

Cricket Australia
Annual Report 2013-14



CRICKET AUSTRALIA



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Chairman's message

I begin my final year as Chairman of Cricket Australia confident that Australian cricket is building a strong edifice and that the International Cricket Council is now on a new path that improves the chances of cricket growing as a strong world game.

But I am very aware that cricket nationally and globally cannot afford to relax its efforts and that strong, visionary leadership has never been more important for this sport.



Chairman's message **Governance of the game**

Australian cricket is now well advanced with the implementation of governance changes flowing from the Crawford-Carter report recommendations adopted at our 2012 Annual General Meeting.

Seven of CA's nine Directors are now independent of the State Cricket Associations, the remaining two will be independent by the 2015 AGM and one of the inaugural independent Directors who joined us at the 2012 AGM, David Peever, is due next year to replace me when my term as Chairman ends.

He will bring to the role a combination of great love and knowledge of the game, highly-developed business skills and significant international experience working across different cultures.

Australian cricket shared in many highlights over the past year punctuated by the men's outstanding Test series against England and South Africa and the women's victory in the ICC World T20. Those triumphs were a wonderful testament to the players' dedication and hard work. They were performances that lifted the mood of the nation.

The third season of the KFC T20 Big Bash League was an undisputed success. It continued to draw new fans to our game

as people of all ages flocked to venues or tuned in via our partnership with Network Ten. It is playing a key role in attracting a broader demographic to our sport, including females.

At a governance level, the outstanding highlight of the last 12 months has been how CA's Board has worked with a singular focus on what is good for cricket nationally.



As examples, the complex decisions about how to allocate four Test matches across six traditional and worthy Test venues, and to allocate the KFC BBL final to Canberra, were made dispassionately and pragmatically with an eye to trying to come up with outcomes in the best interests of the game and its fans.

However, while I am passionately convinced of the need to move as we are to fully-independent governance, the changes have also highlighted that we need to lift our game with Australian cricket's internal alignment.

Australian cricket prospered nationally and as a world cricket force for more than 100 years on the basis of its strong links with local communities and on its federal structure of dedicated volunteer administrators.

At a management level, James Sutherland, CA's Executive Management Team, the State and Territory Cricket Association CEOs

and their own senior managers and staff are working increasingly closely in their common thinking and delivery on day-to-day cricket issues.

And the increased efficiencies flowing from national financial model changes, including optimised national revenue outcomes and operational financial savings, are of material benefit to Australian cricket's health.

The financial strength of cricket as a not-for-profit, community-based game that faces the challenging need to reinvest more and more in the game's future is allowing us to pay record dividends to the states, and to reward male international, state and BBL players appropriately for the commercial value they bring to the sport.

However, the loss of State-based appointees going backwards and forwards between State Cricket Association Boards and the CA Board creates the need for stronger links across

states – and territories – at that level.

To me, the last major phase of bedding down our necessary governance changes lies in building a wide-ranging review on how to better link the strength, expertise and strong local community links within our national network of cricket boards to CA.



Chairman's message **A home World Cup**

The coming year will see India visit for four Tests, a fourth year of the 8-team KFC T20 Big Bash League, hard-as-nails interstate cricket and a feast of One-day cricket through our own ODI summer followed by the ICC Cricket World Cup 2015.



The staging of the World Cup comes a decade or so after we first started campaigning for the right to stage the tournament down under.

It has been a privilege to work with Local Organising Committee Chair Ralph Waters, who replaced the late and eminent James Strong in that role, as well as with LOC CEO John Harnden AM and his team.

The challenge of staging what is one of the world's biggest sporting events involving 14 participating nations and 14 venues across two countries cannot be underestimated. It promises to be a sensational time for cricket in this part of the world as well as globally.

I also think it is a great chance to cement 50-over cricket's place as an exciting and challenging format that serves cricket well.

I have previously argued, and will continue to so do, that we could do well to rebrand ODI cricket as "World Cup cricket", with every game and tournament played in a context in which any nation can rise or fall from World Cup qualification based on nothing but on-field performance.

Australia has always been a leader in world cricket thinking and changes we have helped drive in 50-over cricket rules are seeing fan-friendly benefits ranging from more fours and less bunted singles to more overs and wickets to spinners.

Chairman's message **Player welfare**

As a former player, I am encouraged by the interest in the welfare of our game that current and former players take individually and collectively through the Australian Cricketers' Association.

CA and the ACA sometimes agree to disagree on cricket's many complex issues.

But I do acknowledge their commitment to cricket's welfare, including through the State of the Game report, and we at CA wish outgoing ACA CEO Paul Marsh well in his new football role. We look forward to a forging a healthy working relationship with new CEO Alastair Nicholson.



Chairman's message **Tributes past and present**

The year ended saw the retirement of National Selector and former Test player John Inverarity.

Inver, as he was universally known, has been an outstanding contributor to Australian but also English cricket in various roles as a first-class cricketer from 1962 to 1985, captain, coach and, finally, as head of our selection process for a term in which we rose from number four to number one Test nation. Above all, Inver had an eye for depth of character and he was a mentor of more players and people than I can remember, some of whom went on to become international or first-class cricket stars, and all of whom became worthy people.

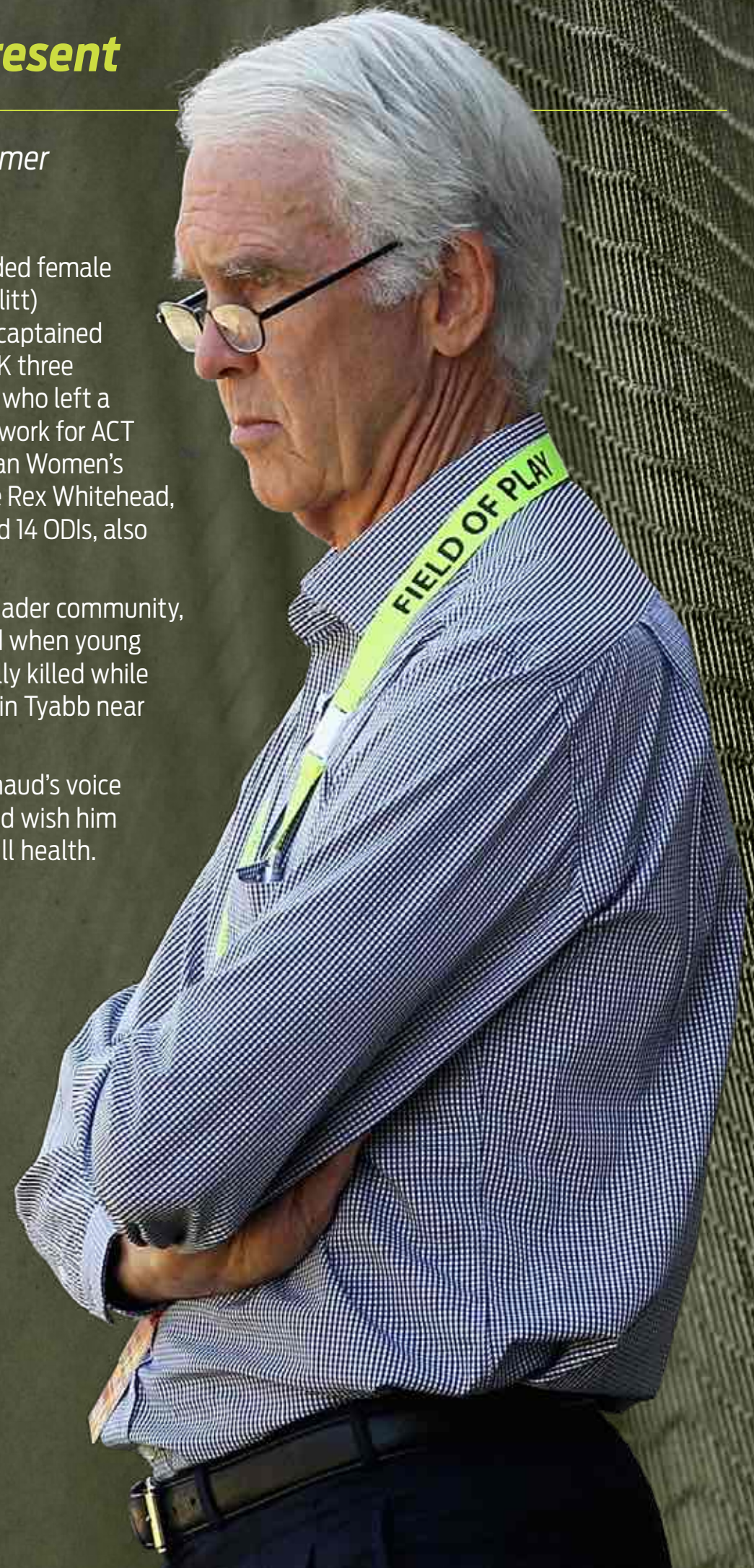
It was also a year of retirement for Australian captain Jodie Fields, who played a significant part in what continues to be the growing stature of Australian women's cricket, and the retirement from first-class cricket of Marcus North after 214 first-class games, including 21 Tests and five Test tons.

Sadly, the year also saw the passing of exciting former Test cricketer and World Cup hero Gary Gilmour, an exciting left-arm all-rounder who played in a manner which excited fans of his era.

Other bereavements included female cricketers Mary Loy (nee Allitt) OAM, who played 11 Tests, captained Australia and toured the UK three times, and Lynne O'Meara, who left a lasting legacy through her work for ACT cricket and on the Australian Women's Cricket Committee. Umpire Rex Whitehead, who stood in four Tests and 14 ODIs, also died during the year.

Cricket, along with the broader community, was also deeply saddened when young Luke Batty was so tragically killed while attending cricket practice in Tyabb near Melbourne.

We also missed Richie Benaud's voice and views last summer and wish him well for his recovery from ill health.



Chairman's message **ICC reform**

Globally, Australia has traditionally played a leadership role in world cricket.

As CA's representative on the ICC Executive Board, I have been closely involved in major changes in the last year that have provided greater certainty about future good governance of the ICC and have restructured the incentives within ICC membership in such a way as to focus reward on cricket development and cricketing performance.

The changes have been characterised in some quarters about being about seeking more power and money for the world's most powerful cricket nations.

That was never the case – this was about avoiding what might have been, in a worse-case scenario, the breakup of the ICC and was about trying to make cricket better via making the ICC better through aligning the success of its members – all of its members – with the success of the ICC.

For CA, core issues were driving for meritocracy, and through that, for strengthening Test cricket as our sport's premium format.

Australian fans love and support Test cricket but we need to not forget that the format is not as strong in most other parts of the cricket world.

Among other things, there are now tangible consequences for full ICC members who consistently fail to play adequate Test cricket.

We will also have for the first time a binding set of Future Tour Program arrangements which in turn is the most important single factor in generating the revenue world cricket needs to invest in the health and development of the game.

The challenge now is to ensure changes are implemented and effective once operational and I am encouraged by the initial progress within ICC leadership since the decisions were ratified at the ICC Board meeting in Singapore in February.

We need a cricket world in which other countries can do what India did after it won the 1983 World Cup, we need more examples like Afghanistan which is making its mark at One-Day International level through qualification for next year's World Cup. I recently had the good fortune to visit Papua New Guinea, which boasts a national cricket team that is developing in leaps in bounds.

Finally, in contemplating the year just ended, a year of outstanding on and off-field results and a year of strong financial performance, I would like to pay tribute to the dedication of my fellow Directors, to my counterparts in the States and Territories and to the army of community volunteers who keep the game alive at a community level, and to James Sutherland and his professional and very hard working CA team, and to the players who have represented Australia so well in men's, women's and indoor cricket.

Wally Edwards
Chairman

Governance

Cricket Australia Board of Directors (at 30 June 2014)



Wally Edwards



CHAIRMAN
from 28 October 2011

CA Director since 1996
Test Player Cap No. 271
Remuneration Committee
(Chairman)
Nominations Committee

David Peever



DEPUTY CHAIRMAN
since 2014

CA Director since 2012
Remuneration Committee

Hon Dr John Bannon AO



CA DIRECTOR
since 2008

National Indigenous Cricket
Advisory Committee
(Co-Chairman)

Earl Eddings



CA DIRECTOR
since 2008

Audit and Risk Committee
Remuneration Committee

Tony Harrison



CA DIRECTOR
since 2002

Remuneration
Committee

Jacqueline Hey



CA DIRECTOR
since 2012

Audit and Risk
Committee

Michael Kasprowicz



CA DIRECTOR
since 2011

Test Player Cap No. 369
ODI Player Cap No. 125
National Indigenous Cricket
Advisory Committee

Mark Taylor AO



CA DIRECTOR
2004-2012, 2013

Test Captain from 1994-1999
Test Player Cap No. 346
ODI Player Cap No. 107

Kevin Roberts



CA DIRECTOR
since 2012

Audit and Risk
Committee

CEO's report

Australian cricket made promising on and off-field progress in 2013-14 and is poised for the nation's biggest-ever summer of cricket in season 2014-15, climaxing with the ICC Cricket World Cup 2015 being played here and in New Zealand.

I am confident the February-March World Cup, culminating in the 29 March final at the MCG, will be a far bigger event than most Australians expect.

Importantly, it will not only offer our players a chance to try to win an unprecedented fifth World Cup, it also showcases the ability of Australian and New Zealand cricket to stage a major world-class event in front of a worldwide TV audience of one billion fans.

Additionally it offers us the chance to create a lasting legacy, showing cricket's power to bring diverse Australians of different national and cultural backgrounds together in their common love of the great game – and show how cricket can move the mood of the Australian nation like no other individual sport.





CEO's report **A strategy for cricket**

The year in review included many highlights which collectively show that Australian cricket's comprehensive strategic plan is on track, and that the outcomes from our team performance review, our governance review and cricket's national financial model review are starting to take flight.

Progress made has encouraged us to bring forward a review of our formal, four-year national strategy which was not otherwise due until 2015.

That review, reflecting where we are and where we want to go, has emphasised to us that we need to lift our sights if we are to achieve sustained on and off-field success in an ever-changing world in which, among other things, we face increasingly strong competition for fans, participants and players.

We aspire by 2017 to be Australia's number one sport for viewership, fan passion, participation and team success and to be a completely unified national sport – which means we need to keep thinking big and acting accordingly.

Our main strategic priorities for 2014-15 include changing Australia's mindset about female engagement and increasing the diversity of our fan and participation base; delivering a successful summer including creating a lasting legacy from the World Cup; continuing to build the BBL and its ability to bring new fans to cricket; winning the World Cup and every series we play; and achieving strong alignment across Australian cricket.

The trends of 2013-14 appear to be pointing in the right direction.

From a fan point of view, last summer's 5-0 Ashes whitewash, a world-record crowd of 91,112 at the MCG on Boxing Day, 1.7 million people through the turnstiles to watch

cricket over summer, and average national TV audiences for KFC BBL games in excess of 900,000 viewers, are measures which all show the Australian public loves cricket.

KFC BBL season three showed that the competition is continuing to bring new fans into the game, particularly females and children. One in five of the more than 650,000 attendees were at their first cricket game and 24 per cent were kids, compared to Test cricket crowds where nine per cent are children.

CEO's report **On field performance**

From an international player point of view, putting the disappointment of the 2013 winter in England behind them over summer and onto the contest in South Africa saw our men's team regain number one World Test ranking for a time.

Our women lost their one Test against England in Australia but took the summer's ODI and T20 honours and went on to their third ICC World Twenty20 title, defeating England in the final played in Bangladesh.

The example our women show and the success they achieve on the world stage is helping make Australia sit up and take notice of the fact that cricket is as much a game for Australian girls and women to play - and to watch - as it is for males.

I look forward to Australian parents, particularly the Dads, seeing it to be as natural to give their three-year-old daughter a plastic cricket bat and ball to play with as it has been historically to give three-year-old boys such equipment.

Our men's and women's international cricket success is the best advertisement there is for the game, helping to drive participation, fan interest and the commercial support cricket needs to reinvest in the game that has helped define Australia as a nation and community.

Drilling into the team performance area shows significant progress post the so-called Argus Report and while there are plenty of challenges, there is also emerging evidence in our player pathway of talent needed to cover Australia's playing schedule for the next few years.



CEO's report *Grassroots participation*

Off field, we were very pleased with the massive 16% increase, to a total of 1,105,709, in the number of Australians of all backgrounds playing cricket. Females made up 22 per cent of those players compared to 10 per cent just over a decade ago. Female participation in cricket was up 39 per cent on the previous year; a terrific endorsement that cricket's appeal is spreading.

Among other things, these numbers show the important role cricket plays helping men, women and children lead healthy, active lifestyles.

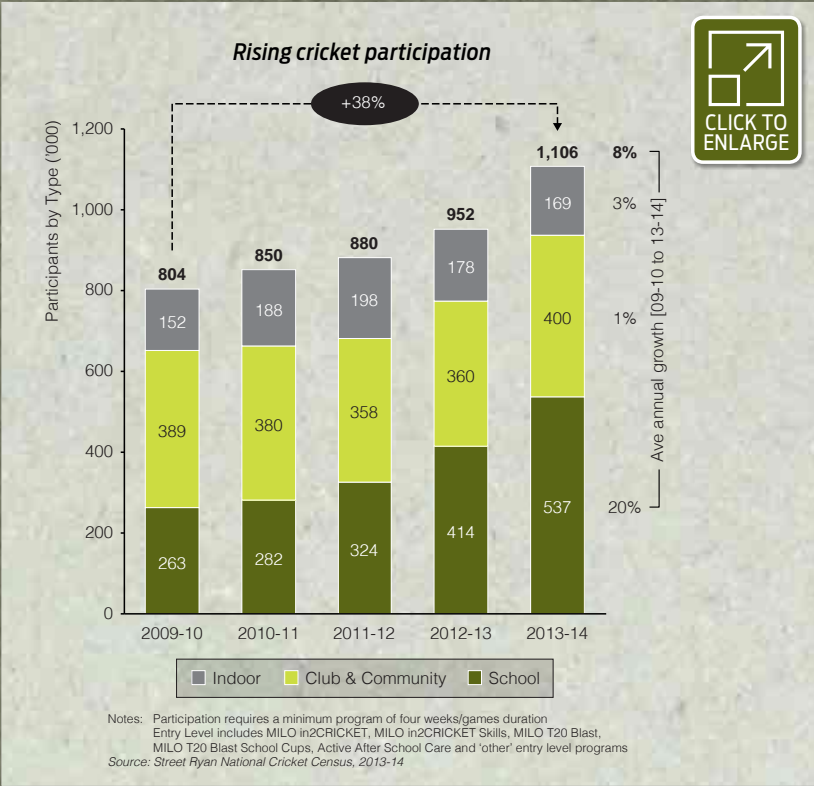
Pleasingly, signs emerged of improved strength in club cricket numbers across our 477 cricket associations and 3,995 cricket clubs around the nation. The challenge of retaining players and reducing churn remains, but trends appear to be in the right direction. This is a tribute to the extraordinary dedication of approximately 50,000 volunteers who contribute some seven million hours to the game each year, as well as reflecting well on the many people working in game development across Australian cricket.

Strong community cricket is important for a number of reasons. Our international players all started with a club or a school team somewhere. We want to create a clearer pathway for talented players to move up from club cricket.



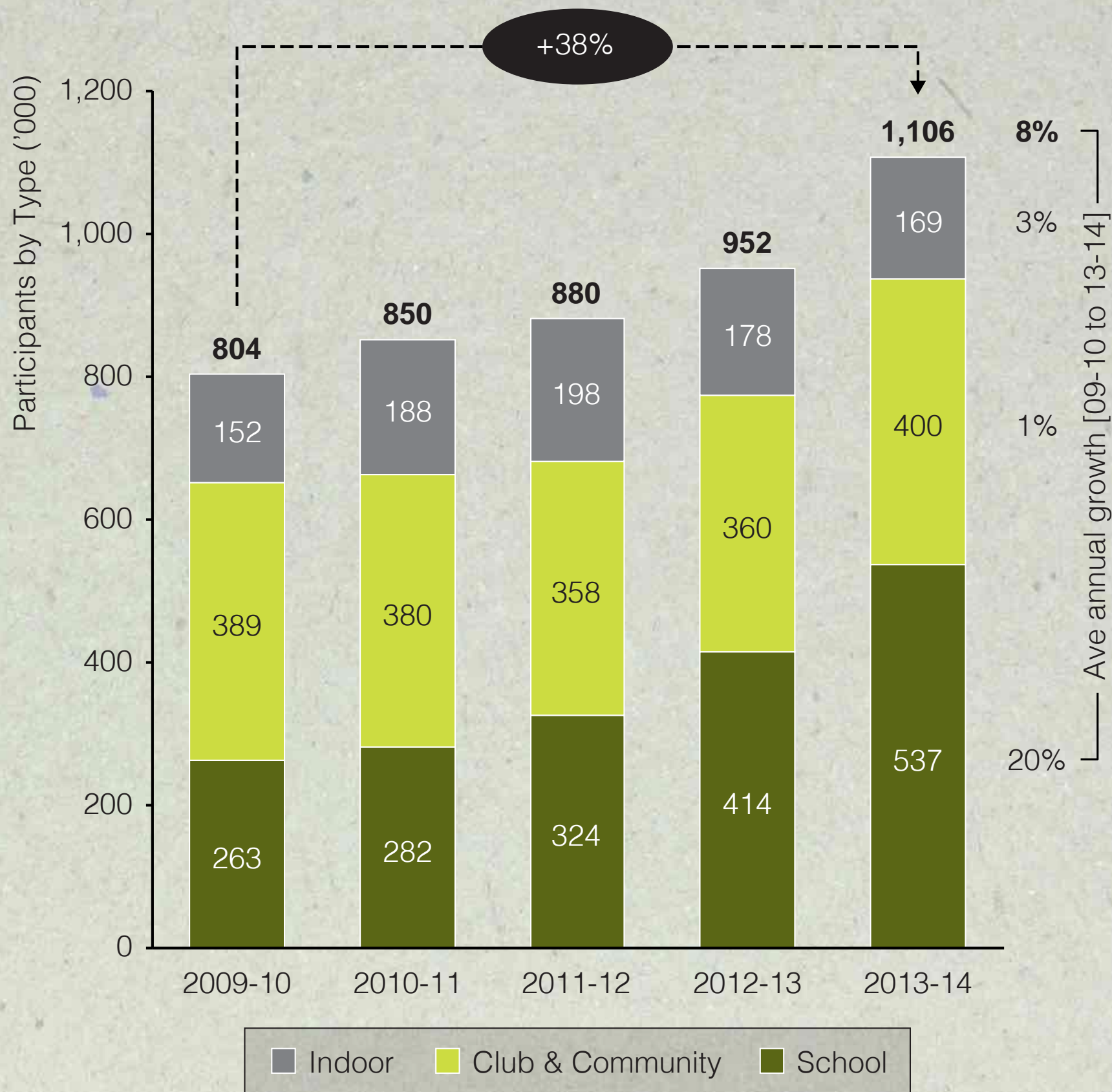
Australian Government

Australian Sports Commission





Rising cricket participation



Notes: Participation requires a minimum program of four weeks/games duration
Entry Level includes MILO in2CRICKET, MILO in2CRICKET Skills, MILO T20 Blast, MILO T20 Blast School Cups, Active After School Care and 'other' entry level programs

CEO's report **Relationship with Australian Cricketers' Association**

I acknowledge the strong support of current elite players and the Australian Cricketers' Association through the agreement of players to contribute some of the financial benefit they would have been entitled to from the coming World Cup to an ACA-CA past player game and personal development program.

Negotiated as part of the current CA-ACA Memorandum of Understanding, the program is designed to help grow the game by drawing on the knowledge, skill and enthusiasm of past players, providing them with opportunities to coach, mentor and inspire the next generation of players and coaches.

Strong participation at the grassroots is also important because the best way to create a fan is to create a player. Most boys and girls who enjoy playing cricket are not going to go on to earn a baggy green. But the understanding and love of the game nurtured through playing helps keep them engaged with the game after their playing days come to an end.



CEO's report **A 'One Team' approach for Australian cricket**

I was particularly pleased during the year to see increasing collective teamwork among the people working in nine administrative organisations across the State and Territory cricket associations and Cricket Australia.

The formal Australian cricket strategy outlines a comprehensive range of tasks and projects collectively designed to help cricket to be Australia's favourite sport, a sport for all Australians, and increasingly, a game played by Australians of all ages.

The public is familiar with many of our fan and team-based strategic objectives.

Behind the scenes, we continue to make good progress modernising and improving the administrative structure of Australian cricket to increase the agility, efficiency, performance and unity of the game.

The states and BBL teams continue to compete aggressively to win national and BBL titles.

But the people employed across Australian cricket are increasingly thinking and working in the national interest of our country's most popular national game.

This reflects the strong foundations of a range of recommendations coming from the Team Performance, Governance and Financial Model reviews which all included clear-sighted views on the importance of Australian cricket working collectively in the interests of Australian cricket.

Australian cricket's simplified national financial model offers increased opportunity to seek synergies across all of Australian cricket. As but one example, a ONE finance project has seen state and territory associations adopt national financial systems with the provision of centralised support. Similar moves in areas such as IT, cricket's TheCROWD customer relationship management system and insurance broking are all helping create better national efficiency and savings.

Australian cricket's relatively new strategic growth fund enabled by benefits created by the new national financial model is being used to encourage and support a \$4.05 million CA-Queensland Cricket agreement to inject more resources into Queensland grassroots cricket via new community cricket jobs in metropolitan and regional areas.

Elsewhere, the same fund is supporting joint NSW and ACT cricket development work in and around the ACT and southern NSW, resulting in local-level feedback that cricket has lifted its game in that region.

We simply need to continue to work together more closely than we ever have in Australian cricket history and as noted, improving the game's internal alignment will continue to be a priority in the next year.



CEO's report **Financial results**

Financially, Australian cricket revenue nearly doubled to almost \$296 million in 2013-14, with a surplus of almost \$10 million, reflecting the telecast value of an Ashes' summer and the new BBL broadcast deal within overall increased value of our TV deals announced in June 2013, and also reflecting the impact of the new financial model.

The new financial model has resulted in higher distributions of more than \$92 million to state cricket associations, compared to \$65.1 million the year earlier, with minimum guarantee payments to the states to compensate for the loss of gate takings now managed nationally by CA.

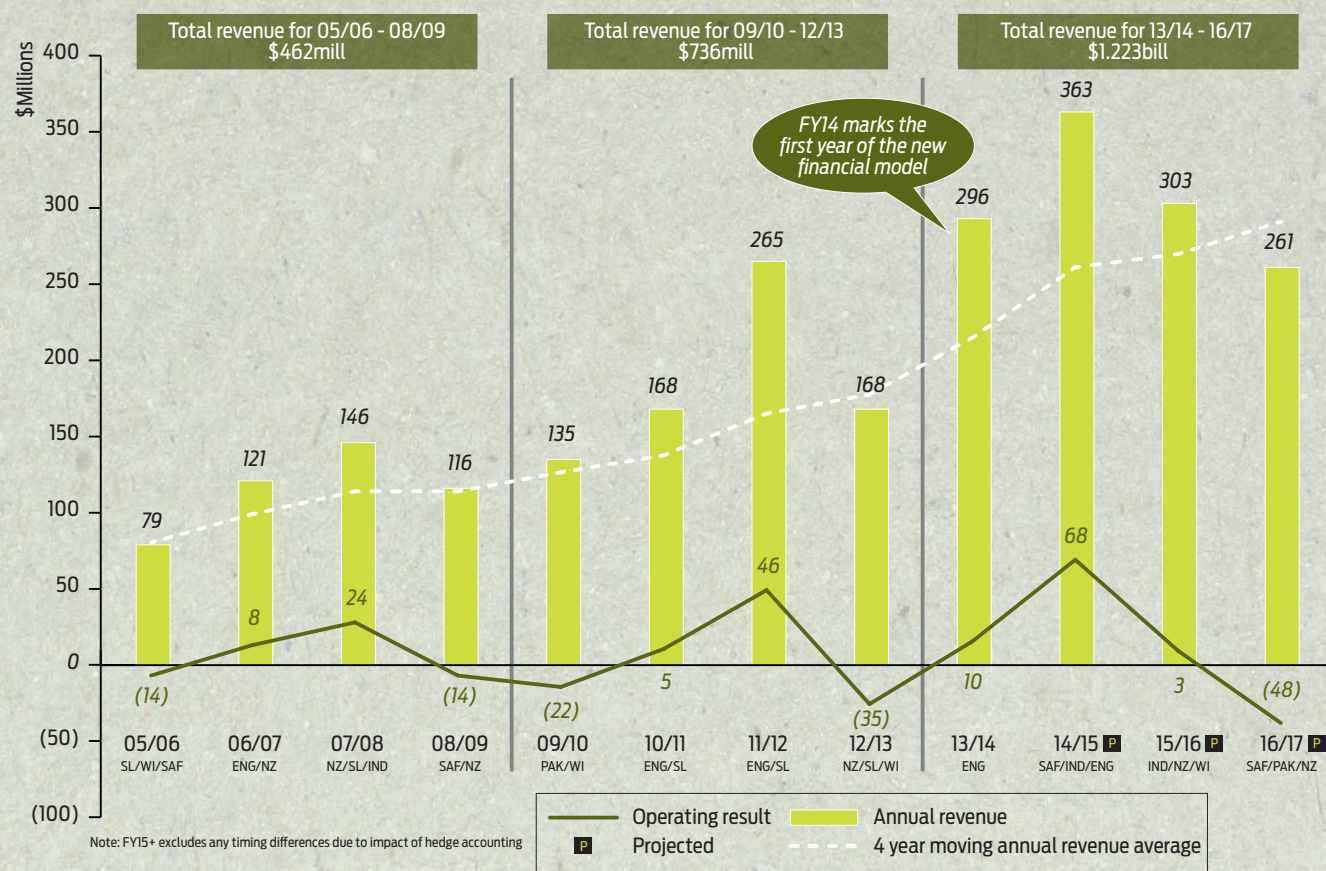
Reflecting the well-documented short-term nature of our balance sheet and the importance of our reserves policy, CA has a strong working capital position (current assets less current liabilities) of \$27.6 million and lower net asset (total equity position) of \$26.7 million.

It is as an exciting and important time for Australian cricket, with opportunities to help unite all Australians of all ages, backgrounds and abilities in their love of cricket as our national game.

In reviewing the year past, and our opportunities in the year ahead, I am most grateful for the guidance and support of CA's chairman, Wally Edwards and his board, for the enthusiasm for collective success of my colleagues across Australian cricket, for the vision and hard work of those working at Cricket Australia, for the inspiring examples shown by the men and women who represent Australia, for the support of our commercial partners and broadcasters – and for the continuing passion for cricket shown by Aussie fans and those involved in grassroots cricket.

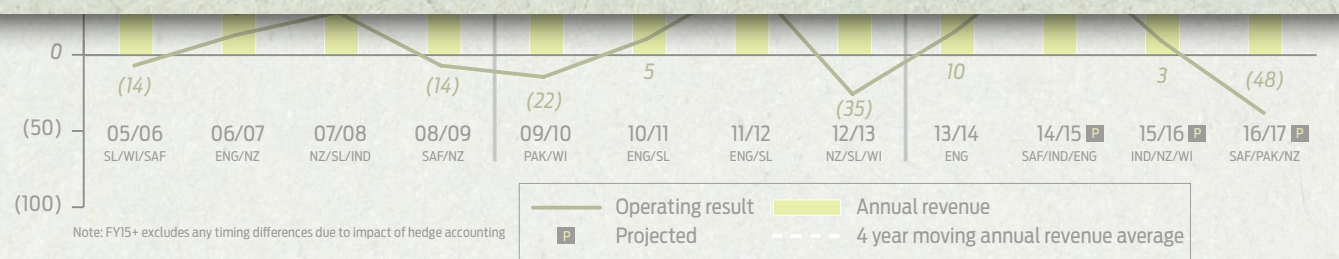
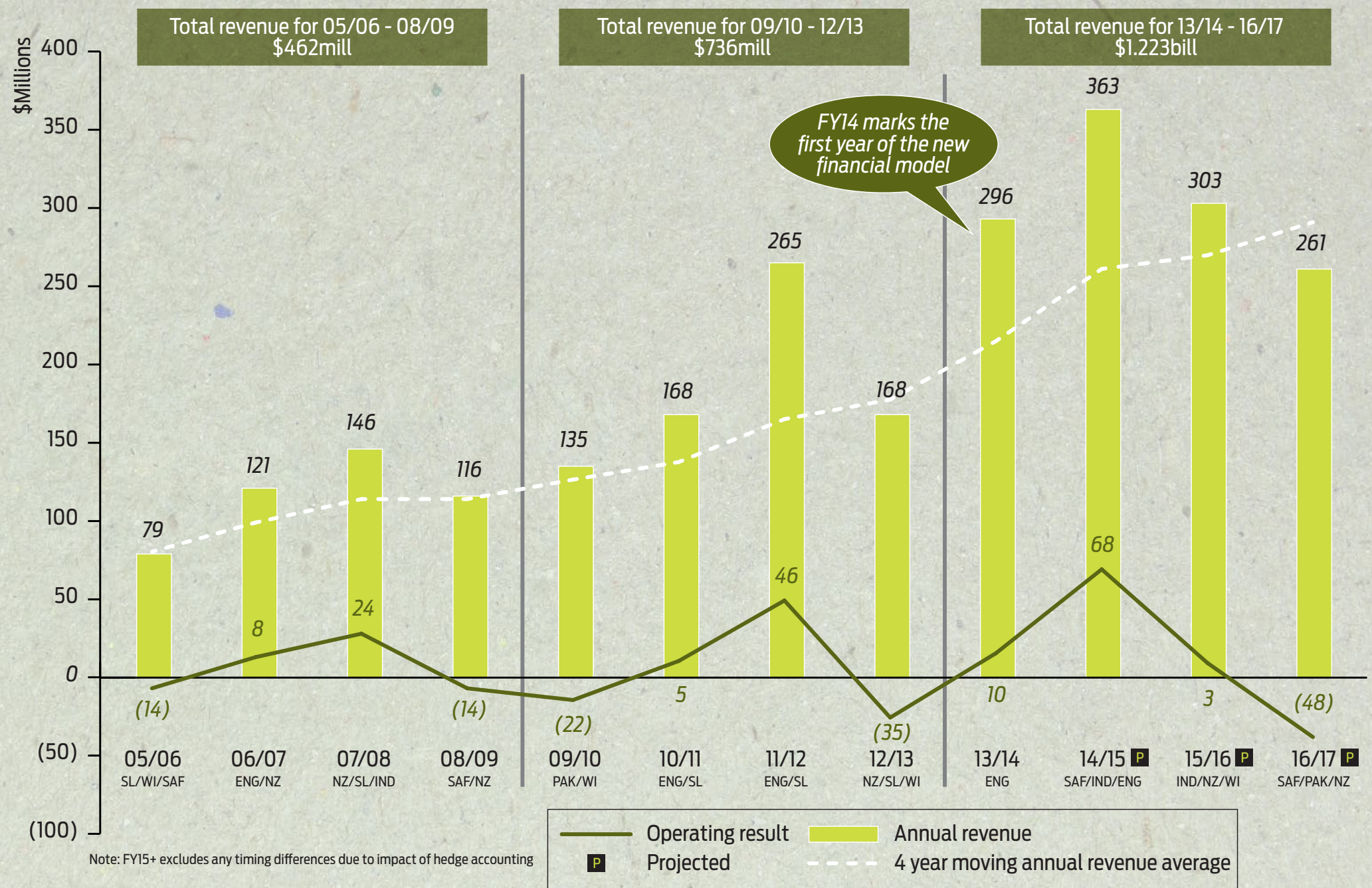
James Sutherland
Chief Executive Officer

Significant revenue growth with variability in revenue due to the international value of media rights associated with visiting teams





Significant revenue growth with variability in revenue due to the international value of media rights associated with visiting teams



Broadcast and commercial partners 2013/14 Summer

Platinum Partners



Gold Partners



Silver Partners



Broadcast Partners



Financial report

For the financial year ended 30 June 2014



Quicklinks

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The financial report was authorised for issue by the directors on 16 September 2014.

Report of the directors

The directors present their report on the results of Cricket Australia for the year ended 30 June 2014.

Principal activities

The principal activity of Cricket Australia is to promote and administer the game of cricket in Australia.

Form of entity and place of business

Cricket Australia, incorporated in Victoria, is a company limited by guarantee. Under its constitution, the liability of members is limited to \$1,000 per member. At the date of this report, Cricket Australia's registered office – and principal place of business is located at 60 Jolimont Street, Jolimont, Victoria.

Review of operations and results

As part of the new Financial Model approved by Members at the October 2012 Annual General Meeting, as of July 2013 Cricket Australia now receives all gate and signage revenue from international matches and States receive guaranteed revenue (subject to there being no adverse movement in Cricket Australia's projected revenue). This has resulted in a simplified model and derisks States against volatile movements in gate revenue due to the timing and duration of matches, weather and the competitiveness of touring teams. Other than this, the basis of operations of Cricket Australia did not change during the year. Cricket Australia continued to promote and administer the game of cricket in Australia, including the men and women's Australian Cricket Teams, the Sheffield Shield, the Ryobi Cup and the Big Bash League. It was also responsible for the development and marketing of the game in Australia.

The net result of operations for the year ended 30 June 2014, after distributions to State Associations of \$92,167,244 (2013: \$65,163,410) was a net surplus of \$9,946,535 (2013: deficit \$34,642,355).

Significant changes in state of affairs

There were no significant matters affecting the state of affairs of Cricket Australia which occurred during the financial year.

Events after end of financial year

There is at the date of this report no matter or circumstance which has arisen since 30 June 2014 that has significantly affected, or may significantly affect the operations of Cricket Australia, the results of those operations, or the state of affairs of Cricket Australia in financial years subsequent to 30 June 2014.

Future developments and results

The directors are not aware of any likely developments at this time that would affect the operations of Cricket Australia.

Environmental regulation

The operations of Cricket Australia are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Information on directors

The following persons held office as directors of Cricket Australia at any time during the year and up to the date of this report.

Director	Cricket Australia Experience	Special Responsibilities
W J Edwards (appointed 20 September 1996)	18 Years	<ul style="list-style-type: none">♦ Cricket Australia Chairman (appointed 28 October 2011)♦ Remuneration Committee (Chairman)
J C Bannon AO (appointed 25 November 2008)	6 Years	<ul style="list-style-type: none">♦ National Indigenous Cricket Advisory Committee (NICAC) (Co-Chairman)
E R Eddings (appointed 1 September 2008)	6 Years	<ul style="list-style-type: none">♦ Audit and Risk Committee♦ Remuneration Committee
T T Harrison (appointed 11 October 2002)	12 Years	<ul style="list-style-type: none">♦ Remuneration Committee♦ Diversity Council
J C Hey (appointed 25 October 2012)	2 Years	<ul style="list-style-type: none">♦ Audit and Risk Committee♦ Diversity Council
M S Kasprowicz (appointed 9 August 2011)	3 Years	<ul style="list-style-type: none">♦ National Indigenous Cricket Advisory Committee (NICAC)
D A Peever (appointed 25 October 2012)	2 Years	<ul style="list-style-type: none">♦ Remuneration Committee♦ Cricket Australia Deputy Chairman (appointed 2 May 2014)
K J Roberts (appointed 25 October 2012)	2 Years	<ul style="list-style-type: none">♦ Audit and Risk Committee
M A Taylor AO (appointed 3 June 2013, first tenure 13 September 2004 to 25 September 2012)	9 Years	

Meetings of directors

The number of Directors' meetings held (including meetings of Committees and Directors) and the number of meetings attended (while a Director) by each of the Directors of Cricket Australia during the financial year are:

Meetings held (H) whilst a Director and attended (A)	Full meeting of Directors (inc teleconferences)		Audit and Risk Committee ¹		Remuneration Committee	
	H	A	H	A	H	A
W J Edwards (Chairman)	10	10			2	2
J C Bannon AO	10	10				
E R Eddings	10	9	10	10	2	2
T T Harrison	10	9			2	2
J C Hey	10	10	10	9		
M S Kasprowicz	10	10				
D A Peever	10	9			2	2
K J Roberts	10	10	10	10		
M A Taylor AO	10	10				

Company Secretary

The Company Secretary is **Mr D Kino**, General Manager, Legal and Business Affairs*

- ¹ John Davies is Chair of the Audit and Risk Committee and is an independent consultant and non-director
- ² Don Argus is Chair of the Nominations Committee and is an independent consultant and non-director
- ³ Tony Hodgson is a member of the Nominations Committee and is an independent consultant and non-director

* Resigned 5 September 2014

Insurance of Officers

During the financial year, Cricket Australia paid a premium to insure certain officers of Cricket Australia. The insurance policy covers any director or officer of the Company including past, present and future directors, Secretary, Chief Executive Officer and employees of Cricket Australia. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as officers of Cricket Australia.

Auditor independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on following page.

Signed in Melbourne this 16th day of September, 2014, in accordance with a resolution of the Directors.



W J Edwards
Chairman
Cricket Australia

E R Eddings
Deputy Chairman
Audit & Risk Committee



Auditor's Independence Declaration

As lead auditor for the audit of Cricket Australia for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Chris Dodd'.

Chris Dodd
Partner
PricewaterhouseCoopers

Melbourne
16 September 2014

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Income statement *For the year ended 30 June 2014*

	Notes	2014 \$	2013 \$
Revenue from continuing operations	4	292,021,048	164,303,311
Other income	4	3,876,772	4,089,455
Total Revenue		295,897,820	168,392,766
Expenditure from operating activities			
Players and Umpires		54,321,797	37,370,171
Team Performance		20,968,033	14,299,675
Game & Market Development		12,265,864	11,479,002
Media, Marketing & Communication		29,119,751	20,664,087
Operations		47,799,793	25,902,538
Administration		29,308,803	28,156,238
		193,784,041	137,871,711
Surplus from continuing operations		102,113,779	30,521,055
Distributions to State Associations	24	92,167,244	65,163,410
Surplus/(deficit) for the year		9,946,535	(34,642,355)

The above income statement should be read in conjunction with the accompanying notes.

Statement of comprehensive income *For the year ended 30 June 2014*

	Notes	2014 \$	2013 \$
Surplus/(deficit) for the year		9,946,535	(34,642,355)
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges		8,581,813	(23,813,310)
		8,581,813	(23,813,310)
Total Comprehensive income for the year		18,528,348	(58,455,665)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet *As at 30 June 2014*

	Notes	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	6	84,718,667	67,654,475
Trade and other receivables	7	8,737,150	15,574,370
Inventories	8	1,157,477	1,194,851
Other	11	5,876,025	8,930,768
Total current assets		100,489,319	93,354,464
NON-CURRENT ASSETS			
Forward foreign exchange contracts	10	156,960	-
Intangible assets	12	2,167,450	-
Investment property	13	1,525,000	1,525,000
Property, plant and equipment	14	36,342,189	24,537,718
Total non-current assets		40,191,599	26,062,718
TOTAL ASSETS		140,680,918	119,417,182
CURRENT LIABILITIES			
Forward foreign exchange contracts	10	927,030	2,634,521
Trade and other payables	15	14,128,993	20,905,518
Provisions	16	42,990,550	26,349,684
Revenue received in advance	17	14,866,076	10,668,096
Total current liabilities		72,912,649	60,557,819
NON-CURRENT LIABILITIES			
Forward foreign exchange contracts	10	-	2,724,272
Provisions	18	9,790,633	8,651,567
Revenue received in advance	19	31,302,068	39,336,304
Total non-current liabilities		41,092,701	50,712,143
TOTAL LIABILITIES		114,005,350	111,269,962
NET ASSETS		26,675,568	8,147,220
MEMBERS' FUNDS			
Hedging reserves	20	5,785,716	(2,796,097)
Accumulated funds	22	20,889,852	10,943,317
TOTAL MEMBERS' FUNDS		26,675,568	8,147,220

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity *For the year ended 30 June 2014*

	Notes	Hedging Reserve \$	General Reserve \$	Accumulated Funds \$	Total Equity \$
Balance at 1 July 2012		21,017,213	-	45,585,672	66,602,885
Changes in the fair value of cash flow hedges		(23,813,310)	-	-	(23,813,310)
Net income recognised directly into equity		(23,813,310)	-	-	(23,813,310)
Surplus/(Deficit) for year		-	-	(34,642,355)	(34,642,355)
Total recognised income and expense for the year		(23,813,310)	-	(34,642,355)	(58,455,665)
Balance at 30 June 2013	20 & 22	(2,796,097)	-	10,943,317	8,147,220
Balance at 1 July 2013		(2,796,097)	-	10,943,317	8,147,220
Changes in the fair value of cash flow hedges		8,581,813	-	-	8,581,813
Net income recognised directly into equity		8,581,813	-	-	8,581,813
Surplus/(Deficit) for year		-	-	9,946,535	9,946,535
Total recognised income and expense for the year		8,581,813	-	9,946,535	18,528,348
Balance at 30 June 2014	20 & 22	5,785,716	-	20,889,852	26,675,568

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement *For the year ended 30 June 2014*

	Notes	2014 \$	2013 \$
Cash Flows from Operating Activities			
Receipts from spectators, media, sponsors and customers		300,774,482	211,657,522
Payments to suppliers, players and employees		(175,213,557)	(139,384,035)
Payments to members		(92,167,244)	(65,163,410)
Interest received		1,870,473	3,524,079
Net cash inflow/(outflow) from operating activities	26	35,264,154	10,634,156
Cash Flows from Investing Activities			
Payments for plant and equipment		(18,199,962)	(7,686,034)
Net cash (outflow) from investing activities		(18,199,962)	(7,686,034)
Cash Flows from Financing Activities			
Payments to members from accumulated funds		-	-
Net cash (outflow) from financing activities		-	-
Net increase/(decrease) in cash held		17,064,192	2,948,122
Cash at the beginning of the financial year		67,654,475	64,706,353
Cash at the end of the financial year	6	84,718,667	67,654,475

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements *For the year ended 30 June 2014*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Cricket Australia (the Company).

a. Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Equivalent of International Financial Reporting (AIFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Income Statement presentation

The presentation of the Income Statement and related notes to the financial statements have been amended, for the year ended 30 June 2014 and 30 June 2013, to align with the Group's internal reporting of operations.

b. Income Tax

The Company is exempt from Australian income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

c. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Cricket Australia's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges.

d. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 10. Movements in the hedging reserve in shareholders' equity are shown in Note 20. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within other income or other expense.

Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item affects profit or loss (for instance when the forecast media income that is hedged takes place).

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

e. Acquisition of assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus costs incidental to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

f. Revenue recognition

Revenue is measured for the major business activities as follows:

- i) International Media income is recognised, after allowance for commission and charges, on the completion of the relevant matches covered by the underlying contract. Domestic media income is brought to account on an accruals basis;
- ii) Gate takings are recognised as the relevant percentage of gross takings received for all international matches forwarded by State Associations;
- iii) Investment revenue is recognised on an accruals basis using the effective interest rate method except for managed funds which are discussed in Note 1(t);
- iv) Sponsorships are brought to account on an accruals basis;
- v) Dividends and distributions are brought to account at the date of entitlement;
- vi) Agency transactions revenue are recognised on the basis of commissions earned.

g. Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company has complied with the attached conditions.

h. Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is raised where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the assets carrying value and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cashflows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of income statement in other expenses.

i. Other loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (Note 7) in the balance sheet.

j. Inventories

All inventories, which consist of uniforms and cricket equipment are finished goods. Inventories are based on purchase price using the 'first in, first out' method and are stated at the lower of cost and net realisable value.

k. Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

l. Intangible assets

Assets that are identifiable non-monetary without physical substance are recognised as intangible assets. The intangible assets recognised related to internally generated software and is amortised on a straight-line basis across five years.

m. Investment property

The investment property is a two story semi detached Victorian dwelling adjacent to the current business premises and is held for long term organisational growth. The investment property is carried at historical cost less depreciation. Given the Company's intentions of converting the building into office space in the near future, the decision was made to depreciate at a rate of 50% per annum. The building was fully depreciated by 30 June 2011, with the remainder attributed to land at a cost of \$1,525,000. Rental revenue is recognised on a straight line basis over the term of the lease agreement.

n. Depreciation of property, plant and equipment

Depreciation is calculated on a diminishing value basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the Company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The depreciation rates are as follows:

Buildings	2.5%
Plant & Equipment	7.5% to 30%
Freehold Improvements	20%

o. Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the remaining period of the lease or the estimated useful life of the improvement, whichever is the shorter. Leasehold improvements being held at balance date are amortised using a diminishing value rate of 20%.

p. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually payable within 30 days of recognition.

q. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

r. Employee benefits

i. Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

ii. Long service leave

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii. Player payments adjustments

A liability is recognised and is measured as the expected future payments to be made to players in relation to entitlements arising for service up to balance date determined in accordance with the Memorandum of Understanding. The player payment adjustment in any relevant contract year will represent any shortfall in the Player Payments Pool that has arisen due to actual Australian Cricket Revenue exceeding the Australian Cricket Revenue Estimate, less any excess in the Player Payments Pool that has arisen in any relevant contract year due to the ACR Estimate exceeding actual ACR.

s. Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

t. Investments

i. Managed funds

Investments in managed funds are designated at “fair value through profit or loss” on initial recognition and are initially recognised at fair value, being the cost of acquiring units in the managed funds. At balance date, the investment is revalued to its fair value, which reflects the redemption price of units held. Movements in the fair value are included in the income statement.

ii. Bank bills, bonds and deposits

Investments in bank bills, bonds and deposits are classified as “held to maturity” on initial recognition and are initially recognised at fair value, being the cost of acquiring the investment, including transaction costs. At balance date, the investment is carried at amortised cost with interest income recognised using the effective interest rate method.

u. Retirement schemes

The Company operates a defined benefit scheme (Australian Cricketers’ Retirement Account) and a post-employment plan (Players’ and Umpires’ Retirement Benefits Schemes). Liabilities are recognised based on set rates and the relevant player’s or umpire’s service to the Company and State Associations. The portion of entitlements expected to be paid within 12 months is recognised as a current liability.

i. Players’ and Umpires’ Retirement Benefits Schemes

This scheme covers player service up to 2001 and umpires. Payment of the benefit is entirely at the discretion of the Company and occurs after retirement. When payment is made, interest at commercial bank bill rates is applied for the period between retirement and payment. On 1 July 2001 the Players’ Retirement Benefits Scheme was replaced by the Australian Cricketers’ Retirement Account. All entitlements accrued up until 30 June 2001 under this scheme remain payable. The Company will determine the

umpire’s value of credits to be made for specified cricket matches annually and will confirm those matches which will qualify for credits. Umpire’s benefits scheme payouts are based on accrued value credits earned until retirement from umpiring. Payout’s may be made on retirement under certain conditions in the absolute and uncontrolled discretion of Cricket Australia, to umpires who have qualified, in accordance with the Rules of the Scheme.

ii. Australian Cricketers’ Retirement Account

This scheme covers player service since 1 July 2001. Contributions from the Player Payment Pool are made to the Australian Cricketers’ Retirement Account (“ACRA”) in order to fund entitlements and the balance of the account is recorded as restricted cash and investments in the balance sheet. Interest earned on the account is recognised as income in the income statement. The liability is measured as the present value of expected future payments to be made in respect of entitlements earned up to the reporting date, giving consideration to expected timing of retirements. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows. The increase/decrease in the present value of future entitlements is included in the income statement.

v. Distributions

Distributions are made to the members of the Company for state player payments and game development. Distributions are recognised as an expense to the extent that payment is required by virtue of the by-laws. Clause 3 of the Memorandum of Association of the Company permits the distribution from time to time of surplus funds (over and above the obligations under the by-laws) provided it is for the purposes of promoting and developing the game of cricket. Such discretionary distributions are recognised directly as adjustments against accumulated funds.

w. Leased assets

The Company has entered into various leases which have been treated as operating leases as the lessor effectively retains substantially all risks and benefits of ownership. Operating lease payments are charged to the income statement on a straight line basis over the lease term.

x. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flow.

y. New Accounting Standards

The Company has not applied any Australian Accounting Standards interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2014 ("the inoperative standards"). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. The Company only intends to adopt the inoperative standards at the date at which their adoption becomes mandatory.

AASB 119 Employee Benefits resulted in changes to the entity's accounting policy (effective 1 July 2013)

As the revised standard must be adopted retrospectively, adjustments to the retirement benefit obligations need to be recognised at the beginning of the earliest period presented (1 July 2012). This did change the measurement of these obligations, as the entire obligation is now measured on a discounted basis and no longer split into a short-term and a long-term portion. However, this doesn't impact Cricket Australia, as retirement benefit obligations were already measured on a discounted basis.

2. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risk's, market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments such as foreign exchange forward contracts and European foreign exchange call options to hedge certain risk exposures.

Risk management is carried out by the Business & Advisory Services department under policies approved by the Audit and Risk Committee and Board of Directors. Business & Advisory Services identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Company operates internationally and is exposed to foreign exchange risk arising from currency exposures due to the sale of international media rights and tours overseas. These exposures occur primarily in US dollars and British pounds. The Company's risk management policy is to hedge all specific arrangements greater than AUD \$1 million once the amount and timing of the inflows are known and highly probable.

The Company has entered into an agreement with the Company's banker to manage foreign exchange risk that permits the Company to take out individual forward exchange contracts or call options that match the specific arrangements at an agreed exchange rate. The agreement is non-transferable and contains no minimum or maximum level of forward exchange rates contracts or call options that can be entered into. External foreign exchange contracts are designated as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis.

Based on the financial instruments held at 30 June 2014, had the Australian dollar weakened/ strengthened by 10% against the US dollar and Great British Pound with all other variables held constant, the Company's surplus for the year would have not changed, mainly as a result of no exposure to foreign exchange gains/losses on translation of US dollar instruments as detailed in the above table. Equity would have been \$70,006 higher/ \$77,007 lower (2013: \$535,789 lower/ \$487,163 higher) had the Australian dollar weakened/ strengthened by 10% against the US dollar and Great British Pound, arising mainly from foreign exchange contracts designated as cash flow hedges.

A sensitivity of 10% was selected following a review of historic trends.

The carrying amounts of the Company's financial assets and liabilities are denominated in Australian dollars except as set out below:

	30/06/2014		30/06/2013	
	\$USD	£GBP	\$USD	£GBP
Trade Debtors	-	-	71,247	16,531
Accrued Income	-	-	-	-
Trade Payables	-	-	-	-
Forward Exchange Contracts	-	-	(2,357,863)	(3,000,930)

Credit risk

The credit risk on financial assets of the Company which have been recognised on the balance sheet is generally the carrying amount, net of any provisions for impairment. Credit risk arises from the potential failure of counterparties to meet their obligations under the relevant contracts at maturity. An exposure therefore exists with respect to the forward exchange contracts discussed above, as these are all held with the Company's banker.

For all bank deposits, only independently rated parties with a minimum rating of 'AA' are accepted. Managed fund investments are only held with independently related parties with a minimum of three stars.

Apart from this, the Company has no significant concentrations of credit risk. The Company has policies in place to ensure that licensing and sponsorship arrangements are made to organisations with an appropriate credit history.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

Amounts recognised in profit or loss

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired receivables.

	2014 \$	2013 \$
Impairment losses	-	-
• individually impaired receivables	-	-
• movement in provision for impairment	(76,000)	-
Reversal of previous impairment losses	-	-

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet commitments associated with financial instruments. The Company manages liquidity risk through the preparation of cash projections and monthly review of investments, including cash funds.

Interest rate risk

With the exception of cash and cash equivalents, the assets and liabilities of the Company are non-interest bearing. Details of interest rate exposure are contained in the relevant notes. In addition, discount rates used in the determination of provisions for employee entitlements may be impacted by changes in interest rate.

Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As of 1 July 2009, Cricket Australia has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- a. quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- b. inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2) and;
- c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the Company’s assets and liabilities measured and recognised at fair value.

	At 30 June 2014			At 30 June 2013		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Assets/(Liabilities)						
Derivatives used						
for hedging	-	(770,070)	-	-	(5,358,793)	-
Total Assets/						
(Liabilities)	-	(770,070)	-	-	(5,358,793)	-

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial

instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise debt investments and derivative financial instruments. In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

a. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for Employee Entitlements - ACRA

The Company raises a provision annually for future ACRA entitlements based on calculations performed by a qualified actuary, in accordance with the accounting policy stated in Note 1(t). These calculations require the use of assumptions in relation to the expected timing of retirements and discounting of the future cash flows. Refer Note 18 for details of the key actuarial assumptions.

Provision for Employee Entitlements – Player payment adjustments

The Company recognises a provision for the expected long-term benefits arising under a revenue share agreement with the Australian Cricketers Association. To the extent that actual revenue varies from current forecasts over the agreed term, the ultimate amount payable will vary. Refer Note 16 for further details.

b. Critical judgements

No critical judgements were made in applying the entity’s accounting policies for the year ended 30 June 2014.

	2014 \$	2013 \$
4. REVENUE		
From continuing operations		
<i>Sales revenue</i>		
Rendering of services	287,147,320	158,517,602
	287,147,320	158,517,602
<i>Other revenue</i>		
Royalties	2,908,998	1,950,146
Interest from financial assets not at fair value through profit and loss	1,909,332	3,599,802
Net gain on market value of managed funds	-	190,300
Rental income from investment property	55,398	45,461
	4,873,728	5,785,709
Total revenue from continuing operations	292,021,048	164,303,311
Other income		
Government grants (Note (a))	3,876,772	4,089,455
	3,876,772	4,089,455
Total Revenue	295,897,820	168,392,766

a. Government grants

Government Grants relate primarily to monies received from the Australian Sports Commission which are required to be expended on game development. There are no unfulfilled conditions or other contingencies attached to these grants.

2014
\$

2013
\$

5. NET RESULT

The net result includes the following specific items:

Expenses

Depreciation and amortisation

Intangibles	541,862	-
Buildings	427,996	87,540
Freehold improvements	284,925	341,856
Office equipment	1,220,465	685,723
Leasehold improvements	34,572	96
Total depreciation and amortisation expense	2,509,820	1,115,215
Minimum lease payments	-	110,776
Employee benefits expense	71,078,743	50,211,015
Unrealised (gain)/loss on derivative financial instruments	3,993,089	(4,323,411)

As discussed in Note 1(b), the Company is exempt from tax and no tax is applicable to these items.

2014
\$

2013
\$

6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank and on hand	5,450,310	2,678,721
Restricted Cash - ACRA & Live Streaming	11,625,722	20,106,596
Interest bearing deposits	67,642,635	44,869,158
	<u>84,718,667</u>	<u>67,654,475</u>

Interest bearing deposits have a weighted average interest rate of 3.09% (2013: 3.22%).

As at 30 June 2014, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, surplus for the year would have been \$847,187 lower/higher (2013 change of 100bps: \$676,545 lower/higher) mainly as a result of higher/lower interest income from cash and cash equivalents based on the year end balances.

7. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

Debtors	5,483,441	12,733,408
Receivable from related party	1,133,721	1,075,723
Other Receivables - other	2,119,988	1,765,239
	<u>8,737,150</u>	<u>15,574,370</u>

a. Past due but not impaired

As of 30 June 2014, trade receivables of \$1,570,366 (2013: \$2,500,289) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

Not past due	3,913,075	10,223,119
Past due 0- 30 days	882,066	2,144,766
Past due 31- 60 days	430,004	165,898
Past due 61- 90 days	256,404	115,993
Past due 91 days or more	1,892	73,632
	<u>5,483,441</u>	<u>12,733,408</u>

b. Foreign exchange and interest rate risk

Information about the entity's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in Note 2.

c. Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 2 for more information on the risk management policy of the entity and the credit quality of the entity's trade receivables.

d. Other Receivables

As at 30 June 2014, the other receivables are split between related parties and third parties. Related parties consists of an advance on distributions to Queensland Cricket.

	2014	2013
	\$	\$

8. CURRENT ASSETS - INVENTORIES

Inventory - cost	1,428,052	1,356,121
Inventory - provision for obsolescence	(270,575)	(161,270)
	<u>1,157,477</u>	<u>1,194,851</u>

9. CURRENT ASSETS - INVESTMENTS

Investments at fair value through profit or loss

Restricted managed funds - ACRA - market value	-	-
	<u>-</u>	<u>-</u>

Changes in fair value of financial assets through profit or loss are recorded in other income or Finance and Administration expense in the income statement (Notes 4 and 5 respectively).

Based on the assumption that the value of the Company's investments managed funds correlate to movements in the ASX 200 index, had the ASX 200 index increased/decreased by 10% (2013: 10%) the Company's other income would have increased/decreased by \$0 (2013:\$0) based on the year end balances.

a. Risk exposure

Information about the entity's exposure to credit risk, foreign exchange and price risk is provided in Note 2.

2014
\$

2013
\$

10. DERIVATIVE FINANCIAL INSTRUMENTS

Current Assets/(Liabilities)

Forward foreign exchange contracts and purchased foreign exchange options	(927,030)	(2,634,521)
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Non-current assets/(Liabilities)

Forward foreign exchange contracts and purchased foreign exchange options	156,960	(2,724,272)
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In the year ended 30 June 2014, a loss of \$3,993,089 (2013: \$4,323,411 gain) in forward exchange contracts was transferred to the income statement.

From time to time, the Company enters into derivative financial instrument contracts to mitigate foreign exchange risk in respect to overseas revenues in accordance with the Company's financial risk management policies (refer to Note 2). The Company has assessed the contracts for hedge effectiveness with the deferred gain in relation to those contracts assessed as effective hedges recognised in the hedging reserve at balance date, in accordance with accounting policy Note 1(d). The contracts are timed to mature when revenues are due to be received and are treated as cash flow hedges. At balance date, the details of outstanding derivative financial instrument contracts are:

Sell US dollars

Maturing in less than one year	123,390,534	16,599,663
Maturing between 1 - 2 years	79,908,262	83,797,427
	203,298,796	100,397,090

Sell British Pounds

Maturing in less than one year	16,193,741	42,170,819
Maturing between 1 - 2 years	5,441,325	16,193,741
	21,635,066	58,364,560

11. CURRENT ASSETS - OTHER

Accrued Income	2,982,550	4,758,820
Prepayments	2,893,475	4,171,948
	5,876,025	8,930,768

a. Fair value and credit risk

Due to the short-term nature of these assets, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of assets mentioned above. Refer to Note 2 for more information on the risk management policy of the entity and the credit quality of the entity's trade receivables.

	2014 \$	2013 \$
12. NON CURRENT ASSETS - INTANGIBLE		
At cost	2,709,312	-
Less amortisation	541,862	-
	<u>2,167,450</u>	<u>-</u>

a. Movements in intangible assets

	Internally generated software \$	TOTAL \$
At 1 July 2013	-	-
Additions	2,709,312	2,709,312
Disposals	-	-
Amortisation Expense	(541,862)	(541,862)
at 30 June 2014	<u>2,167,450</u>	<u>2,167,450</u>

Intangible assets consists of capitalised software development costs being an internally generated intangible asset.

13. NON-CURRENT ASSETS - INVESTMENT PROPERTY

At cost	1,852,388	1,852,388
Less accumulated depreciation	327,388	327,388
	<u>1,525,000</u>	<u>1,525,000</u>

a. Movements in investment properties are set out below:

Carrying amount at start of year	1,525,000	1,525,000
Less depreciation	-	-
Carrying amount at end of year	<u>1,525,000</u>	<u>1,525,000</u>

Details of the amounts recognised in the profit and loss for investment property are disclosed in Notes 4 and 5.

b. Fair value of investment property

The investment property was purchased during the year ended 30 June 2010 and is recognised at cost. The indicative fair value at 30 June was \$1,950,000 based on independent assessments made by a member of the Australian Property Institute at 30 June 2012. The next independent assessment is due on 30 June 2015.

c. Leasing Arrangements

The investment property lease was renegotiated on the 4 July 2014 for 6 months, expiring 27 January 2015.

Minimum lease payments receivable are as follows:

Within one year	47,976	47,976
	<u>47,976</u>	<u>47,976</u>

	2014 \$	2013 \$
14. NON-CURRENT ASSETS - PROPERTY		
PLANT AND EQUIPMENT		
Land and Buildings		
Land - cost	7,205,339	7,205,339
Building - cost	25,270,144	4,711,772
Building - WIP	-	10,224,113
Less accumulated depreciation	1,725,751	1,297,756
	23,544,393	13,638,129
Total Land and Buildings	30,749,732	20,843,468
Plant and Equipment		
Office equipment - cost	9,130,100	5,760,099
Less accumulated depreciation	4,826,581	3,606,117
Total Office Equipment	4,303,519	2,153,982
Leasehold improvements	753,024	753,024
Less accumulated depreciation	614,744	580,172
Total Leasehold Improvements	138,280	172,852
Freehold improvements	4,374,127	4,305,960
Less accumulated depreciation	3,223,469	2,938,544
Total Freehold Improvements	1,150,658	1,367,416
Total Plant and Equipment	5,592,457	3,694,250
	36,342,189	24,537,718

Reconciliations

Reconciliations of the carrying amount of each class of property, plant and equipment at the beginning and end of the year are set out below.

	Freehold Land \$	Buildings \$	Freehold Improvements \$	Office Equipment \$	Leasehold Improvements \$	TOTAL \$
At 1 July 2013	7,205,339	13,638,129	1,367,416	2,153,982	172,852	24,537,718
Additions	-	10,334,260	68,167	3,370,002	-	13,772,429
Disposals	-	-	-	-	-	-
Depreciation Expense	-	(427,996)	(284,925)	(1,220,465)	(34,572)	(1,967,958)
at 30 June 2014	7,205,339	23,544,393	1,150,658	4,303,519	138,280	36,342,189
At 1 July 2012	7,205,339	5,712,710	1,709,272	2,062,660	-	16,689,981
Additions	-	8,012,959	-	777,045	172,948	8,962,952
Disposals	-	-	-	-	-	-
Depreciation Expense	-	(87,540)	(341,856)	(685,723)	(96)	(1,115,215)
at 30 June 2013	7,205,339	13,638,129	1,367,416	2,153,982	172,852	24,537,718

	Notes	2014 \$	2013 \$
15. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES			
Trade payables		14,128,993	20,905,518

16. CURRENT LIABILITIES - PROVISIONS

Annual leave		1,516,886	1,482,285
Long service leave		798,264	681,763
Provision for player payments		39,763,502	22,975,633
ACRA entitlements	1(u)	890,011	1,087,152
Players' and Umpires' Retirement Benefits Scheme (P&URBS)	1(u)	21,887	122,851
		42,990,550	26,349,684

Refer Note 17 for further details.

a. Player payments adjustment

Cricket Australia entered into an arrangement with the Australian Cricketers' Association which entitles professional cricketers to a certain share of Australian Cricket Revenue (ACR) over a five year period to 30 June 2017.

This share consists of a guaranteed percentage plus a performance percentage. The combination of these two must not exceed an agreed percentage cap over the 5 year period.

To the extent that ACR exceeds an agreed estimate, Cricket Australia is required to pay an adjustment to players. A provision for player payments is recognised at 30 June 2014.

17. CURRENT LIABILITIES - REVENUE RECEIVED IN ADVANCE

Revenue received in advance - National Cricket Centre (previously COE) Development	1,085,047	429,416
Revenue received in advance - Media Rights/Sponsorship	13,781,029	10,238,680
	14,866,076	10,668,096

18. NON CURRENT LIABILITIES - PROVISIONS

Players' and Umpires' Retirement Benefits Scheme (P&URBS)	1 (u)	200,404	186,167
ACRA Entitlements	1 (u)	9,436,047	8,294,509
Long service leave		154,182	170,891
		<u>9,790,633</u>	<u>8,651,567</u>

ACRA and P&URBS

As disclosed in Note 1(u), the ACRA, P&URBS employee entitlements are defined benefit scheme and post-employment plans respectively.

The reconciliation of the movement in the present value of the plans is as follows:

	2014	2013
	\$	\$
Carrying amount at start of year	9,690,679	9,013,109
<i>Amounts recognised in the income statement</i>		
Current service cost	1,871,835	1,790,383
Interest cost	301,380	232,538
Actuarial (gains)/losses	(285,447)	(337,391)
	<u>11,578,447</u>	<u>10,698,639</u>
Less Benefits paid	1,030,099	1,007,960
Carrying amount at end of year	<u>10,548,348</u>	<u>9,690,679</u>

Although neither scheme has plan assets as defined by AASB119: Employee Benefits, under an agreement with the Australian Cricketers' Association, Cricket Australia is required to hold restricted assets to fund ACRA. No restricted funds are held for P&URBS. The current portion of the liability is determined based on expected retirements in the next financial year.

Carrying amount of ACRA	10,326,057	9,381,662
Investments held in relation to ACRA	11,370,032	10,496,732
Net surplus (deficiency)	<u>1,043,975</u>	<u>1,115,070</u>

The level of contribution to ACRA is reviewed annually by a qualified actuary with the purpose of ensuring that ACRA is fully funded. The contribution levels are based on the actuarial assumptions identified below.

Contribution in current year	2,078,000	1,906,000
Expected contribution for next financial year	2,000,000	2,078,000

The principal actuarial assumptions used in estimating the present value of the defined benefit obligations and contribution levels for ACRA are:

Investment earnings rate	2.99%	3.11%
Annual growth in value of ACRA entitlements (both match and contract)		
• Cricket Australia contracted players	3.00%	3.00%
• State contracted players	3.00%	3.00%
• Rookie players	3.00%	3.00%
• BBLT20	3.00%	3.00%
Average retirement age		
• Cricket Australia contracted players	35	35
• State contracted players	30	30
	2014	2013
	\$	\$

19. NON CURRENT LIABILITIES - OTHER

Revenue received in advance - National Cricket Centre (previously COE)	23,224,944	23,549,046
Revenue received in advance - Media Rights/Sponsorship	8,077,124	15,787,258
	<u>31,302,068</u>	<u>39,336,304</u>

20. HEDGING RESERVE

Movements:		
Balance 1 July	(2,796,097)	21,017,213
Transfer to net surplus	3,993,089	(4,323,411)
Revaluation	4,588,724	(19,489,899)
Balance 30 June	<u>5,785,716</u>	<u>(2,796,097)</u>

The Hedging Reserve is used to record the deferred gains on effective cash flows as described in Note 1(s).

21. CAPITAL

Cricket Australia is incorporated in Victoria as a company limited by guarantee. Under its constitution, the liability of members is limited to \$1,000 per member and the Board cannot declare a dividend to members, however grants may be made in accordance with the By Laws.

2014
\$

2013
\$

22. ACCUMULATED FUNDS

Movements:

Balance 1 July	10,943,317	45,585,672
Net surplus/(deficit) for the financial year	9,946,535	(34,642,355)
Balance 30 June	20,889,852	10,943,317

Distributions paid to Members have been recognised in accordance with the accounting policy disclosed in Note 1(v). As Cricket Australia is exempt from income tax (refer Note 1(b)), distributions are unfranked and no franking account is maintained.

23. AUDITOR'S REMUNERATION

Total amounts received/receivable by PwC Australia for:

Remuneration for audit of the statutory financial report of Cricket Australia	70,855	78,500
Other audit related services	-	12,000
Other assurance services	4,080	-
Other Services	12,000	80,000
	86,935	170,500
Other assurance services represents:		
Agreed upon procedures	4,080	-
	4,080	-

24.RELATED PARTIES

The names of persons who were directors of Cricket Australia at any time during the financial year were as follows:

J C Bannon AO, W J Edwards, E R Eddings, T T Harrison, J C Hey, M S Kasprowicz, D A Peever, K J Roberts, M A Taylor AO

i. Key management personnel compensation

Key management personnel compensation for the years ended 30 June 2014 and 2013 is set out below. The key management personnel are all the Directors of the Company and the executives with the authority for the strategic direction and management of the Company.

	2014 \$	2013 \$
Short-term benefits	4,882,245	4,712,127
Post-employment benefits	189,898	170,020
	<u>5,072,143</u>	<u>4,882,147</u>

ii. Payments to and from members

In accordance with Cricket Australia's By Laws, payments are made to Members to assist with their costs. The levels of distributions are made to States to reflect equal general funding, and additional funding, recognising profits States would have generated from individual activities. The increase for the year ended 30 June 2014 is due to implementation of the new financial model.

Distributions from current earnings	65,063,295	41,510,745
State Player Payments	27,103,949	23,652,665
	<u>92,167,244</u>	<u>65,163,410</u>

Cricket Australia undertook transactions with each of the Members during the year in the normal course of business.

Amounts receivable from Members at balance date	342,274	2,486,305
Amounts payable to Members at balance date	1,880,645	1,606,964

iii. Usage Agreement Queensland Cricket Association

During the year ended 30 June 2010, Cricket Australia signed an agreement with the Queensland Cricket Association for use of facilities at the National Cricket Centre, Brisbane. Details of payments anticipated under this agreement are included in Notes 17 & 19.

2014
\$

2013
\$

25.COMMITMENTS FOR EXPENDITURE

Lease Commitments

Commitments relating to leases contracted at reporting date
but not recognised as liabilities payable:

Within one year

Later than one year but not later than five years

-	110,776
-	-
-	110,776

26.RECONCILIATION OF NET SURPLUS/(DEFICIT)

TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Net surplus/(deficit)	9,946,535	(34,642,355)
Depreciation, amortisation and loss on disposal	2,509,820	1,115,215
Unrealised loss/(gain) in market value of managed funds	-	840,896
Unrealised loss/(gain) in fair value of derivative financial instruments	3,993,089	(4,323,411)
Decrease/(increase) in current receivables	6,837,220	48,263,147
Decrease/(increase) in inventories	37,374	838,176
Decrease/(increase) in other current assets	3,054,743	(8,486,698)
Increase/(decrease) in accounts payable	(6,776,525)	(6,280)
Increase/(decrease) in current provisions	16,640,866	6,130,309
Increase/(decrease) in other current liabilities	4,197,980	(9,887,114)
Increase/(decrease) in non-current provisions	1,139,066	338,462
Increase/(decrease) in other non-current liabilities	(6,316,014)	10,453,809
Net cash inflow/(outflow) from operating activities	35,264,154	10,634,156

Directors' declaration

In the Directors' opinion:

- a. the financial statements and notes set out in accordance with the Corporations Act 2001, including:
 - complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Directors.



W J Edwards
Chairman
Cricket Australia



Earl Eddings
Deputy Chairman
Audit & Risk Committee



Independent auditor's report to the members of Cricket Australia

Report on the financial report

We have audited the accompanying financial report of Cricket Australia (the company), which comprises the balance sheet as at 30 June 2014, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



Auditor's opinion

In our opinion:

- (a) the financial report of Cricket Australia is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) the company's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

A stylized, handwritten signature of the PricewaterhouseCoopers firm, written in a cursive script.

PricewaterhouseCoopers

A handwritten signature of Chris Dodd, written in a cursive script.

Chris Dodd
Partner

Melbourne
16 September 2014

PricewaterhouseCoopers, ABN 52 780 433 757

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