

	Total USD'000	Neither past due nor impaired USD'000	Past due but not impaired			
			1-30 days USD'000	31-90 days USD'000	91-180 days USD'000	>180 days USD'000
<b>2013</b>	<b>21,610</b>	<b>4,405</b>	<b>10,299</b>	<b>363</b>	<b>3,068</b>	<b>3,475</b>
2012	41,824	17,232	23,680	561	116	235

The IDI Group's credit period is 30 days after which trade receivables are considered to be past due. Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the IDI Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

## 13b ADVANCE TO MEMBERS

This amount is the advance paid to Members in respect of the prospective dividend for the ICC Champions Trophy 2013 (2012: this amount was the advance paid to members in respect of the prospective dividend of ICC World Twenty20 2012).

## 14 SHORT TERM DEPOSITS, CURRENT ACCOUNTS AND CASH

	<b>2013 USD'000</b>	2012 USD'000
Current accounts and cash	<b>23,869</b>	8,007
Short term bank deposits (maturity of 3 months or less)	-	15,000
Short term bank deposits (maturity over 3 months)	<b>1,514</b>	364
Short term deposits, current accounts and cash	<b>25,383</b>	23,371

Depending on the cash requirements of the IDI Group, short term deposits are made for varying periods of up to six months.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts:

	<b>2013 USD'000</b>	2012 USD'000
Cash and short term deposits	<b>25,383</b>	23,371
Short term bank deposits (maturity over 3 months)	<b>(1,514)</b>	(364)
Bank overdraft (Note 17)	<b>(1,055)</b>	(20)
Cash and cash equivalents	<b>22,814</b>	22,987

## 15 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in statement of financial position are as follows:

	<b>2013 USD'000</b>	2012 USD'000
Provision as at 1 January	<b>2,740</b>	2,275
Provided during the year	<b>905</b>	1,007
Paid during the year	<b>(192)</b>	(542)
Provision as at 31 December	<b>3,453</b>	2,740

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 16 ADVANCES RECEIVED

	2013 USD'000	2012 USD'000
Commercial and event related advances	81,751	52,298
<i>Classified in the consolidated statement of financial position as:</i>		
Non-current position	15,935	23,378
Current position	65,816	28,920
	81,751	52,298

## 17 BANK OVERDRAFT

	2013 USD'000	2012 USD'000
Bank overdraft	1,055	20

The IDI Group has in place an overdraft facility up to a maximum of USD 15 million (2012: USD 8.75 million). The facility carries interest at commercial rates and is secured by lien over financial asset at fair value through profit or loss (see Note 12) and available-for-sale investments (Note 11) with the same banks.

## 18 SHORT TERM LOAN

	2013 USD'000	2012 USD'000
Short term loan	5,000	6,020

The short term loan carries interest at commercial rates and is secured by lien over available-for-sale investments with the same bank (see Note 11).

## 19 ACCOUNTS PAYABLE, ACCRUALS AND PROVISIONS

	2013 USD'000	2012 USD'000
Amounts due to Full Members	231	298
Amounts due to Associate Members	459	313
Associate Member Fund	-	7,701
Accruals	4,527	14,758
Others	2,358	2,068
	7,575	25,138

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 20 CRICKET DEVELOPMENT FUNDS

- a) Movements in the amount managed for the ICC Global Cricket Development Programme recognised in the consolidated statement of financial position are as follows:

	2013 USD'000	2012 USD'000
Surplus at 1 January	10,933	13,004
Allocated during the year (Note 9)	6,606	7,914
Allocations including transfer from Associate Member Fund	5,613	5,907
Utilised during the year (see note below)	(12,458)	(13,045)
Allocation of general and administrative expenses (Note 7 and see note below)	(1,357)	(1,157)
Net shortfall for events expensed against the Fund (Note 4 and see note below)	(2,493)	(2,113)
Net shortfall for events allocated to Asian Cricket Council	567	423
Surplus at 31 December	7,411	10,933
Utilised and allocated (general and administrative expense) during the year represents:		
	2013 USD'000	2012 USD'000
<b>Region</b>		
Asia	5,886	6,290
Europe	1,616	1,665
Africa	1,224	1,317
Americas	1,113	1,162
East Asia-Pacific	751	748
Cricket Development costs incurred centrally	3,225	3,020
	13,815	14,202
Net shortfall for events expensed against the fund are as follows:		
	2013 USD'000	2012 USD'000
ICC WT20 Qualifier 2013	2,493	-
ICC U19 CWC 2012	-	2,113
	2,493	2,113

- b) ICC Development (International) Limited ("IDI") has entered into an agreement dated 30 July 2013 with The Board of Control for Cricket in India (the "Host" or "BCCI") to host the ICC Women's World Cup 2013 (the "Tournament") in Mumbai and Cuttack from 31 January to 17 February 2013. According to the arrangement, IDI has granted the rights to organise, host, stage and promote the Tournament to the Host. As a consequence, all commercial rights belong to, accrued to, and vested ab initio with the BCCI. Further, the Host was solely responsible for the operational costs associated with organising, hosting, promoting and staging the Tournament.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 21 SHARE CAPITAL

	Authorised		Issued and fully paid	
	2013 USD	2012 USD	2013 USD	2012 USD
1 share of USD 1	1	1		
1 bearer share of USD 1			1	1

The bearer share in IDI is held by ICC for the benefit of all its Members.

## 22 RESERVES

This includes general reserve and cumulative fair value reserve in respect of available-for-sale investments (see Note 11).

General reserve amounts to USD 45.8 million (2012: USD 36.1 million).

Cumulative changes in fair value of available-for-sale investments amounted to USD (0.8) million (2012: USD 0.3 million).

## 23 COMMITMENTS AND CONTINGENCIES

### Capital commitments

Estimated capital expenditure contracted for at the consolidated statement of financial position date but not provided for:

	2013 USD'000	2012 USD'000
Future expenditure - contracted at the consolidated statement of financial position date	480	720

All of the above commitments are expected to be settled within one year.

### Contingencies

	2013 USD'000	2012 USD'000
Bank guarantees - for customs	14	14

It is anticipated that no material liabilities will arise from the above contingencies which arise in the ordinary course of business.

### LITIGATION

- a) In 2007, Essel Sports Pvt Ltd initiated a lawsuit against the Board of Control for Cricket in India ('BCCI') in the Delhi High Court, claiming that the BCCI's decision not to recognise the Indian Cricket League ('ICL') and to take certain actions against those involved with the ICL was unlawful (the 'Indian Action'). The Indian Action is at an advanced stage.

A suit has also been filed in England (against ICC, the parent of IDI Group, and the England and Wales Cricket Board 'ECB') and served upon the ICC and the ECB (the 'English Action'). As part of the defence to the English Action, and because of the substantial overlap between the issues raised in the English and Indian Actions, the BCCI, ICC and ECB sought an anti-suit injunction from the Indian courts, preventing ICL from taking any further steps in the English Action (against all of those three parties) until the Indian Action has been dealt with. Such an injunction was granted, although it has been appealed by Essel Sports to the Supreme Court, in India, and is scheduled to be heard in July 2014.

External lawyers have been appointed to act collectively for the ICC, ECB and BCCI in defending the English Action (including pursuit of and challenge to the anti-suit injunction in India). The advice received from those lawyers is that the ICC and its Members will be able to mount a robust defence of the English Action and consequently no provision has been made in the consolidated financial statements in this respect. In 2010, the court in England has granted a stay on hearing this matter until the Indian Action is resolved and this remains the case.

Related to these actions, the ICC Board has agreed to provide an indemnity to the ECB in relation to all costs, damages and awards that might be made against it as a result of the English Action.

Despite various attempts, the parties have been unable to arrive at mutually agreeable terms for the settlement of this matter.

- b) IDI has also provided a conditional indemnity (of up to USD 1 million) to a Member in relation to its legal costs in respect of proceedings brought against that Member.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 24 RELATED PARTY TRANSACTIONS

Related parties represent ICC Members, Directors and key management personnel of the IDI Group. Other than as stated below, none of the Non-Executive Directors received any remuneration except for the reimbursement of expenses incurred in connection with ICC meeting / events. Member transactions and balances are disclosed elsewhere in these consolidated financial statements.

	2013 USD'000	2012 USD'000
Remuneration of key personnel:		
Executive	851	1,239
Non-Executive	180	270

## 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The IDI Group's principal financial liabilities comprise bank overdraft, short term loan and accounts payable. The IDI Group has various financial assets such as receivables from sale of media and commercial rights, amounts due from Full and Associate Members, cash and bank balances and term deposits, which arise directly from its operations.

The main risks arising from the IDI Group's financial instruments are interest rate risk, credit risk, liquidity risk and currency risk.

### INTEREST RATE RISK

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The IDI Group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or reprice in a given period.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the IDI Group's surplus and equity.

Increase in basis points	Impact on surplus 2013 USD'000	Impact on equity 2013 USD'000	Impact on surplus 2012 USD'000	Impact on equity 2012 USD'000
100	243	1,685	264	(1,810)

The sensitivity of the surplus of USD 243 thousand (2012: USD 264 thousand) is the effect of the assumed changes in interest rates on the net interest income for one year based on the floating rate financial assets and financial liabilities held at the year end. The sensitivity of equity of USD 1,685 thousand (2012: USD 1,810 thousand) is calculated by revaluing fixed rate available-for-sale at year-end for the effect of assumed changes in interest rates. The total sensitivity is based on the assumption that there are parallel shifts in the yield curve.

### CREDIT RISK

The IDI Group has policies that limit the amount of credit exposure to any one financial institution and investments are only made in high quality financial institutions or financial products. Further, the IDI Group has policies in place to ensure that sales of commercial rights are only made to counterparties with an appropriate credit history.

With respect to credit risk arising from the financial assets of the IDI Group, including cash and cash equivalents, the IDI Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The table below summarises the maturities of the IDI Group's undiscounted financial liabilities at the year end, based on contractual and/or anticipated payment dates and current market interest rates.

At 31 December 2013	Less than 3 months USD'000	3 to 12 months USD'000	Sub total USD'000	1 to 5 years USD'000	>5 years USD'000	Total USD'000
Accounts payable and others payables	231	2,817	3,048	-	-	3,048
Amount managed (on behalf of the Members of ICC) for the ICC Global Cricket Development Programme	7,411	-	7,411	-	-	7,411
Short term loan	2,045	3,067	5,112	-	-	5,112
Bank overdraft	1,079	-	1,079	-	-	1,079
Total	10,766	5,884	16,650	-	-	16,650
At 31 December 2012	Less than 3 months USD'000	3 to 12 months USD'000	Sub total USD'000	1 to 5 years USD'000	>5 years USD'000	Total USD'000
Accounts payable and others payables	8,014	2,366	10,380	-	-	10,380
Amount managed (on behalf of the Members of ICC) for the ICC Global Cricket Development Programme	10,933	-	10,933	-	-	10,933
Short term loan	6,055	-	6,055	-	-	6,055
Bank overdraft	21	-	21	-	-	21
Total	25,023	2,366	27,389	-	-	27,389

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### CURRENCY RISK

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The IDI Group's foreign currency exposure arises mainly from its monetary assets and liabilities denominated in foreign currencies other than UAE Dirhams or USD. These assets mainly include foreign currency available-for-sale investments and financial asset at fair value through profit or loss. Sensitivity of the statement of comprehensive income to reasonable possible changes in foreign currencies conversion rate is demonstrated below.

	Change in foreign currencies rate to USD %	Effect on surplus for the year USD'000
<b>31 December 2013</b>		
<b>AUD</b>	<b>+ 5</b>	<b>1,501</b>
<b>AUD</b>	<b>- 5</b>	<b>(1,501)</b>
<b>NZD</b>	<b>+ 5</b>	<b>1,151</b>
<b>NZD</b>	<b>- 5</b>	<b>(1,151)</b>
	Change in foreign currencies rate to USD %	Effect on surplus for the year USD'000
31 December 2012		
AUD	+ 5	477
AUD	- 5	(477)
NZD	+ 5	-
NZD	- 5	-

As the UAE Dirham is currently pegged to the US Dollar, balances in UAE Dirham are not considered to represent a significant currency risk.

### CAPITAL MANAGEMENT

The primary objective of the IDI Group's capital management is to ensure that it maintains sufficient funds in order to support its activities and maximise Members' value.

The IDI Group manages its capital structure and makes adjustments to it in light of changes in operating conditions. No changes were made in the objectives, policies or processes during the current or prior year. Capital comprises share capital, reserves and surplus (allocable and retained), and is measured at USD 97.9 million (2012: USD 126.4 million).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 26 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of short term deposits, bank balances and cash, receivables, loan to Members, available-for-sale investments and financial asset at fair value through profit or loss. Financial liabilities consist of payables, Cricket Development funds, bank overdraft and short term loan.

The fair values of financial instruments are not materially different from their carrying values as presented in the statement of financial position due to their short term nature.

### FAIR VALUE HIERARCHY

At 31 December, the IDI Group held the following financial instruments measured at fair value:

The IDI Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Assets measured at fair value	31 Dec 2013 USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000
Available-for-sale investments	44,871	44,871	-	-
Financial asset at fair value through profit or loss	5,479	-	5,479	-
	31 Dec 2012 USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000
Available-for-sale investments	38,256	38,256	-	-
Financial asset at fair value through profit or loss	4,869	-	4,869	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 27 KEY SOURCES OF JUDGEMENTS AND ESTIMATION UNCERTAINTY

### SIGNIFICANT ESTIMATIONS AND ASSUMPTIONS

#### *Classification of investments*

Management decides on acquisition of an investment whether it should be classified as held to maturity, held for trading, carried at fair value through profit or loss or available-for-sale.

For those investments deemed to be held to maturity, management ensures that the requirements of IAS 39 are met and, in particular that the IDI Group has the intention and ability to hold these to maturity.

The IDI Group classifies investments as trading if they are acquired primarily for the purpose of making a short term profit.

Classification of investments as fair value through profit or loss depends on how management monitors the performance of these investments. When they are not classified as trading but have readily available reliable fair values and the changes in fair values are reported as part of income statement in the management accounts, these are classified as fair value through profit or loss.

All other investments are classified as available-for-sale.

#### *Impairment of receivables*

An estimate of the receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due.

At the reporting date, receivables from sale of media and commercial rights were USD 21.6 million (2012: USD 41.8 million) and the allowance for impairment against doubtful debts amounted to USD Nil (2012: Nil). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

#### *Useful lives of property and equipment*

The IDI Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

#### *Impairment of the available-for-sale financial assets*

For the available-for-sale financial assets, the IDI Group assesses at each reporting date whether there is objective evidence that an investment or group of investment is impaired.

Objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is "significant" or "prolonged" requires considerable judgement. The IDI Group evaluates a number of factors, including the amount of decline and the length of period of the decline, the normal volatility in prices of quoted securities and the future cash flows and the discount factors for unquoted securities.

### SIGNIFICANT ACCOUNTING JUDGMENTS

In the process of applying the IDI Group's accounting policies management has used the following judgments, apart from those involving estimates, which have the most significant effect on the amount recognised in the statement of comprehensive income.

#### *Completion of event*

Revenue from cricket events is recognised as earned at the time when respective cricket events are completed. As revenue relating to individual matches of a cricket tournament cannot be reliably measured, management have concluded that revenue should be recognised on conclusion of the tournament.

#### *Allocation to ICC Global Cricket Development Programme*

Allocations to ICC Global Cricket Development Programme are distributed to the Regional Development Program for development of cricket in respect of regions or are used to meet deficits in organizing minor events for the development of cricket. Amounts retained by the IDI Group on behalf of Members in this respect are classified as a liability.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

## 28 COMPARATIVE AMOUNTS

Certain comparative information from the prior year has been reclassified in order to conform with the presentation for the current year. Such reclassifications do not affect previously reported total comprehensive income and members' funds.

	As previously reported 2012 USD'000	Reclassifications USD'000	As reported now 2012 USD'000
<b>Consolidated statement of comprehensive income:</b>			
Net loss on financial asset at fair value through profit or loss	-	(131)	(131)
<b>Consolidated statement of other comprehensive income:</b>			
Net loss on sale of available-for-sale investments	(667)	131	(536)
<b>Consolidated statement of financial position:</b>			
Available-for-sale investments	43,125	(4,869)	38,256
Financial asset at fair value through profit or loss	-	4,869	4,869
Receivables and repayments	143,580	(75,056)	68,524
Advance to Members	-	75,056	75,056

These reclassification are done to improve the quality of information presented.

