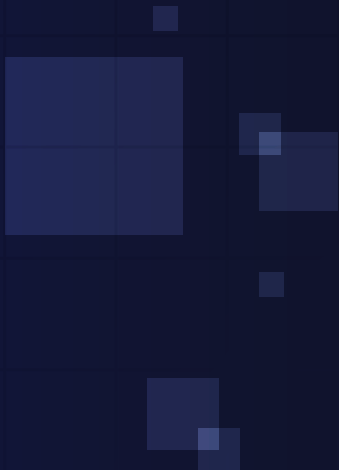




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ANNUAL REPORT
HUM NETWORK LIMITED





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Vision

Inspired by the finest cultural, corporate and creative values to present content which entertains and enriches audiences.

Mission

To enable the organization of outstanding content on subjects of interest and relevance to a range of audiences while using the best professional practices and ensuring long term continuity.



CEO's Message

Financial year 2022 was an interesting year by all accounts. As an industry, our resilience got challenged and as a Company, our strength and strategy were put to test. The year gone by saw HNL take several steps in the direction of becoming an organization that performs consistently and at the same time leads change. It is my pleasure to inform you that our Company has emerged stronger from the challenges caused by the economic recession due to pandemic.

Since the inception, we have created timeless stories that were enjoyed and treasured by audiences across the world. A promise to deliver values, fulfil dreams and realize aspirations. A promise to enrich lives and extend footprints across multiple vistas of entertainment.

Over the years, HNL has evolved into a network which caters to all viewership needs by consistently expanding its footprint to a multi-facet entertainment, fashion, food and news genres. Our recent digital media initiatives and news broadcasting has provided us a new touchpoint for reaching consumers as well as access to audience which were previously inaccessible. This has added new dimensions to content consumption and is allowing us to experiment with new genres of content and create formats which are suited for larger audience segments.

With increased access to smart phone devices and internet, the digital growth throughout the globe has considerably given rise to increased content viewership, creating a strong growth opportunity. In the financial year gone by, we have further strengthened our viewership share on television and digital platforms and expects continued growth opportunities for years to follow.

Lastly, none of this would have been possible without our hard-working and talented team which is evolving by the day. During the year we took several talent related initiatives that seek to create specialized teams within HNL. We will continue to invest in people in creating not just one of the country's foremost growing Company in the industry but also a great place to work.

I thank you for your generous support in our journey so far and I am sure that we will continue to receive it going forward.

Company Information

BOARD OF DIRECTORS

Chairman

Mr. Mazhar-ul-Haq Siddiqui

Directors

Ms. Sultana Siddiqui
Mrs. Mahtab Akbar Rashdi
Mr. Shunaid Qureshi
Lt. Gen. (R) Asif Yasin Malik
Mr. Sohail Ansar
Mrs. Khush Bakht Shujat
Mr. Muhammad Ayub Younus Adhi

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

Mr. Duraid Qureshi
Mr. Muhammad Abbas Hussain
Mr. Mohsin Naeem
Mr. Kamran Shamshad Ahmed

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

Chairperson
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

INTERNAL AUDITORS

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

LEGAL ADVISOR

M/s. Ijaz Ahmed & Associates
No.7, 11th 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 (SMC-Pvt.) Ltd
17th Floor, Saima Trade Tower-A,
I.I. Chundrigar Road Karachi-74000

WEBSITE

www.humnetwork.tv

PAKISTAN STOCK EXCHANGE LIMITED

HUMNL

Notice Of The 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting of HUM Network Limited will be held on Tuesday, October 25, 2022 at 4:00 p.m. at ICAP Auditorium, Chartered Accountants Avenue, ICAP, Clifton, Karachi to transact the following businesses: -

Ordinary Business:

- 1- To confirm the minutes of the 17th Annual General Meeting held on November 23, 2021.
- 2- To receive, consider and adopt Annual Audited Financial Statements of the Company together with the Directors' and Auditors' reports thereon for the year ended June 30, 2022 together with the Audited Consolidated Financial Statements of the Company and the Auditors' Report thereon for the year ended June 30, 2022.
- 3- To appoint Auditors of the Company for the financial year ending June 30, 2023 and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed the name of retiring auditors M/s. EY Ford Rhodes, Chartered Accountants, for their appointment as external auditors for the year ending June 30, 2023.

By Order of the Board

Sd/-

Mohsin Naeem

Company Secretary

Dated: October 3, 2022

Place: Karachi

Notes:

1. Notice of Book Closure:

The Share Transfer Books of the Company will remain closed from October 18, 2022 to October 25, 2022 (both days inclusive). Transfer received in order by our Share Registrar, M/s. F.D. Registrar Services (SMC-Pvt.) Ltd. 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road Karachi-74000 at the close of business on October 17, 2022 will be considered in time for any entitlement, as recommended by the Board of Directors and for the purpose of attending the AGM.

2. Coronavirus Contingency - Participation in AGM through electronic means

- i) In view of the Coronavirus situation, the Securities and Exchange Commission of Pakistan (SECP) has, vide Circular No. 04 dated February 15, 2021 directed listed companies to provide facility for attending general meetings through electronic means as a regular feature.
- ii) Considering the above the Company has made arrangement to provide video-link facility to members who wish to participation in the AGM through electronic means.
- iii) To attend the AGM through video-link, Members are requested to register their following particulars by sending an email at Mohsin.naeem@hum.tv with subject '**Video-Link Registration for HUM AGM scheduled on October 25, 2022**', along with valid copy of CNIC (both sides) or passport as may be applicable.

Name of Member (s)	Folio / CDC Account Number/ CDC Participant ID	Number of Shares Held	CNIC/ Passport Number	Cell/Mobile Number	Email ID

- iv) The Video link and login credentials will be shared with the Members whose emails, containing all the required particulars as mentioned, are received at the given email address before the close of business hours i.e., 05:00 p.m. on October 17, 2022
- v) In case any Members who want to attend the AGM personally are advised to follow SOPs for COVID-19 as prescribed by the Government.
- vi) For any queries, the Members may please contact at the aforesaid email.

3. Appointment of Proxies and Attending AGM:

- i) A member eligible to attend and vote at the Meeting may appoint another member as his/her proxy to attend, and vote instead of him/her.
- ii) A blank instrument of proxy applicable for the meeting is being provided with the notice sent to members. Further copies of the instrument of proxy may be obtained from the registered office of the Company during normal office hours or can be downloaded from the Company's website.
- iii) A duly completed instrument of proxy and the power of attorney or other authority (if any), under which it is signed or a notarized certified copy of such power or authority must, to be valid, be deposited at the registered office not less than 48 working hours before the time of the meeting. Attested copies of valid CNIC or the passport of the member and the Proxy shall be furnished with the Proxy Form.
- iv) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted with proxy form.
- v) The owners of the physical shares and the shares registered in the name of Central Depository Company of Pakistan Ltd. (CDC) and / or their proxies are required to produce their original Computerized National Identity Card (CNIC) or Passport (in case of foreign nationals) for identification purpose at the time of attending the meeting.
- vi) CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1, dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

A. For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC), or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) the time of the meeting.

B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account, and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirements.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his original CNIC or original passport at the time of meeting.
- (v) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

- vii) In case of attending meeting by proxy through electronic means i.e., video-link facility, Cell Number and Email Id of proxy, shall be provided on the duly signed proxy form.

4. Video-Conferencing Facility for attending AGM

If members holding ten percent of the total paid up capital, are resident in any other city, the company shall provide the facility of video-conferencing to such members for attending annual general meeting of the company, if so, required by such members in writing to the company at least seven days (7) before the date of the meeting.

The Company will intimate members regarding venue of conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

Consent for Video-Conferencing Facility

I/We, _____ of _____, being a member of Hum Network Limited, holder of _____ ordinary share (s) as per Register Folio/CDC Account No _____ hereby opt for video conference facility at _____, for participation at the Annual General Meeting to be held on October 25, 2022 or any adjournment thereof

Signature of member(s)

Date: _____

5. Change in Members Addresses:

Members are requested to notify any changes in their addresses immediately to the Share Registrar M/s. F.D. Registrar Services (SMC-Pvt.) Ltd. 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road Karachi-74000.

6. Submission of Copies of Valid CNICs/NTN:

Members are requested to submit a copy of their valid CNICs/NTN Certificates along with the folio numbers to the Company's Share Registrar, if not already provided, otherwise payment of dividend would be withheld in terms of section 243 of the Companies Act, 2017 ('the Act') and clause 6 of the Companies (Distribution of Dividends) Regulations, 2017 (the Regulations").

7. Availability of Financial Statements and Reports on the Website:

The Annual Report of the Company for the year ended June 30, 2022 has been placed on the Company's website at the below link: http://www.humnetwork.tv/Annual_Financial_Reports.html

8. Electronic Circulation of Annual Report 2022 and Notice of AGM

Annual Report 2022 and notice of AGM is being circulated electronically to members via email to all those shareholders whose email addresses are available with the CDC or the Share Registrar and to remaining shareholders through CDs/DVDs.

Members who desire to receive annual financial statements and notices of the Company through email in future (instead of receiving them through CDs/DVDs) are requested to register their email address with the CDC. Members holding physical shares shall provide their email to the Share Registrar of the Company. Members who do not provide their email ids or request for a hard copy shall continue to receive their future Annual Financial Statements and reports through CD/ DVD/USB at the registered address.

The Company will provide hard copy of the Annual Report to any member, within 7 days after the receipt of request by Company under Section 235 of the Companies Act, 2017.

For the convenience of shareholders, a Standard Request Form has been made available at our website -www.humnetwork.tv. The scanned copy of the duly filled & signed form may be emailed to the Company Secretary at mohsin.naeem@hum.tv or the same can be submitted through post/courier to Company's Share Registrar - M/s. F.D. Registrar Services (SMC-Pvt.) Ltd. 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road Karachi-74000.

9. E-Dividend Mandate (Mandatory)

Under section 242 of Companies Act, 2017(Act), every listed company is required to pay dividend if any to their members compulsorily through electronic mode by directly crediting the same in their bank account provided by them. In terms of SRO No. 1145(I)/2017 dated 06 November 2017, it is mandatory for shareholders to provide their bank account details to receive their cash dividend directly into their bank accounts, failing which the company shall be bound to withhold dividend of those members who do not provide their bank details.

All members are required to provide to the Company's Share Registrar, particulars relating to name, folio number, bank account number (24-digit IBAN), title of account, complete mailing address of the bank. CDC account holders should submit their request directly to their broker (participant)/CDC. A Form is available at the Registered Office of the Company and the same are also placed on the Company's website.

10. Unclaimed Dividend / Shares

Pursuant to Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the company, which remain unclaimed or unpaid for a period of three years from the date it became due and payable shall vest with the Federal Government after compliance of procedures prescribed under the Companies Act, 2017.

All valued members of the Company, who by any reason, could not claim their dividend/shares, if any, are requested to contact Company's Share Registrar, to file their claims with Company's Share Registrar for any unclaimed dividend or shares outstanding in their name.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

11. Conversion of physical shares into book-entry form

Pursuant to Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017.

The shareholders having physical shares are encouraged to convert their physical shares into book-entry form by depositing shares into Central Depository Company Pakistan Limited by opening CDC sub-account with any broker or investor accounts directly with CDC.

Pattern Of Shareholding

As At June 30, 2022

Number Of Shareholders	From	Shareholding Slab	To	Total Shares Held
477	1	-	100	12,369
854	101	-	500	395,602
855	501	-	1000	844,014
1949	1001	-	5000	6,032,627
930	5001	-	10000	7,883,011
336	10001	-	15000	4,446,668
250	15001	-	20000	4,687,423
167	20001	-	25000	3,941,295
123	25001	-	30000	3,563,080
82	30001	-	35000	2,762,400
83	35001	-	40000	3,236,000
45	40001	-	45000	1,954,500
134	45001	-	50000	6,644,410
25	50001	-	55000	1,334,005
36	55001	-	60000	2,110,725
25	60001	-	65000	1,591,800
29	65001	-	70000	1,987,565
23	70001	-	75000	1,710,500
15	75001	-	80000	1,184,500
6	80001	-	85000	502,400
17	85001	-	90000	1,506,500
14	90001	-	95000	1,311,130
89	95001	-	100000	8,881,299
11	100001	-	105000	1,130,500
8	105001	-	110000	873,000
11	110001	-	115000	1,255,500
8	115001	-	120000	955,000
6	120001	-	125000	750,000
8	125001	-	130000	1,029,000
9	130001	-	135000	1,202,050
8	135001	-	140000	1,115,000
5	140001	-	145000	720,000
24	145001	-	150000	3,589,968
2	150001	-	155000	303,000
4	155001	-	160000	634,450
4	160001	-	165000	653,000
2	165001	-	170000	340,000
2	170001	-	175000	350,000
3	185001	-	190000	568,000
4	190001	-	195000	767,500
26	195001	-	200000	5,199,500
3	200001	-	205000	606,079
3	205001	-	210000	626,500
3	210001	-	215000	638,503

Number Of Shareholders	Shareholding Slab			Total Shares Held
	From		To	
5	215001	-	220000	1,096,850
5	220001	-	225000	1,118,500
3	225001	-	230000	683,800
1	230001	-	235000	233,000
1	235001	-	240000	240,000
2	240001	-	245000	487,500
8	245001	-	250000	2,000,000
1	250001	-	255000	251,000
4	255001	-	260000	1,039,000
1	260001	-	265000	264,000
2	265001	-	270000	537,500
7	270001	-	275000	1,914,000
1	275001	-	280000	278,000
2	280001	-	285000	564,000
13	295001	-	300000	3,900,000
2	300001	-	305000	609,500
1	310001	-	315000	312,500
1	325001	-	330000	326,000
1	330001	-	335000	330,500
2	335001	-	340000	671,500
1	340001	-	345000	345,000
1	345001	-	350000	350,000
2	350001	-	355000	709,500
1	355001	-	360000	360,000
1	360001	-	365000	365,000
1	365001	-	370000	366,000
1	370001	-	375000	372,500
1	375001	-	380000	380,000
1	385001	-	390000	385,500
5	395001	-	400000	2,000,000
2	405001	-	410000	819,000
2	410001	-	415000	830,000
1	415001	-	420000	420,000
3	420001	-	425000	1,273,000
1	425001	-	430000	430,000
3	445001	-	450000	1,345,000
1	460001	-	465000	464,000
2	465001	-	470000	936,500
1	480001	-	485000	481,000
7	495001	-	500000	3,500,000
2	520001	-	525000	1,046,900
1	525001	-	530000	529,000
2	545001	-	550000	1,100,000
1	550001	-	555000	552,000

Number Of Shareholders	Shareholding Slab			Total Shares Held
	From		To	
1	565001	-	570000	566,750
2	570001	-	575000	1,146,500
2	575001	-	580000	1,156,000
1	585001	-	590000	587,500
2	595001	-	600000	1,200,000
1	630001	-	635000	633,150
1	640001	-	645000	642,500
1	645001	-	650000	650,000
3	695001	-	700000	2,100,000
1	705001	-	710000	710,000
2	745001	-	750000	1,500,000
1	760001	-	765000	765,000
2	795001	-	800000	1,600,000
1	825001	-	830000	828,500
1	845001	-	850000	850,000
1	860001	-	865000	860,745
1	870001	-	875000	875,000
2	885001	-	890000	1,777,500
1	890001	-	895000	891,536
2	895001	-	900000	1,800,000
1	945001	-	950000	950,000
1	950001	-	955000	951,500
1	955001	-	960000	956,000
1	960001	-	965000	961,500
1	975001	-	980000	979,500
1	990001	-	995000	990,026
4	995001	-	1000000	4,000,000
1	1010001	-	1015000	1,012,500
1	1015001	-	1020000	1,017,060
1	1220001	-	1225000	1,221,500
1	1245001	-	1250000	1,250,000
1	1280001	-	1285000	1,283,000
1	1445001	-	1450000	1,450,000
2	1495001	-	1500000	2,999,500
1	1510001	-	1515000	1,515,000
1	1525001	-	1530000	1,525,815
2	1595001	-	1600000	3,197,500
1	1645001	-	1650000	1,649,000
1	1650001	-	1655000	1,653,750
1	1745001	-	1750000	1,750,000
1	1765001	-	1770000	1,768,000
2	1995001	-	2000000	4,000,000
1	2095001	-	2100000	2,100,000
1	2430001	-	2435000	2,434,500

Number Of Shareholders	Shareholding Slab			Total Shares Held
	From		To	
1	2525001	-	2530000	2,529,000
1	2570001	-	2575000	2,575,000
1	2585001	-	2590000	2,588,401
1	2630001	-	2635000	2,635,000
1	2695001	-	2700000	2,700,000
1	3000001	-	3005000	3,001,500
1	3395001	-	3400000	3,399,500
1	3455001	-	3460000	3,456,000
1	3520001	-	3525000	3,525,000
1	3595001	-	3600000	3,600,000
1	3605001	-	3610000	3,605,500
1	3645001	-	3650000	3,648,000
1	3995001	-	4000000	4,000,000
1	4175001	-	4180000	4,177,000
1	4220001	-	4225000	4,223,500
1	4930001	-	4935000	4,934,000
2	4995001	-	5000000	10,000,000
1	5060001	-	5065000	5,061,000
1	5200001	-	5205000	5,201,500
1	5960001	-	5965000	5,961,500
1	6195001	-	6200000	6,200,000
1	6700001	-	6705000	6,702,079
1	9260001	-	9265000	9,262,050
1	9615001	-	9620000	9,617,000
1	11355001	-	11360000	11,356,500
1	12570001	-	12575000	12,575,000
1	14395001	-	14400000	14,400,000
1	15520001	-	15525000	15,524,763
1	16545001	-	16550000	16,546,841
1	16715001	-	16720000	16,717,500
1	16730001	-	16735000	16,732,501
1	19295001	-	19300000	19,300,000
1	37470001	-	37475000	37,473,000
1	48765001	-	48770000	48,765,620
1	202575001	-	202580000	202,580,000
1	229620001	-	229625000	229,621,990
6921				945,000,000

Additional Information

As of June 30, 2022

Shareholders' Category	Shareholders	Shares Held	Percentage
Directors, heir Spouse(s) and Minor Children			
Duraid Qureshi	3	432,202,000	45.74
Sultana Siddiqui	2	219,860	0.02
Mazhar Ul Haq Siddiqui	1	10	0.00
Mehtab Akbar Rashdi	1	10	0.00
Asif Yasin Malik	1	10	0.00
Sohail Ansar	1	1,000	0.00
Shunaid Qureshi	2	50,865,620	5.38
Muhammad Ayub	1	10,000	0.00

Associated Companies, Undertakings and related parties

- - -

Executives

- - -

Public Sector Companies and Corporations

- - -

Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance, Takaful, Modaraba and Pension Funds

8 51,228,170 5.42

Mutual Funds

23 74,474,087 7.88

General Public

a. Local	6794	230,902,060	24.43
b. Foreign	5	570,000	0.06

Foreign Companies

1 5,000 0.00

Others

78 104,522,173 11.06

Totals	6921	945,000,000	100.00
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Shareholders holding 10% or more voting interest	Share Held	Percentage
Mr. Duraid Qureshi	432,202,000	45.74

Corporate Calendar

MEETINGS	DATE
16th Annual General Meeting to consider accounts of the Company for the year ended June 30, 2020	July 16, 2021
Audit Committee Meeting to consider accounts of the Company for the Quarter ended September 30, 2020	Sep 22, 2021
Audit Committee Meeting to consider accounts of the Company for the Quarter ended December 31, 2020	Sep 22, 2021
Audit Committee Meeting to consider accounts of the Company for the Quarter ended March 31, 2021	Sep 22, 2021
Board of Directors Meeting to consider accounts of the Company for the Quarter ended September 30, 2020	Sep 23, 2021
Board of Directors Meeting to consider accounts of the Company for the Quarter ended December 31, 2020	Sep 23, 2021
Board of Directors Meeting to consider accounts of the Company for the Quarter ended March 31, 2021	Sep 23, 2021
Audit Committee Meeting to consider and approve the annual audited accounts of the Company for the year ended June 30, 2021	Oct 22, 2021
Board of Directors Meeting to consider the annual audited accounts of the Company for the year ended June 30, 2021	Oct 22, 2021
17th Annual General Meeting to consider accounts of the Company for the year ended June 30, 2021	Nov 23, 2021
Audit Committee Meeting to consider accounts of the Company for the Quarter ended September 30, 2021	Nov 26, 2021
Board of Directors Meeting to consider accounts of the Company for the Quarter ended September 30, 2021	Nov 26, 2021
Audit Committee Meeting to consider accounts of the Company for the Quarter ended December 31, 2021	Jan 28, 2022
Board of Directors Meeting to consider accounts of the Company for the Quarter ended December 31, 2021	Jan 28, 2022
Audit Committee Meeting to consider accounts of the Company for the Quarter ended March 31, 2022	Apr 25, 2022
Board of Directors Meeting to consider accounts of the Company for the Quarter ended March 31, 2022	Apr 25, 2022

Six Years At A Glance

Key Financial Data

OPERATING DATA

	2017	2018	2019	2020	2021	2022
Revenue-Net	4,643,648,317	4,609,478,886	3,979,099,138	3,679,468,088	4,327,326,066	6,018,969,888
Cost of production	(2,669,283,288)	(2,853,147,800)	(3,495,240,846)	(2,756,142,547)	(2,766,997,559)	(3,454,551,987)
Transmission Cost	(86,925,178)	(177,878,025)	(193,223,194)	(139,069,102)	(90,436,188)	(100,165,940)
Gross profit	1,887,439,851	1,578,453,061	290,635,098	784,256,439	1,469,892,319	2,464,251,961

PROFIT AFTER TAXATION

(Loss)/Profit before taxation	1,095,402,936	812,155,067	(454,725,557)	(136,120,065)	1,107,143,492	1,514,839,878
Taxation	(80,019,958)	(82,661,579)	(81,157,536)	22,881,574	(92,746,807)	(150,934,865)
Profit after taxation	1,015,382,978	729,493,488	(535,883,093)	(113,238,491)	1,014,396,685	1,363,905,013

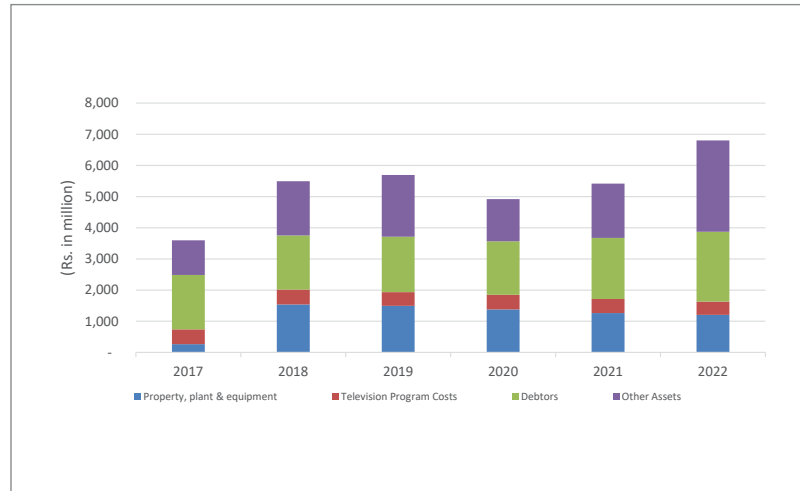
Financial Ratios

	2017	2018	2019	2020	2021	2022
Current Ratios	5.07	4.68	2.25	2.85	3.40	3.11
Quick ratio	5.06	4.65	2.24	2.83	3.38	3.10
Debt/ Equity Ratio	0.01	0.31	0.53	0.44	0.18	0.09
Cash flow per share- Rs.	0.40	0.18	0.16	0.15	0.38	0.88
Return on equity - %	33.20	19.75	(16.97)	(3.71)	24.96	26.76
Share Price per share - Rs.	11.74	8.09	3.17	12.55	8.02	7.12
Break-up value per share - Rs.	3.24	3.91	3.34	3.23	4.30	5.39
Gross Profit / (Loss) to Sales - %	40.65	34.24	7.30	21.31	33.97	40.94
Cost of Production To Sales- %	57.48	61.90	87.84	74.91	63.94	57.39
Administrative Expenses to Sales - %	12.02	11.50	12.54	12.91	11.80	9.70
Net profit / (Loss) to Sales - %	21.87	15.83	(13.47)	(3.08)	23.44	22.66
Interest Cover - number of times	58.30	28.38	(2.27)	0.43	12.03	21.65
Debtors Turnover (number of days)	127	138	161	173	155	127
Price earning ratio	10.93	10.48	(5.59)	(104.73)	7.47	4.93
Turn Over to Total Asset Ratio	1.33	0.86	0.71	0.77	0.82	0.91
Earnings/(Loss) per share Rs.	1.07	0.77	(0.57)	(0.12)	1.07	1.44

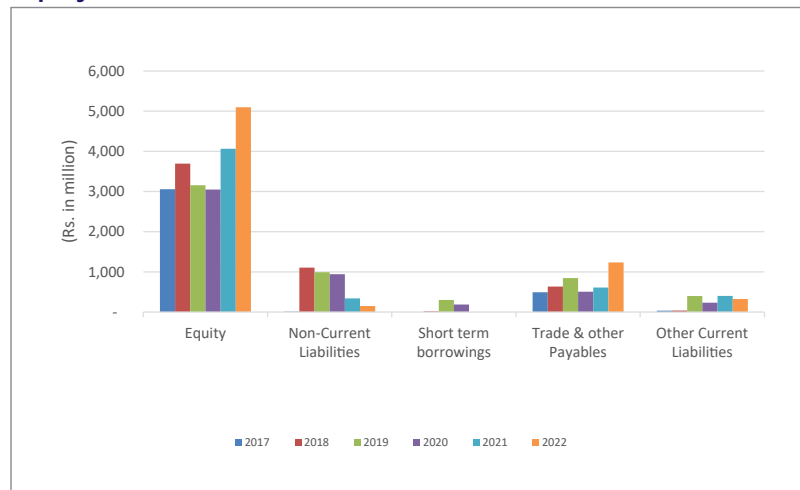
Graphical Presentation

Analysis of Statement of Financial Position and Profit or Loss Account

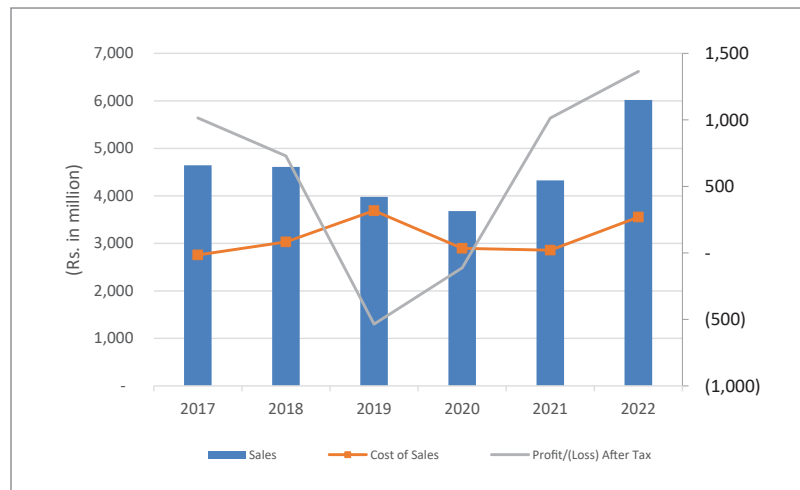
Assets



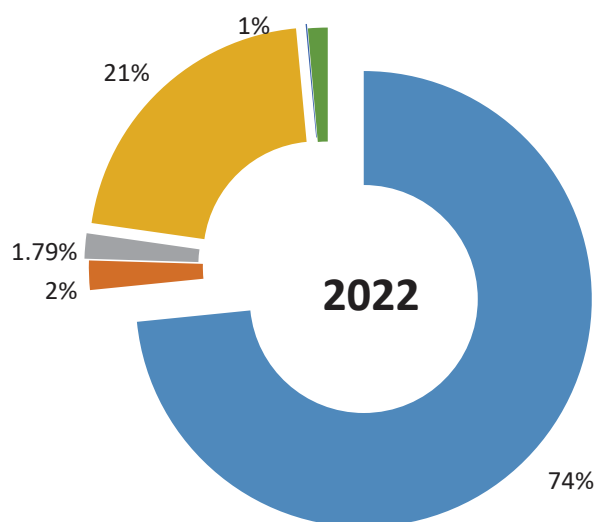
Equity & Liabilities



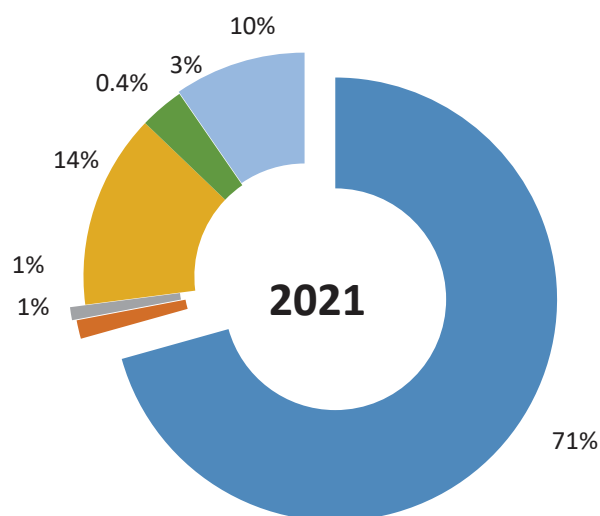
Sales and Cost of Sales



Break-up of Revenue Streams

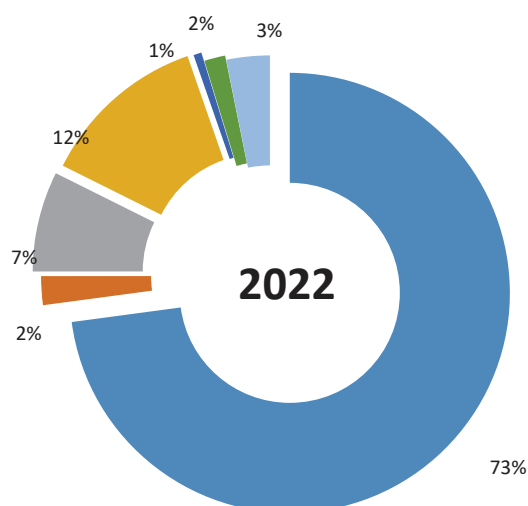


- Advertisement revenue - net
- Production revenue - net
- Digital revenue - net
- Subscription income - net
- Other Income

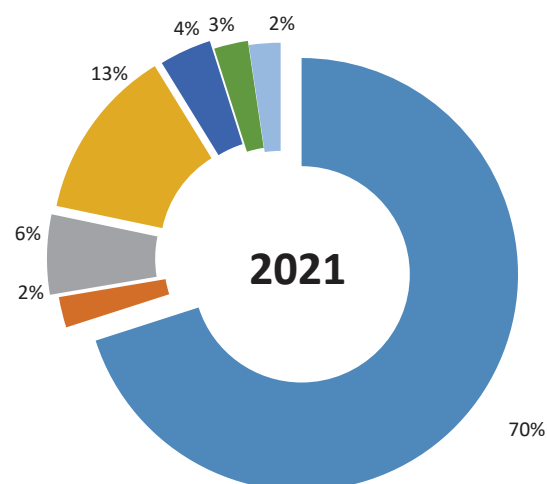


- Advertisement revenue - net
- Production revenue - net
- Digital revenue - net
- Subscription income - net
- Film distribution revenue - net
- Other Income
- Gain on sale of NCA held for sale

Break-up of Cost

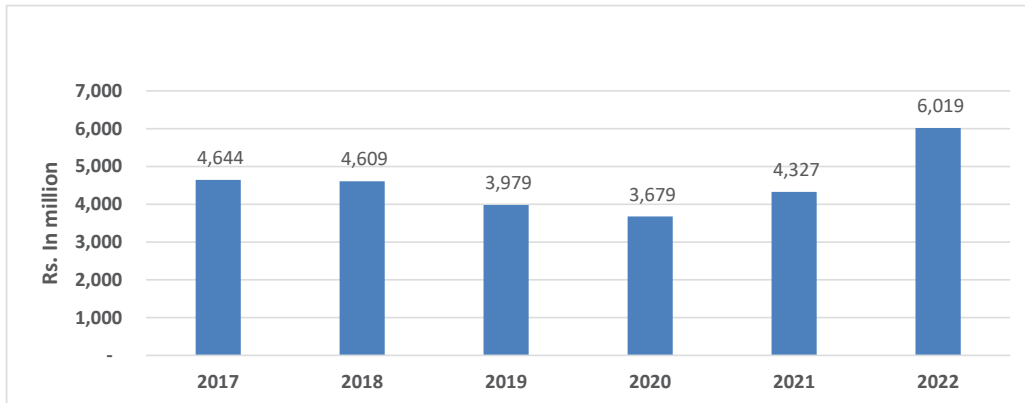


- Cost of production
- Transmission cost
- Distribution costs
- Administrative expenses
- Other expenses
- Finance costs
- Taxation

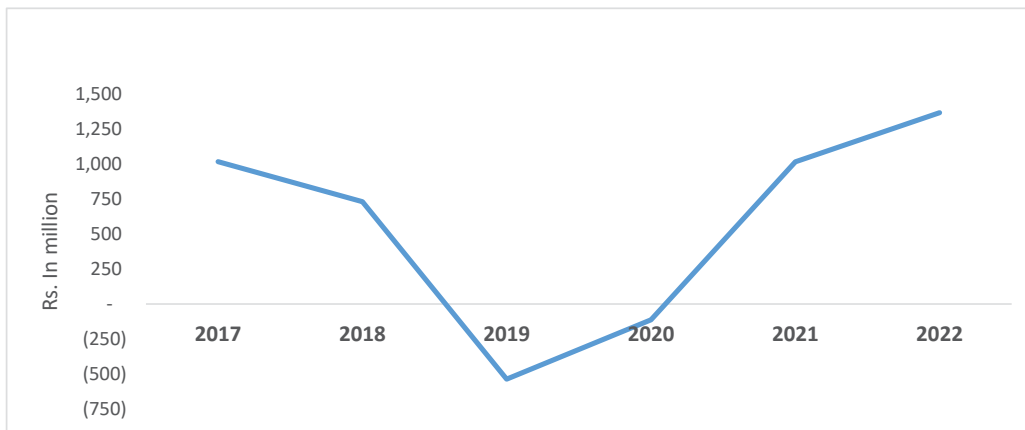


- Cost of production
- Transmission cost
- Distribution costs
- Administrative expenses
- Other expenses
- Finance costs
- Taxation

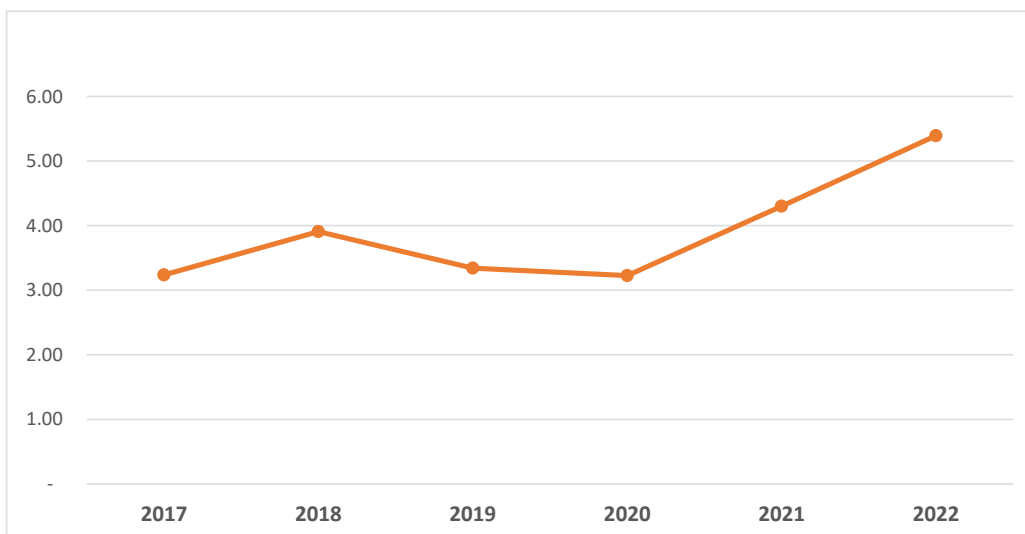
Net Revenue



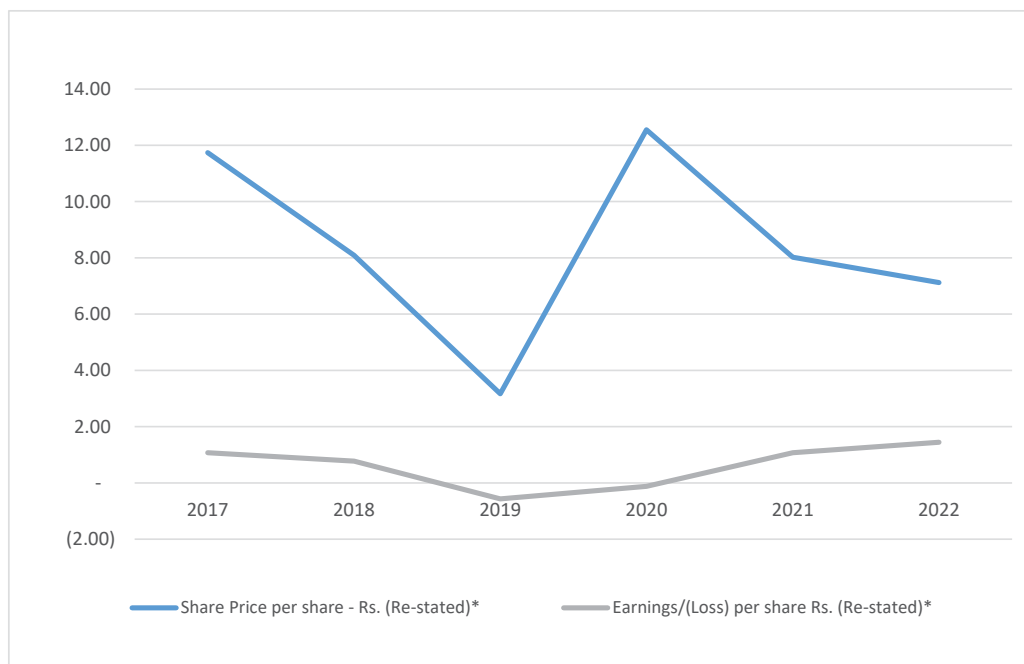
Profit After Tax



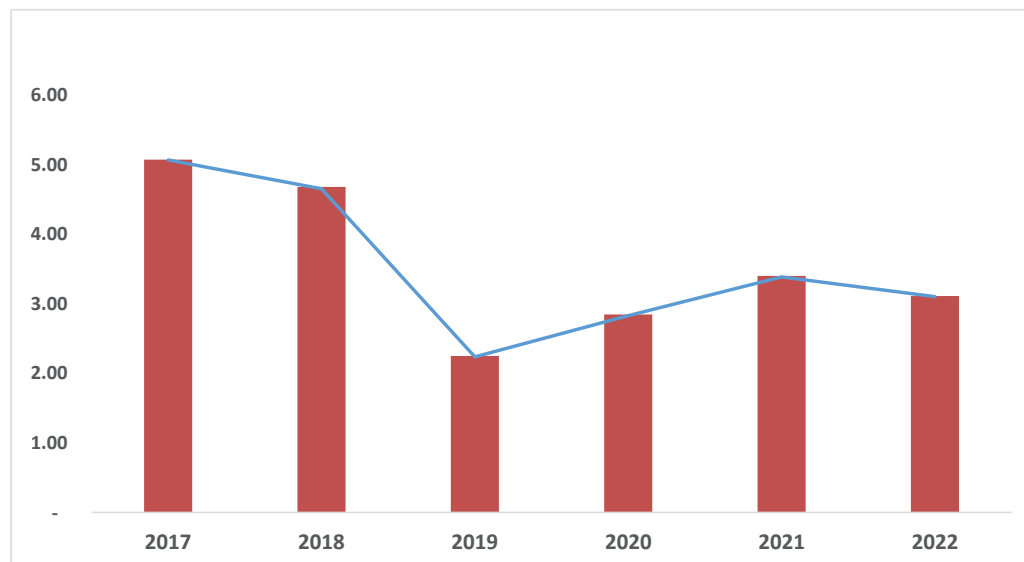
Breakup Value Per Share



EPS vs Share Price



Current Ratio





Building a better
working world

Independent Auditor's Review Report

To the members of Hum Network Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Hum Network Limited (the Company) for the year ended 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

EY Ford Rhodes
Chartered Accountants
Place: Karachi
Date: September 27, 2022
UDIN Number : CR202210120hB7ulrdTP

Statement Of Compliance With The Listed Companies (Code Of Corporate Governance) Regulations, 2019 (“The Regulations”)

HUM Network Limited (“the Company”)

for the year ended June 30, 2022

The Company has complied with the requirements of the Regulations in the following manner:

1. The total of number of directors are 09 as per the following (As at June 30,2022):

Male	Six (6)
Female	Three (3)

2. The composition of the board is as follows (As at June 30, 2022):

Category	Name
Independent directors*	Mr. Sohail Ansar Mr. Muhammad Ayub Younus Adhi
Non-executive directors	Mr. Mazhar ul Haq Siddiqui Mr. Shunaid Qureshi Mrs. Mahtab Akbar Rashdi Lt. Gen.(R) Asif Yasin Malik Ms. Khush Bakht Shujat
Executive directors	Ms. Sultana Siddiqui Mr. Duraid Qureshi
Female directors	Ms. Sultana Siddiqui Mrs. Mahtab Akbar Rashdi Ms. Khush Bakht Shujat

* Ms. Nabigha Nasser Masood had resigned as independent director of Hum Network Limited as at April 25, 2022.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act

- and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;
 9. The Company is compliant with the requirements of Directors' Training Program provided in these Regulations. All the Directors except one have either attended the required training in prior years or stand exempted, as per criteria mentioned in the Code;
 10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with requirements of the Regulations;
 11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
 12. The Board has formed committees comprising of members given below:

<ol style="list-style-type: none"> a. Audit Committee Mr. Sohail Ansar – Chairman (Independent) Mr. Shunaid Qureshi (Non-Executive) Mrs. Mahtab Akbar Rashdi (Non-Executive) Lt. Gen. (R) Asif Yasin Malik (Non-Executive) 	<ol style="list-style-type: none"> b. Human Resource and Remuneration Committee Mr. Sohail Ansar – Chairman (Independent) Ms. Sultana Siddiqui (Executive) Mrs. Mahtab Akbar Rashdi (Non-Executive)
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 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
 14. The frequency of the meetings of the committees were as follows:
 - a. Audit Committee – Seven [7] meetings during the financial year ended June 30, 2022.
 - b. Human Resource and Remuneration Committee – Two [2] meetings during the financial year ended June 30, 2022.
 15. The Board has set up an effective internal audit function with the support of an outsourced the internal audit function to M/s. KPMG Taseer Hadi & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
 18. We confirm that all requirements of regulations including 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



DURAID QURESHI
Chief Executive

Date: September 19, 2022
Place: Karachi



MAZHAR-UL-HAQ SIDDIQUI
Chairman & Director



Mazhar-ul-Haq Siddiqui

Chairman's Review Report

I am pleased to present the annual review as Chairman of the Board of Directors of HUM Network Limited for the year ended June 30, 2022.

Once again it has been a successful year for the Company. The increase in revenue is a direct result of the decisions and strategies adopted by the Board venturing into new revenue streams including digital media sector. The Board has performed their duties diligently while upholding the values and interest of the shareholders of the Company.

The Board of directors comprise of a rich mix of experience and expertise in the field of entertainment industry, finance and compliance. BOD members are well aware of their responsibilities while ensuring adequate policies and measures are in place which are in line with the vision of HNL.

Furthermore, the BOD has ensured that the financial disclosures are accurate and truly represent the affairs of the company. This accountability is enforced by the International Financial Reporting Standard (IFRS), Companies Act, 2017, Listing Regulations and others relevant laws and regulations. The Board has fulfilled all of their mandatory responsibilities including providing strategic direction to the management and ensuring compliance with all legal and regulatory requirements by the management of the Company.

The Board is constituted of Audit Committee and Human Resource and Remuneration Committee. These committees provided valuable input and assistance to the Board. The Audit Committee particularly focused on detailed review of financial statements and effectiveness of internal controls. Further, an annual evaluation of the Board of Director's overall performance is conducted to ensure compliance with the requirement of the Code of Corporate Governance and the Companies Act, 2017. On the basis of the feedback received through this mechanism overall role of the Board has been found to be effective.

I would like to appreciate and thank my fellow board members, shareholders, all our employees, lenders and loyal viewers for their continued efforts and support.

A handwritten signature in dark ink, appearing to be 'Mazhar-ul-Haq Siddiqui', written in a cursive style.

Mr. Mazhar-ul-Haq Siddiqui

Chairman of the Board

Date: September 19, 2022

چیرمین کی جائزہ رپورٹ

مجھے ہم نیٹ ورک لمیٹڈ کے بورڈ آف ڈائریکٹرز کے چیرمین کے طور پر ۳۰ جون ۲۰۲۲ء کو ختم ہونے والے سال کے لیے سالانہ جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

ایک بار پھر کمپنی کے لیے یہ ایک کامیاب سال رہا ہے۔ بورڈ کی طرف سے اختیار کیے گئے فیصلوں اور حکمت عملیوں کے نتیجے میں آمدنی میں اضافہ ہوا جس میں ڈیجیٹل میڈیا سیکٹر سمیت آمدنی کے نئے سلسلے میں قدم رکھا گیا ہے۔ بورڈ نے کمپنی کے حصص یافتگان کی اقدار اور مفادات کو برقرار رکھتے ہوئے تندرستی سے اپنے فرائض سرانجام دیئے۔

بورڈ آف ڈائریکٹرز انٹرنیشنل انڈسٹری، فنانس اور تعمیل کے شعبے میں تجربہ کار اور مہارت کے بھرپور مرکب پر مشتمل ہے۔ بورڈ آف ڈائریکٹرز ممبران اپنی ذمہ داریوں سے بخوبی واقف ہیں جبکہ اس بات کو یقینی بناتے ہوئے کہ مناسب پالیسیاں اور اقدامات موجود ہیں جو بیچ این ایل کے وژن کے مطابق ہیں۔

مزید برآں، بورڈ آف ڈائریکٹرز کے ممبران اس بات کو یقینی بناتے ہیں کہ مالیاتی افکشافات درست ہیں اور کمپنی کے معاملات کی صحیح معنوں میں نمائندگی کرتے ہیں۔ یہ احتساب بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ (آئی ایف آر ایس) کمپنیز ایکٹ ۲۰۱۷ء فہرست سازی کے ضوابط اور دیگر متعلقہ قوانین اور ضوابط کے ذریعے نافذ کیا جاتا ہے۔ بورڈ نے اپنی تمام اہم ذمہ داریوں کو پورا کیا ہے جس میں انتظامیہ کو حکمت عملی فراہم کرنا اور کمپنی کی انتظامیہ کی جانب سے تمام قانونی اور ریگولیٹری تقاضوں کی تعمیل کو یقینی بنانا شامل ہے

بورڈ نے آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی تشکیل دی ہے۔ ان کمیٹیوں نے بورڈ کو قیمتی ان پٹ اور تعاون فراہم کیا ہے۔ آڈٹ کمیٹی نے خاص طور پر مالی بیانات کے تفصیلی جائزے اور انٹرئل کنٹرول کی تاثیر پر توجہ مرکوز کی۔ مزید برآں، بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی کا سالانہ جائزہ کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ ۲۰۱۷ء کے تقاضوں کے مطابق لیا جاتا ہے۔ اس طریقہ کار کے ذریعے موصول ہونے والے تاثرات کی بنیاد پر بورڈ کا مجموعی کردار موثر پایا گیا ہے۔

میں اس موقع پر طویل مدت کے لیے انتظامیہ کی حکمت عملی کی بھی تعریف کرنا چاہوں گا کہ جو کہ واضح اور مناسب ہے اور تمام اسٹیک ہولڈرز بشمول ہمارے قابل قدر کلائنٹس، سپلائرز، بینکوں اور شیئر ہولڈرز کے مسلسل تعاون پر ان کا شکریہ ادا کرتا ہوں۔

بورڈ کی جانب سے



جناب مظہر الحق صدیقی

چیرمین بورڈ

کراچی؛ مورخہ ۱۹ ستمبر ۲۰۲۲ء

Directors' Report

The Directors of Hum Network Limited (HNL) are pleased to present the Annual Report together with the Company's audited financial statement for the year ended 30 June 2022.

Financial Performance

The financial performance of your Company for the year ended June 30, 2022 is summarized below:

HUM NETWORK LIMITED				
Particulars	Unconsolidated Financial Statements		Consolidated Financial Statements	
	2022	2021	2022	2021
Revenue from operations	6,018,969,888	4,327,326,066	6,544,962,442	4,993,729,036
Other income	84,936,683	160,572,097	24,041,652	162,914,752
Gain on sale of non-current assets held of sale	-	476,832,913	-	476,832,913
Total Income	6,103,906,571	4,964,731,076	6,569,004,094	5,633,476,701
Total expenses	(4,589,066,693)	(3,857,587,584)	(5,022,044,745)	(4,574,252,149)
Profit before tax	1,514,839,878	1,107,143,492	1,546,959,349	1,059,224,552
Taxation	(150,934,865)	(92,746,807)	(151,853,694)	(98,031,756)
Profit after tax	1,363,905,013	1,014,396,685	1,395,105,655	961,192,796

During the year, our net revenues increased by 39% due to positive growth in all revenue streams especially in hum news and digital media sector revenues which witnessed a comparable growth of 133% and 84% respectively from last year. The reason for significant increase in profits for the year was mainly due to revamped social media strategy along with efficient cost management which resulted in maintaining the costs while increasing Company's income. The nature of our business gives us this unique opportunity to venture into new avenues and we further strengthened our ability to navigate temporary setbacks created by external factors. This year we continued with the Company's vision of investing in quality content which translated into viewership growth and increase in popularity. The Company's earnings per share is Rs. 1.44 in FY2022 as compared to Rs. 1.07 in FY2021.

Principal Activities

HNL is one of the leading media networks of Pakistan and has predominantly been an entertainment provider for more than 17 years now. HUM is already Pakistan's most admired media brand, and our content reaches millions of people through our domestic and international bouquet of channels and multiple distribution platforms worldwide including films, digital, print media and live events. Broadcasting portfolio consists of satellite channels namely HUM TV, HUM News, HUM Sitaray, HUM Masala and HUM World (including separate beams for North America, UK & Middles East).

The External Environment

In response to Coronavirus (COVID-19) pandemic the Company implemented strict measures at all of its offices in line with the guidelines issued by the Government. Steps taken by the Company include transforming the workspace, enforcing social distancing norms and following hygiene protocols. The management also adopted "Work from Home" on occasions when there was a spike in spread of virus. Frequent sanitization of all surfaces was maintained, and hand sanitizers were placed at all strategic locations within the office premises.

Operational Performance

Despite pricing challenges, stiff ratings competition and the negative macro-economic indicators in the industry, the network grew its dominance during the year in operational revenues, viewership and TRP ratings.

Hum TV

HUM TV throughout the years of being the leading entertainment network, has used this platform to bring awareness amongst masses on issues faced by women, minorities and social injustices. The audience responded positively with the content that highlighted the plights of the regular people, while the stories kept them hooked to their screens with engaging storylines and awe-inspiring performances.

This year we continued to offer viewers with the best of Pakistani dramas, soaps and stories. TRP-topping dramas introduced during the year like “Parizaad”, “Hum Kahan Ke Sachay Thay”, “Dobara”, “Sang-e-Mah”, “Badshah Begum”, were the most watched prime time dramas.

Ramzan special series “Hum Tum” and “Paristan” became this season’s hits. These rom-coms did the rounds on our TV screens this year with many loving the sizzling chemistry between the characters. These dramas have shifted towards light-hearted comedy, steering away from the typical depiction of pre-marital affairs, divorce, domestic abuse and family disputes. The bright family comedies were lauded by the audiences for their uniqueness.

Hum News

HUM News in these polarized times has maintained its news reporting as independent and fact based. This is achieved with special attention to the data-based-journalistic stories which lay foundation in explaining the problems. Moreover, the painstakingly collected data assists in developing better understanding of the issues we share with our viewers. HUM News is not only striving to give hope to our society but also revamping the Pakistan news industry by objective reporting methods. HUM News aims to articulate dreams and aspirations of the 21st century Pakistan and to raise the bar of broadcast journalism through factual, objective, balanced and fair coverage.

Hum Sitaray

The channel is positioned as a hybrid channel offering both narrative as well as format-based entertainment shows. The content mix consists of Dramas, Soap operas, fashion lifestyle shows, Celebrity talk shows and international contents.

Hum Masala

HUM MASALA is South Asia’s first and Pakistan’s only 24-hour cooking channel which celebrated the 15th anniversary with full zeal. Apart from the chefs, a lot of celebrities were also spotted at the anniversary. HUM Masala is not only immensely popular in Pakistan but has received overwhelming response from South Asian food lovers from around the globe. As the pioneer 24-hour cooking channel in South Asia, Masala has set high standards for its current and future competitors.

Pakistan’s biggest family festival, “Masala Family Festival” was organized in Karachi and Lahore in March 2022 which included musical performances, magic and comedy segments, live cooking demonstrations, dance and singing competitions and a chance to meet with their favorite celebrity chefs.

Digital Media Division

Digital Media division has continued its remarkable growth in the year 2021-22. One of the major breakthroughs includes significant growth on social media platforms (Facebook, Instagram, Twitter and YouTube) following the continued implementation of revamped Social Media Strategy. Our major digital sponsors include corporations like Unilever Pakistan, ITEL Mobiles, Master Paints and Dawlance for Awards and Dramas.

Direct sales (local web advertisers) have been another business avenue that has continued to grow significantly this year as we have open opportunities for digital sponsorship.

“Parizad” and “Hum Tum” emerged as worldwide hits crossing cumulative 100 million views each, on YouTube along with multiple episodes and hashtags trending not just in Pakistan, but in other south Asian and middle eastern countries.

Events & Brand Activation

Over the last decade HNL has played a key role in supporting and developing the drama, fashion, food and music industry in Pakistan.

Bridal Couture Week (Bcw)

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.

Hum Style Awards

The 5th Hum Style Awards took place in July 2021 in Lahore, celebrating the best of fashion and style from television, film, music, sports and fashion fraternity. It was a night of glitz and glamour as stars walked on the red carpet, dressed to their nines.

HUM WOMEN LEADERS AWARDS

The third edition of HUM Women Leaders Awards brought entertainers, policymakers and activists together under one roof. For a third consecutive year, Hum TV honoured 11 iconic women for their tireless journey towards self-empowerment in a variety of fields. President Dr. Arif Alvi graced the event and lauded womenfolk and the challenges they overcome every day in their pursuit of freedom and independence.

Human Resource Management

The Network views its human resource as the most valuable asset and pays special attention towards developing an atmosphere which fosters growth, high performance, adherence to organizational values and business ethics.

Core Values

HUM Network Limited is continuously striving to provide an enabling corporate and social work environment to its employees as this helps them to work in complete harmony in a healthy and professional way.

For this very purpose the HUM Network Family has developed the following core values.

1. Integrity & Honesty
2. Respect for All
3. Commitment/Dedication/ Ownership
4. Accountability & Objectivity
5. Team Work
6. Discipline
7. Safety/Health & Hygiene

We adhere to the above core values in all the initiatives that we undertake as this helps in promoting a culture of fairness, objectivity and teamwork.

Risk Management

The Company has a robust Risk Management framework to identify, measure and mitigate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage. This risk framework thus helps in managing industry, external and regulatory risks and quantifies exposure and potential impact at a Company level.

Industry Risk

Entertainment industry is highly competitive with ever changing audience demands and trends creating an environment of stiff competition with domestic as well as international players all competing for the audience time.

With increasing availability of affordable internet plans, smart phones and laptops, digital media sector has ballooned to new heights piquing the interest of many new entrants in the industry along with ever increasing migration of media sponsors to digital media from television. In response to rapid growth in digital sphere, the Company has developed a digital media strategy to make most of this opportunity.

External Risk

The advertisement revenues of the media industry are inextricably linked to the economic growth of the country. Poor macro-economic environment can adversely impact the advertising revenues of the Company, which is the largest component of our revenues.

Our country has a running Current Account Deficit (CAD) which heavily impacts PAK-USD currency disparity and fluctuation. Any extreme fluctuation in PAK-USD currencies could have a massive impact on our economy, thus on our company affecting our revenues and expenses.

Regulatory Risk

Any changes in law and regulations could have a material impact on the revenues and cost of doing business for the Company.

Cash Flow And Liquidity

The Company is constantly monitoring the cash flows to ensure overall liquidity. The Company's net cash flow from operations was Rs. 1,819 million (2021: 616 million) in spite of higher working capital requirements. The Company was able to manage its operating cash flows by ensuring tight credit controls and reduced indirect costs over the course of the year. The Company continued to monitor interest and foreign exchange rates to take advantage of any potential saving or hedging opportunities.

Corporate Social Responsibility

We are committed to Corporate Social Responsibility (CSR) and integration of sound social practices in our day-to-day business activities. We measure our success not only in terms of financial standards but also in building and supporting the communities we serve.

Among other measures, the Company also collaborated with Momina & 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.

Employee Training & Development

As part of our annual appraisal exercise, each employee is assessed and counseled on individual basis. Training sessions are arranged on the basis of needs identified which creates growth opportunities for employees and provide us with highly motivated and trained resource.

Status Of The Board During The Year

The term of Board expired on August 22, 2020 and fresh election was scheduled for August 2020. Since the number of eligible candidates were equal to the number of directors fixed for election, the Company made the announcement on August 13, 2020 under section 159(4) of the Companies Act, 2017. The aforesaid election of directors was questioned by the ineligible candidates. Consequently, the elected directors also filed a Suit. The Honorable Sindh High Court through Order dated: 21.08.2020 has directed the Company that the elections scheduled to be held on August 22, 2020 would be postponed and rescheduled subject to the final decision by the learned single Judge of CMA No. 6787 of 2020 in Suit No. 968/2020. The final decision of the court is still awaited.

However, upon clarification from the SECP and after placing said clarification on record with the Honorable High Court of Sindh, the Company proceeded with the previous Board to carry out its statutory functions.

Future Prospects & Challenges

Your Company successfully navigated through the COVID-19 pandemic by not only managing business operations through COVID-19 restrictions, slowed economies, tied up cash flows and changing viewer habits, but also implemented strategies to grow the revenue base, viewership and the content being premiered.

The Company expects the coming years to be challenging. With uncertainty even after securing of bailout package from International Monetary Fund (IMF), other factors which include are massive human and financial losses by devastating flood, high inflation, rising energy prices and volatility in the exchange rate, political turmoil we anticipate Pakistan's economy will remain precarious which could result in margin erosion.

Decrease in advertisement revenue due to economy's slowdown and increase in cost of production and other expenses due to steep inflation and various factors will have an impact on profitability. Moreover, it appears that the government will sustain higher tax rates, which will also impact the bottom line. In this context, the Company will continue its focus towards curtailing costs, while driving forward with enhanced efficiencies, increased throughput and aggressive sales efforts during this challenging time. With our inherent advantageous position in entertainment industry, we have capitalized the recent shift of advertisers and sponsors to digital media sector. The strategies implemented to generate advertisement revenues through different digital media platforms as one of the main revenue streams has already started bearing fruits with record significant increase in viewership and revenues during the current year. We plan to continue on this path by delivering quality content to take advantage of the continued strong demand.

Management of HNL is fully committed to continue to invest in our products and services, to provide premium entertainment experience for our viewers and stakeholders. As an enterprise we are well placed to deliver a much better growth, backed by our well-defined business strategies, excellent infrastructure and a robust board, we are confident about what we need to do to ensure that we emerge as an even more resilient, digital and future focused media and entertainment business.

Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) maintained the long-term and short-term entity ratings of Hum Network Limited at "A+" and "A1", respectively. These ratings denote a low expectation of credit risk and the network's established market position.

Board Composition & Remuneration

Composition of the Board and the names of members of Board Committees may be referred to Statement of Compliance with CCG.

Furthermore, the Board of Directors has a formal policy and transparent procedures for remuneration of its directors in accordance with Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019.

Pattern Of Shareholding

Pattern of shareholding as on June 30, 2022 is annexed with the annual report.

Meeting Of The Directors

During the year, seven [7] Board of Directors, seven [7] Audit Committee and two [2] Human Resource & Remuneration (HR & R) Committee meetings were held.

Attendance by each Director was as follows:

Name of Director	Board of Directors Attendance	Audit Committee Attendance	Human Resource and Remuneration
Mr. Mazhar-ul-Haq Siddiqui	6	-	-
Ms. Sultana Siddiqui	6	-	2
Mr. Sohail Ansar	6	6	2
Mrs. Mahtab Akbar Rashdi	5	5	2
Mr. Shunaid Qureshi	3	7	-
Ms. Nabigha Nasser Masood	6	-	-
Lt. Gen. (R) Asif Yasin Malik	7	7	-
Mr. Duraidd Qureshi	7	-	-
Muhammad Ayub Younus Adhi	1	-	-

Ms. Nabigha Nasser Masood resigned as the director as on April 25, 2022 and Mrs. Khushbakht Shujat has been appointed as the director of the Company with effect from June 30, 2022.

Auditors

The present auditors Messer EY Ford Rhodes Chartered Accountants shall retire and may be considered for re-appointment for the year 2022-23.

Corporate Governance And Financial Reporting Framework

- The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- There has been no departure from the best practices of transfer pricing.
- Outstanding taxes and levies are given in the Notes to the Financial Statement.
- There was no trading of shares by the Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary, their spouse and minor children.

Dividend And Appropriations

During the year the Company has paid an interim cash dividend of Rs. 0.35/- per share @35% amounting to Rs. 330,750,000/- The Board is not proposing a final payout to the shareholders with a resolve to utilize this growth in revenue and operations by directing the funds available with the Company to materialize Board's plans of growth along with achieving our vision of becoming the largest entertainment organization.

On behalf of the Board of Directors,

September 19, 2022
Karachi



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman & Director

ڈائریکٹرز رپورٹ

ہم نیٹ ورک لمیٹڈ (ایچ این ایل) کے ڈائریکٹرز ۳۰ جون ۲۰۲۲ء کو ختم ہونے والے مالیاتی سال کیلئے سالانہ رپورٹ جمع کمپنی کے آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

مالیاتی کارکردگی:

۳۰ جون ۲۰۲۲ء کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی مالی کارکردگی کا خلاصہ درج ذیل ہے:

ہم نیٹ ورک لمیٹڈ				
مجموعی مالیاتی گوشوارے		غیر مجموعی مالیاتی گوشوارے		تفصیلات
۲۰۲۱ء	۲۰۲۲ء	۲۰۲۱ء	۲۰۲۲ء	
۴,۹۹۳,۷۲۹,۰۳۶	۶,۵۴۴,۹۶۲,۴۴۲	۴,۳۲۷,۳۲۶,۰۶۶	۶,۰۱۸,۹۶۹,۸۸۸	آپریشنز سے آمدنی
۱۶۲,۹۱۴,۷۵۲	۲۴,۰۴۱,۶۵۲	۱۶۰,۵۷۲,۰۹۷	۸۴,۹۳۶,۶۸۳	دیگر آمدنی
۴۷۶,۸۳۴,۹۱۳	-	۴۷۶,۸۳۴,۹۱۳	-	فروخت میں رکھے گئے غیر موجودہ اثاثہ جات کی فروخت پر حاصل منافع
۵,۶۳۳,۴۷۶,۷۰۱	۶,۵۶۹,۰۰۴,۰۹۴	۴,۹۶۴,۷۳۱,۰۷۶	۶,۰۱۳,۹۰۶,۵۷۱	کل آمدنی
(۴,۵۷۷,۴۵۲,۱۴۹)	(۵,۰۲۴,۰۴۴,۷۴۵)	(۳,۸۵۷,۵۸۷,۵۸۴)	(۴,۵۸۹,۰۶۶,۶۹۳)	کل اخراجات
۱,۰۵۹,۰۲۴,۵۵۲	۱,۵۴۴,۹۵۹,۳۴۹	۱,۱۰۷,۱۴۳,۴۹۲	۱,۵۱۴,۸۳۹,۸۷۸	قبل از ٹیکس منافع
(۹۸,۰۳۱,۷۵۶)	(۱۵,۸۵۳,۹۶۴)	(۹۲,۷۴۶,۸۰۷)	(۱۵,۰۹۳,۸۶۵)	محصولات
۹۶۱,۱۹۲,۷۹۶	۱,۳۹۵,۱۰۵,۳۸۵	۱,۰۱۴,۳۹۶,۶۸۵	۱,۳۶۳,۹۰۵,۰۱۳	بعد از ٹیکس منافع

دوران سال، ہماری خالص آمدنی میں ۳۹ فیصد اضافہ ہوا جس کی وجہ سے تمام آمدنیوں خاص طور پر ہم نیوز اور ڈیجیٹل میڈیا سیکٹر کی آمدنی میں مثبت اضافہ ہوا، جس میں گزشتہ سال کے مقابلے میں بالترتیب ۱۳۳ فیصد اور ۸۴ فیصد کا تقابلی اضافہ ہوا۔ دوران سال منافع میں نمایاں اضافہ کی وجہ بنیادی طور پر بہتر لاگت کے انتظام کے ساتھ سوشل میڈیا کی حکمت عملی تھی جس کے نتیجے میں کمپنی کی آمدنی میں اضافہ کے ساتھ ساتھ اخراجات کو برقرار رکھا گیا۔ ہمارے کاروبار کی نوعیت ہمیں نئی راہیں تلاش کرنے کا یہ منفرد موقع فراہم کرتی ہے اور ہم نے بیرونی عوامل کی وجہ سے پیدا ہونے والے عارضی ناکامیوں کو عبور کر کے اپنی صلاحیت کو مزید مستحکم کیا۔ دوران سال ہم نے معیاری کوٹینٹ میں سرمایہ کاری کے کمپنی کے نظریہ کو جاری رکھا جس سے ناظرین کی تعداد اور مقبولیت میں اضافہ ہوا۔ کمپنی کی فی حصص آمدنی مالیاتی سال ۲۰۲۱ء کی آمدنی ۰۷۔ روپے کے مقابلے میں مالیاتی سال ۲۰۲۲ء میں ۴۴۔ روپے رہی۔

اہم سرگرمیاں:

ایچ این ایل بلاشبہ پاکستان کے معروف میڈیا نیٹ ورکس میں سے ایک ہے اور ایک دہائی سے زائد عرصے سے بنیادی طور پر تفریح فراہم کرنے والا رہا ہے۔ ہم پہلے ہی پاکستان کا سب سے زیادہ پسند کیا جانے والا میڈیا برانڈ ہے، اور ہمارا کوٹینٹ ہمارے ملکی اور بین الاقوامی چینلز اور دنیا بھر میں ایک سے زیادہ ڈسٹری بیوشن پلیٹ فارمز، فلموں، ڈیجیٹل، پرنٹ میڈیا اور لائیو ایوٹس کے ذریعے لاکھوں لوگوں تک پہنچتا ہے۔ براڈ کاسٹنگ پورٹ فولیو سیٹلائٹ چینلز پر مشتمل ہے جن میں ہم ٹی وی، ہم نیوز، ہم ستارے، ہم مصالحہ اور ہم ورلڈ (بشمول شمالی امریکہ، برطانیہ اور مشرق وسطیٰ کے الگ الگ نیم) شامل ہیں۔

بیرونی ماحول:

کورونا وائرس (کوویڈ-۱۹) کے سلسلے میں کمپنی نے حکومت کی جانب سے جاری کردہ گائیڈ لائنز کے مطابق اپنے تمام دفاتر میں سخت ترین اقدامات نافذ کئے ہیں۔ کمپنی کی طرف سے کئے گئے اقدامات میں کام کی جگہ کو تبدیل کرنا، سماجی فاصلہ کے اصولوں کو نافذ کرنا اور حفظان صحت کے پروٹوکول پر عمل کرنا شامل ہے۔ انتظامیہ نے ایسے مواقع پر "گھر سے کام" کو بھی اپنایا جب وباء کے پھیلاؤ میں اضافہ ہوا تھا۔ تمام جگہوں پر بار بار سینیٹائزیشن کو برقرار رکھا گیا تھا، اور دفتر کے احاطے کے اندر تمام اسٹراٹجک مقامات پر ہینڈ سینیٹائزر رکھے گئے تھے۔

عملی کارکردگی:

قیمتوں کے تعین کے چیلنجز، سخت ریٹنگ کے مقابلے اور صنعت میں منفی میکرو اکنامک اشاروں کے باوجود نیٹ ورک نے دوران سال آپریشنل آمدنی، ویور شپ اور ٹی آر پی ریٹنگز میں فوقیت کو آگے بڑھایا۔

ہم ٹی وی:

ہم ٹی وی نے معروف تفریحی نیٹ ورک ہونے کے ناطے پورے سال اس پلیٹ فارم کا استعمال خواتین، اقلیتوں اور سماجی نا انصافیوں کو درپیش مسائل کے بارے میں عوام میں بیداری لانے کے لیے کیا ہے۔ سامعین نے اس کوئٹینٹ پر مثبت رد عمل کا اظہار کیا جس میں عام لوگوں کی حالت زار کو اجاگر کیا گیا تھا، جب کہ کہانیوں نے سامعین کو دل چسپ کہانیوں اور حیرت انگیز کارکردگی کے ساتھ اپنی اسکرینوں پر مرکوز نظر رکھا۔

دوران سال ہم ناظرین کو بہترین پاکستانی ڈراموں، سوپ اور کہانیوں کے ساتھ پیش کرتے رہے۔ دوران سال پیش کیے جانے والے ٹی آر پی ٹاپنگ ڈرامے "پریزاد"، "ہم کہاں کے سچے تھے"، "دوبارہ"، "سنگ ماہ"، "بادشاہ بیگم"، سب سے زیادہ دیکھے گئے پرائم ٹائم ڈرامے تھے۔

رمضان کی خصوصی سیریز "ہم تم" اور "پرستان" اس سیزن کی کامیاب سیریز تھیں۔ اس سال کرداروں کے درمیان جذباتی محبت، رومانٹک اور کامیڈی سے بھرپور ڈرامے ہماری ٹی وی اسکرینز پر چھائے رہے، یہ ڈرامے شادی سے قبل کے معاملات، طلاق، گھریلو زیادتی اور خاندانی جھگڑوں کی عام عکاسی سے ہٹ کر ہلکی پھلکی کامیڈی پر مبنی تھے جنہیں سامعین کی جانب سے کافی پزیرائی ملی۔

ہم نیوز:

ہم نیوز نے ان پولرائزڈ اوقات کار میں اپنی خبروں کی رپورٹنگ کو آزاد اور حقائق پر مبنی کے طور پر برقرار رکھا ہے۔ ہم نیوز ڈیٹا کی بنیاد پر صحافتی کہانیوں پر خصوصی توجہ دے رہا ہے۔ اس سے مسئلہ کی وضاحت کرنے میں مدد ملتی ہے اور متعلقہ اعداد و شمار کی مدد سے بڑی محنت سے جمع کیا جاتا ہے جو بالآخر ہمارے ناظرین کو اس مسئلے کی بہتر تفہیم فراہم کرتا ہے۔ ہم نیوز نہ صرف ہمارے معاشرے کو امید دلانے کے لیے کوشاں ہے بلکہ پاکستان نیوز انڈسٹری کو معروضی رپورٹنگ کے طریقوں سے نئی شکل دے رہا ہے۔ ہم نیوز کا مقصد ۲۱ ویں صدی کے پاکستان کے خوابوں اور خواہشات کو بیان کرنا اور حقائق پر مبنی، معروضی، متوازن اور منصفانہ رپورٹنگ کے ذریعے نشریاتی صحافت کا بار بلند کرنا ہے۔

ہم ستارے:

چینل کو ایک باہر ڈچینل کے طور پر رکھا گیا ہے جو بیانیہ کے ساتھ ساتھ فارمیٹ پر مبنی تفریحی شو پیش کرتا ہے۔ جس میں کئی ڈرامے، سوپ اوپیراز، فیشن لائف اسٹائل شو، ٹاک شو اور انٹرنیشنل پروگرام پیش کئے گئے ہیں۔

ہم مصالحہ:

ہم مصالحہ جنوبی ایشیا کا پہلا اور پاکستان کا واحد ۲۴ گھنٹے کھانا پکانے والا چینل ہے جس نے اپنی ۱۵ ویں سالگرہ پورے جوش و خروش کے ساتھ منائی جس میں شیفس کے علاوہ کئی مشہور شخصیات نے بھی شرکت کی۔ ہم مصالحہ نہ صرف پاکستان میں بے حد مقبول ہے بلکہ اسے دنیا بھر سے جنوبی ایشین فوڈ پیپیمز کی طرف سے کافی پزیرائی حاصل ہوئی ہے۔ جنوبی ایشیا میں ۲۴ گھنٹے کھانا پکانے کے چینل کے طور پر، مصالحہ نے اپنے موجودہ اور مستقبل کے حریفوں کے لیے اعلیٰ معیار قائم کیا ہے۔

پاکستان کا سب سے بڑا فیملی فیسٹیول "مصالحہ فیملی فیسٹیول" مارچ ۲۰۲۲ء میں کراچی اور لاہور میں منعقد کیا گیا جس میں میوزیکل پرفارمنس، جادو اور کامیڈی سیکشنس، کھانا پکانے کے لائیو مظاہرے، ڈانس اور گانے کے مقابلے اور اپنے پسندیدہ مشہور شیفس سے ملنے کا موقع شامل تھا۔

ڈیجیٹل میڈیا ڈویژن:

ڈیجیٹل میڈیا ڈویژن نے سال ۲۰۲۱-۲۰۲۲ء اپنی غیر معمولی ترقی کو جاری رکھا۔ ایک اہم پیش رفت میں سوشل میڈیا پلیٹ فارمز (فیس بک، انسٹا گرام، ٹویٹر اور یوٹیوب) پر نظر ثانی شدہ سوشل میڈیا حکمت عملی کے نفاذ کے بعد نمایاں اضافہ شامل ہے۔ بڑے برانڈز جیسا کہ کشمیر، منگر پاکستان، ماسٹر پیٹنس اور اوپو کی جانب سے اہم ڈیجیٹل اسپانسر شپ برائے ایوارڈز اور ڈرامے ایک اور سنگ میل ہے۔ براہ راست فروخت (مقامی ویب مشہورین) ایک اور کاروباری راستہ رہا ہے جس میں اس سال نمایاں اضافہ ہوا ہے کیونکہ ہمارے پاس ڈیجیٹل اسپانسر شپ کے کھلے مواقع ہیں۔

’پری زاد‘ اور ’ہم تم‘ دنیا بھر میں ایک ہٹ سیریز کے طور پر ابھر کر سامنے آئے، جس میں سے ہر ایک کو یوٹیوب پر ۱۰۰ ملین سے زائد لوگوں نے دیکھا، اس کے ساتھ ساتھ متعدد اقساط اور پیش ٹیکز نہ صرف پاکستان بلکہ دیگر جنوبی ایشیائی اور مشرق وسطیٰ کے ممالک میں ٹرینڈ ہو رہے ہیں۔

تقاریب اور برانڈ کی سرگرمیاں:

گزشتہ دہائی کے دوران ایچ این ایل نے ڈرامہ، فیشن، فوڈ، پاکستان کی میوزک انڈسٹری میں سپورٹنگ کے حوالے سے اہم کردار ادا کیا ہے۔

برائیدل کوچر ویک (بی سی ڈبلیو):

دسمبر ۲۰۲۱ء میں سی گارڈنز لاہور میں ملک کے سب سے بڑے اور سب سے زیادہ مقبول برائیدل اسٹریو گنز کی ۱۹ ویں تقریب، ہم برائیدل کوچر ویک (ایچ بی سی ڈبلیو) نے اپنے ریڈ کارپٹ تقریب رونمائی کی جو کہ پاکستان کا سب سے مقبول ترین برائیدل شو ہے۔ یہ اپنے تخلیقی اثر و رسوخ کے ساتھ برائیدل فیشن انڈسٹری کی رہنمائی کرتا ہے اور گزشتہ دس سالوں سے حکمت عملی کے ساتھ پاکستانی برائیدل فیشن کو گلوبل فیشن اکاؤنٹی میں جگہ دے رہا ہے۔ اس سال ایونٹ میں ملک کے ابھرتے ہوئے فیشن ڈیزائنرز کے ذریعے برائیدل کے لاس میں جدید رجحانات اور ڈیزائنز کی نمائش کی گئی۔ یہ پاکستان کے ٹاپ ڈیزائنرز کو چر سے محبت کرنے والوں، بااثر افراد، خریداروں، مشہور شخصیات، سوشلائٹس اور لیگی برانڈز کے لیے سب سے زیادہ پریزنٹیشن بن گیا ہے۔

ہم اسٹائل ایوارڈز:

۵۵ واں ہم اسٹائل ایوارڈز جولائی ۲۰۲۱ء کو لاہور میں منعقد ہوا، جس میں ٹیلی ویژن، فلم، موسیقی، کھیل اور فیشن انڈسٹری کے بہترین فیشن اور اسٹائل کا جشن منایا گیا۔ یہ چمک اور گلیمر کی رات تھی جب ستاروں نے طویل وقفے کے بعد ریڈ کارپٹ پر کپڑے زیب تن کر کے چہل قدمی کی۔

ہم دو مین لیڈرز ایوارڈز:

ہم دو مین لیڈرز ایوارڈز کے تیسرے ایڈیشن نے تفریح فراہم کرنے والوں، پالیسی سازوں اور کارکنوں کو ایک چھت کے نیچے جمع کیا۔ مسلسل تیسرے سال، ہم ٹی وی نے مختلف شعبوں میں خود کو بااختیار بنانے کے لیے ان کے انتھک سفر کے لیے 11 مشہور خواتین کو اعزاز سے نوازا۔ صدر مملکت ڈاکٹر عارف علوی نے تقریب میں شرکت کی اور خواتین کی تعریف کی اور ان چیلنجز کو سہا جہن پر وہ آزادی اور خود مختاری کے حصول میں ہر روز قابو پاتی ہیں۔

ہیومن ریسورس مینجمنٹ:

نیٹ ورک اپنے انسانی وسائل کو سب سے قیمتی اثاثہ کے طور پر دیکھتا ہے اور ایسی فضا قائم کرنے کی طرف خصوصی توجہ دیتا ہے جو ترقی، اعلیٰ کارکردگی، تنظیمی اقدار اور کاروباری اخلاقیات پر عمل پیرا ہو۔

بنیادی اقدار:

ہم نیٹ ورک لمیٹڈ اپنے ملازمین کو معاشی اور اقتصادی خدمات فراہم کرنے کیلئے مسلسل کوشاں ہے کیونکہ اس سے انہیں صحت مند اور پیشہ ورانہ طریقہ سے مکمل ہم آہنگی میں کام کرنے میں مدد ملتی ہے۔

اس مقصد کیلئے ہم نیٹ ورک فمیلی نے درج ذیل بنیادی اقدار قائم کئے ہیں:-

- ۱۔ دیانتداری و ایمانداری
- ۲۔ سب کی عزت کرنا
- ۳۔ عہد/لگن/ملکیت

- ۴۔ محاسبہ اور مقاصد
۵۔ ٹیم ورک
۶۔ تہذیب
۷۔ صحت/حفاظت اور حفظان صحت

ہم تمام اقدامات میں مذکورہ بالا بنیادی اقدار پر کاربند ہیں اور ہم یہ اقرار کرتے ہیں کہ یہ انصاف، معروضیت اور ٹیم ورک کے کلچر کو فروغ دینے میں مدد کرتا ہے۔

خطرات کی انتظامیہ:

کاروباری خطرات اور مواقع کی شناخت، پہچان اور تخفیف کے لیے کمپنی کے پاس ایک مضبوط رسک مینجمنٹ فریم ورک ہے۔ یہ فریم ورک شفافیت پیدا کرنے، کاروباری مقصد پر منفی اثرات کو کم کرنے اور کمپنی کے مسابقتی فائدہ کو بڑھانے کی کوشش کرتا ہے۔ یہ رسک فریم ورک اس طرح مارکیٹ، کریڈٹ اور آپریشن کے خطرات کے انتظام میں مدد کرتا ہے اور کمپنی کی سطح پر نمائش اور ممکنہ اثرات کو کم کرتا ہے۔

انڈسٹری کا خطرہ:

انٹرنیشنل انڈسٹری سامعین کے بدلنے ہوئے مطالبات اور رجحانات کے ساتھ انتہائی مسابقتی ہے جس سے ملکی اور بین الاقوامی حریفوں کے ساتھ سخت مقابلے کا ماحول پیدا ہوتا ہے جو سامعین کے وقت کے لیے مقابلہ کرتے ہیں۔

ستے انٹرنیٹ پلانز، سمارٹ فونز اور لیپ ٹاپس کی بڑھتی ہوئی دستیابی کے ساتھ، ٹیلی ویژن سے ڈیجیٹل میڈیا کی طرف میڈیا اسپانسرز کی بڑھتی ہوئی منتقلی کے ساتھ ساتھ ڈیجیٹل میڈیا سیکٹر نے انڈسٹری میں بہت سے نئے آنے والوں کی دلچسپی کوئی بلندیوں تک پہنچا دیا ہے۔ ڈیجیٹل میدان میں تیز رفتار ترقی کے جواب میں، کمپنی نے اس موقع سے زیادہ سے زیادہ فائدہ اٹھانے کے لیے ایک ڈیجیٹل میڈیا حکمت عملی تیار کی ہے۔

بیرونی خطرہ:

میڈیا انڈسٹری کی اشتہاری آمدنی ملک کی اقتصادی ترقی سے جڑی ہوئی ہے۔ خراب میکرو اکنامک ماحول کمپنی کی اشتہاری آمدنی پر منفی اثر ڈال سکتا ہے، جو کہ ہماری آمدنی کا سب سے بڑا حصہ ہے۔ ہمارے ملک کا موجودہ کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) ہے جو پاکستانی اور امریکی کرنسی کے تفاوت اور اتار چڑھاؤ کو بہت زیادہ متاثر کرتا ہے۔ پاکستانی اور امریکی کرنسیوں میں کسی بھی انتہائی اتار چڑھاؤ کا ہماری معیشت پر بہت زیادہ اثر پڑ سکتا ہے، اس طرح ہماری کمپنی کی آمدنی اور اخراجات متاثر ہوتے ہیں۔

ریگولیٹری خطرہ:

قانون اور ضوابط میں کوئی بھی تبدیلی کمپنی کے لیے آمدنی اور کاروبار کرنے کی لاگت پر مادی اثر ڈال سکتی ہے۔

کیش فلو اور لیکویڈیٹی:

کمپنی مجموعی لیکویڈیٹی کو یقینی بنانے کے لیے کیش فلو کی مسلسل نگرانی کر رہی ہے۔ زیادہ ورکنگ کیپیٹل کی ضروریات کے باوجود آپریشنز سے کمپنی کا خالص کیش فلو ۱،۸۱۹ ملین روپے (۲۰۲۱ء: ۶۱۶ ملین روپے) رہا۔ کمپنی سخت کریڈٹ کنٹرول کو یقینی بنا کر اور دوران سال بالواسطہ طور پر اخراجات کو کم کر کے اپنے آپریٹنگ کیش فلو کو منظم کرنے میں کامیاب رہی۔ کمپنی نے کسی بھی ممکنہ بچت یا معاشی استحکام کے طریقہ کار کے مواقع سے فائدہ اٹھانے کے لیے انٹریسٹ اور زر مبادلہ کے ریش کی نگرانی جاری رکھی۔

کارپوریٹ معاشرتی ذمہ داری:

ہم کارپوریٹ معاشرتی ذمہ داری (سی ایس آر) اور اپنی روزمرہ کی کاروباری سرگرمیوں میں بہتر سماجی طریقوں کے انضمام کے لیے پرعزم ہیں۔ ہم اپنی کامیابی کی بنیاد نہ صرف مالیاتی معیارات کے لحاظ سے کرتے ہیں بلکہ ان کمیونٹیز کی تعمیر اور حمایت میں بھی کرتے ہیں جن کی ہم خدمت کرتے ہیں۔

دیگر اقدامات کے علاوہ، کمپنی نے مومنہ اینڈ رید فاؤنڈیشن اور کراچی میٹروپولیٹن کارپوریشن کے ساتھ ۲۵ دسمبر ۲۰۲۱ء کو منعقد ہونے والی کراچی گرین میراتھن کے لیے بھی تعاون کیا جس کا مقصد بیداری پیدا کرنا اور میٹروپولیٹن کے عام لوگوں کی انفرادی اور کمیونٹی کی سطح پر شہر کو صاف ستھرا اور سبز بنانے کے لیے حوصلہ افزائی کرنا ہے تاکہ صحت مند طرز زندگی پر عمل کیا جاسکے۔

ملازمین کی تربیت اور ترقی:

ہماری سالانہ تشخیصی مشق کے حصے کے طور پر، ہر ملازم کا انفرادی بنیادوں پر جائزہ اور مشاورت کی جاتی ہے۔ تربیتی سیشنز کا تعین ضروریات کی بنیاد پر کیا جاتا ہے جو ملازمین کے لیے ترقی کے مواقع پیدا کرتا ہے اور ہمیں انتہائی حوصلہ افزاء اور تربیت یافتہ وسائل فراہم کرتا ہے۔

دوران سال بورڈ کا اسٹیٹس:

بورڈ کی میعاد ۲۲ اگست ۲۰۲۰ء کو ختم ہوئی اور نئے انتخابات اگست ۲۰۲۰ء میں ہونے تھے۔ چونکہ اہل امیدواروں کی تعداد انتخابات کے لیے مقرر کردہ ڈائریکٹرز کی تعداد کے برابر تھی، لہذا کمپنی نے کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۱۵۹(۴) کے تحت مورخہ ۱۳ اگست ۲۰۲۰ء کو نئے انتخابات کرانے کا اعلان کیا۔ اہل امیدواروں کی جانب سے ڈائریکٹرز کے مذکورہ انتخاب پر سوال اٹھایا گیا۔ چنانچہ منتخب ڈائریکٹرز نے بھی مقدمہ دائر کیا۔ معزز سندھ ہائیکورٹ نے آرڈر مورخہ ۲۱/۸/۲۰۲۰ء کے ذریعے کمپنی کو ہدایت کی کہ مقدمہ نمبر ۹۶۸/۲۰۲۰ میں سنگل جج کے سی ایم اے نمبر ۲۰۲۰/۶۷۸۷ کے حتمی فیصلے کے تحت ۲۲ اگست ۲۰۲۰ء کو ہونے والے انتخابات ملتوی اور شیڈول کیے جائیں۔ عدالت کے حتمی فیصلے کا انتظار ہے۔

تاہم، ایس ای سی پی کی جانب سے وضاحت کے بعد اور مذکورہ وضاحت کو محترم ہائی کورٹ آف سندھ کے پاس ریکارڈ پر رکھنے کے بعد، کمپنی نے اپنے قانونی امور انجام دینے کے لیے سابقہ بورڈ کے ساتھ کارروائی کی۔

مستقبل کی حکمت عملی اور چیلنجز:

آپ کی کمپنی نے کوویڈ-۱۹ کی پابندیوں، سست معاشی صورتحال، کیش فلو اور ناظرین کی عادات میں تبدیلی کے ذریعے نہ صرف کاروباری آپریشنز کا انتظام کر کے کوویڈ-۱۹ وبائی مرض میں کامیابی کے ساتھ آگے بڑھے بلکہ ریونیوئس، ناظرین اور پریکٹس ہونے والے کونٹینٹ کو بڑھانے کے لیے حکمت عملیوں کو بھی نافذ کیا۔

کمپنی کو توقع ہے کہ آنے والے سال مشکل ہوں گے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) سے بیل آؤٹ پکچ حاصل کرنے کے بعد بھی غیر یقینی صورتحال کے ساتھ، دیگر عوامل جن میں تباہ کن سیلاب، زیادہ مہنگائی، بجلی کی بڑھتی قیمتوں اور شرح مبادلہ میں اتار چڑھاؤ، سیاسی انتشار سے بڑے پیمانے پر انسانی اور مالی نقصانات شامل ہیں، ہمیں توقع ہے کہ پاکستان کی معاشی صورتحال غیر یقینی رہے گی جس کے نتیجے میں مارجن میں کمی واقع ہو سکتی ہے۔

معاشی سست روی کے باعث اشتہاری آمدنی میں کمی اور افراط زر کی وجہ سے پیداواری لاگت اور دیگر اخراجات میں اضافہ اور مختلف عوامل منافع پر اثر انداز ہوں گے۔ مزید برآں، ایسا لگتا ہے کہ حکومت ٹیکس کی بلند شرح کو برقرار رکھے گی، جس کا اثر ٹچل سطح پر بھی پڑے گا۔ اس تناظر میں، کمپنی اس مشکل وقت میں بہتر کارکردگی، فروخت کی جارحانہ کوششوں کے ساتھ آگے بڑھتے ہوئے لاگت کو کم کرنے کی طرف اپنی توجہ جاری رکھے گی۔

انٹرٹینمنٹ انڈسٹری میں اپنی بہتر پوزیشن کے ساتھ، ہم نے ڈیجیٹل میڈیا سیکٹر میں مشہورین اور اسپانسرز کی حالیہ تبدیلی کا فائدہ اٹھایا ہے۔ مختلف ڈیجیٹل میڈیا پلیٹ فارمز کے ذریعے اشتہارات سے آمدنی حاصل کرنے کے لیے لاگو کی جانے والی حکمت عملیوں نے پہلے ہی آمدنی کے اہم سلسلے میں سے ایک کے طور پر رواں سال کے دوران ناظرین اور آمدنی میں ریکارڈ نمایاں اضافہ کے ساتھ ثمرات دینا شروع کر دیئے ہیں۔ ہم معیاری کونٹینٹ کی فراہمی کے ذریعے مسلسل مضبوط طلب سے فائدہ اٹھانے کے لیے اس راستے پر آگے بڑھنے کا ارادہ رکھتے ہیں۔

ایچ این ایل کی انتظامیہ ہمارے ناظرین اور اسٹیک ہولڈرز کو پریمیم تفریحی تجربہ فراہم کرنے کے لیے ہماری پروڈکشن اور خدمات میں سرمایہ کاری جاری رکھنے کے لیے پوری طرح پرعزم ہے۔ ایک انٹرپرائز کے طور پر ہم بہتر طریقے سے اپنی متعین کاروباری حکمت عملیوں کی مدد سے آگے بڑھنے اور ترقی کے منازل طے کرنے کیلئے بہترین پوزیشن میں ہیں اور بورڈ اس بات پر یقین رکھتا ہے کہ ہمیں زیادہ چلدار، ڈیجیٹل میڈیا اور تفریحی کاروبار اور مستقبل پر توجہ مرکوز کرنے کے لیے کیا کرنے کی ضرورت ہے۔

کریڈٹ کی ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پاکرا) نے طویل مدتی اور مختصر مدتی ریٹنگ برائے ایچ این ایل اے + اور اے 1 مرتب کی ہے، یہ درجہ بندیاں کریڈٹ کے خطرے کی کم توقع اور مارکیٹ میں نیٹ ورک کی مضبوط پوزیشن کو ظاہر کرتی ہیں۔

بورڈ کی تشکیل اور معاوضے:

بورڈ کی تشکیل اور بورڈ کمیٹیوں کے ممبران کے نام سی سی جی کے ساتھ تھیل کے بیان میں دیئے جاسکتے ہیں۔

مزید برآں، بورڈ آف ڈائریکٹرز کے پاس کمپنیز ایکٹ ۲۰۱۷ء اور سڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۹ء کے مطابق اپنے ڈائریکٹرز کے معاوضے کے لیے باقاعدہ پالیسی اور شفاف طریقہ کار موجود ہے۔

شیئر ہولڈنگ کا پیٹرن:

۳۰ جون ۲۰۲۲ء تک شیئر ہولڈنگ کا پیٹرن سالانہ رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز کی میننگ:

دوران سال بورڈ آف ڈائریکٹرز کی سات (۷)، آڈٹ کمیٹی کی سات (۷) اور ہیومن ریسورس اور ریویژن کمیٹی کی دو (۲) میننگ منعقد نہیں ہوئیں۔

ہر ڈائریکٹر کی شرکت درج ذیل ہے:

ڈائریکٹر کے نام	بورڈ آف ڈائریکٹرز کی شرکت	آڈٹ کمیٹی کی شرکت	ہیومن ریسورس اور ریویژن
جناب مظہر الحق صدیقی	۶	-	-
مس سلطانہ صدیقی	۶	-	۲
جناب سہیل انصار	۶	۶	۲
مسز مہتاب اکبر راشدی	۵	۵	۲
جناب شنید قریشی	۳	۷	-
مس نبیغہ نصیر مسعود	۶	-	-
لیفٹینٹ جنرل (ریٹائرڈ) آصف یاسین ملک	۷	۷	-
جناب درید قریشی	۷	-	-
محمد ایوب یونس آدھی	۱	-	-

محترمہ نبیغہ نصیر مسعود نے بطور ڈائریکٹر ۱۲۵ اپریل ۲۰۲۲ء کو استعفیٰ دے دیا محترمہ خوش بخت شجاعت کو مورخہ ۳۰ جون ۲۰۲۲ء سے کمپنی کا ڈائریکٹر مقرر کیا گیا۔

آڈیٹرز:

موجودہ آڈیٹرز میسرز ای وائی فور ڈیوڈز چارٹرڈ اکاؤنٹنٹس جو کہ ریٹائر ہوئے ہیں ممکن ہے کہ اس سال ۲۰۲۲-۲۰۲۳ کے لئے ان کا دوبارہ تقرر کیا جائے۔

نظم و ضبط اور مالیاتی رپورٹنگ کا فریم ورک:

- ☆ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے آپریشنز کے نتائج، کیش فلو اور ایکٹیوٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- ☆ کمپنی کے کھاتے مناسب طریقہ سے رکھے جا رہے ہیں۔
- ☆ مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ کے اندازے ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔
- ☆ مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔
- ☆ انٹرئل کنٹرول کے نظام مضبوط ہیں اور اس کی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- ☆ آنے والے سالوں میں کمپنی کی کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

- ☆ نظم و نسق کے حوالے سے کمپنی میں کارپوریٹ گورننس کو مکمل طور پر نافذ کیا ہے جو کہ لسٹنگ ریگولیشن میں درج ہے اور اس سے کوئی انحراف نہیں کیا گیا ہے۔
- ☆ ٹیکسز، ڈیوٹیز اور دیگر چارجز کے اکاؤنٹ پر کوئی ادائیگی واجب الادا نہیں ہے جو کہ مالیاتی سال سے متعلق ہے۔
- ☆ زیر جائزہ مدت کے دوران بورڈ آف ڈائریکٹرز کی دو میٹنگز منعقد ہوئیں۔
- ☆ چیف ایگزیکٹو آفیسرز، ڈائریکٹرز، چیف فنانشل آفیسر اور کمپنی سیکریٹری، ان کی بیگمات اور بچے تجارتی شیئرز میں اہل نہیں ہونگے۔

ڈویڈنٹ اور مناسبت:

دوران سال کمپنی نے ۳۵- روپے فی شیئر کے حساب سے ۳۵ فیصد مبلغ ۷۵۰,۰۰۰,۰۰۰ روپے کے عبوری کیش ڈویڈنڈ ادا کیا ہے۔

بورڈ سب سے بڑا انٹرٹینمنٹ آرگنائزیشن بننے کے اپنے نظریہ کو حاصل کرنے کے ساتھ ساتھ بورڈ کی ترقی کے منصوبوں کو عملی جامہ پہنانے کیلئے کمپنی کے پاس دستیاب فنڈز کو مد نظر رکھتے ہوئے شیئر ہولڈرز کی حتمی ادائیگی کی تجویز نہیں دے رہا تاکہ اس ترقی کو آمدنی اور آپریشنز میں استعمال کیا جاسکے۔

بورڈ آف ڈائریکٹرز کی جانب سے

کراچی؛ مورخہ ۱۹ ستمبر ۲۰۲۲ء



مظہر الحق صدیقی
چیئر مین و ڈائریکٹر



درید قریشی
چیف ایگزیکٹو آفیسر

Report Of The Directors On Consolidated Financial Statements

On behalf of the Board of Directors, we are pleased to submit the Annual Consolidated Financial Statements along with the Auditor's Report thereon for the year ended June 30, 2022.

The Group consists of;

Company	Region	Relationship	Shareholding %
Skyline Publications (Private) Limited	Pakistan	Subsidiary	100%
HUM TV Inc.	Pakistan	Subsidiary	100%
HUM Network FZ LLC	Dubai	Subsidiary	100%
HUM Network UK Limited	United Kingdom	Subsidiary	100%
HUM Co. (Private) Limited	Pakistan	Subsidiary	100%
HUM Mart (Private) Limited	Pakistan	Subsidiary	70%

The group recorded revenue of Rs. 6,545 million and profit after tax of Rs. 1,395 million for the financial year ended 2022. The results translate into earnings per share of Rs. 1.50 (FY 2021: Rs. 1.05)

The Directors' Report on HUM Network Limited for the year ended June 30, 2022 has been separately presented in the annual report.

On behalf of the Board of Directors,

September 19, 2022
Karachi



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman & Director

مجموعی مالیاتی گوشواروں پر ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے میں مالیاتی سال ۳۰ جون ۲۰۲۲ء کے لئے سالانہ مجموعی مالیاتی گوشوارے بمع ڈائریکٹر رپورٹ پیش کر رہا ہوں۔

گروپ درج ذیل پر مشتمل ہے:

کمپنی	خطہ	رشتہ	شیئر ہولڈنگ فیصد
اسکائے لائن پبلیکیشنز (پرائیویٹ) لمیٹڈ	پاکستان	ذیلی ادارہ	۱۰۰ فیصد
ہم ٹی وی انکارپوریشن	پاکستان	ذیلی ادارہ	۱۰۰ فیصد
ہم نیٹ ورک ایف زیڈ، ایل ایل سی	دہلی	ذیلی ادارہ	۱۰۰ فیصد
ہم نیٹ ورک یو کے لمیٹڈ	یونائیٹڈ کنگڈم	ذیلی ادارہ	۱۰۰ فیصد
ہم کمپنی (پرائیویٹ) لمیٹڈ	پاکستان	ذیلی ادارہ	۱۰۰ فیصد
ہم مارٹ (پرائیویٹ) لمیٹڈ	پاکستان	ذیلی ادارہ	۷۰ فیصد

مالیاتی سال ۲۰۲۲ء میں گروپ نے مبلغ ۶،۵۴۵ ملین روپے منافع اور بعد از ٹیکس مبلغ ۳،۴۴۴ ملین روپے منافع حاصل کیا۔ یہ نتائج آمدنی ۱۵۰ روپے فی شیئر (مالیاتی سال ۲۰۲۱: ۱۰۵ روپے) کے تحت ترتیب دیئے گئے ہیں۔

ہم نیٹ ورک لمیٹڈ پر مالیاتی سال ۳۰ جون ۲۰۲۲ء کی ڈائریکٹر رپورٹ سالانہ رپورٹ میں علیحدہ سے پیش کی گئی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

مورخہ ۱۹ ستمبر ۲۰۲۲ء

کراچی



مظہر الحق صدیقی
چیئر مین و ڈائریکٹر



درید قریشی
چیف ایگزیکٹو آفیسر

Code of Conduct

1. Introduction

The provisions of this code as set forth in sections 1 to 15 are mandatory, and full compliance is expected under all circumstances.

Every director and every employee is responsible for complying with this code. Directors/Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their supervisor or to the Board, who, if necessary, should seek appropriate legal advice.

Failure to comply with the code could result in severe consequences for both the individual and the company. The company will impose appropriate discipline which may include discharge for violation of the code. Furthermore, conduct that violates the code may also violate federal or provincial law and could subject both the company and the individual to prosecutions and legal sanctions.

2. Conflicts of Interest

The Company expects that directors/employees will perform their duties conscientiously, honestly, and in accordance with the best interests of the Company. Directors/Employees must not use their positions or the knowledge gained as a result of their positions for private or personal advantage. Regardless of the circumstances, if directors/employees sense that a course of action they have pursued, or are presently pursuing, or are contemplating pursuing may involve them in a conflict of interest with their employer, they should immediately communicate all the facts to their supervisor or to the Board.

3. Gifts and Entertainment

Employees shall not on behalf of the company, furnish directly or indirectly, expensive gifts or provide excessive entertainment or benefits to other persons.

Employees whose duties permit them to do so, may furnish modest gifts, favors and entertainment to persons other than public officials, provided all of the following criteria are met:

- i. The gifts are not in form of cash, bonds or other negotiable securities and are of limited value so as not to be capable of being interpreted as a bribe, payoff or other improper payment;
- ii. they are made as a matter of general and accepted business practice;
- iii. they do not contravene any laws and are made in accordance with generally accepted ethical practices; and
- iv. if subsequently disclosed to the public, their provision would not in any way embarrass the company or the recipients.

For example, reasonable expenses of the entertainment of current or prospective business associates or customers are permissible by employees whose duties embrace the providing of such entertainment, provided prior approval from the supervisor is obtained and proper accounting is made.

4. Relationships With Clients and Suppliers

Employees should avoid investing in or acquiring a financial interest for their own accounts in any business organization that has a contractual relationship with the Company, or that provides goods or services, or both, to the Company if such investment or interest could influence or create the impression of influencing their decisions in the performance of their duties on behalf of the Company.

5. Public Officials

All dealings between employees or directors of the company and public officials should be transparent.

Even the appearance of impropriety in dealing with public officials is improper and unacceptable. Any participation directly or indirectly, in any bribes, kickbacks, illegal gratuities indirect contributions or similar payments is expressly forbidden, whether or not they might further the business interest of the company. Maintenance of a high standard of integrity is of the utmost importance to the company.

Since the furnishing, on behalf of the company, of even an inexpensive gift or a modest entertainment or benefit to a public official may be open to the interpretation that it was furnished illegally to secure the use of his/her influence as public official, no such gift, entertainment or benefit may be furnished by an employee or director.

6. Political Contributions

The use of the company's funds, goods or services as contributions to political parties, candidates or campaigns is specifically forbidden.

Contributions include money or anything having value, such as loans, services, entertainment, trips and the use of the company's facilities or assets.

7. Personal Gain

Employees and Directors shall not use their status to obtain personal gain from those doing or seeking to do business with the company.

Except as hereinafter provided, employees and directors should neither seek nor accept gifts, payments, services, fees, special valuable privileges, pleasure or vacation trips or accommodations or loans from any persons (except, in the case of loans, from persons in the business of lending and then only on conventional terms) or from any Company or group that does or is seeking to do business with the company or any of its affiliates, or from a competitor of the company or any of its affiliates. However, employees and directors may accept modest gifts, favors or entertainment upto the maximum limits prescribed by the Board of Directors of the Company from time to time provided that doing so is consistent with the tests relating to the furnishing of gifts set forth in Section 3.

8. Inside Information

Employees and Directors shall not use for their own financial gain or disclose for the use of others, inside information obtained as a result of their position within the company.

Employees and Directors may find themselves in violation of the applicable securities laws if they misuse information not generally known to the public and either trade or induce others to trade in the stock of the company or in the stock of another company. Specific confidential information would include financial information, information concerning acquisitions or dispositions of properties and proposed acquisition or mergers with other companies.

In furtherance of this policy, the company has adopted a statement of policy regarding insider trading, which each director, officer and employee who has access to material non-public information will be requested to sign.

9. Disclosure of confidential Information

Certain records, reports, papers, processes, plans and methods of the company or to which the company has been permitted access are considered to be secret and confidential by the company or the party who has permitted access thereto, and employees and Directors are prohibited from revealing information concerning such matters without proper authorization.

Directors, individuals, clients, agencies, investors and the public should have information about the company as is necessary for them adequately to judge the company and its activities. The company believes that full and complete reporting to governmental agencies and the provision of information to the public as required constitutes a responsible and workable approach to disclosure. However, the company except as required by law, will not disclose information important to its competitive effectiveness or which might violate the private rights of individuals, enterprises or institutions. Employee and Directors are therefore prohibited from discussing or disclosing any secret or confidential information about the company or in the possession of the company unless such disclosure has been authorized by the Board of Directors.

Employees shall comply with departmental policies and procedures relating to the retention and orderly destruction of the company's documents.

10. Authorization and Recording of Transactions and Safekeeping of Assets

The company's books and records must reflect, in an accurate, fair and timely manner, the transactions and disposition of assets of the company. Employees responsible for the company's books and records must ensure that this occurs.

All transactions must be authorized and executed in accordance with the instructions of management and the Board of Directors. They must be recorded so as to permit the accurate preparation of financial statements in conformity with generally accepted accounting principles and other generally accepted laws applicable to such statements and to maintain accountability for assets. Access to assets is permitted only in accordance with the authorization of management.

The use of company funds or assets for any unlawful or improper purpose is strictly prohibited and those responsible for the accounting and record keeping functions are expected to be vigilant in ensuring enforcement of this prohibition. The recorded

accountability for assets will be compared with the existing assets at reasonable intervals and appropriate action will be taken with respect to any differences.

11. Discrimination-Free Work Environment

The policy of the company is to provide a working environment free of discrimination and harassment in which individuals are accorded equality of employment opportunity based upon merit and ability.

Discriminatory practices based on race, sex, color, national or ethnic origin, religion, marital status, family status, age or disability will not be tolerated. Employees are entitled to freedom from sexual and all other forms of personal harassment in the work place.

It is not a discriminatory practice to make a distinction between persons based on bona fide occupational requirements. Since bona fide occupational requirements are narrowly defined, such distinctions should not be undertaken without first obtaining express authorization.

12. Protection of the Environment

The company and its directors and employees shall treat the protection of the environment as an integral factor in all decision making.

The company is committed to the protection of the environment. To comply with this commitment, the company's policy is to meet or exceed all applicable governmental requirements. Employees must report to their superior all circumstances in which toxic substances are spilled or released into the environment. Violations of environmental laws, even if unintentional, can carry severe penalties, and could result in the prosecution of the company or the employees involved or both.

Failure to comply with the company's instructions for the protection of the environment may result in disciplinary actions.

13. Competition and Trade Practice Standards

The company shall compete vigorously and creatively in its business activities, but its efforts in the marketplace shall be conducted in a fair and ethical manner in strict compliance with applicable competition and trade practice laws and regulations.

Under no circumstances shall any employee or Director of the company be a party to any collusion or concerted effort of any type involving any competitor vendor, supplier, customer or other party, which is in restraint of trade or violation of laws and regulations designed to foster competition. Because laws relating to competition are complex, employees and Directors should refer matters about what they are in doubt to their superior or should seek the advice of the company's counsel.

14. Standards of Conduct

Although the various matters dealt with in this code do not cover the full spectrum of employee or Director activities, they are indicative of the company's commitment to the maintenance of high standards of conduct and are to be considered descriptive of the type of behavior expected from employees and Directors in all circumstances.

15. Distribution

Each director and each employee of the company who has executive, managerial or supervisory responsibilities, or deals with governmental officials or political parties or candidates on behalf of the company, or who has access to confidential information, will be provided with a copy of this code. To ensure proper understanding of the code, any questions as to its application to the area of responsibility and jurisdiction of the Director or employee will be explained fully by his / her superior or by the audit committee.

At commencement of employment and at least once a year thereafter each such employee shall sign the prescribed form of acknowledgement which will be retained by the Chief Financial Officer or the Chairman of the audit committee that each such individual under his / her jurisdiction has completed the required form acknowledging that he / she has read or reread, as the case may be, the current version of the code of ethics & business policies and has complied with its terms.

Each director shall sign such an acknowledgment to the audit committee at the commencement of his or her term.

Whistle-Blowing Policy

1. Purpose

To encourage employees to disclose any malpractice or misconduct of which they become aware and to provide protection for employees who report allegations of such malpractice or misconduct. The main purpose of this whistle blowing policy is to give all employees an opportunity to disclose matters they feel need to be reported in the interest of fair-play and larger benefit of the organization; high standard of corporate governance; compliance with legal requirements and protection of the Company's interest.

2. Policy

The whistle blowing policy is designed to encourage employees to report alleged malpractice or misconduct, to ensure that all allegations are thoroughly investigated and suitable action taken where necessary. Any whistle-blowing employee is protected against adverse employment actions (discharge, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of business misconduct. An employee is protected even if the allegations prove to be incorrect or unsubstantiated as long as there is no evidence of willful misreporting. Employees who participate or assist in an investigation will also be protected.

3. Requirement of policy

This document thus sets out a formal whistle-blowing policy, consisting of safe and effective procedures for misconduct disclosure or reporting so that appropriate remedial action can be taken. A written, formal policy is also a means of preventing and deterring misconduct that might be contemplated but has not yet taken place. It is also a transparent method of addressing issues relating to whistle blowing, such as answering standard questions, giving assurances, providing information and offering explanations.

4. On what should one blow the whistle

What is reportable misconduct?

Any serious concerns you may have about any aspect of the operations of the Hum Network Limited (the Company) and those who work in the Company can be reported under this policy. This may be a conduct that:

- Is against the governing rules, procedures, and policies, or established standards of practice of the Company. amounts to improper, unethical, or unlawful conduct;
- Amounts to waste of company's resources; makes you feel uncomfortable in terms of your experience with the standards you believe; or
- Amounts to an attempt to cover up any of these types of actions. Conduct becomes reportable when it happens or when it is reasonably likely to occur. Harm to the Company or to its integrity may occur when any of this conduct is unchecked or unaddressed. Importantly, in determining whether to report conduct, harm is not only measured in terms of monetary loss to the organization, or damage to a particular program or initiative, but the harm may also be done to the integrity and reputation of the Company itself, or its survival and/or growth.

Reportable conduct falls into the following categories:

4.1 Illegal or unlawful conduct

Conduct may be illegal or unlawful in terms of the Rules and Regulations of the Company and other applicable laws. We all have legal responsibilities, obligations or duties. Criminal offences - such as theft, fraud, corruption (for example, bribery), or money laundering - are in breach of legal duties and therefore constitute reportable misconduct.

4.2 Un-procedural conduct

Conduct may be un-procedural since it violates clearly communicated procedures (in the form of policies, regulations, or rules) governing the operations of the Specific rules and processes, together with other best practice procedures, guide accounting practices and controls, financial reporting, auditing matters, the transfer of funds to recipients, approved recipient accounts, and the like. Such procedures are important for good governance and breaching them may expose the application of funds to risk of loss or real loss.

4.3 Unethical conduct

Conduct may be unethical since it undermines universal, core ethical values, such as integrity, respect, honesty, responsibility, accountability, fairness. For example one could exert undue pressure on a person in position of power in order to gain an advantage. That would be unfair to others and as such unethical, although neither unlawful nor un-procedural. But not all unethical conduct is reportable. For example, some kinds of conduct may be disrespectful and therefore undesirable, without harming any serious interests other than personal feelings. This would not be reportable misconduct.

4.4 Wasteful conduct

Conduct constituting a gross waste of resources is a reportable category in its own right since responsible stewardship of resources is as crucial to the success of the Company as all employees have an obligation to ensure that all resources are used prudently and efficiently. If resources are spent in a wasteful manner, and in breach of the public trust under which they are provided, and an employee knows about this then this would be reportable under the whistle-blowing mechanism.

5. Whistle-blower protection

HNL shall take all necessary actions to safeguard the interests of the whistle-blower. Where an individual makes a report under this policy in good faith, reasonably believed to be true, there will be no retaliation (please read detail below) against the reporter should the disclosure turn out to be misguided. Retaliation means any direct or indirect detrimental action recommended, threatened or taken because an individual reported conduct described in Section 4 of this policy. When established, retaliation is by itself misconduct which may be pursued under the appropriate mechanisms - for example, through disciplinary action initiated through mechanisms of HR Policy or more broadly and as appropriate, through other mechanisms of the company's rules. Reporting under this policy, however, in no way immunizes or shields a whistle-blower against action following from his or her own misconduct, which includes willfully making allegations through the whistle-blowing mechanism that the individual knows to be false or makes with an intent to misinform.

6. Whistle-blowing procedures

HNL encourages all its employees to act responsibly at all times and protect themselves and the company against any illegal or immoral acts (see section 4) by immediately reporting any such actions to the Designated Person.

Designated Persons (DPs)

The

- **Company secretary, and**
- **Head of Internal Audit**

Shall be the "Designated Persons" (DPs), and all information shall be directly conveyed to the DPs by the whistle-blower.

Access to the Designated Person

The whistle-blower shall have direct access to the Designated Persons at all times. This right of the whistle-blower shall be upheld under all circumstances and respected by the management of the Company.

Medium of Reporting

Reports to the Designated Persons can be made by: Official email address of the Designated Persons.

Follow up Procedure

The DPs will initiate an investigation and take any consequent action as deemed appropriate and will record the same for information of the Board of Directors, keeping at all times, the confidentiality of the Whistle Blower's identity.

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UNCONSOLIDATED FINANCIAL STATEMENTS



Building a better
working world

INDEPENDENT AUDITOR'S REPORT To the members of Hum Network Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Hum Network Limited (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2022, and the unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

Key audit matters	How the matter was addressed in our audit
1. Net realizable value of television program costs	
<p>As of the year end, the balance of television program costs amounted to Rs. 452,690,238 (30 June 2021: 452,449,811) which represents unamortized cost of completed television programs and television programs in production.</p> <p>As per the accounting policy of the Company, television program costs and acquired television program licenses and rights are charged to expense based on the ratio of the revenues earned till date to total revenues to be earned from the program including future estimated revenues, less cost expensed in prior years on an individual program basis.</p> <p>Allocation of television program costs over several accounting periods based on estimates of revenue involve significant judgement of the management which may have a significant impact on the unconsolidated financial statements. For this reason, we have identified this area as key audit matter.</p> <p>Refer notes 3.5, 8 and 23 to the unconsolidated financial statements.</p>	<p>Our audit procedures amongst others, comprised reviewing the appropriateness of the accounting policy of the Company in accordance with the applicable financial reporting standards. Further, we obtained understanding of the revenue estimation and amortization process of the Company.</p> <p>In this regard, we selected a sample of television programs and considered the factors used by the management for revenue estimation and amortization of television program cost including:</p> <ul style="list-style-type: none"> • historic experience of revenue earned by similar programs; • ratings of the program from available evidences; • rates used by the Company and its fluctuation based on the trend analysis; and • we also considered subsequent events which may have an impact on unamortized cost. <p>We also evaluated whether adequate disclosures have been made in the accompanying unconsolidated financial statements in accordance with the applicable financial reporting standards.</p>
2. Revenue recognition	
<p>(Refer note 3.21 and 22 to the accompanying unconsolidated financial statements)</p> <p>The Company earns revenue from a variety of sources among the different business areas of which 96% pertains to revenue from advertisements and subscriptions.</p> <p>As reported in the explanatory notes, revenues from advertisement are recognized at the time of the appearance of the advertisement and subscription income is recognized in the month in which service is rendered.</p> <p>We concluded that this area constitutes a key audit matter for the Company considering the significance of the amount, it being a key performance indicator and also the increase of 28% and 84% in advertisement and subscription income as compared to the prior year respectively.</p>	<p>We obtained an understanding of the Company's processes in place for revenue recognition and tested key controls over each significant revenue stream.</p> <p>We inspected a sample of contracts to check that revenue recognition was in accordance with the contract terms and the Company's revenue recognition policies.</p> <p>We performed analytical review procedures and other test of details over revenue including cut-off procedures to check that revenue has been recognised in the appropriate accounting period.</p> <p>We assessed the adequacy of the Company's disclosures in accordance with the applicable financial reporting standards.</p>

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

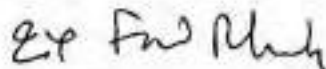
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.





EY Ford Rhodes
Chartered Accountant
Place: Karachi
Date: September 26, 2022
UDIN Number: AR202210120C0UbHyQRg


UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,205,184,777	1,263,816,621
Intangible assets	5	10,102,023	20,007,542
Long term investments	6	188,898,481	188,898,481
Long term deposits and prepayments	7	31,967,331	31,120,555
Television program costs	8	335,343,019	352,064,012
Deferred tax asset	9	188,969,133	121,432,046
		1,960,464,764	1,977,339,257
CURRENT ASSETS			
Inventories		16,627,261	16,660,901
Current portion of television program costs	8	90,347,219	100,385,799
Trade debts	10	2,239,728,745	1,956,785,375
Short term investments	11	1,127,212,684	502,415,157
Advances	12	108,662,128	129,006,777
Trade deposits and short-term prepayments	13	25,160,453	21,102,013
Other receivables	14	166,202,807	144,616,512
Taxation – net		236,500,979	211,788,308
Cash and bank balances	15	833,498,560	355,827,585
		4,843,940,836	3,438,588,427
TOTAL ASSETS		6,804,405,600	5,415,927,684
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 1,500,000,000 (2021: 1,500,000,000) Ordinary shares of Rs.1/- each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital	16	945,000,000	945,000,000
Unappropriated profit		4,151,625,806	3,118,470,793
		5,096,625,806	4,063,470,793
NON-CURRENT LIABILITIES			
Long term lease liabilities	17	72,676,898	92,051,392
Long term financing	18	78,125,021	248,521,449
Deferred Income - Government grant	19	-	560,658
		150,801,919	341,133,499
CURRENT LIABILITIES			
Trade and other payables	20	1,217,983,143	581,944,377
Advance from customers		14,579,805	28,593,208
Accrued mark-up		4,296,850	8,092,693
Unclaimed dividend		6,153,631	5,948,490
Unpaid dividend		2,299,787	205,159
Current portion of deferred income - Government grant	19	478,147	4,495,607
Current portion of long term lease liabilities	17	16,372,569	29,564,860
Current portion of long term financing	18	294,813,943	352,479,000
		1,556,977,875	1,011,323,392
CONTINGENCIES AND COMMITMENTS	21		
TOTAL EQUITY AND LIABILITIES		6,804,405,600	5,415,927,684

The annexed notes from 1 to 40 form an integral part of these unconsolidated financial statements.


DURAIQ QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

HUM NETWORK LIMITED

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021 -----
Revenue	22	6,018,969,888	4,327,326,066
Cost of production	23	(3,454,551,987)	(2,768,997,559)
Transmission cost		(100,165,940)	(90,436,188)
		(3,554,717,927)	(2,857,433,747)
Gross profit		2,464,251,961	1,469,892,319
Distribution costs	24	(349,265,091)	(235,410,544)
Administrative expenses	25	(583,616,663)	(510,551,206)
Other income	26	84,936,683	160,572,097
Gain on sale of non-current asset held for sale		-	476,832,913
Other expenses	27	(28,112,800)	(153,826,920)
Operating profit		1,588,194,090	1,207,508,659
Finance costs	28	(73,354,212)	(100,365,167)
Profit before taxation		1,514,839,878	1,107,143,492
Taxation	29	(150,934,865)	(92,746,807)
Profit for the year		1,363,905,013	1,014,396,685
Earnings per share – basic and diluted (Rupee)	30	1.44	1.07

The annexed notes from 1 to 40 form an integral part of these unconsolidated financial statements.


DURAID QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	2022 ----- Rupees -----	2021 -----
Profit before taxation	1,363,905,013	1,014,396,685
Other comprehensive income	-	-
Total comprehensive profit for the year	<u>1,363,905,013</u>	<u>1,014,396,685</u>

The annexed notes from 1 to 40 form an integral part of these unconsolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Revenue Reserve	
		Unappropriated profit	Total
		----- Rupees	-----
Balance as at June 30, 2020	945,000,000	2,104,074,108	3,049,074,108
Profit for the year	-	1,014,396,685	1,014,396,685
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,014,396,685	1,014,396,685
Balance as at June 30, 2021	945,000,000	3,118,470,793	4,063,470,793
Profit for the year	-	1,363,905,013	1,363,905,013
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,363,905,013	1,363,905,013
Interim Cash Dividend for the quarter ended March 31, 2022 @ Rs.0.35 per share	-	(330,750,000)	(330,750,000)
Balance as at June 30, 2022	945,000,000	4,151,625,806	5,096,625,806

The annexed notes from 1 to 40 form an integral part of these unconsolidated financial statements.


DURAID QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	2,095,754,438	787,935,953
Taxes paid		(243,184,625)	(98,325,024)
Finance costs paid		(77,150,055)	(95,132,908)
Profit received on deposit accounts	26	28,038,991	16,634,989
Long term deposits	7	(846,776)	(3,203,395)
Television program costs	8	16,720,993	8,673,939
Net cash generated from operating activities		1,819,332,966	616,583,554
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure	4.4.1	(90,559,873)	(110,529,571)
Additions to intangible assets		-	(292,400)
Short term investments - net		(705,809,061)	(162,756,066)
Dividend received	26	23,451,856	177,973
Proceeds from disposal of operating fixed assets	4.4	18,071,921	16,481,506
Proceeds from sale of non-current asset held for sale		-	493,340,000
Net cash (used in) / generated from investing activities		(754,845,157)	236,421,442
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(328,450,231)	-
Lease rentals paid		(25,726,988)	(21,645,375)
Long term financing - net		(232,639,615)	(428,094,255)
Net cash used in financing activities		(586,816,834)	(449,739,630)
Net increase in cash and cash equivalents		477,670,975	403,265,366
Cash and cash equivalents at the beginning of the year		355,827,585	(47,437,781)
Cash and cash equivalents at the end of the year		833,498,560	355,827,585

The annexed notes from 1 to 40 form an integral part of these unconsolidated financial statements.


DURAIQ QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

1 THE COMPANY AND ITS OPERATIONS

1.1 HUM Network Limited (the Company) was incorporated in Pakistan as a public limited company on 25 February 2004 under the repealed Companies Ordinance, 1984 (the Ordinance) now Companies Act, 2017. The shares of the Company are quoted on Pakistan Stock Exchange.

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

1.3 Geographical location and address of business units

Registered office	Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.
City offices – Karachi	Alfalah Court, I.I Chundrigar Road
City office – Islamabad	2A, I&T center, sector G-6/1
City office – Lahore	House # 58, R-24, Masson Road
City office – Peshawar	Plot No. 7-A, 29 The Mall, Peshawar Cantonment
City office – Quetta	House # 3, Phase II, Shanbaz town
City office – Multan	Ghous-e-Azam Road, Bismillah Colony

1.4 These are separate financial statements of the Company in which investments in subsidiaries are stated at cost less impairment, if any.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017 (the Act); and
- Provisions of and directives issued under the Act

Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

2.2 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except otherwise specifically stated.

2.3 Standards, interpretations and amendments applicable to these unconsolidated financial statements

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

		Effective date (annual periods beginning on or after)
2.3.1 Improvement to accounting standards issued by the IASB (2018 – 2020 cycle)		
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 01, 2022
IAS 1	Classification of Liabilities as Current or Non-Current (Amendments)	January 01, 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023

Improvement to accounting standards issued by the IASB (2018 – 2020 cycle)

IASB effective date (annual periods beginning on or after)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities	January 01, 2022
IAS 41	Agriculture - Taxation in fair value measurement	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022

The above standards, amendments of IFRSs and improvements to accounting standards are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standard		IASB effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRSs	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the unconsolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgment, estimates and assumptions that affect the application of policies and the reported amounts of revenues, expenses, assets and liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates, assumptions and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the unconsolidated financial statements:

Property, plant and equipment and intangible assets (note 4 & 5)

The Company reviews appropriateness of the rate of depreciation / amortisation, useful life and residual value used in the calculation of depreciation / amortisation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with corresponding effects on the depreciation / amortisation charge and impairment.

Investment in subsidiaries (note 6)

The Company value its investment in subsidiaries at cost less impairment, if any. The Company determines whether objective evidence of impairment exists for individual investments. The determination of fair value of unquoted subsidiaries involves inherent subjectivity, key assumptions (such as future cash flow forecasts, discount and growth rates and volatility), and estimation relation to valuation inputs and techniques. Any change in these assumptions and estimates may have significant impact on the fair value of investments with corresponding impact in statement of profit or loss.

Television program costs (note 8)

Television program costs represent unamortized cost of completed television programs and television programs in production. In order to determine the amount to be charged to statement of profit or loss, the management estimates future revenues from each program. Estimates of future revenues can change significantly due to a variety of factors, including advertising rates and the level of market acceptance of the production in different geographical locations. Accordingly, revenue estimates are reviewed periodically and amortisation is adjusted, if necessary. Such adjustments could have a material effect on results of operations in future periods.

Income taxes (note 9)

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of financial assets (note 3.7)

The Company uses a provision matrix to calculate ECLs for trade debts and other receivables. The provision rates are based on days past due for Company's various customer that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's financial assets exposed to credit risk is disclosed in note 35.5.

Contingencies (note 21)

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

Leases- Estimating the incremental borrowing rate (note 17)

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Leases- Determination of the lease term for lease contracts with extension and termination options (note 17)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination option. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1 Property, plant and equipment****3.1.1 Operating fixed assets**

These are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged to statement of profit or loss using straight line method so as to write off the historical cost of the assets over their estimated useful lives. Depreciation on additions is charged from the month in which the asset is available to use and no depreciation is charged for the month in which asset was disposed of.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Company.

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

The assets' residual values, useful lives and method of depreciation are revised, and adjusted if appropriate, at each statement of financial position date.

3.1.2 Right-of-use assets

The Company recognises a right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of lease term or useful life, except for the leases in which ownership of the underlying assets transfer to the lessee by the end of the lease term or cost of right of use assets reflects that the lessee will exercise a purchase option, the Company depreciate those right of use asset over the useful life of the underlying asset.

3.1.3 Capital work-in-progress

These are stated at cost less accumulated impairment and consist of expenditures incurred and advances made in respect of specific assets during the construction period. These are transferred to specific assets as and when assets are available for use.

3.2 Non current assets held for sale

Non current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the unconsolidated statement of financial position.

3.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in statement of profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit or loss when the asset is derecognized.

3.4 Investments in subsidiaries

Subsidiary is a entity over which the Company has control. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control. In assessing control, potential voting rights that are currently exercisable are taken into account.

Investment in subsidiary is initially recognised at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Such impairment losses or reversal of impairment losses are recognised in the statement of profit or loss. These are classified as 'long term investment' in the unconsolidated financial statements.

3.5 Television program costs

Television program costs represent unamortized cost of completed television programs and television programs in production. These costs include direct production costs, cost of inventory consumed, and production overheads and are stated at the lower of cost, less accumulated amortisation and net realizable value (NRV). NRV is estimated by the management on the basis of future revenue generation capacity of the program. Acquired television program licenses and rights are recorded when the license period begins and the program is available for use.

Television program costs and acquired television program licenses and rights are charged to expense based on the ratio of the revenues earned till date to total revenues to be earned from the program including future estimated revenues less cost expensed in prior years on an individual program basis.

3.6 Inventories

These are valued on weighted average cost basis and are stated at the lower of cost and NRV.

3.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Under IFRS 9 Financial assets are classified, at initial recognition, as subsequently measured at following:

- (a) at amortised cost
- (b) at fair value through profit or loss (FVTPL); and
- (c) at fair value through other comprehensive income (FVOCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

(a) At amortised cost

A financial asset is measured at amortised if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) At fair value through profit or loss

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(c) At fair value through other comprehensive income

A debt instruments is measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in unconsolidated statement of profit or loss.

This category also includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

These assets are subsequently measured at fair value. Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets at fair value through OCI with no recycling of cumulative gains and losses (equity instruments)

These assets are subsequently measured at fair value. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

As at the date of statement of financial position, Company is not having any equity instrument designated at fair value through OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's unconsolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

After initial recognition, borrowings and payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date. Exchange gain or losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.9 Advance from customers (Contract Liability)

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability are recognised as revenue when the Company fulfils its performance obligation mentioned in the contract.

3.10 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in statement of profit or loss and other comprehensive income. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flow have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3.11 Deposits, advances, prepayments and other receivables excluding financial assets

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition assessment is made at each statement of financial position date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

3.12 Current versus non-current classification

The Company presents assets and liabilities in the unconsolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.13 Taxation

Current

Provision for current tax is based on the taxable income in accordance with the Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all major temporary differences arising at the statement of financial position date between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

3.14 Cash and cash equivalents

These are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and short term running finance.

3.15 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.16 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.16.1 Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

ii) Determination of the lease term for lease contracts with extension and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

iii) Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

iv) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently carried at amortized cost using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional / contractual right to defer settlement of the liability for at least twelve months after the statement of financial position date.

3.18 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. As the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3.19 Unclaimed and unpaid dividend

Dividend declared by the Company, in the preceding three years, which remains unclaimed or unpaid as on the statement of financial position date is recognized as unpaid dividend. Dividend declared and payable prior to the preceding three years from the statement of financial position date are recognized as unclaimed dividend.

3.20 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

3.21 Revenue recognition

Advertising revenues are recognized at a point in time when the related advertisement or commercial appears before public i.e aired.

Production revenue: Production revenue is recognised at a point in time when production work appears before public.

Digital revenue: Advertising revenues from digital properties are recognized on the basis of number of impressions on the advertisement aired on website.

Subscription income arises from the monthly billing to subscribers for services provided by the Company and from digital avenues based on number of views. Revenue is recognised in the month the service is rendered.

Film Distribution Revenues: Revenue from film distribution is recognized at a point in time upon receipt of related sales reports from cinemas.

Credit limits in contract with customers ranges from 2 to 90 days.

3.22 Other income

Profit on bank deposits is accounted for on effective interest method.

Dividend income is recognized when it is declared and right to receive is established.

Interest / markup income is recognized on accrual basis.

Other revenues are accounted for on an accrual basis.

3.23 Expenses

Expenses are recorded when incurred based on the accrual basis of accounting. Distribution costs and administrative expenses include direct and indirect costs not specifically part of cost of production. Allocations between cost of production, distribution and administrative expenses, when required, are made on a consistent basis.

3.24 Staff retirement benefits**Defined contribution plan**

The Company operates a funded and approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 8.33% of the basic salary.

3.25 Foreign currency translations and translations

Foreign currency transactions are translated into Pakistani Rupees using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees using the exchange rate at the statement of financial position date. Non-monetary assets and liabilities are translated using exchange rate that existed when the values were determined. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to unconsolidated statement of profit or loss currently.

3.26 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalized as a part of the cost of related asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.27 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are

3.28 Contingencies

Contingencies are disclosed when the Company has a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.29 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.30 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation

3.31 Segment Reporting

Segment reporting is based on the reporting operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses. An operating segment's operating results are reviewed regularly by the senior management of the Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4	PROPERTY, PLANT AND EQUIPMENT	Note	2022	2021
			----- Rupees -----	
	Operating fixed assets	4.1	1,019,504,819	1,067,367,531
	Right of use assets	4.5	78,765,338	109,028,621
	Capital work-in-progress	4.6	106,914,620	87,420,469
			<u>1,205,184,777</u>	<u>1,263,816,621</u>

4.1 Operating fixed assets

	Cost		Accumulated depreciation			Book value as at	Depreciation Rate %
	As at July 31, 2022	Additions / Transfers from ROU ^a / (Disposals) transfers	As at June 30, 2022	As at July 01, 2021	Change / transfers from ROU ^a / (disposals) for the year	As at June 30, 2021	
Rupees							
Owned							
Leasehold land *	794,147,376	-	794,147,376	81,887,440	16,237,967	778,125,207	2.04 - 2.15
Building on leasehold land	109,890,511	-	109,890,511	55,173,820	7,099,963	65,794,388	10
Leasehold improvements	98,889,515	-	98,889,515	181,555,118	8,929,330	190,484,448	25
Furniture and fittings	40,050,637	9,039,185	49,089,822	23,220,111	3,394,328	27,314,340	10
Vehicles	74,207,446	49,673,245	123,880,691	54,722,554	8,335,965	63,058,519	25-33
		23,759,732 **			13,291,852 **		
		(22,742,444)			(13,329,594)		
Audio visual equipment	587,243,363	16,040,318	583,301,110	404,620,149	72,940,356	476,081,302	25
		992,762			(677,930)		
Updteking equipment	77,306,799	-	75,656,799	50,347,429	3,587,799	57,099,345	10
		(2,482,823)			(845,250)	11,707,221	
Office equipment	115,444,317	8,611,621	122,626,177	78,142,285	12,552,471	89,294,395	10
		(1,429,761)			(1,479,761)		
Computers	182,250,883	14,242,325	196,493,208	170,480,680	8,429,743	177,950,423	25
		(1,533,818)			(1,432,308)		
June 30 2022	2,151,036,719	90,559,873	2,235,213,751	1,082,672,185	130,679,556	1,215,000,022	1,019,584,615
		23,759,732 **			13,291,852 **		
Note 4.4		(30,036,573)			(17,634,664)		
Rupees							
	Cost		Accumulated depreciation			Book value as at	Depreciation Rate %
	As at July 31, 2020	Additions / transfers from ROU ^a / (Disposals) transfers	As at June 30, 2021	As at July 01, 2020	Change / transfers from ROU ^a / (disposals) for the year	As at June 30, 2021	
Rupees							
Owned							
Leasehold land *	794,147,376	-	794,147,376	45,619,573	16,237,967	61,937,840	2.04 - 2.15
Building on leasehold land	109,890,511	-	109,890,511	51,398,338	7,099,963	50,773,088	10
Leasehold improvements	98,342,754	8,146,751	106,489,505	165,705,552	25,445,519	191,155,118	25
Furniture and fittings	40,050,637	-	40,050,637	18,640,327	3,479,784	23,360,111	10
Vehicles	81,213,810	6,090,524	87,304,334	56,651,491	5,642,890	64,192,581	25-33
		18,184,822 **			9,773,775 **		
		(20,477,317)			(20,445,602)		
Audio Visual equipment	580,035,905	8,325,451	587,243,353	318,960,423	85,240,315	404,620,149	25
		(1,503,848)			(598,292)		
Updteking equipment	75,464,383	1,822,498	77,306,799	48,662,880	3,854,749	60,347,429	10
Office equipment	115,096,640	2,653,141	115,444,317	87,635,154	11,910,121	76,142,285	10
		(2,528,433)			(1,411,320)		
Computers	175,462,311	6,694,497	182,250,808	151,315,175	22,281,291	170,896,580	25
		(2,615,873)			(2,735,759)		
June 30 2021	2,138,736,132	30,042,879	2,151,036,710	814,061,389	185,515,520	1,085,672,158	1,087,287,821
		18,184,822 **			9,773,775 **		
		(36,932,714)			(95,578,933)		

* Includes asset under common ownership under Diminishing Musharaka arrangement

** Represents transfers from right of use assets to owned assets. (Refer note 4.5)

4.2 Particular of Immovable Asset in the name of the Company are as follows:

Location	Addresses	Total Area
Karachi	Plot No. 10/11 Hassan Ali street, off I.I. Chundrigar road.	2,070 sq yards
Islamabad	Plot No.2A, I&T centre sector G-5/1.	30,610 sq.ft
Islamabad	6-7 km, Kashmir Highway, adjacent to Sector H-17	303 sq yards

4.3 Depreciation for the year on operating fixed assets has been allocated as follows:

	Note	2022 Rupees	2021 Rupees
Cost of production	23	99,939,954	148,330,676
Distribution costs	24	3,085,345	870,964
Administrative expenses	25	33,355,992	36,313,880
		136,381,291	185,515,520

4.4 The details of operating fixed assets disposed / written off, during the year are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Modes of Disposals	Particulars of Buyer
Uplinking equipment							
	2,450,000	845,250	1,604,750	1,822,500	217,750	Insurance Claim	Adamjee Insurance
Vehicles							
	1,295,150	906,605	388,545	1,385,000	96,455	Insurance Claim	Adamjee Insurance
	1,740,000	1,218,000	522,000	612,100	90,100	Negotiation	Mr. Mohammad Aqeel Employee
	810,862	567,803	243,259	243,259	-	As per Company Policy	Mr. Syed Zahid Hussain, Employee
	3,103,582	2,172,507	931,075	1,250,700	319,625	Negotiation	Mr. Nauril Afroz; Employee
	1,100,374	770,535	330,339	330,339	-	As per Company Policy	Mr. Mohsin Nawaz; Employee
	1,103,874	865,324	438,550	783,373	344,823	Negotiation	Mr. Shaikh Amir; Employee
	2,926,329	2,046,780	879,549	1,417,670	539,621	Negotiation	Mr. Faisal Zakir; Employee
	1,947,200	1,363,040	584,160	753,900	169,740	Negotiation	Mr. Syed Mehroz Ali Zaidi; Employee
	1,135,574	794,902	340,672	343,200	2,528	Negotiation	Mr. Adil Hussain; Employee
	5,850,000	82,396	5,567,604	5,767,604	200,000	Negotiation	Mr. Akhtar Vqar Azim; Employee
	2,585,000	2,585,000	-	1,700,000	1,700,000	Insurance Claim	Adamjee Insurance
Items having book value of less than Rs. 500,000	4,187,628	3,614,722	572,906	1,662,276	1,089,370	Negotiation	Various
2022	30,036,573	17,634,664	12,401,909	18,071,921	5,670,012		
2021	36,903,714	25,178,503	11,725,211	16,481,506	4,756,295		

	Note	2022 Rupees	2021 Rupees
4.5 Right of use assets			
Opening net book value		199,028,621	129,754,816
Additions in lease liabilities		13,426,784	9,951,424
Change due to modification		29,196,604	35,193
Termination of lease		(37,329,117)	-
Transfer to operating fixed assets- book value		(10,458,880)	(5,890,547)
Less: Depreciation charge for the year	4.5.2 - 4.5.3	(25,098,674)	(24,822,265)
Closing net book value	4.5.1	78,765,338	109,028,621
As at June 30			
Cost		164,772,957	169,937,566
Accumulated depreciation		(86,007,619)	(60,908,945)
Net book value		78,765,338	109,028,621

4.5.1 Breakup of net book value of right-of-use assets by class of underlying asset is as follows:

	2022 (Rupees)	2021 (Rupees)
Land and building	64,189,159	89,884,187
Vehicles	14,576,179	19,044,434
	78,765,338	109,028,621

4.5.2 The right-of-use assets are depreciated on straight line basis over the lease term. Depreciation charge for the year on such assets has been allocated as follows:

	Note	2022 Rupees	2021 Rupees
Cost of production	23	14,203,948	13,400,475
Distribution costs	24	2,464,115	2,639,022
Administrative expenses	25	8,430,611	8,782,768
		25,098,674	24,822,265

4.5.3 Breakup of depreciation of right-of-use assets by class of underlying asset is as follows:

	2022 Rupees	2021 Rupees
Land and building	18,787,176	18,074,403
Vehicles	6,311,498	6,747,862
	25,098,674	24,822,265

4.6 Capital work-in-progress

Leasehold Land	106,914,620	87,420,469
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4.6.1 Movement in capital work-in-progress during the period:

Balance at beginning of the year	87,420,469	15,933,877
Additions during the year	19,494,151	71,486,592
Balance at end of the year	106,914,620	87,420,469

5 INTANGIBLE ASSETS

	Cost			Accumulated amortization			Book value	Amortisation
	As at July 01, 2021	Additions during the year	As at June 30, 2022	As at July 01, 2021	For the year	As at June 30, 2022	as at June 30, 2022	rate % per annum
Computer softwares	58,466,118	-	58,466,118	45,200,680	6,248,809	51,449,489	7,016,629	20 – 33
License fee	10,500,000	-	10,500,000	9,752,274	282,326	10,034,600	465,400	6.67
Trade mark	33,883,500	-	33,883,500	27,889,122	3,374,384	31,263,506	2,619,994	20
June 30, 2022	102,849,618	-	102,849,618	82,842,076	9,905,519	92,747,595	10,102,023	

	Cost			Accumulated amortization			Book value	Amortisation
	As at July 01, 2020	Additions	As at June 30, 2021	As at July 01, 2020	For the year	As at June 30, 2021	as at June 30, 2021	rate % per annum
Computer softwares	58,335,718	130,400	58,466,118	37,492,085	7,708,595	45,200,680	13,265,438	20 – 33
License fee	10,500,000	-	10,500,000	9,385,424	368,850	9,752,274	747,726	6.67
Trade mark	33,721,500	162,000	33,883,500	23,572,222	4,316,900	27,889,122	5,994,378	20
June 30, 2021	102,557,218	292,400	102,849,618	70,449,731	12,392,345	82,842,076	20,007,542	

		2022	2021
	Note	Rupees	
5.1 Amortisation for the year has been allocated as follows:			
Cost of production	23	8,745,980	9,598,124
Administrative expenses	25	1,159,539	2,794,221
		<u>9,905,519</u>	<u>12,392,345</u>

6 LONG TERM INVESTMENTS – unquoted subsidiaries

	Country of incorporation	Holding / Note	2022	2021
			Rupees	
HUM TV, Inc	United States of America	100%		
10,000 Common stock at \$ 0.01 (\$ 100)			8,603	8,603
Advance for future issue of shares (\$ 200,000)			<u>18,716,750</u>	<u>18,716,750</u>
			18,725,353	18,725,353
HUM Network UK Ltd	United Kingdom	100%		
553,677 Ordinary Share of 1 GBP (GBP 553,677)			95,923,751	95,923,751
Sky Line Publication (Private) Limited	Pakistan	100%		
3,999,997 Ordinary Shares of Rs. 10 each			<u>39,999,970</u>	<u>39,999,970</u>
Provision for impairment		6.1	<u>(39,999,970)</u>	<u>(39,999,970)</u>
			-	-
HUM Network FZ LLC	United Arab Emirates	100%		
2,400 Ordinary Shares of AED 1000 each (AED 2,400,000)			<u>69,802,371</u>	<u>69,802,371</u>
Advance for future issue of shares (AED 175,431)			<u>4,446,966</u>	<u>4,446,966</u>
			74,249,337	74,249,337
HUMM Co. (Private) Limited	Pakistan	100%		
4 ordinary shares of Rs. 10 each			40	40
HUM Mart (Private) Limited	Pakistan	70%		
14,000,000 ordinary shares of Rs. 10 each			<u>140,000,000</u>	<u>140,000,000</u>
Provision for impairment		6.2	<u>(140,000,000)</u>	<u>(140,000,000)</u>
			-	-
			<u>188,898,481</u>	<u>188,898,481</u>

- 6.1 The Company owns 100% shareholding of Sky Line Publication (Private) Limited (Skyline) as at 30 June 2022 100% (2021: 100%). The principle business of the subsidiary is publishing a monthly English magazine and production and sales of documentary films. In the current year, Skyline earned a profit after tax amounting to Rs. 2,249,511 (2021: Rs. 1,090,782). Skyline has accumulated loss amounting to Rs. 85,114,462 (2021: Rs. 87,436,109). Since Skyline was not historically generating sufficient cashflows and profits and there was no recoverability of investment in the foreseeable future, the management decided to impair the full cost of investment in the year 2020.

- 6.2 As at the year end date, HUM Mart was not generating sufficient cashflows and profits. The Management is changing the existing business model of the Company to make it profitable. Due to the existing losses and in accordance with the requirements under applicable financial reporting framework, the management decided to impair the full cost of investment in the prior year.

	2022	2021
	Rupees	
7 LONG TERM DEPOSITS AND PREPAYMENTS		
Security deposits		
- Rent	7,608,234	6,761,458
- Trade	15,975,435	15,975,435
- Others	<u>4,173,504</u>	<u>4,173,504</u>
	27,757,173	26,910,397
Prepayments		
- Software development fee	<u>4,210,158</u>	<u>4,210,158</u>
	<u>31,967,331</u>	<u>31,120,555</u>

- 10.6** The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balances are as follows:

	Note	2022 Rupees	2021 Rupees
HUM TV Inc.		97,234,456	73,597,309
HUM Network UK Limited		91,011,857	100,932,874
		<u>188,246,313</u>	<u>174,529,983</u>

11 SHORT TERM INVESTMENTS

At fair value through profit or loss

Term Finance Certificates (TFCs)

U Microfinance Bank Limited

8,400 TFCs having face value of Rs.4,991 each
(2021: 8,400 TFCs having face value of Rs.4,993 each)

11.1	45,386,768	42,302,020
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Mutual Funds

AKD Opportunity Fund

771,787 units (2021:2,199,809) having NAV of Rs. 100.9845 (2021:136.7162) per unit

77,938,517	300,749,572
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AKD Aggressive Income Fund

62,319 units having NAV of Rs. 51.0601 per unit

3,153,100	-
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AKD Golden Arrow Stock Fund

7,369,230 units (2021:9,449,241) having NAV of Rs. 13.4231 (2021:16.6266) per unit

98,917,914	157,108,756
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NBP Money Market Fund

2,599,042 units having NAV of Rs. 9.9311 per unit

25,811,342	-
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UBL Liquidity Plus Fund

199,646 units having NAV of Rs. 101.0881 per unit

20,181,785	-
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Faysal Cash Fund

2,017,449 units having NAV of Rs. 100.1818 per unit

202,111,633	-
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Alfalah GHP Money Market Fund

1,016,550 units having NAV of Rs. 98.3719 per unit

100,000,000	-
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MCB Pakistan Cash Management Fund

409,421 units having NAV of Rs. 50.4678 per unit

20,662,596	-
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MCB Pakistan Cash Management Optimizer

987,169 units having NAV of Rs. 101.2998 per unit

100,000,000	-
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HLB Financial Sector Income Fund Plan I

4,098,057 units having NAV of Rs. 100.0454 per unit

409,991,800	-
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ABL Cash Fund

2,023,967 units having NAV of Rs. 10.2015 per unit

20,647,500	-
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Askari High Yield Scheme

23,286 units (2021:21,665) having NAV of Rs. 103.4798 (2021:103.1229) per unit

2,409,729	2,254,809
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<u>1,127,212,684</u>	<u>502,415,157</u>
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- 11.1** These carry interest ranging from 11% to 14.96% (2021: 10.60% to 10.94%) per annum.

12 ADVANCES - unsecured, considered good

Interest free advances to:

- Producers
- Suppliers
- Employees
- Executives

84,183,888	94,929,111
19,161,090	24,715,168
5,317,150	8,704,959
-	857,539

<u>108,662,128</u>	<u>129,006,777</u>
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13 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**Deposits**

- Rent	514,500	514,500
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Prepayments

- Insurance	16,739,048	17,088,354
- Rent	66,923	160,800
- Other	7,839,982	3,338,359
	<u>24,645,953</u>	<u>20,587,513</u>
	<u>25,160,453</u>	<u>21,102,013</u>

2022 2021
----- Rupees -----

14 OTHER RECEIVABLES – considered good

Sales tax receivable	14.1	124,140,222	110,954,312
Due from related parties	14.2	98,916,587	90,715,980
Other		751,217	551,439
		<u>223,808,026</u>	<u>202,221,731</u>
Provision for impairment	14.5	<u>(57,605,219)</u>	<u>(57,605,219)</u>
		<u>166,202,807</u>	<u>144,616,512</u>

- 14.1** As per rule 3(5) of Sindh Sales Tax Special Procedure (withholding) Rule 2014, registered persons as recipient of advertisement services shall withhold whole of sales tax applicable on the person providing advertisement services. Accordingly, the Company is unable to adjust its input tax deducted on purchases of taxable goods and services as 100% of the output tax on the Company's taxable services are being withheld by the recipient of these services. However, the Company is in correspondence with the relevant authorities through its legal advisor to resolve the matter.

2022 2021
----- Rupees -----

14.2 Due from related parties

HUM TV, Inc.	38,943,913	30,052,260
HUM Mart (Private) Limited	1,320,991	1,317,185
Sky Line Publications (Private) Limited	58,651,683	59,346,535
	<u>98,916,587</u>	<u>90,715,980</u>

14.3 The aging of receivables from related parties is as follows:

Neither past due nor impaired	4,846,763	1,248,468
Past due but not impaired		
- 60 to 90 days	3,428,354	1,547,421
- over 90 days	90,641,470	87,920,091
	<u>98,916,587</u>	<u>90,715,980</u>

14.4 The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balances are as follows:

2022 2021
----- Rupees -----

HUM TV, Inc.	38,943,913	30,052,260
HUM Mart (Private) Limited	1,320,991	1,317,185
Skyline Publications (Private) Limited	58,651,683	59,346,535
	<u>98,916,587</u>	<u>90,715,980</u>

14.5 Provision for impairment

Balance at the beginning of the year	(57,605,219)	(57,605,219)
Provision made during the year	-	-
Balance at the end of the year	<u>(57,605,219)</u>	<u>(57,605,219)</u>

15 CASH AND BANK BALANCES

Cash in hand	561,806	364,499
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Cash at banks

- in current accounts	126,555,158	64,944,325
- in deposit accounts	706,381,596	290,518,781
	<u>832,936,754</u>	<u>355,463,086</u>
	<u>833,498,560</u>	<u>355,827,585</u>

15.1

15.1 These carry profit at the rates ranging from 5.5% to 12.85% per annum (2021: 5.5% to 6%) per annum.

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2022 (Number of shares)	2021		2022 Rupees	2021 Rupees
Ordinary shares of Rs. 1/- each				
500,000,000	500,000,000	Fully paid in cash	500,000,000	500,000,000
445,000,000	445,000,000	Issued as fully paid bonus shares	445,000,000	445,000,000
<u>945,000,000</u>	<u>945,000,000</u>		<u>945,000,000</u>	<u>945,000,000</u>

16.1 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding.

	2022 Rupees	2021 Rupees
17 LONG TERM LEASE LIABILITIES		
Opening balance	121,616,252	133,275,010
Additions during the year	13,943,510	7,874,151
Change due to termination	(49,463,171)	-
Change due to modification	22,469,102	35,193
Mark up on lease liabilities	14,287,879	15,301,368
Less: Lease rentals paid	(33,804,105)	(34,869,470)
Closing balance	<u>89,049,467</u>	<u>121,616,252</u>
Current portion of long-term lease liabilities	<u>16,372,569</u>	<u>29,564,860</u>
Long-term lease liabilities	<u>72,676,898</u>	<u>92,051,392</u>

17.1 Includes lease finance facility entered into by the Company with commercial banks for vehicles amounting to Rs 115,000,000 (2021: Rs.91,750,000) out of which Rs. 105,265,279 (2021:Rs. 66,358,190) remains unutilized at period end. Lease rentals are payable in monthly instalments latest by September 2022.

	2022 Rupees	2021 Rupees
18 LONG TERM FINANCING - secured		
Islamic banks		
Diminshing Musharaka - I	18.1	128,853,318
Diminshing Musharaka - II	18.2	269,420,550
Diminshing Musharaka - III	18.3	69,975,325
Salary Refinance Loan	18.4	187,048,496
		125,000,000
		49,110,321
		144,531,403
		372,938,964
Less: current maturity		601,000,449
		(294,813,943)
		(352,479,000)
		<u>78,125,021</u>
		<u>248,521,449</u>

18.1 Represent Diminishing Musharaka facility carrying profit at the rate of 6 months KIBOR plus 1% (June 2021: 6 months KIBOR plus 1%) per annum. The financing is repayable by 24 June 2023 in 48 equal monthly instalments commencing after a grace period of 12 months from the date of first disbursement i.e. from June 2018. The loan is secured by way of registered mortgage over the building on leasehold land.

18.2 Represent Diminishing Musharaka carrying profit at the rate of 6 months KIBOR plus 1% (June 2021: 6 months KIBOR plus 1%) per annum. The financing is repayable in 48 equal monthly instalments commencing after a grace period of 18 months from the date of first disbursement i.e. December 2017. In 2020, the Company has availed the principal deferment facility for LTFF offered by the SBP through BPRD circular no. 13 of 2020 to dampen adverse effects of the COVID-19 and to provide relief to the businesses. Hence, the financing is repayable by December 2023 now. Financing is secured by way of Equitable Mortgage over registered office, first pari passu constructive mortgage charge over land and first hypothecation charge over plant, machinery & equipment.

18.3 Represents Diminishing Musharaka facility secured in current year carrying profit at the rate of 6 months KIBOR plus 1% per annum. The financing is repayable in 8 equal quarterly instalments commencing after a grace period of 12 months from the date of disbursement i.e. December 2021. Financing is secured by way of Equitable Mortgage over registered office, first hypothecation charge over plant, machinery & equipment, first pari passu charge over receivables of the company and first pari passu charge by way of constructive mortgage charge over Islamabad office.

- 18.4 Represents long term-financing from an Islamic bank of Rs. 200 million obtained in June 2020 under the refinance scheme for payment of wages and salaries by State Bank of Pakistan (SBP). The loan carry markup rate at the rate of SBP rate + 3% however, the loan have been recognised at the present value. The loan is repayable in 8 equal quarterly installments commencing from January 2021 discounted at effective rate of interest. The differential markup has been recognised as government grant which will be amortised to interest income over the period of loan. The facility is secured by way of registered equitable mortgage over land and property with 30% margin.

	2022	2021
	Rupees	
19 Deferred Income - Government grant		
Opening balance	5,056,265	-
Received during the year	-	13,459,991
Released to the statement of profit or loss	(4,578,118)	(8,403,726)
Closing balance	478,147	5,056,265
Current portion	(478,147)	(4,495,607)
Non-current portion	-	560,658

- 19.1 Government grant has been recorded pursuant to a salary refinance scheme introduced by the State Bank of Pakistan (IHSMEFD Circular Nos. 07 & 14) to provide loan to businesses at concessional rates to finance salary expense during the COVID-19 outbreak. The grant has been provided to the Company as a reimbursement of average wages and salaries' bill for the months of April, May and June 2020 subject to Company's undertaking that no employees be laid off due to cash flow limitations, for a period of three months between April 01, 2020 to June 30, 2020.

		2022	2021	
		----- Rupees -----		
20	TRADE AND OTHER PAYABLES			
	Creditors	20.1	838,147,526	217,409,409
	Accrued liabilities		292,720,290	294,418,693
	Due to related party - HUM Network FZ LLC		27,215,492	36,225,396
	Withholding tax payable		22,224,940	15,161,701
	Payable to provident fund	20.2	1,031,524	1,563,648
	Others		36,643,371	17,165,530
			<u>1,217,983,143</u>	<u>581,944,377</u>

- 20.1 Includes amount payable to the following related parties:

M.D Production (Private) Limited	392,304,729	1,669,008
	<u>392,304,729</u>	<u>1,669,008</u>

- 20.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the rules formulated for this purpose.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

For tax related matters, refer note 29 to these unconsolidated financial statements.

21.2 Commitments

- 21.2.1** Purchase of television programs commitments with M.D Production (Private) Limited - a related party as at June 30, 2022 amounted to Rs. 204,378,000 (June 30 2021: Rs. 175,514,000). Commitment for purchase of television programs with other than related parties as at June 30, 2022 amounted to Rs. 48,902,000 (June 30, 2021: Rs. 71,736,000).

	Note	2022 Rupees	2021 Rupees
22 REVENUE – net			
Advertisement revenue		4,480,516,784	3,508,022,187
Production revenue		126,691,090	67,299,884
Digital revenue		108,992,303	47,036,575
Subscription income		1,297,020,232	704,967,420
Film distribution revenue		5,749,479	-
	22.1 & 22.2	<u>6,018,969,888</u>	<u>4,327,326,066</u>
22.1 Revenue is net off the following items:			
Sales tax		671,884,784	502,997,087
Discount to customers		498,649,987	330,388,488
		<u>1,170,534,771</u>	<u>833,385,575</u>
22.2 Represents revenue from the following geographical regions:			
Asia		4,776,231,297	3,828,961,128
America		1,242,738,591	498,364,938
		<u>6,018,969,888</u>	<u>4,327,326,066</u>

23 COST OF PRODUCTION

Cost of outsourced programs		1,717,633,741	1,449,206,697
Cost of in-house programs		227,538,028	128,361,607
Cost of inventory consumed		1,176,980	2,721,280
Salaries and benefits	23.1	851,372,089	712,914,797
Technical advisory fee	23.2	47,610,000	41,400,000
Depreciation	4.3 & 4.5.2	114,143,902	161,731,151
Traveling and conveyance		77,707,529	35,312,405
Utilities		14,312,520	20,732,088
Rent, rates and taxes		1,105,049	535,389
Insurance		26,069,116	25,091,917
Repair and maintenance		47,245,595	39,595,665
Fee and subscription	23.3	266,575,475	103,226,704
Communication		18,672,793	15,982,786
Security charges		180,200	382,000
Amortisation	5.1	8,745,980	9,598,124
Consultancy		5,886,311	5,466,961
Printing and stationery		1,815,106	1,064,049
		<u>3,427,792,414</u>	<u>2,753,323,620</u>
In production television programs – opening		22,282,250	38,743,250
In production television programs - closing		(35,460,250)	(22,282,250)
		<u>3,414,614,414</u>	<u>2,769,784,620</u>
Released / unreleased programs - opening		430,167,561	427,380,500
Released / unreleased programs - closing		(390,229,988)	(430,167,561)
		<u>3,454,551,987</u>	<u>2,766,997,559</u>

- 23.1** Include Rs. 25,213,478 (2021: Rs. 23,635,656) in respect of staff retirement benefits.

- 23.2** Represents fee paid to a Director for technical advisory services rendered in terms of the technical advisory agreement duly approved by the Board of Directors of the Company.

- 23.3** Includes Rs. 230,350,586 (2021: Rs. 99,426,704) in respect of fees for managing the digital subscriptions of the Company.

24 DISTRIBUTION COSTS

	Note	2022 Rupees	2021 Rupees
Advertisement and promotion		161,676,181	91,004,045
Salaries and benefits	24.1	154,710,507	120,538,937
Traveling and conveyance		15,195,322	10,465,718
Rent, rates and taxes		120,225	60,983
Utilities		3,313,061	1,751,418
Depreciation	4.3 & 4.5.2	5,549,460	3,509,985
Communication		677,368	1,267,513
Insurance		2,717,912	2,524,783
Repair and maintenance		2,360,689	1,926,879
Fees and subscription		2,585,055	2,119,504
Printing and stationary		359,371	190,979
		<u>349,265,091</u>	<u>235,410,544</u>

24.1 This include Rs. 6,462,264 (2021: Rs. 5,162,605) in respect of staff retirement benefits.

25 ADMINISTRATIVE EXPENSES

	Note	2022 Rupees	2021 Rupees
Salaries and benefits	25.1	343,388,335	290,484,693
Depreciation	4.3 & 4.5.2	41,884,869	45,096,848
Amortisation	5.1	1,159,539	2,794,221
Repair and maintenance		44,104,271	39,774,884
Communication		7,749,443	5,227,144
Traveling and conveyance		30,057,434	18,578,225
Fee and subscription		25,286,082	19,281,925
Utilities		33,995,048	25,875,191
Legal and professional charges		17,829,906	29,295,203
Printing, stationary and periodicals		9,609,492	5,618,270
Rent, rates and taxes		9,090,315	9,482,188
Insurance		5,674,372	5,173,203
Auditors' remuneration	25.2	4,974,321	5,518,954
Security charges		8,213,236	8,139,457
Donation	25.3	600,000	200,000
		<u>583,616,663</u>	<u>510,551,208</u>

25.1 include Rs. 5,712,115 (2021: Rs. 4,803,800) in respect of staff retirement benefits.

25.2 Auditors' remuneration

	2022 Rupees	2021 Rupees
Audit fee	1,687,500	1,500,000
Fee for consolidated financial statements	618,750	550,000
Fee for half yearly review	506,250	450,000
Tax and other assurance services	1,757,667	2,518,954
Out of pocket expenses	404,154	500,000
	<u>4,974,321</u>	<u>5,518,954</u>

25.3 Donations include the following donees to whom donations exceed 10% of total donation:

Dhoraji Youth Services Foundation	100,000	-
Sindh Graduates Association	500,000	-
St. Patrick's College		200,000
	<u>600,000</u>	<u>200,000</u>

25.4 Recipients of donations do not include any donee in which any director or his spouse had any interest.

26 OTHER INCOME

	Note	2022 Rupees	2021 Rupees
Income from financial assets - net			
Profit on deposit accounts	15.1	28,038,991	16,634,989
Unrealised exchange gain / (loss)		49,373,257	(863,932)
Dividend income		23,451,856	177,973
Interest / markup income		6,568,439	7,242,865
Government grant	19	4,578,119	8,403,726
Unrealised (loss) / gain on revaluation of investments		(49,819,679)	110,580,114
Loss on redemption / sale of investments		(31,191,855)	(12,426,115)
		<u>30,999,128</u>	<u>129,749,620</u>
Income from non financial assets			
Gain on disposal of operating fixed assets	4.4	5,670,012	4,756,298
Gain on termination of right of use asset		12,134,055	-
Sale of content and festival revenue		36,133,488	26,066,181
		<u>53,937,555</u>	<u>30,822,477</u>
		<u>84,936,683</u>	<u>160,572,097</u>

	2022	2021
	Rupees	
27 OTHER EXPENSES		
Allowance for ECL	28,112,800	13,826,920
Provision for impairment of investment in subsidiary	-	140,000,000
	28,112,800	153,826,920
28 FINANCE COSTS		
Mark-up on long term financing	49,626,966	63,287,927
Mark-up on short term borrowings	8,090,625	20,906,003
Finance lease charges	14,287,879	15,301,368
Bank charges	1,348,742	869,869
	73,354,212	100,365,167
29 TAXATION		
Current	219,949,554	69,293,350
Deferred	(67,537,087)	23,453,457
Prior	(1,477,602)	-
	150,934,865	92,746,807

Relationship between tax expense and accounting profit

Profit before taxation	1,514,839,878	-
Tax at the applicable rate of 29% (2021: 29%)	439,303,565	-
Tax effects of:		
Tax at reduced rate on dividend income	(4,221,334)	-
Income subject to final tax regime	(415,030,747)	-
Provision for super tax	26,457,707	-
Prior year tax charge reversal	(1,477,602)	-
Others	105,903,276	-
	150,934,865	-

29.1 The Company has filed its return of income up to tax year 2021. The return so filed is deemed to be an assessment order issued by the Taxation Authorities on the date the complete return is filed. The Company was mainly subject to minimum tax regime during the year ended 30 June 2021 under section 153(1)(b) of the Income Tax Ordinance 2001, therefore, relationship between income tax expense and accounting profit has not been presented.

29.2 During the year 2017, Deputy Commissioner Inland Revenue issued a show cause notice to the Company, for the tax year 2014, showing his intention to disallow the deduction claimed on account of agency commission on alleged non-deduction of tax on such agency commission. The Company filed a suit before the Hon'ble High Court of Sindh challenging the above showcause notice.

Based on a recent judgement of the Hon'ble Supreme Court of Pakistan, suits filed by taxpayers are not to be maintained unless 50% of the tax due is deposited by the petitioners. In compliance to the above order, the Company has deposited an amount of Rs. 24,395,012 into the Government treasury. The decision in respect of the Suit filed by the Company is still pending. The management, based on the legal 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 unconsolidated financial statements.

- 29.3 During the year ended 30 June 2022, the Assistant Commissioner Inland Revenue (ACIR) passed an order under Section 122(1) of the Ordinance for tax year 2017 whereby tax demand of Rs.771,644,957 has been raised. While the Company's appeal was pending before the Commissioner Inland Revenue (Appeals) for tax year 2017 but the department was seeking to recover the outstanding tax. Therefore the Company filed a petition before the Honorable High Court of Sindh for issuance of a stay order. Subsequent to the year end, on 7 July 2022, the Company received a stay order on the matter and the case is pending before the Commissioner Inland Revenue (Appeals). The management, based on the legal 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 unconsolidated financial statements.

	2022	2021
	Rupees	
30 EARNINGS / (LOSS) PER SHARE – basic and diluted		
Profit for the year	1,363,905,013	1,014,396,685
Weighted average number of ordinary shares outstanding during the period	945,000,000	945,000,000
Earnings / (loss) per share (Rupee)	1.44	1.07
31 CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,514,839,878	1,107,143,492
Adjustments for :		
Depreciation	161,578,231	210,337,785
Amortisation	9,905,519	12,392,345
Finance costs	73,354,212	100,366,167
Unrealized exchange (gain) / loss	(49,373,257)	863,932
Profit on deposit accounts	(28,038,991)	(16,634,989)
Gain on disposal of operating fixed assets	(5,670,012)	(4,756,296)
Gain on disposal of non-current asset held for sale	-	(476,832,913)
Loss on redemption / sale of investments	31,191,855	12,426,115
Dividend income	(23,451,856)	(177,973)
Gain on termination of right of use asset	(12,134,055)	-
Provision for impairment	28,112,800	153,826,920
Unrealised loss / (gain) on revaluation of investments	49,819,679	(110,580,114)
	235,294,125	(118,770,021)
Increase in current assets		
Inventories	33,640	323,244
Current portion of television program costs	10,038,580	5,000,000
Trade debts	(281,177,064)	(254,722,550)
Advances	20,344,649	(38,368,823)
Trade deposits and short term prepayments	(4,058,440)	(1,982,272)
Other receivables	(21,586,295)	(14,723,159)
	(276,404,930)	(304,473,560)
Increase in current liabilities		
Trade and other payables	636,038,766	89,071,964
Advance from customers	(14,013,401)	14,964,078
	2,095,754,438	787,935,953

32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2022				2021			
	Chief Executive	Executive Director	Non Executive Directors	Executives	Chief Executive	Executive Director	Non Executive Directors	Executives
Managerial remuneration	36,961,070	-	-	239,473,580	31,161,290	41,400,000	-	187,728,676
Technical advisory fee	-	47,610,000	-	-	-	-	-	-
Fee	-	-	3,175,000	-	-	-	2,500,000	-
Bonus	104,660,240	104,660,240	-	-	87,763,593	87,763,593	-	-
Retirement benefits	-	-	-	15,196,157	-	-	-	12,051,188
House rent	15,775,463	-	-	79,662,033	14,022,681	-	-	62,308,847
Utilities	3,565,645	-	-	17,509,340	3,119,129	-	-	12,946,429
Car allowance	28,128,072	23,500,000	-	-	29,128,072	23,500,000	-	-
Fuel and conveyance	1,334,938	1,549,927	870,287	15,637,993	1,349,577	615,040	549,085	8,795,308
	182,767,377	177,219,176	4,845,287	365,938,013	167,531,642	163,468,633	3,149,085	264,730,653
Number	1	1	5	53	1	1	5	45

32.1 The Chief Executive and certain Executives are also provided with free use of Company maintained cars in accordance with the Company's policy and reimbursement of expenses related to business travel.

33 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 year, other than those which have been disclosed elsewhere in these financial statements are as follows:

Relationship	Nature of transactions	2022	2021
		Rupees	Rupees
Subsidiaries	Expenses paid on behalf of the Company	40,162,558	23,426,727
	Expenses paid on behalf of the subsidiary	42,367,834	5,478,862
	Payment received on behalf of subsidiary	55,185,231	45,212,355
	Payment received on behalf of the Company	953,512	15,045,173
	Management fee	5,400,000	4,762,000
	Payment made during the year	-	3,818,408
	Professional or promotional services acquired	3,235,000	3,335,000
	Subscription income	53,765,500	47,474,620
	Purchases of goods	-	3,618,408
Associated Companies	Purchases of television programs rights	1,522,637,694	1,263,468,397
	Expenses paid on behalf of the associate	11,182,630	22,443,000
	Payment made during the period	1,720,819,343	1,321,362,043
Others	Contribution to the provident fund	37,387,857	33,702,051

All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The outstanding receivable and payable balances of the related parties are disclosed in their respective notes to these consolidated financial statements.

33.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Basis of association	Aggregate % of shareholding
1	Sixtine Publications (Private) Limited	Subsidiary	100%
2	HUM TV Inc.	Subsidiary	100%
3	HUM Network FZ LLC	Subsidiary	100%
4	HUM Network UK Limited	Subsidiary	100%
5	HUMM Co. (Private) Limited	Subsidiary	100%
6	HUM Mart (Private) Limited	Subsidiary	70%
7	M.D Productions (Private) Limited	Associated company (33.1.1)	-
8	Momina & Dursaid Films (Private) Limited	Associated company (33.1.1)	-
9	Momina and Dursaid Foundation	Associated company (33.1.1)	-
10	HUM Network Limited- Employees' Provident Fund	Retirement Fund	-
11	Ms. Sultana Siddique	Director	0.02%
12	Mr. Mazhar ul Haq Siddiqui	Director	-
13	Mr. Dursaid Qureshi	Director	45.74%
14	Mr. Shunsaid Qureshi	Director	5.38%
15	Mrs. Minnah Akbar Rashed	Director	-
16	Li Gor (R) Asif Yasin Malik	Director	-
17	Mr. Muhammad Ayub Yousuf Adil	Director	-
18	Mr. Sohail Ansari	Director	-
19	Mr. Khush bairat Shujaat	Director	-

33.1.1 These entities are associated companies / undertakings of the Company under Companies Act, 2017.

33.2 Subsidiaries incorporated outside Pakistan:

Name	Country of Incorporation
HUM TV, Inc.	United States of America
HUM Network FZ LLC	United Arab Emirates
HUM Network UK Limited	United Kingdom

33.3 None of the key management personnel had any arrangements with the Company other than the employment contract.

	Note	2022	2021
		Rupees	Rupees
34 FINANCIAL INSTRUMENTS BY CATEGORY			
34.1 Financial assets as per statement of financial position			
Financial assets at amortised cost			
- Long term deposits	7	27,757,173	26,910,397
- Trade debts	10	2,239,728,745	1,956,785,375
- Trade deposits	13	514,500	514,500
- Other receivables	14	42,062,585	33,662,200
- Cash and bank balances	15	833,498,560	355,827,585
		<u>3,143,561,563</u>	<u>2,373,700,057</u>
Financial assets at fair value through profit or loss			
- Short term investments	11	<u>1,127,212,684</u>	<u>502,415,157</u>
34.2 Financial liabilities as per statement of financial position			
Financial liabilities at amortised cost			
- Long term financing	18	78,125,021	248,521,449
- Trade and other payables	20	1,195,758,203	566,782,676
- Accrued mark-up		4,296,850	8,092,693
- Current portion of long term financing	18	294,813,943	352,479,000
- Unclaimed dividend		6,153,631	5,948,490
- Unpaid dividend		2,299,787	205,159
		<u>1,581,447,435</u>	<u>1,182,029,467</u>

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Company's senior management oversees the management of these risks. The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk, use of financial derivatives, financial instruments and investment of excess liquidity. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors review and agree policies for managing each of these risks which are summarized below:

35.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and equity price risk, such as equity risk.

35.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in the market interest rates. The Company's interest rate risk arises from long term financing and finance lease obligations, short term borrowings and bank balances. The Company manages these risks through risk management strategies.

Sensitivity analysis:

The following figures demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Company's profit before taxation:

	Increase / decrease in basis points	Effect on profit before taxation Rupees
June 30, 2022	+100	6,652,243
	-100	(6,652,243)
June 30, 2021	+100	(2,202,015)
	-100	2,202,015

35.3 Currency risk

Foreign currency risk is the risk that the value of financial assets or financial liabilities will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currencies. The Company's exposure to foreign currency risk is as follows:

	----- June 30, 2022 -----			----- June 30, 2021 -----		
	AED	US Dollar	GBP	AED	US Dollar	GBP
Trade debts	-	972,268	333,247	-	1,403,932	399,380
Other receivables	-	190,808	-	-	190,808	-
Trade and other payables	(479,281)	(87,562)	-	(852,384)	(355,706)	-
	----- Rupees -----			----- Rupees -----		
Closing exchange rates	55.6	204.1	247.1	43	157.5	216

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in the AED, USD and GBP exchange rates, with all other variables held constant, of the Company's profit before taxation:

	Change in AED rate (%)	Effect on profit before tax	Change in US dollar rate (%)	Effect on profit before tax	Change in GBP rate (%)	Effect on profit before tax
		--- Rupees ---		--- Rupees ---		--- Rupees ---
June 30, 2022	+10	(2,662,406)	+10	21,951,239	+10	8,234,533
	-10	2,662,406	-10	(21,951,239)	-10	(8,234,533)
June 30, 2021	+10	(4,679,182)	+10	14,986,407	+10	10,083,257
	-10	4,679,182	-10	(14,986,407)	-10	(10,083,257)

35.4 Equity price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total investments. Reports on the investments portfolio are submitted to the Company's senior management on a regular basis.

As of the statement of financial position date, the exposure to investments at fair value through profit or loss was Rs. 1,127,212,684 (30 June 2021: Rs. 502,415,157).

35.5 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The risk management function is regularly conducting detailed analysis on sectors / industries to identify the degree by which the Company's customers and their businesses have been impacted amid COVID-19. Keeping in view short-term and long-term outlook of each sector, management has taken into consideration the factors while calculating expected credit losses against trade debts and other receivables.

Management of credit risk

The Company's policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors and other internal guidelines.

Credit risk is managed and controlled by the management of the Company in the following manner:

- Credit rating and / or credit worthiness of the counterparty is taken into account along with the financial background so as to minimize the risk of default.
- The risk of counterparty exposure due to failed agreements causing a loss to the Company is mitigated by a periodic review of their credit ratings, financial statements, credit worthiness and market information on a regular basis.
- Cash is held with reputable banks only.

As of the unconsolidated statement of financial position date, the Company is exposed to credit risk on the following assets:

	2022	2021
	----- Rupees -----	----- Rupees -----
- Long term deposits	27,757,173	26,910,397
- Trade debts	2,239,728,745	1,956,785,375
- Short term investments	1,127,212,684	502,415,157
- Trade deposits	514,500	514,500
- Other receivables	42,062,585	33,662,200
- Bank balances	832,936,754	355,463,086
	<u>4,270,212,441</u>	<u>2,875,750,715</u>

Quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	Note	2022 Rupees	2021 Rupees
Trade debts			
Customers with no defaults in the past one year		2,239,728,745	1,958,785,375
Customers with some defaults in past one year		88,966,632	60,853,832
	10	<u>2,328,695,377</u>	<u>2,017,639,207</u>
Bank balances			
AA+		561,515,556	354,695,094
AA		270,306,554	767,992
AAA		1,112,428	-
A		2,216	-
	15	<u>832,936,754</u>	<u>355,463,086</u>
Short term investments			
Mutual funds	A(f)	2,409,729	-
	A+(f)	413,144,899	300,749,572
	AA(f)	25,811,342	-
	AA+(f)	261,491,882	-
	Non-rated	378,968,064	159,363,565
		<u>1,081,826,916</u>	<u>460,113,137</u>
Term finance certificate	A	45,386,768	42,302,020
	11	<u>1,127,212,684</u>	<u>502,415,157</u>

35.6 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines.

The table below summarizes the maturity profile of the Company's financial liabilities as at the following reporting dates:

2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Long term lease liabilities	-	5,032,131	22,623,132	61,394,204	89,049,467
Long term financing	-	88,265,377	206,548,563	78,125,024	372,938,964
Trade and other payables	246,570,024	354,556,366	593,600,289	-	1,194,726,679
Accrued mark-up	4,296,849	-	-	-	4,296,849
	<u>250,866,873</u>	<u>442,853,874</u>	<u>822,771,984</u>	<u>139,519,228</u>	<u>1,661,011,959</u>
2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Long term lease liabilities	-	5,979,119	23,585,741	92,051,392	121,616,252
Long term financing	-	87,703,548	264,775,454	248,521,449	601,000,449
Trade and other payables	288,864,088	227,197,945	49,156,995	-	565,219,028
Accrued mark-up	8,092,693	-	-	-	8,092,693
	<u>296,956,781</u>	<u>320,880,610</u>	<u>337,518,190</u>	<u>340,572,841</u>	<u>1,295,928,422</u>

35.6.1 Changes in liabilities from financing activities

	1-Jul-21	Cash Flows	New leases	Others	30-Jun-22
	Rupees				
Long term financing	601,000,449	(228,061,485)	-	-	372,938,964
Long term lease liabilities	121,616,252	(33,804,105)	13,943,510	36,756,981	89,049,467
	1-Jul-20	Cash Flows	New leases	Others	30-Jun-21
	Rupees				
Long term financing	1,350,555,062	(749,554,613)	-	-	601,000,449
Long term lease liabilities	185,475,941	(34,889,470)	7,874,151	15,336,561	121,616,252

35.6.2 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the unconsolidated financial statements appropriate their fair values.

35.7 Capital risk

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Company monitors capital using a debt equity ratio as follows:

	Note	2022 Rupees	2021 Rupees
Long term lease liabilities	17	72,676,898	92,051,352
Long term financing	18	78,125,021	248,521,449
Trade and other payable	20	1,217,983,143	581,944,377
Accrued markup		4,296,850	8,092,683
Current portion of long term lease liabilities	17	16,372,569	29,564,860
Current portion of long term financing	18	294,813,943	352,479,000
Total debt		1,684,268,424	1,312,653,771
Cash and bank balances	15	(833,498,560)	(355,827,585)
Net debt		850,769,864	956,826,166
Share capital	16	945,000,000	945,000,000
Unappropriated profit		4,151,625,806	3,118,470,793
Total equity		5,096,625,806	4,063,470,793
Capital		5,947,395,670	5,020,296,979
Gearing ratio		14.30%	19.06%

35.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate fair values.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value

	2022				2021
	Level 1	Level 2	Level 3	Total	
			(Rupees)		
Short term investments	-	1,127,212,684	-	1,127,212,684	502,415,157

During the period, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

- 35.9 Financial instruments which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date.

36 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 segments is engaged in broadcasting of news programs.

	Entertainment		News		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
Net revenue from external customer	5,417,080,742	4,068,665,371	601,889,146	258,660,695	6,018,969,888	4,327,326,066
Result						
Segment profit / (loss)	2,288,554,361	1,931,210,238	(173,567,491)	(444,074,470)	2,114,986,870	1,387,135,768
Taxation					(160,934,865)	(92,748,867)
Unallocated income / (expenses)						
Administrative expenses					(583,616,663)	(510,551,266)
Other Expenses					(28,112,800)	(163,828,920)
Other income					84,236,683	166,572,097
Gain on sale of non-current asset held for sale					-	476,832,913
Finance cost					(73,354,212)	(100,365,167)
Profit for the year					1,363,995,013	1,167,859,678
Other information						
Amortization	(4,635,183)	(7,157,956)	(5,229,336)	(6,234,369)	(9,864,519)	(12,392,345)
Depreciation	(43,217,134)	(41,079,871)	(118,361,097)	(169,257,914)	(161,578,231)	(210,337,785)
Segment assets	339,697,388	372,202,939	815,588,812	911,621,224	1,215,286,200	1,283,824,163
Unallocated Assets	-	-	-	-	5,589,118,600	4,132,103,521
	339,697,388	372,202,939	815,588,812	911,621,224	6,804,405,600	5,415,927,684
Capital expenditure	69,063,334	14,414,252	21,496,539	24,628,727	90,559,873	39,042,979
Segment liabilities	1,058,495,432	987,989,267	639,284,382	754,487,624	1,707,779,794	1,352,456,891

- 36.1 Revenue from three major customers of the Company during the period constituted 65% (2021: 64% - two Customers) of the total revenue.

37 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at period end and during the period respectively are as follows:

	2022	2021
Total number of employees	<u>676</u>	<u>677</u>
Average number of employees during the period	<u>669</u>	<u>711</u>

38 GENERAL

38.1 For better presentation, certain prior year figures have been reclassified consequent to certain changes in current period presentation.

38.2 Figures have been rounded off to the nearest Rupee

39 INTERIM CASH DIVIDEND

During the year, the board of directors in the meeting held on April 25, 2022 approved interim cash dividend @ 35% i.e. Rs 0.35 per share.

40 DATE OF AUTHORIZATION

These financial statements have been authorised for issue on September 19, 2022 by the Board of Directors of the Company.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS



Building a better
working world

INDEPENDENT AUDITOR'S REPORT To the members of Hum Network Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Hum Network Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

Key audit matters	How the matter was addressed in our audit
1. Net realizable value of television program costs	
<p>As of the year end, the balance of television program costs amounted to Rs. 425,690,238 (30 June 2021: 452,448,811) which represents unamortized cost of completed television programs and television programs in production.</p> <p>As per the accounting policy of the Holding Company, television program costs and acquired television program licenses and rights are charged to expense based on the ratio of the revenues earned till date to total revenues to be earned from the program including future estimated revenues, less cost expensed in prior years on an individual program basis.</p> <p>Allocation of television program costs over several accounting periods based on estimates of revenue involve significant judgement of the management which may have a significant impact on the consolidated financial statements. For this reason, we have identified this area as key audit matter.</p> <p>Refer notes 3.5, 7 and 22 to the consolidated financial statements.</p>	<p>Our audit procedures amongst others, comprised reviewing the appropriateness of the accounting policy of the Holding Company in accordance with the applicable financial reporting standards. Further, we obtained understanding of the revenue estimation and amortization process of the Holding Company.</p> <p>In this regard, we selected a sample of television programs and considered the factors used by the management for revenue estimation and amortization of television program cost including:</p> <ul style="list-style-type: none"> • historic experience of revenue earned by similar programs; • ratings of the program from available evidences; • rates used by the Holding Company and its fluctuation based on the trend analysis; and • we also considered subsequent events which may have an impact on unamortized cost. <p>We also evaluated whether adequate disclosures have been made in the accompanying consolidated financial statements in accordance with the applicable financial reporting standards.</p>
Key audit matters	How the matter was addressed in our audit
2. Revenue recognition	
<p>(Refer note 3.22 and 21 to the accompanying consolidated financial statements)</p> <p>The Group earns revenue from a variety of sources among the different business areas of which 96% pertains to revenue from advertisements and subscriptions.</p> <p>As reported in the explanatory notes, revenues from advertisement are recognized at the time of the appearance of the advertisement and subscription income is recognized in the month in which service is rendered.</p> <p>We concluded that this area constitutes a key audit matter for the Group considering the significance of the amount, it being a key performance indicator and also the increase of 25% and 89% in advertisement and subscription income as compared to the prior year respectively.</p>	<p>We obtained an understanding of the Group's processes in place for revenue recognition and tested key controls over each significant revenue stream.</p> <p>We inspected a sample of contracts to check that revenue recognition was in accordance with the contract terms and the Group's revenue recognition policies.</p> <p>We performed analytical review procedures and other test of details over revenue including cut-off procedures to check that revenue has been recognised in the appropriate accounting period.</p> <p>We assessed the adequacy of the Group's disclosures in accordance with the applicable financial reporting standards.</p>

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

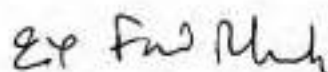
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



EY Ford Rhodes

Chartered Accountant

Place: Karachi

Date: September 26, 2022

UDIN Number: AR202210120Xkyb0OuZD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021 -----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,213,806,080	1,272,025,049
Intangible assets	5	68,700,604	74,994,373
Long term deposits	6	32,382,764	31,443,434
Television program costs	7	335,343,019	352,064,012
Deferred tax asset	8	206,123,723	134,673,585
		1,856,356,190	1,865,200,453
CURRENT ASSETS			
Inventories		16,627,261	16,660,901
Current portion of television program costs	7	90,347,219	100,385,799
Trade debts	9	2,499,313,014	2,231,476,846
Short term investments	10	1,127,212,684	502,415,157
Advances	11	116,367,406	129,283,397
Trade deposits and short-term prepayments	12	54,878,938	23,582,975
Other receivables	13	211,773,875	111,845,411
Taxation – net		232,393,146	210,879,875
Cash and bank balances	14	925,578,242	437,693,527
		5,274,491,785	3,764,223,688
TOTAL ASSETS		7,130,847,975	5,629,424,341
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 1,500,000,000 (2020: 1,500,000,000) Ordinary shares of Re.1/- each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital	15	945,000,000	945,000,000
Revenue Reserves		4,296,372,452	3,098,190,358
Attributable to owners of the Holding Company		5,241,372,452	4,043,190,358
Non-controlling interest		(53,578,718)	(32,505,864)
		5,187,793,734	4,010,684,494
NON-CURRENT LIABILITIES			
Long term lease liabilities	16	72,676,898	92,051,392
Long term financing	17	101,461,145	269,229,311
Deferred income - Government grant	18	-	560,658
Staff retirement benefits		48,070,804	33,255,893
		222,208,847	395,097,254
CURRENT LIABILITIES			
Trade and other payables	19	1,307,502,946	683,186,088
Advance from customers		86,356,790	136,766,203
Accrued mark-up		6,111,455	9,907,299
Unclaimed dividend		6,153,631	5,948,490
Unpaid dividend		2,299,787	205,159
Current portion of deferred income - Government grant	18	478,147	4,495,607
Current portion of long term lease liabilities	16	16,372,569	29,564,860
Current portion of long term financing	17	295,570,069	353,568,887
		1,720,845,394	1,223,842,593
CONTINGENCIES AND COMMITMENTS	20		
TOTAL EQUITY AND LIABILITIES		7,130,847,975	5,629,424,341

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.


DURAIQ QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

HUM NETWORK LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021 -----
Revenue	21	6,544,962,442	4,993,729,036
Cost of production	22	(3,462,463,856)	(2,992,072,911)
Transmission cost		(250,797,633)	(346,613,518)
		<u>(3,713,261,489)</u>	<u>(3,338,686,429)</u>
Gross profit		2,831,700,953	1,655,042,607
Distribution costs	23	(415,772,921)	(288,605,843)
Administrative expenses	24	(790,332,088)	(775,070,677)
Other expenses	25	(28,112,800)	(70,301,849)
Other income	26	24,041,652	162,914,752
Gain on sale of non-current asset held for sale		-	476,832,913
Operating profit/ (loss)		1,621,524,796	1,160,811,903
Finance costs	27	(74,565,447)	(101,587,351)
		<u>1,546,959,349</u>	<u>1,059,224,552</u>
Profit before taxation		1,546,959,349	1,059,224,552
Taxation	28	(151,853,694)	(98,031,756)
Profit after taxation		1,395,105,655	961,192,796
Attributable to:			
Owners of the Holding Company		1,416,178,509	994,762,944
Non-controlling interests		(21,072,854)	(33,570,148)
		<u>1,395,105,655</u>	<u>961,192,796</u>
Earnings per share – basic and diluted (Rupee)	29	1.50	1.05

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.


DURAIQ QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	Rupees	
Profit after taxation	1,395,105,655	961,192,796
Other comprehensive income for the year		
Items that may be reclassified subsequently to statement of profit or loss		
Effect of translation of net investment in foreign subsidiary companies	112,753,585	7,023,908
Total comprehensive income for the year	1,507,859,240	968,216,704
Attributable to:		
Owners of the Holding Company	1,528,932,094	1,001,786,852
Non-controlling interests	(21,072,854)	(33,570,148)
	1,507,859,240	968,216,704

The annexed notes from 1 to 39 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 YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Foreign exchange translation reserve	Revenue Reserves		Non- controlling interest	Total
			Unappropriated profit	Sub-total		
Balance as at June 30, 2020	945,000,000	159,680,622	1,936,722,884	2,086,403,506	1,064,284	3,042,467,790
Loss attributable to non-controlling interests for the year	-	-	-	-	(33,570,148)	(33,570,148)
	-	-	-	-	(33,570,148)	(33,570,148)
Profit for the year	-	-	994,762,944	994,762,944	-	994,762,944
Other comprehensive income	-	7,023,908	-	7,023,908	-	7,023,908
Total comprehensive income for the year	-	7,023,908	994,762,944	1,001,786,852	-	1,001,786,852
Balance as at June 30, 2021	945,000,000	166,704,530	2,931,485,828	3,098,190,358	(32,505,864)	4,010,684,494
Loss attributable to non-controlling interests for the year	-	-	-	-	(21,072,854)	(21,072,854)
	-	-	-	-	(21,072,854)	(21,072,854)
Profit for the year	-	-	1,416,178,509	1,416,178,509	-	1,416,178,509
Other comprehensive income	-	112,753,585	-	112,753,585	-	112,753,585
Total comprehensive income for the year	-	112,753,585	1,416,178,509	1,528,932,094	-	1,528,932,094
Interim Cash Dividend for the quarter ended March 31, 2022 @ Rs 0.35 per share	-	-	(330,750,000)	(330,750,000)	-	(330,750,000)
Balance as at June 30, 2022	945,000,000	279,458,115	4,016,914,337	4,296,372,452	(53,578,718)	5,187,793,734

The annexed notes from 1 to 38 form an integral part of these consolidated financial statements.


DURAIQ QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer


CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	30	2,106,646,913	634,539,176
Taxes paid		(244,817,103)	(39,901,110)
Finance costs paid		(78,361,291)	(94,890,201)
Profit received on deposit accounts		28,562,426	16,956,588
Long term deposits		1,060,670	12,421,642
Television program costs		16,720,993	8,673,939
Net cash flow generated from operating activities		1,829,812,608	537,800,034
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(91,744,073)	(111,239,971)
Additions to intangible assets		(7,586,977)	(2,804,635)
Short term investments - net		(705,809,061)	(162,756,066)
Proceeds from disposal of investment in an associate		-	13,682,805
Dividend received		23,451,856	177,973
Proceeds from sale of non-current asset held for sale		-	493,340,000
Proceeds from disposal of intangible assets		-	6,390,192
Proceeds from disposal of operating fixed assets		18,071,921	20,895,167
Net cash (used in) / generated from (investing activities)		(763,616,334)	257,885,485
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - net		(230,345,102)	(411,352,771)
Dividend paid		(328,450,231)	-
Lease rentals paid		(19,516,226)	(26,269,760)
Net cash used in from financing activities		(578,311,559)	(437,622,531)
Net increase in cash and cash equivalents		487,884,715	358,062,988
Cash and cash equivalents at the beginning of the year		437,693,527	79,630,559
Cash and cash equivalents at the end of the year		925,578,242	437,693,527

The annexed notes from 1 to 39 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 YEAR ENDED JUNE 30, 2022

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 and news. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programmes with respect to information, entertainment, current affairs, education, health, food, music and society.

The 'Group' consists of

Holding Company

HUM Network Limited

Subsidiary Companies

	2022	2021
	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. A scheme of merger, by way of amalgamation, of M.D Productions (Private) Limited, a related party with and into Humm Co. (Private) Limited was approved by the Board of Directors of the Holding Company on September 22, 2016. During the year, the petition for the scheme of arrangement has been withdrawn by the Holding Company on April 23, 2019 due to inordinate delay in the matter proceeding with the High Court.

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

1.4 Geographical location and address of business units

Registered office	Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.
City offices – Karachi	Alfalah Court, I.I Chundrigar Road
City office – Islamabad	2A, I&T center, sector G-6/1
City office – Lahore	House # 58, R-24, Masson Road
City office – Peshawar	Plot No. 7-A, 29 The Mall, Peshawar Cantonment
City office – Quetta	House # 3, Phase II, Shahbaz town
City office – Multan	Ghous-e-Azam Road, Bismillah Colony
HUM Network UK Limited	38-P Alum rock road, Birmingham, England. 2 Hamlet Mews, London
HUM News Limited	Evergreen Houses North Third Floor, Office Suite 311, Grafton Place, Euston London, United Kingdom.
HUM Network FZ LLC	Office G-01 Boutique Studio City, Dubai, UAE
Skyline Publication (Private) Limited	Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi,
Hum Mart (Private) Limited	Plot # SR-7, Shed # A-2, Survey 413, Sector 7 A, Korangi Industrial Area, Karachi.
HUM TV, Inc.	6201 Bonhomme Road, 180N, Houston Texas.

2 BASIS OF PREPARATION**2.1 Statement of Compliance**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

These consolidated financial statements have been prepared on the basis of historical cost convention, except otherwise specifically stated.

2.3 New and amended standards

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

2.4 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except that the Company has adopted the following standards, amendments, interpretation and improvements to IFRS which became effective for the current year:

IFRS 3	Definition of a Business (Amendments)
IAS 1 / IAS 8	Definition of Material (Amendments)

Improvement to accounting standards issued by the IASB (2018 – 2020 cycle)

Standard or interpretation		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 01, 2022
IAS 1	Classification of Liabilities as Current or Non-Current (Amendments)	January 01, 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023

Improvement to accounting standards issued by the IASB (2015 – 2020 cycle)	IASB effective date (annual periods beginning on or after)
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IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities	January 01, 2022
IAS 41	Agriculture - Taxation in fair value measurement	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022

The above standards, amendments of IFRSs and improvements to accounting standards are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standard		IASB effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRSs	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgment, estimates and assumptions that affect the application of policies and the reported amounts of revenues, expenses, assets and liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates, assumptions and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the consolidated financial statements:

Property, plant and equipment and intangible assets (note 4 & 5)

The Group reviews appropriateness of the rate of depreciation / amortisation, useful life and residual value used in the calculation of depreciation / amortisation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Group uses the technical resources available with the Group. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with corresponding effects on the depreciation / amortisation charge and impairment.

Television program costs (note 7)

Television program costs represent unamortised cost of completed television programs and television programs in production. In order to determine the amount to be charged to consolidated statement of profit or loss, the management estimates future revenues from each program. Estimates of future revenues can change significantly due to a variety of factors, including advertising rates and the level of market acceptance of the production in different geographical locations. Accordingly, revenue estimates are reviewed periodically and amortisation is adjusted, if necessary. Such adjustments could have a material effect on results of operations in future periods.

Income taxes (note 8)

In making the estimate for income tax payable by the Group, the Group takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of financial assets (note 3.8)

The Group uses a provision matrix to calculate ECLs for trade debts and other receivables. The provision rates are based on days past due for Group's various customer that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets exposed to credit risk is disclosed in note 38.5.

Contingencies (note 20)

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

Leases- Estimating the incremental borrowing rate (note 16)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Leases- Determination of the lease term for lease contracts with extension and termination options (note 16)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination option. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1 Basis of consolidation**

Subsidiary is an entity over which the Group has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control.

Subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Income and expenses of a subsidiary acquired or disposed off during the year are included in profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the Subsidiary Company are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the Subsidiary Company have been changed to conform with accounting policies of the Holding Company, where required.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Identifiable assets acquired, liabilities assumed and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of cost of acquisition is recorded as goodwill, however, if the cost of acquisition is less than fair value of the net assets of the

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends within the Group are eliminated in full.

Non-controlling interest (NCI) is that part of the net results of operations and of net assets of subsidiary attributable interest which are not owned by the Group. The Group measures NCI on proportionate basis of the net assets of subsidiary company.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit and loss, and reclassifies the Holding Company share of components previously recognised in other comprehensive income to profit or loss account or retained earnings, as appropriate.

3.2 Property, plant and equipment

3.2.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged to consolidated statement of profit or loss using straight line method so as to write off the historical cost of the assets over their estimated useful lives. Depreciation on additions is charged from the month in which the asset is available to use and no depreciation is charged for the month in which asset was disposed of.

Maintenance and normal repairs are charged to consolidated statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Group.

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

The assets' residual values, useful lives and method of depreciation are revised, and adjusted if appropriate, at each consolidated statement of financial position date.

3.2.2 Right-of-use assets

The Group recognises a right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of lease term or useful life, except for the leases in which ownership of the underlying assets transfer to the lessee by the end of the lease term or cost of right of use assets reflects that the lessee will exercise a purchase option, the Group depreciate those right of use asset over the useful life of the underlying asset.

3.2.3 Capital work-in-progress

These are stated at cost less accumulated impairment losses and consists of expenditures incurred and advances made in respect of specific assets during the construction period. These are transferred to specific assets as and when assets are available for use.

3.3 Business combination and goodwill

Business combinations are accounted for using the purchase method of accounting. The cost of an acquisition is measured as the cash paid and the fair value of other assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

3.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in consolidated statement of profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in consolidated statement of profit or loss when the asset is derecognised.

3.5 Television program costs

Television program costs represent unamortized cost of completed television programs and television programs in production. These costs include direct production costs, cost of inventory consumed, and production overheads and are stated at the lower of cost, less accumulated amortisation and net realizable value (NRV). NRV is estimated by the management on the basis of future revenue generation capacity of the program. Acquired television program licenses and rights are recorded when the license period begins and the program is available for use.

Television program costs and acquired television program licenses and rights are charged to expense based on the ratio of the revenues earned till date to total revenues to be earned from the program including future estimated revenues less cost expensed in prior years on an individual program basis.

3.6 Non current assets held for sale

Non current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

3.7 Inventories

These are valued on weighted average cost basis and are stated at the lower of cost and NRV.

Provision is made for obsolete and slow moving stock-in-trade based on management's best estimate and is recognised in the statement of profit or loss.

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Under IFRS 9 Financial assets are classified, at initial recognition, as subsequently measured at following:

- (a) at amortised cost
- (b) at fair value through profit or loss (FVTPL); and
- (c) at fair value through other comprehensive income (FVTOCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

(a) At amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) At fair value through profit or loss

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(c) At fair value through other comprehensive income

A debt instrument is measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in unconsolidated statement of profit or loss.

This category also includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

These assets are subsequently measured at fair value. Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets at fair value through OCI with no recycling of cumulative gains and losses (equity instruments)

These assets are subsequently measured at fair value. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

As at the date of consolidated statement of financial position, Group is not having any equity instrument designated at fair value through OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

After initial recognition, borrowings and payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date. Exchange gain or losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

3.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.10 Advance from customers (Contract Liability)

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability are recognised as revenue when the Group performs under the contract.

3.11 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flow have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3.12 Deposits, advances, prepayments and other receivables excluding financial assets

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition assessment is made at each consolidated statement of financial position date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

3.13 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.14 Taxation

Current

Provision for current tax is based on the taxable income in accordance with the applicable laws.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all major temporary differences arising at the consolidated statement of financial position date between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the consolidated statement of financial position date.

3.15 Cash and cash equivalents

These are carried at cost. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and short term running finance.

3.16 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.17 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.17.1 Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Group uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

ii) Determination of the lease term for lease contracts with extension and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

iii) Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

iv) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently carried at amortized cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional / contractual right to defer settlement of the liability for at least twelve months after the consolidated statement of financial position date.

3.19 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. As the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3.20 Unclaimed and unpaid dividend

Dividend declared by the Group, in the preceding three years, which remains unclaimed or unpaid as on the consolidated statement of financial position date is recognized as unpaid dividend. Dividend declared and payable prior to the preceding three years from the consolidated statement of financial position date are recognized as unclaimed dividend.

3.21 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each consolidated statement of financial position date and adjusted to reflect the current best estimate.

3.22 Revenue recognition

Advertisement revenue is recognised when the related advertisement or commercial appears before the public i.e., aired.

Production revenue: Production revenue is recognised when production work appears before public.

Digital revenue: Digital revenue is recognised on the basis of number of impressions on the advertisement aired on website.

Subscription income arises from the monthly billing to subscribers for services provided by the Company and from digital avenues based on number of views. Revenue is recognised in the month the service is rendered.

Film Distribution Revenues: Revenue from film distribution is recognized at a point in time upon receipt of related sales reports from cinemas.

Sale of goods are recognized when goods are delivered to customers.

Credit limits in contract with customers ranges from 2 to 90 days.

3.23 Other income

Sale of magazine and DVD's is recognized on receipt basis.

Profit on bank deposits is accounted for on effective interest method.

Dividend income is recognized when it is declared and right to receive is established.

Interest / markup income is recognized on accrual basis.

Other revenues are accounted for on an accrual basis.

3.24 Expenses

Expenses are recorded when incurred based on the accrual basis of accounting. Distribution costs and administrative expenses include direct and indirect costs not specifically part of cost of production. Allocations between cost of production, distribution and administrative expenses, when required, are made on a consistent basis.

3.25 Staff retirement benefits**Defined contribution plan**

The Holding Company operates a funded and approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Holding Company and the employees, to the fund at the rate of 6.33% of the basic salary.

3.26 Foreign currency translations and translations

Foreign currency transactions are translated into Pakistani Rupees using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees using the exchange rate at the consolidated statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to consolidated statement of profit or loss currently.

The assets and liabilities of foreign subsidiary companies are translated to Pak rupees at exchange rates prevailing at the consolidated statement of financial position date. The income and expenses of foreign subsidiary companies are translated at average rate of exchange for the year. Translation gains and losses arising on the translation of net investment in foreign subsidiary companies are taken to equity under "Foreign Exchange Translation Reserve" and on disposal are recognised in the consolidated statement of profit or loss.

3.27 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalized as a part of the cost of related asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.28 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the consolidated financial statements in the period in which these are approved.

3.29 Contingencies

Contingencies are disclosed when the Group has a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.30 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the period.

3.31 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

3.32 Segment Reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses. An operating segment's operating results are reviewed regularly by the senior management of the Group to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.2 Particular of immovable assets in the name of the Group are as follows:

Location	Addresses	Total Area
Karachi	Plot No. 10/11 Hassan Ali Street, off I.I. Chundrigar road.	2,070 sq yard
Islamabad	Plot No.2A, I&T Centre Sector G-6/1.	30,610 sq. ft
Islamabad	6-7 km, Kashmir Highway, adjacent to Sector H-17.	303 sq yard

	Note	2022 Rupees	2021 Rupees
4.3 Depreciation for the year on operating fixed assets has been allocated as follows:			
Cost of production	22	100,988,988	154,196,333
Distribution costs	23	3,085,345	870,964
Administrative expenses	24	34,506,191	40,579,583
		<u>138,579,524</u>	<u>195,646,880</u>

4.4 The details of operating fixed assets disposed / written off, during the year are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Modes of Disposal	Particulars of Buyer
Uplinking equipment	2,480,000	845,250	1,604,750	1,822,600	217,750	Insurance Claim	Adamjee Insurance
Vehicles	1,295,150	906,605	388,545	1,385,000	996,455	Insurance Claim	Adamjee Insurance
	1,740,000	1,218,000	522,000	612,100	90,100	Negotiation	Mr. Mohammad Aqeel; Employee
	810,862	567,603	243,259	243,259	-	As per Company Policy	Mr. Syed Zahid Hussain; Employee
	3,103,582	2,172,507	931,075	1,250,700	319,625	Negotiation	Mr. Naufil Aftab; Employee
	1,100,874	770,535	330,339	330,339	-	As per Company Policy	Mr. Mohsin Nawaz; Employee
	1,103,874	885,324	438,550	783,375	344,823	Negotiation	Mr. Shaikh amir; Employee
	2,926,829	2,048,780	878,049	1,417,670	539,621	Negotiation	Mr. Faisal Zakir; Employee
	1,947,200	1,363,040	584,160	753,900	169,740	Negotiation	Mr. Syed Mehroz Ali Zaidi; Employee
	1,135,574	794,902	340,672	343,200	2,528	Negotiation	Mr. Adil Hussain; Employee
	5,650,000	82,396	5,567,604	5,767,804	200,000	Negotiation	Mr. Akhtar Vigar Azim; Employee
	2,585,000	2,585,000	-	1,700,000	1,700,000	Insurance Claim	Adamjee Insurance
Items having book value of less than Rs. 500,000	4,187,628	3,614,722	572,906	1,662,276	1,089,370	Negotiation	Various
2022	<u>30,036,573</u>	<u>17,534,664</u>	<u>12,401,909</u>	<u>18,071,921</u>	<u>5,670,012</u>		
2021	<u>67,508,494</u>	<u>48,806,671</u>	<u>18,702,823</u>	<u>20,895,167</u>	<u>2,182,344</u>		

	Note	2022 Rupees	2021 Rupees
4.5 Right of use assets			
Year ended June 30			
Opening net book value		109,028,622	136,797,636
Additions		13,426,784	9,951,424
Change due to modification during the year		29,198,604	35,193
Termination of lease		(37,329,117)	-
Transfer to operating fixed assets- book value		(10,380,614)	(5,800,547)
Less: Depreciation charge for the year	4.5.2	(25,196,940)	(31,865,084)
Closing net book value		<u>78,765,339</u>	<u>109,028,622</u>
As at June 30			
Cost		183,987,447	189,053,790
Accumulated depreciation		(105,222,108)	(80,025,168)
Net book value		<u>78,765,339</u>	<u>109,028,622</u>

4.5.1 The right-of-use assets are depreciated on straight line basis over the remaining lease term.

4.5.2 Depreciation for the year on right of use assets has been allocated as follows:

	Note	2022 Rupees	2021 Rupees
Cost of production	22	14,203,948	20,443,294
Distribution costs	23	2,464,115	2,639,022
Administrative expenses	24	8,528,877	8,782,768
		<u>25,196,940</u>	<u>31,865,084</u>
Breakup of depreciation of right-of-use assets by class of underlying asset is as follows:			
Land and building		18,787,176	25,117,222
Vehicles		6,409,764	6,747,862
		<u>25,196,940</u>	<u>31,865,084</u>

4.6 Capital work-in-progress

Leasehold Land	<u>106,914,620</u>	<u>87,420,469</u>
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4.6.1 Movement in capital work-in-progress during the year

Balance at beginning of the year	87,420,469	15,933,877
Additions during the year	19,494,151	71,486,592
Balance at end of the year	<u>106,914,620</u>	<u>87,420,469</u>

5 INTANGIBLE ASSETS

	Cost			Accumulated amortization			Book value as at June 30, 2022	Amortisation rate % per annum
	As at July 01, 2021	Additions	As at June 30, 2022	As at July 01, 2021	For the year	As at June 30, 2022		
Goodwill	13,848,338	-	13,848,338	11,803,791	-	11,803,791	2,045,548	
Computer softwares	79,036,067	-	79,036,067	47,531,553	6,248,808	53,780,362	25,255,700	20 - 33
License fee	52,286,498	-	52,286,498	14,046,646	282,326	14,328,972	37,957,526	6.67
Trade mark	33,883,500	7,586,977	41,470,477	30,679,041	7,349,611	38,028,652	3,441,825	20
2022	<u>179,055,404</u>	<u>7,586,977</u>	<u>186,642,381</u>	<u>104,061,031</u>	<u>13,880,746</u>	<u>117,941,777</u>	<u>68,700,604</u>	

	Cost			Accumulated amortization			Book value as at June 30, 2021	Amortisation rate % per annum
	As at July 01, 2020	Additions / Disposals	As at June 30, 2021	As at July 01, 2020	For the year	As at June 30, 2021		
Goodwill	13,882,252	(12,913) *	13,849,339	11,803,791	-	11,803,791	2,045,548	
Computer softwares	78,985,867	130,400	79,036,067	39,766,703	7,764,853	47,531,553	31,504,514	20 - 33
License fee	75,563,208	2,284,081	52,286,498	13,568,625	5,602,794	14,048,846	38,239,852	6.67
		(25,580,771)			(5,114,773)			
Trade mark	34,241,064	216,000	33,883,500	26,604,709	4,420,820	30,679,041	3,204,459	20
		(573,584) **			(346,488) **			
2021	<u>202,572,211</u>	<u>2,817,546</u>	<u>179,055,404</u>	<u>91,733,825</u>	<u>17,789,467</u>	<u>104,061,031</u>	<u>74,994,373</u>	
		(25,580,771)			(5,114,773)			

* Represents exchange gain on resvaluation of goodwill.

** Represents provision for impairment against assets of subsidiary.

5.1 Amortisation for the year has been allocated as follows:

	Note	2022 Rupees	2021 Rupees
Cost of production	22	8,826,282	9,710,249
Administrative expenses	24	5,054,464	8,078,218
		<u>13,880,746</u>	<u>17,788,467</u>
6 LONG TERM DEPOSITS			
Security deposits			
- Rent		7,808,234	8,761,458
- Trade		15,975,435	15,975,435
- Others		<u>4,588,937</u>	<u>4,498,383</u>
		28,172,606	27,233,276
Prepayments			
- Software development fee		<u>4,210,158</u>	<u>4,210,158</u>
		<u>32,382,764</u>	<u>31,443,434</u>
7 TELEVISION PROGRAM COSTS			
Unreleased / released less amortisation		390,229,988	430,167,561
In production		<u>35,460,250</u>	<u>22,282,250</u>
		425,690,238	452,449,811
Less: Current portion		<u>(90,347,219)</u>	<u>(100,385,799)</u>
		<u>335,343,019</u>	<u>352,064,012</u>
8 DEFERRED TAX ASSET			
Deductible temporary differences arising in respect of:			
Unrealised loss on short term investments		11,929,618	-
Unabsorbed tax losses		11,159,859	8,614,237
Provisions		130,859,407	103,228,914
Long term lease liabilities - net		3,393,763	3,512,963
Accelerated tax depreciation and amortisation		<u>48,781,076</u>	<u>33,320,368</u>
		206,123,723	148,677,482
Taxable temporary differences arising in respect of:			
Unrealised loss on short term investments - net		-	(14,003,897)
		<u>206,123,723</u>	<u>134,673,585</u>
9 TRADE DEBTS – unsecured			
Considered good	9.3	2,613,547,358	2,309,861,983
Less: Allowance for ECL	9.2	<u>(114,234,344)</u>	<u>(78,385,137)</u>
		<u>2,499,313,014</u>	<u>2,231,476,846</u>
9.1 Particulars of receivable from foreign jurisdictions:			
Jurisdiction			
United Arab Emirates		142,213,680	121,650,698
United Kingdom		190,271,693	214,525,584
United States of America		<u>345,609,099</u>	<u>142,213,680</u>
		<u>678,094,382</u>	<u>478,389,962</u>

These receivables are on contract basis and there are no defaulting parties as of June 30, 2022 and June 30, 2021.

	2022 Rupees	2021 Rupees
9.2 Provision for doubtful debts		
Opening balance	78,385,137	89,539,634
Charge for the year	35,849,207	22,865,447
Provision written off	-	(34,019,944)
Balance as at the end of the year	<u>114,234,344</u>	<u>78,385,137</u>
9.3 The aging of trade debts as at June 30 is as follows:		
Neither past due nor impaired	2,113,924,726	1,683,507,777
Past due but not impaired		
- 01 to 30 days	241,089,350	239,190,099
- 31 to 60 days	124,072,429	238,131,759
- Over 60 days	<u>134,460,853</u>	<u>149,032,348</u>
	<u>2,613,547,358</u>	<u>2,309,861,983</u>

10	SHORT TERM INVESTMENTS	Note	2022	2021
			Rupees	Rupees
	At fair value through profit or loss			
	Term Finance Certificates (TFCs)			
	U Microfinance Bank Limited 8,400 TFCs having face value of Rs.4,991 each	10.1	45,386,768	42,302,020
	Mutual Funds			
	AKD Opportunity Fund 771,787 units (2021:2,199,809) having NAV of Rs. 100.9845 (2021:136.7162) per unit		77,938,517	309,749,572
	AKD Aggressive Income Fund 62,319 units having NAV of Rs. 51.0601 per unit		3,153,100	-
	AKD Golden Arrow Stock Fund 7,369,230 units (2021:9,449,241) having NAV of Rs. 13.4231 (2021:16.6266) per unit		98,917,914	157,108,756
	NBP Money Market Fund 2,599,042 units having NAV of Rs. 9.9311 per unit		25,811,342	-
	UBL Liquidity Plus Fund 199,646 units having NAV of Rs. 101.0881 per unit		20,181,785	-
	Faysal Cash Fund 2,017,449 units having NAV of Rs. 100.1818 per unit		202,111,633	-
	Alfalsh GHP Money Market Fund 1,016,550 units having NAV of Rs. 98.3719 per unit		100,000,000	-
	MCB Pakistan Cash Management Fund 409,421 units having NAV of Rs. 50.4678 per unit		20,662,596	-
	MCB Pakistan Cash Management Optimizer 987,169 units having NAV of Rs. 101.2998 per unit		100,000,000	-
	HBL Financial Sector Income Fund Plan I 4,096,057 units having NAV of Rs. 100.0454 per unit		409,991,800	-
	ABL Cash Fund 2,023,967 units having NAV of Rs. 10.2015 per unit		20,647,500	-
	Askari High Yield Scheme 23,286 units (2021:21,865) having NAV of Rs. 103.4798 (2021:103.1229) per unit		2,409,729	2,254,809
			<u>1,127,212,684</u>	<u>502,415,157</u>
10.1	These carry interest ranging from 11% to 14.96% (2021: 10.60% to 10.94%) per annum.			
			2022	2021
			Rupees	Rupees
11	ADVANCES - unsecured, considered good			
	Interest free advances to:			
	- Producers		84,163,888	95,205,731
	- Suppliers		26,866,368	27,081,160
	- Employees		5,317,150	6,338,967
	- Executives		-	657,539
			<u>116,367,406</u>	<u>129,283,397</u>

	Note	2022 ----- Rupees -----	2021 -----
12 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Deposits			
- Rent		514,500	711,430
Prepayments			
- Insurance		16,739,048	20,365,862
- Rent		748,365	1,244,140
- Other		36,877,025	1,261,743
		<u>54,364,438</u>	<u>22,871,545</u>
		<u>54,878,938</u>	<u>23,582,975</u>

13 OTHER RECEIVABLES – considered good

Sales tax receivable	13.1	124,140,222	110,954,312
Income/ mark-up accrued		22,421,887	-
Others		65,211,766	891,099
		<u>211,773,875</u>	<u>111,845,411</u>

- 13.1 As per rule 3(5) of Sindh Sales Tax Special Procedure (withholding) Rule, 2014, registered persons as recipient of advertisement services shall withhold whole of sales tax applicable on the person providing advertisement services. Accordingly, the Holding company is unable to adjust its input tax deducted on purchases of taxable goods and services as 100% of the output tax on the Holding Company's taxable services are being withheld by the recipient of these services. However, Holding Company is in correspondence with the relevant authorities through its legal advisor to resolve the matter.

	Note	2022 ----- Rupees -----	2021 -----
14 CASH AND BANK BALANCES			
Cash in hand		562,018	381,740
Cash at banks			
- in current accounts		206,934,944	136,053,795
- in deposit accounts	14.1	718,081,280	301,257,992
		<u>925,016,224</u>	<u>437,311,787</u>
		<u>925,578,242</u>	<u>437,693,527</u>

- 14.1 These carry profit at the rates ranging from 5.5% to 12.85% per annum (2021: 5.5% to 6%) per annum.

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2022 (Number of shares)	2021	2022 ----- Rupees -----	2021 -----
Ordinary shares of Rs. 1/- each			
500,000,000	500,000,000	500,000,000	500,000,000
445,000,000	445,000,000	445,000,000	445,000,000
<u>945,000,000</u>	<u>945,000,000</u>	<u>945,000,000</u>	<u>945,000,000</u>

- 15.1 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding.

	Note	2022 Rupees	2021 Rupees
16 LONG TERM LEASE LIABILITIES			
Opening balance		121,616,252	139,976,668
Additions during the year		13,943,510	7,874,151
Change due to termination		(49,463,171)	-
Change due to modification during the year		22,469,102	35,193
Mark up on lease liabilities	27	14,287,879	15,529,710
Less: Lease rentals paid		(33,804,105)	(41,799,470)
Closing balance	16.1	<u>89,049,467</u>	<u>121,616,252</u>
Current portion of long-term lease liabilities		<u>16,372,569</u>	<u>29,564,860</u>
Long-term lease liabilities		<u>72,676,898</u>	<u>92,051,392</u>

- 16.1** Includes lease finance facility entered into by the Company with commercial banks for vehicles amounting to Rs 115,000,000 (2021: Rs.91,750,000) out of which Rs. 105,265,279 (2021:Rs. 66,358,190) remains unutilized at year end. Lease rentals are payable in monthly installments latest by September 2022.

	Note	2022 Rupees	2021 Rupees
17 LONG TERM FINANCING			
Islamic banks - secured			
Diminshing Musharaka - I	17.1	128,853,318	269,420,550
Diminshing Musharaka - II	17.2	69,975,325	187,048,496
Diminshing Musharaka - III	17.3	125,000,000	-
Salary Refinance Loan	17.4	49,110,321	144,531,403
		<u>372,938,964</u>	<u>601,000,449</u>
Less: current maturity		<u>(294,813,943)</u>	<u>(352,479,000)</u>
		78,125,021	248,521,449
Conventional bank			
Bounce back loan - unsecured	17.5	24,092,250	21,797,749
		<u>24,092,250</u>	<u>21,797,749</u>
Less: current maturity		<u>(756,126)</u>	<u>(1,089,887)</u>
		23,336,124	20,707,862
		<u>101,461,145</u>	<u>269,229,311</u>

- 17.1** Represent Diminishing Musharaka facility carrying profit at the rate of 6 months KIBOR plus 1% (June 2021: 6 months KIBOR plus 1%) per annum. The financing is repayable by 24 June 2023 in 48 equal monthly instalments commencing after a grace period of 12 months from the date of first disbursement i.e. from June 2018. The loan is secured by way of registered mortgage over the building on leasehold land.

- 17.2** Represent Diminishing Musharaka carrying profit at the rate of 6 months KIBOR plus 1% (June 2021: 6 months KIBOR plus 1%) per annum. The financing is repayable in 48 equal monthly instalments commencing after a grace period of 18 months from the date of first disbursement i.e. December 2017. In 2020, the Company had availed the principal deferment facility for LTFF offered by the SBP through BPRD circular no. 13 of 2020 to dampen adverse effects of the COVID-19 and to provide relief to the businesses. Hence, the financing is repayable by December 2023 now. Financing is secured by way of Equitable Mortgage over registered office, first pari passu constructive mortgage charge over land and first hypothecation charge over plant, machinery & equipment.

- 17.3** Represents Diminishing Musharaka facility secured in current year carrying profit at the rate of 6 months KIBOR plus 1% per annum. The financing is repayable in 8 equal quarterly instalments commencing after a grace period of 12 months from the date of disbursement i.e. December 2021. Financing is secured by way of Equitable Mortgage over registered office, first hypothecation charge over plant, machinery & equipment, first pari passu charge over receivables of the company and first pari passu charge by way of constructive mortgage charge over Islamabad office.

- 17.4** Represents long term-financing from an Islamic bank of Rs. 200 million obtained in June 2020 under the refinance scheme for payment of wages and salaries by State Bank of Pakistan (SBP). The loan carry markup rate at the rate of SBP rate + 3% however, the loan have been recognised at the present value. The loan is repayable in 8 equal quarterly installments commencing from January 2021 discounted at effective rate of interest. The differential markup has been recognised as government grant which will be amortised to interest income over the period of loan. The facility is secured by way of registered equitable mortgage over land and property with 30% margin.
- 17.5** Represents foreign currency loan amounting to £100,000 obtained by the Group from Barclays Bank UK PLC at the rate of 2.5% per annum. The loan is repayable in 60 equal installments commencing after a grace period of 13 months from the date of disbursement. During the first 12 months, the UK government will pay interest due on this loan as Business Interruption payment. The loan is supported by the Bounce Back Loan Scheme (BBLS) managed by the British Business Bank on behalf of the Secretary of State for Business Energy and Industrial Strategy.

18	Deferred income - Government grant	Note	2022	2021
			----- Rupees -----	-----
	Opening balance		5,056,265	-
	Received during the year			13,459,991
	Released to the statement of profit or loss	26	(4,578,118)	(8,403,726)
	Closing balance	18.1	<u>478,147</u>	<u>5,056,265</u>
	Current portion		<u>(478,147)</u>	<u>(4,495,607)</u>
	Non-current portion		<u>-</u>	<u>560,658</u>

- 18.1** Government grant has been recorded pursuant to a salary refinance scheme introduced by the State Bank of Pakistan (IH&SMEFD Circular Nos. 07 & 14) to provide loan to businesses at concessional rates to finance salary expense during the COVID-19 outbreak. The grant has been provided to the Company as a reimbursement of average wages and salaries' bill for the months of April, May and June 2020 subject to Company's undertaking that no employees be laid off due to cash flow limitations, for a period of three months between April 01, 2020 to June 30, 2020.

19	TRADE AND OTHER PAYABLES	Note	2022	2021
			----- Rupees -----	-----
	Creditors	19.1	906,282,078	307,877,804
	Accrued liabilities		322,532,560	329,903,855
	Withholding tax payable		26,638,648	19,946,085
	Payable to provident fund	19.2	1,031,524	1,371,103
	Others		51,018,136	24,087,441
			<u>1,307,502,946</u>	<u>683,186,088</u>

- 19.1** Include amount payable to following related party:

M.D Production (Private) Limited	392,384,729	1,669,008
	<u>392,384,729</u>	<u>1,669,008</u>

- 19.2** Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the rules formulated for this purpose.

20 CONTINGENCIES AND COMMITMENTS**20.1 Contingencies**

For tax related matters, refer note 28 to these consolidated financial statements.

20.2 Commitments

- 20.2.1** Purchase of television programs commitments with M.D Production (Private) Limited - a related party as at June 30, 2022 amounted to Rs. 204,378,000 (June 30 2021: Rs. 175,514,000). Commitment for purchase of television programs with other than related parties as at June 30, 2022 amounted to Rs. 48,902,000 (June 30, 2021: Rs. 71,736,000)

	Note	2022 ----- Rupees -----	2021 -----
21 REVENUE – net			
Advertisement revenue		5,059,603,781	4,057,299,047
Production revenue		126,691,090	67,299,884
Digital revenue		108,992,303	47,036,575
Subscription income		1,243,254,732	657,492,801
Film distribution revenue		5,749,479	715,601
Sale of goods		-	162,708,076
Sale of magazines		671,057	1,177,052
	21.1 / 21.2	<u>6,544,962,442</u>	<u>4,993,729,038</u>

21.1 Revenue is net off the following items:

Sales tax	671,884,784	519,676,018
Discount to customers	499,258,813	331,818,560
	<u>1,171,143,597</u>	<u>851,494,578</u>

	Note	2022 ----- Rupees -----	2021 -----
21.2 Represents revenue from the following geographical regions:			
Asia		5,747,920,593	4,196,687,167
United Kingdom		238,567,556	238,567,556
America		558,474,293	558,474,293
		<u>6,544,962,442</u>	<u>4,993,729,038</u>

22 COST OF PRODUCTION

Cost of outsourced programs		1,718,531,600	1,449,206,897
Cost of in-house programs		227,538,028	128,361,607
Cost of inventory consumed		1,178,980	153,182,250
Salaries and benefits	22.1	851,372,089	732,778,439
Technical advisory fee	22.2	47,610,000	41,400,000
Depreciation	4.3 & 4.5.2	115,192,036	174,639,627
Traveling and conveyance		77,707,529	47,112,949
Utilities		14,312,520	23,035,868
Rent, rates and taxes		1,105,049	535,389
Insurance		26,215,684	25,169,262
Repair and maintenance		49,761,913	63,627,522
Fee and subscription	22.3	266,575,476	103,226,704
Communication		18,702,150	16,037,576
Security charges		180,200	811,074
Amortisation	5.1	8,826,282	9,710,249
Website and internet charges		-	15,754
Consultancy		5,886,311	5,468,981
Printing and stationery		5,008,436	4,081,024
		3,435,704,283	2,978,398,972
In production television programs - opening		22,282,250	38,743,250
In production television programs - closing		(35,460,250)	(22,282,250)
		3,422,526,283	2,994,859,972
Released / unreleased programs - opening		430,167,561	427,380,500
Released / unreleased programs - closing		(390,229,988)	(430,167,561)
		3,462,463,856	2,992,072,911

22.1 Includes Rs. 25,213,478 (2021: Rs. 23,635,656) in respect of staff retirement benefits.

22.2 Represents fee paid to a Director for technical advisory services rendered in terms of the technical advisory agreement duly approved by the Board of Directors of the Company.

22.3 Includes Rs. 230,350,586 (2021: Rs. 99,426,704) in respect of fees for managing the digital subscriptions of the Company.

	Note	2022 Rupees	2021 Rupees
23 DISTRIBUTION COSTS			
Advertisement and promotion		174,503,331	116,127,307
Salaries and benefits	23.1	154,710,507	126,007,356
Traveling and conveyance		15,195,322	10,485,718
Rent, rates and taxes		120,225	90,983
Utilities		3,313,001	1,751,418
Depreciation	4.3 & 4.5.2	5,549,460	3,509,986
Communication		677,368	1,267,513
Insurance		2,717,912	2,524,783
Repair and maintenance		2,360,688	1,926,678
Fees and subscription		2,585,055	2,119,504
Commission expense		53,680,681	22,603,618
Printing and stationery		359,371	190,979
		415,772,921	288,605,843

23.1 This include Rs. 6,462,264 (2021: Rs. 5,162,605) in respect of staff retirement benefits.

	Note	2022 Rupees	2021 Rupees
24 ADMINISTRATIVE EXPENSES			
Salaries and benefits	24.1	504,884,156	466,919,348
Depreciation	4.3 & 4.5.2	43,035,088	49,362,351
Amortisation	5.1	5,054,464	8,078,218
Repair and maintenance		45,323,409	40,267,173
Communication		7,931,276	5,401,087
Traveling and conveyance		34,793,307	19,831,085
Fee and subscription		25,532,735	23,261,582
Utilities		36,941,244	31,298,804
Legal and professional charges		31,013,462	76,300,190
Printing, stationery and periodicals		9,609,492	5,722,682
Rent, rates and taxes		21,938,661	24,253,769
Insurance		7,646,402	8,038,792
Auditors' remuneration	24.2	7,815,176	9,272,646
Security charges		8,213,236	8,863,850
Donation	24.3	600,000	200,000
		<u>790,332,088</u>	<u>775,070,677</u>
24.1	Include Rs. 5,712,115 (2021: Rs. 4,903,800) in respect of staff retirement benefits.		
24.2 Auditors' remuneration		2022 Rupees	2021 Rupees
Audit fee		4,528,355	3,851,065
Fee for consolidated financial statements		618,750	1,832,627
Fee for half yearly review		506,250	450,000
Tax and other assurance services		1,757,667	2,518,954
Out of pocket expenses		404,154	620,000
		<u>7,815,176</u>	<u>9,272,646</u>
24.3	Donations include the following donees to whom donations exceed 10% of total donation:		
Dhoraji Youth Services Foundation		100,000	-
Sindh Graduates Association		500,000	-
St. Patrick's College		-	200,000
		<u>600,000</u>	<u>200,000</u>
24.4	Recipients of donations do not include any donee in which any director or his spouse had an interest.		
	Note	2022 Rupees	2021 Rupees
25 OTHER EXPENSE			
Provision for doubtful trade debts		28,112,800	22,865,447
Provision for impairment against assets / investment in an associate		-	28,262,941
Stock written off		-	5,117,656
Loss on disposal of intangible assets		-	14,065,806
		<u>28,112,800</u>	<u>70,301,849</u>
26 OTHER INCOME			
(Loss) / Income from financial assets - net			
Profit on bank accounts		28,562,426	16,956,588
Unrealised exchange (loss) / gain		(22,466,497)	7,997,414
Dividend income		23,451,856	177,973
Interest / markup income		6,568,439	7,242,865
Government grant		4,578,119	8,403,726
Unrealised (loss) / gain on revaluation of investments		(49,819,679)	110,580,114
Loss on redemption / sale of investments		(31,191,856)	(12,426,115)
		<u>(40,317,191)</u>	<u>138,932,565</u>
Income from non financial assets			
Gain on disposal of operating fixed assets		5,670,912	2,192,344
Gain on termination of right of use asset		12,134,055	-
Sale of content and festival revenue		30,733,489	21,284,181
Reversal of provision for impairment against in subsidiary		7,842,911	-
Others		7,978,376	505,662
		<u>64,358,843</u>	<u>23,982,187</u>
		<u>24,041,652</u>	<u>162,914,752</u>

	Note	2022 Rupees	2021 Rupees
27 FINANCE COSTS			
Mark-up on long term financing		49,764,169	63,287,027
Mark-up on short term borrowings		8,090,625	20,906,003
Interest on lease liabilities		14,287,879	15,529,710
Bank charges		2,422,774	1,863,711
		<u>74,565,447</u>	<u>101,587,351</u>
28 TAXATION			
Current		220,868,369	72,266,427
Deferred		(67,537,073)	25,765,329
Prior		(1,477,602)	-
	28.1	<u>151,853,694</u>	<u>98,031,756</u>
Relationship between tax expense and accounting profit			
Profit before taxation		<u>1,546,959,349</u>	-
Tax at the applicable rate of 29% (2021: 29%)		<u>448,618,211</u>	-
Tax effects of:			
Tax at reduced rate on dividend income		(4,321,334)	-
Income subject to final tax regime		(415,030,747)	-
Provision for super tax		26,457,707	-
Prior year tax charge reversal		(1,477,602)	-
Others		97,507,459	-
		<u>151,853,694</u>	<u>-</u>
28.1	The Holding Company has filed its return of income up to tax year 2021. The return so filed is deemed to be an assessment order issued by the Taxation Authorities on the date the complete return is filed. The Holding Company was mainly subject to minimum tax regime during the year ended 30 June 2021 under section 153(1)(b) of the Income Tax Ordinance 2001, therefore, relationship between income tax expense and accounting profit has not been presented.		
28.2	During the year 2017, Deputy Commissioner Inland Revenue issued a show cause notice to the Holding Company, for the tax year 2014, showing his intention to disallow the deduction claimed on account of agency commission on alleged non-deduction of tax on such agency commission. The Holding Company filed a suit before the Hon'ble High Court of Sindh challenging the above showcause notice.		
	Based on a recent judgement of the Hon'ble Supreme Court of Pakistan, suits filed by taxpayers are not to be maintained unless 50% of the tax due is deposited by the petitioners. In compliance to the above order, the Holding Company has deposited an amount of 24,395,012 into the Government treasury. The decision in respect of the Suit filed by the Holding Company is still pending. The management, based on the legal 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 consolidated financial statements.		
28.3	During the year ended 30 June 2022, the Assistant Commissioner Inland Revenue (ACIR) passed an order under Section 122(1) of the Ordinance for tax year 2017 whereby tax demand of Rs.771,644,957 has been raised. While the Company's appeal was pending before the Commissioner Inland Revenue (Appeals) for tax year 2017 but the department was seeking to recover the outstanding tax. Therefore the Company filed a petition before the Honorable High Court of Sindh for issuance of a stay order. Subsequent to the year end, on 7 July 2022, the Company received a stay order on the matter and the case is pending before the Commissioner Inland Revenue (Appeals). The management, based on the legal 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 consolidated financial statements.		
29 EARNINGS PER SHARE – basic and diluted			
Profit attributable to the owners of the Holding Company		<u>1,416,178,509</u>	<u>984,762,944</u>
Weighted average number of ordinary shares outstanding during the year		<u>945,000,000</u>	<u>945,000,000</u>
Earnings per share (Rupee)		<u>1.50</u>	<u>1.05</u>

30 CASH GENERATED FROM OPERATIONS

	2022	2021
	Rupees	
Profit before taxation	1,546,959,349	1,059,224,552
Adjustments for :		
Depreciation	163,776,564	227,511,964
Amortisation	13,880,746	17,788,487
Provision for impairment against assets / Investment in an associate	-	28,262,941
Provision for employee retirement benefits	14,814,911	4,802,695
Finance costs	74,565,447	101,587,351
Exchange difference on translation of foreign subsidiaries	112,753,585	7,023,908
Unrealised exchange (loss) / gain	22,466,497	(7,997,414)
Profit on deposit accounts	(28,562,426)	(16,956,588)
Gain on sale of non-current asset held for sale	-	(476,832,913)
Gain on disposal of operating fixed assets	(5,670,012)	(2,192,344)
Loss on disposal of intangible assets	-	14,055,806
Dividend income	(23,451,856)	(177,973)
(Loss) / gain on redemption / sale of investments	31,191,855	12,426,115
Unrealised gain / (loss) on revaluation of investments	49,819,679	(110,580,114)
Reversal of impairment in subsidiary	(7,842,911)	-
Gain on termination of right of use asset	(12,134,055)	-
Provision for doubtful debts	28,112,800	22,865,447
	433,720,824	(178,412,652)
(Increase) / decrease in current assets		
Inventories	33,640	27,469,959
Current portion of television program costs	10,038,580	5,000,000
Trade debts	(341,548,645)	(166,424,330)
Advances	15,181,394	(25,527,189)
Trade deposits and short term prepayments	(31,295,963)	(3,187,931)
Other receivables	(100,349,711)	(7,873,962)
	(447,940,705)	(170,543,453)
Increase / (decrease) in current liabilities		
Trade and other payables	624,316,858	25,548,747
Advance from customers	(50,409,413)	(101,278,018)
	2,106,646,913	634,539,176

21 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the consolidated financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives are as follows:

	2022				2021			
	Chief Executive	Executive Director	Non Executive Directors	Executives	Chief Executive	Executive Director	Non Executive Directors	Executives
Managerial remuneration	114,315,725	-	-	312,998,168	100,854,855	-	-	227,292,249
Technical advisory fee	-	47,610,508	-	-	-	41,403,000	-	-
Fee	-	-	3,175,098	-	-	-	2,500,000	-
Bonus	104,880,348	194,510,248	-	18,104,187	67,792,889	67,793,888	-	-
Retirement benefits	-	-	-	78,982,833	-	-	-	12,061,188
House rent	15,775,453	-	-	17,558,348	16,022,361	-	-	52,388,947
Utilities	3,565,645	-	-	-	3,116,129	-	-	13,846,433
Car allowance	28,128,072	23,500,000	-	-	30,128,872	27,500,000	-	-
Travel and conveyance	1,834,038	1,540,527	879,287	15,137,003	1,340,322	915,040	549,085	8,795,200
	299,120,927	177,219,176	4,845,287	440,355,602	227,165,789	152,403,928	2,549,085	334,284,120
Number	1	1	2	62	1	1	2	51

21.1 The Chief Executive, Directors and certain Executives are also provided with free use of Group vehicles/cars in accordance with the Group's policy and reimbursement of expenses related to business travel.

22 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise associated undertaking, retirement benefit fund and key management personnel. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements are as follows:

Relationship	Nature of transactions	2022	2021
		Rupees	Rupees
Associates	Purchases of service program rights	1,522,837,894	1,263,496,387
	Expenses paid on behalf of the associate	11,182,630	22,443,000
	Payment made during the year	1,720,819,243	1,285,939,387
Others	Contribution to the provident fund	37,387,857	33,732,061

All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Group. The outstanding receivables and payable balances of the related parties are disclosed in their respective notes to these consolidated financial statements.

22.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Basis of association	Aggregate % of shareholding
1	M.D Productions (Private) Limited	Associated company (32.1.1)	-
2	Mamra & Durrani Films (Private) Limited	Associated company (32.1.1)	-
3	Mamra and Durrani Foundation	Associated company (32.1.1)	-
4	HUM Network Limited- Employees' Provident Fund	Retirement Fund	-
5	Ms. Sultana Siddiqui	Director	0.02%
6	Mr. Nadim ul Haq Siddiqui	Director	-
7	Mr. Danish Qureshi	Director	15.74%
8	Mr. Shumail Qureshi	Director	5.36%
9	Mrs. Mahesh Akbar Rashid	Director	-
10	U Jan (R) Aft Yasir Malik	Director	-
11	Mr. Muhammad Ayub Younus Aft	Director	-
12	Mr. Sohail Anwar	Director	-
13	Ms. Khushi Bhatti Shrivast	Director	-

22.1.1 These entities are associated companies / undertakings of the Company under Companies Act, 2017.

22.2 None of the key management personnel had any arrangements with the Company other than the employment contract.

23 FINANCIAL INSTRUMENTS BY CATEGORY

23.1 Financial assets as per statement of financial position

Financial assets at amortised cost

- Long term deposits	8	28,173,696	37,233,276
- Trade debts	9	2,499,313,014	2,231,476,646
- Trade deposits	12	514,509	19,497,190
- Other receivables	13	87,833,653	111,846,811
- Cash and bank balances	14	325,575,242	437,653,527
		3,541,212,015	2,827,746,290

Financial assets at fair value through profit or loss

- Short term investments	10	1,127,212,684	502,415,157
--------------------------	----	---------------	-------------

23.2 Financial liabilities as per statement of financial position

Financial liabilities at amortised cost

- Long term financing	17	181,481,145	289,229,571
- Trade and other payables	19	1,278,032,774	883,241,003
- Accrued mark-up		6,111,455	9,907,293
- Current portion of long term financing	17	295,578,069	333,568,387
- Undivided dividend		6,153,631	5,941,493
- Unpaid dividend		3,289,787	265,153
		1,891,428,661	1,329,093,197

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Group's senior management oversees the management of these risks. The Group's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk, use of financial derivatives, financial instruments and investment of excess liquidity. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors review and agree policies for managing each of these risks which are summarized below:

34.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and equity price risk, such as equity risk.

34.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in the market interest rates. The Group's interest rate risk arises from finance lease obligations, short term borrowings and bank balances. The Group manages these risks through risk management strategies.

Sensitivity analysis:

The following figures demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before taxation:

	Increase / decrease in basis points	Effect on profit before taxation Rupees
June 30, 2022	+100	6,411,320
	-100	(6,411,320)
June 30, 2021	+100	(2,419,993)
	-100	2,419,993

34.3 Currency risk

Foreign currency risk is the risk that the value of financial assets or financial liabilities will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currencies. The Group's exposure to foreign currency risk is as follows:

	2022			2021		
	US Dollar	GBP	AED	US Dollar	GBP	AED
Trade debts	742,774	785,143	3,425,233	871,063	1,203,781	1,399,360
Deposits and prepayments	1,250	115,745	13,555	-	-	271,936
Trade and other payables	(107,495)	(162,689)	(139,960)	(452,364)	(355,706)	(328,491)

The following significant exchange rates have been applied at the reporting dates:

	Rupees			Rupees		
Closing exchange rates	204.1	247.1	55.55	157.5	216	43

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar and GBP exchange rate, with all other variables held constant, of the Group's profit before taxation:

	Change in US dollar rate (%)	Effect on profit before tax - Rupees -	Change in GBP rate (%)	Effect on profit before tax - Rupees -	Change in AED rate (%)	Effect on profit before tax - Rupees -
30 June 2022	10	12,991,556	10	18,240,897	10	18,324,990
	-10	(12,991,556)	-10	(18,240,897)	-10	(18,324,990)
30 June 2021	10	6,594,509	10	18,318,420	10	5,774,148
	-10	(6,594,509)	-10	(18,318,420)	-10	(5,774,148)

34.4 Equity price risk

The Group's investments are susceptible to market price risk arising from uncertainties about future values of investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total investments. Reports on the investments portfolio are submitted to the Group's senior management on a regular basis.

As of the statement of financial position date, the exposure to investments at fair value through profit or loss was Rs. 1,127,212,684 (2021: Rs. 502,415,517).

34.5 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group is mainly exposed to credit risk on trade debts and bank balances. The Group seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable.

Management of credit risk

The Group's policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors and other internal guidelines.

Credit risk is managed and controlled by the management of the Group in the following manner:

- Credit rating and / or credit worthiness of the counterparty is taken into account along with the financial background so as to minimize the risk of default.
- The risk of counterparty exposure due to failed agreements causing a loss to the Group is mitigated by a periodic review of their credit ratings, financial statements, credit worthiness and market information on a regular basis.
- Cash is held with reputable banks only.

As of the consolidated statement of financial position date, the Group is exposed to credit risk on the following assets:

	2022	2021
	----- Rupees -----	
- Long term deposits	28,172,606	27,233,276
- Trade debts	2,499,313,014	2,231,476,846
- Short term investments	1,127,212,684	502,415,157
- Trade deposits	514,500	19,497,190
- Other receivables	87,633,653	891,099
- Bank balances	925,016,224	437,311,787
	<u>4,667,862,681</u>	<u>3,218,825,355</u>

Quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	Note	2022	2021
		----- Rupees -----	
Trade debts			
Customers with no defaults in the past one year		2,499,313,014	2,231,476,846
Customers with some defaults in past one year		114,234,344	78,385,137
	9	<u>2,613,547,358</u>	<u>2,309,861,983</u>
Bank balances			
AA+	14	653,595,026	354,695,094
AA		270,306,554	767,992
AAA		1,112,428	-
A		2,216	81,848,701
		<u>925,016,224</u>	<u>437,311,787</u>

	Note	2022 Rupees	2021 Rupees
Short term investments			
Mutual funds	A(f)	2,409,729	-
	A+(f)	413,144,899	300,749,572
	AA(f)	25,811,342	-
	AA+(f)	261,491,882	-
	Non-rated	378,968,064	159,363,565
		<u>1,081,825,916</u>	<u>460,113,137</u>
Term finance certificate	A	45,386,768	42,302,020
	10	<u>1,127,212,684</u>	<u>502,415,157</u>

34.6 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group applies prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarizes the maturity profile of the Group's financial liabilities as at the following reporting dates:

2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Long term lease liabilities	-	5,032,131	22,823,132	61,394,204	89,049,467
Long term financing	-	88,950,624	208,604,305	99,476,285	397,031,214
Trade and other payables	246,570,024	417,857,777	615,404,973	-	1,279,832,774
Accrued mark-up	6,111,454	-	-	-	6,111,454
	<u>252,681,478</u>	<u>511,840,532</u>	<u>846,632,410</u>	<u>160,870,489</u>	<u>1,772,024,909</u>
2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Long term lease liabilities	-	5,979,119	23,585,741	92,051,392	121,616,252
Long term financing	-	95,703,546	278,573,203	248,521,449	622,798,198
Trade and other payables	45,404,629	278,619,198	474,611,276	-	798,635,103
Accrued mark-up	9,907,299	-	-	-	9,907,299
	<u>55,311,928</u>	<u>380,301,863</u>	<u>776,770,220</u>	<u>340,572,841</u>	<u>1,552,956,852</u>

34.6.1 Changes in liabilities from financing activities

	01 July 2021	Cash Flows	New leases	Others	30 June 2022
	Rupees				
Long term financing	<u>622,798,198</u>	<u>(225,766,984)</u>	-	-	<u>397,031,214</u>
Long term lease liabilities	<u>121,616,252</u>	<u>(33,804,105)</u>	<u>13,943,510</u>	<u>(12,706,196)</u>	<u>89,049,467</u>
	01 July 2020	Cash Flows	New leases	Others	30 June 2021
	Rupees				
Long term financing	<u>1,034,150,969</u>	<u>(411,352,771)</u>	-	-	<u>622,798,198</u>
Long term lease liabilities	<u>139,976,688</u>	<u>(41,799,470)</u>	<u>7,874,151</u>	<u>15,564,903</u>	<u>121,616,252</u>

34.6.2 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the consolidated financial statements appropriate their fair values.

34.7 Capital risk

The Group finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Group monitors capital using a debt equity ratio as follows:

	Note	2022 ----- Rupees	2021 -----
Long term lease liabilities	16	72,676,898	92,051,392
Long term financing	17	101,461,145	269,229,311
Trade and other payable	19	1,307,502,946	683,186,088
Accrued markup		6,111,455	9,907,299
Current portion of long term lease liabilities	16	16,372,569	29,564,860
Current portion of long term financing	17	295,570,069	353,568,887
Total debt		1,799,695,082	1,437,507,837
Cash and bank balances	14	(925,578,242)	(437,693,527)
Net debt		874,116,840	999,814,310
Share capital	15	945,000,000	945,000,000
Unappropriated profit		4,296,372,452	3,098,190,358
Total equity		5,241,372,452	4,043,190,358
Capital		6,115,489,292	5,043,004,668
Gearing ratio		14.29%	19.83%

34.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate fair values.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value

	2022				2021
	Level 1	Level 2	Level 3	Total	
	(Rupees)				
Short term investments	-	1,127,212,684	-	1,127,212,684	502,415,157

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

34.9 Financial instruments which are tradable in an open market are revalued at the market prices prevailing on the consolidated statement of financial position date.

35 OPERATING SEGMENTS

For management purposes, the Group 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		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees)							
Revenue								
Net revenue from external customer	5,943,673,296	4,955,509,049	661,889,146	261,632,700	-	198,328,404	6,544,962,442	4,997,729,036
Result								
Segment profit / (loss)	2,467,594,980	2,036,496,677	(171,417,721)	(464,366,394)	(70,243,847)	(62,586,646)	2,415,609,933	1,519,905,797
Taxation							(151,653,894)	(98,031,758)
Unallocated income / (expensed):								
Administrative expenses							(796,332,098)	(928,535,710)
Other income							24,041,652	162,914,752
Gain on sale of non-current asset held for sale							-	476,832,913
Other Expenses							(28,112,898)	(70,301,849)
Finance cost							(74,965,467)	(101,587,351)
Profit for the year							1,395,195,655	961,182,796
Other information								
Amortization	(8,669,410)	(12,393,938)	(5,220,336)	(5,234,386)	-	(156,176)	(13,669,748)	(17,789,657)
Depreciation	(45,418,467)	(49,976,692)	(118,361,897)	(180,257,914)	-	(14,277,551)	(182,778,844)	(227,511,954)
Segment assets	229,175,529	434,454,261	1,683,351,155	611,621,224	-	943,937	1,282,504,694	1,347,015,422
Unallocated Assets	-	-	-	-	-	-	5,948,341,231	4,262,404,919
	229,175,529	434,454,261	1,683,351,155	611,621,224	-	943,937	7,130,847,975	5,609,420,341
Segment liabilities	1,229,238,926	563,676,462	651,639,362	752,180,619	52,176,853	267,972,700	1,943,054,241	1,818,726,047

35.1 Revenue from three major customers of the Group are around 65% during the year ended June 30, 2022 (2021: 56%).

36 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2022	2021
Total number of employees	735	781
Average number of employees during the year	786	799

37 GENERAL

37.1 For better presentation, certain prior year figures have been reclassified consequent to certain changes in current year presentation.

37.2 Figures have been rounded off to the nearest Rupee

38 INTERIM CASH DIVIDEND

During the year, the board of directors of the holding company in the meeting held on April 25, 2022 approved interim cash dividend @ 35% i.e. Rs 0.35 per share.

39 DATE OF AUTHORIZATION

These financial statements have been authorised for issue on September 19, 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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FORM OF PROXY

The Company Secretary,
HUM NETWORK LIMITED
16th Annual GENERAL MEETING
Karachi

I, _____ S/o. _____, holder of CNIC No. _____ Resident of _____, being member of HUM NETWORK LIMITED, holding _____ ordinary shares as per Registered Folio / CDS Account No. _____ hereby appoint _____ resident of _____ or failing him/ her Mr./Ms. _____ of _____ (full address) who is/are also member(s) of the Company, as my / our proxy to attend, act and vote for me/ us and on my / our behalf at Annual General Meeting (AGM) of the Company to be held on Tuesday, 25th day of October, 2022 at 4:00 pm at ICAP Auditorium, Chartered Accountants Avenue, ICAP, Clifton, Karachi and / or any Adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2022.

Signed by _____ in the presence of;

Witness:

1. Name:

Signature _____

Address: _____

CNIC or Passport No.: _____

2. Name:

Signature _____

Address: _____

CNIC or Passport No.: _____

Note:

1. The proxy form, duly completed and signed, must be received at the Registered Office of the Company, HUM Network Limited, Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi.
2. All members are entitled to attend and vote at the meeting.
3. A member eligible to attend and vote at the Meeting may appoint another member as his/her proxy to attend, and vote instead of him/her.
4. An instrument of proxy applicable for the meeting is being provided with the notice sent to members. Further copies of the instrument of proxy may be obtained from the registered office of the Company during normal office hours.
5. An instrument of proxy and the power of attorney or other authority (if any), under which it is signed or a not arily certified copy of such power or authority must, to be valid, be deposited at the registered office not less than 48 hours before the time of the meeting.
6. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
7. Members are requested to notify any changes in their addresses immediately.
8. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular 1, dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

For CDC Account Holders/Corporate Entities:

In addition to above, the following requirements have to be met:

- i) The proxy form shall be witnessed by two (2) persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his original CNIC or original passport at the time of meeting.
- iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراسی فارم

کمپنی ریکارڈنگ

ہم نیٹ ورک لمیٹڈ

انٹارہو میں سالانہ جنرل میٹنگ

کراچی۔

میں _____ ولد _____ شناختی کارڈ نمبر _____، ساکن _____

_____، بطور ممبر ہم نیٹ ورک لمیٹڈ، حامل _____ عارضی شیئرز

رجسٹرڈ فو/سی ڈی سی اکاؤنٹ نمبر _____ جناب _____، ساکن _____

_____ کا تقرر کرتا ہوں جو کہ اس کمپنی کے ممبر بھی ہیں یہ میری جانب سے کمپنی کی سالانہ جنرل میٹنگ میں شرکت

کر کے ووٹ دے سکتے ہیں جس کا انعقاد بروز منگل ۲۵ اکتوبر ۲۰۲۲ء کو شام ۴ بجے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹ آف پاکستان آڈیٹوریم، چارٹرڈ

اکاؤنٹینٹس ایسوسی ایشن آف چارٹرڈ اکاؤنٹینٹ آف پاکستان، گلشن کراچی میں ہوگا۔

بطور گواہ میں اپنے دستخط/مہر بتاریخ _____ ۲۰۲۲ء ثبت کرتا ہوں۔

میں _____ نے درج ذیل کی موجودگی میں دستخط کئے ہیں۔

گواہ:

۱۔ نام: _____ ۲۔ نام: _____

دستخط: _____ دستخط: _____

پتہ: _____ پتہ: _____

شناختی کارڈ/ پاسپورٹ نمبر: _____ شناختی کارڈ/ پاسپورٹ نمبر: _____

نوٹ:

۱۔ پراسی فارم کو مکمل اور دیکھ کر کے کمپنی کے رجسٹرڈ آفس ہم نیٹ ورک لمیٹڈ، ۱۱/۱۱، حسن علی اسٹریٹ، آف آئی آئی چنڈر نگر، ڈیڑہ کراچی میں وصول کئے جائیں گے۔

۲۔ تمام ممبران میٹنگ میں حاضر ہو کر ووٹ دینے کا حق رکھتے ہیں۔

۳۔ چارٹرڈ میٹنگ میں حاضر ہو کر ووٹ دے سکتا ہے اور اپنی جانب سے میٹنگ میں شرکت کرنے اور ووٹ دینے کیلئے کسی بھی دیگر ممبر کا پراسی کے طور پر تقرر کر سکتا ہے۔

۴۔ پراسی کی سادہ دست پر میٹنگ میں شامل اشخاص جو کہ نوٹس کے ساتھ فراہم کی جاتی ہیں۔ پراسی دستاویز کی حرج کا پتلا اوقات کار کے دوران کمپنی کے رجسٹرڈ آفس سے حاصل کی جاسکتی ہیں۔

۵۔ عمل کر دہ پراسی دستاویز اور پاور آف اٹارنی یا دیگر اختیارات (اگر کوئی ہوں) جس کے تحت اس پر دستخط کر کے نوٹری سے تصدیق شدہ کاپی (اہم پاور آف اٹارنی) میں مل قبول ہوگی جسے میٹنگ کے وقت سے ۴۸ گھنٹے قبل رجسٹرڈ آفس میں داخل کیا جائے گا۔ ممبر کے شناختی کارڈ یا پاسپورٹ اور پراسی کی کاپیاں پراسی فارم کے ساتھ فراہم کی جائیں گی۔

۶۔ اگر کوئی ممبر ایک سے زائد پراسی کا تقرر کرتا ہے اور ایک سے زائد دستاویزات داخل کرتا ہے تو اسکی دستاویزات کا غیر موثر تصور کیا جائے گا۔

۷۔ ممبران سے درخواست ہے کہ وہ اپنے پتہ میں کسی بھی تبدیلی کی صورت میں فوری طور پر مطلع کریں۔

۸۔ سی ڈی سی اکاؤنٹ ہولڈرز کو اجازت کی جاتی ہے کہ وہ سرگھر ۹ میں دی گئی اجازت پر عمل کریں جو کہ ۳۶ جنوری ۲۰۲۲ء کو سیکرٹریز ایڈز ایکٹیف کمپن آف پاکستان۔

سی ڈی سی اکاؤنٹ ہولڈرز کا رجسٹرڈ پتہ کیلئے:

ذکورہ بالا کے علاوہ درج ذیل پراسی عمل کرنا ہوگا:

۱۔ پراسی فارم پر درج کردہ گواہ ہونگے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج کئے جائیں گے۔

۲۔ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراسی فارم کے ساتھ منسلک کی جائیں گی۔

۳۔ پراسی اصل شناختی کارڈ یا اصل پاسپورٹ کے ساتھ میٹنگ کے وقت پیش کرنا ہوگا۔

۴۔ کارپوریٹ کی موجودگی میں رجسٹرڈ آف ڈائریکٹرز کی قرار اور پاور آف اٹارنی ہونے کے وقت کے ساتھ پراسی فارم کمپنی میں جمع کرائے جائیں گے۔



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