

KARACHI GOLF CLUB

(A company setup under section 42 of The Companies Act, 2017)

**Audited Financial Statements
For the year ended June 30, 2026**

Hafizullah & Co.

CHARTERED ACCOUNTANTS

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Independent Auditors Report to the Management Committee KARACHI GOLF CLUB

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Karachi Golf Club** which comprise the statement of financial position as at **June 30, 2026** and the statement of profit or loss, the statement of changes in net assets, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of changes in net assets and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Club's affairs as at **June 30, 2026** and of the surplus and the changes in net assets and its cash flows for the year then ended.

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 the club in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We, however have nothing to report in this regard.

Responsibilities of Management Committee for the Financial Statements

Management Committee is responsible for the preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as the 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 club ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the club or to cease operations, or has no realistic alternative, but to do so.

Management Committee is responsible for overseeing the club's financial reporting process.

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 as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 club internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the club ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the club 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 the **Management Committee** 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.



Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Club as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, statement of profit or loss, the statement of changes in net assets and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Club's business; and
- d) in our opinion, no Zakat was deductible at source under Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is **Badrur Rahman**.

Place: Karachi

Dated: 05-Oct-2026

UDIN: AR202610294IUgN7xRF0


Hafizullah & Co.
CHARTERED ACCOUNTANTS


KARACHI GOLF CLUB
(A company setup under section 42 of The Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026	2025
(Rupees)			
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and equipment	4	457,604,833	263,497,437
Long term deposits		2,115,900	808,008
Total non-current assets		459,720,733	264,305,445
CURRENT ASSETS			
Inventory	5	5,142,136	3,894,957
Receivable from members	6	46,564,146	39,520,210
Short term investments	7	559,505,459	531,650,827
Loans and advances	8	73,288,433	8,195,909
Advance tax - net		67,838,134	62,265,860
Short term prepayment		832,175	769,396
Accrued income and other receivables	9	22,824,448	19,336,325
Cash and bank balances	10	12,572,200	23,302,562
Total current assets		788,567,131	688,936,046
Total assets		1,248,287,864	953,241,491
LIABILITIES			
NON-CURRENT LIABILITIES			
Levy Collected Against Capital Expenditure	11	-	3,019,024
CURRENT LIABILITIES			
Trade creditors, accrued expenses and other payables	12	48,584,100	8,486,283
Advances and deposits	13	258,920,659	146,363,730
Collection from Members	14	227,625,926	216,053,001
Other liabilities	15	134,682,067	96,654,622
Total current liabilities		669,812,752	467,557,636
Total liabilities		669,812,752	470,576,660
NET ASSETS		578,475,112	482,664,831
CONTINGENCIES AND COMMITMENTS		-	-
		1,248,287,864	953,241,491

The annexed notes 1 to 29 form an integral part of these financial statements.



VICE PRESIDENT


HONORARY TREASURER

KARACHI GOLF CLUB
(A company setup under section 42 of The Companies Act, 2017)
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026	2025
		(Rupees)	
Revenue			
Subscription income	16	160,836,995	140,702,039
Entrance fees		150,572,156	70,826,675
Income from sales and services	17	237,426,238	204,320,126
Other income	18	61,678,300	85,390,548
		<u>610,513,689</u>	<u>501,239,388</u>
Expenses			
Salaries and allowances	19	256,364,147	228,092,140
Depreciation	4.1	39,236,897	31,245,812
Stock consumed		71,207,484	63,135,665
Utilities		47,597,314	42,350,982
Repairs and maintenance		66,898,501	73,999,039
Auditors' remuneration	20	300,000	303,000
Other Administrative Expenses	21	18,226,581	24,229,418
Provision against receivables from Members		1,060,480	700,543
		<u>500,891,404</u>	<u>464,056,599</u>
(Loss)/ Profit for the year before tax		<u>109,622,285</u>	<u>37,182,789</u>
Taxation	22	13,812,004	4,631,114
Profit/ (Loss) for the year		<u><u>95,810,281</u></u>	<u><u>32,551,675</u></u>

The annexed notes 1 to 29 form an integral part of these financial statements.




VICE PRESIDENT



HONORARY TREASURER

KARACHI GOLF CLUB
(A company under section 42 of The Companies Act, 2017)
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	2026	2025
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / Loss for the year before tax	P&L 109,622,285	37,182,789
Adjustments for:		
Depreciation	P&L 39,236,897	31,245,812
Other Income	P&L (61,678,300)	(85,390,548)
Provision against receivable	1,000,000	700,543
Gain on Disposal	-	(2,490,000)
Provision for rent & tax	5,000,000	5,000,000
	(16,441,403)	(50,934,193)
(Increase) / decrease in current assets:		
Inventory	5 (1,247,179)	(205,490)
Receivable from members	6 (7,043,936)	(552,976)
Loans and advances	8 (65,092,524)	33,945,334
Short term prepayment	B/S (62,779)	(95,076)
Accrued income and other receivables	9 (3,488,123)	22,384,635
	(76,934,541)	55,476,427
(Decrease) / increase in current liabilities:		
Trade, accrued and other payables	12 40,097,817	6,445,134
Advances and deposits	13 112,556,929	5,428,178
Collection from members	14 11,572,925	20,239,840
Other liabilities	15 38,027,445	19,126,485
	202,255,116	51,239,637
Net cash used in operations	218,501,457	92,964,660
Tax paid	(23,673,149)	(25,797,215)
Net cash used in operating activities	194,828,308	67,167,445
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(233,344,292)	(138,502,580)
Sale proceeds on disposal of assets	-	2,490,000
Disposal of right to use Assets		
Short and Long term investment - net	7 (27,854,632)	3,054,816
Investment income received	58,659,276	82,626,976
Long term deposits		
Net cash (used in) / inflow from investing activities	(202,539,648)	(50,330,788)
CASH FLOWS FROM FINANCING ACTIVITIES		
Levy Collected Against Capital Expenditure	(3,019,024)	(2,763,572)
Lease Liability		
Cash inflow from financing activity	(3,019,024)	(2,763,572)
Net (decrease)/increase in cash and bank balances	(10,730,362)	14,073,085
Cash and cash equivalents at beginning of the year	23,302,562	9,229,477
Cash and cash equivalents at end of the year	12,572,200	23,302,562

The annexed notes 1 to 29 form an integral part of these financial statements.




VICE PRESIDENT



HONORARY TREASURER

KARACHI GOLF CLUB
(A company setup under section 42 of The Companies Act, 2017)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2026

	Accumulated surplus	Total
	RUPEES	
Opening as on July 01, 2024	450,113,156	450,113,156
Surplus/(deficit) for the year	32,551,675	32,551,675
Closing as at June 30, 2025	<u>482,664,831</u>	<u>482,664,831</u>
Opening as on July 01, 2025	482,664,831	482,664,831
Surplus/(deficit) for the year	95,810,281	32,551,675
Closing as at June 30, 2026	<u>578,475,112</u>	<u>515,216,506</u>

The annexed notes 1 to 29 form an integral part of these financial statements.



Aijaz Kram
VICE PRESIDENT



HONORARY TREASURER

KARACHI GOLF CLUB
(A company setup under section 42 of The Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1. STATUS AND NATURE OF BUSINESS

- 1.1 Karachi Golf Club ("the Club") was incorporated as a Club limited by guarantee on 29 July 1971 and is registered as an association not for profit under the provisions of the repealed Companies Ordinance, 1984, now the Companies Act, 2017. The principal activity of the Club is to promote and develop the game of golf. The Club's registered office is situated at Habib Rahimtoola Road, PNS Karsaz, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and

- Accounting and Financial Reporting Standard for Not for Profit Organizations issued by the Institute of Chartered Accountants of Pakistan.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments classified as available for sale which are stated at current fair value.

2.3 Functional and presentation currency

 These financial statements are presented in Pakistani rupee, which is the Club's functional currency. All amounts have been rounded-off to nearest rupee.

2.4 ADOPTION OF NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard IAS 17. It will result in all leases equally, except short term and low value leases, being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

2.5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2019 are considered not to be relevant for the Club's financial statements and hence have not been detailed here.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2020. The Club has determined such improvements to the standards does not have any material impact on the Club's financial statements.

2.6 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses, which have been done.

The estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to an accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgment made by the management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed below:

Income taxes

In making estimates for income taxes currently payable by the Club, the management considers the prevailing income tax law and the decisions of appellate authorities on certain issues in the past.

Property and equipment

The Club reviews rates of depreciation, residual value and value of the assets for possible impairment on annual basis. Any change in the estimate in future years might affect the carrying amounts of the respective items of property and equipment, with a corresponding effect on the depreciation charge and impairment.

Available for sale investments

Fair value of certain investments are usually determined by using quotations from active market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of judgment (e.g. valuation, interest rates, etc.) and therefore cannot be determined with precision.

Held to maturity investments

 The Club has classified certain investments as held to maturity. In this regard, judgment is involved in evaluating the intention and ability to hold those investments till their respective

Receivable from members

The Club reviews its doubtful receivables at each reporting date to assess whether provision should be recorded in the profit or loss account. In particular, judgment by management is required in the estimates of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Obsolete and slow moving stocks

The Club reviews the net realizable value of stock, stores and spares to assess any diminution in the respective carrying values. Any changes in the estimates in future years might affect carrying amounts of stock, stores and spares with a corresponding effect on the profit or loss account of those future years.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

3.1 Property, plant and equipment**Owned**

Property and equipment are stated at cost less accumulated depreciation and impairment, if any.

Major renewals and improvements are capitalized, only when it is probable that future economic benefits associated with the asset will flow to the Club and the cost can be measured reliably. Normal repair and maintenance is charged to profit or loss account, as and when incurred.

Depreciation is charged to profit or loss account by applying the straight line method whereby cost of assets less residual value, is written off over its estimated useful life at rates disclosed in note 4.1.

Depreciation on additions is charged from the month the asset is available for use and no depreciation is charged from the month in which the asset is disposed off.

Gains and losses on disposal of property, plant and equipment are taken to profit or loss account.

Capital work in progress

Capital work in progress represents expenditure on fixed assets in the course of construction and installation and shown at cost less impairment losses, if any. Transfers are made to relevant fixed assets category as and when the assets are available for intended use.

3.2 FINANCIAL INSTRUMENTS-INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

Classification of financial assets

The Club classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI")
- at amortised cost.

The Club determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Club's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Classification of financial liabilities

The Club classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Club has opted to measure them at FVTPL.

Subsequent measurement**i) Financial assets at FVTOCI**

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Club's own credit risk will be recognised in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Club recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- employee receivables; and
- other short term receivables.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs

The Club considers a financial asset in default when it is more than 90 days past due.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Club expects to receive).

The gross carrying amount of a financial asset is written off when the Club has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof, portion which is not expected to be received is written-off.

Derecognition

i) Financial assets

The Club derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Club has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Club derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

3.3 Investments

All investments are initially recognised at cost, being the fair value of the consideration given including transaction costs associated with the investments, excluding those pertaining to investments carried at fair value through profit & loss account.

The Club classifies its investments in the following categories:

Held to maturity

These are the investments with fixed or determinable payments and maturity which the management has positive intent and ability to hold to maturity. These are measured at amortised cost less impairment losses, if any. Amortisation of premium/discount on acquisition of the investments is carried out using the effective yield method. The fair value of held to maturity investments for disclosure purposes (where ever applicable) are determined on the basis of the rates quoted by the brokers.

Available for sale

These are the investments that are held for undefined period and that may be sold in response to the need for liquidity or changes in market rates. After initial recognition, investments classified as available-for-sale are remeasured at fair value. The surplus/deficit, if any, arising from remeasurement are taken to equity, through the statement of Other Comprehensive Income, until the investments are sold / disposed of or until the investments are determined to be impaired at which time cumulative surplus/(deficit) previously recognized in the statement of changes in equity is reclassified to the current year profit or loss account.



The fair value of investments in mutual funds is determined on the basis of the redemption rates quoted by the respective mutual funds, where applicable.

The investments in securities are recognized / derecognized on the trade date i.e. the date the Club commits to purchase / sell the investments.

3.4 Inventory

Inventory is valued at the lower of cost and net realisable value. Cost is determined using First In First Out (FIFO) basis. Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale.

3.5 Stores and spares

Stores and spares are stated at the lower of cost and net realisable value. Cost is determined using the First In First Out (FIFO) basis.

3.6 Receivable from members

Receivables from members are recognised initially at fair value and subsequently measured at recognized value less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Club will not be able to collect all amounts due according to the original terms of receivables. Receivables considered irrecoverable are written off.

3.7 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and bank balances (including term deposits having maturity of up to three months at the reporting date) that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.8 Revenue recognition

- a) Revenue from monthly subscription is recognized on a time proportion basis.
- b) Revenue from other services such as catering and green fee are recognised when the services are performed.
- c) Members entrance fee is recognised as revenue when the criteria to become a member is fulfilled.
- d) Profit on investments and profit and loss sharing bank accounts are recognised on time proportionate basis taking into account the implicit rate of return on the investments.
- e) Gain or loss on sale of investments is accounted for in the period in which it arises.
- f) Dividend income is recognised when the right to receive the dividend is established.
- g) Rental income is recognised in the profit or loss account on a time proportion basis.
- h) Income from Branding is recognized in the profit or loss account on time proportion basis.

3.9 Staff retirement benefits

The Club operates an established provident fund scheme for its eligible employees. Equal monthly contributions are made to the fund, both by the Club and the employees at the rate of 6.25 percent of basic salary and house rent allowance.

3.10 Compensated absences

The Club accounts for certain accumulated compensated absences when employees render services that increases their entitlement to future compensated absences.

3.11 Foreign exchange translation

Transactions in foreign currencies are converted into Pakistani rupee at the exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are converted into Pakistani rupee at the exchange rates prevailing at the statement of financial position date. Gains or losses on conversion are taken to the profit or loss account.

3.12 Taxation

The charge for current taxation is based on taxable income at current rate of taxation.

3.13 Impairment*Non-financial assets*

The carrying amount of the Club's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in the profit or loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3.14 Provisions

Provisions are recognised when the Club has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

3.15 Trade and other payables

Liabilities for trade and other amounts payable are recognised and carried at cost which is the fair value of consideration to be paid in future for goods and services received.

3.16 Offsetting

Financial assets and liabilities are set-off and the net amount is reported in the statement of financial position when and only when, the Club has a legally enforceable right to set-off the recognized amounts and the Club intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

2026	2025
(Rupees)	

4. PROPERTY, PLANT AND EQUIPMENT
(Schedule attached)

4.1	Operating fixed assets	4.1	389,249,816	180,088,651
	Capital work in progress		68,355,017	83,408,786
			457,604,833	263,497,437
4.2	Capital work in progress			
	Balance as at 1 July		83,408,786	77,832,006
	Expenditure incurred during the year		68,355,017	83,408,786
			151,763,803	161,240,792
	Capitalized during the year	4.2.1	83,408,786	77,832,006
	Balance as at 30 June		68,355,017	83,408,786

4.2.1 This represents the amount transferred to operating fixed assets pertaining to irrigation system, golf course and pathways, after it became operation.

5 INVENTORY

Stock - Catering Items	4,091,006	3,047,827
Miscellaneous	1,051,130	847,130
	5,142,136	3,894,957

6 RECEIVABLE FROM MEMBERS

Considered good	6.1	46,564,146	39,520,210
Considered doubtful		2,533,939	1,473,459
		49,098,085	40,993,669
Provision against Receivable from Members	6.3	(2,533,939)	(1,473,459)
		46,564,146	39,520,210

6.1 Includes amount receivables from members of management committee (related party) amounting to Rs. 361,084/=

The maximum aggregate amount due from the related parties at the end of any month during the year outstanding was Rs. 607,512/=

6.2 Movement for provision against recievable from members

Opening provision	1,473,459	772,916
Writeoff During The year	-	-
Provision made during the year	1,060,480	700,543
Closing provision	2,533,939	1,473,459

7 SHORT TERM INVESTMENTS



Held-to-maturity

- Term Deposit T- Bills

559,505,459	531,650,827
559,505,459	531,650,827

4.1 PROPERTY, PLANT AND EQUIPMENT

	2026							
	COST			Rate %	DEPRECIATION			Written down value as at 30 June 2026
	As at 01 July 2025	Additions / (Deletions)	As at 30 June 2026		As at 01 July 2025	For the year / (Deletions)	As at 30 June 2026	
	(Rupees)				(Rupees)			
Green course	99,671,034	92,711,089	192,382,123	4	24,134,587	12,586,759	36,721,346	155,660,777
Club house	21,513,932	-	21,513,932	5	14,752,358	486,627	15,238,985	6,274,947
Buildings and boundary wall	101,575,531	18,249,080	119,824,611	10	84,066,092	4,663,657	88,729,749	31,094,862
Furniture and fixtures	7,772,661	1,393,734	9,166,395	20	4,844,555	1,055,159	5,899,714	3,266,681
Club Equipments	73,480,720	2,762,070	76,242,790	20	63,793,626	3,477,026	67,270,652	8,972,138
Computers	3,027,346	417,587	3,444,933	33	2,672,817	316,749	2,989,566	455,367
Golf Course equipments	180,094,567	127,454,916	307,549,483	20	140,840,001	8,450,335	149,290,336	158,259,147
Vehicles	55,807,660	109,250	55,916,911	20	44,531,322	3,194,548	47,725,870	8,191,041
Roads and footpaths	14,031,161	904,578	14,935,739	10	11,316,270	1,459,686	12,775,956	2,159,783
Gas & Electric Line	16,999,127	4,395,757	21,394,884	20	2,933,460	3,546,351	6,479,811	14,915,073
	573,973,739	248,398,061	822,371,801		393,885,088	39,236,897	433,121,985	389,249,816
	COST			Rate %	DEPRECIATION			Written down value as at 30 June 2025
	As at 01 July 2024	Additions / (Deletions)	As at 30 June 2025		As at 01 July 2024	For the year / (Deletions)	As at 30 June 2025	
	(Rupees)				(Rupees)			
	Green course	20,158,986	79,512,048	99,671,034	4	20,158,985	3,975,602	24,134,587
Club house	21,513,932	-	21,513,932	5	14,178,034	574,324	14,752,358	6,761,574
Buildings and boundary wall	99,353,531	19,221,127	118,574,658	10	80,441,606	6,557,946	86,999,552	31,575,106
Furniture and fixtures	6,667,371	1,105,290	7,772,661	20	3,861,595	982,960	4,844,555	2,928,106
Club Equipments	69,541,134	3,939,586	73,480,720	20	60,480,557	3,313,069	63,793,626	9,687,094
Computers	2,969,346	58,000	3,027,346	33	2,275,840	396,977	2,672,817	354,529
Golf Course equipments	160,311,754	19,782,813	180,094,567	20	130,818,097	10,021,904	140,840,001	39,254,566
Vehicles	47,151,621	10,986,978 (2,330,940)	55,807,660	20	42,842,346 (2,330,938)	4,019,914	44,531,322	11,276,338
Roads and footpaths	14,031,161	-	14,031,161	10	9,913,154	1,403,116	11,316,270	2,714,891
	441,698,836	132,274,902	573,973,739		362,639,276	31,245,812	393,885,088	180,088,651

KARACHI GOLF CLUB

2026	2025
(Rupees)	

8 LOANS AND ADVANCES - Considered good

Short term loans to employees
Advance to suppliers
Advance against club expenses

8.1	6,762,899	3,605,824
	66,355,570	4,420,121
8.2	169,964	169,964
	<u>73,288,433</u>	<u>8,195,909</u>

8.1 This represents interest free loan to employees.

8.2 This represents advance to the finance and Manager Finance for operational purposes.

9 ACCRUED INCOME AND OTHER RECEIVABLES

Mark-up / profit accrued on:
- Term Deposit Receipts

Other receivables

- Considered good
- Considered doubtful

Entrance Fee Receivable

-	-
-	-
21,224,446	18,786,325
-	-
21,224,446	18,786,325
1,600,002	550,000
22,824,448	19,336,325
<u>22,824,448</u>	<u>19,336,325</u>

10 CASH AND BANK BALANCES

Cash in hand
Cash at bank in:
- current accounts
- profit and loss sharing accounts

	107,955	70,155
10.1	3,968	3,968
	12,460,277	23,228,439
	12,464,245	23,232,407
	<u>12,572,200</u>	<u>23,302,562</u>

10.1 These accounts carry mark up rate at '6%-12% per annum (2025: '4.5%-11.75% per annum).

11 Movement in Levy Collected

Balance at the beginning of the year
Received during the year
Amortization during the year
Balance at the end of the year

	3,019,024	5,782,596
	-	-
11.1	(3,019,024)	(2,763,572)
	<u>-</u>	<u>3,019,024</u>

11.1 This represent levy collected from members for the installation of various assets. Its amortization starts when the asset is available for use. It is amortized over the estimated useful life of those assets and is recognized as income accordingly.

12 TRADE CREDITORS, ACCRUED EXPENSES AND OTHER PAYABLES

Trade creditors
Accrued utility expenses
Audit fee
Salary payable
Others

842,097	8,883
1,403,050	805,238
300,000	276,000
7,437,514	-
38,601,439	7,396,162
<u>48,584,100</u>	<u>8,486,283</u>

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		2026	2025
	Note	(Rupees)	
13 ADVANCES AND DEPOSITS			
Deposits from members	13.1	7,953,014	7,535,875
Advances from members / sponsors		20,469,687	13,089,172
Advance against branding		229,982,758	125,223,483
Advance against rental of premises		515,200	515,200
		<u>258,920,659</u>	<u>146,363,730</u>
13.1	Comprises of an initial deposit made by members at the time of obtaining their membership.		
14 COLLECTION FROM MEMBERS			
This represents surcharge collected from members on subscription fees received and other services rendered by the Club on account of contingent taxes. However, from the month of March 2014, the Club discontinued to collect surcharge on other services except catering. In the year 2001, the Government of Sindh through Sindh Sales Tax Ordinance, 2000 had levied sales tax at the rate of 15% on all services rendered by the clubs. The Club along with certain other clubs ("the Plaintiffs") had filed a suit before the Honorable High Court of Sindh against the Collectorate of Sales Tax ("the defendant"); Province of Sindh and Federation of Sindh contesting that certain activities of the plaintiffs and related revenue do not fall within the ambit of "Taxable Supplies" and the said suit has been decided in favor of the plaintiffs. However the defendant challenged the decision in the Honorable Supreme Court of Pakistan and the judgement of High Court was set aside by consent of the parties on the sole ground.			
15 OTHER LIABILITIES			
Staff welfare payable		38,192,159	28,816,911
Provision for leave encashment		10,848,975	10,422,686
Payable to Sindh Golf Association and Pakistan Golf Federations		14,544,750	4,744,750
Advance for lawn bookings		20,577,000	11,802,000
Decoration deposit		500,000	500,000
Miscellaneous		50,019,183	40,368,275
		<u>134,682,067</u>	<u>96,654,622</u>
16 SUBSCRIPTION INCOME			
Regular members		150,960,300	131,311,154
Absentee members		9,876,695	9,390,885
		<u>160,836,995</u>	<u>140,702,039</u>

	Note	2026	2025
		(Rupees)	
17 INCOME FROM SALES, SERVICES AND OTHERS SUBSCRIPTION			
Catering		103,027,556	87,958,356
Competition		2,258,800	1,273,500
Bridge		309,800	458,600
Green fee	17.1	53,616,023	39,418,317
Golf carts		13,769,601	13,242,796
Lockers room		6,541,760	6,801,440
Lawn booking		14,067,800	16,461,400
Pro shop rent		3,865,032	4,052,048
Practice range rent		3,060,000	3,060,000
Member cards		55,013	119,445
Scrap sales and miscellaneous		5,839,950	8,938,372
Hole and tournament sponsor		20,754,515	13,024,251
Car sticker / Printing		110,250	566,900
Fitness centre		7,230,500	6,116,500
Member postage		2,919,638	2,828,201
		<u>237,426,238</u>	<u>204,320,126</u>

17.1 This represents visiting fee received from non-members and members' guest in respect of use of the course.

18 OTHER INCOME

Interest on Certificate Of Investment	-	19,896,715
Profit on bank deposits	1,965,098	2,625,885
Profit on Treasury Bills	56,694,178	60,104,376
Deferred income	3,019,024	2,763,572
	<u>61,678,300</u>	<u>85,390,548</u>

19 SALARIES AND ALLOWANCES

Salaries	225,864,931	200,676,200
Staff messing	3,512,765	2,649,487
Sindh social allowance - education	27,000	27,000
Bonus and Eid allowance	21,127,263	18,506,086
Annual Leave	5,832,188	6,233,367
	<u>256,364,147</u>	<u>228,092,140</u>

19.1 Investments out of provident fund have been made in accordance with the provisions of the Section 218 of the Company's Act, 2017.

PROVIDENT FUND

Size of the fund	154,502,315	145,944,065
Percentage of investments made	80.87%	89.18%
Fair value of investments	124,952,309	130,147,219

20 AUDITORS' REMUNERATION

Annual audit fee	250,000	250,000
Out of pocket expenses	50,000	53,000
	<u>300,000</u>	<u>303,000</u>

21 OTHER ADMINISTRATIVE EXPENSES

Stationery, printing and postage	4,207,946	5,692,378
Rent and taxes	5,000,000	5,000,000
Entertainment	2,395,666	1,010,596
Uniforms and table cloth	2,717,320	2,072,860
Insurance	1,370,131	1,046,549
Others	2,535,518	9,407,035
	<u>18,226,581</u>	<u>24,229,418</u>

22 TAXATION

22.1 The taxation charge for the year comprises of turnover tax Rs. 13,812,004/- (2025: 4,631,114/-) as the club has incurred a taxable loss for the year 2025.

- 22.2 During the year 2011, the tax audit was conducted for tax year 2009, which resulted in disallowance of exemption claimed by the Club vide order passed under section 122(1) dated 27 April 2011. The Club filed an appeal against the said claim and at first appeal stage Commissioner of Inland Revenue - Appeals allowed claim of exemption vide order dated 12 June 2011. Consequently, the department filed second appeal against the said decision and at second appeal stage the learned Tribunal vide order dated 27 March 2013 also dismissed the claim in respect of disallowance of exemption to the Club under clause 98 Part I of Second Schedule. Subsequently, tax department has filed a reference before High Court which is pending. Based on the legal advice, the Club is confident that the matter will be decided favourably and hence, no provision has been made. If the eventual outcome of the matter is unfavourable, an amount of Rs. 6.825 Million will become payable to the tax department for the tax year 2009.
- 22.3 During the month of May 2021 the Assistant Commissioner (Unit-2) Sindh Revenue Board, proceeded with the case for charging Sales Tax on the services provided to the Club Members and imposed Sales Tax and penalty under The Sindh Sales Tax on Services Act, 2011 on the Club. Following are the details of such Tax and Penalty:

Order #	Principal Amount of Tax	Penalty	Total
138 of 2021	11,246,800	562,340	11,809,140
139 of 2021	13,702,649	685,132	14,387,781
140 of 2021	8,166,537	408,326	8,574,863
141 of 2021	7,193,607	359,680	7,553,287
159 of 2021	21,454,568	1,072,728	22,527,296
Grand Total	61,764,161	3,088,206	64,852,367

The Club management, through its legal advisor, challenged the aforesaid orders before the relevant appellate forum. During the year, the appeals relating to Order Nos. 138 of 2021 and 140 of 2021 were considered by the Appellate Tribunal, Sindh Revenue Board. The Appellate Tribunal, vide its orders dated 12 May 2026, set aside the references and remanded the matters to the Commissioner SRB, with directions to decide the appeals strictly in accordance with law after providing adequate opportunity of hearing to the Club. The Tribunal further directed that the matters be decided preferably within ninety days from the date of appearance of the appellant before the Commissioner SRB.

Accordingly, the matters remain pending before the Commissioner SRB. Based on the information presently available and the advice of the Club's legal advisor, management believes that no provision is required to be recognized in respect of the above matter at this stage. The ultimate outcome of the matter will depend upon the decision of the appellate proceedings.

2026	2025
(Rupees)	

23 Cash and cash equivalents

Term Deposit Receipts	10	559,505,459	531,650,827
Cash and bank balances		12,572,200	23,302,562
		<u>572,077,659</u>	<u>554,953,389</u>

24 REMUNERATION OF EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits, to the Chief Operating Officer and Course Superintendent of the Club are as follows:

	1		2		3	
	Chief Operating Officer		GM Manager Finance & Administration		Course Superintendent	
	2026	2025	2026	2025	2026	2025
	(Rupees)					
Basic salary	3,786,380	2,973,348	3,298,955	2,699,940	5,448,823	4,035,024
House rent	1,703,872	1,310,256	1,484,530	1,013,508	2,451,971	1,760,976
Bonus	553,299	295,625	525,500	414,000	833,000	644,000
Contribution to provident fund	-	-	253,366	232,092	395,454	362,256
	<u>6,043,551</u>	<u>4,579,229</u>	<u>5,562,351</u>	<u>4,359,540</u>	<u>9,129,248</u>	<u>6,802,256</u>
Number of persons	1	1	1	1	1	1

- 24.1 The Managing Committee works on an honorary basis for the Club.

25 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise staff provident fund, members of managing committee and key management personnel. The Club continues to have a policy whereby transactions with related parties are entered into normal terms and condition. Transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment disclosed elsewhere in these financial statements, are as follows:

Members of management committee

Sales and services during the year	5,651,933	4,984,664
Receivable at the year end	<u>791,952</u>	<u>361,084</u>
Staff provident fund		
Contribution to staff provident fund	<u>5,338,598</u>	<u>5,035,172</u>

- 25.1 There are no transactions with key management personnel other than under the terms of employment.

- 25.2 Following are the related parties of the Club with whom the Club has entered into transactions or have arrangement/agreement in place.

S. No	Related party name	Basis of association	Aggregate % of shareholding	Nature of transactions
1	Members of Management Committee	Management	N/A	Sales and services
2	Karachi Golf Club Staff Provident Fund	Defined Contribution Plan	N/A	Contribution made

26 REVENUE AND EXPENSES - ACTIVITY WISE

	Green course		Catering		Miscellaneous		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
(Rupees)								
Revenue	227,433,716	185,116,482	103,027,556	87,958,356	280,052,417	228,164,550	610,513,689	501,239,388
Expenses								
Salaries and allowances	126,792,399	112,032,981	30,552,994	29,193,214	99,018,754	86,865,945	256,364,147	228,092,140
Stores consumed	-	-	71,207,484	63,135,665	-	-	71,207,484	63,135,665
Utilities	20,212,371	16,451,858	5,993,152	5,585,459	21,391,791	20,313,665	47,597,314	42,350,982
Repairs and maintenance	40,702,953	40,888,248	2,289,543	2,201,823	23,906,005	30,908,968	66,898,501	73,999,039
Stationery, printing and postage	61,260	144,149	216,490	274,561	17,948,831	23,810,708	18,226,581	24,229,418
Others	48,712	-	1,454,980	1,597,603	(1,503,692)	(1,597,603)	-	-
	187,817,695	169,517,236	111,714,643	101,988,325	160,761,689	160,301,683	460,294,027	431,807,244
Surplus	39,616,021	15,599,246	(8,687,087)	(14,029,969)	119,290,728	67,862,867	150,219,662	69,432,144
Administrative and general expenses							(36,289,158)	(36,289,158)
Operating surplus							109,749,248	37,187,567
Bank charges							(126,963)	(4,778)
Surplus before taxation							109,622,285	37,182,789
Taxation							(13,812,004)	(4,631,114)
Surplus/(Deficit) for the year							95,810,281	32,551,675

All the activities of the Club are carried out at the registered office. There are two main activities of the Club i.e. Green course and Catering. The remaining activities grouped in miscellaneous are as follows:

	2026	2025
(Rupees)		
Profit on bank deposits / investments	58,659,276	82,626,976
Competition	2,258,800	1,273,500
Bag locker room	6,541,760	6,801,440
Lawn booking	14,067,800	16,461,400
Practice range rent	3,060,000	3,060,000
Hole sponsor - course	20,754,515	13,024,251
Entrance fees	150,572,156	70,826,675
Fitness centre	7,230,500	6,116,500
Others	183,512,863	157,583,035
	446,657,670	357,773,777

26.1 The above mentioned information is for members understanding only, and is not part of any operating segments.

27 FINANCIAL INSTRUMENTS

Financial risk management

The Managing Committee of the Club has overall responsibility for the establishment and oversight of the Club's risk management framework. The Club has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

27.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Club's performance to developments affecting a particular industry.

Credit risk of the Club arises principally from the receivable from members, investments in term finance certificates, loans, accrued income, certificates of investment, investment in mutual funds, deposits, bank balances, investments in treasury bills and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The Club monitors receivable from members very closely. At the time of admission of members the Club considers the credibility and financial ability of the members. When there is a delay in deposit of subscription by 6 months the member is marked as inactive member and the Club pursues such member as per the bye laws of the Club. The managing committee continuously monitors the credit exposure towards the members and makes provision against those balances considered doubtful of recovery (and also obtains security deposits / advance payments, wherever considered necessary). Cash is held only with reputable banks with high quality credit worthiness. Investments are made in instruments having good credit rating, details of which are given in note 5 and 8 to these financial statements.

The maximum exposure to credit risk at the reporting date is as follows:

	2026	2025
	(Rupees)	
Receivable from members	46,564,146	39,520,210
Investments		
- Held to maturity		
- Term Deposits (T-Bills)	559,505,459	531,650,827
- TFC Alfalah bank	-	-
- Term Deposit Receipts	-	-
Loans and deposits	2,115,900	808,008
Accrued income and other receivables	22,824,448	19,336,325
Bank balances	12,464,245	23,232,407
	<u>643,474,198</u>	<u>614,547,777</u>

27.1.1 Concentration of credit risk

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Club's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

Details of Club's concentration of credit risk of financial instruments by type of customer / entity etc is as follows:

 Individuals	12,464,245	23,232,407
Banks	2,115,900	808,008
Others	<u>14,580,145</u>	<u>24,040,415</u>

The age analysis of receivable from members at the balance sheet date was as follows:

	2026		2025	
	Gross	Impairment loss	Gross	Impairment loss
	(Rupees)			
Past due 1-30 days	41,771,677	-	34,544,896	-
Past due 31-90 days	3,690,000	-	1,591,101	-
Past due 91 days -1 year	1,102,469	-	3,311,840	-
More than one year	2,533,939	2,533,939	1,545,832	1,545,832
Total	49,098,085	2,533,939	40,993,669	1,545,832

27.2 Liquidity risk

Liquidity risk is the risk that the Club will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Club could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Club'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 Club's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

Non-Derivative Financial Liabilities

30 June 2026

Trade creditors, accrued expenses
and other payables
Advances and deposits
Lease Liability
Other liabilities
Collection from Members

Carrying amount	Six months or less	No stated maturity
(Rupees)		

48,584,100	-	842,097
258,920,659	8,468,214	250,452,445
-	-	-
134,682,067	-	10,848,975
227,625,926	-	227,625,926
669,812,752	8,468,214	489,769,443

Carrying amount	Six months or less	No stated maturity
(Rupees)		

30 June 2025

Trade creditors, accrued expenses
and other payables
Advances and deposits
Lease Liabilities
Other liabilities
Collection from Members

8,486,283	-	8,883
146,363,730	8,051,075	138,312,655
-	-	-
96,654,622	-	10,422,686
216,053,001	-	216,053,001
467,557,636	8,051,075	364,797,225

27.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk. The club is only exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Club's interest rate exposure arises on investments in Term Finance Certificates, Term Deposit Receipts and Certificates of Investment are not subject to cash flow interest rate risk. At the balance sheet date the interest rate profile of the Club's interest-bearing financial instrument was as follows:

AS

Cash flow sensitivity analysis for variable rate instruments

As at 30 June 2026, the Club does not hold any variable interest bearing securities, exposing it to cash flow interest rate risk.

Fair value sensitivity analysis for fixed rate instruments

The Club does not account for any fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect income and expenditure account and accumulated surplus.

A summary of the Club's interest rate gap position, categorised by the earlier of contractual re-pricing or maturity date is as follows:

30 June 2026	Mark-up/ profit rate (%)	Less than one month	One to three months	Three months to one year	Total
(Rupees)					
Assets					
- Bank balances	8%-10%	12,460,277	-	-	12,460,277
- Term Deposit Receipts	9%-12%			559,505,459	559,505,459
Total assets		<u>12,460,277</u>	<u>-</u>	<u>559,505,459</u>	<u>571,965,736</u>

30 June 2025	Mark-up/ profit rate (%)	Less than one month	One to three months	Three months to one year	Total
(Rupees)					
Assets					
- Bank balances	8%-12%	23,226,439	-	-	23,226,439
- Term Deposit Receipts	7.3149%-13%			531,650,827	531,650,827
Total assets		<u>23,226,439</u>	<u>-</u>	<u>-</u>	<u>554,877,266</u>

None of the Club's financial liability is subject to interest rate risk.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

Capital risk management

The objective of the Club when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

27.4 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

The carrying amounts of the financial assets and financial liabilities approximate their fair values except for term finance certificates, term deposit receipts, treasury bills and certificates of investment, classified as held to maturity and stated at amortized cost.

Fair value hierarchy

The Club's accounting policy on fair value measurements is discussed in note 3.2. The Club measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

There are no financial assets that are traded in active markets.

28 NUMBER OF EMPLOYEES

Permanent employees
Contractual staff
Casual staff

Total	Average
127	137
46	34
173	175
Total: 346	346

29 DATE OF AUTHORIZATION

25 SEP 2026

These financial statements were authorized for issue by the Managing Committee in their meeting held on _____.

AK

Aziz S Khan

VICE PRESIDENT

[Signature]

HONORARY TREASURER