

PAKISTAN CRICKET BOARD
Financial Statements
For the Year Ended June 30, 2021

**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, 2021 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, 2021, and the notes including a summary of significant accounting policies (hereinafter referred as "the financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PCB as at June 30, 2021 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 5.3 and note 6.2 of the accompanying financial statements which describe that PCB has capitalized and in process of capitalizing certain costs in connection with the construction and installation of civil works, flood lights and electric screens at Rawalpindi Cricket Stadium, Iqbal Stadium Faisalabad, 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 the 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.

Auditors' 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.

Yousuf Adil
Chartered Accountants

Lahore

Date: April 26. 2022

PAKISTAN CRICKET BOARD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

ASSETS	Note	2021 Rupees	2020 Rupees
Non current assets			
Property and equipment			
Operating fixed assets	5	1,579,798,907	1,504,170,283
Capital work in progress	6	1,096,906,738	1,092,449,132
Intangible assets	7	3,745,113	4,291,915
Long term loans	8	-	-
Long term investment	9	37,500	37,500
Long term security deposits		9,390,658	9,372,258
		2,689,878,916	2,610,321,088
Current assets			
Stores and spares		45,841,498	46,614,017
Due from sponsors, franchisees, boards and associations	10	2,396,746,999	2,862,417,694
Loans and advances	11	302,123,603	146,940,874
Short term prepayments	12	25,841,561	64,157,252
Other receivables	13	233,728,363	190,209,361
Taxation-net		465,269,325	278,633,967
Short term investments	14	13,139,147,381	12,430,283,886
Cash and bank balances	15	564,087,388	798,920,700
		17,172,786,118	16,818,177,751
TOTAL ASSETS		19,862,665,034	19,428,498,839
FUND AND LIABILITIES			
General fund		16,263,237,513	17,099,164,322
Non current liabilities			
Long term liabilities	16	59,652,840	71,457,273
Deferred revenue	17	95,649,676	33,979,179
Long term security deposits		599,215	599,215
		155,901,731	106,035,667
Current liabilities			
Creditors and other payables	18	3,126,483,220	1,853,434,435
Current portion of long term liabilities and deferred revenue	19	317,042,570	369,864,415
		3,443,525,790	2,223,298,850
TOTAL FUND AND LIABILITIES		19,862,665,034	19,428,498,839
CONTINGENCIES AND COMMITMENTS	20	-	-

The annexed notes from 1 to 42 forms an integral part of these financial statements.



CHIEF FINANCIAL OFFICER

YK

CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Tours and tournaments			
- Tours outside Pakistan		105,338,225	-
- Tours inside Pakistan and neutral venues	21	493,835,845	1,234,189,998
- Tournaments			
- Domestic	22	38,546,153	15,365,832
- International	23	2,459,310,000	2,681,838,750
- Pakistan Super League			
- Revenue		3,809,232,667	3,623,009,350
- Share of franchises - COVID - 19 Relief		(1,637,977,346)	-
	24	2,171,255,321	3,623,009,350
		5,268,285,544	7,554,403,930
Sponsorship and logo income		54,490,386	196,808,122
Rental income	25	27,069,306	25,192,624
Return on investments and bank deposits	26	928,117,677	1,501,749,646
Other income	27	52,879,204	66,666,763
		1,062,556,573	1,790,417,155
Total income		6,330,842,117	9,344,821,085
EXPENDITURES			
Direct expenses			
Tours and tournaments			
- Tours outside Pakistan	28	565,392,354	106,154,984
- Tours inside Pakistan and neutral venues	29	760,595,962	519,261,774
- Tournaments			
Domestic	30	1,132,573,191	533,878,952
International	31	5,737,409	236,021,773
Pakistan Super League	32	2,408,883,350	1,417,862,801
Cricket promotional expenses	33	744,074,342	734,632,442
		5,617,256,608	3,547,812,726
Administrative expenses	34	1,177,074,035	1,233,798,187
Depreciation and amortization	5 & 7	185,613,697	244,509,098
Financial charges	35	106,982,947	4,701,553
		1,469,670,679	1,483,008,838
Total expenditure		7,086,927,287	5,030,821,564
(Deficit) / Surplus for the year before taxation		(756,085,170)	4,313,999,521
Taxation	36	79,841,639	478,492,417
(Deficit) / Surplus for the year after taxation		(835,926,809)	3,835,507,104

The annexed notes from 1 to 42 forms an integral part of these financial statements.

During the year, Pakistan Cricket Board (PCB) has compensated franchises on the account of COVID-19 relief for PSL 5 & PSL 6 amounting to PKR 810 million and PKR 828 million respectively. Had there been no such additional payout to the franchisees for PSL 5 & PSL 6, PCB would have earned a surplus before tax amounting to PKR 882 million.


CHIEF FINANCIAL OFFICER


CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	<i>Note</i>	<i>2021 Rupees</i>	<i>2020 Rupees</i>
(Deficit) / Surplus for the year after taxation		(835,926,809)	3,835,507,104
<i>Other comprehensive income:</i>			
<i>Items not to be reclassified to the statement of income and expenditure in subsequent periods:</i>		-	-
<i>Total comprehensive income for the year</i>		<u><u>(835,926,809)</u></u>	<u><u>3,835,507,104</u></u>

The annexed notes from 1 to 42 forms an integral part of these financial statements.

Y/A


CHIEF FINANCIAL OFFICER


CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2021

General Fund
Rupees

Balance as at July 01, 2019

13,263,657,218

Surplus for the year after taxation

3,835,507,104

Other comprehensive income

-

Total comprehensive income for the year

3,835,507,104

Balance as at June 30, 2020

17,099,164,322

Deficit for the year after taxation

(835,926,809)

Other comprehensive income

-

Total comprehensive income for the year

(835,926,809)

Balance as at June 30, 2021

16,263,237,513

The annexed notes from 1 to 42 forms an integral part of these financial statements.

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CHIEF FINANCIAL OFFICER


CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / Surplus for the year before taxation		(756,085,170)	4,313,999,521
Adjustments for non-cash items:			
Depreciation and amortization	5 & 7	207,947,229	273,929,080
Provision for leave encashment	18.1	-	71,614,190
Provision for expected credit losses	34 & 32	129,432,926	327,198,170
Unrealised exchange loss / (gain)		98,816,986	(62,575,259)
Gain on disposal of operating fixed assets		(396,990)	(968,199)
Adjustment of rent received in advance		(3,355,664)	(3,348,614)
Settlement loss / Provision for unfunded gratuity	16.1	871,963	101,892,654
Interest expense on lease liabilities	35	5,132,600	4,750,585
Financial charges	35	714,060	516,671
Cash flow before working capital changes		(316,922,060)	5,027,008,799
Cash flows from working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		772,519	(9,547,231)
Due from sponsors, franchisees, boards and associations		336,237,769	(1,725,172,203)
Loans and advances		(156,943,735)	15,999,252
Short term prepayments		38,315,691	(2,131,233)
Other receivables		(43,519,002)	(26,958,253)
Increase in current liabilities:			
Creditors and other payables		1,629,491,180	670,245,752
Net cash from / (used in) working capital changes		1,804,354,422	(1,077,563,916)
Cash generated from operations		1,487,432,362	3,949,444,883
Financial charges paid		(714,060)	(516,671)
Income tax paid		(266,476,997)	(469,165,911)
Gratuity paid		(288,390,475)	(29,917,725)
Repayment of lease liabilities		-	(28,222)
Leave encashment paid		(73,656,600)	(4,557,136)
Rent received in advance		-	-
Decrease in long term loans		1,761,006	533,078
		(627,477,126)	(503,652,587)
Net cash from operating activities		859,955,236	3,445,792,296
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(287,638,137)	(738,151,251)
Proceeds from disposal of property and equipment		548,470	4,175,374
Long term security deposits - net		(18,400)	(325,100)
Net cash used in investing activities		(287,108,067)	(734,300,977)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of obligations under the assets subject to finance lease		-	(2,979,709)
Net increase in cash and cash equivalents		572,847,169	2,708,511,610
Effects of exchange rate on cash and cash equivalents		(98,816,986)	62,575,259
Cash and cash equivalents at the beginning of year		13,229,204,586	10,458,117,717
Cash and cash equivalents at the end of year	37	13,703,234,769	13,229,204,586

The annexed notes from 1 to 42 forms an integral part of these financial statements.


CHIEF FINANCIAL OFFICER


CHAIRMAN

PAKISTAN CRICKET BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 Cricket Boards. In this regard, the selection of teams for domestic and international purposes is one of the most important functions and responsibilities 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 and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as applicable in Pakistan.

3. BASIS OF PREPARATION

3.1 These financial statements have been prepared under the historical cost convention except for financial instruments which have been valued at fair value.

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 4.12)
- Taxation (Note 4.8)
- Provision of unfunded gratuity (Note 4.9.2)
- 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.

4.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, interpretations and amendments are either not relevant to the Organization operations or are not expected to have significant impact on the Organization financial statements other than certain additional disclosures:

Standards or Interpretations with no significant impact

Effective from annual period beginning on or after:

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

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

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

Standards or Interpretations

Effective from annual period beginning on or after:

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4.2 Property and equipment

4.2.1 Operating fixed assets and depreciation

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

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.

4.2.2 Right of use asset

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Board at the end of the lease term or if the cost of the asset reflects that the Board will exercise the purchase option, depreciation is charged over the useful life of asset.

4.2.3 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 against deductible temporary differences amounting to Rs. 1,134,261,992 (2020: Rs. 482,281,600).

4.9 Employee benefits

4.9.1 Defined benefits plan - unfunded gratuity

Effective from July 01, 2011, the Board 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 the scheme were entitled to the amount equal to last drawn salary multiplied by years of service.

As per IAS 19, 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 for its permanent employees. Equal monthly contributions at the rate of 8.33% 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

Entitlement of the employees of the Board to accumulating earned leaves up to a maximum of two years (48 leaves), encashable on retirement or resignation has been discontinued by the Board w.e.f. May 15, 2020. Under the new policy, employees are entitled to accumulate non-encashable earned leaves up to a maximum of 14 working days.

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 Lease Liabilities

The Board as a lessee

The Board assesses whether a contract is or contains a lease, at inception of the contract. The Board recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For short term lease leases, the Board recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability against right-of-use asset is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Board as a lessor

Leases for which the Board is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Board is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Board's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Board's net investment outstanding in respect of the leases.

4.11 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.

4.12 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. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

a) Debt instruments measured at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost and effective interest method

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Board carries cash and cash equivalents, due from sponsors, franchises, boards and associates, other receivables and short term investments at amortized cost.

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured subsequently at FVTOCI.

As at reporting date, the Board does not hold any debt instrument classified as at FVTOCI.

c) Equity instruments designated as at FVTOCI

On initial recognition, the Board may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI.

As at reporting date, the Board does not hold any equity instruments designated at FVTOCI.

d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at FVTPL.

As at reporting date, the Board does not holds any assets classified at FVTPL.

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 statement of income and expenditure.

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.

Financial liabilities

Subsequent measurement of financial liabilities

Financial liabilities that are not

- a) contingent consideration of an acquirer in a business combination,
- b) held for trading, or
- c) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest cost of a financial liability. Expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Board derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of income and expenditure.

4.13 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 Board recognises its revenue at a point in time and 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.

4.14 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.

4.15 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

	Note	2021 Rupees	2020 Rupees
Operating fixed assets	5.1 & 5.3	1,543,935,184	1,467,860,578
Right-of-use assets	5.2	35,863,723	36,309,705
		<u>1,579,798,907</u>	<u>1,504,170,283</u>

5.1 Operating fixed assets

2021									
Cost				Accumulated depreciation				Net Book Value as at June 30, 2021	Annual depreciation rate
As at July 01, 2020	Additions / Transfers*	Disposals	As at June 30, 2021	As at July 01, 2020	Depreciation for the year	Depreciation of disposals	As at June 30, 2021		
Rupees									
Freehold land	50,037	-	-	50,037	-	-	-	50,037	%
Building on freehold land	4,610,752	-	-	4,610,752	4,610,752	-	-	4,610,752	-
Building on leasehold land	1,824,059,306 *	145,658,828	-	1,969,718,134	706,363,905	81,022,384	-	787,386,289	5
Motor vehicles	267,729,201	55,225,308	(1,768,802)	321,185,707	119,123,970	48,706,576	(1,768,802)	166,061,744	5
Flood lights	348,093,293	-	-	348,093,293	346,109,884	550,043	-	346,659,927	20
Furniture, fixtures and office equipment	301,300,820	44,484,017	-	345,784,837	184,655,051	39,407,495	-	224,062,546	20
Electrical equipment	620,239,556 *	7,715,694	-	627,955,250	549,596,841	28,116,171	-	577,713,012	20
Computer and allied equipment	38,177,722	11,374,014	(634,276)	48,917,460	30,916,952	5,121,665	(482,796)	35,555,821	33.33
Ground maintenance equipment	115,899,577	18,273,627	-	134,173,204	110,922,331	3,581,068	-	114,503,399	20
3,520,160,264	282,731,488	(2,403,078)	3,800,488,674	2,052,299,686	206,505,402	(2,251,598)	2,256,553,490	1,543,935,184	

2020									
Cost				Accumulated depreciation				Net Book Value as at June 30, 2020	Annual depreciation rate
As at July 01, 2019	Additions	Disposals	As at June 30, 2020	As at July 01, 2019	Depreciation for the year	Depreciation of disposals	As at June 30, 2020		
Rupees									
Freehold land	50,037	-	-	50,037	-	-	-	50,037	%
Building on freehold land	4,610,752	-	-	4,610,752	4,610,752	-	-	4,610,752	-
Building on leasehold land	1,049,840,990 *	774,218,316	-	1,824,059,306	544,302,411	162,061,494	-	706,363,905	5
Motor vehicles	180,753,326	86,975,875	-	267,729,201	80,235,940	38,888,030	-	119,123,970	5
Flood lights	346,343,293	1,750,000	-	348,093,293	345,793,175	316,709	-	346,109,884	20
Furniture, fixtures and office equipment	228,910,704	72,414,966	(24,850)	301,300,820	151,804,536	32,875,365	(24,850.00)	184,655,051	20
Electrical equipment	583,316,899 *	37,021,859	(99,202)	620,239,556	517,239,353	32,456,690	(99,202)	549,596,841	20
Computer and allied equipment	35,854,121	5,232,654	(2,909,053)	38,177,722	29,838,546	3,816,709	(2,738,303)	30,916,952	33.33
Ground maintenance equipment	113,449,430	2,450,147	-	115,899,577	108,984,662	1,937,669	-	110,922,331	20
2,543,129,552	980,063,817	(3,033,105)	3,520,160,264	1,782,809,375	272,352,666	(2,862,355)	2,052,299,686	1,467,860,578	

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

5.1.1 Operating fixed assets include assets having cost of Rs. 1,504,354,936 (2020: 1,437,402,457) that have been fully depreciated.

5.2 RIGHT-OF-USE ASSETS

The term of lease agreements executed between PCB and government departments in respect of PCB's cricket stadiums are as tabulated below. Right-to-use assets is being depreciated over the remaining lease terms as at July 01, 2019.

<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%	7,500
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

5.2.1 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.

	<i>Cost</i>			<i>Accumulated depreciation</i>			<i>Net book value</i>
	<i>Opening</i>	<i>Additions</i>	<i>Closing</i>	<i>Opening</i>	<i>Depreciation for the year</i>	<i>Closing</i>	
	Rupees						
Right-of-use assets - 30 June 2021	36,718,180	-	36,718,180	408,475	445,982	854,457	35,863,723
Right-of-use assets - 30 June 2020	-	36,718,180	36,718,180	-	408,475	408,475	36,309,705

5.3 PCB has capitalized certain costs in connection with construction and installation of civil works, flood lights and electric screens & equipment at Rawalpindi Cricket Stadium, Iqbal Cricket Stadium Faisalabad, National Cricket Academy Lahore and Ghari Khuda Buksh Cricket Stadium 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:

Stadiums / Academy

Rawalpindi Cricket Stadium
Iqbal Cricket Stadium, Faisalabad
National Cricket Academy, Lahore
Ghari Khuda Buksh Cricket Stadium

JUNE 30, 2021				June 30, 2020
Buildings	Flood lights	Electric screens/ Equipment	Total	
Rupees				
458,969,671	34,941,463	62,615,556	556,526,690	424,048,696
-	71,722,078	62,275,720	133,997,798	123,613,796
81,435,475	1,000,215	-	82,435,690	82,435,690
105,417,111	-	-	105,417,111	105,417,111
645,822,257	107,663,756	124,891,276	878,377,289	735,515,293

6. CAPITAL WORK IN PROGRESS

Capital work in progress
Advance against capital work in progress

<i>Note</i>	<i>2021 Rupees</i>	<i>2020 Rupees</i>
6.1	1,088,892,247	1,084,365,556
	8,014,491	8,083,576
	1,096,906,738	1,092,449,132

2021									
Rawalpindi Cricket Stadium	National Cricket Academy	Ghari Khuda Buksh Cricket Stadium	Islamabad Cricket Stadium	Multan Cricket Stadium	National Stadium Karachi	Cricket House	Karachi Cricket Academy	Multan Cricket Academy	Total
Rupees									
Balance as at 1st July	135,583,033	53,743,689	-	61,287,105	-	686,819,903	213,350,025	-	1,150,783,755
Addition during the period	987,890	-	-	-	-	82,534,824	57,574,900	-	141,097,614
Adjustment during the year	(4,278,950)	-	-	-	-	-	-	-	(4,278,950)
Transfer during the period	(132,291,973)	-	-	-	-	-	-	-	(132,291,973)
Accumulated impairment (6.3 & 6.4)	-	53,743,689	-	61,287,105	-	769,354,727	270,924,925	-	1,155,310,446
Balance as at June 30	-	5,131,094	-	61,287,105	-	-	-	-	66,418,199
	-	48,612,595	-	-	-	769,354,727	270,924,925	-	1,088,892,247

2020									
Rawalpindi Cricket Stadium	National Cricket Academy	Ghari Khuda Buksh Cricket Stadium	Islamabad Cricket Stadium	Multan Cricket Stadium	National Stadium Karachi	Cricket House	Karachi Cricket Academy	Multan Cricket Academy	Total
Rupees									
Balance as at July 1	153,981,673	53,743,689	84,565,954	61,287,105	48,100,684	576,254,193	109,229,443	145,194,612	1,340,051,944
Addition during the year	214,114,573	-	20,851,157	-	177,018,811	110,565,710	104,120,582	-	626,670,833
Transfer during the year	(232,513,213)	-	(105,417,111)	-	(225,119,495)	-	-	(145,194,612)	(815,939,022)
	135,583,033	53,743,689	-	61,287,105	-	686,819,903	213,350,025	-	1,150,783,755
Accumulated impairment									
Balance as at 1st July	18,204,647	5,131,094	-	61,287,105	-	-	-	-	84,622,846
Transfer during the period	(18,204,647)	-	-	-	-	-	-	-	(18,204,647)
(6.3 & 6.4)	-	5,131,094	-	61,287,105	-	-	-	-	66,418,199
Balance as at June 30	135,583,033	48,612,595	-	-	-	686,819,903	213,350,025	-	1,084,365,556

- 6.2 PCB is in process of capitalizing cost of civil works in connection with the construction of National Cricket Academy Lahore, while lease agreement in respect of the academy has not been finalized yet with concerned government departments.
- 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

2021 Rupees	2020 Rupees
1,261,849	1,808,651
2,483,264	2,483,264
3,745,113	4,291,915

	Cost			Amortization			Net book value	Annual amortization rate %
	Opening	Additions	Closing	Opening	Amortization for the Year	Closing		
Rupees								
Software licenses and website - 30 June 2021	13,108,691	449,043	13,557,734	11,300,040	995,845	12,295,885	1,261,849	33.33
Software licenses and website - 30 June 2020	11,260,822	1,847,350	13,108,172	10,684,128	1,586,856	12,295,024	1,261,849	33.33

8.	LONG TERM LOANS	<i>Note</i>	2021 Rupees	2020 Rupees
	To employees :			
	-secured		-	1,761,006
	-unsecured		-	-
		8.1	-	1,761,006
	Less: current portion	11	-	1,761,006
	Non current portion		-	-
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	<i>Note</i>	2021 Rupees	2020 Rupees
	3,750 (2020: 3,750) fully paid ordinary shares of Rs. 10/- each	9.1	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 June 30, 2021 was Rs. (4,682,269) (2020: Rs. (4,000,408)). Summarized financial information of the associate as at June 30 is as follows:			

	<i>Un-audited (Rupees)</i>	<i>Un-audited (Rupees)</i>
Assets	37,899	37,899
Liabilities	12,523,950	10,705,653
Loss for the period	(1,818,296)	(1,867,243)

Board's share of the associate's post acquisition losses amounting to Rs. 37,500 (2020: 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

	<i>Note</i>	2021 Rupees	2020 Rupees
Unsecured:			
Due from sponsors			
- Considered good		2,390,004,910	1,727,906,116
- Considered doubtful		846,883,443	683,500,712
		3,236,888,353	2,411,406,828
Due from Franchisee		-	1,112,626,465
Due from Boards and Associations:			
- Considered good		6,742,089	21,885,113
- Considered doubtful		4,709,912	4,709,912
		11,452,001	26,595,025
		3,248,340,354	3,550,628,318
Less: allowance for expected credit losses	10.1	851,593,355	688,210,624
		2,396,746,999	2,862,417,694
10.1	Allowance for expected credit losses		
	Balance as at 1st July	688,210,624	104,272,001
	Provided for the period	163,382,731	583,938,623
	Balance as at reporting date	851,593,355	688,210,624

11. LOANS AND ADVANCES

	Current portion of long term loans	8	-	1,761,006
	Unsecured:			
	Advances to employees:			
	- Considered good		49,047,687	37,197,393
	- Considered doubtful		4,839,471	4,839,471
			53,887,158	42,036,864
	Advance to suppliers:			
	- Considered good		244,923,223	90,160,195
	- Considered doubtful		11,507,036	11,507,036
			256,430,259	101,667,231
	Advances to players			
	- Considered good		8,152,693	17,822,280
	- Considered doubtful		4,873,955	4,873,955
			13,026,648	22,696,235
			323,344,065	168,161,336
Less: allowance for advances - considered doubtful			21,220,462	21,220,462
			302,123,603	146,940,874

12.	SHORT TERM PREPAYMENTS	Note	2021	2020
			Rupees	Rupees
	Prepaid expenses		24,469,950	64,157,252
	Prepaid insurance		1,371,611	-
			<u>25,841,561</u>	<u>64,157,252</u>
13.	OTHER RECEIVABLES			
	Accrued profit on bank accounts and term deposit receipts		162,681,868	105,781,399
	Accrued rentals:			
	- Considered good	13.1	71,046,495	84,427,962
	- Considered doubtful		7,243,057	7,243,057
			<u>78,289,552</u>	<u>91,671,019</u>
	Others:			
	- Considered good		-	-
	- Considered doubtful		13,907,895	13,907,895
			<u>13,907,895</u>	<u>13,907,895</u>
			<u>254,879,315</u>	<u>211,360,313</u>
	Less: allowance for other receivables - considered doubtful		21,150,952	21,150,952
			<u>233,728,363</u>	<u>190,209,361</u>
13.1	It includes lease rentals amounting to Rs. 2,778,379 (2020: Rs. 1,767,789) due from Avant Hotel (Private) Limited, a related party.			
14.	SHORT TERM INVESTMENTS	Note	2020	2021
			Rupees	Rupees
	Investments held at amortised cost:			
	- Term deposit receipts (Foreign currency)	14.1	633,200,000	1,518,750,000
	- Term deposit receipts (Local currency)	14.2	12,505,947,381	10,911,533,886
			<u>13,139,147,381</u>	<u>12,430,283,886</u>
14.1	It included term deposits amounting to USD 4 million (2020: USD 9 million) having interest rates ranging from 0.25% to 0.8% (2020: 0.40% to 3.50%) per annum and maturity of upto 3 months.			
14.2	These represent term deposits placed in local currency with different banks at interest rates ranging from 6.50% to 13.50% (2020: 7.50% to 13.40%) per annum and have maturity ranging from 3 to 12 months.			
15.	CASH AND BANK BALANCES	Note	2020	2021
			Rupees	Rupees
	Cash in hand		130,539	135,567
	Balance held in:			
	- saving accounts	15.1&15.2	563,956,849	798,785,133
			<u>564,087,388</u>	<u>798,920,700</u>
15.1	These include foreign currency balance of USD 613,584 (2020: USD 232,039).			
15.2	These carry interest rates ranging from 5% to 6.25% (2020: 5% to 12.20%) per annum.			
16.	LONG TERM LIABILITIES	Note	2021	2020
			Rupees	Rupees
	Employee benefits - unfunded gratuity	16.1	-	-
	Lease liabilities	16.2	32,037,691	32,102,391
	Retention money payable		27,615,149	39,354,882
			<u>59,652,840</u>	<u>71,457,273</u>
16.1	Employee benefits - unfunded gratuity			
	Movement in plan obligation:			
	Liability at the beginning of the period		287,518,512	215,543,583
	Charge for the period	16.1.1	871,963	58,208,231
			<u>288,390,475</u>	<u>273,751,814</u>
	Paid during the period		(288,390,475)	(29,917,725)
	Actuarial loss		-	-
	Settlement loss		-	43,684,423
	Liability at the end of the period		-	287,518,512
	Less: current portion		-	(287,518,512)
			<u>-</u>	<u>-</u>

16.1.1	Charge for the year:	Note	2021	2020
			Rupees	Rupees
	Current service cost		871,963	32,132,336
	Interest cost		-	26,075,895
			<u>871,963</u>	<u>58,208,231</u>
16.2	Lease liabilities			
	Minimum lease payments			
	As at the beginning of the year		44,170,142	-
	Recognized during the year		-	39,360,980
	Payments made during the year		-	58,577
	Interest expense for the year		5,132,600	4,750,585
	As at the end of the year		<u>49,302,742</u>	<u>44,170,142</u>
	Less: Current portion of Lease Liabilities	19	<u>17,265,051</u>	<u>12,067,751</u>
	Non-Current portion of Lease Liabilities		<u>32,037,691</u>	<u>32,102,391</u>
17.	DEFERRED REVENUE			
	Rent received against lease of shops	17.1	33,979,179	37,334,843
	Advance in respect of sponsorship and TV rights		<u>361,448,016</u>	<u>66,922,488</u>
			395,427,195	104,257,331
	Less: current portion	19	<u>299,777,519</u>	<u>70,278,152</u>
			<u>95,649,676</u>	<u>33,979,179</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	2021	2020
			Rupees	Rupees
	Creditors		675,141,048	538,300,714
	Payable to contractors and consultants		65,598,967	106,042,237
	Commercialization fee payable		23,597,939	18,942,596
	Payable to boards and associations		460,352,584	17,571,080
	Payable to Franchisees		527,854,131	-
	Payable to players		444,771,270	170,355,715
	Accrued liabilities		763,722,633	788,606,042
	Provision for leave encashment	18.1	-	73,656,600
	Retention money of contractors		68,875,595	74,683,692
	Withholding tax payable		28,719,346	35,022,586
	Payable to Surrey County	18.2	4,838,019	4,838,019
	Recoveries under PCB vehicle policy	18.3	11,191,923	8,508,711
	Others		51,819,765	16,906,443
			<u>3,126,483,220</u>	<u>1,853,434,435</u>
18.1	Provision for leave encashment			
	Balance as at 1st July		73,656,600	6,599,546
	Charge for the period		-	71,614,190
	Payments during the period		<u>(73,656,600)</u>	<u>(4,557,136)</u>
	Balance as at reporting date		<u>-</u>	<u>73,656,600</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			
		Note	2021	2020
			Rupees	Rupees
	Employee benefits - unfunded gratuity	16.1	-	287,518,512
	Lease liabilities	16.2	17,265,051	12,067,751
	Rent received against lease of shops		3,355,664	3,355,664
	Advance in respect of sponsorship and TV rights	19.1	<u>296,421,855</u>	<u>66,922,488</u>
			<u>317,042,570</u>	<u>369,864,415</u>
19.1	This relates to advances received against Bilateral Broadcasting rights and advances received from Pepsi Cola International, Grassroot (Pvt) Limited, International Cricket Council (ICC) and Trans International.			

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 (2020: 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. The Board took the matter before Honorable Sindh High Court (SHC) and the matter was decided in favour of the Board. However an appeal was filed by DG-E&T and the matter is pending adjudication before the Supreme Court and hasn't been fixed for hearing since January 2020.
- 20.1.4** As referred to in note 6.2 and 5.3, 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 (served 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. Feeling aggrieved of the CIR(A) order dated 17 June 2021, the Board has filed an appeal before the Tribunal, which hasn't been concluded yet. Management is confident that this will not result in outflow of resources; consequently, no provision is recognized in these financial statements.
- 20.1.7** As referred in note 6 of capital work in progress, PCB is in dispute with the contractor for Garhi Khuda Baksh Cricket Stadium. However, management believes that no outflow of economic resources is probable with respect to disputed amount, 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 Lahore High Court (LHC) where the honorable court vide order dated 21 Oct 2020 directed the DCIR to decide the legal objection raised by the Board. Subsequently, vide orders dated 09 Dec 2020, the DCIR raised tax demand of 157 million and 299 million for tax year 2015 and 2016 respectively. Feeling aggrieved the Board filed revision application before the Commissioner Inland Revenue. The Commissioner vide order dated 12 Oct 2021 remanded back the issue to DCIR for Denovo proceedings. The matter hasn't been concluded yet.
- 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 favorable outcome and no outflow of resources is expected, consequently no provision recognized in these financial statements.
- 20.1.10** Additional Commissioner Inland Revenue Audit (ADCIR) initiated proceedings though 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 22 May 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 years 2017 & 2018 with an aggregated tax demand of Rs. 264.6 million. Feeling aggrieved the Board filed appeals before CIR(A) who vide its order dated 28 May 2020 upheld the tax demand. Being aggrieved with the order of the CIR(A) the board filed an appeal before Appellate Tribunal Inland Revenue (ATIR) who vide its order dated 08 Nov 2021 confirmed the orders of CIR(A). Feeling aggrieved with the ATIR decision the Board is planning to file an appeal in the Honourable High Court against the said impugned orders. Management is confident that said orders will not result in the outflow of resources, consequently, no provision is recognized 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 directions of the Lahore High Court, PCB filed a de-registration application before the PRA. The PRA declined this application vide its order, dated 15 Sep 2020. PCB has now filed a writ petition against the Punjab Revenue Authority claiming that it is not liable to pay sales tax under the Punjab Sales Tax on Services Act 2012. The Honorable Judge was please to grant interim relief to the PCB however the matter is yet to be concluded.

20.1.16 Additional Commissioner LTU, Lahore raised a demand of PKR 46.97 million vide order dated 31 May 2016 relating to tax year 2010 under section 122(5A). Subsequent to PCB appeal before Commissioner Appeal, the CIR (A) vide order # 31 dated 27 Jan 2020 partial relief was given to PCB. Both PCB and DCIR filed cross appeals before Appellate Tribunal Inland Revenue which are pending adjudication. Management is confident that there will be no outflow of resources, consequently no provision is recognized in these financial statements.

20.1.17 Through Issuance of Orders passed by the DCIR LTU, Lahore dated 23 Dec 2016 for the tax year 2016 & 2017 the impugned demand of Rs. 3 million was created. PCB filed appeals before the CIR (A) against the impugned departmental order and the CIR (A) vide order 10 dated 22 July 2020 confirmed the demand. The board feeling aggrieved filed appeal before Appellate Tribunal Inland Revenue. The hearing proceedings have not been finalized yet. Management is confident of favorable outcome, consequently no provision is recognized in these financial statements.

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

Commitments in relation to various projects and development activities at year end amount to Rs 488 million (2020: Rs 619 million).

21. TOURS INSIDE PAKISTAN AND NEUTRAL VENUES

	2021 Rupees	2020 Rupees
TV rights	330,844,121	1,033,813,858
Gate money	-	74,967,503
Sponsorship fee and instadia rights	154,292,320	107,134,221
Radio broadcasting rights	2,542,083	2,344,293
Telephony and audio streaming rights	6,157,321	13,832,623
Miscellaneous	-	2,097,500
	<u>493,835,845</u>	<u>1,234,189,998</u>

22.	TOURNAMENTS - DOMESTIC	Note	2021 Rupees	2020 Rupees
	Sponsorship		26,829,628	10,500,000
	TV rights		10,850,775	-
	Gate money		-	4,162,582
	Miscellaneous		865,750	703,250
			<u>38,546,153</u>	<u>15,365,832</u>

23. TOURNAMENTS - INTERNATIONAL

Preparation fee	23.1	-	157,568,750
Share of revenue	23.2	2,459,310,000	2,520,270,000
		<u>2,459,310,000</u>	<u>2,681,838,750</u>

23.1 This includes preparation fee amounting to Rs. Nil (2020: Preparation fee relating to ICC Men World Cup 2019, ICC U-19 World Cup 2020 and ICC Women World T-20 Cup 2020 amounting to USD 1,000,000, USD 25,000 and USD 50,000 respectively)

23.2 This includes share of revenue relating to ICC Member's Distribution amounting to USD 15,000,000 (2020: ICC Member's Distribution amounting to USD 16,000,000.)

	Note	PSL 5 (4 Matches) Rupees	PSL 6 Rupees	2021 Total Rupees	2020 Rupees
24. PAKISTAN SUPER LEAGUE					
Franchise fee		-	2,485,242,000	2,485,242,000	2,439,828,000
Sale of hospitality boxes		-	-	-	37,993,400
Other income		33,989,656	84,931,369	118,921,025	77,441,964
Board's share of central pool revenue	24.1	122,141,758	1,082,927,884	1,205,069,642	1,067,745,986
		156,131,414	3,653,101,253	3,809,232,667	3,623,009,350
Less: Share of franchises - COVID - 19 Relief		(810,205,635)	(827,771,711)	(1,637,977,346)	-
		<u>(654,074,221)</u>	<u>2,825,329,542</u>	<u>2,171,255,321</u>	<u>3,623,009,350</u>

24.1 Board's share of central pool revenue

TV rights					
Media and radio rights		228,893,078	2,285,802,683	2,514,695,761	2,163,421,077
TV production cost		(67,844,875)	(620,349,214)	(688,194,089)	(933,267,781)
		161,048,203	1,665,453,469	1,826,501,672	1,230,153,296
Sponsorship		141,419,695	1,190,181,830	1,331,601,525	1,023,874,061
Gate money		-	52,432,044	52,432,044	323,239,649
Total central pool revenue		302,467,898	2,908,067,343	3,210,535,241	2,577,267,006
Less: distributed to franchises		(180,326,140)	(1,825,139,459)	(2,005,465,599)	(1,509,521,020)
Central pool revenue		<u>122,141,758</u>	<u>1,082,927,884</u>	<u>1,205,069,642</u>	<u>1,067,745,986</u>

25. RENTAL INCOME	Note	2021 Rupees	2020 Rupees
Gaddafi Stadium Lahore			
Shops		26,058,716	24,179,265
National Stadium Karachi			
Land	25.1	1,010,590	1,013,359
		<u>27,069,306</u>	<u>25,192,624</u>

25.1 It represents lease rental income from Avant Hotel (Private) Limited, a related party

26.	RETURN ON INVESTMENTS AND BANK DEPOSITS	Note	2021	2020
			Rupees	Rupees
	Interest on term deposit receipts			
	-Foreign currency		3,688,380	20,253,207
	-Local currency		861,987,062	1,338,885,637
			865,675,442	1,359,138,844
	Interest on bank deposits:			
	-Foreign currency		572,590	2,776,957
	-Local currency		61,869,645	139,833,845
			62,442,235	142,610,802
			928,117,677	1,501,749,646
27.	OTHER INCOME			
	Exchange gain - net		-	44,638,409
	Election fee		-	572,670
	Players' fine		4,285,000	-
	Gain on disposal of operating fixed assets		396,990	968,199
	Coaching course fee		2,162,500	2,695,000
	Scrap sales		410,452	808,470
	Miscellaneous		45,624,262	16,984,015
			52,879,204	66,666,763
28.	TOURS OUTSIDE PAKISTAN			
	Players and officials match fee, allowances and incentives		283,095,344	43,906,326
	Players related other expenses		63,612,952	11,742,053
	Travelling expenses		164,598,856	36,561,424
	Accommodation expenses		35,570,549	8,953,001
	Others		18,514,653	4,992,180
			565,392,354	106,154,984
29.	TOURS INSIDE PAKISTAN			
	Players match fee, allowances and incentives		123,894,965	120,636,103
	Players related other expenses		9,866,565	19,583,601
	Travelling expenses		18,093,678	28,778,749
	Accommodation expenses		121,866,568	104,880,401
	Team & match officials expenses		25,263,765	24,881,374
	Event management expenses:			
	Advertisement expenses		14,371,941	36,362,155
	TV production cost		334,129,551	7,516,100
	Match day expenses		10,752,995	16,639,113
	Security expenses		44,721,680	52,035,651
	Catering expense		28,424,821	70,040,701
	Equipment hire rental charges		15,236,287	18,704,552
	Players medical expenses		6,941,075	557,166
	Repair and maintenance		1,957,167	4,255,411
	Cleaning and janitorial		1,407,611	3,480,722
	Others		3,667,293	10,909,975
			461,610,421	220,501,546
		29.1	760,595,962	519,261,774

29.1 These represent expenses related to international series hosted by PCB in Pakistan or at neutral venues. There were 19 match days and 56 tour days in 2021 while 27 match days and 68 tour days in 2020.

30.	Tournaments - domestic	Note	2021	2020
			Rupees	Rupees
	Players and officials match fee, allowances and incentives		243,070,700	180,658,100
	Prize money		34,318,002	26,863,338
	Players related other expenses		75,067,248	51,826,455
	Travelling		59,800,893	49,384,331
	Accommodation		320,481,941	113,239,107
	Match and team officials expenses		67,640,927	42,306,828
	Fuel and power		11,056,599	6,031,100
	Match day expenses		2,094,966	1,913,332
	Security expenses		6,204,945	5,218,179
	Catering expenses		30,226,827	25,326,073
	Committees expenses		1,040,861	1,485,501
	Ground rent		4,119,020	2,355,300
	Production cost		233,877,367	12,882,781
	Marketing and advertisement		35,978,371	3,035,171
	Others		7,594,524	11,353,356
		30.1	1,132,573,191	533,878,952

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

		2021 Rupees	2020 Rupees
31. Tournaments - international	Note		
Players match fee, allowances and incentives		-	86,247,232
Players related other expenses		3,267,718	32,406,107
Officials match fee, allowances and incentives		25,924	23,348,967
Travelling		239,250	36,090,953
Accommodation		1,430,877	20,663,343
Match day expenses		420,753	19,607,179
Catering expenses		240,110	11,119,705
Others		112,777	6,538,287
31.1		<u>5,737,409</u>	<u>236,021,773</u>

31.1 These represent expenses incurred in respect of ICC Women's Championship Round 2 (Pak vs Sri-Lanka) and U-19 ICC Cricket World Cup 2020 (2020: ICC Men World Cup 2019, ICC U-19 World Cup 2020, U-19 Asia Cup 2019, ACC Emerging Asia Cup 2019 (Men), ACC Women Emerging Asia Cup 2019, ICC Women's Championship Round 7 and ICC Women World T-20 Cup 2020).

		PSL 5 (4 Matches) Rupees	PSL 6 Rupees	2021 Total Rupees	2020 Rupees
32. Pakistan Super League	Note				
Direct costs:					
Venue hiring cost		-	303,619,400	303,619,400	-
Event management expenses		20,996,598	233,004,611	254,001,209	309,059,630
Match day expenses		9,802,249	55,040,143	64,842,392	141,943,042
Marketing and advertisement		4,142,708	134,150,796	138,293,504	177,126,078
Security expenses		4,225,131	76,713,914	80,939,045	118,793,552
TV production cost		-	457,354,341	457,354,341	-
Prize money		106,457,639	106,815,385	213,273,024	-
Staff remuneration		4,262,326	22,625,135	26,887,461	15,666,833
Travel and accommodation		7,654,745	263,302,790	270,957,535	27,440,258
Foreign players match fee and insurance		4,042,016	79,665,463	83,707,479	13,771,140
Legal and professional		116,083	21,851,678	21,967,761	13,643,573
Match officials' expenses		10,789,752	68,725,442	79,515,194	51,127,987
Daily allowance		1,317,500	57,478,060	58,795,560	3,071,980
Anti corruption and anti doping		1,440,383	13,111,218	14,551,601	8,599,068
Liaison and protocol officers' expenses		2,314,621	7,978,992	10,293,613	12,324,669
Provision for expected credit losses		(18,057,569)	147,490,495	129,432,926	327,198,170
Exchange loss		-	-	-	17,261,598
Medical expenses		10,898,791	23,558,701	34,457,492	-
Repair and maintenance		2,737,982	1,722,879	4,460,861	3,943,772
Others		838,303	11,284,484	12,122,787	10,827,087
		<u>173,979,258</u>	<u>2,085,493,927</u>	<u>2,259,473,185</u>	<u>1,251,798,437</u>
Indirect costs:					
Allocation of indirect costs	32.1			<u>149,410,165</u>	<u>166,064,364</u>
	32.2			<u>2,408,883,350</u>	<u>1,417,862,801</u>

32.1 This includes depreciation and amortization expense amounting to Rs.22,333,532 (2020: Rs.29,419,983)

32.2 These expenses represent Pakistan Super League (PSL) tournament PSL 6 and 4 matches for PSL 5 hosted by PCB in Pakistan or at neutral venues. For PSL 5, all 4 remaining matches were played in Pakistan and for PSL 6, 14 matches were played in Pakistan while 20 matches were played in UAE.

		2021 Rupees	2020 Rupees
33. CRICKET PROMOTIONAL EXPENSES	Note		
International			
Central contract fee		183,049,918	159,838,256
Players related other costs		44,811,959	41,935,255
Coach and trainer fee		189,172,668	150,746,080
Committees expenses		28,657,474	25,681,479
PCB Awards		150,000	-
Players' training camp		-	3,812,211
		<u>445,842,019</u>	<u>382,013,281</u>
Domestic			
Central contract fee		158,010,625	120,053,958
Coaching expense		2,756,693	6,028,389
Curatorship courses		-	760,503
Players Development Program		103,025,218	180,238,331
Committees expenses		1,729,669	4,032,424
Grants	33.1	<u>32,710,118</u>	<u>41,505,556</u>
		<u>298,232,323</u>	<u>352,619,161</u>
		<u>744,074,342</u>	<u>734,632,442</u>

33.1	Grants	Note	2021	2020
			Rupees	Rupees
	Pakistan Blind Cricket Team		17,098,295	15,721,643
	Pakistan Deaf Cricket Team		7,556,615	7,635,745
	Pakistan Disable Cricket Team		-	3,000,000
	Cricket gears to Districts / Cities / Clubs		-	2,814,800
	Ground operations and domestic tournaments		5,605,208	8,283,368
	Veterans		2,450,000	4,050,000
			<u>32,710,118</u>	<u>41,505,556</u>
34.	ADMINISTRATIVE EXPENSES			
	Salaries, wages and other benefits		971,534,813	1,066,742,204
	Traveling and allowances		26,192,411	26,219,338
	Vehicle running expenses		10,557,077	13,767,755
	Entertainment		11,340,406	8,149,405
	Communication		8,367,093	6,425,347
	Committees expenses		1,425,951	3,180,976
	Repair and maintenance		68,367,362	72,530,755
	Printing and stationery		4,796,529	3,072,623
	Insurance		23,106,482	21,894,522
	Utilities net of recoveries		53,703,842	49,633,532
	Marketing and advertisement		6,343,278	10,182,617
	Auditors' remuneration		1,873,765	1,703,423
	Legal and professional		79,669,780	57,400,767
	Commercialization fee		4,655,343	4,162,953
	Rent, rates and taxes		5,865,420	8,324,346
	Office security expenses		3,186,656	4,255,297
	Fee and subscriptions		727,915	229,725
	Medical expenses		2,124,934	207,864
	Cleaning expenses		3,559,737	2,537,450
	Grants under Benevolent Fund		6,000,000	-
	Other expenses		10,123,943	9,255,966
			<u>1,303,522,737</u>	<u>1,369,876,865</u>
	Allocation of indirect costs to PSL		<u>(126,448,702)</u>	<u>(136,078,678)</u>
			<u>1,177,074,035</u>	<u>1,233,798,187</u>
35.	FINANCIAL CHARGES			
	Exchange loss - net		101,764,218	-
	Bank charges		714,060	516,671
	Interest expense on lease liabilities		5,132,600	4,750,585
			<u>107,610,878</u>	<u>5,267,256</u>
	Allocation of indirect costs to PSL		<u>(627,931)</u>	<u>(565,703)</u>
			<u>106,982,947</u>	<u>4,701,553</u>
36.	TAXATION			
	Current tax:			
	For the period		79,841,639	478,492,417
	Prior year		-	-
		36.1	<u>79,841,639</u>	<u>478,492,417</u>
36.1	Tax expense for the year comprises of the following			
	Minium tax		79,841,639	-
	Tax at applicable rate of 4% for foreign receipts		-	109,575,863
	Alternative Corporate Tax		-	368,916,554
	Prior year adjustment		-	-
			<u>79,841,639</u>	<u>478,492,417</u>
36.2	Relationship between tax expense and accounting profit			
	(Deficit) / Surplus for the year before taxation		(756,085,170)	4,313,999,521
	Tax calculated at the rate of 29% (2020: 29%)		-	1,251,059,861
	Prior year adjustment		-	-
	Effect of items chargeable at lower rates/minimum tax/corporate tax rate		79,841,639	(772,567,444)
	Tax charge for the year		<u>79,841,639</u>	<u>478,492,417</u>
37.	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	15	564,087,388	798,920,700
	Investments held at amortised costs - term deposit receipts	14	13,139,147,381	12,430,283,886
			<u>13,703,234,769</u>	<u>13,229,204,586</u>

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>	<u>2021</u>	<u>2020</u>
		<u>Rupees</u>	
Employees Provident Fund Trust	Amount contributed	35,756,795	26,245,549
Associate company	Rental income	1,010,590	1,013,359
Chairman:			
		<u>Mr. Ehsan Mani</u>	
	Rented Accommodation	4,503,506	4,064,302
	Vehicle allowance &		
	Fuel Cost of owned vehicle	327,586	350,345
	Driver Cost	834,684	709,784
		1,162,270	1,060,129
	Utility & Mobile Phone Bills	396,280	519,257
	Costs of Security guards & Servants	709,840	658,000
	Medical Expenses Reimbursed	114,372	445
	Travelling Expenses:		
	Daily Allowance & Accommodation	3,781,665	2,191,778
	Travelling	909,599	1,605,816
	Spouse Travelling	-	49,880
		4,691,264	3,847,474
	Business Entertainment	381,027	319,680
		11,958,559	10,469,287
Members of Governing Board:			
	Travelling Expenses:		
	Daily Allowance & Accommodation	467,021	1,917,706
	Travelling	311,826	2,006,472
		778,847	3,924,178
	Meeting Allowance	570,000	660,000
		1,348,847	4,584,178

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

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

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

The Board's financial liabilities comprise of creditors & other payables, lease liabilities, 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 security deposits, other receivables and cash & bank balances that arrive directly from its operations.

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:

	2021	2020
Reporting date rate - Rupees per US Dollar	158.30	164.5
Changes in US Dollar Rate	+10%	+10%
(Deficit) / Surplus for the year before tax - Rupees	(756,085,170)	4,313,999,521

(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:

	2021 Rupees	2020 Rupees
Fixed rate instruments		
Financial assets:		
Investments - at amortized cost	13,139,147,381	12,430,283,886
Floating rate instruments		
Financial assets:		
Bank balances - saving accounts	563,956,849	798,785,133

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.

		<i>Changes in Interest Rate</i>	<i>Effects on Income before tax</i>
		<i>%</i>	<i>Rupees</i>
Investments - at amortized cost	2021	+1.00	131,391,474
		-1.00	(131,391,474)
	2020	+1.00	124,302,839
		-1.00	(124,302,839)
		<i>Changes in Interest Rate</i>	<i>Effects on Income before tax</i>
		<i>%</i>	<i>Rupees</i>
Bank balances - saving accounts	2021	+1.00	5,639,568
		-1.00	(5,639,568)
	2020	+1.00	7,987,851
		-1.00	(7,987,851)

(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:

	2021 Rupees	2020 Rupees
Due from sponsors, franchisees, boards and associations	2,396,746,999	2,862,417,694
Short term investments	13,139,147,381	12,430,283,886
Long term security deposits	9,390,658	9,372,258
Bank balances	563,956,849	798,785,133
	<u>16,109,241,887</u>	<u>16,100,858,971</u>

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

	2021 Rupees	2020 Rupees
<i>The age of due from sponsors, franchisees, boards and associations</i>		
Not more than one year	<u>2,396,746,999</u>	<u>2,862,417,694</u>

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

At June 30, 2021, seven parties that owed the Board more than Rs 2,639 million (2020: six parties that owed the Board more than Rs 2,302 million) accounts for approximately 81% (2020: 71%) of total amount due from sponsors, franchisees, 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			2021	2020
	Short Term	Long term	Agency	Rupees	Rupees
Al-Baraka Bank Limited	A-1	A	PACRA	1,963,110,287	2,904,022,937
Bank Alfalah Limited	A-1+	AA+	PACRA	724,051,244	29,518,143
Faysal Bank Limited	A-1+	AA	PACRA	94,907,292	789,726,075
JS Bank Limited	A-1+	AA-	PACRA	3,050,000,000	3,550,000,000
MCB Bank Limited	A-1+	AAA	PACRA	48,569,284	122,993,753
Samba Bank Limited	A-1	AA	VIS	2,900,000,000	1,200,000,000
MCB Islamic Bank Limited	A-1	A	PACRA	507,202,295	1,250,406
Soneri Bank Limited	A-1+	AA-	PACRA	3,000,000,000	3,462,788,800
United Bank Limited	A-1+	AAA	VIS	5,439,792	10,023,819
National Bank of Pakistan	A-1+	AAA	PACRA	1,078,950	-
Dubai Islamic Bank	A-1+	AA	VIS	500,000,000	-
Habib Metropolitan Bank	A-1+	AA+	PACRA	908,745,086	1,158,745,085
				<u>13,703,104,230</u>	<u>13,229,069,018</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.

June 30, 2021

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
Rupees				
Lease liabilities (Note 16.2)	49,302,742	491,737,349	5,197,300	20,789,200
Retention money payable	96,490,744	96,490,744	68,875,595	27,615,149
Long term security deposits	599,215	599,215	-	599,215
Creditors and other payables	3,028,888,279	3,028,888,279	3,028,888,279	-

June 30, 2020

Lease liabilities	44,170,142	502,131,949	5,197,300	20,789,200
Retention money payable	114,038,574	114,038,574	74,683,692	39,354,882
Long term security deposits	599,215	599,215	-	599,215
Creditors and other payables	1,743,728,157	1,743,728,157	1,743,728,157	-

39.2 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.

39.3 Financial instruments by categories

As at June 30, 2021

Assets as per statement of financial position

Due from sponsors, franchisees, boards and associations	2,396,746,999
Long term security deposits	9,390,658
Short term investments	13,139,147,381
Cash and bank balances	564,087,388
	<u>16,109,372,426</u>

Total
(At Amortized
Cost)

Rupees

As at June 30, 2021

Liabilities as per statement of financial position

Long term security deposits	599,215
Lease Liabilities	49,302,742
Creditors and other payables	3,126,483,220
	<u>3,176,385,177</u>

Financial
liabilities at
amortized cost

Rupees

As at June 30, 2020

Assets as per statement of financial position

Due from sponsors, franchisees, boards and associations	2,862,417,694
Long term security deposits	9,372,258
Short term investments	12,430,283,886
Cash and bank balances	798,920,700
	<u>16,100,994,538</u>

Total
(At Amortized
Cost)

Rupees

As at June 30, 2020

Liabilities as per statement of financial position

Long term security deposits	599,215
Lease Liabilities	44,170,142
Creditors and other payables	1,853,434,435
	<u>1,898,203,792</u>

Financial
liabilities at
amortized cost

Rupees

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.

41. DATE OF AUTHORIZATION

These financial statements have been authorized for issuance by Board of Governors of the PCB on 26 APR 2022.

42. GENERAL

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

7/17


CHIEF FINANCIAL OFFICER


CHAIRMAN