

Pakistan Cricket Board

Financial Statements

For the Year Ended

June 30, 2019

INDEPENDENT AUDITORS' REPORT

TO BOARD OF GOVERNORS OF PAKISTAN CRICKET BOARD

Opinion

We have audited the accompanying financial statement of Pakistan Cricket Board (PCB) which comprise the statement of financial position as at June 30, 2019 the statement of income and expenditure, statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended June 30, 2019, and the notes including a summary of significant accounting policies (hereinafter referred as "the financial statements").

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of PCB as at June 30, 2019 and its financial performance and its cash flows for the year then ended in accordance with those requirements of International Financial Reporting Standards (IFRSs) as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of PCB in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 note 5.6 and note 6.2 of the accompanying financial statements which describe that PCB has capitalize and in process of capitalizing certain cost in connection with the construction and installation of civil works, flood lights and electric screen at Rawalpindi Cricket Stadium, Ghari Khuda Buksh Cricket Stadium and National Cricket Academy Lahore, however, the lease agreements in respect of such stadiums / academy have not been finalized yet with concerned government departments. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Board of Governors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with those requirements of the IFRSs as applicable in Pakistan relevant to preparing such financial statements and for such internal control as management determines is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

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

The Board of Governors are responsible for overseeing the PCB's financial reporting process.

Information other than the Financial Statements and Auditor's Report Thereon

We understand that there will be no other information accompanying the financial statements. Accordingly, we do not have any obligation to report on such information.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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 as applicable in Pakistan 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 the financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 controls 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 PCB's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management 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 PCB'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 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 PCB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

The engagement partner on the audit resulting in this independent auditors' report is Rana M. Usman Khan.

Deloitte Yousuf Adil
Chartered Accountants

Date: February 04, 2020
Lahore

PAKISTAN CRICKET BOARD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

ASSETS	Note	2019 Rupees	2018 Rupees
Non current assets			
Property and equipment			
Operating fixed assets	5	763,908,679	790,599,632
Capital work in progress	6	1,336,209,457	803,572,009
Intangible assets	7	5,209,130	5,602,671
Long term loans	8	1,753,161	2,290,163
Long term investment	9	37,500	37,500
Long term security deposits		9,047,158	8,209,058
		2,116,165,085	1,610,311,033
Current assets			
Stores and spares		37,066,786	47,631,312
Due from sponsors, franchisees, boards and associations	10	1,464,443,661	173,042,319
Loans and advances	11	159,570,931	115,403,517
Short term prepayments	12	62,026,019	9,878,739
Other receivables	13	163,251,108	65,119,236
Taxation-net		287,960,473	275,071,434
Short term investments	14	9,954,233,886	7,187,788,800
Cash and bank balances	15	503,883,831	215,840,145
		12,632,436,695	8,089,775,502
TOTAL ASSETS		14,748,601,780	9,700,086,535
FUND AND LIABILITIES			
General fund			
		13,263,657,218	8,283,173,629
Non current liabilities			
Long term liabilities	16	288,627,671	189,637,925
Deferred revenue	17	49,986,137	57,575,140
Long term security deposits		599,215	599,215
		339,213,023	247,812,280
Current liabilities			
Creditors and other payables	18	808,939,230	1,004,600,500
Current portion of long term liabilities and deferred revenue	19	336,792,309	164,500,126
		1,145,731,539	1,169,100,626
TOTAL FUND AND LIABILITIES		14,748,601,780	9,700,086,535
CONTINGENCIES AND COMMITMENTS	20	-	-

The annexed notes from 1 to 38 forms an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
INCOME			
Tours and tournaments			
- Tours inside Pakistan - neutral venues	21	4,407,291,197	964,519,322
- Tournaments	22	5,605,677,783	3,360,716,885
		10,012,968,980	4,325,236,207
Sponsorship and logo income		238,354,554	204,991,797
Rental income	23	48,817,988	25,378,682
Return on investments and bank deposits	24	705,125,567	459,869,099
Other income	25	242,984,606	115,528,181
		1,235,282,715	805,767,759
Total income		11,248,251,695	5,131,003,966
EXPENDITURES			
Direct expenses			
Tours and tournaments			
- Tours outside Pakistan	26	298,592,359	207,376,174
- Tours inside Pakistan - neutral venues	27	1,062,794,012	754,099,698
- Tournaments	28	2,718,810,424	2,216,723,789
Cricket promotional expenses	29	657,007,164	697,443,127
		4,737,203,959	3,875,642,788
Administrative expenses	30	1,070,575,671	1,189,892,107
Depreciation and amortization	5 & 7	99,455,699	69,949,558
Financial charges	31	602,514	848,066
		1,170,633,884	1,260,689,731
Total expenditure		5,907,837,843	5,136,332,519
Surplus / (deficit) for the year before taxation		5,340,413,852	(5,328,553)
Taxation	32	348,606,622	127,756,739
Surplus / (deficit) for the year after taxation		4,991,807,230	(133,085,292)

The annexed notes from 1 to 38 forms an integral part of these financial statements.

DYA

CHIEF FINANCIAL OFFICER

CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	<i>Note</i>	<i>2019</i> <i>Rupees</i>	<i>2018</i> <i>Rupees</i>
Surplus / (deficit) for the year after taxation		4,991,807,230	(133,085,292)
<i>Other comprehensive income:</i>			
<i>Items not to be reclassified to the statement of income and expenditure in subsequent periods:</i>			
Remeasurement loss on defined benefit plan	16	(11,323,641)	(17,765,137)
<i>Total comprehensive income / (loss) for the year</i>		<u>4,980,483,589</u>	<u>(150,850,429)</u>

The annexed notes from 1 to 38 forms an integral part of these financial statements.

DYA



CHIEF FINANCIAL OFFICER



CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund Rupees
Balance as at July 01, 2017	8,434,024,058
Deficit for the year after taxation	(133,085,292)
Other comprehensive income	(17,765,137)
Total comprehensive income for the year	(150,850,429)
Balance as at June 30, 2018	8,283,173,629
Surplus for the year after taxation	4,991,807,230
Other comprehensive income	(11,323,641)
Total comprehensive Income for the year	4,980,483,589
Balance as at June 30, 2019	<u>13,263,657,218</u>

The annexed notes from 1 to 38 forms an integral part of these financial statements.



CHIEF FINANCIAL OFFICER

DYA



CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus / (deficit) for the year before taxation		5,340,413,852	(5,328,553)
Adjustments for non-cash items:			
Depreciation and amortization	5 & 7	111,422,472	78,366,074
Provision for leave encashment		3,023,209	-
Provision for doubtful receivables	30 & 28.3	86,789,196	19,461,260
Liabilities written back	25	-	(8,857,284)
Provision for impairment of assets	6.1	-	61,287,105
Unrealised exchange gain		(219,882,183)	(34,854,192)
Gain on disposal of operating fixed assets		(1,965,841)	(6,043,240)
Adjustment of rent received in advance		(22,094,097)	(5,114,689)
Provision for unfunded gratuity	16.1	46,672,545	34,757,897
Interest on obligations against assets subject to finance lease		301,781	319,256
Financial charges	31	373,229	630,852
Cash flow before working capital changes		<u>5,345,054,163</u>	<u>134,624,486</u>
Cash flows from working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		10,564,526	(5,301,570)
Due from sponsors, franchisees, boards and associations		(1,378,190,538)	74,679,734
Loans and advances		(44,147,271)	(11,149,854)
Short term prepayments		(52,147,280)	30,003,347
Other receivables		(98,131,872)	(29,467,252)
Increase in current liabilities:			
Creditors and other payables		46,645,567	294,747,111
Net cash (used in) / generated from working capital changes		<u>(1,515,406,868)</u>	<u>353,511,516</u>
Cash from operations		<u>3,829,647,295</u>	<u>488,136,002</u>
Financial charges paid		(373,229)	(630,852)
Income tax paid		(361,495,661)	(210,578,315)
Gratuity paid		(13,801,281)	(4,796,141)
Leave encashment paid		(4,915,909)	(1,331,257)
Rent received in advance		1,858,500	17,198,792
Decrease in long term loans		537,002	540,926
		<u>(378,190,578)</u>	<u>(199,596,847)</u>
Net cash from operating activities		<u>3,451,456,717</u>	<u>288,539,155</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(617,192,744)	(521,529,620)
Proceeds from disposal of property and equipment		2,183,159	7,021,790
Long term security deposits - net		(838,100)	(366,008)
Net cash used in investing activities		<u>(615,847,685)</u>	<u>(514,873,838)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of obligations under the assets subject to finance lease		(1,002,443)	(2,290,725)
Net increase / (decrease) in cash and cash equivalents		<u>2,834,606,589</u>	<u>(228,625,408)</u>
Effects of exchange rate on cash and cash equivalents		219,882,183	34,854,192
Cash and cash equivalents at the beginning of year		7,403,628,945	7,597,400,161
Cash and cash equivalents at the end of year	33	<u>10,458,117,717</u>	<u>7,403,628,945</u>

The annexed notes from 1 to 38 forms an integral part of these financial statements.



CHIEF FINANCIAL OFFICER

DYA



CHAIRMAN

PAKISTAN CRICKET BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1. STATUS AND NATURE OF BUSINESS

The Pakistan Cricket Board (hereinafter referred to as “PCB” or the “Board”) was constituted as a statutory body in Pakistan on September 18, 1979 by the Ministry of Culture, Sports and Tourism vide S.R.O 848 (I) / 79. The constitution of the Board was reissued on October 18, 2007 by the Ministry of Sports vide S.R.O 64 (KE) / 2007 under the powers conferred by sub-section (1) of section 3 read with section 4 of the Sports (Development and Control) Ordinance, 1962 (XVI of 1962). In 2013, constitution was reissued again vide S.R.O 100(I)/2013 dated February 14, 2013 by the Federal Government under the powers conferred by the Ordinance as aforementioned. In 2014, a revised constitution was issued vide S.R.O 43(KE)/2014 dated July 10, 2014 under the powers conferred by the Ordinance as aforementioned. During 2015 and 2016, certain amendments were made vide S.R.O 38(KE)/2015 and S.R.O. 20(KE)/2016 respectively under the powers conferred by the Ordinance as aforementioned. S.R.O 43(KE)/2014 has now been repealed and superseded by S.R.O. 1045(I)/2019 on August 19, 2019. Under the PCB Constitution, the Board is a body corporate having perpetual succession and a common seal with powers to acquire, hold or dispose of property, and may sue or be sued in its name. The head office of PCB is situated at Gaddafi Stadium, Lahore.

PCB as the sole regulator for the game of cricket in Pakistan performs its functions according to the objectives laid down in its Constitution which primarily relate to regulating the affairs of cricket all over Pakistan. Accordingly, PCB promotes and regulate all formats of domestic and international cricket for men, women, physically challenged or otherwise handicapped such as the blind, deaf and others in the country. For this purpose, PCB generates funds from its own sources without any donation or funding from any third party or any Provincial or Federal Government.

PCB provides monetary grants to its Constituent Members as defined in the PCB Constitution i.e. all entities constituted pursuant to the terms thereof. This is to ensure development of cricket right from the grass root levels. PCB, as the autonomous governing body of Pakistan cricket, is also responsible for monitoring the functions conducted by these Constituent Members in respect of affairs pertaining to cricket in their respective jurisdictions.

Additionally, for the purpose of regulation of the game and those affiliated with the game or PCB in any manner whatsoever, PCB has put in place codes and regulations relating to the matters of discipline, anti-corruption, anti-doping and other issues concerning activities involving the game, followed by the measures to implement the same.

PCB organizes cricket tournaments and series round the year at domestic levels all over Pakistan to give opportunities to the youngsters. On the international level, PCB organizes its home series in Pakistan and at other neutral venues and also sends the national teams for participation in cricket tournaments in collaboration with the International Cricket Council, Asian Cricket Council and other foreign Boards. In this regard, the selection of teams for domestic and international purposes is one of the most important function and responsibility of PCB.

In order to fulfill its functions, PCB is additionally authorized to develop cricket infrastructure within Pakistan for which it undertakes any act deemed appropriate to own, acquire, deal with, obtain or let on lease moveable or immovable property and other ancillary and related functions.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as applicable in Pakistan.

3. BASIS OF PREPARATION

- 3.1** These financial statements have been prepared under the historical cost convention except for recognition of employee benefits at present value and financial instruments.

3.2 *Functional and presentation currency*

These financial statements are presented in Pak Rupee, which is also the functional currency of the Board.

3.3 *Significant accounting judgments and critical accounting estimates / assumptions*

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Board's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Board's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Useful lives, residual value, depreciation method and impairment of the assets (Note 4.2)
- Allowance for slow moving / obsolete items (Note 4.5)
- Allowance for financial instruments (Note 4.11)
- Taxation (Note 4.8)
- Provision of unfunded gratuity (Note 4.9.1)
- Provision of earned leave (Note 4.9.3)

4. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The significant accounting policies which have been adopted in the preparation of financial statements of the Board are consistent with previous year except as discussed in Note 4.1 and are as follows:

4.1 *New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019*

The following amendments are effective for the year ended June 30, 2019. These amendments are either not relevant to the Board's operations or are not expected to have significant impact on the Board's financial statements other than certain additional disclosures.

<i>Standards or interpretations with no significant</i>	<i>Effective from accounting period beginning on or after:</i>
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	January 01, 2018
IFRS 15 'Revenue' - This standard supersedes IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018
 <i>Standards impacting financial statements</i>	
IFRS 9 'Financial Instruments' - This standard supersedes IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 01, 2018
IFRS 15 'Revenue' - This standard supersedes IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
Certain annual improvements have also been made to a number of IFRSs.	

4.1.1 Impact of adoption of new accounting standards

The following changes in standards have taken place effective from July 01, 2018:

- Impact of IFRS-15 - Revenue from Contracts with Customers

IFRS 15 - Revenue from contracts with customers (IFRS 15) replaced IAS 18 - Revenue, IAS 11 - Construction contracts, IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenue - Barter Transactions Involving Advertising Services. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers and focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations in a contract are satisfied.

The Board has adopted IFRS 15 by applying modified retrospective approach according to which the Board is not required to restate prior year results. The adoption of IFRS 15 does not have any material impact on the reported revenue for the year ended June 30, 2019 and June 30, 2018.

- Impact of IFRS 9 - Financial Instruments

IFRS 9 replaces the provisions of IAS 39 - Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Under IFRS 9 the financial instruments, excluding derivatives, are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss depending on the nature of the relevant contractual cash flows and the business model in which it is held.

The adoption of IFRS 9 from July 01, 2018 resulted in changes in relevant accounting policies and adjustment to the trade and other receivables amounts recognized in the financial statements. IFRS 9 requires implementation of a new impairment model based on expected credit losses, resulting in transition adjustment summarized below. In accordance with the transition provision of IFRS 9, the Board has followed modified retrospective transitional method, taking into consideration the exemption allowing it not to restate comparative information or prior periods.

<i>Financial assets</i>	<i>Original classification under IAS 39</i>	<i>New classification under IFRS 9</i>	<i>Original carrying amount under IAS 39</i>	<i>New carrying amount under IFRS 9</i>
Due from sponsors, franchisees, boards and associations	Loans and receivables	At amortized cost	173,042,319	173,042,319
Short term investments	Held to maturity	At amortized cost	7,187,788,800	7,187,788,800
Cash and bank balances	Loans and receivables	At amortized cost	215,840,145	215,840,145
<i>Financial liabilities</i>	<i>Original classification under IAS 39</i>	<i>New classification under IFRS 9</i>	<i>Original carrying amount under IAS 39</i>	<i>New carrying amount under IFRS 9</i>
Creditors and other payables	At amortized cost	At amortized cost	1,004,600,500	1,004,600,500

The adoption of IFRS 9 resulted in changes to classification of financial assets and financial liabilities as at July 01, 2018, however, it does not have any material impact on the reported amounts.

New accounting standards / amendments and IFRS interpretations that are not yet effective

The following accounting standards, interpretations and amendments to approved accounting standards are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Board's operations or are not expected to have significant impact on the Board's financial statements other than certain additional disclosures:

***Effective from accounting period
beginning on or after:***

Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture.	Effective from accounting period beginning on or after a date to be determined.
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 01, 2019
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.	January 01, 2019
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards.	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material.	January 01, 2020
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Management anticipates that these new standards, interpretations and amendments will be adopted in the Board's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except as highlighted in previous paragraphs, may have no material impact on the financial statements of the Board in the period of initial application. The management of the Board is still in process of assessing the potential impact of application of IFRS 16 to the Board's financial statements.

4.2 Property and equipment

4.2.1 Operating fixed assets and depreciation

Owned:

a) Cost

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Board and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income and expenditure account during the year in which they are incurred.

b) Depreciation

Depreciation on property and equipment is charged to statement income and expenditure on straight line method so as to write off the cost of an asset over its estimated useful life at the rates given in note 5. Full month depreciation is charged on additions while no depreciation is charged in the month of disposal.

c) Derecognition

An item of property and equipment is derecognized 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 carrying amount of the asset) is included in the statement of income and expenditure in the year the asset is derecognized.

d) Impairment

The carrying amounts of the Board's property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the statement of income and expenditure. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset/cash generating unit is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Leased:

Leased assets in terms of which the Board assumes substantially all the risks and rewards of ownership are classified as finance leases. Leased assets are stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at the inception of lease, less accumulated depreciation and any identified impairment loss.

Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the balance outstanding. Financial charges element of the lease rental is charged in the statement of income and expenditure.

Depreciation on assets subject to finance lease is recognized in the same manner as for owned assets.

4.2.2 Capital work in progress

Capital work in progress represents expenditures on property and equipment in the course of construction and installation. Transfers are made to relevant property and equipment category as and when assets are available for use and the costs can be measured reliably. Capital work in progress is stated at cost less identified impairment loss, if any.

4.3 Intangible assets

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset include purchase cost and directly attributable expenses incidental to bring the asset for its intended use. Intangible assets are amortized using the straight line method over a period of three years. Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

4.4 Investment in associate

Associate is an entity over which the Board has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investment in associate is accounted for using the equity method of accounting and is initially recognised at cost. The Board's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Board's share of its associate's post-acquisition profits or losses is recognised in the statement of income and expenditure, and its share of post-acquisition movements in reserves is recognised in general fund. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Board's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Board does not recognise further losses, unless it has incurred obligations or has made payments on behalf of the associate.

4.5 Stores and spares

Stores and spares are stated at lower of cost and net realizable value. Cost is determined by using the moving average method. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon. Allowance is made for slow moving and obsolete items. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.7 Trade Debtors

Trade debts are carried at original invoice amount less an estimate made for the doubtful debt based on the review of all outstanding amounts at reporting date.

4.8 Taxation

4.8.1 Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing current tax rates or tax rates after taking into account minimum taxation, rebates and tax credits, if any, expected to apply to the income for the year, if enacted. For revenues covered under final tax regime, current tax is based on applicable tax rates applied to such revenues. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year.

4.8.2 Deferred

Deferred tax is accounted for by using the balance sheet liability method on all timing differences between carrying amounts of assets and liabilities in the financial statements and their tax base. Deferred tax liabilities are recognized for all taxable temporary differences. The Board recognizes deferred tax assets on all deductible temporary differences to the extent it is probable that future taxable income will be available against which these deductible temporary differences can be utilized. Deferred tax asset is also recognized for the carry forward of unused tax losses and unused tax credits to the extent it is probable that future taxable income will be available against which the unused tax losses and unused tax credits can be utilized. Deferred tax is charged to / credited in the statement of income and expenditure except in case of items credited or charged to statement of comprehensive income in which case it is included in statement of comprehensive income.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and adjusted to the appropriate extent, if it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Considering the losses in previous years and probability of tax losses in future, as a matter of prudence, deferred tax asset has not been accounted for deductible temporary differences amounting to Rs. 197,651,395 (2018: Rs. 240,930,040).

4.9 Employee benefits

4.9.1 Defined benefits plan - unfunded gratuity

Effective from July 01, 2011, the Board has reintroduced a unfunded gratuity scheme for all its regular employees who remain in PCB service for a continuous period of 3 years from the date of introduction of this scheme. Employees under this scheme will be entitled to the amount equal to last drawn salary multiplied by years of service.

Plan obligation is determined by using projected unit credit method, actuarial gain and loss for defined benefit plans are recognized in the other comprehensive income when they occur. Amounts recorded in the statement of income and expenditure are limited to current and past service cost. All other charges in the net defined benefit liability are recognized in the other comprehensive income with no subsequent recycling to the statement of income and expenditure. Any past service cost (vested and non-vested) is recognized immediately in the statement of income and expenditure upon changes in the benefit plans.

4.9.2 Defined contribution plan - employees provident fund

The Board operates employee's provident fund scheme for its permanent employees. Equal monthly contributions at the rate of six percent of basic pay are made by both, the PCB and employees to the fund. Any employee who leaves before the span of three years is not entitled to PCB contribution. The charge is recognized in the statement of income and expenditure.

4.9.3 Earned leaves

The employees of the Board are entitled to accumulating earned leaves up to a maximum of two years entitlement (48 leaves), which are encashable on retirement or resignation. The estimated provision is recorded in the statement of financial position and charge is recorded in statement of income and expenditure. The provision is reviewed at each year end.

4.10 Creditors and other payables

Liabilities for the creditors and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Board.

4.11 Financial instruments

Financial instruments comprise due from sponsors, franchisees, boards and associations, short term investments, long term loans, long term security deposits, other receivables, cash and bank balances, creditors and other payables, obligations against the assets subject to finance lease and retention money payable.

Financial assets and liabilities are recognized at the time the Board becomes a party to contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Financial instruments are initially recognized at fair value / original invoice value / cost plus any transactions costs. Subsequently these are measured at amortised cost at effective interest rate (EIR) method. The EIR amortisation/charge on any discount or premium is recognized in the statement of income and expenditure.

Impairment of financial assets

The board recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The board recognises lifetime ECL for trade receivables by using simplified approach. For all other financial instruments, the board recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the board measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The ECL rate for trade receivables is determined based on historical loss rates and varies depending on whether and the extent to which settlement of the trade receivables is overdue and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions. The key drivers of the loss rate are the nature of the receivable as well as location and type of customer. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

In assessing whether the credit risk of other financial asset has significantly increased the board takes into account qualitative and quantitative reasonable and supportable forward looking information.

Write-off policy

The board writes off financial assets against allowance for ECL when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the board's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognized when the Board loses control of the contractual rights that comprise the financial asset. The Board loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Board surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and liabilities are set off and the net amount is reported in the financial statements when there is legally enforceable right to set off and the Board intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.12 *Revenue recognition*

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Board and revenue can be measured reliably. The following specific criteria should be met before revenue is recognized:

Tours, tournaments and subscription

Income from tours, tournaments, fees and subscriptions is recognized on accrual basis in the year such tours and tournaments are completed.

Sponsorship

Income from sponsorship received in cash is recognized as per term of agreement while income from sponsorship received in kind relating to capital expenditure is recognized at fair value and amortized over the period of expected life of related assets.

Donations and special funds

These are accounted for on receipt basis and donations/special funds in kind are recognized at their fair value.

Return on investments

Return on bank balances and term deposit receipts is recognized on a time-proportion basis using effective interest rate method.

Rental income

Rental income arising from operating leases is accounted for on straight line basis over the lease terms.

4.13 *Pakistan Super League*

Tournament related Income and Expenses of the Pakistan Super League are recognized in the statement of income and expenditure in the year in which the tournament is completed. Until then, such Incomes and Expenses are carried in the statement of financial position. Central pool revenues are recorded after giving effect to associated costs and distributions to franchises.

4.14 *Foreign currency transaction*

Transactions in foreign currency during the year are initially recorded in the functional currency at the rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at functional currency rate of exchange prevailing at the reporting date. All differences are taken to the statement of income and expenditure.

5. OPERATING FIXED ASSETS

		2019 Rupees	2018 Rupees
Assets subject to finance lease	5.1	3,588,502	4,692,656
Operating fixed assets	5.2	760,320,177	785,906,976
		<u>763,908,679</u>	<u>790,599,632</u>

5.1 Assets subject to finance lease

	Cost			Accumulated depreciation			Net Book Value as at June 30	Annual depreciation rate %		
	As at July 01	Additions	Disposals	As at June 30	As at July 01	Depreciation for the year			Depreciation of disposals	As at June 30
	Rupees									
Motor vehicle - 2019	5,520,772	-	-	5,520,772	828,116	1,104,154	-	1,932,270	3,588,502	20
Motor vehicle - 2018	-	5,520,772	-	5,520,772	-	828,116	-	828,116	4,692,656	20

5.2 Operating fixed assets

	Cost			Accumulated depreciation			Net Book Value as at June 30, 2019	Annual depreciation rate %		
	As at July 01, 2018	Additions	Disposals	As at June 30, 2019	As at July 01, 2018	Depreciation for the year			Depreciation of disposals	As at June 30, 2019
	2019 Rupees									
Owned:										
Freehold land	50,037	-	-	50,037	-	-	-	50,037	-	
Building on freehold land	4,610,752	-	-	4,610,752	4,599,402	11,350	-	4,610,752	-	5
Building on leasehold land	1,049,840,990	-	-	1,049,840,990	507,375,672	36,926,739	-	544,302,411	505,538,579	5
Motor vehicles	127,581,607	57,650,021	(4,478,302)	180,753,326	62,773,514	21,763,848	(4,301,422)	80,235,940	100,517,386	20
Flood lights	346,343,293	-	-	346,343,293	345,593,132	200,043	-	345,793,175	550,118	20
Furniture, fixtures and office equipment	215,825,918	13,153,319	(68,533.00)	228,910,704	129,923,753	21,923,045	(42,262)	151,804,536	77,106,168	20
Electrical equipment	576,059,437	7,257,462	-	583,316,899	493,602,728	23,636,625	-	517,239,353	66,077,546	20
Computer and allied equipment	31,658,030	4,905,191	(709,100)	35,854,121	27,591,015	2,942,464	(694,933)	29,838,546	6,015,575	33.33
Ground maintenance equipment	112,820,040	824,850	(195,460)	113,449,430	107,423,912	1,756,210	(195,460)	108,984,662	4,464,768	20
	2,464,790,104	83,790,843	(5,451,395)	2,543,129,552	1,678,883,128	109,160,324	(5,234,077)	1,782,809,375	760,320,177	

	Cost			Accumulated depreciation			Net Book Value as at June 30, 2018	Annual depreciation rate %		
	As at July 01, 2017	Additions / Transfers*/ Adjustments	Disposals	As at June 30, 2018	As at July 01, 2017	Depreciation/ Adjustment for the year			Depreciation of disposals	As at June 30, 2018
	2018 Rupees									
Owned:										
Freehold land	50,037	-	-	50,037	-	-	-	50,037	-	
Building on freehold land	4,610,752	-	-	4,610,752	4,560,835	38,567	-	4,599,402	11,350	5
Building on leasehold land	700,665,570 *	349,175,420	-	1,049,840,990	486,569,666	20,806,006	-	507,375,672	542,465,318	5
Motor vehicles	65,457,009	84,610,952	(22,486,354)	127,581,607	51,314,747	32,986,016	(21,527,249)	62,773,514	64,808,093	20
Flood lights	346,343,293	-	-	346,343,293	345,393,089	200,043	-	345,593,132	750,161	20
Furniture, fixtures and office equipment	142,004,226	73,821,692	-	215,825,918	114,978,593	14,945,160	-	129,923,753	85,902,165	20
Electrical equipment	530,577,269 *	45,482,168	-	576,059,437	478,028,232	15,574,496	-	493,602,728	82,456,709	20
Computer and allied equipment	29,622,371	2,070,659	(35,000)	31,658,030	24,345,954	3,260,616	(15,555)	27,591,015	4,067,015	33.33
Ground maintenance equipment	111,019,267	1,800,773	-	112,820,040	105,716,792	1,707,120	-	107,423,912	5,396,128	20
	1,930,349,794	556,961,664	(22,521,354)	2,464,790,104	1,610,907,908	89,518,024	(21,542,804)	1,678,883,128	785,906,976	

* These include the assets transferred from Capital Work in Progress.

5.3

Operating fixed assets include assets having cost of Rs. 1,494,301,668 (2018: 1,399,060,070) that have been fully depreciated.

5.4 The term of lease agreements executed between PCB and government departments in respect of PCB's cricket stadiums are as follows:

<i>Stadium</i>	<i>Lessor</i>	<i>Date of lease agreement</i>	<i>Period of lease</i>	<i>Commercialization fee for commercial use of land</i>	<i>Annual Lease Rentals (PKR)</i>
Gaddafi Stadium Lahore	Government of Punjab	5-May-95	40 years	20%	1,000
National Stadium Karachi	Government of Pakistan	7-Aug-19	99 years	-	5,057,800
Abbottabad Cricket Stadium	Government of Khyber Pakhtunkhwa	14-Sep-01	45 years	20%	15,000
Bugti Cricket Stadium	Government of Baluchistan	31-Jul-01	40 years	20%	1,000
Niaz Stadium Hyderabad	District Government Hyderabad	28-Jun-07	30 years	20%	50,000
Multan Cricket Stadium	Multan Cricket Organization Trust	8-Nov-12	10 years	40%	80,000

5.5 Particulars disclosed above in respect of National Stadium Karachi are related to allotted 104.5 acres of land, out of which 59.8 acres of land is not in possession of the Board.

5.6 PCB has capitalized certain costs in connection with construction and installation of civil works, flood lights and electric screen at Rawalpindi Cricket Stadium, Iqbal Cricket Stadium Faisalabad and National Cricket Academy Lahore, while lease agreements in respect of such stadiums / academy have not been finalized yet with concerned government departments. Stadium wise break-up of such assets is as follows:

<i>Stadiums / Academy</i>	<i>June 30, 2019</i>			<i>June 30, 2018</i>
	<i>Buildings</i>	<i>Flood lights</i>	<i>Electric screens</i>	
	Rupees			
Rawalpindi Cricket Stadium	132,073,558	34,941,463	42,725,109	209,740,130
Iqbal Cricket Stadium, Faisalabad	-	71,722,078	51,891,718	123,613,796
National Cricket Academy, Lahore	81,435,475	1,000,215	-	82,435,690
	<u>213,509,033</u>	<u>107,663,756</u>	<u>94,616,827</u>	<u>415,789,616</u>

6. CAPITAL WORK IN PROGRESS

Capital work in progress
Advance against capital work in progress

<i>Note</i>	<i>2019 Rupees</i>	<i>2018 Rupees</i>
6.1	1,255,429,098	627,705,275
	<u>80,780,359</u>	<u>175,866,734</u>
	<u>1,336,209,457</u>	<u>803,572,009</u>

6.1

	<i>2019</i>										
	<i>Rawalpindi Cricket Stadium</i>	<i>National Cricket Academy</i>	<i>Ghari Khuda Buksh Cricket Stadium</i>	<i>Islamabad Cricket Stadium</i>	<i>Multan Cricket Stadium</i>	<i>National Stadium Karachi</i>	<i>Cricket House</i>	<i>Gaddafi Stadium Lahore</i>	<i>Karachi Cricket Academy</i>	<i>Multan Cricket Academy</i>	<i>Total</i>
	Rupees										
Balance as at 1st July	46,066,051	51,783,902	84,565,954	61,287,105	1,844,329	201,593,946	12,297,631	-	145,194,612	107,694,591	712,328,121
Addition during the period	107,915,622	1,959,787	-	-	46,256,355	374,660,247	96,931,812	-	-	-	627,723,823
Transfer during the period	-	-	-	-	-	-	-	-	-	-	-
	<u>153,981,673</u>	<u>53,743,689</u>	<u>84,565,954</u>	<u>61,287,105</u>	<u>48,100,684</u>	<u>576,254,193</u>	<u>109,229,443</u>	<u>-</u>	<u>145,194,612</u>	<u>107,694,591</u>	<u>1,340,051,944</u>
Accumulated Impairment (6.3 & 6.4)	18,204,647	5,131,094	-	61,287,105	-	-	-	-	-	-	84,622,846
Balance as at June 30	<u>135,777,026</u>	<u>48,612,595</u>	<u>84,565,954</u>	<u>-</u>	<u>48,100,684</u>	<u>576,254,193</u>	<u>109,229,443</u>	<u>-</u>	<u>145,194,612</u>	<u>107,694,591</u>	<u>1,255,429,098</u>

2018											
Rawalpindi Cricket Stadium	National Cricket Academy	Ghari Khuda Buksh Cricket Stadium	Islamabad Cricket Stadium	Multan Cricket Stadium	National Stadium Karachi	Cricket House	Gaddafi Stadium Lahore	Karachi Cricket Academy	Multan Cricket Academy	Total	
Rupees											
Balance as at July 1	36,577,882	51,783,902	84,565,954	58,072,195	-	609,000	-	399,906,528	145,194,612	107,694,591	884,404,664
Addition during the year	9,488,169	-	-	3,214,910	1,844,329	200,984,946	12,297,631	25,586,550	-	-	253,416,535
Transfer during the year	-	-	-	-	-	-	-	(425,493,078)	-	-	(425,493,078)
	46,066,051	51,783,902	84,565,954	61,287,105	1,844,329	201,593,946	12,297,631	-	145,194,612	107,694,591	712,328,121
<i>Accumulated impairment</i>											
Balance as at 1st July	18,204,647	5,131,094	-	-	-	-	-	51,103,407	-	-	74,439,148
Charged during the year	-	-	-	61,287,105	-	-	-	-	-	-	61,287,105
Transfer during the period	-	-	-	-	-	-	-	(51,103,407)	-	-	(51,103,407)
(6.3 & 6.4)	18,204,647	5,131,094	-	61,287,105	-	-	-	-	-	-	84,622,846
Balance as at June 30	27,861,404	46,652,808	84,565,954	-	1,844,329	201,593,946	12,297,631	-	145,194,612	107,694,591	627,705,275

6.2 PCB is in process of capitalizing cost of civil works in connection with the construction of Rawalpindi Cricket Stadium, Ghari Khuda Buksh Cricket Stadium and National Cricket Academy Lahore, while lease agreements in respect of such stadiums / academy have not been finalized yet with concerned government departments. Stadium / academy wise break-up of such cost is mentioned above.

6.3 During 2010, M/S Iqbal.A.Nanji & Co Private Limited, independent professional valuer, assessed the realizable value of civil works and as a result an impairment loss continues to be recognized against the capital work in progress in these financial statements. Currently, works on certain projects is suspended and the Board intends to resume construction on these projects in near future.

6.4 An MOU was executed on 7th day of May 2012 between CDA and PCB with respect to Islamabad Cricket Stadium. In 2016, CMA No. 4295 was filed in SMC No. 20/2007 challenging the handing over of the land to PCB stating that the same was part of the Margalla Hill National Park Area. On 07-06-2018 an Order was passed by the Honorable Supreme Court of Pakistan to the effect that the MoU signed between CDA and PCB was declared void ab initio and the amount paid by PCB as security to CDA was forfeited for the restoration of the land to its original state. Accordingly, the possession of the land has been taken over by CDA and impairment provision has been recognized for the costs incurred on the land in these financial statements

7. INTANGIBLE ASSETS

Software licenses and website
Advance against computer software

2019
Rupees

2018
Rupees

576,754 970,295
4,632,376 4,632,376
5,209,130 5,602,671

	Cost			Amortization			Net book value As at June 30	Annual amortization rate %
	As at July 1	Additions	As at June 30	As at July 1	Amortization for the Year	As at June 30		
Rupees								
Software licenses and website - 2019	10,496,479	764,453	11,260,932	9,526,184	1,157,994	10,684,178	576,754	33.33
Software licenses and website - 2018	10,496,479	-	10,496,479	7,779,006	1,747,178	9,526,184	970,295	33.33

8. LONG TERM LOANS	<i>Note</i>	2019 Rupees	2018 Rupees
To employees :			
-secured		600,321	823,584
-unsecured		1,693,763	2,007,502
	8.1	2,294,084	2,831,086
Less: current portion	11	540,923	540,923
Non current portion		1,753,161	2,290,163

8.1 These represent interest free house loans provided to employees. The loans are repayable in 15 years from the date of disbursement or on retirement, whichever is earlier. This facility was discontinued from May 2007. Secured loans are secured against mortgage of property or lien on provident fund balance.

9. LONG TERM INVESTMENT	2019 Rupees	2018 Rupees
3,750 (2018: 3,750) fully paid ordinary shares of Rs. 10/- each	37,500	37,500

9.1 It represents the investment in an associated company, Avant Hotels (Private) Limited. The Board holds 37.5% equity of the associate and value of investment based on net assets shown in the accounts of associate as at 30 June 2019 was Rs. (5,434,392) (2018: Rs. (4,768,824)). Summarized financial information of the associate as at 30 June is as follows:

	2019 Rupees <i>Un-audited</i>	2018 Rupees <i>Un-audited</i>
Assets	42,474	50,099
Liabilities	14,534,185	12,766,964
Loss for the period	(1,774,846)	(1,944,421)

Board's share of the associate's post acquisition losses amounting to Rs. 37,500 (2018: Rs. 37,500), restricted up to the cost of the investment, is not recognised as management considered that it would have immaterial impact on the financial statements.

10. **DUE FROM SPONSORS, FRANCHISEES, BOARDS AND ASSOCIATIONS**

	2019 Rupees	2018 Rupees
Unsecured:		
Due from sponsors		
- Considered good	916,171,485	145,158,952
- Considered doubtful	99,562,089	12,905,113
	1,015,733,574	158,064,065
Due from Franchisee	524,461,903	-
Due from Boards and Associations:		
- Considered good	23,810,273	27,883,367
- Considered doubtful	4,709,912	4,709,912
	28,520,185	32,593,279
	1,568,715,662	190,657,344
Less: allowance for expected credit losses	104,272,001	17,615,025
	1,464,443,661	173,042,319

10.1 **Allowance for expected credit losses**

Balance as at 1st July	17,615,025	1,948,767
Provided for the year	86,656,976	14,881,977
Adjustment during the year	-	784,281
Balance as at 30 June	104,272,001	17,615,025

11. **LOANS AND ADVANCES**

Current portion of long term loans	8	540,923	540,923
Unsecured:			
Advances to employees:			
- Considered good		49,632,270	50,680,651
- Considered doubtful		4,839,471	4,839,471
		54,471,741	55,520,122

	<i>Note</i>	2019 Rupees	2018 Rupees
Advance to suppliers:			
- Considered good		93,609,814	53,430,518
- Considered doubtful		11,507,036	11,507,036
		105,116,850	64,937,554
Advances to players			
- Considered good		15,787,924	10,751,425
- Considered doubtful		4,873,955	4,873,955
		20,661,879	15,625,380
		180,791,393	136,623,979
Less: allowance for advances - considered doubtful	11.1	21,220,462	21,220,462
		159,570,931	115,403,517
11.1 Allowance for advances - considered doubtful			
Balance as at 1st July		21,220,462	19,915,460
Provided for the period		-	2,679,496
Reversed during the period		-	(590,213)
Adjustment during the year		-	(784,281)
Balance as at 30 June		21,220,462	21,220,462
12. SHORT TERM PREPAYMENTS			
Prepaid expenses		61,080,669	8,921,962
Prepaid insurance		945,350	956,777
		62,026,019	9,878,739
13. OTHER RECEIVABLES			
Accrued profit on bank accounts		91,559,570	38,564,207
Accrued rentals:			
- Considered good	13.1	71,691,538	20,970,529
- Considered doubtful		7,243,057	7,243,057
		78,934,595	28,213,586
Others:			
- Considered good		-	5,584,500
- Considered doubtful		13,907,895	13,907,895
		13,907,895	19,492,395
		184,402,060	86,270,188
Less: allowance for other receivables - considered doubtful	13.2	21,150,952	21,150,952
		163,251,108	65,119,236
13.1			
It includes lease rentals amounting to Rs. 754,430 (2018: Rs. 1,307,040) due from Avant Hotel (Private) Limited, a related party			
13.2 Allowance for other receivables - considered doubtful			
Balance as at 1st July		21,150,952	18,660,952
Provided for the period		-	2,490,000
Balance as at 30 June		21,150,952	21,150,952
14. SHORT TERM INVESTMENTS	<i>Note</i>	2019 Rupees	2018 Rupees
Held to maturity investments :			
- Term deposit receipts (Foreign currency)	14.1	1,442,700,000	-
- Term deposit receipts (Local currency)	14.2	8,511,533,886	7,187,788,800
		9,954,233,886	7,187,788,800
14.1			
It included term deposits amounting to USD 9 million (2018: Nil) having interest rates ranging from 1.5% to 3% (2018: Nil) per annum and maturity ranging from 1 to 3 months.			
14.2			
These represent term deposits placed in local currency with different banks at interest rates ranging from 6.25% to 13.25% (2018: 6.05% to 6.55%) per annum and have maturity ranging from 1 to 3 months.			

15. CASH AND BANK BALANCES	Note	2019 Rupees	2018 Rupees
Cash in hand		128,828	150,417
Balance held in:			
- current accounts		-	914
- saving accounts	15.1&15.2	503,755,003	215,688,814
		<u>503,755,003</u>	<u>215,689,728</u>
		<u>503,883,831</u>	<u>215,840,145</u>

15.1 These include foreign currency balance of USD 995,585 (2018: USD 1,255,146).

15.2 These carry interest rates ranging from 5% to 12.15% (2018: 5% to 5.80%) per annum.

16. LONG TERM LIABILITIES	Note	2019 Rupees	2018 Rupees
Employee benefits - unfunded gratuity	16.1	215,543,583	171,348,678
Obligation against assets subject to finance lease	16.2	2,118,764	2,828,873
Retention money payable		70,965,324	15,460,374
		<u>288,627,671</u>	<u>189,637,925</u>

16.1 **Employee benefits - unfunded gratuity**

Movement in plan obligation:

Liability at the beginning of the period

Charge for the period

Paid during the period

Actuarial loss

Liability at the end of the period

Charge for the year:

Current service cost

Interest cost

Sensitivity analysis:

Significant assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

	Rupees
Discount rate + 100bps	196,425,483
Discount rate - 100bps	236,862,938
Salary increase + 100bps	237,152,962
Salary increase - 100bps	195,854,344

Latest valuation of scheme was carried out as at 30 June 2019 by reputable professional actuary. The future contribution rates of this plan include allowances for deficit and surplus. Following significant assumptions were used for valuation of this scheme:

	2019	2018
Rate of increase in eligible salary	13.25%	8.00%
Discount rate	14.25%	9.00%
Average expected remaining working life of employees	9.4 years	9.7 years
Retirement age	60 years	60 years

16.2 Obligation against assets subject to finance lease		2019 Rupees	2018 Rupees
Minimum lease payments			
Not later than one year		1,056,369	978,158
Later than one year but not later than five years		2,460,935	3,257,586
After five years		-	-
		<u>3,517,304</u>	<u>4,235,744</u>
Less: future financial charges		674,200	707,308
Present value of minimum lease payments	16.2.1	2,843,104	3,528,436
Less: current portion of lease obligation	19	724,340	699,563
		<u>2,118,764</u>	<u>2,828,873</u>

16.2.1 Present value of minimum lease payments	2019	2018
	Rupees	Rupees
Not later than one year	724,340	699,562
Later than one year but not later than five years	2,118,764	2,828,874
After five years	-	-
	<u>2,843,104</u>	<u>3,528,436</u>

16.2.2 The value of the minimum lease payments has been discounted at an implicit interest rate of one year KIBOR plus 1% per annum. The balance rentals are payable in monthly installments. Taxes, maintenance and insurance costs are to be borne by the Board. In case of termination of the agreement, the Board shall pay entire amount of rentals for un-expired period of lease agreement.

17. DEFERRED REVENUE	Note	2019	2018
		Rupees	Rupees
Rent received against lease of shops	17.1	40,683,457	60,919,054
Advance in respect of sponsorship and logo money		<u>345,370,649</u>	<u>160,456,649</u>
		386,054,106	221,375,703
Less: current portion	19	<u>336,067,969</u>	<u>163,800,563</u>
		<u>49,986,137</u>	<u>57,575,140</u>

17.1 Certain shops at Gaddafi Stadium Lahore have been sub leased for a period of 30-38 years, for which the lease money was received in advance. The carrying value represents the sum received in advance for the remaining period of the leased term.

18. CREDITORS AND OTHER PAYABLES	Note	2019	2018
		Rupees	Rupees
Creditors		208,998,139	253,484,528
Payable to contractors and consultants		169,441,628	17,746,682
Commercialization fee payable		14,779,643	11,040,671
Payable to boards and associations		60,761,005	347,330,862
Payable to Franchisees		-	42,325,346
Payable to players		163,075,753	217,136,631
Accrued liabilities		38,457,425	36,063,422
Provision for leave encashment	18.1	6,599,546	8,492,246
Retention money of contractors		18,900,408	38,901,374
Withholding tax payable		73,552,775	3,578,396
Payable to Surrey County	18.2	4,838,019	4,838,019
Recoveries under PCB vehicle policy	18.3	5,654,711	1,170,506
Others		43,880,178	22,491,817
		<u>808,939,230</u>	<u>1,004,600,500</u>

18.1 Provision for leave encashment

Balance as at 1st July	8,492,246	9,823,503
Charge for the period	3,023,209	-
Payments during the period	<u>(4,915,909)</u>	<u>(1,331,257)</u>
Balance as at 30 June	<u>6,599,546</u>	<u>8,492,246</u>

18.2 It represents unutilized amount received from Surrey County, England regarding development of cricket in northern areas of Pakistan.

18.3 It represents recoveries against cars allocated to employees of PCB in Scale FH-1 & FH-2 under "Pakistan Cricket Board Vehicle Policy, 2012". Employees are entitled to purchase the allocated cars by paying the purchase price in monthly installments over the period of five years. However, the employees have the option to pay off the entire purchase amount before the expiry of five years period.

19. CURRENT PORTION OF LONG TERM LIABILITIES AND DEFERRED REVENUE

	<i>Note</i>	2019 Rupees	2018 Rupees
Obligation against assets subject to finance lease	16.2	724,340	699,563
Rent received against lease of shops		4,318,264	3,343,914
Advance in respect of sponsorship, participation fee and logo m	19.1	331,749,705	160,456,649
		<u>336,792,309</u>	<u>164,500,126</u>

19.1 This relates to advances received from Pepsi Cola International, International Cricket Council (ICC) and Trans Group FZE Sharjah UAE.

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingent liabilities

20.1.1 Conservancy dues have been claimed by Karachi Water and Sewerage Board (KWSB) against water connections at National Stadium Karachi amounting to Rs. 3,019,585 (2018: Rs. 3,019,585). However, PCB has not yet acknowledged the claim and the matter is subjudice in honorable Sindh High Court. PCB's legal counsel believes that this would not result in outflow of economic benefits.

20.1.2 Some ex-employees of PCB have filed law suits against their termination which are pending for adjudication. The Board's legal advisor, is of the view that PCB has good arguable cases but the outcome/ decisions of any sub judice matter lies with the courts in which the cases are pending. Accordingly, no provision for the same has been made in these financial statements.

20.1.3 Director General Excise & Taxation (DG-E&T) has issued an order dated June 28, 2008 and directed the Board to make payment of property tax amounting to Rs. 82.1 million in respect of National Stadium Karachi. Honorable Sindh High Court (SHC) granted stay order in favor of the Board against such recovery however later the matter was decided in favour of DG-E&T. The Board filed a writ petition before Honorable Supreme Court against SHC judgement. The outcome of this sub-judice matter lies with the court. Accordingly, no provision for the same has been made in these financial statements.

20.1.4 As referred to in note 6.2 and 5.6, lease agreements in respect of Rawalpindi Cricket Stadium, Iqbal Cricket Stadium Faisalabad, Ghari Khuda Buksh Stadium and National Cricket Academy Lahore have not been finalized with government departments and currently no related liability can be determined reliably. The related liability, if any, would be recognized in the subsequent financial statements. However, the management does not anticipate any significant adjustments.

20.1.5 Through orders dated 29 May 2013 and 13 June 2013 Deputy Commissioner Inland Revenue (DCIR) concluded proceedings under section 161/205 by raising tax demand amounting to Rs. 310.5 million and Rs. 291.1 million for the tax year 2011 & 2012 respectively. Feeling aggrieved the Board filed appeals before Commissioner Inland Revenue Appeals (CIR(A)). Pursuant to the CIR(A) orders dated 25 June 2013 and 30 Oct 2013 for tax year 2011 & 2012 respectively the DCIR filed appeals before Appellate Tribunal Inland Revenue which were concluded vide Appellate Tribunal order dated 28 Feb 2014. The DCIR further filed reference against the said order before Honourable Lahore High Court (LHC). The matter is still pending for adjudication. Management is confident that this will not result in outflow of resources, consequently no provision is recognised in these financial statements.

20.1.6 Through computer balloting held on 14 Sept 2015, the case of the Board for the tax year 2014 was selected for income tax audit to be conducted under section 177 of the Ordinance. The Board filed writ petition before the LHC contesting the selection of audit. Pursuant to the judgement dated 1st Jan 2017 of the LHC in WP No. 32597/2015, the DCIR again initiated audit proceedings. Due compliance was made through filing reply letters along with the relevant details/documents. Through order dated 31 Oct 2017 (serviced on 16 May 2018), the DCIR amended assessment by making an addition of Rs 691.1 million in taxable income in respect of various heads. An appeal against the impugned order has been filed by the Board before the Commissioner Inland Revenue-Appeals (CIR(A)). However, the appeal proceedings have not been concluded yet. Management is confident that this will not result in outflow of resources, consequently no provision is recognised in these financial statements.

20.1.7 As referred in note 6 of capital work in progress, PCB is in dispute for Garhi Khuda Baksh Cricket Stadium and Karachi Cricket Academy with respective contractors for amount of Rs. 19,341,351 and Rs. 3,688,961 respectively. However, management believes that no outflow of economic resources is probable with respect to disputed amounts, hence no related provision is made in these financial statements.

- 20.1.8** DCIR issued notices dated 6 June 2017 and 7 June 2017 for tax year 2016 and 2015 respectively regarding collection of tax under section 236A of the Income Tax Ordinance, 2001. In response to these notices the Board filed writ petitions before the LHC where the board was given interim relief by a stay order. The outcome of this sub-judice matter lies with the court. Management is confident that said notices will not result in outflow of resources, consequently no provision is recognised in these financial statements.
- 20.1.9** DCIR through show cause notice dated 21 May 2016 issued under section 14 of Federal Excise Act 2005, has raised the issue that Pakistan Cricket Board was required to pay Federal Excise Duty (FED) amounting to Rs. 97.7 million on Board's certain income stream. The Board preferred filing a writ petition (W.P No. 28354/2016) before the LHC. The LHC has granted the interim relief and the matter is still pending for adjudication. Management is confident of favourable outcome and no outflow of resources is expected, consequently no provision is recognised in these financial statements.
- 20.1.10** Additional Commissioner Inland Revenue Audit (ADCIR) initiated proceedings through notice issued in March 2015 under section 122 for the tax year 2011. The amendment proceedings were concluded vide order dated 28 June 2016 against which the Board filed appeal before the CIR(A). Pursuant to the CIR(A) order dated 30 Oct 2018 the Board feeling aggrieved on certain issues with total additions in taxable income of Rs. 59.6 million filed appeal before Appellate Tribunal Inland Revenue on 26 Dec 2018. The hearing proceedings have not been finalized yet. Management is confident of favourable outcome, consequently no provision is recognised in these financial statements.
- 20.1.11** Through DCIR notices dated May 22, 2018 for tax years 2015 & 2016 proceedings were initiated for levy of super tax under section 4B of the Ordinance. The proceedings were concluded by orders dated June 28, 2018. Pursuant to which the Board filed an appeal before CIR(A) who annulled the case vide order dated 27 June 2019. Subsequently the DCIR amended the assessment orders for 2015 & 2016 and issued orders for tax year 2017 & 2018 with aggregated tax demand of Rs. 264.6 million. The Board filed appeals before CIR(A) against the impugned orders which are pending adjudication. Management is confident that said orders will not result in outflow of resources, consequently no provision is recognised in these financial statements.
- 20.1.12** Through notice dated 4 May 2012 issued by Commissioner Inland Revenue (CIR) the Board tax year 2010 was selected for audit under section 177 of Income Tax Ordinance 2001. The Board filed writ petition before LHC contesting the audit. Pursuant to the LHC judgement dated 17 Nov 2017, DCIR initiated audit proceedings which were concluded vide order dated 30 March 2019 with addition of Rs. 567.6 million in taxable income. The Board being aggrieved on certain issues filed appeal against the impugned order before CIR(A) which is pending adjudication. Management is confident that there will be no outflow of resources, consequently no provision is recognised in these financial statements.
- 20.1.13** ADCIR initiated proceeding under section 122(9) for the tax year 2015 through notice dated 10 March 2016. Proceedings were concluded vide order dated 28 June 2016 against which the Board filed appeal with Commissioner Inland Revenue (Appeals) on 26 July 2016. Pursuant to the CIR(A) order dated 23 Oct 2018 the Board filed appeal before Appellate Tribunal Inland Revenue against CIR(A) against certain issues with total additions in taxable income of Rs. 40.5 million. The appeal proceedings are still in process. Management is confident that said order will not result in outflow of resources, consequently no provision is recognised in these financial statements.
- 20.1.14** ADCIR initiated proceedings through notice dated 10 Feb 2016 u/s 122 for the tax year 2014. The amendment proceedings were concluded through order dated 28 June 2016 against which the Board filed appeal on certain issues before CIR(A). Through order dated 30 Oct 2018 the CIR(A) annulled the aforementioned order. The DCIR filed an appeal against the CIR(A) order before Appellate Tribunal Inland Revenue on 19 Dec 2018 with additions in taxable income of Rs. 25 million. The appeals proceedings have not been concluded yet. Management is confident that the outcome will not result in outflow of resources, consequently no provision is recognised in these financial statements.
- 20.1.15** Additional Commissioner Punjab Revenue Authority through showcause notice dated 29 Dec 2018 initiated proceedings under section 24 of Punjab Sales Tax Act 2012 for tax year 2016 & 2017 having sale tax amount of Rs. 528.8 million. Along with filing a detailed response with the Punjab Revenue Authority (PRA); the Board filed writ petition before the Honourable Lahore High Court against the impugned show cause notice. Pursuant to the LHC order dated 12 June 2019 a de-registration application was filed with PRA on 19 June 2019. The PRA response is however awaited. Management is confident that said order will not result in outflow of resources, consequently no provision is recognised in these financial statements. Since the application of deregistration is pending before PRA, therefore, based on advice from tax advisor, PCB is not recovering provincial sales tax on services provided.

20.2 Contingent asset

20.2.1

Asian Cricket Council (ACC) sold commercial rights of Asia Cup 2010, 2012 & 2014 to a Singapore entity named Nimbus Sport International (Pte.) Ltd under agreement dated June 7, 2010 (the said Agreement). Subsequently Nimbus Sport International assigned its rights and obligations in the said Agreement to Nimbus Communications Ltd (NCL). Pursuant to the said assignment and the Agreement, NCL was required to pay ACC a sum of USD 21.69 Million as consideration for the commercial rights for the 2014 edition of Asia Cup tournament. By letter dated November 18, 2013 NCL unilaterally terminated the agreement. By that time NCL had given a SBLC equivalent to USD 6.507 million as financial guarantee for their payment obligations. The value of SBLC amounted to USD 6.50 Million being 30% of the Rights Fee. Subsequently, ACC proceeded to sell the subject rights to another broadcaster at a reduced value due to paucity of time since NCL had left at the eleventh hour, jeopardizing the sale of commercial rights for the subject event.

Later on, ACC lodged its claim with Indian Overseas Bank to recover the amount of SBLC but the issuing bank rejected this claim on technical grounds. Thereafter ACC filed a suit in Bombay High Court, India against Indian Overseas Bank to recover USD 6,507,000 due under the SBLC and the case is yet to come for hearing.

In view of above, the amount of USD 6,507,000 pending due to litigation as detailed above, has not been taken into account by ACC while calculating distribution for Asia Cup 2014 among the member boards that includes PCB as well. It is agreed between the ACC Member Boards that once this money is recovered, that too shall be distributed in a similar manner as that of distribution of Asia Cup revenues. Resultantly, PCB has also not booked its one sixth share of this amount as a receivable; pending outcome of the underlying litigation.

20.3 Commitments

20.3.1 Commitments in relation to various projects and development activities at year end amount to Rs 861 million (2018: Rs 1,328 million).

20.3.2 Commitments in respect of operating leases are described in note 5.4 of these financial statements.

		2019	2018
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
21. TOURS INSIDE PAKISTAN - NEUTRAL VENUES			
TV rights		4,079,347,621	634,389,145
Gate money		25,913,706	149,703,288
Sponsorship fee and instadia rights		265,173,582	162,316,829
Radio broadcasting rights		7,401,984	7,204,137
Telephony and audio streaming rights		29,194,674	9,131,668
Miscellaneous		259,630	1,774,255
		<u>4,407,291,197</u>	<u>964,519,322</u>
22. TOURNAMENTS			
Tournaments - domestic	22.1	37,011,849	39,163,395
Tournaments - international	22.2	2,258,560,000	1,100,535,279
Pakistan Super League	22.3	3,310,105,934	2,221,018,211
		<u>5,605,677,783</u>	<u>3,360,716,885</u>
22.1 Tournaments - domestic			
Sponsorship		22,500,000	24,145,162
Participation fee		11,400,000	10,050,000
Gate money		1,453,667	2,882,233
Miscellaneous		1,658,182	2,086,000
		<u>37,011,849</u>	<u>39,163,395</u>
22.2 Tournaments - international			
Participation fee	22.2.1	615,660,000	49,700,750
Share of revenue	22.2.2	1,642,900,000	1,050,834,529
		<u>2,258,560,000</u>	<u>1,100,535,279</u>
22.2.1	This includes participation fee relating to T10 League, Asia Cup 2018 (Men), and ICC Women World T-20 Cup 2018 amounting to USD 600,000, USD 4,000,000 and USD 50,000 respectively (2018: T10 League, ICC U-19 World Cup 2018 (Men), ICC World Cup 2017 (Women) and Hong Kong Super Six amounting to USD 400,000, USD 25,000, USD 25,000 and USD 20,000 respectively).		
22.2.2	This includes share of revenue relating to ICC Member's Distribution amounting to USD 11,000,000 (2018: ICC Member's Distribution and Asia Cup 2016 amounting to USD 9,600,000 and USD 163,924 respectively).		

		2019	2018
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
22.3	<i>Pakistan Super League</i>		
Franchise fee		2,126,719,000	1,557,945,500
Sale of hospitality boxes		17,821,317	29,409,575
Other income		95,424,317	73,086,833
Central pool revenue	22.3.1	<u>1,070,141,300</u>	<u>560,576,303</u>
		<u>3,310,105,934</u>	<u>2,221,018,211</u>
22.3.1	<i>Central pool revenue</i>		
TV rights			
Media and radio rights		1,873,406,412	802,846,609
TV production cost		(509,675,543)	(365,537,057)
		1,363,730,869	437,309,552
Sponsorship		1,110,226,741	608,629,411
Gate money		311,963,601	341,704,639
Total central pool revenue		<u>2,785,921,211</u>	<u>1,387,643,602</u>
Less: distributed to franchises		(1,715,779,911)	(827,067,299)
Central pool revenue		<u>1,070,141,300</u>	<u>560,576,303</u>
23.	<i>RENTAL INCOME</i>		
Gaddafi Stadium Lahore			
Shops		22,319,429	20,448,455
Others		100,000	263,169
		<u>22,419,429</u>	<u>20,711,624</u>
National Stadium Karachi			
Land	23.1	1,010,590	1,010,590
Cricket House		25,387,969	3,656,468
		<u>48,817,988</u>	<u>25,378,682</u>
23.1	It represents lease rental income from Avant Hotel (Private) Limited, a related party		
24.	<i>RETURN ON INVESTMENTS AND BANK DEPOSITS</i>	2019	2018
		<i>Rupees</i>	<i>Rupees</i>
Interest on Term Deposit Receipts			
-Foreign Currency		283,587	3,058,492
-Local Currency		649,258,851	432,953,071
		<u>649,542,438</u>	<u>436,011,563</u>
Interest on bank deposits:			
-Foreign Currency		6,420,469	2,115,084
-Local Currency		49,162,660	21,742,452
		<u>55,583,129</u>	<u>23,857,536</u>
		<u>705,125,567</u>	<u>459,869,099</u>
25.	<i>OTHER INCOME</i>		
Exchange gain - net		193,514,700	54,940,660
Election fee		3,857,320	2,392,700
Players' fine		34,304	1,000,000
Gain on disposal of operating fixed assets		1,965,841	6,043,240
Annual subscription		3,130,000	4,110,000
Coaching course fee		2,825,000	5,755,000
Hoardings income		-	6,946,800
Scrap sales		13,056,458	518,000
Affiliation fee		10,000	2,420,000
Liabilities written back		-	8,857,284
Miscellaneous		24,590,983	22,544,497
		<u>242,984,606</u>	<u>115,528,181</u>

26.	TOURS OUTSIDE PAKISTAN	<i>Note</i>	2019 Rupees	2018 Rupees
	Players and officials match fee, allowances and incentives		207,521,717	130,068,951
	Players related other expenses		39,321,893	14,348,220
	Travelling expenses		36,127,760	44,970,602
	Accommodation expenses		9,365,187	6,412,115
	Others		6,255,802	11,576,286
			<u>298,592,359</u>	<u>207,376,174</u>
27.	TOURS INSIDE PAKISTAN			
	Players match fee, allowances and incentives		211,353,485	305,916,999
	Players related other expenses		22,144,376	15,990,046
	Travelling expenses		61,985,065	59,042,584
	Accommodation expenses		139,107,757	52,489,570
	Team & match officials expenses		61,864,649	27,808,372
	<i>Event management expenses:</i>			
	Venue hiring Cost		516,365,268	109,719,002
	Advertisement expenses		23,880,008	36,902,023
	TV production cost		-	42,866,285
	Match day expenses		4,978,467	7,436,581
	Security expenses		-	29,165,466
	Catering expense		15,412,458	39,915,070
	Equipment hire rental charges		-	10,913,736
	Players medical expenses		2,280,827	1,657,362
	Repair and maintenance		-	4,380,848
	Event staff allowances		-	3,228,920
	Cleaning and janitorial		-	2,706,413
	Others		3,421,652	3,960,421
			<u>566,338,680</u>	<u>292,852,127</u>
		27.1	<u>1,062,794,012</u>	<u>754,099,698</u>
27.1	These represent expenses related to international series hosted by PCB in Pakistan or at neutral venues. There were 39 match days and 86 tour days in 2019 while 24 match days and 47 tour days in 2018.			
28.	TOURNAMENTS	<i>Note</i>	2019 Rupees	2018 Rupees
	Tournaments - domestic	28.1	590,749,533	505,616,805
	Tournaments - international	28.2	203,669,534	107,700,450
	Pakistan Super League	28.3	1,924,391,357	1,603,406,534
			<u>2,718,810,424</u>	<u>2,216,723,789</u>
28.1	Tournaments - domestic			
	Players and officials match fee, allowances and incentives		172,003,762	152,070,825
	Prize money		21,852,575	20,992,000
	Players related other expenses		37,046,232	28,677,028
	Travelling		35,567,959	27,262,474
	Accommodation		98,095,298	78,113,810
	Match and team officials expenses		74,785,121	55,697,341
	Grant for domestic tournaments		48,221,223	42,660,000
	Fuel and power		12,386,358	16,045,996
	Match day expenses		5,833,092	6,656,979
	Security expenses		10,267,919	9,670,748
	Catering expenses		27,121,815	28,292,233
	Committees expenses		5,150,782	5,922,061
	Ground rent		2,608,500	2,142,876
	Production cost		29,433,172	7,133,000
	Marketing and advertisement		6,053,965	19,682,394
	Others		4,321,760	4,597,040
		28.1.1	<u>590,749,533</u>	<u>505,616,805</u>

28.1.1 These represent domestic tournaments held by PCB on its own or with collaboration of sponsors in Pakistan.

28.2 Tournaments - international	<i>Note</i>	2019 Rupees	2018 Rupees
Players match fee, allowances and incentives		53,522,180	29,602,199
Players related other expenses		31,342,184	14,190,385
Officials match fee, allowances and incentives		16,956,840	14,510,374
Travelling		33,904,741	10,825,756
Accommodation		26,086,023	25,315,974
Venue hiring costs		16,829,438	3,608,814
Catering expenses		12,667,185	3,144,982
Others		12,360,943	6,501,966
	28.2.1	<u>203,669,534</u>	<u>107,700,450</u>

28.2.1 These represent expenses incurred in respect of Asia Cup 2018 (Men), ICC Women T20 Cup 2018, U-19 Asia Cup 2018, ACC Emerging Cup 2018, ICC Women's Championship Round 3,4 & 5 and Women's Asia Cup 2018 (2018: Asia Cup U-19, ICC Women World Cup 2017, ICC Women's Championship Round 1 & 2 and T-20 Women's Asia Cup 2018).

28.3 Pakistan Super League	<i>Note</i>	2019 Rupees	2018 Rupees
Direct costs:			
Venue hiring cost		437,054,152	461,501,923
Event management expenses		349,773,940	380,572,964
Marketing and advertisement		252,996,882	174,134,145
Expenses pertaining to Pakistan matches	28.3.1	460,093,008	254,161,866
Prize money		97,457,493	83,845,551
Staff Remuneration		20,050,914	18,873,095
Travel and accommodation		29,312,693	32,556,967
Players release fee		19,236,000	17,024,000
Legal and professional		33,874,951	11,779,382
Match officials' expenses		32,340,350	24,712,617
Daily allowance		11,847,330	12,919,530
Anti corruption and anti doping		13,482,567	13,069,152
Liaison and protocol officers' expenses		8,308,998	8,006,796
Journalists' expenses		-	6,432,228
Provision for expected credit losses		35,540,447	-
Others		5,106,000	2,897,705
		<u>1,806,475,725</u>	<u>1,502,487,921</u>
Indirect Costs:			
Allocation of indirect costs	28.3.2	<u>117,915,632</u>	<u>100,918,613</u>
		<u>1,924,391,357</u>	<u>1,603,406,534</u>

28.3.1 Expenses pertaining to Pakistan matches

TV production cost	156,823,244	85,974,500
Foreign players match fee and insurance	45,493,891	47,299,126
Event management expenses	102,004,127	54,630,723
Boarding, lodging, travelling and catering	32,989,998	20,083,302
Repair and maintenance	7,990,935	2,841,997
Marketing and advertisement	77,430,517	25,248,514
Match day operational expenses	11,648,589	7,924,220
Venue security expenses	9,118,477	3,899,514
Daily allowance	1,366,800	1,228,400
Anti corruption and anti doping	1,988,925	825,201
Liaison and protocol officers' expenses	2,526,073	1,884,493
Match officials' expenses	8,255,329	993,616
Others	2,456,103	1,328,260
	<u>460,093,008</u>	<u>254,161,866</u>

28.3.2 This includes depreciation & amortization expense amounting to Rs.11,966,774 (2018: Rs.8,416,516)

29. CRICKET PROMOTIONAL EXPENSES	Note	2019 Rupees	2018 Rupees
International			
Central contract fee		160,223,447	131,700,638
Players related other costs		31,325,327	32,202,443
Coach and trainer fee		137,571,228	114,121,987
Committees expenses		23,022,788	22,114,599
PCB Awards		327,315	46,115,901
Players' training camp		473,966	623,029
		352,944,071	346,878,597
Domestic			
Central contract fee		5,940,000	45,982,000
Coaching expense		7,370,392	9,834,845
Curatorship courses		-	147,436
Players Development Program		168,799,640	177,498,837
Committees expenses		21,172,870	15,613,561
Grants	29.1	100,780,191	101,487,851
		304,063,093	350,564,530
		657,007,164	697,443,127
29.1 Grants			
Pakistan Blind Cricket Team		15,788,648	15,356,908
Pakistan Deaf Cricket Team		14,326,459	9,624,764
Pakistan Disable Cricket Team		2,000,000	3,000,000
Cricket gears to Districts / Cities / Clubs		4,762,104	10,767,407
Ground operations and domestic tournaments		56,284,902	59,588,772
Veterans		7,618,078	3,150,000
		100,780,191	101,487,851
30. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	30.1	753,259,194	663,409,395
Traveling and allowances		27,822,804	18,504,194
Vehicle running expenses		10,496,579	12,628,683
Entertainment		10,316,651	16,327,574
Communication		6,774,357	7,018,661
Committees expenses		6,410,711	17,713,251
Repair and maintenance		73,979,186	70,437,814
Printing and stationery		4,687,786	3,525,803
Insurance		16,807,646	17,549,093
Utilities net of recoveries		47,095,880	41,330,615
Marketing and advertisement		8,911,309	7,005,216
Auditors' remuneration		2,271,230	1,720,629
Legal and professional		82,734,838	292,508,675
Commercialization fee		3,738,972	3,756,119
Rent, rates and taxes		45,277,474	6,175,707
Office security expenses		5,316,077	7,645,132
Fee and subscriptions		987,467	777,527
Medical expenses		403,847	1,416,377
Cleaning expenses		4,449,092	4,253,383
Grants under Benevolent Fund		7,500,000	-
Provision for expected credit losses		51,248,749	19,461,260
Provision for impairment of assets		-	61,287,105
Other expenses		5,962,184	7,839,949
		1,176,452,033	1,282,292,162
Allocation of indirect costs to PSL		(105,876,362)	(92,400,055)
		1,070,575,671	1,189,892,107

30.1 This includes gratuity expense for the year amounting Rs.46,672,545 (2018:Rs. 34,757,897) respectively.

31. FINANCIAL CHARGES	Note	2019 Rupees	2018 Rupees
Bank charges		373,229	630,852
Interest on obligations against assets subject to finance leases		301,781	319,256
		<u>675,010</u>	<u>950,108</u>
Allocation of indirect costs to PSL		(72,496)	(102,042)
		<u>602,514</u>	<u>848,066</u>
32. TAXATION			
Current tax:			
For the period		347,432,884	127,756,739
Prior year		1,173,738	-
	32.1	<u>348,606,622</u>	<u>127,756,739</u>
32.1 Tax expense for the year comprises of the following			
Tax at applicable rate of 4% for foreign receipts		301,265,502	103,169,820
Minimum tax on local income		-	24,586,919
Alternative Corporate Tax		46,167,382	
Prior year adjustment		1,173,738	-
		<u>348,606,622</u>	<u>127,756,739</u>
32.2 Relationship between tax expense and accounting profit			
Surplus / (deficit) before tax		5,340,413,852	(5,328,553)
Tax calculated at the rate of 29% (2018: 30%)		1,548,720,017	(1,598,566)
Prior year adjustment		1,173,738	-
Effect of taxes applicable on the basis other than profit		(1,201,287,133)	129,355,305
Tax charge for the year		<u>348,606,622</u>	<u>127,756,739</u>
33. CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	503,883,831	215,840,145
Held to maturity investments - term deposit receipts	14	9,954,233,886	7,187,788,800
		<u>10,458,117,717</u>	<u>7,403,628,945</u>
34. RELATED PARTY DISCLOSURES			

The related parties comprise retirement funds, members of Board of Governors, key management personnel and associate. Significant transactions of the Board with related parties are as under:

<u>Relationship</u>	<u>Nature of transactions</u>	2019 Rupees		2018 Rupees
Employees Provident Fund Trust	Amount contributed		20,193,294	18,813,030
Associate company	Rental income		1,010,590	1,010,590
Chairman:		Mr. Ehsan Mani	Mr. Najam Sethi	Mr. Najam Sethi
		Sep-18 to June-19	Jul-18 to Aug-18	
	Rented Accommodation	3,060,233	-	-
	Vehicle allowance & costs on security vehicle:			
	Vehicle Allowance	-	-	1,794,798
	Fuel Cost of owned vehicle	279,448	55,314	897,681
	Fuel & Maint of Escort Security Ve	-	62,775	879,872
	Driver Cost	493,522	146,832	864,707
		<u>772,970</u>	<u>264,921</u>	<u>4,437,058</u>
	Utility & Mobile Phone Bills	264,381	4,820	975,721
	Costs of Security guards & Servants	345,000	360,855	1,320,012
	Medical Expenses Reimbursed	-	396,817	1,207,450

<u>Relationship</u>	<u>Nature of transactions</u>	<u>2019</u>		<u>2018</u>
		<u>Rupees</u>		<u>Rupees</u>
Chairman:		Mr. Ehsan Mani Sep-18 to June-19	Mr. Najam Sethi Jul-18 to Aug-18	Mr. Najam Sethi
	Travelling Expenses:			
	Daily Allowance & Accommodation	2,888,074	-	7,452,443
	Travelling	2,733,556	-	2,402,627
	Spouse Travelling	330,797	-	347,386
		5,952,427	-	10,202,456
	Meeting Allowance (BOG Meetings)	20,000	-	80,000
	Business Entertainment	69,820	9,446	459,390
		10,486,850	1,036,859	18,684,105
Members of Governing Board:				
	Travelling Expenses:			
	Daily Allowance & Accommodation		2,013,234	2,468,855
	Travelling		2,146,697	2,105,547
			4,159,931	4,574,402
	Meeting Allowance		980,000	580,000
			5,139,931	5,154,402

34.1 The outstanding balances, if any, of such parties have been disclosed in respective notes to the financial statements.

34.2 Transactions with key management personnel under the terms of employment have been excluded.

35. FINANCIAL RISK MANAGEMENT

35.1 Financial risk factors

The Board's financial liabilities comprise of creditors & other payables, obligation against the assets subject to finance lease, retention money payable and long term deposits. The main purpose of these financial liabilities is to raise finances for Board's operations. The Board financial assets comprise of due from sponsors, franchisees, boards and associations, short term investments, loans and advances (players and employees), long term loans, long term security deposits, other receivables and cash and bank balances that arrive directly from its operations.

The Board's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Board's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Chairman and Chief Financial Officer (CFO). The Chairman and CFO provide principles for overall risk management, as well as policies covering specific areas such as currency risk, equity price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Board's major transactions in foreign currencies are in US Dollar. The following analysis demonstrates the sensitivity to a reasonably possible change in US Dollar exchange rate, with all other variables held constant, of the Board's surplus for the year before tax:

	2019	2018
Reporting date rate - Rupees per US Dollar	164.5	121.60
Changes in US Dollar Rate	+10%	+10%
Surplus / (Deficit) for the year before tax - Rupees	224,612,676	890,027

(ii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Board has no significant interest bearing liabilities. The Board's interest rate risk mainly arises from investment in Term Deposit Receipts (TDRs).

At reporting date the interest rate profile of the Board's interest bearing financial instruments was:

	2019 Rupees	2018 Rupees
Fixed rate instruments		
Financial assets:		
Investments - at amortized cost	9,954,233,886	7,187,788,800
Floating rate instruments		
Financial assets:		
Bank balances - saving accounts	503,755,003	215,688,814

Fair value sensitivity analysis for fixed rate instruments

The Board does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect income or expenditure of the Board.

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Board's surplus for the year before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at balance sheet dates were outstanding for the whole year.

		Changes in Interest Rate	Effects on Income before tax
		%	Rupees
Investments - at amortized cost	2019	+1.00	99,542,339
		-1.00	(99,542,339)
	2018	+1.00	71,877,888
		-1.00	(71,877,888)
		Changes in Interest Rate	Effects on Income before tax
		%	Rupees
Bank balances - saving accounts	2019	+1.00	5,037,550
		-1.00	(5,037,550)
	2018	+1.00	2,156,888
		-1.00	(2,156,888)

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2019	2018
	Rupees	Rupees
Due from sponsors, franchisees, boards and associations	1,464,443,661	173,042,319
Short term investments	9,954,233,886	7,187,788,800
Bank balances	503,755,003	215,689,728
	<u>11,922,432,550</u>	<u>7,576,520,847</u>

The age of due from sponsors, franchisees, boards and associations and related impairment loss at reporting date was:

	2019	2018
	Rupees	Rupees
The age of due from sponsors, franchisees, boards and associations		
Not more than one year	<u>1,464,443,661</u>	<u>173,042,319</u>

Credit risk related to financial assets is managed by established procedures and controls relating to receivables credit risk management. Outstanding receivables are regularly monitored.

At June 30, 2019, six parties that owed the Board more than Rs738 million (2018 : four parties that owed the Board more than Rs.84 million) accounts for approximately 50% (2018: 48%) of total amount due from sponsors, boards and associations.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate. The table below shows the bank balances including term deposits held with some major counterparties at the balance sheet date:

Bank	Rating			2019	2018
	Short Term	Long term	Agency	Rupees	Rupees
Al-Baraka Bank Limited	A-1	A	PACRA	2,337,232,183	175,263,100
Bank Alfalah Limited	A-1+	AA+	PACRA	48,671,814	13,290,779
Faysal Bank Limited	A-1+	AA	PACRA	1,562,952,544	1,675,672,668
JS Bank Limited	A-1+	AA-	PACRA	2,100,000,000	2,050,000,000
MCB Bank Limited	A-1+	AAA	PACRA	28,642,410	20,438,756
Samba Bank Limited	A-1	AA	JCR-VIS	-	500,000,000
MCB Islamic Bank Limited	A-1	A	PACRA	1,099,090	-
Soneri Bank Limited	A-1+	AA-	PACRA	2,412,788,800	1,862,788,800
United Bank Limited	A-1+	AAA	JCR-VIS	7,856,962	1,106,024,425
Habib Metropolitan Bank	A-1+	AA+	PACRA	1,958,745,085	
				<u>10,457,988,888</u>	<u>7,403,478,528</u>

Due to the Board's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Board. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Board's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Board's reputation. The management believes the liquidity risk to be low.

The table below analysis the Board's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
June 30, 2019				
----- Rupees -----				
Obligation against assets subject to finance lease	2,843,104	2,843,104	724,340	2,118,764
Retention money payable	89,865,732	89,865,732	18,900,408	70,965,324
Long term security deposits	599,215	599,215	-	599,215
Creditors and other payables	790,038,822	790,038,822	790,038,822	-
June 30, 2018				
Obligation against assets subject to finance lease	3,528,436	3,528,436	699,563	2,828,873
Retention money payable	54,361,748	54,361,748	38,901,374	15,460,374
Long term security deposits	599,215	599,215	-	599,215
Creditors and other payables	1,004,600,500	1,004,600,500	1,004,600,500	-

35.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

35.3 Financial instruments by categories

	At Amortized Cost	Total
----- Rupees -----		
As at June 30, 2019		
Assets as per balance sheet		
Due from sponsors, franchisees, boards and associations	-	1,464,443,661
Other receivables	-	163,251,108
Short term investments	9,954,233,886	-
Cash and bank balances	-	503,883,831
	<u>9,954,233,886</u>	<u>12,085,812,486</u>
As at June 30, 2019		
Liabilities as per balance sheet		
Long term security deposits		599,215
Creditors and other payables		808,939,230
		<u>809,538,445</u>

Financial liabilities at amortized cost
Rupees

As at June 30, 2018

Assets as per balance sheet

Due from sponsors, franchisees, boards and associations
Other receivables
Short term investments
Cash and bank balances

<i>At Amortized Cost</i>	<i>Total</i>
-----Rupees-----	
-	173,042,319
-	65,119,236
7,187,788,800	-
	215,840,145
<u>7,187,788,800</u>	<u>454,001,700</u>
	<u>7,641,790,500</u>

Financial liabilities at amortized cost
Rupees

As at June 30, 2018

Liabilities as per balance sheet

Long term security deposits
Creditors and other payables

599,215
<u>1,004,600,500</u>
<u>1,005,199,715</u>

36. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purposes of comparison, however no significant rearrangement / reclassification have been made in these financial statements.

37. DATE OF AUTHORIZATION

These financial statements have been authorized for issuance by Board of Governors of the PCB on 04-02-2020

38. GENERAL

Figures have been rounded off to the nearest rupee, unless otherwise stated.

CHIEF FINANCIAL OFFICER

DYA

CHAIRMAN