THE INTERNATIONAL CRICKET COUNCIL
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2018

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors take pleasure in presenting their report together with the audited consolidated financial statements for the year ended 31 December 2018 which comprise the results of The International Cricket Council (ICC or the Company) and its subsidiary companies ICC Development (International) Limited, ICC Business Corporation FZ-LLC, International Cricket Council FZ-LLC, IDI Mauritius Limited and ICC Americas, hereafter referred to as the 'ICC Group'.

BUSINESS ACTIVITIES

During the year the ICC Group conducted such business activities as were necessary to manage international cricket. These activities included the provision of Match Officials and other regulatory functions and services for bilateral international cricket, the staging of the ICC U19 World Cup 2018, ICC Cricket World Cup Qualifier 2018 and ICC Women's World T20 2018 as well as development programme activities to promote and develop the game globally.

CONSOLIDATED FINANCIAL RESULTS

The net deficit for the year before taxation amounted to USD 46.4M. Key features include:

- Total revenue and other income amounted to USD 53.1M, which includes USD 34.5M from events revenue and USD 12.5M from the ICC Group's commercial and other activities. Interest and other financial income totalled USD 6.1M.
- Costs amounted to USD 99.5M, which includes events cost of USD 49.5M. General and administrative and other expenses relating to the management of the global game of cricket totalled USD 44.4M with the net loss from financial assets totalling USD 5.5M.

As of 31 December 2018 members were paid during the current rights cycle advances amounting to USD 312.9M (of which USD 24.1M was transferred to the associate members pool). These will be treated as dividends/distributions after due ratification by the Board.

CAPITAL AND RESERVES

- Capital and Reserves amount to USD 304.8M, represented by Allocable surplus of USD 232.2M and reserves of USD 72.6M respectively.

INSURANCE OF DIRECTORS AND OFFICERS

During the year the ICC Group paid premiums to insure all Directors and Officers of the ICC Group. The insurance policy covers any Director or Officer of the ICC Group including past Directors, the Chairman, Chief Executive, Company Secretary and employees of the ICC Group. The liabilities insured against 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 Group. The 2019 insurance policy excludes any claim, or any defence costs and expenses related thereto, made against the ICC or any directors which are brought by a Full Member or Associate Member in relation to the ICC and subsidiary companies and/or any Insured's decision to suspend or expel that Full Member or Associate Member from membership of the ICC and subsidiary companies.

AUDITORS

A resolution to appoint auditors for the ensuing year will be put to the Members at the Annual General Meeting.

For and on behalf of the ICC Board of Directors

Smanohar

Shashank Manohar
Chairman
20 May 2019

GROUP DIRECTORY

AT 31 DECEMBER 2018

GENERAL INFORMATION

THE 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 and does not have share capital.

The ICC currently has 105 Members located worldwide.

The address of the Company's registered office is as follows:

Craigmuir Chambers,
P.O. Box 71, Road Town,
Tortola,
Territory of the British Virgin Islands

ICC BUSINESS CORPORATION FZ-LLC ("IBC")

IBC was incorporated in the United Arab Emirates in August 2014 in order to stage, organise and commercially exploit the ICC Events that are to be held in the eight-year period from 1 July 2015.

IBC is a wholly owned subsidiary of ICC.

The address of IBC's registered office is as follows:

Office No ED13d, Bldg # 2,
Second Floor,
Dubai Media City,
Dubai ,
United Arab Emirates

ICC DEVELOPMENT (INTERNATIONAL) LIMITED ("IDI")

IDI was incorporated in the British Virgin Islands in 1993 and is principally responsible (during the period up until 30 June 2015) 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 IDI's registered office is as follows:

P.O. Box 3161,
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 and the ICC Group. FZ LLC is a wholly owned subsidiary of ICC.

The address of FZ LLC's registered office is as follows:

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

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 IML's registered office is as follows:

St Louis Business Centre,
Cnr Desroches & St Louis Streets,
Port Louis,
Mauritius

ICC AMERICAS ("ICCA")

ICCA was incorporated in Colorado Springs, USA as a not for profit Company in July 2017 to administer, develop, coordinate and promote cricket worldwide and more particularly in the Americas region.

There are no shares in ICCA but ICC is the sole member.

The address of ICCA's registered office is as follows:

1631 Messa Avenue, Suite E,
Colorado Springs 80906 – 2960,
United States of America.

GROUP DIRECTORY

AT 31 DECEMBER 2018

ICC BOARD DIRECTORS

Director	Designation	Director Since
Shashank Manohar	Independent Chairman	2015
David Richardson	Chief Executive	2012
Indra Nooyi	Independent Director	2018
Earl Eddings	Full Member representative, Australia*	2018
Azizullah Fazly	Full Member representative, Afghanistan*	2018
Nazmul Hassan	Full Member representative, Bangladesh*	2012
Colin Graves	Full Member representative, England & Wales*	2018
Amitabh Choudhary	Full Member representative, India*	2018
Ross McCollum	Full Member representative, Ireland*	2017
Greg Barclay	Full Member representative, New Zealand*	2014
Ehsan Mani	Full Member representative, Pakistan*	2018
Chris Nenzani	Full Member representative, South Africa*	2013
Shammi Silva	Full Member representative, Sri Lanka*	2019
Richard Skerritt	Full Member representative, West Indies*	2019
Tavengwa Mukuhlani	Full Member representative, Zimbabwe*	2015
Imran Khwaja	Deputy Chairman and Associate Member representative, Singapore+	2008
Mahinda Vallipuram	Associate Member representative, Malaysia+	2017
Tony Brian	Associate Member representative, Scotland+	2018

* Full Member representatives are nominated by the National Cricket Federation in their respective country.

\+ The three Associate Member representatives are elected for a two-year term by the Associate 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
Giles Clarke	Full Member representative, England & Wales*	2018
Najam Sethi	Full Member representative, Pakistan*	2018
David Peever	Full Member representative, Australia*	2018
Thilanga Sumathipala	Full Member representative, Sri Lanka*	2018
Francois Erasmus	Associate Member representative, Namibia+	2018
Atif Mashal	Full Member representative, Afghanistan*	2018
Dave Cameron	Full Member representative, West Indies*	2019

Iain Higgins
Chief Operating Officer, General Counsel & Company Secretary
20 May 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE INTERNATIONAL CRICKET COUNCIL

OPINION

We have audited the consolidated financial statements of The International Cricket Council ("ICC" or the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position of the Group as at 31 December 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in members' funds and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to Note 21 (b) to the consolidated financial statements which describes in detail a legal action against ICC. Our opinion is not modified in respect of this matter.

RESPONSIBILITIES OF MANAGEMENT AND THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Memorandum of Association, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

AT 31 DECEMBER 2018

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Ernst & Young,

T.S. Hari Gopal

Signed by:
Thodla Hari Gopal
Partner
Registration No: 689

20 May 2019
Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	**2018 USD’000**	2017 USD’000
Event related activities			
Revenue from ICC Events	3	**34,437**	193,043
Reversal of contribution cost	17.1	**-**	94,515
Costs relating to ICC Events	4	**(49,501)**	(70,048)
Net (deficit)/surplus relating to ICC Events		**(15,064)**	217,510
Other activities			
Reversal of test cricket fund		**-**	13,125
Other revenue	5	**12,545**	9,603
Interest and investment income – net	6	**5,260**	2,790
General and administrative expenses	7.1	**(41,580)**	(42,438)
Finance costs	7.2	**(2,833)**	(52)
Foreign exchange gain/(loss) – net		**817**	(96)
Net (loss)/gain on financial assets and derivative financial instruments	7.3	**(5,547)**	410
Net loss from other activities		**(31,338)**	(16,658)
Net (deficit)/surplus before taxation		**(46,402)**	200,852
Taxation	4 & 25	**-**	-
NET (DEFICIT)/SURPLUS FOR THE YEAR		**(46,402)**	200,852
Other comprehensive income (OCI):			
Other comprehensive income that will be reclassified to profit or loss in subsequent periods			
Reclassification of cumulative changes in fair value of financial instruments to income statement		**-**	(410)
Changes in fair value of financial instruments carried at fair value through OCI		**-**	618
Other comprehensive income for the year		**-**	208
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(46,402)**	201,060

The attached notes 1 to 26 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2018

	Notes	2018 USD'000	2017 USD'000
ASSETS			
Non-current assets			
Property and equipment	8	**5,093**	5,572
Other financial assets	9.1	**72,148**	72,012
Advance to Members	10a	**312,898**	206,817
Loan to Members	10b	**5,970**	8,609
Event related prepayments and advances	10b	**1,058**	575
		397,167	293,585
Current assets			
Receivables and prepayments	10b	**251,166**	151,351
Cash and cash equivalents	11	**14,528**	61,401
		265,694	212,752
TOTAL ASSETS		**662,861**	506,337
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	12	**6,516**	5,493
Deposits received	14	**91,888**	95,000
		98,404	100,493
Current liabilities			
Deposits received	14	**2,492**	-
Advances from sponsors	13	**200,878**	10,830
Bank overdraft	11	**29,918**	4,910
Accounts payable and accruals	15	**21,110**	21,894
Other financial liabilities	9.2	**3,951**	-
Associate Member fund	16	**1,335**	17,619
		259,684	55,253
TOTAL LIABILITIES		**358,088**	155,746
NET ASSETS		**304,773**	350,591
REPRESENTED BY			
Members' Funds			
Share capital	19	**-**	-
Allocable surplus		**232,157**	283,240
Reserves	20	**72,616**	67,351
		304,773	350,591

The consolidated financial statements were authorised for issue by the Board of Directors on 20 May 2019 and were signed on their behalf by:

Shashank Manohar
Chairman

David Richardson
Chief Executive

The attached notes 1 to 26 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Allocable surplus USD'000	General reserve USD'000	Available for-sale reserve USD'000	Total USD'000
At 1 January 2017	94,546	55,619	(634)	149,531
Net surplus for the year	200,852	-	-	200,852
Other comprehensive income	-	-	208	208
Total comprehensive income for the year	200,852	-	208	201,060
Transfers	(12,158)	12,158	-	-
At 31 December 2017	283,240	67,777	(426)	350,591
Effect of adoption of IFRS 9 (Note 2)	(426)	-	426	-
Effect of adoption of IFRS 15 (Note 2)	584	-	-	584
As at 1 January 2018 (restated)	283,398	67,777	-	351,175
Net deficit for the year	(46,402)	-	-	(46,402)
Total comprehensive loss for the year	(46,402)	-	-	(46,402)
Transfers	(4,839)	4,839	-	-
At 31 December 2018	**232,157**	**72,616**	**-**	**304,773**

The attached notes 1 to 26 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 USD'000	2017 USD'000
OPERATING ACTIVITIES			
Net (deficit)/surplus before tax		**(46,402)**	200,852
Adjustments to reconcile net surplus to net cash flows:			
Depreciation	8	**1,178**	1,128
Provision for employees' end of service benefits	12	**1,120**	1,054
Interest and investment income – net	6	**(5,260)**	(2,790)
Finance costs	7.2	**2,833**	52
Net loss/(gain) on financial assets	7.3	**1,596**	(410)
Change in fair value of derivative instruments at fair value through profit and loss	7.3	**3,951**	-
		(40,984)	199,886
Working capital adjustments:			
Receivables and prepayments		**(113,034)**	7,960
Accounts payable and accruals		**(784)**	6,247
Advances received		**190,048**	(2,580)
Contribution cost		**-**	(94,515)
Contingency reserve		**-**	2,500
Test cricket fund		**-**	(4,375)
		35,246	115,123
Contingency reserve paid	17.2	**-**	(2,500)
Employees' end of service benefits paid	12	**(97)**	(386)
Net cash flows from operating activities		**35,149**	112,237

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The attached notes 1 to 26 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 USD'000	2017 USD'000
INVESTING ACTIVITIES			
Purchase of property and equipment	8	**(699)**	(972)
Purchase of financial assets carried at fair value through profit or loss		**(19,598)**	-
Purchase of available-for-sale investments		**-**	(38,555)
Proceeds from disposal of financial assets carried at fair value through profit or loss		**17,866**	-
Proceeds from disposal of available-for-sale investments		**-**	41,844
Interest and investment income received		**2,746**	2,829
Withdrawal of demand deposits		**880**	-
Net cash flows from investing activities		**1,195**	5,146
FINANCING ACTIVITIES			
Loans to members repaid during the year		**2,447**	1,031
Amount utilised for ICC Global Cricket Development Programme		**-**	(436)
Advance to members		**(86,000)**	(79,000)
Associate Member fund, net		**(23,416)**	(26,288)
Interest paid		**(376)**	(52)
Net cash flows used in financing activities		**(107,345)**	(104,745)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(71,001)**	12,638
Cash and cash equivalents at 1 January		**54,494**	41,856
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	11	**(16,507)**	54,494

Significant non-cash transactions excluded from the consolidated statement of cash flows:

	2018 USD'000	2017 USD'000
Payments made in 2016 for test cricket fund transferred as advance to full members	**12,950**	-

The attached notes 1 to 26 form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2018

1 ACTIVITIES

The International Cricket Council (the “Company” or “ICC”) is a company limited by guarantee and does not have a share capital, it is incorporated in the British Virgin Islands. The registered office of ICC is at Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands. There are currently 105 Members.

The ICC 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 (UAE).

The International Cricket Council (“ICC”) is the international governing body for International Test Match, International One-Day and International Twenty20 cricket. The ICC is primarily responsible for all aspects of the day-to-day operations and the development of international cricket. This extensive remit includes management of the ICC Code of Conduct, the playing conditions and all other regulatory functions and services 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.

New financial model: 2015-2023 cycle

In June 2017, the members approved a new financial model for the period 2015-2023 whereby ICC, amongst others, retrospectively discontinued the contribution cost and test cricket fund, and replaced it with a new model of distribution of surplus (i.e. dividends/distributions) to the members. As a result, management had reversed the liabilities towards the contribution cost and test cricket fund to the consolidated statement of comprehensive income during the year 2017 and classified the amounts paid to members as per the new financial model as advances to members. These advances will be eventually offset against the surplus distributed to members during the remaining period until 2023. The impact of the change in financial model is reflected in the notes 10a, 16, 17.1 and 18 to the consolidated financial statements.

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 on a historical cost basis, except for certain financial assets and derivative financial instruments that have been measured at fair value.

The consolidated financial statements have been presented in US Dollars (USD), 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 2018 of the ICC and its following subsidiaries (together the “Group” or “ICC Group”):

Name of the subsidiary	Country of incorporation	Percentage Shareholding 2018	Percentage Shareholding 2017	Principal activities
ICC Business Corporation FZ-LLC (IBC)	United Arab Emirates	**100%**	100%	To manage the commercial rights relating to cricket events of ICC from 1 July 2015.
ICC Development (International) Limited (IDI)*	British Virgin Islands	**100%**	100%	To manage the commercial rights relating to cricket events of ICC up until 30 June 2015.
ICC Americas	United States of America	**No shares issued. ICC is the sole member.**	–	To administer, develop, co-ordinate and promote the sport of cricket throughout the Americas region.
International Cricket Council FZ-LLC	United Arab Emirates	**100%**	100%	To provide administrative services to ICC group companies. From 1 January 2018, this includes managing the ICC Development Program.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF CONSOLIDATION (continued)

The following are the Subsidiaries of IDI:

Name of the subsidiary	Country of incorporation	Percentage Shareholding		Principal activities
		2018	2017	
ICC (Events) Ltd*	Cyprus	**-**	100%	To manage certain commercial rights of IDI.
IDI Hungary Kft*	Hungary	**-**	100%	To manage certain commercial rights of IDI.
IDI Mauritius Ltd*	Mauritius	**100%**	100%	To manage certain commercial rights of IDI.

*Following a formal review of the business requirements and the corporate structure of the ICC, the ICC Board of Directors have resolved that IDI and its subsidiaries in Cyprus, Hungary and Mauritius will be liquidated. As of 31 December 2018, ICC (Events) Ltd and IDI Hungary Kft has been liquidated. The closure process for IDI Mauritius Ltd is underway and is expected to be completed by end of 2019. Upon closure of IDI Mauritius Ltd, management intends to liquidate IDI. These entities do not undertake any significant commercial transactions.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions within the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of comprehensive income.
Any investment retained is recognised at fair value.

If the Group retains any interest in the previous subsidiary, then such interests is measured at fair value at the date that the control is lost. Subsequently it is accounted for an equity accounted investee or as financial assets depending on the level of influence retained.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2017, except as follows:

IASB new standards, amendments and interpretations issued, effective, and adopted by the Group

Other than IFRS 15 and IFRS 9, the following new accounting standards, amendments and interpretations to accounting standards, which have been adopted from 1 January 2018, did not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 2 - Share-based payments, effective for annual periods beginning on or after 1 January 2018. The amendments clarify how to account for certain types of share-based payment transactions.

IFRIC 22 - Foreign Currency Transactions and Advance Consideration (issued in December 2016), effective for annual periods beginning on or after 1 January 2018. The interpretation provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance.

Amendments to IAS 40 - Transfers of Investment Property. The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use.

Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts. The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach.

Annual improvements to IFRSs (2014-2016). The document contains amendments to IFRS 1 and IAS 28 that are effective for annual periods beginning on or after 1 January 2018.

Impact of the adoption of IFRS 15 and IFRS 9 are described below:

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued, which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The 5-steps approach to revenue recognition is as follows:

- **Step 1:** Identify contracts with a customer.
- **Step 2:** Identify the performance obligations in the contract.
- **Step 3:** Determine the transaction price.
- **Step 4:** Allocate the transaction price to the performance obligations in the contract.
- **Step 5:** Recognise revenue when (or as) the entity satisfies a performance obligation.

In addition to revenue, the standard also applies to:

- The cost to fulfil the contract; and
- The incremental costs of obtaining a contract.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the Sponsors and Commercial Partners. IFRS 15 requires the entity to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Effective 1 January 2018, the Group has adopted the new standard using the modified transition approach, i.e., the contracts that are not complete by 1 January 2018 will be accounted for as if they had been recognised in accordance with IFRS 15 since commencement of the underlying contract. The cumulative effect of initially applying IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information will not be restated and continues to be reported under IAS 11, IAS 18 and related interpretations.

The adoption of IFRS 15 required changes in the Group's accounting policies and affected the recognition, measurement and presentation of certain amounts recognised in the consolidated statement of comprehensive income and the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2018

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

IASB new standards, amendments and interpretations issued, effective, and adopted by the Group (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

Impact of adopting IFRS 15 as at 1 January 2018:

Apart from providing more extensive disclosures for the Group's revenue transactions, the Group's assessment of adoption of IFRS15 and the related impact on the consolidated financial statements are described below in detail:

a) Event related activities:

For contracts with Sponsors and Commercial partners, revenue used to be recognised based on the terms specified by the underlying contractual agreements and in accordance with the distribution pattern of the events conducted by the Group and usually deferred until the completion of respective events. Similarly, costs were deferred and only expensed at the time of the event completion.

The adoption of IFRS 15 did not have any impact on the Groups' current revenue recognition policy (including related costs, as indicated above) as it has been assessed and concluded that the Group will continue with similar revenue recognition and cost principles. Upon adoption of IFRS 15, the Group will recognise revenue at the completion of the event at which time the Group would have discharged its performance obligations in respect of the events. These performance obligations include certain other contractual rights such as access to media archives, ICC 360 and to use ICC marks and composite logos that, although they can be availed at any point in time during the contract term, have been included as part of the same performance obligation of the event and is simultaneously discharged towards the completion of such events.

b) Commercial Revenue-Sale of digital clips:

For contracts with customers where the sale of the digital clips is generally expected to be the only performance obligation, adoption of IFRS 15 is not expected to have any impact on revenue. Revenue will continue to be recognised on an accrual basis in line with underlying contractual terms. The Group will recognise revenue at the point in time when the ICC provides the customers with the access to those digital clips.

c) Variable consideration:

(i) Value In Kind (VIK)

Certain contracts with Sponsors and Commercial Partners provide for value in kind i.e. goods or services are provided by Sponsors and Partners for free (without any monetary value attributed to those goods or services) as part of the underlying contractual agreement with the Group. As per the previous accounting policy, the Group did not recognise the non-cash consideration or the value in kind received in terms of the contracts. IFRS 15 requires that the fair value of such non-cash considerations received or expected to be received be included in the transaction price.

The Group has concluded that the adoption of IFRS 15 has an effect on the accounting for the VIK.

As at 1 January 2018, the impact of value in kind from Sponsors and Commercial Partners is nil.

If the revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under IFRS 15, and will be required to be estimated at contract inception and updated thereafter. As at the reporting date, there are no such contracts where revenue cannot be reliably measured.

(ii) Sale or Usage based Royalties:

The agreement with certain Sponsors and Commercial Partners includes a fixed rights acquisition fee and sales or usage based royalty (includes minimum guaranteed amount and variable consideration) granting the Sponsors and Commercial Partners the licensing right to produce, market and sell products over the period of the contract. The Group recognises revenue from the fixed right acquisition fee and the minimum guarantee at the time of the completion of the event. The pattern of revenue recognition is in line with the allocation schedule in the contract. The adoption of IFRS 15 has resulted in no impact on the Group's consolidated statement of comprehensive income as the policy prior to 1 January 2018 for recognition of revenue arising from fixed rights acquisition fee and minimum guarantee is consistent with the requirements of IFRS 15.

The Group recognises consideration from a license of intellectual property that is based on future sales or usage by the customer only when the subsequent sale of usages occurs.

The Group is entitled to a variable component of sales or usage based royalties if royalties exceed the minimum guarantee threshold as per the contract. At each reporting period, the Group will estimate the variable consideration using the most likely approach. For the year ended 31 December 2018, it has been determined that no significant adjustment is required for the variable consideration as the royalties did not exceed the minimum guarantee threshold.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

IFRS 15 Revenue from Contracts with Customers (continued)

d) Advances and Non-refundable deposits received:

For certain contracts, the Group receives short and long-term deposits from the Sponsors and Commercial Partners in exchange for the rights granted to them over the period of the respective contract. As per the policy prior to 1 January 2018, the long term deposits were not discounted to take into consideration the element of financing as such deposits were considered as part of the Group's normal operating cycle.

Under IFRS15, Group has determined that short term deposits are not subject to financing as the period between the Group delivering a performance obligation and the payment of deposit by the Sponsors and Commercial Partners for the rights associated with an event is less than a year. For those deposits paid by the Sponsors and Commercial Partners to the Group for rights granted beyond a year, it has been assessed that there is an implicit financing component because of the timing difference between the payment of deposit and the performance of obligations which usually spans for more than 12 months.

As at 1 January 2018, the impact of discounting such long term deposits received from Sponsors and Commercial Partners is determined as follows:

Consolidated statement of financial position

	IFRS 15 impact USD'000
Current liabilities	2,492
Non-current liabilities	(3,076)
Members' funds	584

Impact of adopting IFRS 9 Financial Instruments as at 1 January 2018:

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied IFRS 9 effective 1 January 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39.

Except for the below, the Group has reviewed its financial assets and liabilities and does not expect the new guidance to significantly affect the classification, recognition and measurement of these financial assets and liabilities. The following are the significant changes in the classification of the Group's financial assets as a result of adoption of IFRS 9:

- Available-for-sale financial assets as at 31 December 2017 are classified and measured as Financial Assets through profit and loss (FVTPL) beginning 1 January 2018. Accordingly, the cumulative gain amounting to USD 426 thousand reflected in available-for-sale reserve as at 1 January 2018 has been recycled to allocable surplus.
- Loans to Members earlier classified as loans and receivables as at 31 December 2017 were reclassified and measured as debt instruments at amortised costs beginning 1 January 2018.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit and loss and the Group does not have such liabilities. The derecognition rules have been transferred from IAS 39 and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets measured at amortised cost or fair value through OCI (FVOCI) and to contract assets under IFRS 15 Revenue from Contracts with Customers. Based on assessment undertaken by management, it was concluded that there is no significant impact on the consolidated financial statements as at 1 January 2018 upon adoption of IFRS 9.

As at 31 December 2017, there were no derivative financial instruments and hence there is no impact upon adoption of IFRS 9.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

IASB new standards, amendments and interpretations issued but not yet effective and not early adopted by the Group

The Group has not adopted the following standards, amendments and interpretations that have been issued as at 31 December 2018, but are not yet effective.

- IFRS 16 - Leases (issued in January 2016), effective for annual periods beginning on or after 1 January 2019.
- IFRS 17 - Insurance contracts (issued in May 2017), effective for annual periods beginning on or after 1 January 2021. IFRS 17 will replace IFRS 4 Insurance Contracts. The new standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the standard.
- IFRIC 23 - Uncertainty over income tax treatments (issued in June 2017), effective for annual periods beginning on or after 1 January 2019. The interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, and on the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances.
- Amendments to IFRS 9 - Financial instruments: Prepayment features with negative compensation, effective date is 1 January 2019, with early adoption permitted.
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted.
- Amendments to IAS 28: Long-term interests in associates and joint ventures. The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted.
- Annual Improvements 2015-2017 Cycle (issued in December 2017) related to amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs. These amendments are effective for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Management is currently assessing the impact of adopting the above standards, amendments and interpretations on the Group's consolidated financial statements in the period of their initial application. The Group intends to adopt these standards, amendments and interpretations, if applicable, when they become effective.

REVENUE (POLICY APPLICABLE AFTER 1 JANUARY 2018)

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the Sponsors and Commercial Partners at an amount that reflect the consideration to which the Group expects to be entitled in exchange for those goods and services.

Event related activities

The Group expects the revenue recognition to occur at completion of the event at which time the Group would have discharged its performance obligations in respect of the events. These performance obligations include certain other contractual rights such as access to media archives, ICC 360 and to use ICC marks and composite logos that, although they can be availed at any point in time during the contract term, have been included as part of the same performance obligation of the event and is simultaneously discharged towards the completion of such events.

Commercial Revenue: Sale of digital clips

The Group expects the revenue recognition to occur at the point in time, usually when the customers are provided with the access to those digital clips which signifies the completion of the Group's performance obligations in line with underlying contractual terms.

Variable consideration

Certain contracts with customers provide the Group with value in kind goods or services and royalties (based on sale or usage) which gives rise to variable consideration. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(i) Value in kind (VIK):

Certain contracts with Sponsors and Commercial Partners provide for value in kind i.e. goods or services are provided by Sponsors and Partners for free (without any monetary value attributed those goods or services) as part of the underlying contractual agreement with the Group. IFRS 15 requires that the fair value of such non-cash considerations received or expected to be received be included in the transaction price and recognised as part of revenue as and when the Group receives such VIK. Typically, the VIK element is specified in the contractual agreements with the Sponsors and Commercial Partners and there is no significant judgment involved in estimating such variable consideration.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE (POLICY APPLICABLE AFTER 1 JANUARY 2018) (CONTINUED)

(ii) Sale or Usage based Royalties:

The agreement with certain Sponsors and Commercial Partners includes a fixed rights acquisition fee and sales or usage based royalty (includes minimum guaranteed amount and variable consideration) granting the Sponsors and Commercial Partners the licensing right to produce, market and sell products over the period of the contract. The Group recognises revenue from the fixed right acquisition fee and the minimum guarantee at the time of the completion of the event. For the year ended 31 December 2018, it has been determined that no significant judgment is required to estimate the variable consideration as the royalties did not exceed the minimum guarantee threshold.

(iii) Significant financing component:

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. For those deposits paid by the Sponsors and Commercial Partners to the Group for rights granted beyond a year, it has been assessed that there is an implicit financing component because of the timing difference between the payment of deposit and the performance of obligations which usually spans for more than 12 months.

CONTRACT BALANCES

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligations under the contract.

COST TO OBTAIN A CONTRACT

The Group has elected to apply the optional practical expedient as per IFRS 15 for costs to obtain a contract which allows the Group to immediately expense such costs because the amortisation period of the asset that the Group otherwise would have used is one year or less.

GROSS VERSUS NET PRESENTATION

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services. The Group has assessed all of its revenue arrangements and concluded it acts as a principal in relation to such arrangements.

REVENUE RECOGNITION (POLICY APPLICABLE PRIOR TO 1 JANUARY 2018)

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the 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.

Event related activities

Revenue from cricket events is recognised as earned at the time when respective cricket events are concluded.

Commercial revenue

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

EVENT COSTS - POLICY APPLICABLE FOR BOTH PRIOR TO AND AFTER 1 JANUARY 2018

The 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 disclosed as prepaid expenses in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2018

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 disclosed in Note 25.

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 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.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

PROPERTY AND EQUIPMENT

Property and equipment comprises 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
Furniture, fixtures, 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.

Capital work-in-progress is not depreciated.

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 consolidated statement of comprehensive income in the year the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2018

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPERTY AND EQUIPMENT (CONTINUED)

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 property and equipment. All other expenditure is recognised in the consolidated 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 consolidated 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.

FINANCIAL INSTRUMENTS – INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT (POLICY APPLICABLE AFTER 1 JANUARY 2018)

Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and/or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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 Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

The Group does not hold any financial assets carried at fair value through OCI (both debt and equity instruments).

Financial assets at amortised cost

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in consolidated statement of comprehensive income when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes bank balances, loans to members, deposits, trade and other receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of comprehensive income.

This category includes certain financial assets as disclosed in Note 9.1.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign exchange 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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs as these financial assets do not contain significant financing component and usually have a maturity of one year or less. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on ECLs at each reporting date. The Group assesses ECL based on its historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- for financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfall (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive); and
- for financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

In measuring the ECL, the Group considers its historical loss experience and adjusts this for current observable data. In addition, the Group also considers reasonable and supportable forecasts of future macroeconomic conditions, such as, but not limited to, country risk (including inflation), market factors, and exercises appropriate judgment to estimate the amount of expected credit loss against financial assets. Incorporating forward looking information increases the level of judgment as to how changes in the macroeconomic conditions will affect the ECL. The methodology and assumptions including any forecasts of future macroeconomic conditions are reviewed regularly.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of comprehensive income.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the 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 Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2018

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, bank overdraft, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts payable and accruals, deposits received, bank overdraft and associate member fund.

Subsequent measurement

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

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, payables and 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 as finance costs in the consolidated statement of comprehensive income.

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.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, 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 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 Group commits to purchase or sell the asset.

The Group's financial assets include bank balances, cash, deposits, trade and other receivables, loans, investments and other receivables.

Subsequent measurement

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

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 Effective Interest Rate (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.

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 the income statement, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the income statement. 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 2018

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL ASSETS (CONTINUED)

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to held to maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to consolidated statement of comprehensive income over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the consolidated statement of comprehensive income.

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, or
- The 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the 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 Group's continuing involvement in the asset. In that case, the 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 Group has retained.

IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the consolidated statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the consolidated statement of comprehensive income. Loans and advances together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of comprehensive income.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign exchange 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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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 Group determines the classification of its financial liabilities at initial recognition.

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

The Group's financial liabilities include payables and accruals, bank overdraft, deposits received and associate member fund.

Subsequent measurement

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

Loans and borrowings

After initial recognition, payables and 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.

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.

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.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Management also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of their nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and demand deposits, net of outstanding bank overdrafts and restricted deposits.

EMPLOYEES' END OF SERVICE BENEFITS

The Group provides end of service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final 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.

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 consolidated statement of comprehensive income on a straight-line basis over the lease term.

PROVISIONS

Provisions are recognised when the 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 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.

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 initially recorded by the Group's entities at their respective functional 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 rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in consolidated statement of other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in consolidated statement of other 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 translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the 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 income statement are also recognised in other comprehensive income or income statement, respectively).

DIVIDEND/DISTRIBUTION TO MEMBERS

Dividend/distribution to Members represents those amounts that are determined by the Board of Directors as due to the Members of ICC.

VALUE ADDED TAX

Value added tax is recognised in accordance with the laws applicable in UAE.

3 REVENUE FROM ICC EVENTS

	2018 USD'000	2017 USD'000
Commercial event		
ICC Champions Trophy 2017	-	185,943
Other commercial events		
ICC Cricket World Cup Qualifier 2018	13,202	-
ICC Women's World T20 2018	9,532	-
ICC U19 World Cup 2018	6,919	-
Value in Kind	4,784	-
ICC Women's World Cup 2017	-	7,100
	34,437	193,043

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AT 31 DECEMBER 2018

4 COSTS RELATING TO ICC EVENTS

	2018 USD'000	2017 USD'000
Commercial event		
ICC Champions Trophy 2017	-	42,771
Other commercial events		
ICC Women's World T20 2018	18,474	-
ICC U19 World Cup 2018	12,793	-
ICC Cricket World Cup Qualifier 2018	7,361	-
Value in Kind	4,784	-
ICC Women's World Cup 2017	-	17,648
Pathway events (regional and global)		
Men's T20 Qualifier**	1,462	-
U19 Cricket World Cup Qualifier – Division 2**	752	-
Women's T20 Qualifier**	632	-
ICC Women Championship*	407	211
World Cricket League – Division 2*	374	-
World Cricket League – Division 4*	358	-
World Cricket League – Division 3*	304	358
Intercontinental Cup and World Cricket League Championship*	-	1,792
Women's Cricket World Cup – Qualifier*	-	771
World Cricket League – Division 1**	-	673
U19 Cricket World Cup Qualifier – Division 1**	-	650
World Cricket League – Division 5*	-	390
Women's World T20 Qualifier*	-	279
Women's Cricket World Cup Qualifier – Division 1**	-	205
	47,701	65,748
Annual ranking awards	1,800	1,800
	49,501	67,548
Allocation to contingency reserve – net (Note 17.2)	-	2,500
	49,501	70,048

*ICC Group considers these as global pathway events. **ICC Group considers these as regional pathway events.

With the commencement of the commercial cycle on 1 July 2015, all expenditure towards regional and development events form a part of the ICC events budget.

ICC events are held in various tax jurisdictions and the Group's commercial arrangements with its constituents are tax protected through a combination of tax exemptions obtained from the Government of host nations, indemnity obtained from host cricket boards/contractual obligations on host cricket boards and tax protected commercial agreements. In respect of ICC events held to date, the Directors believe that the tax exemptions received to date and contractual agreements entered with the host cricket boards are adequate to cover and mitigate any unforeseen tax liabilities. As such, the Directors believe that the ICC Group is protected in all the event jurisdictions from any incremental tax liability (see Note 25).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2018

5 OTHER REVENUE

	2018 USD'000	2017 USD'000
Other commercial revenue	**8,835**	6,400
Match fines, fees and others	**1,971**	2,188
Excess provisions written back	**1,739**	1,015
	12,545	9,603

6 INTEREST AND INVESTMENT INCOME - NET

	2018 USD'000	2017 USD'000
Deemed interest income on long term deposits received from a sponsor (Note 14)	**2,492**	-
Income from financial assets carried at fair value through profit or loss	**1,819**	-
Interest income from demand deposits	**488**	416
Interest on loan to Members (Note 22)	**461**	469
Income from available-for-sale investments	**-**	1,905
	5,260	2,790

7.1 GENERAL AND ADMINISTRATIVE EXPENSES

	2018 USD'000	2017 USD'000
Staff and consultant related costs	**23,076**	22,155
Travel related costs	**4,139**	4,115
Special projects*	**1,531**	1,867
Depreciation (Note 8)	**1,178**	1,128
Legal and professional costs	**1,049**	1,413
Meetings and annual conference	**803**	1,716
Utilities and other premises related costs	**571**	554
Other development related expenses	**1,759**	1,746
Other administrative expenses	**7,474**	7,744
	41,580	42,438

*Special projects mainly include costs in respect of the global strategy for cricket and consultancy services for Pakistan security.

7.2 FINANCE COSTS

	2018 USD'000	2017 USD'000
Deemed interest on long term deposits received from a sponsor (Note 14)	**2,456**	-
Interest on bank overdraft and others	**377**	52
	2,833	52

7.3 NET (LOSS)/GAIN ON FINANCIAL ASSETS AND DERIVATIVE FINANCIAL INSTRUMENTS

	2018 USD'000	2017 USD'000
On financial assets:		
(Loss)/gain on disposal	**(28)**	410
Changes in fair value	**(1,568)**	-
	(1,596)	410
Changes in fair value of derivative financial instruments	**(3,951)**	-
	(5,547)	410

8 PROPERTY AND EQUIPMENT

	ICC Headquarters building USD'000	Furniture, fixtures, equipment and vehicles USD'000	Capital work-in-progress USD'000	Total USD'000
Cost:				
At 1 January 2018	6,911	10,242	189	17,342
Additions during the year	21	678	-	699
Transfers during the year	-	189	(189)	-
At 31 December 2018	**6,932**	**11,109**	**-**	**18,041**
Accumulated depreciation:				
At 1 January 2018	2,949	8,821	-	11,770
Charge for the year (Note 7.1)	344	834	-	1,178
At 31 December 2018	**3,293**	**9,655**	**-**	**12,948**
Net book value:				
At 31 December 2018	**3,639**	**1,454**	**-**	**5,093**
Cost:				
At 1 January 2017	6,796	9,474	100	16,370
Additions during the year	15	768	189	972
Transfers during the year	100	-	(100)	-
At 31 December 2017	6,911	10,242	189	17,342
Accumulated depreciation:				
At 1 January 2017	2,607	8,035	-	10,642
Charge for the year (Note 7.1)	342	786	-	1,128
At 31 December 2017	2,949	8,821	-	11,770
Net book value:				
At 31 December 2017	3,962	1,421	189	5,572

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 consolidated financial statements at a nominal value of USD 1, as allowed by International Financial Reporting Standards.

Property and equipment includes assets costing USD 6.4 million (2017: USD 5.7 million) which are fully depreciated but are still in active use.

9.1 OTHER FINANCIAL ASSETS

	2018 USD'000	2017 USD'000
Financial assets carried at fair value through profit or loss:		
Bonds and mutual funds	**72,148**	-
Available-for-sale investments	**-**	72,012
	72,148	72,012

9.2 OTHER FINANCIAL LIABILITIES

	2018 USD'000	2017 USD'000
Derivatives not designated for hedge accounting		
Foreign currency forward contracts	**3,951**	-
	3,951	-

10a ADVANCE TO MEMBERS

	2018 USD'000	2017 USD'000
Advance paid to Full Members	**288,845**	179,000
Advance transferred to Associate Members	**24,053**	27,817
	312,898	206,817

As of 31 December 2018, these amounts were the advances paid to Full Members and amounts transferred to the Associate Member pool in respect of the prospective distributions for the Rights cycle 2015-2023.

10b RECEIVABLES AND PREPAYMENTS

	2018 USD'000	2017 USD'000
Receivables for sale of media and commercial rights	**206,821**	53,951
Unbilled receivable for sale of media and commercial rights	**2,655**	43,300
Tax receivable (i)	**-**	23,750
Amounts due from Full Members (i)	**19,301**	14,642
Event related prepayments and advances	**17,605**	11,031
Loan to full members (ii)	**8,623**	10,609
Prepaid expenses and other receivables	**1,486**	1,508
Staff advances	**980**	978
Interest receivable	**601**	579
Prepayments – Global Pathway Events	**-**	187
Amounts due from Associate Members	**122**	-
	258,194	160,535
Non-current portion		
Loan to full members (ii)	**(5,970)**	(8,609)
Event related prepayments and advances	**(1,058)**	(575)
	251,166	151,351

Event related prepayments and advances in respect of the future ICC events amounting to USD 1,058 thousand (2017: USD 575 thousand) are classified as non-current in the consolidated statement of financial position.

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

			Past due but not impaired			
	Total USD'000	Neither past due nor impaired USD'000	1-30 days USD'000	31-90 days USD'000	91-180 days USD'000	>180 days USD'000
2018	**206,821**	**206,196**	**36**	**14**	**190**	**385**
2017	53,951	52,672	271	441	8	559

The ICC 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.

(i) Amounts due from full members includes USD 23.75 million due from a Member in respect of the withholding tax on the Media Rights agreement for the ICC World Twenty20 2016. The Group expects to recover this amount from future distributions to be made to the Member.

(ii) As of 31 December 2018, loans to full members represent loans advanced to full members, which carries interest at three-month LIBOR plus 3%. Their loans will be repaid from/offset against the future distribution to the members. Loans of USD 6 million (2017: USD 8.6 million) advanced to full member boards are classified as non-current as they are due twelve months after the date of the consolidated statement of financial position.

See Note 23 on credit risk of receivables which explains how the Group manages and measures credit quality of receivables that are neither past due nor impaired.

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11 CASH AND CASH EQUIVALENTS

	2018 USD'000	2017 USD'000
Cash at bank and on hand	**8,406**	2,182
Demand deposits	**6,122**	59,219
	14,528	61,401

Depending on the cash requirements of the ICC Group, demand deposits are made for varying periods up to twelve months and earn interest at the respective rate stipulated by the underlying deposit certificates.

Demand deposits include restricted deposits secured against corporate credit cards amounting to USD 1.1 million for the year ended 31 December 2018 (2017: USD 2 million).

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

	2018 USD'000	2017 USD'000
Cash and demand deposits	**14,528**	61,401
Restricted deposits	**(1,117)**	(1,997)
Bank overdraft	**(29,918)**	(4,910)
Cash and cash equivalents	**(16,507)**	54,494

Restricted deposits relate to demand deposits placed with a financial institution as a lien against the limits availed by the Group for corporate credit cards.

Interest is charged on the bank overdraft at prevailing market rates. Bank overdraft is secured against the Group's investment in bonds and mutual funds (Note 9.1).

12 EMPLOYEES' END OF SERVICE BENEFITS

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

	2018 USD'000	2017 USD'000
At 1 January	**5,493**	4,825
Provided during the year	**1,120**	1,054
Paid during the year	**(97)**	(386)
At 31 December	**6,516**	5,493

13 ADVANCES FROM SPONSORS – CONTRACT LIABILITIES

Advances from sponsors relate to the amounts collected and billed in advance as per the underlying contractual agreements with the respective sponsor.

14 DEPOSITS RECEIVED

In November 2014, the Group had received a deposit of USD 95 million from a commercial partner in accordance with an agreement and this deposit will be repaid in January 2023. This deposit does not carry any interest. The Group has determined its fair value to be USD 74.4 million using the market interest rate of 3% per annum, therefore the difference amounting to USD 20.5 million between the fair value and deposit received will be amortised over the deposit repayment years as deemed interest income and deemed interest expense.

Movement in the deposit received in the consolidated statement of financial position is as follows:

	2018 USD'000	2017 USD'000
Deposits received	**95,000**	95,000
Less: effect of adoption of IFRS 15 (Note 2)	**(584)**	-
Less: amortisation of deemed interest income (Note 6)	**(2,492)**	-
Add: deemed interest expense (Note 7.2)	**2,456**	-
	94,380	95,000
Less: current portion of the deposit received	**(2,492)**	-
	91,888	-

15 ACCOUNTS PAYABLE AND ACCRUALS

	2018 USD'000	2017 USD'000
Amounts due to Full Members	**6,237**	8,174
Amounts due to Associate Members	**2,640**	2,681
Accruals including payables*	**12,233**	10,886
Others	**-**	153
	21,110	21,894

*Accruals mainly relate to staff related accruals, event accruals and event production cost accruals.

16 ASSOCIATE MEMBER FUND

The ICC Group acts as a custodian of the Associate Member Fund to ensure proper utilisation of fund distribution for the benefit of the game and members. Annually, the Board approves the funding to the Associate Members.

Movements in the Associate Member Fund recognised in the consolidated statement of financial position are as follows:

	2018 USD'000	2017 USD'000
At 1 January	**17,619**	49,310
Transfer from Cricket Development Fund	**-**	114
Allocation during the year	**34,949**	12,189
Reversal of prior year allocations (i)	**(27,817)**	(17,706)
Funding to associate members	**(23,571)**	(27,755)
Others	**155**	1,467
At 31 December	**1,335**	17,619

i) Based on the currently approved financial model, the allocation to Associate Members has been adjusted retrospectively to reflect the allocation of the net surplus/deficit from events.

17.1 CONTRIBUTION COST

Movements in contribution cost recognised in the consolidated statement of financial position are as follows:

	2018 USD'000	2017 USD'000
At 1 January	**-**	94,515
Written back during the year (Note 1)	**-**	(94,515)
At 31 December	**-**	-

As indicated in Note 1, contribution cost had been discontinued with retrospective effect. Accordingly, the liability amounting to USD 94,515 thousand had been written back to the consolidated statement of comprehensive income in 2017.

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17.2 CONTINGENCY RESERVE

Movements in contingency reserve recognised in the consolidated statement of financial position are as follows:

	2018 USD'000	2017 USD'000
Allocated during the year	**5,000**	5,000
Paid during the year – allocation to event costs (Note 4)	**-**	(2,500)
	5,000	2,500
Excess written back	**(5,000)**	(2,500)
At 31 December	**-**	-

The Board of Directors have resolved to allocate a predetermined amount over the commercial cycle as a contingency reserve to be utilised for the development of cricket.

18 TEST CRICKET FUND

Movements in Test Cricket Fund recognised in the consolidated statement of financial position are as follows:

	2018 USD'000	2017 USD'000
At 1 January	**-**	4,375
Written back during the year (Note 1)	**-**	(4,375)
As at 31 December	**-**	-

As indicated in Note 1, test cricket fund had been discontinued with retrospective effect. Accordingly, the liability amounting to USD 4,375 thousand had been written back to the consolidated statement of comprehensive income in 2017.

19 SHARE CAPITAL

The International Cricket Council is a Company limited by guarantee and does not have a share capital.

20 GENERAL RESERVE

General reserve is available for use and distribution at the discretion of the Board of Directors.

21 COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

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

	2018 USD'000	2017 USD'000
Future capital expenditure	-	40

(b) Litigation

Essel Sports Pvt Ltd

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 with the parties in the midst of making their final arguments.

A suit has also been filed in England (against ICC, 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. The Supreme Court of India (the "Supreme Court") subsequently permitted Essel to proceed with an appeal against the anti-suit injunction granted by the Divisional Bench of the Delhi High Court preventing it from suing the BCCI/ECB/ICC in England pending trial of the underlying Indian action. On 1 September 2017, however, as the underlying suit (namely 'Indian Action') was in the final stages of being heard, the Supreme Court dismissed the special leave petitions and directed that the District Court should hear and decide the underlying suit within three months of the date of the order, without any interference from the Supreme Court. The appeal proceedings have therefore effectively been dismissed and come to an end. As of date, there appears to be no momentum from the BCCI towards settling the Indian Action (and all related proceedings) in a way that is satisfactory to all, but this possibility remains within the control of the BCCI.

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 addition, in 2010, the court in England 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 members in relation to all costs, damages and awards that might be made against any of them as a result of the English Action. As at the reporting date, no amounts in relation to such indemnity has been recognised on the consolidated financial statements as the probability of any such outflow looks unlikely.

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22 RELATED PARTY TRANSACTIONS

Related parties represent ICC Members, Directors and key management personnel of the ICC Group. Significant member balances are disclosed in notes 10a, 10b and 15 to these consolidated financial statements. 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.

Significant transactions with members other than those disclosed elsewhere in the consolidated financial statements are as follows:

	2018 USD'000	2017 USD'000
Other income and interest income:		
Anti-Corruption Unit Services rendered to members	**677**	492
Interest on loan to Members (Note 6)	**461**	469
	1,138	961
Remuneration of key personnel:		
Executive	**2,587**	2,510
Non-Executive	**100**	100

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The ICC Group's principal financial liabilities include accounts payable and accruals, bank overdraft, deposits received and associate member fund. The ICC Group has various financial assets such as bank balances and cash and short-term deposits, trade and other receivables, investments, loans and other receivables.

The main risks arising from the ICC 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 ICC 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 and possible change in interest rates, with all other variables held constant, of the ICC Group's surplus/(deficit) and Members' funds.

Increase in basis points	**Decrease in deficit 2018 USD'000**	Increase in surplus 2017 USD'000
100	**2,385**	2,786

The sensitivity analysis has been performed assuming changes in interest rates for the interest bearing financial assets and financial liabilities held at the year end.

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

CREDIT RISK

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from loans to members, bank balances and deposits, trade and other receivables.

Policy applicable before 1 January 2018

The Group is primarily exposed to credit risk on trade receivables and applies the simplified approach prescribed by IFRS 9 for assessing expected credit losses (ECL), which requires the use of lifetime expected loss provision.

The ICC Group has policies in place to ensure that sales of commercial rights are only made to counterparties with an appropriate credit history. The customers' credit risk is managed by the Group subject to established policies, procedures and control relating to customer credit risk management. Credit limits are established for individual customers based on criteria set internally by the Group. The requirement for impairment is analysed at each reporting date on an individual basis for major customers. The Group usually enters into contractual agreements with customers for the entire event cycle and collects amounts from customers in advance of the tournaments/events to be conducted. Based on historical assessment of default rates and taking into consideration forward looking assumptions, the Group has assessed and concluded that the ECLs on trade receivables to be minimal.

Credit risk on bank balances are assessed to be minimal as these balances and deposits are callable on demand and held with reputable financial institutions. With respect to loans to members, credit risk is assessed to be minimal as there is no historical default and these balances could be offset against future distributions to be made to those members by the Group.

The maximum exposure to credit risk for financial assets at the reporting date is the carrying value.

Policy applicable from 1 January 2018

The ICC 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 ICC 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 ICC Group, including cash and cash equivalents, the ICC Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

23 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 ICC 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 2018	**Less than 3 months USD'000**	**3 to 12 months USD'000**	**1 to 5 years USD'000**	**>5 years USD'000**	**Total USD'000**
Accounts payable and accruals (Excluding value added tax)	**18,630**	**-**	**-**	**-**	**18,630**
Associate Member Fund	**-**	**1,335**	**-**	**-**	**1,335**
Deposits received	**-**	**-**	**95,000**	**-**	**95,000**
Bank overdraft	**30,816**	**-**	**-**	**-**	**30,816**
Total	**49,446**	**1,335**	**95,000**	**-**	**145,781**

At 31 December 2017	Less than 3 months USD'000	3 to 12 months USD'000	1 to 5 years USD'000	>5 years USD'000	Total USD'000
Accounts payable and accruals	21,894	-	-	-	21,894
Associate Member Fund	-	17,619	-	-	17,619
Deposits received	-	-	-	95,000	95,000
Bank overdraft	4,910	-	-	-	4,910
Total	26,804	17,619	-	95,000	139,423

Changes in liabilities arising from financial activities:

Particulars	**1 January 2018 USD'000**	**Cash flows USD'000**	**Others (i) USD'000**	**31 December 2018 USD'000**
Associate Member Fund	**17,619**	**(23,416)**	**7,132**	**1,335**
Total	**17,619**	**(23,416)**	**7,132**	**1,335**

(i) Amounts reflected under others include the following:

a) Allocation to Associate Member Fund and reversals of prior year allocations to Associate Member Fund (See Note 16).

CURRENCY RISK

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The ICC Group's foreign currency exposure arises mainly from its monetary assets and liabilities denominated in foreign currencies other than UAE Dirhams or USD. As at the year end, the ICC Group does not have monetary assets and liabilities denominated in foreign currencies other than UAE Dirhams or USD. As the UAE Dirham is currently pegged to the USD, balances in UAE Dirham are not considered to represent a significant currency risk. The Group also enters into forward foreign currency contracts to hedge its exposure to currency movements.

CAPITAL MANAGEMENT

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

The ICC 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 reserves and allocable surplus is measured at USD 304.8 million (2017: USD 350.6 million).

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24 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets, financial liabilities and derivative financial instruments.

Financial assets consist of bank balances and cash, deposits, receivables, loan to Members and investments. The financial liabilities include payable and accruals, deposits received, bank overdraft and associate member fund.

Financial assets carried at fair value through profit or loss are measured and carried at fair value in the consolidated statement of financial position. Fair value of loans to members and bank overdraft approximates its carrying amount as at the reporting date as these loans carry interest based on a benchmark rate that gets repriced at regular intervals. Derivative financial liabilities are measured based on the quote provided by the financial institutions. The fair values of other financial instruments are not materially different from their carrying values as these are part of the Group's operating cycle and hence classified as current in nature as at the reporting date.

FAIR VALUE HIERARCHY

The ICC 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 and liabilities measured at fair value:	**31 Dec 2018 USD'000**	**Level 1 USD'000**	**Level 2 USD'000**	**Level 3 USD'000**
Financial assets carried at fair value through profit or loss	**72,148**	**66,951**	**5,197**	**-**
Derivative financial liabilities	**(3,951)**	**-**	**(3,951)**	**-**
	31 Dec 2017 USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000
Available-for-sale investments	72,012	66,728	5,284	-

Other than the above financial assets, the Group does not hold any financial assets and financial liabilities measured at fair value to be categorised in either Level 1 or 2 hierarchy.

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

25 KEY SOURCES OF ESTIMATION UNCERTAINTY AND SIGNIFICANT JUDGMENTS

ESTIMATION UNCERTAINTY

Provision for expected credit losses of trade receivables - applicable after 1 January 2018

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for various customers.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Impairment of receivables – prior to 1 January 2018

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.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility.

Useful lives of property and equipment

The ICC 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.

JUDGMENTS

In the process of applying the ICC 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 consolidated statement of comprehensive income.

Completion of event

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

Taxation

The Group is subject to tax in a number of jurisdictions and judgment is required in determining the provision for income taxes and such provisions are based upon management's assessment of exposures.

Uncertainties exist with respect to the interpretation of complex tax regulations, tax residency status, changes in tax laws, and the amount and timing of future taxable income. The Group has assessed that it does not have a permanent establishment in the countries where the events have taken place. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. As the Directors have assessed the probability of additional tax claims being raised or litigation in respect of taxes (resulting in consequent cash outflow) being remote, no contingent liability in this respect has been recognised as of 31 December 2018 and as of 31 December 2017.

Identifying the performance obligations and timing of satisfaction of such performance obligations

The Group expects the revenue recognition to occur at completion of the event at which time the Group would have discharged its performance obligations in respect of the events. These performance obligations include certain other contractual rights such as access to media archives, ICC 360 and to use ICC marks and composite logos that, although they can be availed at any point in time during the contract term, have been included as part of the same performance obligation of the event and is simultaneously discharged towards the completion of such events.

Significant financing component

For those deposits paid by the Sponsors and Commercial Partners to the Group for rights granted beyond a year, the Group has assessed and concluded that there is a significant financing component considering the length of time between the payment of such deposits and satisfaction of performance obligations, which usually spans for more than 12 months, and the prevailing interest rates in the market.

26 COMPARATIVES

Certain comparative information has been reclassified to conform to current year presentation and classification. There is no impact on the Group's members fund as a result of such reclassification.

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