



**HUM NETWORK LIMITED**





## COMPANY INFORMATION



### BOARD OF DIRECTORS

Chairman  
Directors

Mr. Mazhar-ul-Haq Siddiqui  
Ms. Sultana Siddiqui  
Mr. Munawar Alam Siddiqui  
Mr. Shunaid Qureshi  
Mrs. Mahtab Akbar Rashdi  
Mr. Abdul Hamid Dagia  
Mr. Muhammad Ayub Younus Adhi

Chief Executive Officer  
Chief Financial Officer  
Company Secretary  
Head of Internal Audit

Mr. Duraid Qureshi  
Mr. Islam Ahmed Khan  
Mr. Nasir Jamal  
Mr. Kamran Shamshad Ahmed

### AUDIT COMMITTEE

Chairman  
Members

Mr. Shunaid Qureshi  
Ms. Sultana Siddiqui  
Mr. Muhammad Ayub Younus Adhi

### HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

Chairperson  
Members

Mr. Mazhar-ul-Haq Siddiqui  
Mr. Munawar Alam Siddiqui  
Mrs. Mahtab Akbar Rashdi  
Mr. Shunaid Qureshi  
Mr. Duraid Qureshi

### AUDITORS

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants,  
7<sup>th</sup> Floor Progressive Plaza,  
Beaumont Road, Karachi.

### INTERNAL AUDITORS

KPMG Taseer Hadi & Company  
Chartered Accountants,  
1<sup>st</sup> Floor, Sheikh Sultan Trust Building  
No.2, Beaumont Road, Karachi

### LEGAL ADVISOR

Ijaz Ahmed & Associates  
No.7, 11<sup>th</sup> Zamzama Street, Phase-V,  
D.H.A. Karachi.

### BANKERS

Bank Alfalah Limited  
Faysal Bank Limited  
National Bank of Pakistan  
KASB Bank Ltd.  
JS Bank Ltd.  
Allied Bank Limited  
United Bank Limited  
Askari Bank Limited  
Standard Chartered Bank Limited

### REGISTERED & HEAD OFFICE

Hum Network Limited, Plot No. 10/11,  
Hassan Ali Street, Off. I.I. Chundrigar  
Road, Karachi -74000  
UAN 111-486-111

### REGISTRAR/TRANSFER AGENT

Technology Trade (Pvt.) Ltd.  
Dagia House, 241-C, Block-2,  
P.E.C.H.S, Off: Shahrah-e-Quaideen,  
Karachi.  
Tel: 34391316-7 Fax: 34391318

### WEBSITES' INFORMATION

HUM NETWORK LIMITED: [www.humnetwork.tv](http://www.humnetwork.tv)  
HUM TV: [www.hum.tv](http://www.hum.tv)  
MASALA TV: [www.masala.tv](http://www.masala.tv)  
HUM2: [www.hum2.tv](http://www.hum2.tv)

## Directors' Report



On behalf of the Board of Directors, I am pleased to present the reviewed condensed interim financial statements for the half year ended December 31, 2012.

Net revenues recorded for the six months were Rs. 978M as compared to Rs. 824M of the same period last year; a positive variation of 19% amounting to Rs. 154M. Although, the increases in direct and indirect costs were 16% and 21% respectively, an increase of 46% was attained in the net profit before taxation; which now stands at Rs.159M compared to 109M for the corresponding period of 2011. Earnings per Share (EPS) have also risen by Re. 0.61 and now stand at Rs. 2.37.

Revenues of the network are on the increasing trend, to which the management and the employees are dedicated. Hum TV maintains to top the charts with its superb content which kept the viewers of all ages glued to their screens and advertisers also maintained confidence in the channel. The investment in content has proved that it's the quality that matters in the end. The drama serials of HUM TV during the period under discussion which left their marks on the industry include Zindagi Gulzar Hai, Bari Apa, Na Kaho Tum Meray Nahi and Kahi Un Kahi.

Masala TV continues to be the most watched food channel in Pakistan as well as a popular growing channel among South Asian Community abroad. The constant development of programs and introduction of new chefs have contributed a lot in development of brand image of channel. During the quarter Gulzar's cook book, under the name of the popular program "Live @ 9 with Chef Gulzar", was launched which exceeded our expectation and the initial copies printed were all sold out and more copies were printed due to the overwhelming demand of the book. Considering the popularity of the channel and keeping in view the positive response to the cook book, efforts are being put into introducing cook books of other renowned chefs of the channel as well.

This August Style360 was re-launched as HUM2, now offering a wider mix of programmes and thus catering to a larger audience. The total revamping of the channel has finally started showing marks and the revenues in December 2012 are twice as much of those in July 2012. We are hopeful that the trend would continue to make HUM2 one of the leading entertainment channels.

Moreover, the second Bridal Couture Week (BCW) of the year, in collaboration with Pantene, was held in Lahore in October. BCW continues to be HUM2's biggest event with huge popularity amongst all of its stake holders. We hope to take the event international in the near future as it has already received immense appreciation from international designers and audience.

Diversity is an important factor for leadership, which is why your company has always put extra efforts in entering and conquering new markets. It is a great pleasure for us to mention here that your network has now entered in the domain of Digital Sales. Although, small steps are being taken for the preliminary stages, we have high hopes for the future.

The Network is receiving a lot of demand for the content from abroad especially from Europe and Canada. The popularity has gone to the extent that foreign channels and distributors are also demanding subtitled content for airing in different parts of the world.

The Company expects strong financial results for the next six months and the Board is confident that with sustained performance, expected growth and dynamism, the Company would be able to outdo itself.

### HUM TV INC., USA

Your subsidiary is now actively involved in exploring advertising market in the United States and Canada. The consolidated amounts are as follows:

	<u>2012</u>
Revenue – net	<u>999,964,448</u>
Gross Profit	<u>374,862,407</u>
Profits for the year – before taxation	<u>162,141,219</u>
Earnings per share	<u>2.41</u>

Duraid Qureshi  
Chief Executive Officer

Karachi:  
February 26, 2013

**AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF  
INTERIM FINANCIAL INFORMATION**

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**Introduction**

We have reviewed the accompanying condensed interim balance sheet of **Hum Network Limited** as at **31 December 2012** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**Chartered Accountants**

**Engagement Partner** : Omer Chughtai

Date: February 26, 2013

Karachi

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT DECEMBER 31, 2012**



		31 December 2012 (Un-audited)	30 June 2012 (Audited)
	Note	----- Rupees -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	196,468,723	182,147,192
Intangible assets		10,156,566	10,784,432
Long term investment	7	18,725,353	8,682,103
Long term deposits and prepayments		27,482,755	24,170,381
Television program costs	8	283,342,477	281,055,788
Deferred tax asset		28,504,279	27,008,002
		<u>564,680,153</u>	<u>533,847,898</u>
<b>CURRENT ASSETS</b>			
Inventories		694,884	570,580
Current portion of television program costs	8	319,330,862	368,979,393
Trade debts	9	454,359,810	473,817,210
Advances - unsecured, considered good	10	57,317,517	50,496,568
Deposits and prepayments		4,505,374	4,626,578
Accrued profit		-	725,247
Other receivables - unsecured, considered good	11	24,999,819	4,204,333
Taxation – net		95,986,336	83,422,421
Cash and bank balances		80,419,116	136,260,326
		<u>1,037,613,718</u>	<u>1,123,102,656</u>
<b>TOTAL ASSETS</b>		<u><b>1,602,293,871</b></u>	<u><b>1,656,950,554</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
70,000,000 (2012: 70,000,000) ordinary shares of Rs.10/- each		<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid-up capital		500,000,000	500,000,000
Unappropriated profit		<u>687,115,483</u>	<u>618,533,416</u>
		<u><b>1,187,115,483</b></u>	<u><b>1,118,533,416</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		419,342	1,190,126
Deferred liabilities		<u>77,568,349</u>	<u>78,264,793</u>
		<u><b>77,987,691</b></u>	<u><b>79,454,919</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	313,172,777	264,888,547
Accrued markup		954,683	6,371,365
Short term borrowings	13	20,000,000	186,370,897
Dividend payable		1,594,419	7,800
Current portion of liabilities against assets subject to finance lease		<u>1,468,818</u>	<u>1,323,610</u>
		<u><b>337,190,697</b></u>	<u><b>458,962,219</b></u>
<b>COMMITMENTS</b>	14		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,602,293,871</b></u>	<u><b>1,656,950,554</b></u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

**MAZHAR UL HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



	Note	Half Year Ended		Quarter Ended	
		December	December	December	December
		2012	2011	2012	2011
		Rupees	Rupees	Rupees	Rupees
Revenue – net	15	978,127,033	823,939,330	454,447,286	404,516,156
Cost of production	16	(573,604,523)	(476,389,305)	(282,394,611)	(234,254,862)
Transmission cost		(47,193,268)	(58,896,429)	(23,868,896)	(36,510,408)
		(620,797,791)	(535,285,734)	(306,263,507)	(270,765,270)
Gross profit		357,329,242	288,653,596	148,183,779	133,750,886
Distribution costs		(110,870,203)	(84,566,852)	(71,277,915)	(48,733,597)
Administrative expenses		(101,424,316)	(91,438,711)	(46,866,146)	(44,497,507)
		145,034,723	112,648,033	30,039,718	40,519,783
Other operating income		25,008,551	17,545,510	7,468,667	11,756,989
		170,043,274	130,193,543	37,508,385	52,276,772
Finance costs		(7,098,827)	(18,782,982)	(1,212,244)	(8,906,163)
Other charges - Workers' welfare fund		(3,258,889)	(1,958,136)	(726,190)	(682,813)
Profit before taxation		159,685,558	109,452,425	35,569,951	42,687,796
Taxation					
- current		(46,906,967)	(31,294,635)	5,240,443	(5,167,689)
- prior		4,307,198	1,888,678	4,307,198	-
- deferred		1,496,278	7,788,294	(1,575,160)	1,614,880
		(41,103,491)	(21,617,663)	7,972,481	(3,552,809)
Profit after taxation		118,582,067	87,834,762	43,542,432	39,134,987
Earnings per share – basic and diluted		Rs. 2.37	Rs. 1.76	Re. 0.87	Re. 0.78

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive



**HUM NETWORK LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



	Half Year Ended		Quarter Ended	
	December 2012	December 2011	December 2012	December 2011
	----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
<b>Profit for the period after tax</b>	<b>118,582,067</b>	<b>87,834,762</b>	<b>43,542,432</b>	<b>39,134,987</b>
Other comprehensive income - net of tax	-	-	-	-
<b>Total comprehensive income for the period – net of tax</b>	<b>118,582,067</b>	<b>87,834,762</b>	<b>43,542,432</b>	<b>39,134,987</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

**MAZHAR UL HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



	Half Year Ended	
	31 December 2012	31 December 2011
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	159,685,558	109,452,425
Adjustments for:		
Depreciation	18,218,955	22,378,537
Amortization of intangible assets	989,867	1,059,658
Finance costs	7,098,827	18,782,982
Profit on deposit accounts	(5,298,510)	(2,356,013)
Gain on disposal of fixed assets	(534,724)	(152,696)
Unrealized exchange gain	4,257,298	(4,938,858)
Reversal / provision for doubtful debts	-	-
Movement in provisions	4,496,848	14,463,228
	<b>29,228,561</b>	<b>49,236,838</b>
<b>Operating profit before working capital changes</b>	<b>188,914,119</b>	<b>158,689,263</b>
<b>(Increase) / decrease in current assets</b>		
Television program costs	(124,304)	(449,202)
Trade debts	49,648,532	22,475,883
Advances, deposits and prepayments	19,457,400	(53,689,633)
Other receivables	(6,699,745)	(450,985)
	<b>(20,795,486)</b>	<b>24,245,275</b>
	<b>41,486,397</b>	<b>(7,868,662)</b>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	48,762,380	39,936,038
<b>Net cash generated from operations</b>	<b>279,162,896</b>	<b>190,756,639</b>
Taxes paid	(65,871,402)	(54,943,350)
Finance costs paid	(12,515,509)	(19,619,659)
Profit received on deposit accounts	6,023,757	2,370,075
Television program costs	(2,286,689)	324,468
Gratuity paid	(1,934,403)	(2,264,936)
Long-term deposits	(3,312,374)	144,358
<b>Net cash generated from operating activities</b>	<b>199,266,276</b>	<b>116,767,595</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangibles	(33,297,990)	(7,092,399)
Long term investment in a subsidiary	(10,043,250)	-
Proceeds from sale of property, plant and equipment	1,292,230	-
<b>Net cash used in investing activities</b>	<b>(42,049,010)</b>	<b>(7,092,399)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	-	(9,333,334)
Dividend paid	(46,062,003)	(44,883,117)
Short term loan acquired	20,000,000	-
Payment of liabilities against assets subject to finance lease	(625,576)	(2,792,828)
<b>Net cash used in financing activities</b>	<b>(26,687,579)</b>	<b>(57,009,279)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>130,529,687</b>	<b>52,665,917</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(50,110,571)</b>	<b>(185,949,671)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>80,419,116</b>	<b>(133,283,754)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	80,419,116	83,087,143
Short term running finance	-	(216,370,897)
	<b>80,419,116</b>	<b>(133,283,754)</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



	Issued, subscribed and paid- up share capital	RESERVES	
		Unappropriated Profit	Total
		Rupees	
<b>Balance as at July 01, 2011</b>	500,000,000	522,657,630	1,022,657,630
Profit for the half year ended December 31, 2011	-	87,834,762	87,834,762
Other comprehensive income - net of tax	-	-	-
Total comprehensive income for the period - net of tax	-	87,834,762	87,834,762
Final cash dividend for the year ended June 30, 2011	-	(50,000,000)	(50,000,000)
<b>Balance as at December 31, 2011</b>	<u>500,000,000</u>	<u>560,492,392</u>	<u>1,060,492,392</u>
<b>Balance as at July 01, 2012</b>	500,000,000	618,533,416	1,118,533,416
Profit for the half year ended December 31, 2012	-	118,582,067	118,582,067
Other comprehensive income - net of tax	-	-	-
Total comprehensive income for the period - net of tax	-	118,582,067	118,582,067
Final cash dividend for the year ended June 30, 2012	-	(50,000,000)	(50,000,000)
<b>Balance as at December 31, 2012</b>	<u>500,000,000</u>	<u>687,115,483</u>	<u>1,187,115,483</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

**MAZHAR UL HAQ SIDDIQUI**  
Chairman

**DURAJD QURESHI**  
Chief Executive

**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**



**1. THE COMPANY AND ITS OPERATIONS**

Hum Network Limited (the Company) was incorporated in Pakistan as a public limited company on February 25, 2004 under the Companies Ordinance, 1984. The shares of the Company are quoted on Karachi Stock Exchange. The registered office of the Company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan. The Company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programmes with respect to information, entertainment, news, education, health, food, music and society

**2. BASIS OF PREPARATION**

These condensed interim financial statements of the Company for the half year ended 31 December 2012 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) – 34, "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2012.

These condensed interim financial statements are separate financial statements of the Company in which investments in subsidiary is stated at cost less impairment, if any, and has not been accounted for on the basis of reported results and net assets of the investee.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2012 except as follows:

**Defined contribution plan**

Effective July 01, 2012 the Company has started a recognised provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 8.33% of the basic salary.

The Company has adopted the following amended IFRSs and IFRIC interpretations which became effective during the period:

IFRS 7 – Financial Instruments: Disclosures - Enhanced De-recognition Disclosure Requirements (Amendment)  
IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any material effect on the financial statements.

**4. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended June 30, 2012.

**5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES**

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were same as those applied to the financial statements for the year ended June 30, 2012.

**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**



	Note	December 31, 2012 (Un-audited) ----- Rupees -----	June 30, 2012 (Audited)
<b>6. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Operating assets	6.1	169,553,693	176,516,790
Capital work-in-progress	6.2	26,915,030	5,630,402
		<u>196,468,723</u>	<u>182,147,192</u>
<b>6.1 Operating Assets-owned and leased</b>			
Book value at the beginning of the period / year		176,516,790	199,568,794
Additions during the period / year	6.1.1	12,013,362	22,720,904
Less:			
Disposal during the period / year – at book value	6.1.2	757,506	4,416,351
Depreciation charged during the period / year		<u>18,218,953</u>	<u>41,356,557</u>
		<u>18,976,459</u>	<u>45,772,908</u>
		<u>169,553,693</u>	<u>176,516,790</u>
<b>6.1.1 Additions during the period / year</b>			
<b><u>Owned Assets:</u></b>			
Leasehold improvements		-	2,709,512
Furniture and fittings		1,217,723	1,719,793
Motor vehicles		-	1,274,611
Audio visual equipment		4,511,182	2,474,925
Uplinking equipment		2,680,355	1,215,452
Office equipment		2,129,779	7,292,049
Computers		1,474,323	6,034,562
		<u>12,013,362</u>	<u>22,720,904</u>
<b>6.1.2 Disposals during the period / year</b>			
<b><u>Owned Assets:</u></b>			
Motor vehicles		733,132	3,820,009
Audio visual equipment		24,374	-
Office equipment		-	596,342
		<u>757,506</u>	<u>4,416,351</u>
<b>6.2 Capital work-in-progress</b>			
Lease hold improvement		5,923,012	5,630,402
Up-linking Equipment		20,992,018	-
		<u>26,915,030</u>	<u>5,630,402</u>
<b>7. LONG TERM INVESTMENT</b>			
<b>HUM TV, Inc., unquoted subsidiary - at cost</b>	Holding 100%		
10,000 Common stock, \$ 0.01 at par		8,603	8,603
Paid-in-capital		18,716,750	8,673,500
		<u>18,725,353</u>	<u>8,682,103</u>
<b>8. TELEVISION PROGRAM COSTS</b>			
Unreleased / released less amortisation		590,910,936	635,864,418
In production		11,762,403	14,170,763
		<u>602,673,339</u>	<u>650,035,181</u>
Less: Current portion shown under current assets		<u>319,330,862</u>	<u>368,979,393</u>
		<u>283,342,477</u>	<u>281,055,788</u>

**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**



	December 31, 2012 (Un-audited)	June 30, 2012 (Audited)
	----- Rupees -----	
<b>9. TRADE DEBTS – unsecured</b>		
Considered good	454,359,810	473,817,210
Considered doubtful	31,720,019	31,720,019
	<u>486,079,829</u>	<u>505,537,229</u>
Less: Provision for doubtful debts	31,720,019	31,720,019
	<u>454,359,810</u>	<u>473,817,210</u>

**10. ADVANCES**

Includes Rs. 7,050,000/- (June 30, 2012: Nil) to a related party M.D Production (Private) Limited.

**11. OTHER RECEIVABLES**

Include Rs. 4,947,297/- (June 30, 2012: Rs. 45,649/-) and Rs.14,595,000/- (June 30, 2012: Nil) receivable from HUM TV, Inc., USA, a subsidiary on account of collection made on Company's behalf and on account of subscription income respectively.

**12. TRADE AND OTHER PAYABLES**

Include Rs. 11,850,000/- (June 30, 2012: Rs. 6,200,000/-) and Rs. 6,400,000/- (June 30, 2012: Nil) due to related parties M.D Production (Private) Limited and MNM Productions respectively.

**13. SHORT TERM BORROWINGS**

During the period, the Company has entered into a short term loan arrangement with a commercial bank for Rs. 20 million carrying mark up at the rate of 3 months KIBOR+2.5%. This facility is secured against capital work-in-progress and is payable by March 2013.

**14. COMMITMENTS**

**14.1** Purchase of television programs commitments with M.D Production (Private) Limited and MNM Productions, related parties as at December 31, 2012 amounted to Rs. 6,000,000/- and Rs.13,600,000/- (June 30, 2012: Rs. 38,700,700/- and Nil) respectively. Purchase of television programs commitments as at December 31, 2012 with other than related parties amounted to Rs. 106,094,000/- (June 30, 2012: Rs. 107,640,500/-).

**14.2** Commitment in respect of capital expenditure as at December 31, 2012 amounted to Rs. 983,335/-(June 30, 2012: Rs. 2,888,892/-)

**14.3** Commitment for rentals under Ijarah finance agreement:

Note	December 31, 2012 (Un-audited)	June 30, 2012 (Audited)
	----- Rupees -----	
Within one year	1,939,740	364,896
After one year but not more than five years	2,984,199	364,896
14.3.1	<u>4,923,939</u>	<u>729,792</u>

**14.3.1** This represent Ijarah Finance Facility entered into Islamic Bank in respect of vehicles. Total Ijarah payments due under the agreements are Rs. 4,923,939/- (June 30, 2012: Rs. 729,792/-) and are payable in monthly installments latest by November 2015. Taxes, repairs and replacement and insurance costs are to be borne by the muj'ir (lessor). These facilities are secured by on demand promissory notes of Rs. 4,927,972/- (June 30, 2012: Rs. 1,128,000/-).

**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**



Note	Half Year Ended		Quarter Ended	
	December 31, 2012 (Un-audited) ----- Rupees -----	December 31, 2011 (Un-audited) ----- Rupees -----	December 31, 2012 (Un-audited) ----- Rupees -----	December 31, 2011 (Un-audited) ----- Rupees -----
<b>15. REVENUE – net</b>				
Advertisement revenue	1,379,514,097	1,253,690,229	632,235,245	593,155,757
Less: Agency commission	173,377,816	147,258,852	78,929,877	71,876,652
Sales tax	184,652,769	157,606,190	84,261,792	76,684,394
Discount to customers	93,987,207	160,076,163	47,271,115	63,533,361
	<u>452,017,792</u>	<u>464,941,205</u>	<u>210,462,784</u>	<u>212,094,407</u>
	927,496,305	788,749,024	421,772,461	381,061,350
Subscription income	36,068,228	24,252,096	21,012,325	12,516,596
Production revenue	14,562,500	10,938,210	11,662,500	10,938,210
	<u>978,127,033</u>	<u>823,939,330</u>	<u>454,447,286</u>	<u>404,516,156</u>
<b>16. COST OF PRODUCTION</b>				
Cost of outsourced programs	346,739,652	277,828,358	178,796,935	136,652,022
Cost of in-house programs	35,251,740	50,502,084	15,036,742	26,220,186
Cost of inventory consumed	895,696	621,200	497,848	85,422
Salaries, wages and benefits	98,137,292	75,967,518	49,878,423	37,448,490
Depreciation	11,179,232	12,880,232	7,399,193	6,307,331
Traveling and conveyance	9,083,826	8,681,810	4,207,860	4,293,827
Utilities	6,673,026	7,071,060	3,025,955	3,949,443
Rent, rates and taxes	1,674,498	4,141,711	1,058,249	1,160,336
Insurance	3,526,159	1,798,069	1,574,835	928,219
Repair and maintenance	5,476,705	4,580,685	3,354,562	2,596,433
Fee and subscription	1,139,996	3,089,996	555,999	1,639,996
Communication expense	2,884,529	2,902,846	1,247,183	1,625,351
Security charges	827,672	882,379	408,213	425,265
Amortisation of intangible assets	748,930	728,930	499,287	354,465
Consultancy	1,846,284	1,960,444	923,142	905,766
Printing and stationery	157,444	131,742	70,368	42,069
	<u>526,242,681</u>	<u>453,769,064</u>	<u>268,534,794</u>	<u>224,634,621</u>
In production television programs				
- opening	14,170,763	17,263,445	13,498,139	15,657,309
In production television programs				
- closing	<u>(11,762,403)</u>	<u>(14,047,085)</u>	<u>(11,762,403)</u>	<u>(14,047,085)</u>
	528,651,041	456,985,424	270,270,530	226,244,845
Released / unreleased programs				
- opening	635,864,418	688,558,450	603,035,017	677,164,586
Released / unreleased programs				
- closing	<u>(590,910,936)</u>	<u>(669,154,569)</u>	<u>(590,910,936)</u>	<u>(669,154,569)</u>
	<u>573,604,523</u>	<u>476,389,305</u>	<u>282,394,611</u>	<u>234,254,862</u>

**16.1** These includes Rs. 3,916,172/- (December 31, 2011: Rs. 7,503,056/-) in respect of staff retirement benefits.

**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**



**17. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company include Jahangir Siddiqui & Company Limited, HUM TV, Inc., M.D Production (Private) Limited and MNM productions - associated companies, directors and executives. The Company in the normal course of business carries out transactions with various related parties. Amount due from and due to related parties, are disclosed in the relevant notes to the condensed interim financial statements. Other material transactions with related parties are given below:

Relationship	Nature of relationship	Nature of transactions	December 31, 2012	December 31, 2011
			Rupees	Rupees
<b>Related Party</b>				
M.D Production (Private) Limited	Chief Executive's spouse is Chief Executive Officer	Purchase of television programs	<b>56,750,000</b>	58,400,000
MNM Productions	Chief Executive's spouse is Partner	Purchase of television programs	<b>6,400,000</b>	-
HUM TV, Inc.	Wholly owned subsidiary	Investment in a subsidiary	<b>10,043,250</b>	-
HUM TV, Inc.	Wholly owned subsidiary	Collection on behalf of Hum Network Limited	<b>29,156,295</b>	-
HUM TV, Inc.	Wholly owned subsidiary	Remittance from HUM TV, Inc.	<b>24,208,998</b>	-
HUM TV, Inc.	Wholly owned subsidiary	Subscription income	<b>14,595,000</b>	-
Remuneration and benefits to key management personnel		Remuneration	<b>91,961,525</b>	85,051,125

**18. INTERIM DIVIDEND**

The board of directors in their meeting held on February 26, 2013 have recommended an interim cash dividend of Nil per share @ Nil amounting to Rs. Nil (2011: nil) on the existing paid-in value of the ordinary share capital.

**19. DATE OF AUTHORIZATION**

These condensed interim financial statements have been authorised for issue on February 26, 2013 by the Board of Directors.

**20. GENERAL**

**20.1** The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and December 31, 2011 and notes forming part thereof have not been reviewed by the auditors of the Company as scope of the review covered only the cumulative figures for the half year ended December 31, 2012 and December 31, 2011.

**20.2** Amounts have been rounded off to the nearest rupees.

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive



**CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL STATEMENTS**

**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED BALANCE SHEET**  
**AS AT DECEMBER 31, 2012 (UN-AUDITED)**



	Note	31 December 2012 ----- Rupees -----	30 June 2012 -----
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	198,909,202	184,974,649
Goodwill		1,263,343	1,242,569
Intangible assets		10,156,566	10,784,432
Long term deposits and prepayments		27,482,755	24,170,381
Television program costs	7	283,342,477	281,055,788
Deferred tax asset		30,136,681	28,613,561
		<u>551,291,024</u>	<u>530,841,380</u>
<b>CURRENT ASSETS</b>			
Inventories		694,884	570,580
Current portion of television program costs	7	319,330,862	368,979,393
Trade debts	8	460,838,822	476,949,088
Advances - unsecured, considered good	9	58,492,415	50,975,068
Deposits and prepayments		5,612,162	5,715,166
Accrued profit		-	725,247
Other receivables - unsecured, considered good		5,457,522	4,158,684
Taxation – net		95,350,090	83,422,421
Cash and bank balances		162,528,348	136,440,625
		<u>1,108,305,105</u>	<u>1,127,936,272</u>
<b>TOTAL ASSETS</b>		<u><b>1,659,596,129</b></u>	<u><b>1,658,777,652</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 70,000,000 (2012: 70,000,000) ordinary shares of Rs.10/- each		<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid-up capital		500,000,000	500,000,000
Unappropriated profit		<u>688,145,941</u>	<u>617,078,388</u>
		<u>1,188,145,941</u>	<u>1,117,078,388</u>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		419,342	1,190,126
Deferred liabilities		<u>77,568,349</u>	<u>78,264,793</u>
		<u>77,987,691</u>	<u>79,454,919</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	369,444,577	268,170,673
Accrued markup		954,683	6,371,365
Short term borrowings	11	20,000,000	186,370,897
Dividend payable		1,594,419	7,800
Current portion of liabilities against assets subject to finance lease		<u>1,468,818</u>	<u>1,323,610</u>
		<u>393,462,497</u>	<u>462,244,345</u>
<b>COMMITMENTS</b>	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,659,596,129</b></u>	<u><b>1,658,777,652</b></u>

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



	Note	Half Year Ended		Quarter Ended	
		December	December	December	December
		2012	2011	2012	2011
		Rupees	Rupees	Rupees	Rupees
Revenue – net	13	999,964,448	823,939,330	472,011,951	404,516,156
Cost of production	14	(573,604,523)	(476,389,305)	(282,394,611)	(234,254,862)
Transmission cost		(51,497,518)	(58,896,429)	(26,036,771)	(36,510,408)
		(625,102,041)	(535,285,734)	(308,431,382)	(270,765,270)
Gross profit		374,862,407	288,653,596	163,580,569	133,750,886
Distribution costs		(116,417,903)	(84,566,852)	(73,217,515)	(48,733,597)
Administrative expenses		(110,948,381)	(94,430,645)	(53,196,181)	(45,968,165)
		147,496,123	109,656,099	37,166,873	39,049,124
Other operating income		25,008,551	17,545,510	7,468,667	11,756,989
		172,504,674	127,201,609	44,635,540	50,806,113
Finance costs		(7,104,566)	(18,784,123)	(1,214,660)	(8,906,261)
Other charges - Workers' welfare fund		(3,258,889)	(1,958,136)	(726,190)	(414,016)
Profit before taxation		162,141,219	106,459,350	42,694,690	41,485,836
Taxation					
- current		(47,455,902)	(31,294,635)	5,240,443	(5,324,982)
- prior		4,307,198	1,888,678	4,307,198	1,888,678
- deferred		1,496,278	8,805,903	(1,575,160)	1,554,177
		(41,652,426)	(20,600,054)	7,972,481	(1,882,127)
Profit after taxation		120,488,793	85,859,296	50,667,171	39,603,709
Earnings per share – basic and diluted		2.41	1.72	1.01	0.79

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



	Half Year Ended		Quarter Ended	
	December 2012	December 2011	December 2012	December 2011
	----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
<b>Profit for the period after tax</b>	<b>120,488,793</b>	<b>85,859,296</b>	<b>50,667,171</b>	<b>39,603,709</b>
Other comprehensive income - net of tax - Effect of translation of net investment in foreign subsidiary	<b>578,760</b>	<b>(89,291)</b>	<b>698,058</b>	<b>(1,079,308)</b>
<b>Total comprehensive income for the period – net of tax</b>	<b><u>121,067,553</u></b>	<b><u>85,770,005</u></b>	<b><u>51,365,229</u></b>	<b><u>38,524,401</u></b>

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



	Half Year Ended	
	31 December 2012	31 December 2011
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	162,141,219	106,459,350
Adjustments for:		
Depreciation	18,218,955	22,378,537
Amortization of intangible assets	989,867	1,059,658
Finance costs	7,104,566	18,784,123
Profit on deposit accounts	(5,298,510)	(2,356,013)
Gain on disposal of fixed assets	(534,724)	(152,696)
Unrealized exchange gain	5,262,729	(5,153,359)
Movement in provisions	4,496,848	14,463,228
	30,239,731	49,023,478
<b>Operating profit before working capital changes</b>	<b>192,380,950</b>	<b>155,482,828</b>
<b>(Increase) / decrease in current assets</b>		
Inventories	(124,304)	(449,202)
Television program costs	49,648,532	22,475,883
Trade debts	16,110,266	(53,689,633)
Advances, deposits and prepayments	(7,414,343)	(450,985)
Other receivables	(1,298,838)	1,473,326
	56,921,313	(30,640,611)
<b>Increase in current liabilities</b>		
Trade and other payables	101,752,055	41,118,343
<b>Net cash generated from operations</b>	<b>351,054,318</b>	<b>165,960,560</b>
Taxes paid	(65,871,402)	(54,943,350)
Finance costs paid	(12,521,248)	(19,620,800)
Profit received on deposit accounts	6,023,757	2,370,075
Television program costs	(2,286,689)	144,358
Gratuity Paid	(1,934,403)	(2,264,936)
Long-term deposits	(3,312,374)	324,468
<b>Net cash generated from operating activities</b>	<b>271,151,959</b>	<b>91,970,375</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangibles	(33,297,990)	(7,092,399)
Proceeds from sale of property, plant and equipment	1,292,230	-
<b>Net cash used in investing activities</b>	<b>(32,005,760)</b>	<b>(7,092,399)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	-	(9,333,335)
Dividend paid	(46,062,003)	(44,883,116)
Short term loan acquired	20,000,000	-
Payment of liabilities against assets subject to finance lease	(625,576)	(2,792,828)
<b>Net cash used in financing activities</b>	<b>(26,687,579)</b>	<b>(57,009,279)</b>
<b>Net increase in cash and cash equivalents</b>	<b>212,458,620</b>	<b>27,868,697</b>
Cash and cash equivalents at the beginning of the period	(49,930,272)	(142,217,353)
Cash and cash equivalents at the end of the period	<b>162,528,348</b>	<b>(114,348,656)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	162,528,348	102,022,241
Short term borrowings	-	(216,370,897)
	<b>162,528,348</b>	<b>(114,348,656)</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive

**HUM NETWORK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



	Issued, subscribed and paid-up capital	Foreign exchange translation reserve	Reserves		Total
			Unappropriated Profit	Sub-total	
-----Rupees-----					
Balance as at July 01, 2011	500,000,000	(18,296)	521,713,509	521,695,213	1,021,695,213
Profit for the half year ended December 31, 2011	-	-	85,859,296	85,859,296	85,859,296
Other comprehensive income	-	(89,291)	-	(89,291)	(89,291)
Total comprehensive income	-	(89,291)	85,859,296	85,770,005	85,770,005
Final dividend for the year ended 30 June 2011: Re. 1.00 per share	-	-	(50,000,000)	(50,000,000)	(50,000,000)
Balance as at December 31, 2011	500,000,000	(107,587)	557,572,805	557,465,218	1,057,465,218
Balance as at July 01, 2012	500,000,000	259,809	616,818,579	617,078,388	1,117,078,388
Profit for the half year ended December 31, 2012	-	-	120,488,793	120,488,793	120,488,793
Other comprehensive income	-	578,760	-	578,760	578,760
Total comprehensive income	-	578,760	120,488,793	121,067,553	121,067,553
Final dividend for the year ended 30 June 2012: Re. 1.00 per share	-	-	(50,000,000)	(50,000,000)	(50,000,000)
Balance as at December 31, 2012	500,000,000	838,569	687,307,372	688,145,941	1,188,145,941

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive



**1. THE COMPANY AND ITS OPERATIONS**

The 'Group' consists of

**1.1 Holding Company**

HUM Network Limited (the Company) was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 (the Ordinance). The shares of the Company are quoted on Karachi Stock Exchange. The registered office of the Holding Company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.

The Holding Company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programmes with respect to information, entertainment, news, education, health, food, music and society.

**1.2 Subsidiary Company**

HUM TV, Inc. (the subsidiary company), having registered office at 4546 El Camino Real, #223 Los Altos, CA 94022, has been established with the purpose of providing entertainment programmes to the South Asian community by increasing presence in the United States of America (USA) and Canada. The subsidiary company will also serve as a platform for the Holding Company to explore avenues for greater distribution of the Holding Company brands in USA and Canada and will establish relations with advertisers, as well as develop US-based media materials, such as dramas, documentaries and other entertainment shows and events.

The subsidiary company is a wholly owned subsidiary of the Holding Company with effect from April 01, 2011.

**2. BASIS OF PREPARATION**

These condensed interim consolidated financial statements of the Company for the half year ended 31 December 2012 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) – 34, "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2012.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended June 30, 2012 except as follows:

The Company has adopted the following amended IFRSs and IFRIC interpretations which became effective during the period:

IFRS 7 – Financial Instruments: Disclosures - Enhanced De-recognition Disclosure Requirements (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any material effect on the financial statements.

**Defined contribution plan**

Effective July 01, 2012 the Holding Company has started a recognised provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 8.33% of the basic salary.

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive

**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



**4. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Company for the year ended June 30, 2012.

**5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES**

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were same as those applied to the consolidated financial statements for the year ended June 30, 2012.

	Note	December 31, 2012 (Un-audited)	June 30, 2012 (Un-audited)
		----- Rupees -----	
<b>6. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Operating assets	6.1	<b>171,994,172</b>	179,344,247
Capital work-in-progress	6.2	<b>26,915,030</b>	5,630,402
		<b>198,909,202</b>	184,974,649
<b>6.1 Operating Assets-owned and leased</b>			
Book value at the beginning of the period / year		<b>179,344,247</b>	199,568,794
Additions during the period / year	6.1.1	<b>12,013,362</b>	25,687,413
Less:			
Disposal during the period / year – at book value	6.1.2	<b>757,506</b>	4,416,351
Depreciation charged during the period / year		<b>18,605,931</b>	41,495,609
		<b>19,363,437</b>	45,911,960
		<b>171,994,172</b>	179,344,247
<b>6.1.1 Additions during the period / year</b>			
<b><u>Owned Assets:</u></b>			
Building on leasehold land		-	5,133,880
Leasehold improvements		-	2,261,934
Furniture and fittings		<b>1,217,723</b>	1,274,611
Motor vehicles		-	2,474,925
Audio visual equipment		<b>4,511,182</b>	1,215,452
Uplinking equipment		<b>2,680,355</b>	7,292,049
Office equipment		<b>2,129,779</b>	6,034,562
Computers		<b>1,474,323</b>	25,687,413
		<b>12,013,362</b>	
<b>6.1.2 Disposals during the period / year</b>			
<b><u>Owned Assets:</u></b>			
Motor vehicles		<b>733,132</b>	3,820,009
Audio visual equipment		<b>24,374</b>	-
Office equipment		-	596,342
		<b>757,506</b>	4,416,351
<b>6.2 Capital work-in-progress</b>			
Lease hold improvement		<b>5,923,012</b>	5,630,402
Up-linking Equipment		<b>20,992,018</b>	-
		<b>26,915,030</b>	5,630,402

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

**DURAID QURESHI**  
Chief Executive



**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



	December 31, 2012 (Un-audited)	June 30, 2012 (Un-audited)
	----- Rupees -----	
<b>7. TELEVISION PROGRAM COSTS</b>		
Unreleased / released less amortisation	590,910,936	635,864,418
In production	<u>11,762,403</u>	<u>14,170,763</u>
	602,673,339	650,035,181
Less: Current portion shown under current assets	<u>319,330,862</u>	<u>368,979,393</u>
	<u>283,342,477</u>	<u>281,055,788</u>
<b>8. TRADE DEBTS – unsecured</b>		
Considered good	460,838,822	476,949,088
Considered doubtful	<u>31,720,019</u>	<u>31,720,019</u>
	492,558,841	508,669,107
Less: Provision for doubtful debts	<u>31,720,019</u>	<u>31,720,019</u>
	<u>460,838,822</u>	<u>476,949,088</u>
<b>9. ADVANCES</b>		
Include Rs. 7,050,000/- (June 30, 2012: Nil) due to related party M.D Production (Private) Limited.		
<b>10. TRADE AND OTHER PAYABLES</b>		
<b>10.1</b>	Include Rs. 11,850,000/- (June 30, 2012: Rs. 6,200,000/-) and Rs. 6,400,000/- (June 30, 2012: Nil) due to related parties M.D Production (Private) Limited and MNM Productions respectively.	
<b>10.2</b>	Includes Rs. Nil (June 30, 2012: Rs. 14,929/-) due to a related party, Ms. Malika Junaid.	
<b>11. SHORT TERM BORROWINGS</b>		
During the period, the Company has entered into a short term loan arrangement with a commercial bank for Rs. 20 million carrying mark up at the rate of 3 months KIBOR+2.5%. This facility is secured against capital work-in-progress and is payable by March 2013.		
<b>12. COMMITMENTS</b>		
<b>12.1</b>	Purchase of television programs commitments with M.D Production (Private) Limited and MNM Productions, related parties as at December 31, 2012 amounted to Rs. 6,000,000/- and Rs.13,600,000/- (June 30, 2012: Rs. 38,700,700/- and Nil) respectively. Purchase of television programs commitments as at December 31, 2012 with other than related parties amounted to Rs. 106,094,000/- (June 30, 2012: Rs. 107,640,500/-).	
<b>12.2</b>	Commitment in respect of capital expenditure as at December 31, 2012 amounted to Rs. 983,335/-(June 30, 2012: Rs. 2,888,892/-)	
<b>12.3</b>	Commitment for rentals under Ijarah finance agreement:	

**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

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**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



	Note	December 31, 2012 (Un-audited) ----- Rupees -----	June 30, 2012 (Un-audited) ----- Rupees -----
Within one year		1,939,740	364,896
After one year but not more than five years		2,984,199	364,896
	12.3.1	<u>4,923,939</u>	<u>729,792</u>

**12.3.1** This represent Ijarah Finance Facility entered into Islamic Bank in respect of vehicles. Total Ijarah payments due under the agreements are Rs. 4,923,939/- (June 30, 2012: Rs. 729,792/-) and are payable in monthly installments latest by November 2015. Taxes, repairs and replacement and insurance costs are to be borne by the muj'ir (lessor). These facilities are secured by on demand promissory notes of Rs. 4,927,972/- (June 30, 2012: Rs. 1,128,000/-).

	Note	Half Year Ended		Quarter Ended	
		December 31, 2012 (Un-audited) ----- Rupees -----	December 31, 2011 (Un-audited) ----- Rupees -----	December 31, 2012 (Un-audited) ----- Rupees -----	December 31, 2011 (Un-audited) ----- Rupees -----
<b>13. REVENUE – net</b>					
Advertisement revenue		1,419,418,894	1,253,690,229	666,443,042	593,155,757
Less: Agency commission		176,850,198	147,258,852	80,978,009	71,876,652
Sales tax		184,652,769	157,606,190	84,261,792	76,684,394
Discount to customers		93,987,207	160,076,163	47,271,115	63,533,361
		<u>455,490,174</u>	<u>464,941,205</u>	<u>212,510,916</u>	<u>212,094,407</u>
		963,928,720	788,749,024	453,932,126	381,061,350
Subscription income		21,473,228	24,252,096	6,417,325	12,516,596
Production revenue		14,562,500	10,938,210	11,662,500	10,938,210
		<u>999,964,448</u>	<u>823,939,330</u>	<u>472,011,951</u>	<u>404,516,156</u>

**14. COST OF PRODUCTION**

Cost of outsourced programs		346,739,652	277,828,358	178,796,935	136,652,022
Cost of in-house programs		35,251,740	50,502,084	15,036,742	26,220,186
Cost of inventory consumed		895,696	621,200	497,848	85,422
Salaries, wages and benefits	14.1	98,137,292	75,967,518	49,878,423	37,448,490
Depreciation		11,179,232	12,880,232	7,399,193	6,307,331
Traveling and conveyance		9,083,826	8,681,810	4,207,860	4,293,827
Utilities		6,673,026	7,071,060	3,025,955	3,949,443
Rent, rates and taxes		1,674,498	4,141,711	1,058,249	1,160,336
Insurance		3,526,159	1,798,069	1,574,835	928,219
Repair and maintenance		5,476,705	4,580,685	3,354,562	2,596,433
Fee & subscription		1,139,996	3,089,996	555,999	1,639,996
Communication expense		2,884,529	2,902,846	1,247,183	1,625,351
Security charges		827,672	882,379	408,213	425,265
Amortisation of intangible assets		748,930	728,930	499,287	354,465
Consultancy		1,846,284	1,960,444	923,142	905,766
Printing and stationery		157,444	131,742	70,368	42,069
		<u>526,242,681</u>	<u>453,769,064</u>	<u>268,534,794</u>	<u>224,634,621</u>
In production television programs					
- opening		14,170,763	17,263,445	13,498,139	15,657,309
In production television programs					
- closing		(11,762,403)	(14,047,085)	(11,762,403)	(14,047,085)
		<u>528,651,041</u>	<u>456,985,424</u>	<u>270,270,530</u>	<u>226,244,845</u>
Released / unreleased programs					
- opening		635,864,418	688,558,450	603,035,017	677,164,586
Released / unreleased programs					
- closing		(590,910,936)	(669,154,569)	(590,910,936)	(669,154,569)
		<u>573,604,523</u>	<u>476,389,305</u>	<u>282,394,611</u>	<u>234,254,862</u>

**14.1** These includes Rs.3,916,172/- (December 31, 2011: Rs. 7,503,056/-) in respect of staff retirement benefits.

**HUM NETWORK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (UN-AUDITED)**



**15. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company includes Jahangir Siddiqui & Company Limited, HUM TV, Inc., M.D Production (Private) Limited and MD production - associated companies, directors and executives. The Company in the normal course of business carries out transactions with various related parties. Amount due from and due to related parties, are disclosed in the relevant notes to the condensed interim financial statements. Other material transactions with related parties are given below:

Relationship	Nature of relationship	Nature of transactions	December 31, 2012	December 31, 2011
			----- Rupees -----	----- Rupees -----
<b>Related Party</b>				
M.D Production (Private) Limited	Chief Executive's spouse is Chief Executive Officer	Purchase of television programs	<u>56,750,000</u>	<u>58,400,000</u>
MNM Productions	Chief Executive's spouse is Partner	Purchase of television programs	<u>6,400,000</u>	<u>-</u>
Ms. Malika Junaid.	Director of HUM TV, Inc.	Repayment of amount due	<u>14,929</u>	<u>-</u>
Remuneration and benefits to key management personnel		Remuneration	<u>91,961,525</u>	<u>85,051,125</u>

**16. INTERIM DIVIDEND**

The Board of Directors of the Holding Company in their meeting held on February 26, 2013 have recommended an interim cash dividend of Nil per share @ Nil amounting to Rs.Nil (2011: nil) on the existing paid-in value of the ordinary share capital.

**17. DATE OF AUTHORIZATION**

These condensed interim financial statements have been authorised for issue on February 26, 2013 by the Board of Directors of the Holding Company.

**18. GENERAL**

Amounts have been rounded off to the nearest rupees.

**MAZHAR-UL-HAQ SIDDIQUI**  
**Chairman**

**DURAID QURESHI**  
**Chief Executive**

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Printed Matter

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