

H U M N E T W O R K L I M I T E D



1ST QUARTERLY REPORT SEPTEMBER 30, 2017 (UN-AUDITED)



HUM NETWORK LIMITED



MASALA
TV FOOD MAGAZINE

GLAM
Magazine

360

NEWSLINE
Magazine

Company Information

Board of Directors

Chairman
Directors

Mr Mazhar-ul-Haq Siddiqui
Ms. Sultana Siddiqui
Mrs. Mahtab Akbar Rashdi
Mr. Shunaid Qureshi
Lt. Gen. (R) Asif Yasin Malik
Mr. Muhammad Ayub Younus Adhi
Mr. Sohail Ansar
Ms. Momina Duraid
Mr. Duraid Qureshi
Mr. Muhammad Abbas Hussain
Mr. Mohsin Naeem
Mr. Kamran Shamshad Ahmed

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

AUDIT COMMITTEE

Chairman
Members

Mr. Sohail Ansar
Mr. Shunaid Qureshi
Mr. Muhammad Ayub Younus Adhi
Lt. Gen. (R) Asif Yasin Malik

HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

Chairperson
Members

Mr. Sohail Ansar
Ms. Sultana Siddiqui
Mrs. Mahtab Akbar Rashdi
Mr. Muhammad Ayub Younus Adhi
Mr. Hassan Jawed

Secretary

AUDITORS

M/s. EY Ford Rhodes
Chartered Accountants
7th Floor Progressive Plaza,
Beaumont Road, Karachi
M/s. KPMG Taseer Hadi & Company
Chartered Accountants
1st Floor, Sheikh Sultan Trust Building
No.2, Beaumont Road, Karachi

INTERNAL AUDITORS

LEGAL ADVISOR

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

BANKERS

Bank Alfalah Limited
Faysal Bank Limited
National Bank of Pakistan
The Bank of Punjab
Allied Bank Limited
United Bank Limited
Askari Bank Limited
Habib Metropolitan Bank
Boston Private Bank & Trust
Barclays Bank PLC
Habibsons Bank Limited
Dubai Islamic Bank
Wells Fargo Bank

REGISTERED & HEAD OFFICE

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

REGISTRAR/TRANSFER AGENT

M/s. Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi-74400

WEBSITE

www.humnetwork.tv

PAKISTAN STOCK EXCHANGE LIMITED

HUMNL

Director's Report

The Board of Directors of HUM Network Limited (HNL) takes pleasure in presenting the review on the financial and operational performance of the Company for the three months period ended September 30, 2017.

Financial Performance:

HNL, an entertainment content company, represents its content leadership and has consistently demonstrated its ability to be at the forefront of content innovation. Our content reaches consumers at multiple touch points through presence across television in domestic and international markets, movies, digital and live events.

Our strong operating performance continues in 1st quarter of financial year 2018. Net revenue for the quarter was Rs. 1,227 million as compared Rs. 1,084 million during the same period last year resulting in a positive variance of 13.2%. The Company witnessed an increase of 9.5% in the profit after tax from Rs. 287 million as compared to Rs. 262 million earned during the same period last year. The results translate into earnings per share of Re. 0.30 as compared to Re. 0.28 during the same period last year. The astounding results during the first quarter are traceable to the management's concentrated efforts towards strategies like acquisition of top quality entertainment content and managing cost and operations effectively and efficiently.

Operational Performance:

HUM TV has always delivered one blockbuster drama after another. Whether its content or public awareness, the channel has always aced the top spot when it comes to quality entertainment. We are similarly mindful of our social obligations and guarantee that our channels are a medium as well as a message, therefore; HUM TV has taken the initiative to highlight sensitive issues prevalent in the society. From Udaari to Sammi, the channel is bringing to light societal problems. Following the same trend, HUM TV is coming-up with new projects in the future quarters like "Mein Maa Nahin Bunna Chahti" depicting the desire for son, "Dar Jaati Hai Sila" etc. highlighting the topic of abuse and psychiatric issues.

During the period under review, HUM TV has captivated its viewers by showcasing dramas like "Yaqeen Ka Safar" and "Alif Allah Aur Insaan" stories which highlight the concept of how the creator rewards the people who believe in hard work and patience, "Aadhi Gawahi" focusing on the sensitive issue of "Nikah" and highlighting how the subjects of Divorce and Nikah should not be taken lightly. Also "Daldal", "O Rangreza" and "Tumhari Mariyam" launched during the period have already vanquished and are expected to create new records.

As part of its market expansion strategy, HUM Network achieved yet another milestone by becoming the first Pakistani culinary TV channel to start its transmission in the UK and Europe by launching HUM MASALA in the UK in August 2017 and due to its superior content, it delivered a sterling performance by beating major South Asian Channels.

During the period under review, HUM Films was engaged in the distribution of various films including "Jab Harry Met Sajal", "Toilet-Ek Prem Katha" and "Mom" which made impressive figures at the Box Offices.

Consolidated results are as follows:

	Rupees
Revenue – net	1,358,468,098
Gross Profit	550,163,500
Profit for the period – before taxation	330,926,734
Earnings per share	0.33

Future Outlook

During the period, the Board of Directors of HNL approved the launch of new channel by the name of HUM News, to exploit the available opportunities in the News genre. HUM News is aimed to model the elements of modern journalism – enterprising, investigative, events-driven, data-based, and audience-focused.

We are committed to creating content across formats to suit the evolving taste and preference of customers. We endeavor to build capabilities which give us a sustainable advantage in content creation and help us leverage our presence across platforms to connect with the audience.

Acknowledgement

On behalf of the management, I take this opportunity to express gratitude to our shareholders, employees, customers, business partners and other stakeholders for their trust in the Company. With the continued facilitation and support, HNL will deliver on its objectives as we move forward.

October 27, 2017
Karachi



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman

ڈائریکٹرز رپورٹ

ہم نہایت دو رکھ لیمینڈ (انچ این ایل) کے بورڈ آف ڈائریکٹرز ۳۰ ستمبر ۲۰۲۰ کو قائم ہونے والی تین ماہی مدت کیلئے کمپنی کی مالیاتی اور عملی کارکردگی کا جائزہ پیش کر رہے ہیں۔ مالیاتی کارکردگی:

این اچ ایل جو ایک انٹرنیشنل کمپنی ہے اور مستقل طور پر انٹانائیٹل عمل کے ذریعے لوگوں کے لئے تفریحی پروگرام پیش کرتا ہے۔ ہمارا رابطہ اپنے صارفین کے ساتھ کھلی بنیاد پر ٹیلی ویژن کے ذریعے اور عالمی مارکیٹ میں فلموں، ڈیجیٹل اور براہ راست پروگرام کے تحت ہوتا ہے۔

ہماری بہترین کارکردگی کا تسلسل مالیاتی سال ۲۰۱۸ء کی پہلی سہ ماہی تک تسلسل جاری ہے، اس سہ ماہی کی صافی آمدنی ۱.۲۲ بلین روپے ہے جس کا موازنہ گزشتہ سال میں ۰.۸۴ بلین روپے سے کیا جاسکتا ہے جس کے تحت ۳-۱۳ فیصد کے مثبت نتائج حاصل کئے۔ کمپنی اس بات کی گواہ ہے کہ بعد از ٹیکس ۲۸ بلین روپے منافع میں ۵-۹ فیصد کا اضافہ ہوا جس کا موازنہ گزشتہ سال ۲۲ بلین روپے سے کیا جاسکتا ہے۔ یہ نتائج ۳۰-۳۰ فیصد فی شیئر کی آمدنی ظاہر کرتے ہیں جس کا موازنہ گزشتہ سال ۲۸-۳۸ فیصد سے کیا جاسکتا ہے۔ پہلی سہ ماہی کے دوران یہ نتائج انتھائی کمپنی کے جانب سے کوششوں اور اعلیٰ معیار کے تفریحی پروگراموں کی حکمت عملی کے حوالے سے پیش کئے گئے۔ اس دوران انتھائی اخراجات اور آپریٹنگ بھی موثر طور پر ظاہر ہوئے۔

عملی کارکردگی:

ہم نئی وی ہیش ایک کے بعد دوسرا بلاک سفر ڈرامہ پیش کرتا ہے، اس میں عوام کی آگاہی کیلئے اس چینل نے معیاری تفریح کا خیال رکھا کیونکہ ہم اپنی معاشرتی ذمہ داریوں سے آگاہ ہیں اور یہ اس بات کی ضمانت ہے کہ ہمارا چینل نہ صرف متوسط ہے بلکہ ایک وسیع بھی فراہم کرتا ہے۔ لہذا آمدنی وی سوسائٹی میں حساس امور پر تفصیلی عمل کیا ہے۔ اذاری سے کسی تک اس چینل نے معاشرتی مسائل کو پیش کیا ہے۔ اس طرح عمل کے تحت ہم نئی وی آئندہ آنے والی مایوں میں سننے پر وجہت کے ساتھ آ رہے ہیں جس میں "میں ماں نہیں بننا چاہتی" اور "دوڑ جاتی ہے صلا" وغیرہ شامل ہیں جس میں نئیاتی اور دیگر امور پر روشنی ڈالی جائے گی۔

ذیر جائزہ مدت کے دوران ہم نئی وی اپنے ناظرین کیلئے بہترین ڈرامے پیش کئے جن میں "یقین کا سفر"، اور "الف اللہ اور انسان" کی کہانیاں شامل ہیں جس میں یہ تصور دیا گیا ہے کہ جو محنت پر یقین رکھتے ہیں انہیں لوگوں کی طرف سے انعام ملتا ہے، "آدھی گواہی" جس میں نکاح کا ساس معاملہ پیش کیا ہے جس میں اس بات پر روشنی ڈالی گئی ہے کہ طلاق اور نکاح کے معاملے کو آسان نہیں لینا چاہئے، اس کے علاوہ "دلہل"، اور "گھریلو" اور "تہارِ مریم" جسے اس مدت کے دوران پیش کیا جا رہا ہے اور یہ امید کی جاتی ہے کہ اس سے نیا کارڈ حاصل ہوگا۔

مارکیٹ میں توقع کی حکمت عملی کے طور پر ہم نہایت ورک نے ایک اور سنگ میل حاصل کیا ہے جس کے تحت یہ پہلا پاکستانی ٹی وی چینل ہے جس نے یو کے اور یورپ میں اپنی ٹرانسمیشن کی شروعات کی ہے اور اگست ۲۰۲۰ میں یو کے میں ہم مصالحہ لایا گیا ہے۔ جس نے ایم ڈی بی انٹینیشنل کو ٹکسٹ دی ہے۔

ذیر نظر مدت کے دوران ہم فلم مختلف فلمز کی سٹریٹجیوں میں شامل رہیں گے مشہور و معروف عالمی فلمیں جیسا کہ "جب میری سیٹ کھلے"، "ٹو ایکٹ ایک پریم کھا" اور "موم" جنہیں حاضرین کی جانب سے بے حد سراہا گیا اور باکس آفس پر بھی بزنس کیا۔

متعلقہ نتائج درج ذیل ہیں:

روپے	صافی آمدنی
۱,۳۵۸,۳۶۸,۰۹۸	
۵۵۰,۱۲۳,۵۰۰	کل آمدنی
۳۳۰,۹۲۷,۷۳۳	قبل از ٹیکس منافع
۰-۳۳	فی شیئر آمدنی

مستقبل کا جائزہ:

اس مدت کے دوران این ایل کے بورڈ آف ڈائریکٹرز نے "ہم نیوز" شروع کرنے کا اعلان کیا تا کہ خبروں کی دنیا میں مواقع حاصل کئے جائیں۔ ہم نیوز کا مقصد جدید صحافت، انٹر براڈ کاسٹ، تفریحی عمل، واقعات، پرمی، ڈیٹا کی بنیاد پر سامعین کی توجہ مبذول کرانا ہوگا۔

مستقبل کا جائزہ شت نظر آ رہا ہے اور یہ امید کی جاتی ہے کہ لائبریری ڈرامہ سٹریٹجی کی آمدنی میں اضافہ ہوگا جو کہ ڈیجیٹل سکرینز اور فلم ڈسٹری بیوشن آمدنی اور معاونین کی بہترین کارکردگی کی سپورٹ سے ہوگا۔ ہم یہ عہد کرتے ہیں کہ اپنے سکرینز کو فروغ دیتے ہوئے ان کی پسند کا خیال رکھیں اور نئی جدت پیش کریں۔ ہم اپنی مہارت کے حوالے سے اس بات کا بھی عہد کرتے ہیں کہ موجودہ پلیٹ فارم کے تحت اپنے سامعین کے ساتھ مسلسل رابطہ رکھیں۔

انکشافات:

انتھائی کمپنی کی جانب سے مجھے یہ موقع حاصل ہے کہ میں اپنے تمام شیئر ہولڈرز، ملازمین، سکرٹرز، کاروباری شراکت دار اور دیگر اسٹیک ہولڈرز کا کٹھنی پر یکمل اعتماد کرنے پر شکر ادا کرتا ہوں، مسلسل تعاون اور ہدایات کے حوالے سے این اچ ایل اپنے مقاصد کے تحت آگے بڑھتا رہے گا۔

کراچی، ۲۷ اکتوبر ۲۰۲۰ء


مظہر الحق خان
چیئر مین


ڈر فراز خان
چیف ایگزیکٹو آفیسر

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017

		SEPTEMBER 30, 2017 (Un-audited)	June 30, 2017 (Audited)
	Note	Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	288,008,709	266,513,320
Intangible assets		25,020,119	24,497,098
Long term investment	5	228,898,451	228,898,451
Long term deposits		35,941,958	36,264,458
Television program costs		167,867,191	253,655,178
Deferred tax asset		114,230,577	110,102,953
		859,967,005	919,931,458
CURRENT ASSETS			
Inventories		2,334,242	2,314,986
Current portion of television program costs		220,168,115	220,168,115
Trade debts	6	1,777,070,193	1,745,549,232
Advances		294,095,369	230,916,704
Deposits and prepayments		21,852,847	23,478,526
Other receivables		48,522,179	34,976,743
Taxation - net		44,044,142	46,906,524
Cash and bank balances		702,832,294	374,219,488
		3,110,919,381	2,678,530,318
TOTAL ASSETS		3,970,886,386	3,598,461,776
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,500,000,000 Ordinary shares of Re.1/- Each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital		945,000,000	945,000,000
Unappropriated profit		2,305,904,101	2,113,010,440
		3,250,904,101	3,058,010,440
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		16,564,081	12,068,950
CURRENT LIABILITIES			
Trade and other payables	7	576,982,991	493,126,682
Accrued mark-up		443,743	128,256
Unclaimed dividend		5,943,722	5,948,490
Dividend Payable		94,500,000	-
Current portion of:			
- liabilities against assets subject to finance lease		25,547,748	29,178,958
		703,418,204	528,382,386
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		3,970,886,386	3,598,461,776

The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.


DURAIQ QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		SEPTEMBER 30, 2017 (Un-audited)	SEPTEMBER 30, 2016 (Un-audited)
	Note	----- Rupees -----	
Revenue – net	9	1,227,154,225	1,083,597,208
Cost of production	10	(716,481,482)	(577,550,702)
Transmission cost		(25,064,564)	(21,555,954)
		(741,546,046)	(599,106,656)
Gross profit		485,608,179	484,490,552
Selling & Distribution Expenses		(59,214,216)	(53,629,859)
Administrative expenses		(134,954,458)	(141,276,997)
		291,439,505	289,583,696
Other operating income		18,289,625	8,997,284
		309,729,130	298,580,980
Finance costs		(1,794,123)	(8,787,373)
Profit before taxation		307,935,007	289,793,607
Taxation		(20,541,346)	(27,925,853)
Profit after taxation		287,393,661	261,867,754
Earnings per share – basic and diluted		0.30	0.28

The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	SEPTEMBER 30, 2017 (Un-audited)	SEPTEMBER 30, 2016 (Un-audited)
	----- Rupees -----	
Profit after taxation	287,393,661	261,867,754
Other comprehensive income	-	-
Total comprehensive income for the period	<u>287,393,661</u>	<u>261,867,754</u>

The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	SEPTEMBER 30, 2017 (Un-audited)	SEPTEMBER 30, 2016 (Un-audited)
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	307,935,007	289,793,607
Adjustments for :		
Depreciation	23,516,861	18,465,234
Amortisation of intangible assets	1,993,979	1,704,655
Finance costs	1,794,123	8,787,373
(Gain)/Loss on Disposal of Fixed Assets	(954,703)	16,107
Exchange(Gain)/Loss	(2,958,468)	727,933
Profit on deposit accounts	(5,359,330)	(957,192)
	18,032,462	28,744,110
Operating profit before working capital changes	325,967,469	318,537,717
Working capital changes		
Decrease / (Increase) in current assets		
Inventories	(19,256)	155,373
Television program costs	19,008,000	57,302,170
Trade debts	(28,562,493)	(64,723,501)
Advances, deposits and prepayments	(61,552,986)	(43,306,125)
Other receivables - unsecured, considered good	(13,545,436)	(4,870,438)
	(84,672,171)	(55,442,521)
Increase in current liabilities		
Trade and other payables	83,856,309	9,321,244
Cash generated from operations	325,151,607	272,416,440
Taxes paid	(21,806,585)	(116,618,262)
Finance costs paid	(1,478,637)	(10,011,786)
Profit received on deposit accounts	5,359,330	957,192
Long term deposits	322,500	(184,250)
Television program costs	66,779,987	56,057,240
Net cash generated from operating activities	374,328,202	202,616,574
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(50,345,175)	(22,980,524)
Long term investment in a subsidiary	-	(4,446,475)
Proceeds from sale of property, plant and equipment	3,770,625	506,293
Net cash used in investing activities	(46,574,550)	(26,920,706)
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease	863,921	(4,015,068)
Short term loan acquired	-	(154,997,830)
Dividends paid	(4,768)	(637)
Net cash used in financing activities	859,153	(159,013,535)
Net increase/ (decrease) in cash and cash equivalents	328,612,805	16,682,333
Cash and cash equivalents at the beginning of the year	374,219,489	12,260,410
Cash and cash equivalents at the end of the period	702,832,294	28,942,743

The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements


DURAID QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2017
(UN-AUDITED)**

	Issued, Subscribed and paid-up Capital	Unappropriated Profit	Total
	Rupees-----		
Balance as at July 01, 2016	945,000,000	1,097,627,462	2,042,627,462
Net profit for the period	-	261,867,754	261,867,754
Other comprehensive income	-	-	-
Total comprehensive income	-	261,867,754	261,867,754
Balance as at SEPTEMBER 30, 2016	945,000,000	1,359,495,216	2,304,495,216
Balance as at July 01, 2017	945,000,000	2,113,010,440	3,058,010,440
Net profit for the period	-	287,393,661	287,393,661
Other comprehensive income	-	-	-
Total comprehensive income	-	287,393,661	287,393,661
Final cash dividend for the year ended June 30, 2017		(94,500,000)	(94,500,000)
Balance as at SEPTEMBER 30, 2017	945,000,000	2,305,904,101	3,250,904,101

The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements


DURAID QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

1. THE COMPANY AND ITS OPERATIONS

- 1.1 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 Company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.
- 1.2 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.
- 1.3 These financial statements are separate financial statements of the Company in which investment in a subsidiary is accounted for on the basis of direct equity interest and is not consolidated.

2. BASIS OF PRESENTATION

These financial statements have been prepared under the historical cost convention.

3. ACCOUNTING POLICES

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, 2017.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		SEPTEMBER 30, 2017 (Un-audited)	June 30, 2017 (Audited)
		----- Rupees -----	
4. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	4.1	266,328,378	262,435,796
Capital work-in-progress		21,680,331	4,077,524
		<u>288,008,709</u>	<u>266,513,320</u>
4.1 Operating fixed assets – owned and leased			
Book value at the beginning of the period / year		262,435,794	265,710,406
Additions during the period / year	4.1.1	30,225,368	81,244,991
Less:			
Disposal during the period / year - at book value		2,815,923	6,268,862
Depreciation charged during the period / year		23,516,861	78,250,739
Closing balance - at book value		<u>266,328,378</u>	<u>262,435,796</u>
4.1.1 Additions during the period/year			
Owned			
Leased hold improvement		-	9,614,920
Furniture and fittings		86,075	11,121,035
Vehicles		12,522,939	2,053,623
Audio visual equipment		2,009,994	7,005,000
Uplinking equipment		230,000	-
Office equipment		412,000	15,303,482
Computers		3,434,702	9,093,997
Leased			
Vehicles		11,529,658	27,052,934
Audio visual equipment		-	-
Uplinking equipment		-	-
		<u>30,225,368</u>	<u>81,244,991</u>
5. LONG TERM INVESTMENT	Holding		
HUM Network UK Ltd			
553,677 ordinary share of GBP 01 each	100%	95,923,751	95,923,751
HUM TV, Inc., USA			
10,000 Common stock, \$ 0.01 each	100%	8,603	8,603
Advance for future issue of shares		18,716,750	18,716,750
		18,725,353	18,725,353
Sky Line Publication (Private) Limited		39,999,970	39,999,970
HUM Network FZ LLC			
2,400 Ordinary Shares of AED 1000 each	100%	69,802,371	69,802,371
Advance for future issue of shares		4,446,966	4,446,966
		74,249,337	74,249,337
HUMM CO. (PVT.) LIMITED	100%	40	40
		<u>228,898,451</u>	<u>228,898,451</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	SEPTEMBER 30, 2017 (Un-audited)	June 30, 2017 (Audited)
	----- Rupees -----	
6. TRADE DEBTS - unsecured		
Considered good	1,777,070,193	1,745,549,232
Considered doubtful	47,026,912	47,026,912
	<u>1,824,097,105</u>	<u>1,792,576,144</u>
Less: Provision for doubtful debts	47,026,912	47,026,912
	<u>1,777,070,193</u>	<u>1,745,549,232</u>
7. TRADE AND OTHER PAYABLES		
Creditors	202,564,243	185,842,206
Accrued liabilities	331,958,159	253,819,783
Withholding tax payable	32,727,483	32,266,550
Advances from customers	-	10,848,088
Others	9,733,106	10,350,055
	<u>576,982,991</u>	<u>493,126,682</u>

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

For the tax year 2013, the Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(1) of the Income Tax Ordinance, 2001 wherein certain disallowances / addbacks were made to the taxable income of the company. The company filed an appeal before the Commissioner Inland Revenue (Appeals) against the aforesaid order. The CIR(A) has confirmed the additions made on account of agency commission and cost of outsourced programs. The company has challenged the aforesaid appellate order of the CIR(A) before the Appellate Tribunal Inland Revenue, which is pending adjudication. Further, the ACIR passed an appeal effect order creating a tax demand of Rs.182,961,339/-. The company has obtained stay from recovery of the above tax demand from the Sindh High Court. The management, based on the legal and tax advice, is confident that the ultimate outcome will be in favor of the Company and accordingly, no provision has been made in this respect in these financial statements.

8.2 Commitments

- i) Purchase of television programs commitments with M.D Productions (Private) Limited related party as at Sep 30, 2017 amounted to Rs. 415,541,250/- (June 30, 2017: Rs. 163,962,500/-). Commitment for purchase of television programs with other than related parties as at Sep 30, 2017 amounted to Rs. 6,569,000/- (June 30, 2017: Rs. 11,753,000/-).

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		Quarter Ended	
		SEPTEMBER 30, 2017 (Un-audited)	SEPTEMBER 30, 2016 (Un-audited)
		----- Rupees -----	
9. REVENUE – net			
Advertisement revenue		1,055,476,819	1,007,172,876
Production revenue		18,988,378	27,371,744
Digital revenue		3,358,403	5,580,659
Subscription income		41,449,467	38,514,504
Film distribution revenue		107,881,158	4,957,425
9.1		<u>1,227,154,225</u>	<u>1,083,597,208</u>

9.1 Revenue is net off the following items:

Sales tax	167,520,893	166,793,616
Discount to customers	87,970,936	74,626,890
	<u>255,491,829</u>	<u>241,420,506</u>

		Quarter Ended	
		SEPTEMBER 30, 2017 (Un-audited)	SEPTEMBER 30, 2016 (Un-audited)
		----- Rupees -----	
10. COST OF PRODUCTION			
Cost of outsourced programs		394,310,887	292,264,698
Cost of in-house programs		87,716,731	53,430,874
Cost of inventory consumed		-	155,373
Salaries, wages and benefits	10.1	107,927,093	85,912,272
Depreciation		11,364,159	8,738,311
Traveling and conveyance		6,476,617	4,185,205
Utilities		3,905,944	3,568,590
Rent, rates and taxes		3,277,828	4,019,606
Insurance		2,999,619	2,139,007
Repair and maintenance		3,739,837	4,084,937
Fee and subscription		3,114,530	1,278,307
Communication		2,439,811	2,012,180
Security charges		806,200	74,400
Amortisation		1,169,924	974,899
Consultancy		1,378,285	1,224,905
Printing and stationery		66,030	127,728
		<u>630,693,495</u>	<u>464,191,292</u>
In production television programs - opening		86,240,166	80,456,290
In production television programs - closing		(91,590,116)	(67,096,880)
		<u>625,343,545</u>	<u>477,550,702</u>
Released / unreleased programs - opening		387,583,127	880,608,495
Released / unreleased programs - closing		(296,445,190)	(780,608,495)
		<u>716,481,482</u>	<u>577,550,702</u>

10.1 This includes Rs. 3,907,156/- (Sep 30, 2016: Rs. 2,803,452/-) in respect of staff retirement benefits.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

11. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprises subsidiaries, associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

Related parties	Nature of transactions	September 30, 2017 ----- Rupees ----- (Un-audited)	September 30, 2016 ----- Rupees ----- (Un-audited)
Subsidiaries	Investments made	-	4,446,475
	Receipts / (payments) during the year – net	(6,553,429)	12,035,193
	Subscription income	3,224,000	26,229,771
	Management fee	800,250	789,000
Associates	Purchase of television programs	272,082,065	303,691,140
Retirement fund	Contributions	6,198,111	4,522,548
Key management personnel	Remuneration	174,170,889	155,743,773

12. ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on October 04, 2017 recommended a final cash dividend Re. 0.1/- per share @ 10% amounting to Rs. 94,500,000/- on the paid-up value of the ordinary share capital as at June 30, 2017 approved by the shareholders in the Annual General Meeting held on October 04, 2017.

These condensed interim consolidated financial statements include the effect of these appropriations.

13. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on October 27, 2017 by the Board of Directors of the Company.

14. GENERAL

14.1 There were no material reclassifications that could affect the financial statements.

14.2 Figures have been rounded off to the nearest Rupee.


DURAID QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS**

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2017

		September 30, 2017	June 30, 2017
	Note	(Un-audited) Rupees	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	294,304,223	272,944,752
Intangible assets		82,020,621	83,609,083
Long term deposits		36,106,190	43,420,421
Television program costs		186,875,191	253,655,178
Deferred tax asset		161,447,674	157,320,050
		<u>760,753,899</u>	<u>810,949,484</u>
CURRENT ASSETS			
Inventories		2,334,242	2,314,986
Current portion of television program costs		201,160,115	220,168,115
Trade debts	5	1,824,451,008	1,755,839,800
Advances – unsecured considered good		296,957,369	242,770,231
Trade deposits and short term prepayments		45,614,081	38,818,124
Other receivables – unsecured considered good		37,805,229	21,042,953
Taxation – net		45,655,041	48,610,716
Cash and bank balances		814,425,163	453,827,053
		<u>3,268,402,248</u>	<u>2,783,391,978</u>
TOTAL ASSETS		<u>4,029,156,147</u>	<u>3,594,341,462</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital		945,000,000	945,000,000
Reserves		2,223,804,482	2,011,816,774
		<u>3,168,804,482</u>	<u>2,956,816,774</u>
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		16,564,081	12,068,950
CURRENT LIABILITIES			
Trade and other payables	6	717,352,371	590,200,033
Accrued mark-up		443,743	128,257
Unclaimed dividend		5,943,722	5,948,490
Dividend Payable		94,500,000	-
Current portion of			
- liabilities against assets subject to finance lease		25,547,748	29,178,958
		<u>843,787,584</u>	<u>625,455,738</u>
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		<u>4,029,156,147</u>	<u>3,594,341,462</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial statements.


DURAIID QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		September 30, 2017 (Un-audited)	September 30, 2016 (Un-audited)
	Note	Rupees	
Revenue – net	8	1,358,468,098	1,179,182,966
Cost of production	9	(754,606,059)	(603,247,261)
Transmission cost		(53,698,539)	(60,807,243)
		(808,304,598)	(664,054,504)
Gross profit		550,163,500	515,128,462
Selling & Marketing Expenses		(59,214,216)	(53,629,859)
Administrative expenses		(177,172,754)	(174,083,134)
		313,776,530	287,415,469
Other operating income		18,953,639	8,744,874
		332,730,169	296,160,343
Finance costs		(1,803,435)	(8,791,265)
Profit before taxation		330,926,734	287,369,078
Taxation		(20,650,054)	(27,925,853)
Net profit for the period		310,276,680	259,443,225
Earnings per share – basic and diluted		0.33	0.27

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial statements.


DURAID QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	September 30, 2017 (Un-audited)	September 30, 2016 (Un-audited)
	----- Rupees -----	
Profit after taxation	310,276,680	259,443,225
Other comprehensive (loss) / income	(3,788,972)	3,662,409
Total comprehensive income for the period	<u>306,487,708</u>	<u>263,105,634</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial statements.



DURAIÐ QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	September 30, 2017 (Un-audited) Note	September 30, 2016 (Un-audited) ----- Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	330,926,734	287,369,078
Adjustments for :		
Depreciation	23,652,780	18,671,951
Amortisation of intangible assets	1,993,979	3,204,654
Finance costs	1,803,435	8,791,265
(Gain)/Loss on disposal of fixed assets	(954,703)	2,516,107
Exchange loss / (gain)	(2,958,467)	727,933
Exchange difference on translation of foreign currency	(3,788,972)	(3,662,409)
Profit on deposit accounts	(5,359,330)	(957,192)
	14,388,722	29,292,309
Operating profit before working capital changes	345,315,456	316,661,387
Working capital changes		
Decrease / (Increase) in current assets		
Inventories	(19,256)	155,372
Television program costs	19,008,000	57,302,170
Trade debts	(64,405,339)	(56,255,677)
Advances, deposit and prepayments	(60,983,095)	(42,278,043)
Other receivables - unsecured, considered good	(16,762,277)	(16,130,236)
	(123,161,967)	(57,206,414)
Increase / (decrease) in current liabilities		
Trade and other payables	128,016,419	22,206,960
Cash generated from operations	350,169,908	281,661,933
Taxes paid	(21,822,000)	(116,622,430)
Finance costs paid	(1,487,949)	(10,015,682)
Profit received on deposit accounts	5,359,330	957,192
Long term deposits	7,314,230	20,138,327
Television program costs	66,779,987	56,057,240
Net cash generated from operating activities	406,313,506	232,176,580
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(50,345,175)	(19,081,624)
Proceeds from sale of property, plant and equipment	3,770,625	3,659,785
Net cash used in investing activities	(46,574,550)	(15,421,839)
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease	863,922	(4,015,067)
Short term borrowing	-	(154,997,830)
Dividends paid	(4,768)	(637)
Net cash used in financing activities	859,154	(159,013,534)
Net increase in cash and cash equivalents	360,598,110	57,741,207
Cash and cash equivalents at the beginning of the year	453,827,053	50,367,783
Cash and cash equivalents at the end of the period	814,425,163	108,108,990

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial statements.


DURAIQ QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Foreign exchange translation reserve	Reserves		Total
			Unappropriated Profit	Sub-total	
Balance as at July 01, 2016	945,000,000	(3,837,148)	996,829,185	992,992,037	1,937,992,037
Net profit for the period	-	-	259,443,225	259,443,225	259,443,225
Other comprehensive income	-	3,662,409	-	3,662,409	3,662,409
Total comprehensive income	-	3,662,409	259,443,225	263,105,634	263,105,634
Balance as at September 30, 2016	945,000,000	(174,739)	1,256,272,410	1,256,097,671	2,201,097,671
Balance as at July 01, 2017	945,000,000	(8,125,872)	2,019,942,646	2,011,816,774	2,956,816,774
Profit for the period	-	-	310,276,680	310,276,680	310,276,680
Other comprehensive income	-	(3,788,972)	-	(3,788,972)	(3,788,972)
Total comprehensive income	-	(3,788,972)	310,276,680	306,487,708	306,487,708
Final cash dividend for the year ended June 30, 2017			(94,500,000)	(94,500,000)	(94,500,000)
Balance as at September 30, 2017	945,000,000	(11,914,844)	2,235,719,326	2,223,804,482	3,168,804,482

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial statements.


DURAID QURESHI
 Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
 Chairman


MUHAMMAD ABBAS HUSSAIN
 Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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.

Subsidiary Companies

The 'Group' consists of

Holding Company

HUM Network Limited

	2017	2016
	Percentage of holding	
HUM TV, Inc.	100%	100%
HUM Network UK LTD	100%	100%
Sky Line Publications (Private) Limited	100%	100%
HUM Network FZ LLC	100%	100%
HUMM Co. (Private) Limited	100%	-

1.2 Nature of operations of subsidiaries

HUM TV, Inc., HUM Network UK LTD and HUM Network FZ LLC have been established with the purpose of providing entertainment programmes to the South Asian community by increasing presence in the United States of America (USA), Canada, UK and UAE respectively. The subsidiary companies will also serve as a platform for the Holding Company to explore avenues for greater distribution of the Holding Company brands in USA, Canada, UK and UAE and will establish relations with advertisers, as well as develop US-based media materials, such as dramas, documentaries and other entertainment shows and events.

Skyline Publication (Private) Limited is engaged in the publications of books and magazines. During the year ended June 30, 2015, Skyline Publications (Private) Limited acquired 100% equity in Newline Publication (Private) Limited, which is engaged in publishing "Newline" a monthly English magazine.

During the year ended June 30, 2017, a HUMM Co. (Private) Limited was incorporated as a consequence of a scheme of arrangement with M.D Productions (Private) Limited which will be engaged in undertaking, developing and producing contents, shows and programs to be aired on the Holding Company's network of channels.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting", as applicable in Pakistan. These condensed interim consolidated 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, 2017.

3. ACCOUNTING POLICES

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 financial statements for the year ended June 30, 2017.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
		----- Rupees -----	
4. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	4.1	272,623,892	268,867,228
Capital work-in-progress		21,680,331	4,077,524
		<u>294,304,223</u>	<u>272,944,752</u>
4.1 Operating fixed assets – owned and leased			
Book value at the beginning of the period / year		268,867,228	269,132,577
Additions during the period / year	4.1.1	30,225,368	85,373,565
Less:			
Disposal during the period / year - at WDV		2,815,924	6,268,862
Depreciation charged during the period / year		23,652,780	79,370,052
		<u>272,623,892</u>	<u>268,867,228</u>
4.1.1 Additions during the period/year			
<u>Owned</u>			
Leased hold improvement		-	9,614,920
Furniture and fittings		86,075	14,919,737
Vehicles		12,522,939	2,053,623
Audio visual equipment		2,009,994	7,005,000
Uplinking equipment		230,000	-
Office equipment		412,000	15,633,354
Computers		3,434,702	9,093,997
<u>Leased</u>			
Vehicles		11,529,658	27,052,934
		<u>30,225,368</u>	<u>85,373,565</u>
		September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
		----- Rupees -----	
5. TRADE DEBTS – unsecured			
Considered good		1,824,451,008	1,755,839,800
Considered doubtful		129,090,366	129,090,366
		<u>1,953,541,374</u>	<u>1,884,930,166</u>
Less: Provision for doubtful debts		129,090,366	129,090,366
		<u>1,824,451,008</u>	<u>1,755,839,800</u>
		September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
		----- Rupees -----	
6. TRADE AND OTHER PAYABLES			
Creditors		280,391,225	245,539,358
Accrued liabilities		376,155,004	273,693,876
Withholding tax payable		32,727,483	32,266,550
Advances from customers		-	14,160,308
Others		28,078,659	24,539,941
		<u>717,352,371</u>	<u>590,200,033</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

For the tax year 2013, the Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(1) of the Income Tax Ordinance, 2001 wherein certain disallowances / addbacks were made to the taxable income of the company. The company filed an appeal before the Commissioner Inland Revenue (Appeals) against the aforesaid order. The CIR(A) has confirmed the additions made on account of agency commission and cost of outsourced programs. The company has challenged the aforesaid appellate order of the CIR(A) before the Appellate Tribunal Inland Revenue, which is pending adjudication. Further, the ACIR passed an appeal effect order creating a tax demand of Rs.182,961,339/-. The company has obtained stay from recovery of the above tax demand from the Sindh High Court. The management, based on the legal and tax advice, is confident that the ultimate outcome will be in favor of the Company and accordingly, no provision has been made in this respect in these financial statements.

7.2 Commitments

- i) Purchase of television programs commitments with M.D Productions (Private) Limited related party as at Sep 30, 2017 amounted to Rs. 415,541,250/- (June 30, 2017: Rs. 163,962,500/-). Commitment for purchase of television programs with other than related parties as at Sep 30, 2017 amounted to Rs. 6,569,000/- (June 30, 2017: Rs. 11,753,000/-).

8. REVENUE – net

	Quarter Ended	
	September 30, 2017 (Un-audited)	September 30, 2016 (Un-audited)
	Rupees	
Advertisement revenue	1,186,911,990	1,128,988,404
Production revenue	18,988,378	27,371,744
Digital revenue	3,358,403	5,580,659
Subscription income	41,328,169	12,284,734
Film distribution revenue	107,881,158	4,957,425
8.1	<u>1,358,468,098</u>	<u>1,179,182,966</u>

8.1 Revenue is net off the following items:

Sales tax	167,520,893	166,793,616
Discount to customers	87,970,936	74,626,890
	<u>255,491,829</u>	<u>241,420,506</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		Quarter Ended	
		September 30, 2017 (Un-audited)	September 30, 2016 (Un-audited)
9. COST OF PRODUCTION	Note	----- Rupees -----	
Cost of outsourced programs		422,196,591	313,885,255
Cost of in-house programs		87,716,731	55,376,874
Cost of inventory consumed		-	294,385
Salaries, wages and benefits	9.1	111,718,251	85,912,272
Depreciation		11,417,936	8,829,920
Traveling and conveyance		6,571,772	4,610,605
Utilities		4,009,992	3,575,544
Rent, rates and taxes		3,749,793	4,044,345
Insurance		3,004,270	2,139,007
Repair and maintenance		3,805,860	4,645,441
Fee and subscription		3,114,530	1,278,307
Communication expense		2,495,116	2,029,190
Security charges		806,200	74,400
Amortisation		1,169,924	1,027,015
Consultancy		1,378,285	2,037,562
Printing and stationery		5,662,821	127,729
		668,818,072	489,887,851
In production television programs - opening		86,240,166	80,456,290
In production television programs - closing		(91,590,116)	(67,096,880)
		663,468,122	503,247,261
Released / unreleased programs - opening		387,583,127	880,608,495
Released / unreleased programs - closing		(296,445,190)	(780,608,495)
		754,606,059	603,247,261

9.1 This includes Rs. 3,907,156/- (Sep 30, 2016: Rs. 2,803,452/-) in respect of staff retirement benefits.

10. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprises subsidiaries, associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

Related parties	Nature of transactions	September 30, 2017 (Un-audited)	September 30, 2016 (Un-audited)
		----- Rupees -----	
Associates	Purchase of television programs	272,082,065	303,691,140
Retirement fund	Contributions	6,198,111	4,522,548
Key management personnel	Remuneration	195,322,842	176,978,900

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

11. ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Holding Company in their meeting held on October 04, 2017 recommended a final cash dividend Re. 0.1/- per share @ 10% amounting to Rs. 94,500,000/- on the paid-up value of the ordinary share capital as at June 30, 2017 approved by the shareholders in the Annual General Meeting held on October 04, 2017.

These condensed interim consolidated financial statements include the effect of these appropriations.

12. DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorized for issue on October 27, 2017 by the Board of Directors of the Holding Company.

13. GENERAL

13.1 There were no material reclassifications that could affect the financial statements.

13.2 Figures have been rounded off to the nearest Rupee.



DURAIÐ QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

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