



THE INTERNATIONAL CRICKET COUNCIL LIMITED  
AND ITS SUBSIDIARIES

# **CONSOLIDATED FINANCIAL STATEMENTS**

31 DECEMBER 2020

# DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors take pleasure in presenting their report together with the audited consolidated financial statements for the year ended 31 December 2020 which comprise the results of The International Cricket Council Limited (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 Under 19 Men's Cricket World Cup 2020 and the ICC Women's T20 World Cup Australia 2020 and development programme activities to promote and develop the game globally.

## CONSOLIDATED FINANCIAL RESULTS

The net deficit for the year amounted to USD 18.4M. Key features include:

- Total revenue and other income amounted to USD 44.1M, which includes USD 34.8M from events revenue and USD 9.3M from the ICC Group's commercial and other activities. Interest and other financial income totalled USD 9.3M.
- Costs amounted to USD 71.8M, which includes events cost of USD 34.4M. General and administrative and other expenses relating to the management of the global game of cricket totalled USD 34.6M. Finance costs totalled USD 2.8M.

A dividend of USD 300M was declared during the year 2020 with the approval of the Board of Directors.

## CAPITAL AND RESERVES

- Capital and Reserves amount to USD 379.0M, represented by Allocable surplus of USD 296.6M and reserves of USD 82.4M respectively.

## 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,



**Greg Barclay**  
Chairman  
12 April 2021

# GROUP DIRECTORY

AT 31 DECEMBER 2020

## GENERAL INFORMATION

### THE INTERNATIONAL CRICKET COUNCIL LIMITED (“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 104 Members located worldwide.

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

Commerce House, Wickhams Cay 1,  
P.O. Box 3140, 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:

SD 2-55  
Bldg # 2,  
Dubai Media City,  
Dubai,  
United Arab Emirates

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

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

Commerce House, Wickhams Cay 1  
P.O. Box 3140,  
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 the ICC Group. FZ LLC is a wholly owned subsidiary of ICC.

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

SD 2-77  
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 2016 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 Mesa Avenue, Suite E,  
Colorado Springs 80906 – 2960,  
United States of America

# GROUP DIRECTORY

AT 31 DECEMBER 2020

## ICC BOARD DIRECTORS

Director	Designation	Director Since
Greg Barclay	Independent Chairman	Sep 2014
Manu Sawhney	Chief Executive	Apr 2019
Indra Nooyi	Independent Director	Jul 2018
Earl Eddings	Full Member representative Director, Australia*	Nov 2018
Farhan Yousefzai	Full Member representative Director, Afghanistan*	Jul 2019
Nazmul Hassan	Full Member representative Director, Bangladesh*	Oct 2012
Ian Watmore	Full Member representative Director, England & Wales*	Sep 2020
Sourav Ganguly	Full Member representative Director, India*	Oct 2020
Ross McCollum	Full Member representative Director, Ireland*	Jun 2016
Martin Snedden	Full Member representative Director, New Zealand*	Dec 2020
Ehsan Mani	Full Member representative Director, Pakistan*	Sep 2018
Rihan Richards	Full Member representative Director, South Africa*	Nov 2020
Shammi Silva	Full Member representative Director, Sri Lanka*	Feb 2019
Richard Skerritt	Full Member representative Director, West Indies*	Mar 2019
Tavengwa Mukhllani	Full Member representative Director, Zimbabwe*	Aug 2015
Imran Khwaja	Associate Member Director <sup>†</sup> & Deputy Chairman	Jul 2008
Mahinda Vallipuram	Associate Member representative Director <sup>†</sup>	Sep 2017
Neil Speight	Associate Member representative Director <sup>†</sup>	Dec 2020

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

Director	Designation	Resigned/Term ended
Shashank Manohar	Independent Chairman	Jun 2020
Colin Graves	Full Member Director, England & Wales*	Aug 2020
Chris Nenzani	Full Member Director, South Africa*	Aug 2020
Beresford Williams	Full Member Director, South Africa*	Nov 2020
Tony Brian	Associate Member Director <sup>†</sup>	Dec 2020

\* Full Member Directors are appointed by the National Cricket Federation in their respective country.

<sup>†</sup> The three Associate Member Directors are elected for a two-year term by the Associate Members at the Annual Meeting of the Associates.



**Jonathan Hall**  
General Counsel & Company Secretary  
12 April 2021

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE INTERNATIONAL CRICKET COUNCIL LIMITED

## OPINION

We have audited the consolidated financial statements of The International Cricket Council Limited ("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 2020, 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 2020, 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 Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code")* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, 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 the following:

- i) Note 19 (b) to the consolidated financial statements which describes in detail a legal action against ICC.
- ii) Note 20 (d) to the consolidated financial statements which describes the status of an ongoing dispute between a Member and the Group concerning a deduction from the distributions made by the Group to the Member.

Our opinion is not modified in respect of these matters.

## 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

TO THE MEMBERS OF THE INTERNATIONAL CRICKET COUNCIL LIMITED (CONTINUED)

## 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 skepticism 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,



Signed by:  
**Thodla Hari Gopal**  
Partner  
Registration No: 689

12 April 2021  
Dubai, United Arab Emirates

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 USD'000	2019 USD'000
<b>Event related activities</b>			
Revenue from ICC Events	3	34,771	602,908
Costs relating to ICC Events	4	(34,387)	(184,565)
<b>NET SURPLUS RELATING TO ICC EVENTS</b>		<b>384</b>	<b>418,343</b>
<b>Other activities</b>			
Other revenue	5	9,280	9,690
Interest and investment income – net	6	5,784	7,156
General and administrative expenses	7.1	(34,607)	(46,012)
Finance costs	7.2	(2,780)	(2,639)
Foreign exchange gain/(loss)		19	(49)
Net gain on financial assets and derivative financial instruments	7.3	3,504	6,171
<b>NET LOSS FROM OTHER ACTIVITIES</b>		<b>(18,800)</b>	<b>(25,683)</b>
<b>NET (DEFICIT)/SURPLUS BEFORE TAXATION</b>		<b>(18,416)</b>	<b>392,660</b>
Taxation	4 & 23	–	–
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(18,416)</b>	<b>392,660</b>
Other comprehensive income for the year		–	–
<b>TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR</b>		<b>(18,416)</b>	<b>392,660</b>

The attached notes 1 to 24 form part of these consolidated financial statements

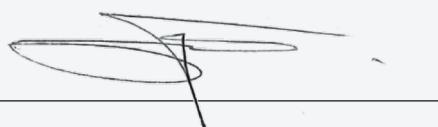
# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 USD'000	2019 USD'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	8	4,117	4,692
Other financial assets	9.1	80,868	77,252
Advance to Members	10a	396,730	534,597
Event related prepayments and advances	10b	16,354	796
		<b>498,069</b>	617,337
<b>Current assets</b>			
Receivables and prepayments	10b	179,515	201,925
Associate member fund	16	18,808	–
Other financial asset	9.2	470	–
Cash and cash equivalents	11	65,378	90,399
		<b>264,171</b>	292,324
<b>TOTAL ASSETS</b>		<b>762,240</b>	909,661
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employees' end of service benefits	12	5,511	6,045
Deposits received	14	96,827	96,724
		<b>102,338</b>	102,769
<b>Current liabilities</b>			
Deposits received	14	2,631	2,631
Advances from sponsors	13	244,620	44,257
Accounts payable and accruals	15	33,634	50,344
Other financial liabilities	9.2	–	828
Associate Member fund	16	–	11,399
		<b>280,885</b>	109,459
<b>TOTAL LIABILITIES</b>		<b>383,223</b>	212,228
<b>NET ASSETS</b>		<b>379,017</b>	697,433
<b>REPRESENTED BY:</b>			
<b>Members' Funds</b>			
Share capital	17	–	–
Allocable surplus		296,550	619,717
Reserves	18	82,467	77,716
		<b>379,017</b>	697,433

The consolidated financial statements were authorised for issue by the Board of Directors on 12 April 2021 and were signed on their behalf by:

**Greg Barclay**  
Chairman



**Geoff Allardice**  
Acting Chief Executive Officer



The attached notes 1 to 24 form part of these consolidated financial statements



# CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Allocable surplus USD'000	General reserve USD'000	Total USD'000
As at 1 January 2019	232,157	72,616	304,773
Total comprehensive income for the year	392,660	–	392,660
Transfers	(5,100)	5,100	–
At 31 December 2019	619,717	77,716	697,433
Total comprehensive loss for the year	(18,416)	–	(18,416)
Transfers	(4,751)	4,751	–
Dividends (Note 1)	(300,000)	–	(300,000)
<b>At 31 December 2020</b>	<b>296,550</b>	<b>82,467</b>	<b>379,017</b>

*The attached notes 1 to 24 form part of these consolidated financial statements*

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 USD'000	2019 USD'000
<b>OPERATING ACTIVITIES</b>			
Net (deficit)/surplus before taxation		<b>(18,416)</b>	392,660
Adjustments to reconcile net surplus to net cash flows:			
Depreciation	8	<b>1,462</b>	1,125
Provision for employees' end of service benefits	12	<b>1,164</b>	1,152
Provision for expected credit loss	7.1	<b>2,842</b>	1,412
Interest and investment income – net	6	<b>(5,784)</b>	(7,156)
Finance costs	7.2	<b>2,780</b>	2,639
Net gain on financial assets	7.3	<b>(2,206)</b>	(3,048)
Change in fair value of derivative instruments at fair value through profit and loss	7.3	<b>(1,298)</b>	(3,123)
Loss on disposal of asset		<b>–</b>	170
		<b>(19,456)</b>	385,831
Working capital adjustments:			
Receivables and prepayments		<b>(167)</b>	25,521
Accounts payable and accruals		<b>(16,710)</b>	29,234
Advances received		<b>200,363</b>	(156,621)
		<b>164,030</b>	283,965
Employees' end of service benefits paid	12	<b>(1,698)</b>	(1,623)
Net cash flows from operating activities		<b>162,332</b>	282,342
<b>INVESTING ACTIVITIES</b>			
Additions to property and equipment	8	<b>(887)</b>	(894)
Purchase of financial asset carried at fair value through profit or loss		<b>(25,681)</b>	(21,785)
Proceeds from disposal of financial assets carried at fair value through profit or loss		<b>24,271</b>	19,767
Interest and investment income received		<b>3,146</b>	4,591
Withdrawal/(investment) in deposits – restricted cash		<b>1,120</b>	(3)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>1,969</b>	1,676

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The attached notes 1 to 24 form part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 USD'000	2019 USD'000
<b>FINANCING ACTIVITIES</b>			
Loans repaid by members during the year		4,177	2,653
Loans advanced to members during the year		-	(1,000)
Deposits received		-	4,936
Advance to members		(162,000)	(153,113)
Associate Member fund, net		(30,340)	(31,635)
Finance cost paid		(39)	(73)
Net cash flows used in financing activities		(188,202)	(178,232)
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(23,901)</b>	105,786
Cash and cash equivalents at 1 January		89,279	(16,507)
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	11	<b>65,378</b>	89,279

<b>Significant non-cash transactions:</b>			
	Notes	2020 USD'000	2019 USD'000
Adjustment of dividend against advance to members	1	300,000	-
Offset of distributions made against the amount due from a member	10b	-	23,750
Offset of distributions made against loan due from a member		-	3,137

The attached notes 1 to 24 form part of these consolidated financial statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 1 ACTIVITIES

The International Cricket Council Limited (the “Company” or “ICC”) is a company limited by guarantee and does not have share capital, it is incorporated in the British Virgin Islands. The registered office of ICC is at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands. There are currently 104 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 Limited (“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.

### Financial model: 2015-2023 cycle

In June 2017, the members approved a 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 with the first tranche of such distribution (i.e. dividends) amounting to USD 300 million declared during the year 2020 with the approval of the Board of Directors, and the remaining surplus to be distributed during the remaining period until 2023 (refer Note 10a).

## 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 2020 of the ICC and its following subsidiaries (together the “Group” or “ICC Group”):

Name of the subsidiary	Country of incorporation	Percentage shareholding		Principal activities
		2020	2019	
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 (ID)*	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.	No shares issued. ICC is the sole member.	To administer, develop, co-ordinate and promote the sport of cricket throughout the Americas region.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 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
		2020	2019	
International Cricket Council FZ-LLC	United Arab Emirates	100%	100%	To provide administrative services to ICC group companies. From 1 January 2019, this includes managing the ICC Development Program.
IDI Mauritius Ltd*	Mauritius	100%	100%	To manage certain commercial rights of IDI.

\* IDI and its subsidiary IDI Mauritius Ltd is expected to be liquidated by the end of year 2021. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 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 2019, except as follows:

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

Following amendments and interpretations to accounting standards become effective as at 1 January 2020, but do not have an impact on the consolidated financial statements of the Group.

- Amendments to IFRS 3: Definition of a Business.
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform.
- Amendments to IAS 1 and IAS 8: Definition of Material.
- The Conceptual Framework for Financial Reporting.
- Amendments to IFRS 16 Covid-19 Related Rent Concessions.

#### 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 2020 but are not yet effective.

- IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023).
- Reference to the Conceptual Framework – Amendments to IFRS 3 (effective for annual periods beginning on or after 1 January 2022).
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (effective for annual periods beginning on or after 1 January 2022).
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (effective for annual periods beginning on or after 1 January 2022).

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (effective for annual periods beginning on or after 1 January 2022).
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (effective for annual periods beginning on or after 1 January 2022).
- IAS 41 Agriculture – Taxation in fair value measurements (effective for annual periods beginning on or after 1 January 2022).
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### REVENUE

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.

#### (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 2020, 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

### EVENT COSTS

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.

### 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 23.

## 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 equivalents 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 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

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

### 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).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### FINANCIAL INSTRUMENTS – INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT (continued)

#### 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.

#### 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

### 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

### FINANCIAL LIABILITIES

#### Initial recognition and measurement

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

There are no financial liabilities carried at fair value through profit or loss.

#### 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.

#### 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.

#### 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

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 deposit, if any.

### 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

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### GROUP AS A LESSEE

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### GROUP AS A LESSEE (CONTINUED)

#### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be below value. Lease payments on short-term leases and leases of low-value assets are recognised as expense 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 3 REVENUE FROM ICC EVENTS

	2020 USD'000	2019 USD'000
<b>Commercial event</b>		
ICC Men's Cricket World Cup 2019	–	557,876
<b>Other commercial events</b>		
ICC Women's World T20 2020	19,283	–
ICC U/19 Cricket World Cup 2020	12,610	–
Value in Kind	2,878	31,146
ICC Men's T20 World Cup Qualifier 2019	–	15,886
ICC Women's World T20 2018 <sup>1</sup>	–	(2,000)
	<b>34,771</b>	<b>602,908</b>

<sup>1</sup> Revenue recognised in ICC Women's World T20 2018 in 2018, was reversed in 2019 following the revision of the revenue allocation between the respective events in the final contract with the counterparty.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 4 COSTS RELATING TO ICC EVENTS

	2020 USD'000	2019 USD'000
<b>Commercial event</b>		
ICC Men's Cricket World Cup 2019	–	138,445
<b>Other commercial events</b>		
ICC Women's World T20 2020	19,198	–
ICC U/19 Cricket World Cup 2020	11,464	–
Value in Kind	2,878	31,146
ICC Men's T20 World Cup Qualifier 2019	–	8,140
<b>Pathway events (regional and global)</b>		
ICC Men's CWC Challenge League*	642	1,488
ICC Women's Championship*	192	410
ICC Women's Qualifier-CWC/T20**	11	700
ICC Men's T20 Regional Finals-18**	2	709
ICC U19 CWC Qualifier – Div1**	–	834
ICC Women's T20 World Cup Qualifier-19	–	605
ICC World Cricket League-Div2*	–	433
ICC U19 CWC Qualifier – Division 2**	–	(145)
	<b>34,387</b>	182,765
Annual ranking awards	–	1,800
	<b>34,387</b>	184,565

\* 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 Board of 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 Board of Directors believe that the ICC Group is protected in all the event jurisdictions from any incremental tax liability (see Note 23).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 5 OTHER REVENUE

	2020 USD'000	2019 USD'000
Other commercial revenue	7,609	7,895
Match fines, fees and others	1,014	956
Excess provisions written back	657	839
	<b>9,280</b>	9,690

## 6 INTEREST AND INVESTMENT INCOME – NET

	2020 USD'000	2019 USD'000
Deemed interest income on long term deposits received from a sponsor (Note 14)	2,638	2,527
Income from financial assets carried at fair value through profit or loss	2,190	1,962
Interest income from demand deposits	916	2,323
Interest on loan to Members (Note 20)	40	344
	<b>5,784</b>	7,156

## 7.1 GENERAL AND ADMINISTRATIVE EXPENSES

	2020 USD'000	2019 USD'000
Staff and consultant related costs	20,933	25,376
Provision for expected credit loss	2,842	1,412
Depreciation (Note 8)	1,462	1,125
Legal and professional costs	1,007	1,245
Travel related costs	913	3,748
Utilities and other premises related costs	618	430
Special projects*	583	2,876
Other development related expenses	203	1,401
Meetings and annual conference	10	802
Other administrative expenses	6,036	7,597
	<b>34,607</b>	46,012

\* Special projects mainly include costs in respect of the global strategy for cricket and the next commercial rights cycle.

## 7.2 FINANCE COSTS

	2020 USD'000	2019 USD'000
Deemed interest on long term deposits received from commercial partners (Note 14)	2,741	2,566
Interest on bank overdraft and others	39	73
	<b>2,780</b>	2,639

## 7.3 NET GAIN ON FINANCIAL ASSETS AND DERIVATIVE FINANCIAL INSTRUMENTS

	2020 USD'000	2019 USD'000
On financial assets:		
Gain on disposal	609	78
Changes in fair value	1,597	2,970
	<b>2,206</b>	3,048
Changes in fair value of derivative financial instruments	1,298	3,123
	<b>3,504</b>	6,171



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 8 PROPERTY AND EQUIPMENT

	ICC Headquarters building USD'000	Furniture fixtures equipment and vehicles USD'000	Total USD'000
<b>Cost:</b>			
As at 1 January 2020	7,028	11,635	18,663
Additions during the year	134	753	887
Disposals during the year	-	(68)	(68)
<b>At 31 December 2020</b>	<b>7,162</b>	<b>12,320</b>	<b>19,482</b>
<b>Accumulated depreciation:</b>			
As at 1 January 2020	3,639	10,332	13,971
Charge for the year (Note 7.1)	352	1,110	1,462
Disposals during the year	-	(68)	(68)
<b>At 31 December 2020</b>	<b>3,991</b>	<b>11,374</b>	<b>15,365</b>
<b>Net book value</b>			
<b>At 31 December 2020</b>	<b>3,171</b>	<b>946</b>	<b>4,117</b>
<b>Cost:</b>			
As at 1 January 2019	6,932	11,109	18,041
Additions during the year	96	798	894
Disposals during the year	-	(272)	(272)
At 31 December 2019	7,028	11,635	18,663
<b>Accumulated depreciation:</b>			
As at 1 January 2019	3,293	9,655	12,948
Charge for the year (Note 7.1)	346	779	1,125
Disposals during the year	-	(102)	(102)
At 31 December 2019	3,639	10,332	13,971
<b>Net book value</b>			
At 31 December 2019	3,389	1,303	4,692

### 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 include assets costing USD 4.3 million (2019: USD 5.6 million) which are fully depreciated but are still in active use.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 9 OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### 9.1 OTHER FINANCIAL ASSETS

	2020 USD'000	2019 USD'000
Financial assets carried at fair value through profit or loss:		
Bonds and mutual funds	80,868	77,252

### 9.2 OTHER CURRENT FINANCIAL ASSETS / (LIABILITIES)

	2020 USD'000	2019 USD'000
Derivatives not designated for hedge accounting		
foreign currency forward contracts	470	(828)

## 10a ADVANCE TO MEMBERS

	2020 USD'000	2019 USD'000
Advance to Full Members	363,331	468,845
Advance allocated to Associate Members	33,399	65,752
	396,730	534,597

As of 31 December 2020, these amounts comprise of advances to Full Members and amounts allocated to the Associate Member pool in respect of the prospective distributions for the Rights cycle 2015-2023. Refer Note 1 for distributions made to the members during the year 2020.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 10b RECEIVABLES AND PREPAYMENTS

	2020 USD'000	2019 USD'000
Receivables for sale of media and commercial rights	170,726	136,979
Provision for expected credit loss	(4,254)	(1,412)
	<b>166,472</b>	135,567
Event related prepayments and advances	20,071	35,204
Amounts due from Full Members	6,707	960
Prepaid expenses and other receivables	1,117	1,775
Staff advances	803	863
Interest receivable	659	905
Unbilled receivable for sale of media and commercial rights	20	23,175
Amounts due from Associate Members	20	95
Loan to full members <sup>(i)</sup>	–	4,177
	<b>195,869</b>	202,721
<b>Non-current portion</b>		
Event related prepayments and advances	(16,354)	(796)
	<b>179,515</b>	201,925

Event related prepayments and advances in respect of the future ICC events amounting to USD 16,354 thousand (2019: USD 796 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:

	Total USD'000	Neither past due nor impaired USD'000	Past due but not impaired			
			1-30 days USD'000	31-90 days USD'000	91-180 days USD'000	>180 days USD'000
<b>2020</b>	<b>166,472</b>	<b>151,054</b>	<b>5,860</b>	<b>4,057</b>	<b>749</b>	<b>4,752</b>
2019	135,567	133,795	188	948	202	434

The ICC Group's credit period is 30-60 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) During the year 31 December 2020, loans advanced to full members were fully repaid.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 11 CASH AND CASH EQUIVALENTS

	2020 USD'000	2019 USD'000
Cash at bank and on hand	28,911	9,298
Demand deposits	36,467	81,101
Cash and cash equivalents	<b>65,378</b>	90,399

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.

As at 31 December 2019, demand deposits included restricted deposits secured against corporate credit cards amounting to USD 1.1 million. There were no such restricted deposits as at 31 December 2020.

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

	2020 USD'000	2019 USD'000
Cash and demand deposits	65,378	90,399
Restricted deposits	–	(1,120)
Cash and cash equivalents	<b>65,378</b>	89,279

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

## 12 EMPLOYEES' END OF SERVICE BENEFITS

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

	2020 USD'000	2019 USD'000
At 1 January	6,045	6,516
Provided during the year	1,164	1,152
Paid during the year	(1,698)	(1,623)
At 31 December	<b>5,511</b>	6,045

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 13 ADVANCES FROM SPONSORS – CONTRACT LIABILITIES

Advances from commercial partners relate to the amounts billed in advance as per the underlying contractual agreements.

## 14 DEPOSITS RECEIVED

The Group has received a deposit of USD 95 million from a commercial partner and USD 4.9 million from a digital partner in accordance with agreements. These deposits will be repaid in January 2023. The deposits do not carry any interest. The Group had determined their fair value to be USD 78.9 million as at the date of receipt using the market interest rate of 3% per annum. The difference amounting to USD 21 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:

	Notes	2020 USD'000	2019 USD'000
Deposits received		99,355	99,316
Less: amortisation of deemed interest income	6	(2,638)	(2,527)
Add: deemed interest expense	7.2	2,741	2,566
		99,458	99,355
Less: current portion of the deposit received		(2,631)	(2,631)
		96,827	96,724

## 15 ACCOUNTS PAYABLE AND ACCRUALS

	2020 USD'000	2019 USD'000
Amounts due to Full Members	23,894	36,200
Amounts due to Associate Members	4,311	3,783
Accruals including payables*	5,429	10,361
	33,634	50,344

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 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:

	2020 USD'000	2019 USD'000
At 1 January	11,399	1,335
Allocation during the year (i)	133	41,699
Funding to associate members (ii)	(30,515)	(32,846)
Others	175	1,211
	<b>(18,808)</b>	11,399

For the purpose of the consolidated statement of financial position, below is the classification:

	2020 USD'000	2019 USD'000
Classified as current assets	18,808	–
Classified as current liabilities	–	11,399
	<b>18,808</b>	11,399

(i) Allocation during the year is as per the surplus earned from the commercial events held during the year.

(ii) Funding to associate members for the current year was approved by the Board of Directors in 2019.

## 17 SHARE CAPITAL

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

## 18 GENERAL RESERVE

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 19 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:

	2020 USD'000	2019 USD'000
Future capital expenditure	–	223

### (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 was at an advanced stage with the parties in the midst of making their final arguments when the judge hearing the case was transferred and the matter was placed before a new judge in April 2019 to be heard afresh. The Indian Action has therefore continued through 2019 and 2020 but has been subject to adjournments and a delay by Delhi advocates (not least due to Covid) resulting in the case continuing into 2021.

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 (against the anti-suit injunction) have therefore effectively been dismissed and come to an end. As at the date of writing, we remain unaware of any 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 20 RELATED PARTY TRANSACTIONS

Related parties represent ICC Members, Directors and key management personnel of the ICC Group.

- a. Significant member balances are disclosed in notes 10a, 10b, 15 and 16 to these consolidated financial statements.
- b. The Group has incurred costs amounting to USD 6.47 million (2019: USD 58.39 million) towards the host fees, member participation fees and team prize money relating to the ICC Commercial and Other Events. Such costs are included within the costs relating to ICC Events (Note 4).

The other significant transactions with related parties are as follows:

	Notes	2020 USD'000	2019 USD'000
Other income and interest income:			
Anti-Corruption Unit Services rendered to members		99	199
Interest on loan to Members	6	40	344
		<b>139</b>	<b>543</b>

- c. 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.

Remuneration of key personnel:

Executive	<b>3,261</b>	3,502
Non-Executive	<b>100</b>	100

- d. Member disputes:

During the year 2019, the Group had adjusted the amount of USD 23.75 million due from a member in respect of the withholding tax on Media Rights agreement for the ICC World Twenty20 2016 against their share of distributions as per the directive of the Group's Board of Directors. The decision was based on the Board of Director's assessment of the enforceability of the terms of the Host agreement dated 12 October 2014 between the Group and the member.

In February 2020, the member notified the Group via an independent legal counsel that the member does not accept the offset of the withholding tax of USD 23.75 million and their liability for such taxes (together "the disputes"). The disputes were referred to the ICC Dispute Resolution Committee in April 2020, and proceedings thereof are yet to commence as of the date of authorisation of these consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The ICC Group's principal financial liabilities include accounts payable and accruals, 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 2020 USD'000	Increase in surplus 2019 USD'000
100	2,308	2,676

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.

### 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.

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. The management have assessed the potential exposure of aged outstanding dues on a case to case basis and provided USD 4.3M as at the year end.

### 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.

	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
<b>At 31 December 2020</b>					
Accounts payable and accruals (Excluding value added tax)	33,634	-	-	-	33,634
Deposits received	-	-	99,936	-	99,936
<b>Total</b>	<b>33,634</b>	<b>-</b>	<b>99,936</b>	<b>-</b>	<b>133,570</b>
	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
At 31 December 2019					
Accounts payable and accruals (Excluding value added tax)	49,093	-	-	-	49,093
Associate Member Fund	-	11,399	-	-	11,399
Deposits received	-	-	99,936	-	99,936
<b>Total</b>	<b>49,093</b>	<b>11,399</b>	<b>99,936</b>	<b>-</b>	<b>160,428</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

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

### LIQUIDITY RISK (CONTINUED)

Changes in liabilities arising from financial activities:

At 31 December 2020 Particulars	1 January 2020 USD'000	Cash flows USD'000	Others <sup>(i)</sup> USD'000	31 December 2020 USD'000
Associate Member Fund	11,399	(30,340)	133	(18,808)
<b>Total</b>	<b>11,399</b>	<b>(30,340)</b>	<b>133</b>	<b>(18,808)</b>
At 31 December 2019 Particulars	1 January 2019 USD'000	Cash flows USD'000	Others <sup>(i)</sup> USD'000	31 December 2019 USD'000
Associate Member Fund	1,335	(31,635)	41,699	11,399
<b>Total</b>	<b>1,335</b>	<b>(31,635)</b>	<b>41,699</b>	<b>11,399</b>

(i) Amounts reflected under others include the following:

a) Allocation 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 significant 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 379.0 million (2019: USD 697.4 million).

## 22 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 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. Derivative financial assets/ 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 22 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

### 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 2020 USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000
Financial assets carried at fair value through profit or loss	80,868	74,968	5,900	–
Derivative financial asset	470	–	470	–
	31 Dec 2019 USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000
Financial assets carried at fair value through profit or loss	77,252	70,857	6,395	–
Derivative financial asset	(828)	–	(828)	–

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.

## 23 KEY SOURCES OF ESTIMATION UNCERTAINTY AND SIGNIFICANT JUDGMENTS

### ESTIMATION UNCERTAINTY

#### Provision for expected credit losses of trade receivables

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.

#### 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2020

## 23 KEY SOURCES OF ESTIMATION UNCERTAINTY AND SIGNIFICANT JUDGMENTS (continued)

### 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 Board of 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 2020 and 31 December 2019.

#### 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.

## 24 IMPACT OF COVID

The outbreak of the Novel Coronavirus (COVID 19) pandemic, including the government and public response to the challenges, continues to progress and evolve. In addition to the safety measures that have already been put in place, the Group has undertaken a comprehensive contingency planning exercise including evaluating the terms of the contracts with its commercial partners and exploring all options available in relation to future events based on a range of scenarios connected to the pandemic. After careful evaluation of the situation and with the health and well-being of the global cricket family being the highest priority, the ICC Men's T20 World Cup scheduled to be held in Australia in 2020 has been postponed to 2022. Also, all ICC pathway events scheduled in 2020 post the outbreak of the pandemic have been postponed and are continuously being assessed. The decisions have been taken in line with Government and public health authority advice.

We are aware that developments thereof may have an impact on the schedule of future tournaments and thereby the Group's future financial results, cash flows and financial condition.

