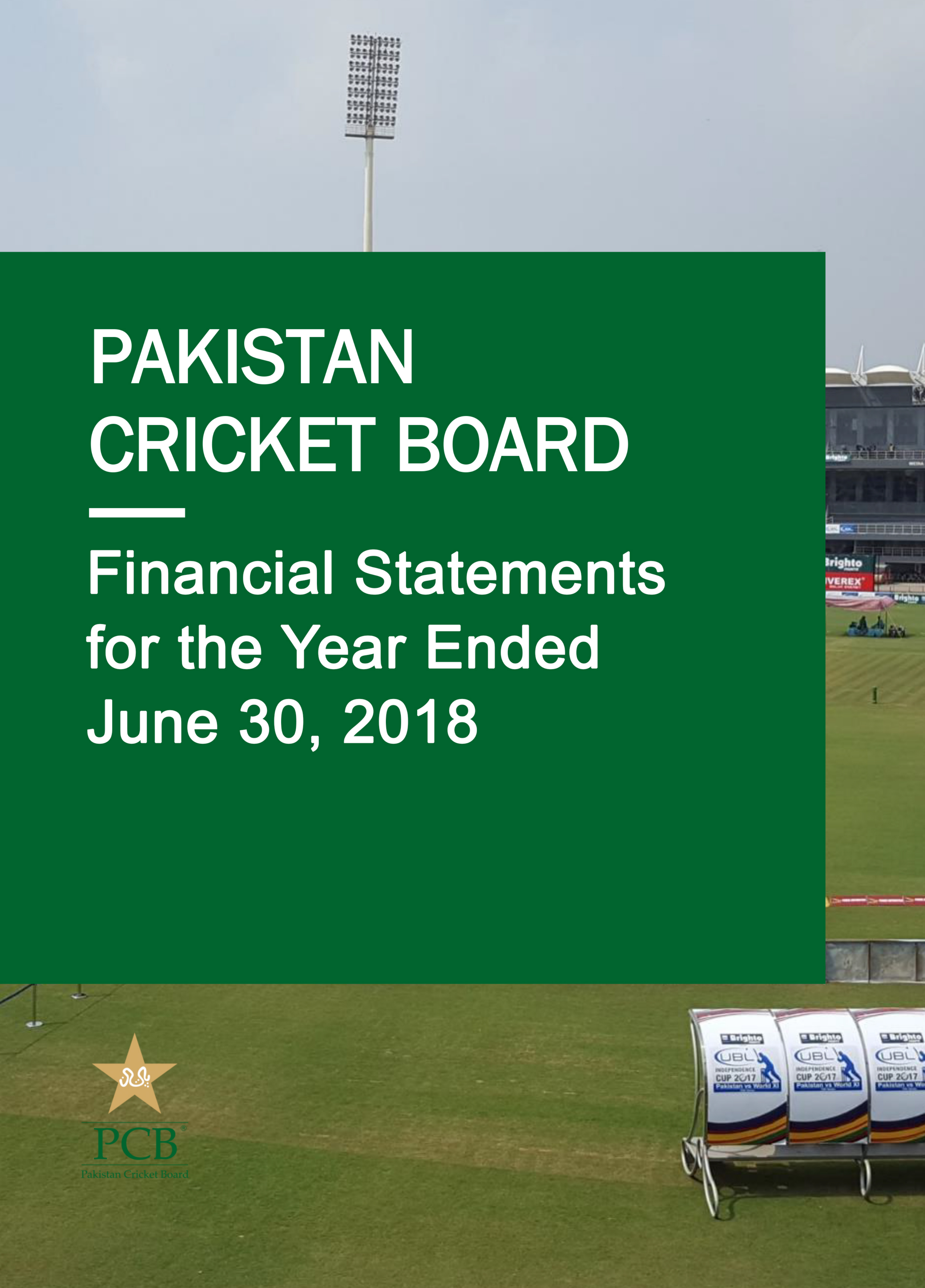
PAKISTAN CRICKET BOARD

Financial Statements for the Year Ended June 30, 2018



PCB
Pakistan Cricket Board

Deloitte.

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INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF GOVERNORS OF PAKISTAN CRICKET BOARD

Opinion

We have audited the accompanying financial statements of The Pakistan Cricket Board (PCB) which comprise the statement of financial position as at June 30, 2018, 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, and notes to the financial statements including a summary of significant accounting policies (here-in-after 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards 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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the note 5.6 and note 6.2 to the accompanying financial statements which describe that PCB has capitalized and in process of capitalizing certain costs in connection with construction and installation of civil works, flood lights and electric screens at Rawalpindi Cricket Stadium, Iqbal Cricket Stadium Faisalabad, National Cricket Academy Lahore and Ghari Khuda Baksh Cricket Stadium, however, the lease agreements in respect of such stadiums / academy have not yet been finalized with the concerned government departments. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PCB's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 date of our auditor's report. However, future events or conditions may cause the PCB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Deloitte Yousuf Adil
Chartered Accountants

Lahore
Date: May 20, 2019

PAKISTAN CRICKET BOARD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	*2018* *Rupees*	*2017* *Rupees*
ASSETS			
Non current assets			
Property and equipment			
Operating fixed assets	5	790,599,632	319,441,886
Capital work in progress	6	803,572,009	886,563,914
Intangible assets	7	5,602,671	7,349,849
Long term loans	8	2,290,163	2,831,089
Long term investment	9	37,500	37,500
Long term security deposits		8,209,058	7,843,050
		1,610,311,033	1,224,067,288
Current assets			
Stores and spares		47,631,312	42,329,742
Due from sponsors, franchisees, boards and associations	10	173,042,319	262,604,030
Loans and advances	11	115,403,517	106,342,946
Short term prepayments	12	9,878,739	39,882,086
Other receivables	13	65,119,236	38,141,984
Taxation-net		275,071,434	192,249,858
Short term investments	14	7,187,788,800	7,220,000,000
Cash and bank balances	15	215,840,145	377,400,161
		8,089,775,502	8,278,950,807
TOTAL ASSETS		9,700,086,535	9,503,018,095
FUND AND LIABILITIES			
General fund		8,283,173,629	8,434,024,058
Non current liabilities			
Long term liabilities	16	189,637,925	127,630,329
Deferred revenue	17	57,575,140	45,575,487
Long term security deposits		599,215	599,215
		247,812,280	173,805,031
Current liabilities			
Creditors and other payables	18	1,004,600,500	767,816,742
Current portion of long term liabilities and deferred revenue	19	164,500,126	127,372,264
		1,169,100,626	895,189,006
TOTAL FUND AND LIABILITIES		9,700,086,535	9,503,018,095
CONTINGENCIES AND COMMITMENTS	20	-	-

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

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CHIEF FINANCIAL OFFICER

CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
INCOME			
Tours and tournaments			
- Tours outside Pakistan		-	7,265,199
- Tours inside Pakistan - neutral venues	21	964,519,322	1,198,629,673
- Tournaments	22	3,360,716,885	2,495,208,399
		4,325,236,207	3,701,103,271
Sponsorship and logo income		204,991,797	144,141,095
Rental income	23	25,378,682	40,332,470
Return on investments and bank deposits	24	459,869,099	459,706,621
Other income	25	115,528,181	27,961,455
		805,767,759	672,141,641
Total income		5,131,003,966	4,373,244,912
EXPENDITURES			
Direct expenses			
Tours and tournaments			
- Tours outside Pakistan	26	207,376,174	454,246,418
- Tours inside Pakistan - neutral venues	27	754,099,698	355,721,785
- Tournaments	28	2,216,723,789	1,847,856,437
Cricket promotional expenses	29	697,443,127	487,171,500
		3,875,642,788	3,144,996,140
Administrative expenses	30	1,189,892,107	829,465,960
Depreciation and amortization	5 & 7	69,949,558	58,344,394
Financial charges	31	848,066	1,281,659
		1,260,689,731	889,092,013
Total expenditure		5,136,332,519	4,034,088,153
(Deficit) / surplus for the year before taxation		(5,328,553)	339,156,759
Taxation	32	127,756,739	123,408,200
(Deficit) / surplus for the year after taxation		(133,085,292)	215,748,559

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

DYA

CHIEF FINANCIAL OFFICER ***CHAIRMAN***

PAKISTAN CRICKET BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
(Deficit) / surplus for the year after taxation		(133,085,292)	215,748,559
Other comprehensive income:			
Items not to be reclassified to the statement of income and expenditure in subsequent periods:			
Remeasurement loss on defined benefit plan	16	(17,765,137)	(12,196,246)
Total comprehensive (loss) / income for the year		(150,850,429)	203,552,313

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

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CHIEF FINANCIAL OFFICER

CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund Rupees
Balance as at July 01, 2016	8,230,471,745
Surplus for the year after taxation	215,748,559
Other comprehensive income	(12,196,246)
Total comprehensive income for the year	203,552,313
Balance as at June 30, 2017	8,434,024,058
Deficit for the year after taxation	(133,085,292)
Other comprehensive income	(17,765,137)
Total comprehensive loss for the year	(150,850,429)
Balance as at June 30, 2018	8,283,173,629

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

CHIEF FINANCIAL OFFICER

CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus for the year before taxation		(5,328,553)	339,156,759
Adjustments for non-cash items:			
Depreciation and amortization	5 & 7	78,366,074	58,344,394
Provision for doubtful receivables	30	19,461,260	-
Liabilities written back	25	(8,857,284)	-
Provision for impairment of assets	6.1	61,287,105	-
Unrealised exchange gain		(34,854,192)	(3,048,674)
Gain on disposal of operating fixed assets		(6,043,240)	(1,814,012)
Adjustment of rent received in advance		(5,114,689)	(3,327,468)
Provision for unfunded gratuity	16.1	34,757,897	27,551,209
Interest on obligations against assets subject to finance lease		319,256	-
Financial charges	31	630,852	1,281,659
Cash flow before working capital changes		134,624,486	418,143,867
Cash flows from working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(5,301,570)	(5,693,237)
Due from sponsors, franchisees, boards and associations		74,679,734	(48,145,466)
Loans and advances		(11,149,854)	45,802,458
Short term prepayments		30,003,347	(8,773,107)
Other receivables		(29,467,252)	15,350,947
Increase in current liabilities:			
Creditors and other payables		294,747,111	386,821,508
Net cash generated from working capital changes		353,511,516	385,363,103
Cash from operations		488,136,002	803,506,970
Financial charges paid		(630,852)	(1,281,659)
Income tax paid		(210,578,315)	(209,512,815)
Gratuity paid		(4,796,141)	(7,943,921)
Leave encashment paid		(1,331,257)	(2,278,671)
Rent received in advance		17,198,792	5,030,467
Decrease in long term loans		540,926	442,124
		(199,596,847)	(215,544,475)
Net cash generated from operating activities		288,539,155	587,962,495
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(521,529,620)	(141,767,307)
Proceeds from disposal of property and equipment		7,021,790	2,396,225
Long term security deposits - net		(366,008)	(182,664)
Net cash used in investing activities		(514,873,838)	(139,553,746)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of obligations under the assets subject to finance lease		(2,290,725)	-
Net (decrease) / increase in cash and cash equivalents		(228,625,408)	448,408,749
Effects of exchange rate on cash and cash equivalents		34,854,192	3,048,674
Cash and cash equivalents at the beginning of year		7,597,400,161	7,145,942,738
Cash and cash equivalents at the end of year	33	7,403,628,945	7,597,400,161

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

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CHIEF FINANCIAL OFFICER

CHAIRMAN

1. STATUS AND NATURE OF BUSINESS

The Pakistan Cricket Board (PCB - 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 2016, a revised constitution was issued vide S.R.O.20(KE)/2016 under the powers conferred by the Ordinance as aforementioned. Under all the revised constitutions, the Board is 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 relates to regulating the affairs of cricket all over Pakistan. Accordingly, PCB promotes and regulate all formats of cricket among men, women, physically challenged, blind, deaf, veterans and others. 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 regional, district, city associations, zones and others. So that the help is available right at the grass root levels. PCB also monitors the functions conducted by these associations and zones with regard to holding cricket in their respective areas.

Additionally, for the purpose of regulation of the game and those affiliated with the game or PCB in any manner whatsoever, PCB sets up codes 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 international levels, PCB organizes its home series as well as sends the national team in collaboration with the International Cricket Council, Asian Cricket Council and other foreign Boards. In this regard, selection of teams for domestic and international purposes is one of the important functions and responsibility of PCB.

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

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF PREPARATION

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

3.2 Functional and presentation currency

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

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

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

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

4. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

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

4.1 *New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2018*

The following amendments are effective for the year ended June 30, 2018. These amendments are either not relevant to the Board's operations or are not expected to have significant impact on the Board's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative.	January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses.	January 01, 2017

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

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

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

	Effective from accounting period beginning on or after:
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment	January 01, 2018
IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9	An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after January 01, 2018.

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 01, 2019
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.	January 01, 2019
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.	January 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01. 2019

In addition to above, the management of the Board is in process of assessing the implications of the following standards on the financial statements of the Board:

	Effective from accounting period beginning on or after:
Amendments to IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instuments: Recognition and measurement on its effective date.	July 01, 2018
IFRS 15 'Revenue from Contracts with Customers' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018

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

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 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

4.2 Property and equipment

4.2.1 Operating fixed assets and depreciation

Owned:

a) Cost

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

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

b) Depreciation

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

c) Derecognition

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

d) Impairment

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

Leased:

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

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

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

4.2.2 *Capital work in progress*

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

4.3 *Intangible assets*

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

4.4 *Investment in associate*

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

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

4.5 *Stores and spares*

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

4.6 *Cash and cash equivalents*

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

4.7 *Trade Debtors*

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

4.8 *Taxation*

4.8.1 *Current*

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

4.8.2 *Deferred*

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

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

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

Considering the losses in previous years and probability of tax losses in future, as a matter of prudence, deferred tax asset has not been accounted for deductible temporary differences amounting to Rs. 240,930,040 (2017: Rs. 212,908,407).

4.9 *Employee benefits*

4.9.1 *Defined benefits plan - unfunded gratuity*

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

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

4.9.2 *Defined contribution plan - employees provident fund*

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

4.9.3 *Earned leaves*

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

4.10 *Creditors and other payables*

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

4.11 *Financial instruments*

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

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

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.

At each reporting date, the Board reviews the carrying amounts of the financial assets to assess whether there is any indication that such financial assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the statement of income and expenditure.

4.12 *Revenue recognition*

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

Tours, tournaments and subscription

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

Sponsorship

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

Donations and special funds

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

Return on investments

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

Rental income

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

4.13 Pakistan Super League

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

4.14 Foreign currency transaction

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

5. OPERATING FIXED ASSETS

		2018 Rupees	2017 Rupees
Assets subject to finance lease	5.1	4,692,656	-
Operating fixed assets	5.2	785,906,976	319,441,886
		790,599,632	319,441,886

5.1 *Assets subject to finance lease*

	Cost: As at July 01, 2017	Cost: Additions	Cost: Disposals	Cost: As at June 30, 2018	Accumulated depreciation: As at July 01, 2017	Accumulated depreciation: Depreciation for the year	Accumulated depreciation: Depreciation of disposals	Accumulated depreciation: As at June 30, 2018	Net Book Value as at June 30, 2018	Annual depreciation rate %
	Rupees									
Motor vehicle - 2018	-	5,520,772	-	5,520,772	-	828,116	-	828,116	4,692,656	20
Motor vehicle - 2017	-	-	-	-	-	-	-	-	-	20

5.2 *Operating fixed assets*

2018

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

* These include the assets transferred from Capital Work in Progress during the year

2017

	Cost: As at July 01, 2016	Cost: Additions / Transfers	Cost: Disposals	Cost: As at June 30, 2017	Accumulated depreciation: As at July 01, 2016	Accumulated depreciation: Depreciation for the year	Accumulated depreciation: Depreciation of disposals	Accumulated depreciation: As at June 30, 2017	Net Book Value as at June 30, 2017	Annual depreciation rate %
Owned:	Rupees									
Freehold land	50,037	-	-	50,037	-	-	-	-	50,037	-
Building on freehold land	4,610,752	-	-	4,610,752	4,424,855	135,980	-	4,560,835	49,917	5
Building on leasehold land	680,270,087	* 20,395,483	-	700,665,570	467,837,513	18,732,153	-	486,569,666	214,095,904	5
Motor vehicles	69,992,148	2,674,650	(7,209,789)	65,457,009	48,681,695	9,260,628	(6,627,576)	51,314,747	14,142,262	20
Flood lights	345,343,078	1,000,215	-	346,343,293	345,343,078	50,011	-	345,393,089	950,204	20
Furniture, fixtures and office equipme	123,838,185	18,166,041		142,004,226	107,374,575	7,604,018	-	114,978,593	27,025,633	20
Electrical equipment	519,441,845	11,135,424	-	530,577,269	462,605,429	15,422,803		478,028,232	52,549,037	20
Computer and allied equipment	26,001,755	3,972,462	(351,846)	29,622,371	22,271,562	2,426,238	(351,846)	24,345,954	5,276,417	33.33
Ground maintenance equipment	106,223,456	4,795,811	-	111,019,267	102,807,553	2,909,239	-	105,716,792	5,302,475	20
	1,875,771,343	62,140,086	(7,561,635)	1,930,349,794	1,561,346,260	56,541,070	(6,979,422)	1,610,907,908	319,441,886	

5.3 Operating fixed assets include assets having cost of Rs. 1,399,060,070 (2017: 1,360,368,527) that have been fully depreciated.

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

Stadium	*Lessor*	*Date of lease agreement*	*Period of lease*	*Commercialization fee for commercial use of land*	*Annual Lease Rentals (PKR)*
Gaddafi Stadium Lahore	Government of Punjab	5-May-95	40 years	20%	1,000
National Stadium Karachi	Government of Pakistan	27-Mar-80	99 years	-	126,445
Abbottabad Cricket Stadium	Government of Khyber Pakhtunkhwa	14-Sep-01	45 years	20%	15,000
Bugti Cricket Stadium	Government of Baluchistan	31-Jul-01	40 years	20%	1,000
Niaz Stadium Hyderabad	District Government Hyderabad	28-Jun-07	30 years	20%	50,000
Multan Cricket Stadium	Multan Cricket Organization Trust	8-Nov-12	10 years	40%	80,000

5.5 PCB was allotted 104.5 acres of land in respect of National Stadium Karachi. Of this, 59.8 acres of land is not in possession of the Board.

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

Stadiums / Academy	June 30, 2018				June 30, 2017
	Buildings	Flood lights	Electric screens	Total	
	Rupees				
Rawalpindi Cricket Stadium	132,073,558	34,941,463	42,725,109	209,740,130	209,740,130
Iqbal Cricket Stadium, Faisalabad		71,722,078	51,891,718	123,613,796	123,613,796
National Cricket Academy, Lahore	81,435,475	1,000,215	-	82,435,690	82,435,690
	213,509,033	107,663,756	94,616,827	415,789,616	415,789,616

6. CAPITAL WORK IN PROGRESS

	Note	2018 Rupees	2017 Rupees
Capital work in progress	6.1	627,705,275	809,965,516
Advance against purchase of fixed assets		-	61,348,397
Advance against capital work in progress		175,866,734	15,250,001
		803,572,009	886,563,914

6.1

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

	2017											
	Rawalpindi Cricket Stadium	National Cricket Academy	Ghari Khuda Buksh Cricket Stadium	Islamabad Cricket Stadium	Multan Cricket Stadium	National Stadium Karachi	Cricket House	Gaddafi Stadium Lahore	Karachi Cricket Academy	Abbottabad Cricket Stadium	Multan Cricket Academy	Total
	Rupees											
Balance as at July 1	36,577,882	51,765,742	84,565,954	58,072,195	-	-	-	303,646,240	140,593,446	15,218,016	107,694,591	798,134,066
Addition during the year	-	18,160	-	-	-	609,000	-	96,260,288	4,601,166	3,002,803	-	104,491,417
Transfer during the year	-	-	-	-	-	-	-	-	-	(18,220,819)	-	(18,220,819)
	36,577,882	51,783,902	84,565,954	58,072,195	-	609,000	-	399,906,528	145,194,612	-	107,694,591	884,404,664
Accumulated Impairment	18,204,647	5,131,094	-	-	-		-	51,103,407	-	-	-	74,439,148
Balance as at June 30	18,373,235	46,652,808	84,565,954	58,072,195	-	609,000	-	348,803,121	145,194,612	-	107,694,591	809,965,516

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

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

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

7. *INTANGIBLE ASSETS*

	2018 Rupees	2017 Rupees
Software licenses and website	970,295	2,717,473
Advance against computer software	4,632,376	4,632,376
	5,602,671	7,349,849

	Cost			Amortization			Net book value As at June 30	Annual amortization rate %
	As at July 1	Additions (Deletions)	As at June 30	As at July 1	Amortization for the Year	As at June 30		
	Rupees							
Software licenses and website - 2018	10,496,479	-	10,496,479	7,779,006	1,747,178	9,526,184	970,295	33.33
Software licenses and website - 2017	10,496,479	-	10,496,479	5,975,682	1,803,324	7,779,006	2,717,473	33.33

8. LONG TERM LOANS	Note	2018 Rupees	2017 Rupees
To employees :			
-secured		823,584	823,584
-unsecured		2,007,502	2,548,431
	8.1	2,831,086	3,372,015
Less: current portion	11	540,923	540,926
Non current portion		2,290,163	2,831,089

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

3,750 (2017: 3,750) fully paid ordinary shares of Rs. 10/- each	37,500	37,500

9.1 It represents the investment in an associated company, Avant Hotels (Private) Limited. The Board holds 37.5% equity of the associate and value of investment based on net assets shown in the accounts of associate as at 30 June 2018 was Rs. (4,768,824) (2017: Rs. (4,039,667)). Summarized financial information of the associate as at 30 June is as follows:

	Un-audited	Un-audited
Assets	50,099	58,634
Liabilities	12,766,964	10,831,079
Loss for the period	(1,944,421)	(2,101,675)

Board's share of the associate's post acquisition losses amounting to Rs. 37,500 (2017: 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

	Note	2018 Rupees	2017 Rupees
Unsecured:			
Due from sponsors			
- Considered good		145,158,952	164,532,135
- Considered doubtful		12,905,113	1,410,225
		158,064,065	165,942,360
Due from Franchisee		-	32,049,717
Due from Boards and Associations			
- Considered good		27,883,367	66,022,178
- Considered doubtful		4,709,912	538,542
		32,593,279	66,560,720
		190,657,344	264,552,797
Less: allowance for receivables - considered doubtful	10.1	17,615,025	1,948,767
		173,042,319	262,604,030

10.1 Allowance for receivables - considered doubtful

Balance as at 1st July	1,948,767	538,542
Provided for the period	14,881,977	1,410,225
Written off / reversed during the period	-	-
Adjustment during the year	784,281	-
Balance as at 30 June	17,615,025	1,948,767

11. LOANS AND ADVANCES

	Note		
Current portion of long term loans	8	540,923	540,926
Unsecured:			
Advances to employees:			
- Considered good		50,680,651	39,279,137
- Considered doubtful		4,839,471	2,872,822
		55,520,122	42,151,959

	Note	2018 Rupees	2017 Rupees
Advance to suppliers:			
- Considered good		53,430,518	60,163,870
- Considered doubtful		11,507,036	12,687,440
		64,937,554	72,851,310
Advances to players			
- Considered good		10,751,425	6,359,013
- Considered doubtful		4,873,955	4,355,198
		15,625,380	10,714,211
		136,623,979	126,258,406
Less: allowance for advances - considered doubtful	11.1	21,220,462	19,915,460
		115,403,517	106,342,946

11.1 ***Allowance for receivables - considered doubtful***

Balance as at 1st July	19,915,460	19,915,460
Provided for the period	2,679,496	-
Reversed during the period	(590,213)	-
Adjustment during the year	(784,281)	-
Balance as at 30 June	21,220,462	19,915,460

12. *SHORT TERM PREPAYMENTS*

Prepaid expenses	8,921,962	39,091,769
Prepaid insurance	956,777	790,317
	9,878,739	39,882,086

13. *OTHER RECEIVABLES*

	Note		
Accrued profit on bank accounts		38,564,207	32,783,360
Accrued rentals:			
- Considered good	13.1	20,970,529	1,822,624
- Considered doubtful		7,243,057	7,243,057
		28,213,586	9,065,681
Others:			
- Considered good		5,584,500	3,536,000
- Considered doubtful		13,907,895	11,417,895
		19,492,395	14,953,895
		86,270,188	56,802,936
Less: allowance for other receivables - considered doubtful	13.2	21,150,952	18,660,952
		65,119,236	38,141,984

13.1 It includes lease rentals amounting to Rs. 1,307,040 (2017: Rs. 296,450) due from Avant Hotel (Private) Limited, a related party.

13.2 *Allowance for receivables - considered doubtful*	Note	2018 Rupees	2017 Rupees
Balance as at 1st July		18,660,952	18,660,952
Provided for the period		2,490,000	
Written off / Reversed during the period		-	-
Balance as at 30 June		21,150,952	18,660,952

14. *SHORT TERM INVESTMENTS*

	Note		
Held to maturity investments :			
- Term deposit receipts (Foreign currency)	14.1	-	315,000,000
- Term deposit receipts (Local currency)	14.2	7,187,788,800	6,905,000,000
		7,187,788,800	7,220,000,000

14.1 It included term deposits amounting to Nil (2017: USD 3,000,000) having interest rate of Nil (2017: 2%) per annum and maturity ranging from 1 to 3 months.

14.2 These represent term deposits placed in local currency with different banks at interest rates ranging from 6.05% to 6.55% (2017: 6.0% to 7.15%) per annum and have maturity ranging from 1 to 3 months.

15. CASH AND BANK BALANCES

	Note	2018 Rupees	2017 Rupees
Cash in hand		150,417	125,032
Balance held in:			
- current accounts		914	895,508
- saving accounts	15.1&15.2	215,688,814	376,379,621
		215,689,728	377,275,129
		215,840,145	377,400,161

15.1 These include foreign currency balance of USD 1,255,146 (2017: USD 1,907,290).

15.2 These carry interest rates ranging from 5% to 5.80% (2017: 5.0% to 5.80%) per annum.

16. LONG TERM LIABILITIES

	Note	2018 Rupees	2017 Rupees
Employee benefits - unfunded gratuity	16.1	171,348,678	123,621,785
Obligation against assets subject to finance lease	16.2	2,828,873	-
Retention money payable		15,460,374	4,008,544
		189,637,925	127,630,329

16.1 *Employee benefits - unfunded gratuity*

	2018	2017
Movement in plan obligation:		
Liability at the beginning of the period	123,621,785	91,818,251
Charge for the period	34,757,897	27,551,209
	158,379,682	119,369,460
Paid during the period	(4,796,141)	(7,943,921)
Actuarial loss	17,765,137	12,196,246
Liability at the end of the period	171,348,678	123,621,785
Charge for the year:		
Current service cost	25,389,332	21,206,931
Interest cost	9,368,565	6,344,278
	34,757,897	27,551,209

Sensitivity analysis:

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

		Rupees
Discount rate	+ 100bps	155,737,076
Discount rate	- 100bps	188,749,593
Salary increase	+ 100bps	188,986,147
Salary increase	- 100bps	155,261,503

Latest valuation of scheme was carried out as at 30 June 2018 by reputable professional actuary. The future contribution rates of this plan include allowances for deficit and surplus. Following significant assumptions were used for valuation of this scheme:

	2018	2017
Rate of increase in eligible salary	8.00%	6.75%
Discount rate	9.00%	7.75%
Average expected remaining working life of employees	9.7 years	10 years
Retirement age	60 years	60 years

16.2	*Obligation against assets subject to finance lease*	*Note*	*2018 Rupees*	*2017 Rupees*
	Minimum lease payments			
	Not later than one year		978,158	-
	Later than one year but not later than five years		3,257,586	-
	After five years		-	-
			4,235,744	-
	Less: future financial charges		707,308	-
	Present value of minimum lease payments	16.2.1	3,528,436	-
	Less: current portion of lease oligation	19	699,563	-
			2,828,873	-

16.2.1	*Present value of minimum lease payments*	
	Not later than one year	699,562	-
	Later than one year but not later than five years	2,828,874	-
	After five years	-	-
		3,528,436	-

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

17.	*DEFERRED REVENUE*	*Note*	*2018 Rupees*	*2017 Rupees*
	Rent received against lease of shops	17.1	60,919,054	48,834,951
	Less: current portion	19	3,343,914	3,259,464
			57,575,140	45,575,487

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*	*2018 Rupees*	*2017 Rupees*
	Creditors		253,484,528	139,508,569
	Payable to contractors and consultants		17,746,682	14,336,941
	Logo money and sponsorship income received in advance		-	-
	Commercialization fee payable		11,040,671	7,284,552
	Payable to boards and associations		347,330,862	51,923,064
	Payable to Franshisees		42,325,346	-
	Payable to players		217,136,631	410,518,469
	Accrued liabilities		36,063,422	73,670,878
	Provision for leave encashment	18.1	8,492,246	9,823,503
	Retention money of contractors		38,901,374	33,388,533
	Withholding tax payable		3,578,396	10,485,952
	Payable to Surrey County	18.2	4,838,019	4,838,019
	Others		23,662,323	12,038,262
			1,004,600,500	767,816,742

18.1	*Provision for leave encashment*		
	Balance as at 1st July	9,823,503	18,917,117
	Charge for the period	-	(6,814,943)
	Payments during the period	(1,331,257)	(2,278,671)
	Balance as at 30 June	8,492,246	9,823,503

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

19. CURRENT PORTION OF LONG TERM LIABILITIES AND DEFERRED REVENUE

	Note	2018 Rupees	2017 Rupees
Obligation against assets subject to finance lease	16.2	699,563	-
Rent received against lease of shops		3,343,914	3,259,464
Advance in respect of sponsorship and logo money	19.1	160,456,649	124,112,800
		164,500,126	127,372,264

19.1 These relates to advance received from Pepsi Cola International and Trans Group FZE Sharjah UAE for sponsorship and logo income for subsequent 6-12 months.

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 (2017: 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) has issued an order dated June 28, 2008 and directed PCB to make payment of property tax amounting to Rs. 82,127,737 in respect of National Stadium Karachi. Honorable Sindh High Court granted stay order in favor of PCB against such recovery however later the matter was decided in favour of the department. The Board has taken the matter to Honorable Supreme Court. The Board's legal advisor, is of the view that PCB has good arguable case but the outcome / decision of this sub-judice matter lies with the court in which it is pending. Accordingly, no provision for the same has been made in these financial statements.

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

20.1.5 PCB has received various orders from tax authorities regarding less deduction / payment of withholding tax under section 161 / 205 in respect of various tax years, detail of which is as follows:

Tax year	Income tax demand is worked out as at (Rs.)	Status
2011	310,500,161	Both PCB and Department have filed cross appeals against these notices which are pending on different forums. Management, based on the opinion of tax advisor, is confident that said notices will not result in outflow of resources, consequently no provision is recognised in these financial statements.
2012	291,112,079	

20.1.6 Through computer balloting held on September 14, 2015, the case of the PCB for the tax year 2014 was selected for income tax audit to be conducted under section 177 of the Ordinance. The PCB filed writ petition before the Honourable Lahore High Court contesting the selection of audit. Pursuant to the judgement dated January 1, 2017 of the LHC in WP No. 32597/2015, the tax department again initiated audit proceedings. Due compliance was made through filing reply letters along with the relevant details/documents. Through order dated October 31, 2017 (serviced on May 16, 2018), the concerned Deputy Commissioner Inland Revenue (Audit), Zone-II, Large Taxpayers Unit ('LTU'), Lahore has amended assessment making an addition of Rs 691,105,603 in taxable income in respect of various heads. An appeal against the impugned order has been filed before the Commissioner Inland Revenue (Appeals). However, the appeal has not yet been fixed for hearing.

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

20.1.8 Deputy Commissioner Inland Revenue (DCIR) has issued notices dated June 6, 2017 and June 7, 2017 for tax year 2016 and 2015 respectively to recover short collection of tax under section 236A of the Income Tax Ordinace, 2001 in the context of payments received by the PCB on account of TV rights, sponsorship fee, franchise fee, media rights and logo income received during the tax years under consideration. In response to the notices PCB preferred filing writ petitions on constitutional grounds before the Honourable Lahore High Court which are pending for disposal. Management, based on the opinion of tax advisor, is confident that said notices will not result in outflow of resources, consequently no provision is recognised in these financial statements.

20.1.9 DCIR through show cause notice dated May 21, 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. 97,755,000 on franchise fee received from the franchises for Pakistan Super League. PCB has filed a writ petition (W.P No. 28354/2016) before Honorable Lahore High Court challenging the jurisdiction, since after the 18th amendment in Constitution of Pakistan ,1973, such services are within the domain of provinces. The Honorable Lahore High Court has granted the interim relief and the matter is still pending for adjudication.

20.1.10 Additional Commissioner Inland Revenue Audit (ADCIR) Zone-II, LTU Lahore initiated proceedings though notice issued in March 2015 under section 122 for the tax year 2011. The amendment proceedings were concluded through order on which PCB filed appeal on October 30, 2018 on certain issues before Commissioner Inland Revenue Appeals CIR(A). The appellate orders passed by CIR(A) annulled the ADCIR treatment for all raised issues except for disallowance of doubtful debt of Rs. 59.6 million. The Board is in process of filing appeal against this in due course with Appellate Tribunal Inland Revenue. Management, based on the opinion of tax advisor, is confident that said order will not result in outflow of resources, consequently no provision is recognised in these financial statements.

20.1.11 Through two notices dated May 22, 2018 for tax years 2015 and 2016 issued by the Commissioner Inland Revenue, Zone-II, LTU, Lahore, proceedings were initiated for levy of super tax under section 4B of the Ordinance. Due compliance was made by the PCB through letters T 3731 dated May 28, 2018 and T 3732 dated May 28, 2018. The proceedings were concluded by passing orders dated June 30, 2018 under section 4B of the Ordinance, raising tax demands of Rs 24,795,856 for tax year 2015 and Rs 26,478,187 for tax year 2016. Feeling aggrieved, appeals have been filed against the impugned orders before the Commissioner Inland Revenue (Appeals) ['CIR(A)']. The appeals have not yet been fixed for hearing. Management, based on the opinion of tax advisor, is confident that said order will not result in outflow of resources, consequently no provision is recognised 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*

20.3.1 Commitments in relation to various projects and development activities at year end amount to Rs 1,328 million (2017: Rs 52 million).

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

21. *TOURS INSIDE PAKISTAN - NEUTRAL VENUES*

	Note	2018 Rupees	2017 Rupees
TV rights		634,389,145	950,571,815
Gate money		149,703,288	28,073,969
Sponsorship fee and instadia rights		162,316,829	81,289,070
Test match fund		-	130,810,842
Radio broadcasting rights		7,204,137	4,351,250
Telephony and audio streaming rights		9,131,668	2,534,177
Miscellaneous		1,774,255	998,550
		964,519,322	1,198,629,673

22. *TOURNAMENTS*

	Note	2018 Rupees	2017 Rupees
Tournaments - domestic	22.1	39,163,395	74,485,088
Tournaments - international	22.2	1,100,535,279	957,658,026
Pakistan Super League	22.3	2,221,018,211	1,463,065,285
		3,360,716,885	2,495,208,399

22.1 *Tournaments - domestic*

	2018 Rupees	2017 Rupees
Sponsorship	24,145,162	37,272,233
TV rights	-	15,000,000
Participation fee	10,050,000	7,850,000
Gate money	2,882,233	10,786,818
Miscellaneous	2,086,000	3,576,037
	39,163,395	74,485,088

22.2 *Tournaments - international*

	Note	2018 Rupees	2017 Rupees
Participation fee	22.2.1	49,700,750	26,250,000
Share of revenue	22.2.2	1,050,834,529	931,408,026
		1,100,535,279	957,658,026

22.2.1 This includes participation fee relating to T10 League, ICC U-19 World Cup 2018 (Men), ICC World Cup 2017 (Women) and Hong Kong Super Six amounting to USD 400,000, USD 25,000, USD 25,000 and USD 20,000 respectively (2017: ICC Champions Trophy 2017 amounting to USD 250,000).

22.2.2 This includes share of revenue relating to ICC Member's Distribution and Asia Cup 2016 amounting to USD 9,600,000 and USD 163,924 respectively (2017: ICC Member's Distribution amounting to USD 8,900,000)

22.3 *Pakistan Super League*

	Note	2018 Rupees	2017 Rupees
Franshise fee		1,557,945,500	973,844,360
Sale of hospitality boxes		29,409,575	40,309,500
Other income		73,086,833	17,789,981
Central pool revenue	22.3.1	560,576,303	431,121,444
		2,221,018,211	1,463,065,285

		Note	2018 Rupees	2017 Rupees
22.3.1	***Central pool revenue***			
	TV rights			
	Media and radio rights		802,846,609	531,714,102
	TV production cost		(365,537,057)	(274,101,040)
			437,309,552	257,613,062
	Sponsorship		608,629,411	447,754,393
	Gate money		341,704,639	253,840,756
	Total central pool revenue		1,387,643,602	959,208,211
	Less: disributed to franchises		(827,067,299)	(528,086,767)
	Central pool revenue		560,576,303	431,121,444

23. ***RENTAL INCOME***

	Note	2018 Rupees	2017 Rupees
Gaddafi Stadium Lahore			
Shops		20,448,455	18,131,626
Others		263,169	1,319,394
		20,711,624	19,451,020
National Stadium Karachi			
Land	23.1	1,010,590	1,010,590
Others		-	46,000
		1,010,590	1,056,590
Cricket House		3,656,468	19,824,860
		25,378,682	40,332,470

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

24. ***RETURN ON INVESTMENTS AND BANK DEPOSITS***

	2018 Rupees	2017 Rupees
Interest on Term Deposit Receipts		
-Foreign Currency	3,058,492	152,618
-Local Currency	432,953,071	441,076,731
	436,011,563	441,229,349
Interest on bank deposits:		
-Foreign Currency	2,115,084	1,556,745
-Local Currency	21,742,452	16,920,527
	23,857,536	18,477,272
	459,869,099	459,706,621

25. ***OTHER INCOME***

	2018 Rupees	2017 Rupees
Exchange gain - net	54,940,660	1,799,623
Election fee	2,392,700	1,743,600
Players' fine	1,000,000	1,002,000
Gain on disposal of operating fixed assets	6,043,240	1,814,012
Annual subscription	4,110,000	3,390,000
Coaching course fee	5,755,000	2,145,000
Hoardings income	6,946,800	5,751,200
Scrap sales	518,000	468,321
Affiliation fee	2,420,000	5,900,000
Liabilities written back	8,857,284	-
Miscellaneous	22,544,497	3,947,699
	115,528,181	27,961,455

26. TOURS OUTSIDE PAKISTAN	Note	2018 Rupees	2017 Rupees
Players and officials match fee, allowances and incentives		130,068,951	304,199,924
Players related other expenses		14,348,220	43,275,327
Travelling expenses		44,970,602	79,174,991
Accommodation expenses		6,412,115	21,351,720
Others		11,576,286	6,244,456
		207,376,174	454,246,418

27. TOURS INSIDE PAKISTAN	Note	2018 Rupees	2017 Rupees
Players match fee, allowances and incentives		305,916,999	101,116,735
Players related other expenses		15,990,046	8,500,828
Travelling expenses		59,042,584	20,021,940
Accommodation expenses		52,489,570	51,944,308
Team & match officials expenses		27,808,372	23,740,038
Event management expenses:			
Venue hiring Cost		109,719,002	123,662,130
Advertisement expenses		36,902,023	15,463,780
TV production cost		42,866,285	-
Match day expenses		7,436,581	3,863,400
Security expenses		29,165,466	-
Catering expense		39,915,070	792,520
Equipment hire rental charges		10,913,736	-
Players medical expenses		1,657,362	4,938,610
Repair and maintenance		4,380,848	-
Event staff allowances		3,228,920	-
Cleaning and janitorial		2,706,413	-
Others		3,960,421	1,677,496
		292,852,127	150,397,936
	27.1	754,099,698	355,721,785

27.1 These represent expenses related to international series hosted by PCB in Pakistan or at neutral venues. There were 24 match days and 47 tour days in 2018 while 27 match days and 61 tour days in 2017.

28. TOURNAMENTS	Note	2018 Rupees	2017 Rupees
Tournaments - domestic	28.1	505,616,805	621,513,517
Tournaments - international	28.2	107,700,450	164,737,721
Pakistan Super League	28.3	1,603,406,534	1,061,605,199
		2,216,723,789	1,847,856,437

28.1 Tournaments - domestic	Note	2018 Rupees	2017 Rupees
Players and officials match fee, allowances and incentives		152,070,825	142,723,000
Prize money		20,992,000	25,713,000
Players related other expenses		28,677,028	43,519,730
Travelling		27,262,474	45,052,264
Accommodation		78,113,810	121,559,632
Match and team officials expenses		55,697,341	65,255,611
Grant for domestic tournaments		42,660,000	50,650,000
Fuel and power		16,045,996	26,063,542
Match day expenses		6,656,979	7,546,717
Security expenses		9,670,748	9,494,789
Catering expenses		28,292,233	38,067,713
Committees expenses		5,922,061	10,445,439
Ground rent		2,142,876	3,573,010
Production cost		7,133,000	4,300,340
Marketing and advertisement		19,682,394	19,838,739
Others		4,597,040	7,709,991
	28.1.1	505,616,805	621,513,517

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

28.2	*Tournaments - international*	*Note*	*2018* *Rupees*	*2017* *Rupees*
	Players match fee, allowances and incentives		29,602,199	97,567,819
	Players related other expenses		14,190,385	15,505,231
	Officials match fee, allowances and incentives		14,510,374	14,602,977
	Travelling		10,825,756	19,145,540
	Accommodation		25,315,974	6,859,418
	Venue hiring costs		3,608,814	-
	Others		9,646,948	11,056,736
		28.2.1	107,700,450	164,737,721

28.2.1 These represent expenses incurred in respect of Asia Cup U-19, ICC Women World Cup 2017, ICC Women's Championship Round 1 & 2 and T-20 Women's Asia Cup 2018 (2017 :ICC Champions Trophy 2017, Asia Cup U-19 & U-23, ICC Womens Championship Qualification Rounds and ICC Womens Asia Cup 2016).

28.3	*Pakistan Super League*		*2018* *Rupees*	*2017* *Rupees*
	Direct costs:			
	Venue hiring cost		461,501,923	289,239,163
	Event management expenses		380,572,964	277,707,832
	Marketing and advertisement		174,134,145	146,500,542
	Expenses pertaining to Pakistan matches	28.3.1	254,161,866	129,620,068
	Prize money		83,845,551	73,310,500
	Staff Remuneration		18,873,095	37,891,187
	Travel and accommodation		32,556,967	36,799,878
	Players release fee		17,024,000	-
	Legal and professional		11,779,382	18,806,700
	Match officials' expenses		24,712,617	15,456,892
	Daily allowance		12,919,530	14,253,316
	Anti corruption and anti doping		13,069,152	9,024,513
	Liaison and protocol officers' expenses		8,006,796	6,387,660
	Journalists' expenses		6,432,228	4,683,818
	Others		2,897,705	1,923,130
			1,502,487,921	1,061,605,199
	Indirect Costs:			
	Allocation of indirect costs	28.3.2	100,918,613	-
			1,603,406,534	1,061,605,199

28.3.1	Expenses pertaining to Pakistan matches	2018	2017
	TV production cost	85,974,500	58,668,900
	Foreign players match fee and insurance	47,299,126	23,578,795
	Event management expenses	54,630,723	18,042,965
	Boarding, lodging, travelling and catering	20,083,302	12,023,829
	Repair and maintenance	2,841,997	9,574,920
	Marketing and advertisement	25,248,514	-
	Match day operational expenses	7,924,220	5,180,463
	Venue security expenses	3,899,514	2,550,196
	Daily allowance	1,228,400	-
	Anti corruption and anti doping	825,201	-
	Liaison and protocol officers' expenses	1,884,493	-
	Match officials' expenses	993,616	-
	Others	1,328,260	-
		254,161,866	129,620,068

28.3.2 This includes depreciation & amortization expense amounting to Rs.8,416,516 (2017: Nil)

		Note	2018 Rupees	2017 Rupees
29.	***CRICKET PROMOTIONAL EXPENSES***			
	International			
	Central contract fee		131,700,638	119,765,826
	Players related other costs		32,202,443	27,538,250
	Coach and trainer fee		114,121,987	98,954,907
	Committees expenses		22,114,599	22,175,157
	PCB Awards		46,115,901	-
	Summer Camps		623,029	-
			346,878,597	268,434,140
	Domestic			
	Central contract fee		45,982,000	20,250,000
	Coaching expense		9,834,845	5,433,246
	Curatorship courses		147,436	-
	Players Development Program		177,498,837	73,688,442
	Committees expenses		15,613,561	17,174,357
	Grants	29.1	101,487,851	102,191,315
			350,564,530	218,737,360
			697,443,127	487,171,500
29.1	***Grants***			
	Pakistan Blind Cricket Team		15,356,908	15,653,143
	Pakistan Deaf Cricket Team		9,624,764	9,310,965
	Pakistan Disable Cricket Team		3,000,000	1,800,000
	Cricket gears to Districts / Cities / Clubs		10,767,407	8,832,844
	Ground operations and domestic tournaments		59,588,772	63,144,363
	Veterans		3,150,000	3,450,000
			101,487,851	102,191,315
30.	***ADMINISTRATIVE EXPENSES***			
	Salaries, wages and other benefits	30.1	663,409,395	563,283,962
	Traveling and allowances		18,504,194	26,026,355
	Vehicle running expenses		12,628,683	16,634,530
	Entertainment		16,327,574	15,360,427
	Communication		7,018,661	6,432,864
	Committees expenses		17,713,251	14,113,459
	Repair and maintenance		70,437,814	47,792,813
	Printing and stationery		3,525,803	3,982,989
	Insurance		17,549,093	14,415,238
	Utilities net of recoveries		41,330,615	37,715,907
	Marketing and advertisement		7,005,216	6,648,512
	Auditors' remuneration		1,720,629	1,564,209
	Legal and professional	30.2	292,508,675	34,352,875
	Commercialization fee		3,756,119	2,629,476
	Rent, rates and taxes		6,175,707	6,198,371
	Office security expenses		7,645,132	9,066,475
	Fee and subscriptions		777,527	595,533
	Medical expenses		1,416,377	8,234,418
	Cleaning expenses		4,253,383	5,407,703
	Provision for doubtful receivables		19,461,260	1,410,225
	Provision for impairment of assets		61,287,105	-
	Other expenses		7,839,949	7,599,619
			1,282,292,162	829,465,960
	Allocation of indirect costs to PSL		(92,400,055)	-
			1,189,892,107	829,465,960

30.1 This includes gratuity expense for the year amounting Rs.34,757,897 (2017:Rs. 27,551,209) respectively.

30.2 This includes USD 1,527,230 and USD 113,757 against legal costs claimed by BCCI and ICC's administrative costs respectively, as directed by ICC dispute panel after decision on the proceedings relating to PCB-BCCI dispute.

		Note	2018 Rupees	2017 Rupees
31.	***FINANCIAL CHARGES***			
	Bank charges		630,852	1,281,659
	Interest on obligations against assets subject to finance leases		319,256	-
			950,108	1,281,659
	Allocation of indirect costs to PSL		(102,042)	-
			848,066	1,281,659
32.	***TAXATION***			
	Current tax:			
	For the period		127,756,739	123,508,201
	Prior year		-	(100,001)
		32.1	127,756,739	123,408,200
32.1	***Tax expense for the year comprises of the following***			
	Tax at applicable rate of 4% for foreign receipts		103,169,820	113,089,283
	Minimum tax on local income		24,586,919	10,418,918
	Prior year adjustment		-	(100,001)
			127,756,739	123,408,200
33.	***CASH AND CASH EQUIVALENTS***			
	Cash and bank balances	15	215,840,145	377,400,161
	Held to maturity investments - term deposit receipts	14	7,187,788,800	7,220,000,000
			7,403,628,945	7,597,400,161

34. *RELATED PARTY DISCLOSURES*

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

Relationship with the Board	***Nature of transactions***	2018 Rupees	2017 Rupees
Employees Provident Fund Trust	Amount contributed	18,813,030	15,748,068
Associate company	Rental income	1,010,590	1,010,590
Chairman:			
	Vehicle allowance & costs on security vehicle:		
	Vehicle Allowance	1,794,798	-
	Fuel Cost of owned vehicle	897,681	548,658
	Fuel & Maint of Escort Security Vehicle	879,872	-
	Driver Cost	864,707	480,149
		4,437,058	1,028,807
	Utility & Mobile Phone Bills	975,721	572,069
	Costs of Security guards & Servants	1,320,012	1,401,134
	Cost of Fuel and Repair of Generator	-	282,869
	Medical Expenses Reimbursed	1,207,450	8,093,553
	Travelling Expenses:		
	Daily Allowance & Accommodation	7,452,443	2,426,416
	Travelling	2,402,627	4,142,731
	Spouse Travelling	347,386	1,589,618
		10,202,456	8,158,765
	Meeting Allowance (BOG Meetings)	80,000	60,000
	Business Entertainment	459,390	95,591
		18,682,087	19,692,788
Members of Governing Board:			
	Travelling Expenses:		
	Daily Allowance & Accommodation	2,468,855	4,782,770
	Travelling	2,105,547	3,611,434
		4,574,402	8,394,204
	Meeting Allowance	580,000	980,000
		5,154,402	9,374,204

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

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

35 *FINANCIAL RISK MANAGEMENT*

35.1 *Financial risk factors*

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

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

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

(a) Market risk

(i) Currency risk

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

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

	2018	*2017*
Reporting date rate - Rupees per US Dollar	121.6	104.70
Changes in US Dollar Rate	+10%	+10%
Deficit for the year before tax - Rupees	890,027	27,625,472

(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:

	2018	*2017*
Fixed rate instruments	***Rupees***	***Rupees***
Financial assets:		
Held to maturity investments	7,187,788,800	7,220,000,000
Floating rate instruments		
Financial assets:		
Bank balances - saving accounts	215,688,814	376,379,621

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 deficit for the year before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at balance sheet dates were outstanding for the whole year.

		Changes in Interest Rate	Effects on Income before tax
		%	Rupees
Held to maturity investments	2018	+1.00	71,877,888
		-1.00	(71,877,888)
	2017	+1.00	72,200,000
		-1.00	(72,200,000)

		Changes in Interest Rate	Effects on Income before tax
		%	Rupees
Bank balances - saving accounts	2018	+1.00	2,156,888
		-1.00	(2,156,888)
	2017	+1.00	3,763,796
		-1.00	(3,763,796)

(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:

	2018 Rupees	2017 Rupees
Long term loans	2,831,086	3,372,015
Long term security deposits	8,209,058	7,843,050
Due from sponsors, franchisees, boards and associations	173,042,319	262,604,030
Loans and advances	61,972,999	46,179,076
Other receivables	65,119,236	38,141,984
Short term investments	7,187,788,800	7,220,000,000
Bank balances	215,689,728	377,275,129
	7,714,653,226	7,955,415,284

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

	2018 Rupees	2017 Rupees
The age of due from sponsors, franchisees, boards and associations		
Not more than one year	173,042,319	262,604,030

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, 2018, four parties that owed the Board more than Rs.84 million (2017 : three parties that owed the Board more than Rs.170 million) accounts for approximately 48% (2017: 65%) of total amount due from sponsors, boards and associations.

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

Bank	Rating			2018	2017
	Short Term	Long term	Agency	Rupees	Rupees
Al-Baraka Bank Limited	A1	A	PACRA	175,263,100	610,632,866
Bank Alfalah Limited	A1+	AA+	PACRA	13,290,779	533,649,705
Dubai Islamic Bank Limited	A1	AA-	JCR-VIS	-	200,000,000
Faysal Bank Limited	A1+	AA	PACRA	1,675,672,668	1,979,916,044
JS Bank Limited	A1+	AA-	PACRA	2,050,000,000	2,280,000,000
MCB Bank Limited	A1+	AAA	PACRA	20,438,756	3,310,791
Samba Bank Limited	A1	AA	JCR-VIS	500,000,000	-
NIB Bank Limited	A1+	AA-	PACRA	-	1,077,636
Soneri Bank Limited	A1+	AA-	PACRA	1,862,788,800	1,985,000,000
The Bank of Punjab	A1+	AA	PACRA	-	2
United Bank Limited	A1+	AAA	JCR-VIS	1,106,024,425	3,688,085
				7,403,478,528	7,597,275,129

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

(c) Liquidity risk

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

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

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

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
June 30, 2018	---------- Rupees ----------			
Obligation against assets subject to finance lease	3,528,436	3,528,436	699,563	2,828,873
Retention money payable	54,361,748	54,361,748	38,901,374	15,460,374
Long term security deposits	599,215	599,215	-	599,215
Creditors and other payables	965,699,126	965,699,126	965,699,126	-
June 30, 2017				
Retention money payable	37,397,077	37,397,077	33,388,533	4,008,544
Long term security deposits	599,215	599,215	-	599,215
Creditors and other payables	734,428,209	734,428,209	734,428,209	-

35.2 Fair values of financial assets and liabilities

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

35.3 Financial instruments by categories

	Held to maturity	Loans and advances	Total
	---------- Rupees ----------		
As at June 30, 2018			
Assets as per balance sheet			
Long term loans	-	2,831,086	2,831,086
Long term security deposits	-	8,209,058	8,209,058
Due from sponsors, franchisees, boards and associations	-	173,042,319	173,042,319
Loans and advances	-	61,972,999	61,972,999
Other receivables	-	65,119,236	65,119,236
Short term investments	7,187,788,800	-	7,187,788,800
Cash and bank balances	-	215,840,145	215,840,145
	7,187,788,800	527,014,843	7,714,803,643

Financial instruments by categories

	Financial liabilities at amortized cost
	Rupees
As at June 30, 2018	
Liabilities as per balance sheet	
Long term security deposits	599,215
Creditors and other payables	1,004,600,500
	1,005,199,715

	Cash and cash equivalent	Loans and advances	Total
As at June 30, 2017	------	Rupees	------
Assets as per balance sheet			
Long term loans	-	3,372,015	3,372,015
Long term security deposits	-	7,843,050	7,843,050
Due from sponsors, franchisees, boards and associations	-	262,604,030	262,604,030
Loans and advances	-	46,179,076	46,179,076
Other receivables	-	38,141,984	38,141,984
Short term investments	7,220,000,000	-	7,220,000,000
Cash and bank balances		377,400,161	377,400,161
	7,220,000,000	735,540,316	7,955,540,316

	Financial liabilities at amortized cost
	Rupees
As at June 30, 2017	
Liabilities as per balance sheet	
Long term security deposits	599,215
Creditors and other payables	767,816,742
	768,415,957

36. *CORRESPONDING FIGURES*

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

37. *DATE OF AUTHORIZATION*

These financial statements have been authorized for issuance by Board of Governors of the PCB on 13 MAY 2019

38. *GENERAL*

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

DVA

CHIEF FINANCIAL OFFICER

CHAIRMAN

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Pakistan Cricket Board

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