***PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION***
***NORTH ZONE - FAISALABAD***
***STATEMENT OF FINANCIAL POSITION***
***AS AT JUNE 30, 2026***

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| ***ASSETS*** | | | |
| **Non-Current Assets** | | | |
| Property and equipment | 4 | **99,667,659** | 102,799,887 |
| Intangible asset | 5 | **-** | 22,326 |
| Long term deposits | | **48,567** | 48,567 |
| | | **99,716,226** | 102,870,780 |
| **Current Assets** | | | |
| Stock | 6 | **64,043** | 64,907 |
| Tax refunds due from government | | **2,082,503** | 2,777,872 |
| Cash and bank balances | 7 | **23,385,479** | 18,985,783 |
| | | **25,532,025** | 21,828,562 |
| **Total Assets** | | **125,248,251** | 124,699,342 |
| ***FUND AND LIABILITIES*** | | | |
| **Funds** | | | |
| General funds | | **118,726,846** | 118,418,022 |
| **Non-Current Liabilities** | | | |
| Gratuity payable | 8 | **3,105,000** | 2,717,390 |
| **Current Liabilities** | | | |
| Accrued expenses | 9 | **11,061** | 7,556 |
| Other payables | 10 | **3,405,344** | 3,556,374 |
| | | **3,416,405** | 3,563,930 |
| **Contingencies and commitments** | 11 | | |
| **Total Funds and Liabilities** | | **125,248,251** | 124,699,342 |

The annexed notes from 1 to 15 form an integral part of these financial statements.

***Chairman*** ***Zonal Secretary***

***PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION***
***NORTH ZONE - FAISALABAD***
***STATEMENT OF RECEIPTS AND EXPENDITURE***
***FOR THE YEAR ENDED JUNE 30, 2026***

| | Note | 2026 Rupees | 2025 Rupees |
|---|---|---|---|
| ***RECEIPT*** | | | |
| Subscription and registration | | **8,692,200** | 5,548,000 |
| Service charges | | **795,800** | 919,200 |
| Other income | | **34,535** | 108,477 |
| Gain on sale of forms | 12 | **30,006** | 18,806 |
| Profit on savings accounts | | **1,758,037** | 1,600,315 |
| Profit on Term Deposit Receipts | | **-** | 555,836 |
| Rental income | | **4,549,706** | 3,954,270 |
| | | **15,860,284** | 12,704,904 |
| ***EXPENDITURE*** | | | |
| Salaries and other benefits | | **4,733,468** | 4,703,336 |
| Gratuity expense | | **1,899,610** | 273,000 |
| Travelling and conveyance | | **84,000** | 157,450 |
| Bank charges | | **9,485** | 11,171 |
| Meeting expenses | | **650,361** | 1,397,520 |
| Printing and stationary | | **40,480** | 57,290 |
| Utilities | | **294,799** | 268,869 |
| Postage and courier | | **15,029** | 18,592 |
| Entertainment | | **8,795** | 94,412 |
| Newspapers and periodicals | | **15,925** | 19,960 |
| Property tax | | **635,385** | 582,492 |
| Repairs and maintenance | | **500,698** | 970,084 |
| Computer expense | | **13,000** | - |
| Depreciation | 4 | **3,409,897** | 3,611,747 |
| Amortization | 5 | **22,326** | 9,568 |
| Advertisement | | **70,000** | 230,983 |
| Contribution to central office | | **1,012,880** | 680,697 |
| Legal and professional | | **472,000** | 432,300 |
| Tax refunds written off | | **1,461,173** | - |
| Miscellaneous | | **202,149** | 82,595 |
| | | **15,551,460** | 13,602,066 |
| **Excess / (shortfall) of receipts over expenditure** | | **308,824** | (897,162) |

The annexed notes from 1 to 15 form an integral part of these financial statements.

***Chairman*** ***Zonal Secretary***

***PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION***
***NORTH ZONE - FAISALABAD***
***STATEMENT OF CHANGES IN FUNDS***
***FOR THE YEAR ENDED JUNE 30, 2026***

| | ***General Fund*** | ***Total*** |
|---|---|---|
| | ***- - - - - - - - - - - - Rupees - - - - - - - - - - - -*** | |
| **Balance as at June 30, 2024** | 119,315,184 | 119,315,184 |
| Excess of expenditure over receipts for the year ended June 30, 2025 | (897,162) | (897,162) |
| **Balance as at June 30, 2025** | **118,418,022** | **118,418,022** |
| Excess of receipts over expenditure for the year ended June 30, 2026 | **308,824** | **308,824** |
| **Balance as at June 30, 2026** | **118,726,846** | **118,726,846** |

The annexed notes from 1 to 15 form an integral part of these financial statements.

***Chairman***

***Zonal Secretary***

***PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION***
***NORTH ZONE - FAISALABAD***
***STATEMENT OF CASH FLOWS***
***FOR THE YEAR ENDED JUNE 30, 2026***

| | 2026 Rupees | 2025 Rupees |
|---|---|---|
| ***A. CASH FLOWS FROM OPERATING ACTIVITIES*** | | |
| **Excess / (shortfall) of receipts over expenditure** | **308,824** | (897,162) |
| **Adjustments for:** | | |
| Depreciation | **3,409,897** | 3,611,747 |
| Amortization | **22,326** | 9,568 |
| Profit on savings accounts | **(1,758,037)** | (1,600,315) |
| Profit on Term Deposit Receipts | **-** | (555,836) |
| Gratuity charge for the year | **1,899,610** | 273,000 |
| Tax refunds written off | **1,461,173** | - |
| **Cash generated before changes in working capital** | **5,343,793** | 841,002 |
| **Change in working capital** | | |
| **(Increase) / decrease in current assets** | | |
| Stock | **864** | (18,806) |
| Other receivable | **-** | 165,942 |
| **Increase / (decrease) in current liabilities** | | |
| Accrued expenses | **3,505** | (329,984) |
| Other payables | **(151,030)** | 239,437 |
| | **(146,661)** | 56,589 |
| **Cash generated from operations** | **5,197,132** | 897,591 |
| Payment of gratuity | **(1,512,000)** | - |
| Taxes paid | **(765,803)** | (590,733) |
| **Net cash generated from operating activities** | **2,919,329** | 306,858 |
| ***B. CASH FLOWS FROM INVESTING ACTIVITIES*** | | |
| Addition in property and equipment | **(277,670)** | (126,800) |
| Investment - net | **-** | 4,655,012 |
| Profit received on savings accounts | **1,758,037** | 1,600,315 |
| Profit received on Term Deposit Receipts | **-** | 555,836 |
| **Net cash generated from investing activities** | **1,480,367** | 6,684,363 |
| **Net increase in cash and cash equivalents (A+B)** | **4,399,696** | 6,991,221 |
| **Cash and cash equivalents at the beginning of the year** | **18,985,783** | 11,994,562 |
| **Cash and cash equivalents at the end of the year** | **23,385,479** | 18,985,783 |

The annexed notes from 1 to 15 form an integral part of these financial statements.

***Chairman***

***Zonal Secretary***

***PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION***
***NORTH ZONE - FAISALABAD***
***NOTES TO THE FINANCIAL STATEMENTS***
***FOR THE YEAR ENDED JUNE 30, 2026***

## *1 LEGAL STATUS AND OBJECTIVE*

Pakistan Hosiery Manufacturers & Exporters Association (PHMA) is a registered trade organization incorporated in July 07, 1960 under the Companies Act, 1913 (Now Companies Act, 2017), licensed by the Directorate General of Trade Organizations, Ministry of Commerce, Government of Pakistan under Trade Organizations Ordinance 2007 (Now Trade Organization Act 2013) . The registered office is situated at PHMA House 37-H, Block-6, P.E.C.H.S Karachi. PHMA has established zonal offices in Karachi, Lahore, Faisalabad and Sialkot. Karachi Zone is called as PHMA Southern zone and other zones are collectively called as Northern Zone. The main objectives of PHMA is to promote, develop, protect, stimulate and encourage the Hosiery Industry including all relevant products and services to raise standard of its production and enhance exports.

## *2 BASIS OF PRESENTATION*

### *2.1 Basis of measurement*

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed. Further, accrual basis of accounting has been followed except for as disclosed in relevant policies stated here under.

### *2.2 Statement of compliance*

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of:

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Accounting Standard for Not for Profit Organization (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, or the Accounting Standard for NPOs the provisions of and directives issued under the Companies Act, 2017 have been followed.

### *2.3 Functional and presentation currency*

These financial statements are presented in Pak rupees, which is the functional and presentation currency of the association.

## *3 MATERIAL ACCOUNTING POLICY INFORMATION*

### *3.1 Property and equipment*

Property and equipment have been stated at cost less accumulated depreciation. Minor renewals, replacements, maintenance and repairs are charged to income. Major repairs and improvements are capitalized. Depreciation is calculated by applying the rates stated in the property and equipment note. Depreciation on addition to property and equipment is charged for the whole year in which an asset is acquired or capitalized while no depreciation is charged on the asset in the year of disposal. Gain or loss, if any, on disposal of property and equipment is included or charged to receipts as gain / (loss) on disposal of property and equipment.

### *3.2 Computer software*

This is initially stated at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged using the straight line method at the rates specified in relevant note to these financial statements.

### *3.3 Stock*

These represent stock of various forms and certificates to be issued by PHMA and have been valued at average cost.

### *3.4 Short term investment*

Investments in Term Deposit Receipts are measured at amortized cost using the effective interest method.

### *3.5 Income*

Income except for interest on bank deposits has been recognized on receipt basis. Interest on bank deposits is accounted for net of withholding tax.

However in case sale of export forms income is recognized net of cost of forms.

### *3.6 Cash and cash equivalent*

Cash and cash equivalent are carried in the statement of financial position at cost. For the purposes of statement of cash flows, cash and cash equivalent comprises of cash in hand and balance with banks.

### *3.7 Provision for gratuity*

Association operates unfunded gratuity for its employees who have completed the minimum qualifying period of one year of service. At the end of the each year Management make a provision equal to prevailing salary in the last month of financial year multiply by number of year of service completed by each employee.

Provision of the current salary charged in the current service cost and the effect of increased salary is charged to past service cost under the head gratuity payable for the current year.

## 4 PROPERTY AND EQUIPMENT

| Description | COST | | | Accumulated depreciation | | | WDV As at June 30, 2026 | Rate % |
|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2025 | Addition / (Deletion) | As at June 30, 2026 | As at July 01, 2025 | for the year | As at June 30, 2026 | | |
| | Rupees | | | | | | | |
| Land | 40,906,395 | - | 40,906,395 | - | - | - | 40,906,395 | - |
| Office building on land | 85,176,160 | - | 85,176,160 | 30,341,357 | 2,741,740 | 33,083,097 | 52,093,063 | 5% |
| Furniture and fixtures | 1,045,389 | 6,500 | 1,051,889 | 817,381 | 23,451 | 840,832 | 211,057 | 10% |
| Office equipment | 404,030 | 252,080 | 656,110 | 346,932 | 30,918 | 377,850 | 278,260 | 10% |
| Electric equipment | 6,658,835 | 8,090 | 6,666,925 | 3,606,579 | 306,035 | 3,912,614 | 2,754,311 | 10% |
| Computers and accessories | 1,857,097 | 11,000 | 1,868,097 | 1,691,323 | 53,032 | 1,744,355 | 123,742 | 30% |
| Solar panel | 2,908,260 | - | 2,908,260 | 279,280 | 131,449 | 410,729 | 2,497,531 | 5% |
| Telephone and mobiles | 198,800 | - | 198,800 | 188,811 | 1,998 | 190,809 | 7,991 | 20% |
| Generator | 1,631,600 | - | 1,631,600 | 1,011,177 | 62,042 | 1,073,219 | 558,381 | 10% |
| Vehicles | 1,461,700 | - | 1,461,700 | 1,165,540 | 59,232 | 1,224,772 | 236,928 | 20% |
| ***June 30, 2026*** | **142,248,266** | **277,670** | **142,525,936** | **39,448,380** | **3,409,897** | **42,858,277** | **99,667,659** | |
| *June 30, 2025* | 142,121,466 | 126,800 | 142,248,266 | 35,836,632 | 3,611,747 | 39,448,379 | 102,799,887 | |

| | Note | **2026 Rupees** | *2025 Rupees* |
|---|---|---|---|
| ***5 INTANGIBLE ASSET*** | | | |
| Computer software | 5.1 | **-** | 22,326 |

***5.1 Computer software***

| | **2026 Rupees** | *2025 Rupees* |
|---|---|---|
| Opening net book value | **22,326** | 31,894 |
| Amortization for the year | **(22,326)** | (9,568) |
| Closing net book value | **-** | 22,326 |
| | | |
| Cost | **83,889** | 83,889 |
| Accumulated amortization | **(83,889)** | (61,563) |
| | **-** | 22,326 |
| | | |
| Rate of amortization (%) | **30** | 30 |

***6 STOCK***

| | **2026 Rupees** | *2025 Rupees* |
|---|---|---|
| Forms | **64,043** | 64,907 |

***7 CASH AND BANK BALANCES***

| | **2026 Rupees** | *2025 Rupees* |
|---|---|---|
| ***Cash in hand*** | **17,690** | 22,871 |
| ***Cash at bank*** | | |
| - In current account | **41** | 33,743 |
| - In savings accounts | **23,367,748** | 18,929,169 |
| | **23,367,789** | 18,962,912 |
| | **23,385,479** | 18,985,783 |

***8 GARTUITY PAYABLE***

| | **2026 Rupees** | *2025 Rupees* |
|---|---|---|
| Opening | **2,717,390** | 2,444,390 |
| Add: charged during the year | **1,899,610** | 273,000 |
| | **4,617,000** | 2,717,390 |
| Less: paid during the year | **(1,512,000)** | - |
| Closing | **3,105,000** | 2,717,390 |

***9 ACCRUED EXPENSES***

| | **2026 Rupees** | *2025 Rupees* |
|---|---|---|
| Utilities payable | **9,661** | 5,458 |
| Withholding tax payable | **1,400** | 1,400 |
| Others | **-** | 698 |
| | **11,061** | 7,556 |

### *10 OTHER PAYABLES*

| | | |
|---|---|---|
| Security deposit | **1,180,000** | 580,000 |
| Payable to PHMA - Lahore | **70,333** | 70,333 |
| Payable to PHMA - Sialkot | **-** | 70,333 |
| Donation payable to flood affecters | **2,155,011** | 2,155,011 |
| Payable to central office Karachi | **-** | 680,697 |
| | **3,405,344** | 3,556,374 |

### *11 CONTINGENCIES AND COMMITMENTS*

There are no contingencies and commitments at the statement of financial position date (2025: nil).

### *12 GAIN ON SALE OF FORMS*

| | | | |
|---|---|---|---|
| Sale proceeds | | **83,400** | 79,000 |
| Cost of sales | 12.1 | **(53,394)** | (60,194) |
| | | **30,006** | 18,806 |

***12.1 Cost of sales***

| | | |
|---|---|---|
| Opening stocks | **64,907** | 46,101 |
| Add: purchases | **52,530** | 79,000 |
| | **117,437** | 125,101 |
| Less: closing stock | **(64,043)** | (64,907) |
| | **53,394** | 60,194 |

### *13 NUMBER OF EMPLOYEES*

| | ***2026*** | *2025* |
|---|---|---|
| Total employees at the year end | **6** | 6 |
| Average employees during the year | **6** | 6 |

### *14 DATE OF AUTHORIZATION FOR ISSUE*

These financial statements were authorized for issue on ___________________ by the Managing committee of the Association.

### *15 GENERAL*

The figures have been rounded off to the nearest of rupee.

___________________ ___________________

***Chairman*** ***Zonal Secretary***