

PAKISTAN CRICKET BOARD

Financial Statements
for the Year Ended
June 30, 2017



INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS

Opinion

We have audited the accompanying financial statements of The Pakistan Cricket Board (PCB) which comprise the balance sheet as at June 30, 2017, and the income and expenditure account, statement of comprehensive income, statement of changes in fund and statement cash flows for the year ended June 30, 2017, and notes to the financial statements including a summary of significant accounting policies (here-in-after referred as "the financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PCB as at June 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of PCB in accordance with ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the note 5.4 and note 6.2 to the accompanying financial statements which describe that PCB has capitalized certain costs in connection with construction and installation of civil works, flood lights and electric screens at Rawalpindi Cricket Stadium, Iqbal Cricket Stadium Faisalabad, National Cricket Academy Lahore, Ghari Khuda Baksh Cricket Stadium and Islamabad Cricket Stadium, however, the lease agreements in respect of such stadiums / academy have not yet been finalized with the concerned government departments. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of PCB for the year ended June 30, 2016 were audited by another firm of chartered accountants who expressed an unmodified opinion vide their report dated December 30, 2016 on those statements.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PCB's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PCB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the PCB to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:

Rana M. Usman Khan

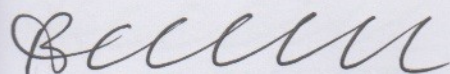
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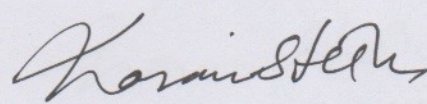
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PAKISTAN CRICKET BOARD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

ASSETS	Note	2017 Rupees	2016 Rupees
Non current assets			
Property and equipment	5	319,441,886	314,425,083
Operating fixed assets	6	886,563,914	808,590,980
Capital work in progress	7	7,349,849	7,498,886
Intangible assets	8	2,831,089	3,273,213
Long term loans	9	37,500	37,500
Long term investment		7,843,050	7,660,386
Long term security deposits		1,224,067,288	1,141,486,048
Current assets			
Stores and spares	10	42,329,742	36,636,505
Due from sponsors, franchises, boards and associations	11	262,604,030	214,458,564
Loans and advances	12	106,342,946	152,145,404
Short term prepayments	13	39,882,086	31,108,979
Other receivables	14	38,141,984	53,492,931
Taxation-net	15	192,249,858	106,145,243
Short term investments		7,220,000,000	7,086,749,999
Cash and bank balances		377,400,161	59,192,739
		8,278,950,807	7,739,930,364
TOTAL ASSETS		9,503,018,095	8,881,416,412
FUND AND LIABILITIES			
General fund		8,434,024,058	8,230,471,745
Non current liabilities			
Long term liabilities	16	127,630,329	97,188,911
Deferred revenue	17	45,575,487	43,872,488
Long term security deposits		599,215	599,215
		173,805,031	141,660,614
Current liabilities			
Creditors and other payables	18	767,816,742	396,299,298
Current portion of deferred revenue and advances	19	127,372,264	112,984,755
		895,189,006	509,284,053
TOTAL FUND AND LIABILITIES		9,503,018,095	8,881,416,412
CONTINGENCIES AND COMMITMENTS	20	-	-

The annexed notes from 1 to 37 forms an integral part of these financial statements.


CHIEF FINANCIAL OFFICER

D/K

CHAIRMAN


PAKISTAN CRICKET BOARD
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2017

	<i>Note</i>	<i>2017</i> <i>Rupees</i>	<i>2016</i> <i>Rupees</i>
INCOME			
Tours and tournaments			
- Tours outside Pakistan		7,265,199	-
- Tours inside Pakistan - neutral venues	21	1,198,629,673	1,438,058,313
- Tournaments	22	2,495,208,399	1,997,132,685
		3,701,103,271	3,435,190,998
Sponsorship and logo income		144,141,095	124,772,982
Rental income	23	40,332,470	36,276,898
Return on investments and bank deposits	24	459,706,621	513,735,746
Other income	25	27,961,455	33,864,673
		672,141,641	708,650,299
Total income		4,373,244,912	4,143,841,297
EXPENDITURES			
Direct expenses			
Tours and tournaments			
- Tours outside Pakistan	26	454,246,418	250,130,525
- Tours inside Pakistan - neutral venues	27	355,721,785	483,018,792
- Tournaments	28	1,847,856,437	1,351,094,113
Cricket promotional expenses	29	487,171,500	422,732,844
		3,144,996,140	2,506,976,274
Administrative expenses	30	829,465,960	705,589,283
Depreciation and amortization	5 & 7	58,344,394	81,771,268
Financial charges	31	1,281,659	4,983,418
		889,092,013	792,343,969
Total expenditure		4,034,088,153	3,299,320,243
Excess of income over expenditure before taxation		339,156,759	844,521,054
Taxation	32	123,408,200	(690,503,126)
Excess of income over expenditure after taxation		215,748,559	1,535,024,180

The annexed notes from 1 to 37 forms an integral part of these financial statements.


CHIEF FINANCIAL OFFICER

DYK


CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	<i>Note</i>	<i>2017 Rupees</i>	<i>2016 Rupees</i>
Excess of income over expenditure after taxation		215,748,559	1,535,024,180
<i>Other comprehensive income:</i>			
<i>Items not to be reclassified to income and expenditure in subsequent periods:</i>			
Remeasurement (loss) / gain on defined benefit plan	16	(12,196,246)	658,569
<i>Total other comprehensive income</i>		(12,196,246)	658,569
<i>Total comprehensive income for the period</i>		203,552,313	1,535,682,749

The annexed notes from 1 to 37 forms an integral part of these financial statements.



CHIEF FINANCIAL OFFICER

DYA



CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of income over expenditure before taxation		339,156,759	844,521,054
<i>Adjustments against non-cash items:</i>			
Depreciation and amortization	5 & 7	58,344,394	81,771,268
Liabilities written back	25	-	(271,013)
Gain on disposal of operating fixed assets		(1,814,012)	(11,858,807)
Adjustment of rent received in advance		(3,327,468)	(3,327,468)
Provision for unfunded gratuity	16	27,551,209	26,991,568
Financial charges	31	1,281,659	2,634,544
Cash flow before working capital changes		<u>421,192,541</u>	<u>940,461,146</u>
<i>Cash flows from working capital changes</i>			
(Increase) / decrease in current assets:			
Stores and spares		(5,693,237)	1,821,191
Due from sponsors, franchises, boards and associations		(48,145,466)	115,269,504
Loans and advances		45,802,458	(55,380,011)
Short term prepayments		(8,773,107)	(2,937,292)
Other receivables		15,350,947	5,568,174
Increase / (decrease) in current liabilities:			
Creditors and other payables		384,542,837	(28,884,745)
Net cash from working capital changes		<u>383,084,432</u>	<u>35,456,821</u>
<i>Cash from operations</i>		<u>804,276,973</u>	<u>975,917,967</u>
Financial charges paid		(1,281,659)	(2,634,544)
Income tax paid		(209,512,815)	(443,616,516)
Gratuity paid		(7,943,921)	(6,001,327)
Amount received against shops		5,030,467	540,004
Decrease in long term loans		442,124	602,273
		<u>(213,265,804)</u>	<u>(451,110,110)</u>
<i>Net cash from operating activities</i>		<u>591,011,169</u>	<u>524,807,857</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(141,767,307)	(159,939,352)
Proceeds from disposal of property and equipment		2,396,225	12,427,629
Long term security deposits - net		(182,664)	(15,700)
<i>Net cash used in investing activities</i>		<u>(139,553,746)</u>	<u>(147,527,423)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		451,457,423	377,280,434
Cash and cash equivalents at the beginning of year		7,145,942,738	6,768,662,304
Cash and cash equivalents at the end of year	33	<u>7,597,400,161</u>	<u>7,145,942,738</u>

The annexed notes from 1 to 37 forms an integral part of these financial statements.

DYA



CHIEF FINANCIAL OFFICER



CHAIRMAN

PAKISTAN CRICKET BOARD
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<i>General Fund</i> <i>Rupees</i>
<i>Balance as at July 01, 2015</i>	6,694,788,996
Total comprehensive income for the year ended June 30, 2016	1,535,682,749
<i>Balance as at June 30, 2016</i>	<u>8,230,471,745</u>
Total comprehensive income for the year ended June 30, 2017	203,552,313
<i>Balance as at June 30, 2017</i>	<u><u>8,434,024,058</u></u>

The annexed notes from 1 to 37 forms an integral part of these financial statements.


CHIEF FINANCIAL OFFICER

DYA



CHAIRMAN

PAKISTAN CRICKET BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1. STATUS AND NATURE OF BUSINESS

The Pakistan Cricket Board (PCB - the Board) was constituted as a statutory body in Pakistan on September 18, 1979 by the Ministry of Culture, Sports and Tourism vide S.R.O 848 (I) / 79. The constitution of the Board was reissued on October 18, 2007 by the Ministry of Sports vide S.R.O 64 (KE) / 2007 under the powers conferred by sub-section (1) of section 3 read with section 4 of the Sports (Development and Control) Ordinance, 1962 (XVI of 1962). In 2013, constitution was reissued again vide S.R.O 100(I)/2013 dated February 14, 2013 by the Federal Government under the powers conferred by the Ordinance as aforementioned. In 2014, a revised constitution was issued vide S.R.O 43(KE)/2014 dated July 10, 2014 under the powers conferred by the Ordinance as aforementioned. During 2016, a revised constitution was issued vide S.R.O.20(KE)/2016 under the powers conferred by the Ordinance as aforementioned. Under all the revised constitutions, the Board is body corporate having perpetual succession and a common seal with powers to acquire, hold or dispose of property, and may sue or be sued in its name. The head office of PCB is situated at Gaddafi Stadium, Lahore.

PCB as the sole regulator for the game of cricket in Pakistan performs its functions according to the objectives laid down in its Constitution which primarily relates to regulating the affairs of cricket all over Pakistan. Accordingly, PCB promotes and regulate all formats of cricket among men, women, physically challenged, blind, deaf, veterans and others. For this purpose, PCB generates funds from its own sources without any donation or funding from any third party or any Provincial or Federal Government.

PCB provides monetary grants to regional, district, city associations, zones and others. So that the help is available right at the grass root levels. PCB also monitors the functions conducted by these associations and zones with regard to holding cricket in their respective areas.

Additionally, for the purpose of regulation of the game and those affiliated with the game or PCB in any manner whatsoever, PCB sets up codes relating to the matters of discipline, anti corruption, anti doping and other issues concerning activities involving the game followed by the measures to implement the same.

PCB organizes cricket tournaments and series round the year at domestic levels all over Pakistan to give opportunities to the youngsters. On international levels, PCB organizes its home series as well as sends the national team in collaboration with the International Cricket Council, Asian Cricket Council and other foreign Boards. In this regard, selection of teams for domestic and international purposes is one of the important functions and responsibility of PCB.

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

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF PREPARATION

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

3.2 Functional and presentation currency

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

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

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

- Useful lives, residual value, depreciation method and impairment of the assets (Note 4.2)
- Allowance for slow moving / obsolete items (Note 4.5)
- Allowance for financial instruments (Note 4.9)
- Taxation (Note 4.7)
- Provision of unfunded gratuity (Note 4.8.1)
- Provision of earned leave (Note 4.8.3)

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

4.1 *Amendments to published approved accounting standards that are effective in the current year*

The following amendments to published approved accounting standards are effective from January 1, 2016. These amendments are, either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Amendments to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations': Clarification regarding changes in the method of disposal of an asset

Amendments to IFRS 7 'Financial Instruments – Disclosures': Disclosure requirements for servicing arrangements on continuing involvement in transferred financial assets

Amendments to IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests in Other Entities and IAS 28 (Revised 2011) - Investments in Associates and Joint Ventures: Application of

Amendments to IFRS 11 - Joint Arrangements: Accounting for acquisitions of an interest in a joint operation

Amendments to IAS 1 - Presentation of Financial Statements: Amendments resulting from the disclosure

Amendments to IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets: Clarification on acceptable methods of depreciation and amortization

Amendments to IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture: Bringing bearer plants in scope of IAS 16

Amendments to IAS 19 'Employee Benefits': Clarification that the same currency bonds be used to determine the discount rate in which benefits are to be paid.

Amendments to IAS 27 (Revised 2011) 'Separate Financial Statements': Use of equity method to account for investments in subsidiaries, joint ventures and associates in separate financial statements.

Amendments to IAS 34 'Interim Financial Reporting': Clarification related to certain disclosures, i.e., if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

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

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

Amendments to IFRS 2 'Share-based Payment': Clarification of the classification and measurement of share-based payment transactions	January 01, 2018
Amendments to IAS 7 'Statement of Cash Flows': Amendments as result of the disclosure initiative	January 01, 2017
Amendments to IAS 12 'Income Taxes': Recognition of deferred tax assets for unrealized losses	January 01, 2017
Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying certain fair value measurements)	January 01, 2018
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.	January 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases

4.2 Property and equipment

4.2.1 Operating fixed assets and depreciation

a) Cost

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

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

b) Depreciation

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

c) Derecognition

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

d) Impairment

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

4.2.2 Capital work in progress

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

4.3 Intangible assets

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

4.4 Investment in associate

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

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

4.5 Stores and spares

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

4.6 Cash and cash equivalents

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

4.7 Taxation

4.7.1 Current

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

4.7.2 Deferred

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

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

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

Considering the losses in previous years and probability of tax losses in future, as a matter of prudence, deferred tax asset has not been accounted for deductible temporary differences amounting to Rs. 212,908,407 (2016: Rs. 550,137,966).

4.8 Employee benefits

4.8.1 Defined benefits plan - unfunded gratuity

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

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

4.8.2 *Defined contribution plan - employees provident fund*

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

4.8.3 *Earned leaves*

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

4.9 *Financial instruments*

Financial instruments comprise investments, long term loans, long term security deposits, other receivables, cash and bank balances and creditors and other payables.

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

Financial assets are derecognized when the Board loses control of the contractual rights that comprise the financial asset. The Board loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Board surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and liabilities are set off and the net amount is reported in the financial statements when there is legally enforceable right to set off and the Board intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

At each balance sheet date, the Board reviews the carrying amounts of the financial assets to assess whether there is any indication that such financial assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the statement of income and expenditure. In respect of 'available for sale' financial assets, cumulative impairment loss less any impairment loss on that financial asset previously recognized in statement of income and expenditure, is removed from equity and recognized in statement of income and expenditure. Impairment losses recognized in the statement of income and expenditure on equity instruments are not reversed through the statement of income and expenditure.

4.10 *Revenue recognition*

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

Tours, tournaments and subscription

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

Sponsorship

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

Donations and special funds

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

Return on investments

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

Rental income

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

4.11 *Pakistan Super League*

Tournament related Income and Expenses of the Pakistan Super League are recognized in the Income and Expenditure Account in the year in which the Tournament is completed. Until then, such Incomes and Expenses are carried in the Balance Sheet. Central pool revenues are recorded after giving effect to associated costs and distributions to franchises.

4.12 *Foreign currency translation*

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

5. OPERATING FIXED ASSETS

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

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

	2016						Annual depreciation rate %			
	Cost			Accumulated depreciation						
	As at July 01, 2015	Additions / Transfers	Disposals	As at June 30, 2016	As at July 01, 2015	Depreciation for the year		Depreciation of disposals	As at June 30, 2016	Net Book Value as at June 30, 2016
	50,037	-	-	50,037	-	-	-	-	50,037	-
Freehold land	4,610,752	-	-	4,610,752	3,983,294	441,561	-	4,424,855	185,897	5
Building on freehold land	679,209,007	1,061,080	-	680,270,087	423,492,818	44,344,695	-	467,837,513	212,432,574	5
Building on leasehold land	88,984,924	1,915,330	(20,908,106)	69,992,148	58,578,300	10,455,804	(20,352,409)	48,681,695	21,310,453	20
Motor vehicles	345,343,078	-	-	345,343,078	345,343,078	-	-	345,343,078	-	20
Flood lights	115,852,339	7,985,846	-	123,838,185	101,400,850	5,973,725	-	107,374,575	16,463,610	20
Furniture, fixtures and office equipment	466,821,702	52,620,143	-	519,441,845	447,702,545	14,902,884	-	462,605,429	56,836,416	20
Electrical equipment	22,858,328	3,747,197	(603,770)	26,001,755	21,047,913	1,814,294	(590,645)	22,271,562	3,730,193	33.33
Computer and allied equipment	105,822,606	400,850	-	106,223,456	99,802,785	3,004,768	-	102,807,553	3,415,903	20
Ground maintenance equipment										
	1,829,552,773	67,730,446	(21,511,876)	1,875,771,343	1,501,351,583	80,937,731	(20,943,054)	1,561,346,260	314,425,083	

5.1 Operating fixed assets include assets having cost of Rs. 1,360,368,527 (2016: 1,291,258,107) that have been fully depreciated.

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

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

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

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

Stadiums / Academy	June 30, 2017			June 30, 2016
	Buildings	Flood lights	Electric screens	
Rawalpindi Cricket Stadium	132,073,558	34,941,463	42,725,109	209,740,130
Iqbal Cricket Stadium, Faisalabad	-	71,722,078	51,891,718	123,613,796
National Cricket Academy, Lahore	81,435,475	1,000,215	-	82,435,690
	213,509,033	107,663,756	94,616,827	415,789,616

6. CAPITAL WORK IN PROGRESS

Capital work in progress
Advance against purchase of fixed assets
Advance against capital work in progress

Note	2017 Rupees	2016 Rupees
6.1	804,965,516	718,694,918
	61,348,397	61,348,397
	20,250,001	28,547,665
	886,563,914	808,590,980

6.1

	2017							Total			
	Rawalpindi Cricket Stadium	National Cricket Academy	Ghari Khuda Buksh Cricket Stadium	Islamabad Cricket Stadium	National Stadium Karachi	Cricket House	Gaddafi Stadium Lahore		Karachi Cricket Academy	Abbottabad Cricket Stadium	Multan Cricket Academy
Balance as at 1st July	36,577,882	51,765,742	84,565,954	53,072,195	-	-	303,646,240	140,593,446	15,218,016	107,694,591	793,134,066
Addition during the period	-	18,160	-	-	609,000	-	96,260,288	4,601,166	3,002,803	-	104,491,417
Transfer during the year	-	-	-	-	-	-	-	-	(18,220,819)	-	(18,220,819)
Accumulated impairment	18,204,647	5,131,094	-	-	-	-	399,906,528	145,194,612	-	107,694,591	879,404,664
Balance as at June 30	18,373,235	46,652,808	84,565,954	53,072,195	609,000	-	348,803,121	145,194,612	-	107,694,591	804,965,516

2016											
	Rawalpindi Cricket Stadium	National Cricket Academy	Ghari Khuda Buksh Cricket Stadium	Islamabad Cricket Stadium	Multan Cricket Stadium	Cricket House	Gaddafi Stadium Lahore	Karachi Cricket Academy	Abbotabad Cricket Stadium	Multan Cricket Academy	Total
Balance as at July 1	36,577,882	100,160,649	84,565,954	53,014,293	41,107	41,107	244,672,634	139,279,714	9,911,291	107,544,591	775,809,222
Addition during the year	-	295,139	-	57,902	-	-	58,973,606	1,313,732	5,306,725	150,000	66,097,104
Transfer during the year	-	48,690,046	-	-	-	-	-	-	-	-	48,690,046
Expensed R&D	-	-	-	-	41,107	41,107	-	-	-	-	82,214
	36,577,882	51,765,742	84,565,954	53,072,195	-	-	303,646,240	140,593,446	15,218,016	107,694,591	793,134,066
Accumulated impairment	18,204,647	5,131,094	-	-	-	-	51,103,407	-	-	-	74,439,148
Balance as at June 30	18,373,235	46,634,648	84,565,954	53,072,195	-	-	252,542,833	140,593,446	15,218,016	107,694,591	718,694,918

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

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

7. INTANGIBLE ASSETS

Software licenses and website
Advance against computer software

	2017 Rupees	2016 Rupees
	2,717,473	4,520,797
	4,632,376	2,978,089
	7,349,849	7,498,886

Cost	Amortization			Net book value As at June 30, 2017	Annual amortization rate %
	As at July 1, 2016	As at June 30, 2017	As at June 30, 2017		
	10,496,479	10,496,479	5,975,682	2,717,473	33.33
Software licenses and website - 2017	-	-	1,803,324	7,779,006	33.33
	5,508,479	4,988,000	5,142,145	4,520,797	33.33
Software licenses and website - 2016	-	-	833,537	5,975,682	33.33

8. LONG TERM LOANS	<i>Note</i>	2017 <i>Rupees</i>	2016 <i>Rupees</i>
To employees :			
-secured		823,584	985,589
-unsecured		2,548,431	3,017,451
	8.1	<u>3,372,015</u>	<u>4,003,040</u>
Less: current portion	11	540,926	729,827
Non current portion		<u>2,831,089</u>	<u>3,273,213</u>

8.1 These represent interest free house loans provided to employees. The loans are repayable in 15 years from the date of disbursement or on retirement, whichever is earlier. This facility was discontinued from May 2007. Secured loans are secured against mortgage of property or lien on provident fund balance.

9. **LONG TERM INVESTMENT**

3,750 (2016: 3,750) fully paid ordinary shares of Rs. 10/- each 37,500 37,500

9.1 It represents the investment in an associated company, Avant Hotels (Private) Limited. The Board holds 37.5% equity of the associate and value of investment based on net assets shown in the accounts of associate as at 30 June 2017 was Rs.(4,039,667) (2016: Rs. (3,251,538)). Summarized financial information of the associate as at 30 June is as follows:

	<i>Un-audited</i>	<i>Un-audited</i>
Assets	58,634	64,954
Liabilities	10,831,079	8,735,723
Loss for the period	(2,101,675)	(891,146)

Board's share of the associate's post acquisition losses amounting to Rs. 37,500 (2016: Rs. 37,500), restricted up to the cost of the investment, is not recognised as management considered that it would have immaterial impact on the financial statements.

10. **DUE FROM SPONSORS, FRANCHISES, BOARDS AND ASSOCIATIONS**

	2017 <i>Rupees</i>	2016 <i>Rupees</i>
Unsecured:		
Due from sponsors	161,597,118	150,214,488
Due from Franchisee	32,049,717	44,913,244
Due from Boards and Associations:		
- Considered good	68,957,195	19,330,832
- Considered doubtful	1,948,767	538,542
	<u>70,905,962</u>	<u>19,869,374</u>
	264,552,797	214,997,106
Less: allowance for receivables - considered doubtful	1,948,767	538,542
	<u>262,604,030</u>	<u>214,458,564</u>

11. **LOANS AND ADVANCES**

Current portion of long term loans	8	540,926	729,827
Unsecured:			
Advances to employees:			
- Considered good		39,279,137	31,911,218
- Considered doubtful		2,872,822	2,872,822
		<u>42,151,959</u>	<u>34,784,040</u>

	<i>Note</i>	<i>2017</i> <i>Rupees</i>	<i>2016</i> <i>Rupees</i>
Advance to suppliers:			
- Considered good		60,163,870	118,556,719
- Considered doubtful		12,687,440	12,687,440
		<u>72,851,310</u>	<u>131,244,159</u>
Advances to players:			
- Considered good		6,359,013	947,640
- Considered doubtful		4,355,198	4,355,198
		<u>10,714,211</u>	<u>5,302,838</u>
		126,258,406	172,060,864
Less: allowance for advances - considered doubtful		19,915,460	19,915,460
		<u>106,342,946</u>	<u>152,145,404</u>
12. SHORT TERM PREPAYMENTS			
Prepaid expenses		39,091,769	30,229,519
Prepaid insurance		790,317	879,460
		<u>39,882,086</u>	<u>31,108,979</u>
13. OTHER RECEIVABLES			
Accrued profit on bank accounts		32,783,360	44,320,393
Accrued rentals:			
- Considered good	13.1	1,822,624	6,682,538
- Considered doubtful		7,243,057	7,243,057
		9,065,681	13,925,595
Others:			
- Considered good		3,536,000	2,490,000
- Considered doubtful		11,417,895	11,417,895
		<u>14,953,895</u>	<u>13,907,895</u>
		56,802,936	72,153,883
Less: allowance for other receivables - considered doubtful		18,660,952	18,660,952
		<u>38,141,984</u>	<u>53,492,931</u>
13.1	It includes lease rentals amounting to Rs. 296,450 (2016: Rs. 3,413,860) due from Avant Hotel (Private) Limited, a related party		
14. SHORT TERM INVESTMENTS	<i>Note</i>	<i>2017</i> <i>Rupees</i>	<i>2016</i> <i>Rupees</i>
Held to maturity investments :			
- Term deposit receipts (Foreign currency)	14.1	315,000,000	156,750,000
- Term deposit receipts (Local currency)	14.2	6,905,000,000	6,929,999,999
		<u>7,220,000,000</u>	<u>7,086,749,999</u>
14.1	It included term deposits amounting to USD 3,000,000 (2016: USD 1,500,000) having interest rate 2.0% (2016: 0.2%) per annum and maturity ranging from 1 to 3 months.		
14.2	These represent term deposits placed in local currency with different banks at interest rates ranging from 6.0% to 7.15% (2016: 4.25% to 8.15%) per annum and have maturity ranging from 1 to 3 months.		

15. **CASH AND BANK BALANCES**

	Note	2017 Rupees	2016 Rupees
Cash in hand		125,032	168,062
Balance held in:			
- current accounts		895,508	895,508
- saving accounts	15.1&15.2	376,379,621	58,129,169
		<u>377,275,129</u>	<u>59,024,677</u>
		<u>377,400,161</u>	<u>59,192,739</u>

15.1 These include foreign currency deposits of USD 1,907,290 (2016: USD 140,711).

15.2 These carry interest rates ranging from 5.0% to 5.80% (2016: 5.75% to 6%) per annum.

16. **LONG TERM LIABILITIES**

Employee benefits - unfunded gratuity	16.1	123,621,785	91,818,251
Retention money payable		4,008,544	5,370,660
		<u>127,630,329</u>	<u>97,188,911</u>

16.1 **Employee benefits - unfunded gratuity**

Movement in plan obligation:			
Liability at the beginning of the period		91,818,251	71,486,579
Charge for the period		27,551,209	26,991,568
		<u>119,369,460</u>	<u>98,478,147</u>
Paid during the period		7,943,921	(6,001,327)
Actuarial loss / (gain)		12,196,246	(658,569)
Liability at the end of the period		<u>123,621,785</u>	<u>91,818,251</u>

Charge for the year:

Current service cost		21,206,931	20,347,245
Interest cost		6,344,278	6,644,323
		<u>27,551,209</u>	<u>26,991,568</u>

Sensitivity analysis:

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

	Rupees
Discount rate + 100bps	111,894,413
Discount rate - 100bps	136,602,575
Salary increase + 100bps	136,786,403
Salary increase - 100bps	111,531,988

Latest valuation of scheme was carried out as at 30 June 2017 by reputable professional actuary. The future contribution rates of this plan include allowances for deficit and surplus. Following significant assumptions were used for valuation of this scheme:

	2017	2016
Rate of increase in eligible salary	6.75%	6.25%
Discount rate	7.75%	7.25%
Average expected remaining working life of employees	10 years	8 years
Retirement age	60 years	60 years

17. DEFERRED REVENUE	Note	2017 Rupees	2016 Rupees
Rent received against lease of shops	17.1	48,834,951	48,824,825
Less: current portion	19	3,259,464	4,952,337
		<u>45,575,487</u>	<u>43,872,488</u>

17.1 Certain shops at Gaddafi Stadium Lahore have been sub leased for a period of 30-38 years, for which the lease money was received in advance. The carrying value represents the sum received in advance for the remaining period of the leased term.

18. CREDITORS AND OTHER PAYABLES		2017 Rupees	2016 Rupees
Creditors		139,508,569	64,660,287
Payable to contractors and consultants		14,336,941	15,194,663
Commercialization fee payable		7,284,552	4,655,076
Payable to boards and associations		51,923,064	65,397,783
Payable to players		410,518,469	167,106,265
Accrued liabilities		73,670,878	9,712,798
Provision for leave encashment	18.1	9,823,503	18,917,117
Retention money of contractors		33,388,533	22,786,216
Withholding tax payable		10,485,952	5,104,061
Payable to Surrey County	18.2	4,838,019	4,838,019
Others		12,038,262	17,927,013
		<u>767,816,742</u>	<u>396,299,298</u>

18.1 *Provision for leave encashment*

Balance as at 1st July	18,917,117	25,820,202
Reversal for the period	(6,814,943)	(5,147,259)
Payments during the period	(2,278,671)	(1,755,826)
Balance as at 30 June	<u>9,823,503</u>	<u>18,917,117</u>

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

19. CURRENT PORTION OF DEFERRED REVENUE & ADVANCES		2017 Rupees	2016 Rupees
Rent received against lease of shops		3,259,464	4,952,337
Advance in respect of sponsorship and logo money	19.1	124,112,800	108,032,418
		<u>127,372,264</u>	<u>112,984,755</u>

19.1 These relates to advance of USD 1,186,546 received from Pepsi Cola International, Trans Group FZE Sharjah UAE and Mobizone (Private) Limited for sponsorship and logo income for subsequent 6-12 months.

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingent liabilities

20.1.1 Following were not acknowledged as debts by the Board:

	2017 Rupees	2016 Rupees
National Stadium Karachi:		
Bukhatir Investments - UAE Dirham 850,019	24,234,042	24,234,042
L.B. Cassia Associates - US Dollar 400,000	41,880,000	41,880,000

20.1.2 Conservancy dues have been claimed by Karachi Water and Sewerage Board (KWSB) against water connections at National Stadium Karachi amounting to Rs. 3,019,585 (2015: Rs. 3,019,585). However, PCB has not yet acknowledged the claim. According to PCB, water consumed from aforesaid connections is not disposed off through the conservancy and sewerage system of KWSB.

20.1.3 Some ex-employees of PCB have filed law suits against their termination which are pending for adjudication. The Board's legal advisor, is of the view that PCB has good arguable cases but the outcome/ decisions of any sub judice matter lies with the courts in which the cases are pending. Accordingly, no provision for the same has been made in these financial statements.

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

20.1.5 As referred to in note 6.2 and 5.4, lease agreements in respect of Rawalpindi Cricket Stadium, Iqbal Cricket Stadium Faisalabad, Ghari Khuda Buksh Stadium, National Cricket Academy Lahore and Islamabad Cricket Stadium have not been finalized with government departments and currently no related liability can be determined reliably. The related liability, if any, would be recognized in the subsequent financial statements. However, the management does not anticipate any significant adjustments.

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

Tax year	Income tax demand is worked out as at (Rs.)	Status
2010	173,549,621	Both PCB and Department have filed cross appeals against these notices which are pending on different forums. Management, based on the opinion of tax advisor, is confident that said notices will not result in outflow of resources, consequently no contingent liability is recognised in these financial statements.
2011	310,500,161	
2012	291,112,079	

20.1.7 As referred in noted 6 of capital work in progress, PCB is in dispute for Garhi Khuda Baksh Cricket Stadium and Multan Cricket Academy with respective contractors for amount of Rs. 45,138,007 and Rs. 2,125,000 respectively. However, management believes that no outflow of economic resources is probable with respect to disputed amounts, hence no provision is made in these financial statements in this regard.

20.1.8 Deputy Commissioner Inland Revenue (DCIR) has issued notices dated June 6, 2017 and June 7, 2017 for tax year 2016 and 2015 respectively to recover short collection of tax under section 236A of the Income Tax Ordinance, 2001 in the context of payments received by the PCB on account of TV rights, sponsorship fee, franchise fee, media rights and logo income received during the tax years under consideration. In response to the notices PCB preferred filing writ petitions on constitutional grounds before the Honourable Lahore High Court which are pending for disposal.

20.1.9 DCIR through notices dated May 11, 2017 for Tax Years 2015 and 2016 respectively, initiated proceedings against PCB under section 161(1A)/205(3) of the Income Tax Ordinance, 2001 requiring explanation of non-deduction of tax on account of payments to certain non-residents stated therein, under section 152. PCB has made compliance by filing response and the matter is pending before DCIR for adjudication.

20.1.10 DCIR through show cause notice dated May 21, 2016 issued under section 14 of Federal Excise Act 2005, has raised the issue that Pakistan Cricket Board was required to pay Federal Excise Duty (FED) amounting to Rs. 97,755,000 on franchise fee received from the franchises for Pakistan Super League. PCB has filed a writ petition (W.P No. 28354/2016) before Honorable Lahore High Court challenging the jurisdiction, since after the 18th amendment in Constitution of Pakistan, 1973, such services are within the domain of provinces. The Honorable Lahore High Court has granted the interim relief and the matter is still pending for adjudication.

20.2 Contingent asset

20.2.1 Asian Cricket Council (ACC) sold commercial rights of Asia Cup 2010, 2012 & 2014 to a Singapore entity named Nimbus Sport International (Pte.) Ltd under agreement dated June 7, 2010 (the said Agreement). Subsequently Nimbus Sport International assigned its rights and obligations in the said Agreement to Nimbus Communications Ltd (NCL). Pursuant to the said assignment and the Agreement, NCL was required to pay ACC a sum of USD 21.69 Million as consideration for the commercial rights for the 2014 edition of Asia Cup tournament. By letter dated November 18, 2013 NCL unilaterally terminated the agreement. By that time NCL had given a SBLC equivalent to USD 6.507 million as financial guarantee for their payment obligations. The value of SBLC amounted to USD 6.50 Million being 30% of the Rights Fee. Subsequently, ACC proceeded to sell the subject rights to another broadcaster at a reduced value due to paucity of time since NCL had left at the eleventh hour, jeopardizing the sale of commercial rights for the subject event.

Later on, ACC lodged its claim with Indian Overseas Bank to recover the amount of SBLC but the issuing bank rejected this claim on technical grounds. Thereafter ACC filed a suit in Bombay High Court, India against Indian Overseas Bank to recover USD 6,507,000 due under the SBLC and the case is yet to come for hearing. Meantime Nimbus has initiated arbitration proceeding in KL, Malaysia & it is in the early stage of arbitration process.

In view of above, the amount of USD 6,507,000 pending due to litigation as detailed above, has not been taken into account by ACC while calculating distribution for Asia Cup 2014 among the member boards that includes PCB as well. It is agreed between the ACC Member Boards that once this money is recovered, that too shall be distributed in a similar manner as that of distribution of Asia Cup revenues. Resultantly, PCB has also not booked its one sixth share of this amount as a receivable; pending outcome of the underlying litigation.

20.3 Commitments

20.3.1 Commitments in relation to various projects and development activities at year end amount to Rs.18.995 million (2016: Rs. Rs.162 million).

20.3.2 Commitments in respect of operating leases are described in note 5.2 of these financial statements.

		2017	2016
		Rupees	Rupees
21. TOURS INSIDE PAKISTAN - NEUTRAL VENUES	Note		
TV rights		950,571,815	1,130,575,774
Gate money		28,073,969	70,747,042
Sponsorship fee and instadia rights		81,289,070	155,420,000
Test match fund		130,810,842	62,700,000
Radio broadcasting rights		4,351,250	8,738,500
Telephony and audio streaming rights		2,534,177	5,107,155
Miscellaneous		998,550	4,769,842
		<u>1,198,629,673</u>	<u>1,438,058,313</u>
22. TOURNAMENTS			
Tournaments - domestic	22.1	74,485,088	84,794,876
Tournaments - international	22.2	957,658,026	938,123,859
Pakistan Super League	22.3	1,463,065,285	974,213,950
		<u>2,495,208,399</u>	<u>1,997,132,685</u>
22.1 Tournaments - domestic			
Sponsorship		37,272,233	36,453,938
TV rights		15,000,000	25,500,000
Participation fee		7,850,000	8,150,000
Gate money		10,786,818	11,652,303
Miscellaneous		3,576,037	3,038,635
		<u>74,485,088</u>	<u>84,794,876</u>
22.2 Tournaments - international			
Participation fee	22.2.1	26,250,000	31,350,000
Share of revenue	22.2.2	931,408,026	896,323,859
Sponsorship		-	10,450,000
		<u>957,658,026</u>	<u>938,123,859</u>
22.2.1	This includes participation fee relating to ICC Champions Trophy 2017 amounting to USD 250,000 (2016: ICC T20 World Cup 2016, ICC U-19 World Cup and Asia Cup 2016 amounting to USD 275,000, USD 25,000 and USD 100,000 respectively).		
22.2.2	This includes share of revenue relating to ICC Member's Distribution amounting to USD 8,900,000 (2016: ICC Member's Distribution, Asia Cup 2016 and special fund & distribution from Asian Cricket Council amounting to USD 5,000,000, USD 1,600,000 and USD 2,039,940 respectively).		
22.3 Pakistan Super League		2017	2016
		Rupees	Rupees
Franchise fee		973,844,360	973,841,158
Sale of hospitality boxes		40,309,500	41,680,000
Other income		17,789,981	13,192,410
Central pool revenue	22.3.1	431,121,444	-
		1,463,065,285	1,028,713,568
Less: Support to franchises		-	(54,499,618)
		<u>1,463,065,285</u>	<u>974,213,950</u>

	Note	2017 Rupees	2016 Rupees
22.3.1 Central pool revenue			
TV rights			
Media rights		531,714,102	341,324,182
TV production cost		(274,101,040)	(232,463,991)
		257,613,062	108,860,191
Sponsorship		447,754,393	396,821,997
Gate money		253,840,756	115,625,481
Total central pool revenue		959,208,211	621,307,669
Less: distributed to franchises		(528,086,767)	(621,307,669)
Central pool revenue		431,121,444	-
		2017	2016
		Rupees	Rupees
23. RENTAL INCOME			
Gaddafi Stadium Lahore			
Shops		18,131,626	15,479,851
Others		1,319,394	1,171,164
		19,451,020	16,651,015
National Stadium Karachi			
Land	23.1	1,010,590	1,013,359
Shops		-	50,000
Others		46,000	272,780
		1,056,590	1,336,139
Cricket House		19,824,860	18,289,744
		40,332,470	36,276,898
23.1	It represents lease rental income from Avant Hotel (Private) Limited, a related party		
24. RETURN ON INVESTMENTS AND BANK DEPOSITS			
Interest on Term Deposit Receipts			
-Foreign Currency		152,618	2,283
-Local Currency		441,076,731	492,146,678
		441,229,349	492,148,961
Interest on bank deposits:			
-Foreign Currency		1,556,745	824,169
-Local Currency		16,920,527	20,762,616
		18,477,272	21,586,785
		459,706,621	513,735,746
25. OTHER INCOME			
Exchange gain - net		1,799,623	-
Election fee		1,743,600	1,752,100
Liabilities written back		-	271,013
Players' fine		1,002,000	88,000
Gain on disposal of operating fixed assets		1,814,012	11,858,807
Annual subscription		3,390,000	3,830,000
Coaching course fee		2,145,000	6,881,000
Hoardings income		6,027,700	8,136,337
Scrap sales		468,321	103,900
Affiliation fee		5,900,000	10,000
Miscellaneous		3,671,199	933,516
		27,961,455	33,864,673

26.	TOURS OUTSIDE PAKISTAN	<i>Note</i>	2017 Rupees	2016 Rupees
	Players and officials match fee, allowances and incentives		304,199,924	184,602,813
	Players related other expenses		43,275,327	24,026,088
	Travelling expenses		79,174,991	39,426,326
	Accommodation expenses		21,351,720	893,854
	Others		6,244,456	1,181,444
			<u>454,246,418</u>	<u>250,130,525</u>
27.	TOURS INSIDE PAKISTAN - NEUTRAL VENUES			
	Players match fee, allowances and incentives		101,116,735	118,795,689
	Players related other expenses		13,876,221	20,435,150
	Travelling expenses		20,021,940	40,520,973
	Accommodation expenses		46,568,915	76,349,966
	Team officials expenses		23,740,038	26,693,469
	<i>Event management expenses:</i>			
	Venue hiring Cost		123,662,130	136,172,170
	Advertisement expenses		15,463,780	42,432,221
	Match day expenses		3,863,400	5,212,921
	Security expenses		-	2,254,411
	Catering expense		737,355	2,221,049
	Equipment hire rental charges		55,165	277,030
	Players medical expenses		4,938,610	7,450,061
	Printing and stationary		19,842	68,853
	Others		1,657,654	4,134,829
			<u>150,397,936</u>	<u>200,223,545</u>
		27.1	<u>355,721,785</u>	<u>483,018,792</u>
27.1	These represent expenses related to international series hosted by PCB in Pakistan or at neutral venues. There were 27 match days and 61 tour days in 2017 while 22 match days and 53 tour days in 2016.			
28.	TOURNAMENTS		2017 Rupees	2016 Rupees
	Tournaments - domestic	28.1	621,513,517	375,789,212
	Tournaments - international	28.2	164,737,721	65,872,729
	Pakistan Super League	28.3	1,061,605,199	909,432,172
			<u>1,847,856,437</u>	<u>1,351,094,113</u>
28.1	Tournaments - domestic			
	Players match fee, allowances and incentives		138,237,300	74,723,095
	Prize money		25,713,000	20,178,000
	Players related other expenses		71,031,708	52,100,234
	Travelling		45,052,264	31,859,023
	Accommodation		121,559,632	78,920,467
	Match and team officials expenses		65,255,611	39,890,880
	Grant for domestic tournaments		50,650,000	15,324,300
	Fuel and power		26,063,542	12,702,110
	Match day expenses		14,858,594	8,334,283
	Security expenses		9,494,789	8,280,085

Catering expenses		7,729,558	6,408,556
Committees expenses		10,445,439	6,566,727
Ground rent		3,573,010	2,841,000
Marketing and advertisement		24,139,079	10,540,709
Others		7,709,991	7,119,743
	28.1.1	<u>621,513,517</u>	<u>375,789,212</u>
28.1.1 These represent domestic tournaments held by PCB on its own or with collaboration of sponsors in Pakistan.			
		2017	2016
28.2 Tournaments - international	Note	Rupees	Rupees
Players match fee, allowances and incentives		97,567,819	34,496,208
Players related other expenses		11,364,080	3,325,239
Official match fee, allowances and incentives		14,602,977	7,479,615
Travelling		19,145,540	6,051,384
Accommodation		6,859,418	9,963,837
Others		15,197,887	4,556,446
	28.2.1	<u>164,737,721</u>	<u>65,872,729</u>
28.2.1 These represent expenses incurred in respect of ICC Champions Trophy 2017, Asia Cup U-19 & U-23, ICC Womens Championship Qualification Rounds and ICC Womens Asia Cup 2016 (2016: ICC T-20 World Cup 2016 and Asia Cup 2016).			
		2017	2016
28.3 Pakistan Super League		Rupees	Rupees
Venue hiring cost		289,239,163	339,817,584
Event management expenses		277,707,832	139,657,269
Marketing and advertisement		146,500,542	173,345,063
Expenses pertaining to Pakistan matches	28.3.1	129,620,068	-
Prize money		73,310,500	73,315,000
Staff salaries		37,891,187	39,022,864
Travel and accommodation		36,799,878	34,936,991
Legal and professional		18,806,700	55,828,470
Match officials' expenses		15,456,892	11,003,015
Daily allowance		14,253,316	17,036,584
Anti corruption and anti doping		9,024,513	6,669,033
Liaison and protocol officers' expenses		6,387,660	2,903,323
Journalists' expenses		4,683,818	7,779,378
Others		1,923,130	8,117,598
		<u>1,061,605,199</u>	<u>909,432,172</u>
28.3.1 Expenses pertaining to Pakistan matches			
TV production cost		58,668,900	-
Foreign players match fee and insurance		23,578,795	-
Event management expenses		18,042,965	-
Boarding, lodging, travelling and catering		12,023,829	-
Repair and maintenance		9,574,920	-
Match day operational expenses		5,180,463	-
Venue security expenses		2,550,196	-
		<u>129,620,068</u>	<u>-</u>

29.	CRICKET PROMOTIONAL EXPENSES	Note	2017 Rupees	2016 Rupees
	<i>International</i>			
	Players central contract fee		121,715,826	114,958,408
	Players related other costs		27,538,250	49,616,735
	Coach and trainer fee		98,954,907	70,621,911
	Committees expenses		22,175,157	9,098,306
	Summer Camps		-	11,956,121
			270,384,140	256,251,481
	<i>Domestic</i>			
	Players central contract fee		18,300,000	18,900,000
	Coaching expense		5,433,246	3,160,809
	Players Development Program		73,688,442	38,742,420
	Committees expenses		17,174,357	12,215,267
	Grants	29.1	102,191,315	93,462,867
			216,787,360	166,481,363
			<u>487,171,500</u>	<u>422,732,844</u>
29.1	<i>Grants</i>			
	Pakistan Blind Cricket Team		15,653,143	15,188,579
	Pakistan Deaf Cricket Team		9,310,965	12,540,529
	Pakistan Disable Cricket Team		1,800,000	500,000
	Cricket gears to Districts / Cities / Clubs		8,719,354	5,894,191
	Ground operations and domestic tournaments		63,257,853	53,139,568
	Veterans		3,450,000	6,200,000
			<u>102,191,315</u>	<u>93,462,867</u>
30.	ADMINISTRATIVE EXPENSES			
	Salaries, wages and other benefits	30.1	563,283,962	492,419,297
	Traveling and allowances		26,026,355	16,441,655
	Vehicle running expenses		16,634,530	20,672,402
	Entertainment		15,360,427	16,132,624
	Communication		6,432,864	5,891,353
	Committees expenses		14,113,459	6,176,145
	Repair and maintenance		47,792,813	31,565,615
	Printing and stationery		3,982,989	4,523,008
	Insurance		14,415,238	14,214,993
	Utilities net of recoveries		37,715,907	35,661,085
	Marketing and advertisement		6,648,512	7,144,885
	Auditors' remuneration		1,564,209	1,564,209
	Legal and professional		34,352,875	24,162,747
	Commercialization fee		2,629,476	2,390,436
	Rent, rates and taxes		6,198,371	6,358,885
	Office security expenses		9,066,475	7,131,150
	Fee and subscriptions		595,533	857,131
	Medical expenses		8,234,418	1,198,262
	Cleaning expenses		5,407,703	3,655,347
	Provision for doubtful receivables		1,410,225	-
	Other expenses		7,599,619	7,428,054
			<u>829,465,960</u>	<u>705,589,283</u>

30.1 This includes gratuity expense for the year amounting Rs.27,551,209 (2016:Rs. 26,991,568) respectively.

	<i>Note</i>	<i>2017 Rupees</i>	<i>2016 Rupees</i>
31. FINANCIAL CHARGES			
Exchange loss - net		-	2,348,874
Bank charges		1,281,659	2,634,544
		<u>1,281,659</u>	<u>4,983,418</u>
32. TAXATION			
Current tax:			
For the period		123,508,201	121,478,229
Prior year		(100,001)	(811,981,355)
	32.1	<u>123,408,200</u>	<u>(690,503,126)</u>
32.1 Tax expense for the year comprises of the following			
Tax at applicable rate of 4% for foreign receipts		113,089,283	113,436,378
Prior year adjustment		(100,001)	(811,981,355)
Minimum tax on local income (1%)		10,418,918	8,041,851
		<u>123,408,200</u>	<u>(690,503,126)</u>
33. CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	377,400,161	59,192,739
Held to maturity investments - term deposit receipts	14	7,220,000,000	7,086,749,999
		<u>7,597,400,161</u>	<u>7,145,942,738</u>
34. RELATED PARTY DISCLOSURES			

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

<u>Relationship with the Board</u>	<u>Nature of transactions</u>	<i>2017 Rupees</i>	<i>2016 Rupees</i>
Employees Provident Fund Trust	Amount contributed	15,748,068	13,875,638
Board of	Reimbursable expenses	4,436,047	2,160,348
Associate company	Rental income	1,010,590	1,013,359

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

34.2 Chairman is also entitled to free use of Board maintained vehicle.

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

35. FINANCIAL RISK MANAGEMENT

35.1 Financial risk factors

The Board's financial liabilities comprise creditors & other payables and long term deposits. The main purpose of these financial liabilities is to raise finances for Board's operations. The Board financial assets comprises of investments, long term loans, long term security deposits, due from sponsors, board and associations, other receivables and cash and bank balances that arrive directly from its operations.

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

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

(a) Market risk

(i) Currency risk

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

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

	<i>2017</i>	<i>2016</i>
Reporting date rate - Rupees per US Dollar	105.0	104.70
Changes in US Dollar Rate	+10%	+10%
Excess of income over expenditure before tax - Rupees	43,784,045	27,625,472

(ii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Board has no significant interest bearing liabilities. The Board's interest rate risk mainly arises from investment in Term Deposit Receipts (TDRs).

At the balance sheet date the interest rate profile of the Board's interest bearing financial instruments was:

	<i>2017</i>	<i>2016</i>
	<i>Rupees</i>	<i>Rupees</i>
<i>Fixed rate instruments</i>		
<i>Financial assets:</i>		
Held to maturity investments	7,220,000,000	7,086,749,999
<i>Floating rate instruments</i>		
<i>Financial assets:</i>		
Bank balances - saving accounts	376,379,621	58,129,169

Fair value sensitivity analysis for fixed rate instruments

The Board does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect income or expenditure of the Board.

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Board's excess of income over expenditure before taxation. This analysis is prepared assuming the amounts of floating rate instruments outstanding at balance sheet dates were outstanding for the whole year.

		<i>Changes in Interest Rate</i>	<i>Effects on Income before tax</i>
		%	Rupees
Held to maturity investments	2017	+1.00	72,200,000
		-1.00	(72,200,000)
	2016	+1.00	70,867,500
		-1.00	(70,867,500)
		<i>Changes in Interest Rate</i>	<i>Effects on Income before tax</i>
			Rupees
Bank balances - saving accounts	2017	+1.00	3,763,796
		-1.00	(3,763,796)
	2016	+1.00	581,292
		-1.00	(581,292)

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	<i>2017</i>	<i>2016</i>
	<i>Rupees</i>	<i>Rupees</i>
Long term loans	3,372,015	4,003,040
Long term security deposits	7,843,050	7,660,386
Long term investment	37,500	37,500
Due from sponsors, boards and associations	262,604,030	214,458,564
Loans and advances	106,342,946	152,145,404
Other receivables	38,141,984	53,492,931
Short term investments	7,220,000,000	7,086,749,999
Bank balances	377,275,129	59,024,677
	<u>8,015,616,654</u>	<u>7,577,572,501</u>

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

	<i>2017</i>	<i>2016</i>
	<i>Rupees</i>	<i>Rupees</i>
<i>The age of due from sponsors, boards and associations</i>		
Not more than one year	<u>262,604,030</u>	<u>214,458,564</u>

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

At June 30, 2017, three parties that owed the Board more than Rs.170 million (2016 : three parties that owed the Board more than Rs.167 million) accounts for approximately 65% (2016: 83%) of total amount due from sponsors, boards and associations.

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

Bank	Rating			2017	2016
	Short Term	Long term	Agency	Rupees	Rupees
Al-Baraka Bank Limited	A1	A	PACRA	610,632,866	1,047,798,244
Allied Bank Limited	A1+	AA+	PACRA	-	1,160,000,000
Bank Alfalah Limited	A1+	AA+	PACRA	533,649,705	185,172,713
Dubai Islamic Bank Limited	A1	A+	JCR-VIS	200,000,000	-
Faysal Bank Limited	A1+	AA	PACRA	1,979,916,044	841,905,972
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	804,999,999
JS Bank Limited	A1+	AA-	PACRA	2,280,000,000	800,000,000
MCB Bank Limited	A1+	AAA	PACRA	3,310,791	-
NIB Bank Limited	A1+	AA-	PACRA	1,077,636	1,302,145,615
Soneri Bank Limited	A1+	AA-	PACRA	1,985,000,000	1,000,000,000
The Bank of Punjab	A1+	AA	PACRA	2	7,401
United Bank Limited	A1+	AAA	JCR-VIS	3,688,085	3,744,732
				<u>7,597,275,129</u>	<u>7,145,774,676</u>

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

(c) *Liquidity risk*

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

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

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

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
<i>June 30, 2017</i>				
Creditors and other payables	767,816,742	767,816,742	767,816,742	-
<i>June 30, 2016</i>				
Creditors and other payables	396,299,298	396,299,298	396,299,298	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates effective as at 30 June.

35.2 *Fair values of financial assets and liabilities*

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

15.3 *Financial instruments by categories*

	<i>Held to maturity</i>	<i>Loans and advances</i>	<i>Total</i>
-----Rupees-----			
<i>As at June 30, 2017</i>			
<i>Assets as per balance sheet</i>			
Long term loans	-	3,372,015	3,372,015
Long term security deposits	-	7,843,050	7,843,050
Long term investments	-	37,500	37,500
Due from sponsors, board & associations	-	262,604,030	262,604,030
Loans and advances	-	106,342,946	106,342,946
Other receivables	-	38,141,984	38,141,984
Short term investments	7,220,000,000	-	7,220,000,000
Cash and bank balances	-	377,400,161	377,400,161
	<u>7,220,000,000</u>	<u>795,741,686</u>	<u>8,015,741,686</u>

Financial liabilities at amortized cost
Rupees

As at June 30, 2017
Liabilities as per balance sheet
Long term security deposits
Creditors and other payables

599,215
767,816,742
768,415,957

As at June 30, 2016
Assets as per balance sheet
Long term loans
Long term security deposits
Long term investments
Due from sponsors, board & associations
Loans and advances
Other receivables
Short term investments
Cash and bank balances

	<i>Cash and cash equivalent</i>	<i>Loans and advances</i>	<i>Total</i>
-----Rupees-----			
<i>As at June 30, 2016</i>			
<i>Assets as per balance sheet</i>			
Long term loans	-	4,003,040	4,003,040
Long term security deposits	-	7,660,386	7,660,386
Long term investments	-	37,500	37,500
Due from sponsors, board & associations	-	214,458,564	214,458,564
Loans and advances	-	152,145,404	152,145,404
Other receivables	-	53,492,931	53,492,931
Short term investments	7,086,749,999	-	7,086,749,999
Cash and bank balances	59,192,739	-	59,192,739
	<u>7,145,942,738</u>	<u>431,797,825</u>	<u>7,577,740,563</u>

Financial liabilities at amortized cost
Rupees

As at June 30, 2016
Liabilities as per balance sheet
Long term security deposits
Creditors and other payables

599,215
396,299,298
396,898,513

36. *DATE OF AUTHORIZATION*

These financial statements have been authorized for issuance by Board of Governors of the PCB on
26 MAR 2018

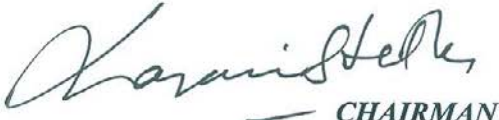
37. *GENERAL*

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

DYA



CHIEF FINANCIAL OFFICER


CHAIRMAN