



DECEMBER 31, 2021
HALF YEARLY REPORT
(UN-AUDITED)

HUM NETWORK LIMITED



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. Sohail Ansar
Ms. Nabigha Nasser Masood
Mr. Muhammad Ayub Younus Adhi
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
Mrs. Mahtab Akbar Rashdi
Lt. Gen. (R) Asif Yasin Malik

HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

Chairman

Members

Mr. Sohail Ansar
Ms. Sultana Siddiqui
Mrs. Mahtab Akbar Rashdi

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
MCB Bank Limited
Boston Private Bank & Trust
Barclays Bank PLC
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. F.D. Registrar Services (Pvt.) Ltd.
17th Floor, Saima Trade Tower-A,
I.I. Chundrigar Road Karachi-74000

WEBSITE

www.humnetwork.tv

PAKISTAN STOCK EXCHANGE LIMITED

HUMNL

HUM NETWORK LIMITED

Director's Report

The Board of Directors of HUM Network Limited (HNL) takes pleasure in presenting the review report on the financial and operational performance of the Company for the half year ended December 31, 2021.

Financial Performance:

The gross profit for the 2nd quarter of the FY2022 was Rs. 715 million; compared to the gross profit of Rs. 611 million in 1st quarter of the FY2022 i.e. increase of 17%. Similarly, on quarter-to-quarter basis, the profit after taxation for the 2nd quarter of the FY2022 has been increased by Rs. 164 million i.e. 65% as compared to 1st quarter of the FY2022, from Rs. 251 million to Rs. 415 million, resulting into an earnings per share (EPS) of Re. 0.43 compared to EPS of Re. 0.27.

Due to the exceptional growth in programming and digital revenues, the overall profit after taxation for the half year ended December 31, 2021 was Rs. 666 million (EPS: Re. 0.70) compared to profit after taxation of Rs. 692 million (EPS: Re. 0.73) for the half year ended December 31, 2020 which was mainly due to one-off capital gain realized from the sale of non-current assets however, the current period profits are derived from core operational activities and the overall future market outlook also seems promising with expected growth in profits.

Operational Performance:

HUM TV is the leading entertainment channel of Pakistan which has always set a high standard of dramas and proved to be a breath of fresh air among the other repetitive and one toned love stories. HUM TV has provided its viewers with many memorable dramas in the past and this year too, HUM TV dramas were groundbreaking because their subject and execution was brand new and kept the viewers hooked because of the engaging storylines and superb performances.

During the period, HUM TV aired dramas like "Parizaad", "Hum Kahan Ke Sachay Thay", "Qissa Meherbano Ka", "Dobara" etc. which were highly appreciated by the audiences.

HUM News conducted a CSR activity by collaborating with Moina & Duraid Foundation and Karachi Metropolitan Corporation for Karachi Green Marathon held on December 25, 2021 aimed to create awareness and motivate the general public of the metropolitan at an individual and community level to keep the city clean and green to practice a healthy lifestyle. The marathon was followed by plantation of a sapling by participants that included many school students.

HUM Masala, an integral part of every household completed its 15 years of glory. The 15th anniversary of HUM Masala was celebrated with full zeal. Apart from the chefs, a lot of celebrities were also spotted at the anniversary. Over these years, HUM Masala has introduced many different recipes, cooking experts, professional chefs, health consultants, and informative shows that made the channel a favorite of millions. As the pioneer 24-hour cooking channel in South Asia, Masala has set high standards for its current and future competitors.

The 19th edition of the country's biggest and most sought-after bridal extravaganza, HUM Bridal Couture Week (HBCW) unveiled its red carpet in the City of Gardens, Lahore in December 2021. This large format show is the most opulent and highest profile bridal event in Pakistan. It leads the bridal fashion industry through creative influence and has been strategically repositioning Pakistani bridal fashion in the global fashion economy for over a decade. This year's event showcased latest trends and designs in bridal couture by leading as well as emerging fashion designers of the country. It has become the most aspired presentation for Pakistan's top designers, couture lovers, influential individuals, buyers, celebrities, socialite and established as well as upcoming brands.

During the period under review, the consolidated results were as follows:

	Rupees
Revenue – net	3,003,412,100
Gross Profit	1,494,802,857
Profit for the period – before taxation	813,856,645
Profit per share	0.74

Future Outlook:

We have taken difficult decisions to deal with the COVID-19 crisis, but this has enabled us to continue to invest in and successfully execute our strategies. We have learnt much more during these crisis including how to work more efficiently and effectively. We monitored our performance very carefully and the risks associated with COVID-19 and were extremely focused on tightly managing our costs and cash.

Delivering quality content has positioned us to better respond to the changing viewers' habits and to take advantage of the continued strong demand for quality content internationally which was highly appreciated by the viewers and resulted in increase in earnings of the Company. To further enhance market share, the HNL has a planned content lineup of new shows by means of content differentiation and breaking the existing norms of the genre, we are confident that we would be able to challenge the existing players both in all genres of entertainment.

With balanced reporting/ programming and improved distribution across Pakistan, the average viewership rating of HUM News has enhanced and it is now rated amongst the top news channels of the country. This will translate into earnings from advertisement and also rate per minute from coming periods.

Digital revenue has increased exponentially over the last two year and Pakistan has a prospective digital market which is still untapped. The consumer likeness towards the digital medium is exhibited through the rampant expansion of digitized households. HNL is well positioned to take advantage of aforesaid market trends having partnerships with all major international VOD platforms.

With the lifting of COVID-19 restrictions by the government, we foresee growth in the film industry, improving cinema culture and favorable government policies, we are expected to ride the flow. In the past, HUM Films have collaborated with leading film houses for the distribution of local and foreign content in Pakistan and continue to do the same in future.

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.

January 28, 2022

Karachi


DURAI D QURESHI
 Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
 Chairman

مالیاتی کارکردگی:

عملی کارکردگی:

دورانہ عرصہ، ہم ٹی وی نے ”پری زاد“، ”ہم کہاں کے سچے تھے“، قصہ مہربانوکا“، ”دوبارہ“ جیسے ڈرامے نشر کیے جنہیں ناظرین نے بے حد پسند کیا۔

دوران مدت جائزہ کے تحت متعلقہ نتائج درج ذیل ہیں:

دوران مدت قبل از ٹیکس منافع
فی شیر منافع

مستقبل کا نظریہ:

اظہار تشکر:

درید قریشی
چیف ایگزیکٹو

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of HUM Network Limited

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of HUM Network Limited (the company) as at 31 December 2021, the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, and unconsolidated condensed interim statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three-months period ended 31 December 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2021.

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 statements 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 statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is Mr. Omer Chughtai.

Sd/-
EY Ford Rhodes
Chartered Accountants
Place: Karachi
Date : January 31, 2022
UDIN: RR202110120BZW1U37LF

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	----- Rupees -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,210,561,473	1,263,816,621
Intangible assets		14,866,262	20,007,542
Long term investments	6	188,898,481	188,898,481
Long term deposits		31,828,265	31,120,555
Television program costs	7	449,109,272	352,064,012
Deferred tax asset		143,807,902	121,432,046
		<u>2,039,071,655</u>	<u>1,977,339,257</u>
CURRENT ASSETS			
Inventories		17,613,100	16,660,901
Current portion of television program costs		100,925,544	100,385,799
Trade debts	8	2,132,271,777	1,956,785,375
Short term investments	9	606,200,128	502,415,157
Advances	10	598,405,611	129,006,777
Deposits and prepayments		30,101,841	21,102,013
Other receivables	11	153,346,766	144,616,512
Taxation – net		127,676,901	211,788,308
Cash and bank balances		466,423,797	355,827,585
		<u>4,232,965,465</u>	<u>3,438,588,427</u>
TOTAL ASSETS		<u>6,272,037,120</u>	<u>5,415,927,684</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,500,000,000 (2021: 1,500,000,000) Ordinary shares of Re.1/- each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up capital		945,000,000	945,000,000
Unappropriated profit		<u>3,784,580,946</u>	<u>3,118,470,793</u>
		<u>4,729,580,946</u>	<u>4,063,470,793</u>
NON-CURRENT LIABILITIES			
Long term lease liabilities		93,717,991	92,051,392
Long term financing		90,841,739	248,521,449
Deferred income - government grant		-	560,658
		<u>184,559,730</u>	<u>341,133,499</u>
CURRENT LIABILITIES			
Trade and other payables	12	783,854,562	581,944,377
Advance from customers		7,843,588	28,593,206
Accrued markup		3,942,631	8,092,693
Short term borrowings		69,027,868	-
Unclaimed dividend		5,948,490	5,948,490
Unpaid dividend		205,159	205,159
Current portion of deferred income - government grant		2,164,591	4,495,607
Current portion of long term lease liabilities		25,678,982	29,564,860
Current portion of long term financing		459,230,573	352,479,000
		<u>1,357,896,444</u>	<u>1,011,323,392</u>
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		<u>6,272,037,120</u>	<u>5,415,927,684</u>

The annexed notes from 1 to 23 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 PROFIT OR LOSS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Note	Half-year ended		Quarter-ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
Revenue	14	2,737,808,620	2,103,950,638	1,520,162,216	1,192,433,263
Cost of production	15	(1,364,589,425)	(1,244,374,451)	(779,972,208)	(662,612,434)
Transmission cost		(47,354,614)	(47,947,151)	(24,999,007)	(21,039,750)
		<u>(1,411,944,039)</u>	<u>(1,292,321,602)</u>	<u>(804,971,215)</u>	<u>(683,652,184)</u>
Gross profit		1,325,864,581	811,629,036	715,191,001	508,781,079
Distribution costs		(142,355,952)	(130,100,709)	(77,750,178)	(86,695,845)
Administrative expenses		(364,794,077)	(395,196,568)	(200,035,326)	(154,414,608)
Other income/expenses	16	(2,957,940)	30,985,501	6,366,593	28,764,333
Gain on sale of non-current asset held for sale		-	476,832,913	-	-
Finance costs	17	(33,745,850)	(52,594,104)	(18,352,109)	(30,847,986)
Profit before taxation		782,010,762	741,556,069	425,419,981	265,586,973
Taxation					
-current		(139,754,056)	(34,242,940)	(23,892,928)	(21,113,607)
-prior		1,477,602	-	1,477,602	-
-deferred		22,375,856	(15,510,638)	12,483,518	(32,131,313)
		<u>(115,900,598)</u>	<u>(49,753,578)</u>	<u>(9,931,808)</u>	<u>(53,244,920)</u>
Profit for the period		666,110,164	691,802,491	415,488,173	212,342,053
Earnings per share – basic and diluted		0.70	0.73	0.44	0.22

The annexed notes from 1 to 23 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 HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Half-year ended		Quarter-ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	----- Rupees -----			
Profit for the period	666,110,164	691,802,491	415,488,173	212,342,053
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>666,110,164</u>	<u>691,802,491</u>	<u>415,488,173</u>	<u>212,342,053</u>

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.



DURAIID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

December 31, 2021 December 31, 2020
----- (Rupees) -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	782,010,762	741,556,069
Adjustments for:		
Depreciation on operating fixed assets	74,153,530	101,711,000
Depreciation on right of use assets	12,550,929	12,166,045
Amortization	5,141,281	6,666,112
Finance costs	33,745,850	52,594,104
Unrealised exchange gain	(20,259,925)	(43,419)
Profit on bank accounts	(9,185,422)	(7,709,115)
Gain on disposal of operating fixed assets	(2,303,060)	(3,307,907)
Gain on disposal of non-current asset held for sale	-	(476,832,913)
Dividend Income	-	(5,113,250)
Loss on redemption / sale of investments	10,768,955	12,426,115
Unrealised (gain)/loss on revaluation of investments	49,887,867	(11,133,164)
	154,500,005	(318,576,392)
Operating profit / (loss) before working capital changes	936,510,767	422,979,677

(Increase)/decrease in current assets

Inventories	(952,199)	342,558
Television program costs	(539,745)	5,000,000
Trade debts	(155,226,477)	(381,731,799)
Advances	(469,398,834)	(322,135,529)
Deposits and prepayments	(8,999,828)	7,178,535
Other receivables	(8,730,254)	(13,241,523)
	(643,847,337)	(704,587,758)

Increase/(decrease) in current liabilities

Trade and other payables	181,160,531	774,327
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Cash used in operations

Taxes paid	473,823,961	(280,833,754)
Finance costs paid	(54,165,047)	(22,779,531)
Profit received on deposit accounts	(37,895,912)	(45,092,801)
Long-term deposits	9,185,422	7,709,115
Television program costs	(707,710)	250,256
	(97,045,260)	12,317,600

Net cash used in operating activities

	293,195,454	(328,429,115)
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CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(33,057,713)	(10,286,076)
Additions to intangible assets	-	(292,400)
Short term investments - net	(164,441,793)	5,593,301
Dividend received	-	5,113,250
Proceeds from sale of non-current asset held for sale	-	493,340,000
Proceeds from disposal of operating fixed assets	8,563,625	10,922,180
Net cash generated from investing activities	(188,935,881)	504,390,255

CASH FLOWS FROM FINANCING ACTIVITIES

Lease rentals paid	(8,871,403)	(8,769,345)
Long term financing - net	(53,819,826)	(278,435,070)
Net cash used in financing activities	(62,691,229)	(287,204,415)

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

	41,568,344	(111,243,275)
	355,827,585	(47,437,781)
	397,395,929	(158,681,056)
Cash and cash equivalents		
Cash and bank balances	466,423,797	232,888,730
Short-term running finance	(69,027,868)	(391,569,786)
	397,395,929	(158,681,056)

The annexed notes from 1 to 23 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 HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Revenue Reserve Unappropriated Profit	Total
	Rupees		
Balance as at July 01, 2020 – (Audited)	945,000,000	2,104,074,108	3,049,074,108
Profit for the period	-	691,802,491	691,802,491
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	691,802,491	691,802,491
Balance as at December 31, 2020	945,000,000	2,795,876,599	3,740,876,599
Balance as at July 01, 2021 – (Audited)	945,000,000	3,118,470,782	4,063,470,782
Profit for the period	-	666,110,164	666,110,164
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	666,110,164	666,110,164
Balance as at December 31, 2021	945,000,000	3,784,580,946	4,729,580,946

The annexed notes from 1 to 23 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

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Hum Network Limited (the Company) was incorporated in Pakistan on February 25, 2004 as a public limited company under the repealed under the Act, 2017. shares of the Company are quoted on Pakistan 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 programs with respect to information, entertainment, news, education, health, food, music and society.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the act have been followed.

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2020. These unconsolidated condensed interim financial statements are unaudited, however have been subject to limited scope review by the auditors, and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 2.3 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.
- 2.4 These unconsolidated condensed interim financial statements is presented in Pakistan Rupees which is also the Company's functional currency.
- 2.5 The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2021 and December 31, 2020, respectively.

3 ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2021 except as disclosed below:

New / Revised standards, amendments, interpretation and improvements

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and framework for financial reporting which became effective for the current period:

Standards, amendments and interpretation

IFRS 9 / IAS 39 / IFRS 7/IFRS 16/IFRS 4 - Interest Rate Benchmark Reform Phase 2 (Amendments); and IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of the above amendments did not have any material impact on the condensed interim financial statements of the Company.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

4 ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of this unconsolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates and judgements made by management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company for the year ended 30 June 2021, except as disclosed otherwise.

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	----- Rupees -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,018,174,347	1,067,367,531
Capital work-in-progress		87,420,469	87,420,469
Right of use assets		104,966,657	109,028,621
		<u>1,210,561,473</u>	<u>1,263,816,621</u>
5.1 Operating fixed assets			
Opening balance – at book value		1,067,367,531	1,219,674,736
Opening Balance - at book value land		-	16,507,087
Transfers from right of use assets		3,307,553	5,890,547
Transfers from operating fixed assets to right of use of assets		(5,144,357)	
Additions during the period / year – at cost	5.1.1	33,057,713	39,042,979
		<u>1,098,588,440</u>	<u>1,281,115,349</u>
Less:			
Disposals / transfers during the period / year – at book value	5.1.1	(6,260,563)	(28,232,297)
Depreciation charged during the period / year		(74,153,530)	(185,515,521)
		<u>(80,414,093)</u>	<u>(213,747,818)</u>
Closing balance – at book value		<u>1,018,174,347</u>	<u>1,067,367,531</u>

5.1.1 Details of additions and disposals are as follows:

	Additions (Cost)		Disposals / transfers (Net book value)	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31, 2021	June 30, 2021	December 31, 2021	June 30, 2021
	----- Rupees -----			
<u>Owned Assets:</u>				
Leasehold Land	-	-	-	16,507,087
Building on leasehold land	-	-	-	-
Leasehold improvements	-	8,146,761	-	-
Furniture and Fittings	5,423,610			
Motor vehicles	7,760,849	8,306,622	4,269,414	10,031,915
Audio visual equipment	7,415,413	8,309,492	304,852	515,751
Office equipment	7,842,999	2,853,141	-	1,097,460
Computers	4,614,842	9,604,467	81,547	80,084
Uplinking Equipment		1,822,496	1,604,750	
	<u>33,057,713</u>	<u>39,042,979</u>	<u>6,260,563</u>	<u>28,232,297</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Holding	----- Rupees -----	
6. LONG TERM INVESTMENTS – unquoted subsidiaries			
HUM TV, Inc. – USA			
10,000 Common stock of \$ 0.01 each	100%	8,603	8,603
Advance for future issue of shares		18,716,750	18,716,750
		<u>18,725,353</u>	<u>18,725,353</u>
HUM Network UK Ltd.			
553,677 Ordinary shares of 1 GBP	100%	95,923,751	95,923,751
Skyline Publications (Private) Ltd.			
3,999,997 Ordinary shares of Rs.10 each	100%	39,999,970	39,999,970
Provision for impairment		(39,999,970)	(39,999,970)
		<u>-</u>	<u>-</u>
HUM Network FZ LLC – UAE			
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
		<u>74,249,337</u>	<u>74,249,337</u>
HUMM Co. (Private) Limited			
4 ordinary shares of Rs. 10 each	100%	40	40
HUM Mart. (Private) Limited			
14,000,000 ordinary shares of Rs.10 each	70%	140,000,000	140,000,000
Provision for impairment		(140,000,000)	(140,000,000)
		<u>188,898,481</u>	<u>188,898,481</u>
7. TELEVISION PROGRAM COSTS			
Unreleased / released less amortization		522,447,566	430,167,561
In production		27,587,250	22,282,250
		<u>550,034,816</u>	<u>452,449,811</u>
Less: Current portion		(100,925,544)	(100,385,799)
		<u>449,109,272</u>	<u>352,064,012</u>
8. TRADE DEBTS			
Includes amount receivable from related parties as follows:			
Hum TV, Inc – USA		86,244,452	73,597,309
Hum Network UK Ltd		91,011,857	87,464,218
		<u>177,256,309</u>	<u>161,061,527</u>
9. SHORT TERM INVESTMENTS			
At fair value through profit or loss	9.1	600,468,480	502,415,157
At amortized cost	9.2	5,731,648	-
		<u>606,200,128</u>	<u>502,415,157</u>
9.1 At fair value through profit or loss			
Term Finance Certificate			
U Microfinance Bank Limited			
8,400 TFCs having face value of Rs.4,992 each			
(June 30, 2021: 8,400 TFCs having face value of Rs.4,992 each)		44,266,947	42,302,020
Mutual Funds			
Askari High Yield Scheme			
21,865 units having net asset value (NAV) Rs.107.614 (June 30, 2021: 21,865 units having net asset value (NAV) Rs 103.1229		2,352,951	2,254,809
AKD Opportunity Fund			
1,391,651 units (NAV) Rs.113.7828 (June 30, 2021 : 2199,809 units having (NAV) Rs 136.7162.		158,346,000	300,749,572

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	----- Rupees -----	
AKD Golden Arrow- Stock Fund 9,449,241 units having (NAV) Rs. 14.5425 (June 30,2021 : 9,449,241 units having (NAV) of Rs. 16.6266	137,415,592	157,108,756
HBL Cash Fund 1,941,218 units having assets (NAV) Rs. 101.99 (June 30,2021 :nil)	197,988,746	-
Alfalah GHP Money Market Fund 603,150 units having assets value (NAV) Rs. 98.51 (June 30,2021 :nil)	59,417,176	-
AKD Islamic Income Fund 13,043 units having (NAV) Rs. 52.22 (June 30,2021 :nil)	681,068	-
	<u>606,200,128</u>	<u>502,415,157</u>
9.2 At Amortized Cost		
Next Capital limited- Commercial paper	9.2.1 5,455,225	-
Profit accrued	276,423	-
As at 31 December 2021	<u>5,731,648</u>	<u>-</u>

9.2.1 This represents commercial paper having face value of PKR 6 million issued during the year by Next Capital Limited at a discounted price of PKR 5.455 million carrying interest at 13.5% per annum.

10. ADVANCES

Includes advance given to M.D Productions (Private) Limited, a related party amounting to Rs. 470,602,826/- (June 30, 2021: Rs.nil/-) against purchase of television programs.

11. OTHER RECEIVABLES

Includes balances receivable from related parties as follows:

	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	----- Rupees -----	
HUM TV. Inc	34,059,228	30,052,260
Skyline Publication Productions (Private) Limited	60,427,358	59,346,535
Hum Mart (Private) Limited	1,320,992	1,317,185
	<u>95,807,578</u>	<u>90,715,980</u>
Provision for Impairment	(57,605,219)	(57,605,219)
	<u>38,202,359</u>	<u>33,110,761</u>

12. TRADE AND OTHER PAYABLES

Includes amounts payable to related parties amounting to Rs. 1,928,738/- (June 30, 2021: Rs 37,894,404/-).

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2021.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

13.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2021 amounted to Rs.302,597,900 (June 2021: Rs. 175,514,000/-). Commitment for purchase of television programs with other than related parties as at December 31, 2021 amounted to Rs. 31,500,000 (June 2021: Rs. 71,736,000/-).

	Half-year ended		Quarter-ended	
	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)
	----- Rupees -----		----- Rupees -----	
14 REVENUE – net				
Advertisement revenue	2,000,614,755	1,740,769,680	1,072,478,185	977,618,881
Production revenue	95,528,988	36,192,101	42,314,889	35,392,101
Digital sales revenue	34,340,153	21,682,833	14,619,766	15,476,471
Subscription income	607,324,724	305,306,024	390,749,376	163,945,810
	<u>2,737,808,620</u>	<u>2,103,950,638</u>	<u>1,520,162,216</u>	<u>1,192,433,263</u>
14.1 Revenue is net off the following items:				
Sales tax	296,911,449	245,059,435	156,436,055	139,927,748
Discount to customers	235,278,009	161,537,324	114,721,617	103,053,963
	<u>532,189,458</u>	<u>406,596,759</u>	<u>271,157,672</u>	<u>242,981,711</u>

	Half-year ended		Quarter-ended	
	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)
	----- Rupees -----		----- Rupees -----	
15. COST OF PRODUCTION				
Cost of outsourced programs	730,505,600	662,073,229	391,974,099	351,595,956
Cost of in-house programs	99,115,375	36,840,075	16,175,620	29,752,759
Inventories consumed	398,200	2,214,280	60,200	473,200
Salaries and benefits	344,514,104	311,129,148	174,634,307	151,955,773
Depreciation	63,334,002	88,903,896	30,945,472	44,242,032
Amortisation	4,500,324	4,890,943	2,213,796	2,414,978
Traveling and conveyance	37,173,620	16,533,518	24,682,762	8,069,510
Utilities	7,723,864	12,615,138	3,818,896	4,463,665
Rent, rates and taxes	647,589	297,568	622,590	-
Insurance	12,595,481	11,490,931	5,677,235	5,464,743
Repair and maintenance	26,544,451	27,691,297	10,868,916	20,127,286
Fee and subscription	123,805,529	41,920,215	86,920,327	23,813,129
Communication expense	7,942,337	7,669,374	4,356,377	3,290,767
Consultancy	2,567,016	2,333,742	1,283,457	1,166,871
Security charges	68,000	-	-	-
Printing and stationery	738,938	453,497	387,262	143,165
	<u>1,462,174,430</u>	<u>1,227,056,851</u>	<u>754,621,676</u>	<u>646,973,834</u>
In production television programs - opening	22,282,250	38,743,250	25,537,250	37,061,250
In production television programs - closing	(27,587,250)	(22,694,250)	(27,587,250)	(22,694,250)
	<u>1,456,869,430</u>	<u>1,243,105,851</u>	<u>752,571,676</u>	<u>661,340,834</u>
Released / unreleased programs - opening	430,167,561	427,380,500	549,848,099	427,383,500
Released / unreleased programs - closing	(522,447,566)	(426,111,900)	(522,447,567)	(426,111,900)
	<u>1,364,589,425</u>	<u>1,244,374,450</u>	<u>779,972,208</u>	<u>662,612,434</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

16. OTHER INCOME/ EXPENSES

Includes unrealised (loss)/gain on revaluation of short term investments amounting to Rs.(49,526,208)/- (December 31, 2020: Rs.11,133,164).

17. FINANCE COST

	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)
	----- Rupees -----	----- Rupees -----
Mark-up on long term loan	22,763,086	35,181,007
Mark-up on short term borrowings	2,296,272	7,710,289
Interest on lease liabilities	8,327,026	9,209,994
Bank charges	359,467	492,814
	<u>33,745,851</u>	<u>52,594,104</u>

18. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiaries, associated companies, 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:

Nature of transaction	Half-year ended		Quarter-ended	
	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)
	----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
Associated companies:				
Purchases of Television program rights	641,841,114	554,102,440	362,419,194	293,196,080
Subsidiary Company:				
Management fee		2,484,000		1,242,000
Subscription income	25,818,450	24,372,470	13,413,850	11,944,933
Payments made on behalf of subsidiary	5,124,459	3,013,434	1,547,654	1,467,977
Payment received on behalf of subsidiary	15,552,615	18,500,000	10,052,615	12,500,000
Remittance from subsidiary	466,993	8,895,971	466,993	8,895,971
Payment made on behalf of the Company	9,955,598	16,164,601	4,437,831	15,925,076
Professional services acquired	1,705,000	1,812,827	840,000	697,353
Others				
Key Management personnel	190,417,386	210,227,069	108,261,990	68,335,379
Contribution to Fund	18,733,999	17,891,127	9,385,297	8,664,294

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

19 OPERATING SEGMENTS

For management purposes, the Company has determined following reportable operating segments on the basis of areas of operations i.e. entertainment and news.

Entertainment segment is engaged in advertisement, entertainment and media marketing.

News segment is engaged in broadcasting of news programs.

	Entertainment		News		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Net sales to external customers	2,496,586,987	2,000,782,707	241,221,633	103,167,931	2,737,808,620	2,103,950,638
Result						
Segment profit / (loss)	1,330,550,645	964,923,168	(147,042,017)	(283,394,841)	1,183,508,628	681,528,327
Taxation	(112,885,328)	(48,206,059)	(3,015,270)	(1,547,519)	(115,900,598)	(49,753,578)
Unallocated expenses:						
Administrative expenses					(364,794,077)	(395,196,568)
Other income					(2,957,940)	507,818,414
Finance costs					(33,745,850)	(52,594,104)
Profit for the period					666,110,163	691,802,491
Other information						
Amortization	(2,521,914)	(4,051,091)	(2,619,367)	(2,615,020)	(5,141,281)	(6,666,112)
Depreciation	(20,243,499)	(113,877,044)	(66,460,960)	92,462,902	(86,704,559)	(206,339,946)
					December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
Segment assets	367,848,522	372,202,939	857,579,170	911,621,224	1,225,427,692	1,283,824,163
Unallocated assets	-	-	-	-	5,061,442,117	4,132,103,521
	367,848,522	372,202,939	857,579,170	911,621,224	6,286,869,809	5,415,927,684
Capital expenditure	16,974,464	14,414,252	16,083,248	24,628,727	33,057,712	39,042,979
Segment liabilities	750,550,950	597,969,267	806,737,914	754,487,624	1,557,288,864	1,352,456,891

All non-current assets of the Company as at December 31, 2021 and 2020 are located in Pakistan.

Revenue from five major customers of the Company during the period constituted 75%.(December 31,2020: 76% - 3 Customers) of the total revenue.

20 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are 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, 2021. There have been no change in any risk management policies since the year end.

21 FAIR VALUE OF ASSETS

There were no transfers amongst level of fair value analysis of financial assets during the period.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

22 GENERAL

- 22.1** Amounts have been rounded off to the nearest rupee.
- 22.2** Corresponding figures have been reclassified / rearranged wherever necessary for better presentation.

23 DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been authorised for issue on January 28, 2022 by the Board of Directors.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

		December 31, 2021	June 30, 2021
	Note	Rupees (Un-audited)	Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,217,927,636	1,272,025,049
Intangible assets		71,600,201	74,994,373
Long term deposits		29,837,947	31,443,434
Television program costs		449,109,272	352,064,012
Deferred tax asset		158,289,889	134,673,585
		1,926,764,945	1,865,200,453
CURRENT ASSETS			
Inventories		17,613,100	16,660,901
Current portion of television program costs		100,925,544	100,385,799
Trade debts	5	2,292,366,218	2,231,476,846
Short term investments		606,200,130	502,415,157
Advances		600,286,876	129,283,397
Trade deposits and short-term prepayments		55,720,899	23,582,975
Other receivables		211,715,176	111,845,411
Taxation – net		122,623,469	210,879,875
Cash and bank balances		582,476,091	437,693,527
		4,589,927,503	3,764,223,888
TOTAL ASSETS		6,516,692,448	5,629,424,341
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 1,500,000,000 (2019: 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
Revenue Reserves		3,799,945,423	3,098,190,358
Attributable to owners of the Holding Company		4,744,945,423	4,043,190,358
Non-controlling interest		(33,658,925)	(32,505,864)
		4,711,286,498	4,010,684,494
NON-CURRENT LIABILITIES			
Long term lease liabilities		93,717,991	92,051,392
Long term financing		113,510,490	269,229,311
Deferred income - government grant		-	560,658
Staff retirement benefits		39,826,155	33,255,893
		247,054,636	395,097,254
CURRENT LIABILITIES			
Trade and other payables		895,415,143	683,186,088
Advance from customer		93,471,388	136,766,203
Accrued mark-up		6,627,874	9,907,299
Unclaimed dividend		5,948,490	5,948,490
Unpaid dividend		205,159	205,159
Short term borrowing		69,027,868	-
Current portion of long term lease liabilities		25,678,982	29,564,860
Current portion of deferred income - government grant		2,164,591	4,495,607
Current portion of long term financing		459,811,819	353,568,887
		1,558,351,314	1,223,642,593
CONTINGENCIES AND COMMITMENTS	6	6,516,692,448	5,629,424,341
TOTAL EQUITY AND LIABILITIES		6,516,692,448	5,629,424,341

The annexed notes from 1 to 12 form an integral part of these consolidated financial statements.


DURAIQ QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED DECEMBER 31, 2021 (UN-AUDITED)

		Half-year ended		Quarter-ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
Revenue - Net	7	3,003,412,100	2,500,243,432	1,700,745,766	1,387,091,662
Cost of production	8	(1,367,866,808)	(1,450,725,073)	(779,093,119)	(762,648,031)
Transmission cost		(140,742,435)	(114,157,734)	(80,708,873)	(41,975,707)
		<u>(1,508,609,243)</u>	<u>(1,564,882,807)</u>	<u>(859,801,992)</u>	<u>(804,623,738)</u>
Gross profit		1,494,802,857	935,360,625	840,943,774	582,467,925
Distribution costs		(174,358,631)	(237,908,804)	(96,574,866)	(170,888,289)
Administrative expenses		(466,220,224)	(479,600,851)	(254,335,370)	(172,127,054)
Other income/(expenses)		(5,308,039)	37,537,756	19,580,089	37,017,940
Gain on sale of non-current asset held for sale		-	476,832,913	-	-
Finance costs		(35,059,318)	(52,987,456)	(19,033,273)	(31,042,911)
Profit before taxation		813,856,645	679,234,182	490,580,354	245,427,611
Taxation		(118,376,130)	(52,236,411)	(11,897,041)	(54,448,219)
Profit after taxation		695,480,515	626,997,771	478,683,313	190,979,392
Attributable to:					
Owners of Holding Company		696,633,576	645,468,340	474,372,505	197,343,508
Non-Controlling Interests		<u>(1,153,061)</u>	<u>(18,470,568)</u>	<u>4,310,808</u>	<u>(6,364,116)</u>
		695,480,515	626,997,772	478,683,313	190,979,392
Profit per share – basic and diluted		0.74	0.68	0.50	0.21

The annexed notes from 1 to 12 form an integral part of these 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 DECEMBER 31, 2021 (UN-AUDITED)

	December 31, 2021	December 31, 2020
	----- Rupees -----	
Profit for the period	695,480,515	626,997,772
Other comprehensive income	5,121,489	11,480,160
Total comprehensive income for the period	<u>700,602,004</u>	<u>638,477,932</u>

The annexed notes from 1 to 12 form an integral part of these consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Foreign exchange translation reserve	Revenue Reserves		Non- controlling interest	Total
			Unappropriated profit	Sub-total		
Balance as at July 01, 2020 (Audited)	945,000,000	159,680,622	1,936,722,884	2,096,403,506	1,064,284	3,042,467,790
Profit/(Loss) for the year	-	-	645,468,340	645,468,340	(18,470,568)	626,997,772
Other comprehensive income/loss	-	11,480,160	-	11,480,160	-	11,480,160
Total comprehensive income / (loss) for the year	-	11,480,160	645,468,340	656,948,500	(18,470,568)	638,477,932
Balance as at December 31, 2020	945,000,000	171,160,782	2,582,191,224	2,753,352,006	(17,406,284)	3,680,945,722
Balance as at July 01, 2021 (Audited)	945,000,000	166,704,530	2,931,485,828	3,098,190,358	(32,505,864)	4,010,684,494
Profit/(Loss) for the year	-	-	696,633,576	696,633,576	(1,153,061)	695,480,515
Other comprehensive income	-	5,121,489	-	5,121,489	-	5,121,489
Total comprehensive income / (loss) for the year	-	5,121,489	696,633,576	701,755,065	(1,153,061)	700,602,004
Balance as at December 31, 2021	945,000,000	171,826,019	3,628,119,404	3,799,945,423	(33,658,925)	4,711,286,498

The annexed notes from 1 to 12 form an integral part of these consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED DECEMBER 31, 2021 (UN-AUDITED)

December 31, 2021 December 31, 2020
----- Rupees -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before Taxation	813,856,645	679,234,182
Adjustment for:		
Depreciation	87,544,077	118,914,688
Amortization	7,096,755	8,091,285
Finance costs	35,059,318	52,987,456
Profit received on deposit accounts	(9,387,808)	(7,832,939)
Loss/(gain) on disposal of property, plant and equipment	(2,303,060)	(3,307,907)
Gain on disposal of non-current asset held for sale	-	(476,832,913)
Unrealized Loss/(gain) on Revaluation of Investments	49,887,867	(11,133,164)
Exchange difference on translation of foreign currency	5,121,489	11,480,160
Provision for doubtful debts	6,237,134	(28,000,518)
Dividend income	-	-
Gain/(loss) on redemption / sale of investments	10,768,955	12,426,115
Exchange Loss/(Gain)	(31,028,880)	627,263
	158,995,848	(322,580,474)
Operating Profit before working capital changes	972,852,493	356,653,709

(Increase)/decrease in current assets

Inventories	(952,199)	17,695,598
Television program costs	(539,745)	5,000,000
Trade debts	(36,097,626)	(192,916,724)
Advances, deposits and prepayments	(503,141,403)	(351,500,371)
Other receivables	(99,869,765)	(80,151,431)
	(640,600,738)	(601,872,928)

Increase in current liabilities

Trade and other payables	168,934,240	(193,207,554)
--------------------------	-------------	---------------

CASH GENERATED FROM OPERATIONS

	501,185,995	(438,426,774)
Taxes paid	(53,736,028)	(22,115,921)
Finance cost paid	(38,338,743)	(45,486,153)
Profit received on bank accounts	9,387,808	7,832,939
Long-term deposits	1,605,487	259,906
Television program costs	(97,045,260)	12,317,600
Employees end of Service	6,570,262	1,403,637
Net cash (used in) / generated from operating activities	329,629,520	(484,214,766)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment and intangibles	(43,412,452)	(10,745,436)
Short term investments - net	(164,441,795)	78,980,385
Proceeds from disposal of operating fixed assets	8,566,264	10,922,180
Proceeds from sale of non-current asset held for sale	-	493,340,000
Net cash (used in) / generated from investing activities	(199,287,983)	572,497,129

CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing	(52,367,563)	(278,435,069)
Liabilities against assets subject to finance lease	(2,219,279)	(8,769,342)
Net cash (used in) / generated from financing activities	(54,586,842)	(287,204,411)

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the period	437,693,527	79,630,559
Cash and cash equivalents at the end of the period	513,448,223	(119,291,490)

Cash and cash equivalents

Cash and bank balances	582,476,091	280,498,296
Short-term running finance	(69,027,868)	(399,789,786)
	513,448,223	(119,291,490)

The annexed notes from 1 to 12 form an integral part of these consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED DECEMBER 31, 2021 (UN-AUDITED)

1 THE GROUP AND ITS OPERATIONS

1.1 HUM Network Limited (the Holding Company) was incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance). The shares of the Holding Company are quoted on Pakistan Stock Exchange.

1.2 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.

The 'Group' consists of

Holding Company

HUM Network Limited

Subsidiary Companies

	2021	2020
	Percentage of holding	
HUM TV, Inc.	100%	100%
HUM Network UK Limited	100%	100%
Sky Line Publications (Private) Limited	100%	100%
HUM Network FZ LLC	100%	100%
HUMM Co. (Private) Limited	100%	100%
HUM Mart (Private) Limited	70%	70%

1.3 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. HUM Network UK LTD has 100% equity in HUM News Limited, which is engaged in business of transmission of news for UK audience. 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 (SPL) is engaged in the publications of books and magazines.

HUMM Co. (Private) Limited has been established with the purpose of developing and producing contents, shows and programs. Currently, it is non-operational.

HUM Mart (Private) Limited engaged in the business of online shopping for grocery, household items and consumer goods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED DECEMBER 31, 2021 (UN-AUDITED)

2 BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared under the historical cost convention except of certain investments that have been measured at fair value.

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, 2021.

		December 31, 2021	June 30, 2021
	Note	----- Rupees -----	
		(Un-audited)	(Audited)
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,025,540,510	1,075,575,958
Right of use assets		104,966,657	109,028,622
Capital work-in-progress		87,420,469	87,420,469
		<u>1,217,927,636</u>	<u>1,272,025,049</u>

4.1 Operating fixed assets – owned and leased

Book value at the beginning of the period / year		1,075,575,958	1,246,984,186
Additions during the period / year	4.1.1	33,057,712	39,753,379
Transfer to right of use asset - at book value		3,307,553	15,164,322
Transfers into right to use		(5,144,357)	-
		<u>1,106,796,866</u>	<u>1,301,901,887</u>
Less:			
Disposal/ transfer during the period / year - at WDV		(6,263,204)	(67,509,494)
Depreciation charged during the period / year		(74,993,152)	(158,816,435)
		<u>(81,256,356)</u>	<u>(226,325,929)</u>
		<u>1,025,540,510</u>	<u>1,075,575,958</u>

4.1.1 Additions during the period/year

Owned Assets:

Furniture and fixtures	5,423,610	170,615
Leasehold improvements	-	8,146,761
Motor vehicles	7,760,849	8,306,656
Audio visual equipment	7,415,413	8,309,492
Office equipment	7,842,999	2,929,141
Uplinking equipment	-	1,822,496
Computers	4,614,842	10,068,218
	<u>33,057,712</u>	<u>39,753,379</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED DECEMBER 31, 2021 (UN-AUDITED)

December 31, 2021	June 30, 2021
----- Rupees -----	
(Un-audited)	(Audited)

5 TRADE DEBTS – unsecured

Considered good	2,292,366,218	2,231,476,846
Considered doubtful	84,622,271	78,385,137
	<u>2,376,988,489</u>	<u>2,309,861,983</u>
Less: Provision for doubtful debts	<u>(84,622,271)</u>	<u>(78,385,137)</u>
	<u>2,292,366,218</u>	<u>2,231,476,846</u>

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2021.

6.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2021 amounted to Rs.302,597,900 (June 2021: Rs. 175,514,000/-). Commitment for purchase of television programs with other than related parties as at September 30, 2021 amounted to Rs. 31,500,000 (June 2021: Rs. 71,736,000/-).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Half-year ended		Quarter-ended	
	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)
	----- Rupees -----		----- Rupees -----	
7 REVENUE – net				
Advertisement revenue	2,283,286,965	2,033,273,521	1,257,750,865	1,199,071,773
Production revenue	87,506,662	36,192,101	34,292,563	35,392,101
Digital sales revenue	42,362,479	21,682,834	22,642,092	15,476,471
Subscription income	589,815,154	254,816,038	385,644,406	65,122,750
Sale of goods	440,840	154,278,938	415,840	72,028,567
	<u>3,003,412,100</u>	<u>2,500,243,432</u>	<u>1,700,745,766</u>	<u>1,387,091,662</u>
7.1 Revenue is net off the following items:				
Sales tax	296,911,449	245,059,435	156,436,055	139,927,748
Discount to customers	224,681,193	162,949,343	110,156,667	103,926,923
	<u>521,592,642</u>	<u>408,008,778</u>	<u>266,592,722</u>	<u>243,854,671</u>
	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)
	----- Rupees -----		----- Rupees -----	
8 COST OF PRODUCTION				
Cost of outsourced programs	730,505,600	686,625,300	391,974,099	373,642,590
Cost of in-house programs	99,115,375	36,840,075	16,175,620	29,752,759
Inventories consumed	398,200	148,844,806	60,200	66,925,443
Salaries and benefits	347,182,424	327,033,071	175,973,061	159,032,126
Depreciation	63,793,345	91,011,946	31,175,143	44,290,934
Amortisation	4,536,696	4,936,407	2,231,982	2,414,979
Traveling and conveyance	37,173,620	24,778,552	24,682,762	11,355,073
Utilities	7,791,864	14,131,710	3,818,896	5,324,065
Rent, rates and taxes	647,589	5,841,568	622,591	2,772,000
Insurance	12,688,295	11,490,931	5,723,642	5,464,743
Repair and maintenance	26,544,451	28,227,189	8,351,470	20,232,269
Fee and subscription	123,805,529	41,920,215	86,920,327	23,813,129
Communication expense	7,962,871	7,695,194	4,362,074	679,286
Consultancy	2,567,016	2,333,742	1,283,457	1,166,871
Printing and stationery	738,938	1,696,767	387,262	143,165
	<u>1,465,451,813</u>	<u>1,433,407,473</u>	<u>753,742,586</u>	<u>747,009,431</u>
In production television programs				
- opening	22,282,250	38,743,250	25,537,250	37,061,250
In production television programs				
- closing	<u>(27,587,250)</u>	<u>(22,694,250)</u>	<u>(27,587,250)</u>	<u>(22,694,250)</u>
	<u>1,460,146,813</u>	<u>1,449,456,473</u>	<u>751,692,586</u>	<u>761,376,431</u>
Released / unreleased programs				
- opening	430,167,561	427,380,500	549,848,099	427,383,500
Released / unreleased programs				
- closing	<u>(522,447,566)</u>	<u>(426,111,900)</u>	<u>(522,447,566)</u>	<u>(426,111,900)</u>
	<u>1,367,866,808</u>	<u>1,450,725,073</u>	<u>779,093,119</u>	<u>762,648,031</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED DECEMBER 31, 2021 (UN-AUDITED)

9. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise 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:

Nature of transaction	Half-year ended		Quarter-ended	
	December 31,	December 31,	December 31,	December 31,
	2021	2020	2021	2020
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- Rupees -----		----- Rupees -----	
Associated companies:				
Purchases of Television programs rights	641,841,114	554,102,440	362,419,194	293,196,080
Others				
Key Management personnel	230,317,386	245,817,869	148,161,990	85,735,104
Contribution to Fund	18,733,999	17,891,127	9,385,297	8,664,294

10. OPERATING SEGMENTS

	Entertainment		News		Others		Total	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020
	(Rupees in '000)							
Revenue								
Net revenue from external customers	2,762,190,467	2,238,605,549	241,221,633	104,670,148	-	156,767,734	3,003,412,100	2,500,243,431
Result								
Segment profit/ (loss)	1,467,915,172	1,011,388,292	(147,042,017)	(284,768,258)	(428,929)	(29,168,214)	1,320,444,226	697,451,820
Taxation							(118,376,130)	(52,236,411)
Unallocated expenses:								
Administrative expenses							(466,220,224)	(479,600,851)
Other income							96,296,861	514,370,669
Other Expenses							(52,078,692)	-
Share of Net Profit Associates							-	-
Finance costs							(35,059,318)	(52,987,456)
Profit for the year							745,006,723	626,997,770
Other Information								
Amortization	(4,456,605)	(5,385,336)	(2,619,367)	(2,615,020)	(20,784)	(90,929)	(7,096,755)	(8,091,285)
Depreciation	(36,360,468)	(22,357,218)	(66,460,960)	(92,462,902)	15,277,351	(4,094,568)	(87,544,077)	(118,914,688)
	Dec 2021	June 2021	Dec 2021	June 2021	Dec 2021	June 2021	Dec 2021	June 2021
Segment assets	422,710,589	404,738,873	857,579,170	962,582,366	9,238,041	943,937	1,289,527,800	1,368,265,176
Unallocated Assets	-	-	-	-	-	-	5,227,164,611	4,282,404,919
Segment liabilities	675,198,930	568,876,468	806,787,914	762,190,619	323,419,069	287,672,760	1,805,405,913	1,618,739,847

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED DECEMBER 31, 2021 (UN-AUDITED)**

11 GENERAL

11.1 Amounts have been rounded off to the nearest rupee.

11.2 Corresponding figures have been reclassified / rearranged wherever necessary for better presentation.

12 DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorised for issue on January 28, 2022 by the Board of Directors of the Holding Company.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

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