

20 23

DECEMBER 31, 2023 HALF YEARLY REPORT (UN-AUDITED)

HUM NETWORK LIMITED



HUM NETWORK LIMITED



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

Mr. Duraid Qureshi

Chief Financial Officer

Mr. Muhammad Abbas Hussain

Company Secretary

Mr. Mohsin Naeem

Head of Internal Audit

Mr. Naeem Tahir

AUDIT COMMITTEE

Chairman

Mr. Sohail Ansar

Members

Mr. Shunaid Qureshi
Mrs. Mahtab Akbar Rashdi
Lt. Gen. (R) Asif Yasin Malik

HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

Chairperson

Mr. Sohail Ansar

Members

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
NRSP Microfinance Bank
First Women Bank
Silicon Valley Bank
Standard Chartered Bank

REGISTERED & HEAD OFFICE

Hum TV, Plot No. 10/11, Hassan Ali Street,
Off. Il 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,
U. Chundrigar Road Karachi-74000

WEBSITE

www.humnetwork.tv

PAKISTAN STOCK EXCHANGE LIMITED

HUMNL

Directors' Report

The Directors of HUM Network Limited (HNL) are pleased to present the review report on the financial statements for the half year ended December 31, 2023.

Financial Performance:

Particulars	Unconsolidated Results		Consolidated Results	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
Net Revenue	3,908,070,531	3,292,498,062	4,455,506,177	3,643,353,565
Other Income	93,190,477	132,731,887	128,277,941	125,500,048
Total expenses	(2,774,623,945)	(2,372,623,680)	(3,238,123,423)	(2,652,467,658)
Profit before tax	1,226,637,063	1,052,606,268	1,345,660,695	1,116,385,955
Taxation	(118,410,159)	(118,128,003)	(133,097,918)	(118,203,210)
Profit after tax	1,108,226,904	934,478,265	1,212,562,777	998,182,745
EPS	0.98	0.82	1.07	0.88

The increase in revenue and profit after tax increased by 19% and 18.6% respectively as compared to the same period last year highlights our management's unwavering commitment to solidify our leading position within the media industry. As we continue to strengthen our foothold, we remain dedicated to delivering value and excellence across all facets of our operations.

Operational Performance:

HUM TV is a leading entertainment channel in Pakistan, amassing a substantial following not only domestically but also among the worldwide South Asian community. HNL is dedicated to providing diverse content that resonates with our viewers' varied interests across various regions, while also enriching the media entertainment scene through its latest programming offerings.

During the period under review, HUM TV premiered several dramas, prominently "Ishq Murshid", "Nijaat", "Rah-e-Junoon" and "Namak Haram" were highly appreciated by the audiences due to their unique and engaging storyline with awe-inspiring performances.

The HUM TV drama serial "Ishq Murshid" has emerged as a phenomenon, captivating audiences with its compelling storyline and stellar performances. Led by star performers, the drama has garnered millions of views per episode, dominating TRP charts and trending at #1 in Pakistan. Bilal Abbas Khan's exceptional portrayal of dual characters adds depth, while the fusion of romance and political intrigue resonates with viewers worldwide.

This year marks the 17th anniversary of Hum Masala, a testament to the collaborative efforts of chefs, staff, and viewers, solidifying its position as the most cherished culinary channel in countless households. Pioneering as the inaugural 24-hour culinary channel in South Asia, Masala has set incomparable standards, raising the benchmark for the genre.

In December 2023, Lahore hosted the Masala Family Festival, featuring musical performances, live cooking demonstrations, dance and singing competitions, and opportunities to meet celebrity chefs. The anniversary celebration was further enhanced by the presence of various renowned personalities alongside the talented chefs.

HUM News in these polarized times has maintained its news reporting as an independent and fact-based news channel. The channel is not only striving to give hope to our society but also revamping the Pakistan news industry by objective reporting methods. Dedicated to delivering viewers the most up-to-date and pertinent information, our channel has recently introduced a series of new shows hosted by seasoned and well-known anchorpersons in the field.

Ten sports, the newest addition to HUM Network portfolio, boasts a diverse lineup of events, from high-octane team competitions to individual sporting showcases, ensuring there's something for every fan. Ten sports' Asia Cup 2023 coverage received widespread praise, amassing millions of views across the region.

In December 2023, the highly anticipated 21st edition of Bridal Couture Week (BCW) illuminated Lahore with a display of the newest bridal fashions and trends from renowned designers. Over the years, BCW has evolved into Pakistan's most prestigious fashion affair, captivating the attention of the country's leading bridal wear designers, as well as celebrities from the film and television industries.

The 22nd Lux Style Awards were held in October 2023 in Karachi to celebrate the excellence in music, fashion, and Television Dramas in 2023. The red carpet at the Lux Style Awards never fails to captivate, as celebrities and fashion icons grace it with their unparalleled style and elegance.

This Independence Day, HUM Network Limited introduced the "HUMSE PAKISTAN" campaign, which carried a heartwarming message of hope, togetherness, and solidarity in addressing the difficulties our nation confronts. This campaign is dedicated to highlighting the remarkable stories of everyday Pakistanis who have taken the initiative to bring about positive change within their communities.

Future Outlook:

The Board acknowledges the compounding challenges posed by the uncertainty surrounding elections and persistent social unrest. The consolidated impact of high inflation, rising energy prices and political turbulence has significantly destabilized the country's economy. In light of these challenges, the company remains steadfast in its dedication to implementing cost reduction measures, improving efficiencies, enhancing productivity, and deploying innovative sales strategies to navigate through these adversities.

The Board is cognized of considerable potential of evolving digital landscape in Pakistan, evident from the widespread adoption of digital media within every household. As part of our digital media strategy, HUM TV has recently launched Pakistan's first-ever Arabic-dubbed YouTube channel called "Hum Arabia" with the hit Urdu drama "Parizaad". The goal is to bring Arabic-speaking viewers closer to our culture, building strong cultural ties.

HNL recognizes the potential for growth and adaptation to the digital era through HUM News, emphasizing the importance of innovation, journalistic integrity, and responsiveness for evolving audience preferences. By consistently delivering credible, diverse, and engaging content, along with enhanced distribution across Pakistan, we anticipate continued encouraging results with robust earnings in up-coming years.

The management of HNL continues to seek lucrative opportunities to enhance the portfolio of the network with inclusion of businesses and brand names exploring new avenues and achieving robust results.

Our pursuit of relevant innovations, brand value fortification, and emerging market exploration demonstrates our steadfast dedication to responsible growth. HNL is committed to meticulous strategic and financial planning, ensuring sustainable growth and unwavering independence even in these challenging economic climates.

The Board of Directors would like to acknowledge the contributions of all stakeholders of the Company for their continuous support.

February 29, 2024
Karachi.


DURAIID QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman



INDEPENDENT AUDITORS' REVIEW REPORT

To the members of HUM Network Limited

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of HUM Network Limited (the company) as at 31 December 2023, the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, and unconsolidated condensed interim statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three-months period ended 31 December 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2023.

Scope of Review

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

Conclusion

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

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

EY Ford Rhodes
Chartered Accountants
Place : Karachi
Date : March 1, 2024
UDIN : RR202310191TXDIKBzMC

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- Rupees -----	-----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,402,659,315	1,402,053,549
Intangible assets		1,327,623	2,966,208
Investment in subsidiaries	6	348,898,481	338,898,481
Long term deposits and prepayments		54,821,159	30,327,428
Television program costs	7	425,038,678	397,617,518
Deferred tax asset		132,495,035	131,016,868
		<u>2,365,240,291</u>	<u>2,302,880,052</u>
CURRENT ASSETS			
Inventories		19,134,170	16,715,587
Current portion of television program costs	7	81,538,365	85,829,858
Trade debts	8	3,203,556,333	2,688,381,940
Short term investments	9	782,235,111	589,143,291
Advances	10	313,395,914	154,575,629
Deposits and prepayments		22,815,929	28,904,298
Other receivables	11	2,279,818,585	1,742,173,997
Taxation – net		150,472,195	202,602,801
Cash and bank balances		303,319,559	447,796,769
		<u>7,156,286,161</u>	<u>5,956,124,170</u>
		<u>9,521,526,452</u>	<u>8,259,004,222</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,500,000,000 (2023: 1,500,000,000) Ordinary shares of Re.1/- each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up capital		1,134,000,000	1,134,000,000
Unappropriated profit		<u>7,220,091,284</u>	<u>6,111,864,380</u>
		<u>8,354,091,284</u>	<u>7,245,864,380</u>
NON-CURRENT LIABILITIES			
Long term lease liabilities		54,776,380	55,234,536
Long term financing		-	31,250,000
		<u>54,776,380</u>	<u>86,484,536</u>
CURRENT LIABILITIES			
Trade and other payables		999,120,757	814,018,597
Advance from customers		30,133,213	26,724,620
Accrued markup		218,805	218,809
Unclaimed dividend		6,153,603	6,153,603
Unpaid dividend		1,374,738	1,374,738
Current portion of long term lease liabilities		13,157,672	15,664,939
Current portion of long term financing		<u>62,500,000</u>	<u>62,500,000</u>
		<u>1,112,658,788</u>	<u>926,655,306</u>
CONTINGENCIES AND COMMITMENTS			
	12		
TOTAL EQUITY AND LIABILITIES			
		<u>9,521,526,452</u>	<u>8,259,004,222</u>

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



DURAIQ QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

Note	Half-year ended		Quarter-ended		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	
	----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----	
Revenue	14	3,908,070,531	3,292,498,062	2,068,429,419	1,960,606,185
Cost of production	15	(1,967,197,534)	(1,735,865,420)	(1,014,649,007)	(982,920,696)
Transmission cost		(62,947,849)	(54,924,956)	(24,191,000)	(23,495,221)
Gross profit		1,877,925,148	1,501,707,686	1,029,589,412	954,190,268
Distribution costs		(263,877,085)	(201,051,046)	(132,074,618)	(115,105,962)
Administrative expenses		(464,330,487)	(352,682,515)	(235,909,963)	(147,615,300)
Other income	16	93,190,477	132,731,887	39,445,088	6,366,593
Finance costs	17	(16,270,990)	(28,099,743)	(9,153,023)	(18,352,109)
Profit before taxation		1,226,637,063	1,052,606,268	691,896,897	679,483,490
Taxation	18				
-current		(112,621,706)	(112,477,885)	(59,721,789)	(23,892,928)
-prior		(7,266,620)	(3,552,814)	(7,266,620)	1,477,602
-deferred		1,478,167	(2,097,304)	2,460,239	12,483,518
		(118,410,159)	(118,128,003)	(64,528,170)	(9,931,808)
Profit for the period		1,108,226,904	934,478,265	627,368,727	669,551,682
Earnings per share – basic and diluted		0.98	0.82	0.55	0.59

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



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Half-year ended		Quarter-ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
Profit for the period	1,108,226,904	934,478,265	627,368,727	669,551,682
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,108,226,904</u>	<u>934,478,265</u>	<u>627,368,727</u>	<u>669,551,682</u>

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



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	December 31, 2023	December 31, 2022
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,226,637,063	1,052,606,268
Adjustments for:		
Depreciation on operating fixed assets and right of use assets	69,663,859	52,166,775
Amortization	1,638,586	4,290,891
Finance costs	16,270,990	28,099,743
Unrealised exchange gain	(41,381,715)	(17,781,683)
Profit on bank accounts	(470,640)	(28,231,660)
Gain on disposal of operating fixed assets	57,214,140	(554,936)
Dividend Income	(42,490,215)	(21,627,659)
Gain on redemption / sale of investments	(34,193,797)	(12,025,310)
Unrealised gain on revaluation of investments	(2,804,013)	(12,652,548)
	<u>23,447,195</u>	<u>(8,316,387)</u>
Operating profit before working capital changes	1,250,084,258	1,044,289,881
(Increase) / decrease in current assets		
Inventories	(2,418,583)	(66,901)
Television program costs	4,291,493	4,517,361
Trade debts	(572,388,533)	(446,869,001)
Advances	(158,820,285)	(82,845,931)
Deposits and prepayments	6,088,369	(6,435,060)
Other receivables	(537,644,588)	(618,123,187)
	<u>(1,260,892,127)</u>	<u>(1,149,822,719)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	188,510,717	(584,512,976)
Cash generated from / (used) in operations	177,702,848	(690,045,814)
Taxes paid	(67,757,722)	(99,082,910)
Finance costs paid	(16,270,995)	(30,635,416)
Long-term deposits	(24,493,731)	1,483,008
Television program costs	(27,421,160)	32,006,727
Net cash generated / (used) in from operating activities	41,759,240	(786,274,405)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(65,315,820)	(24,811,126)
Short term investments - net	(156,094,011)	566,393,098
Long term investment	(10,000,000)	-
Income received on deposit accounts	41,381,715	28,231,660
Dividend received	42,490,215	21,627,659
Proceeds from disposal of operating fixed assets	797,830	2,162,368
Net cash (used in) / generated from investing activities	(146,740,071)	593,603,659
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(8,246,379)	(8,175,158)
Dividend paid	-	(924,455)
Long term financing – net	(31,250,000)	(178,821,434)
Net cash used in financing activities	(39,496,379)	(187,921,047)
Net decrease in cash and cash equivalents	(144,477,210)	(380,591,792)
Cash and cash equivalents at the beginning of the period	447,796,769	833,498,560
Cash and cash equivalents at the end of the period	303,319,559	452,906,767

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



DURAIQ QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Revenue Reserve Unappropriate Profit	Total
	-----Rupees-----		
Balance as at July 01, 2022 – (Audited)	945,000,000	4,151,625,806	5,096,625,806
Profit for the period	-	934,478,265	934,478,265
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	934,478,265	934,478,265
Bonus share issued during the period in the ratio of 2 ordinary shares for every 10 ordinary shares held	189,000,000	(189,000,000)	-
Balance as at December 31, 2022	<u>1,134,000,000</u>	<u>4,897,104,071</u>	<u>6,031,104,071</u>
Balance as at July 01, 2023 – (Audited)	1,134,000,000	6,111,864,380	7,245,864,380
Profit for the period	-	1,108,226,904	1,108,226,904
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	1,108,226,904	1,108,226,904
Balance as at December 31, 2023	<u>1,134,000,000</u>	<u>7,220,091,284</u>	<u>8,354,091,284</u>

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


DURAID QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Hum Network Limited (the Company) was incorporated in Pakistan on February 25, 2004 as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance) now Companies Act, 2017. The shares of the Company are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.
- 1.2 The Company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programs with respect to information, entertainment, news, education, health, food, music and society.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023. These unconsolidated condensed interim financial statements are unaudited, however have been subject to limited scope review by the auditors, and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act. 2017.
- 2.3 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiaries has been accounted for at cost less accumulated impairment losses, if any.
- 2.4 These unconsolidated condensed interim financial statements is presented in Pakistani Rupees which is also the Company's functional currency.
- 2.5 The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2023 and December 31, 2022, respectively.

3 ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2023.
- 3.2 **Standards, interpretations and amendments to approved accounting standards effective during the current year**

The Company has adopted following accounting standards, interpretations and amendments of IFRSs and the improvements to accounting standards which became effective for the current year.

Amendments to approved accounting standards

Definition of Accounting Estimates - IAS 8

Disclosure of Accounting Policies - IAS 1 and IFRS Practice Statement 2

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - IAS 12

International Tax Reform—Pillar Two Model Rules - IAS 12

These amendments had no or material impact on the unconsolidated condensed interim financial statements financial statements.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

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

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024
IFRS 17 - Insurance Contracts*	1 January 2026
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standard	1 January 2024

4 ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Estimates and judgements made by management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company for the year ended 30 June 2023, except as disclosed otherwise.

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- Rupees -----	
5. PROPERTY, PLANT AND EQUIPMENT	Note	
Operating fixed assets	5.1	1,141,469,837
Capital work-in-progress	5.2	214,952,256
Right of use assets	5.3	46,237,222
		<u>1,402,659,315</u>
5.1 Operating fixed assets		
Opening balance – at book value		1,149,193,211
Transfers from right of use assets		1,050,717
Additions during the period / year – at cost	5.1.1	51,239,709
		<u>1,201,483,637</u>
Less:		
Disposals during the period / year – at book value	5.1.1	(327,190)
Depreciation charged during the period / year		(59,686,610)
		<u>(60,013,800)</u>
Closing balance – at book value		<u>1,141,469,837</u>
		<u>1,149,193,211</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

5.1.1 Details of additions and disposals are as follows:

	Additions (Cost)		Disposals / transfers (Net book value)	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
----- Rupees -----				
Owned Assets:				
Uplinking equipment	-	-	-	1,760,000
Furniture and Fittings	2,757,322	6,387,137	-	138,003
Motor vehicles	3,557,690	147,090,350	24,852	1,632,474
Audio visual equipment	17,643,716	23,716,217	43,206	400,385
Office equipment	7,767,158	6,264,216	128,325	-
Computers	19,513,823	36,888,259	130,807	55,880
	<u>51,239,709</u>	<u>220,346,179</u>	<u>327,190</u>	<u>3,986,742</u>

5.2 This includes civil works for office premises in lahore of Rs 51.6 million and advance payments of Rs. 163 million made towards a property under intallment plan which will be used for the purposes of business in the future.

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- Rupees -----		

5.3 Right of use assets

- Office premises	40,001,978	41,343,324
- Vehicles	6,235,244	10,640,868
	<u>46,237,222</u>	<u>51,984,192</u>

6 INVESTMENT IN SUBSIDIARIES

During the period company has acquired 100% shares of Sphere Ventures (Private) Limited at a cost of Rs. 10 million, principle line of business of the Company is to create creative content.

7 TELEVISION PROGRAM COSTS	December 31, 2023	June 30, 2023
	(Un-audited)	(Audited)
	----- Rupees -----	
Unreleased / released less amortization	445,297,748	432,619,726
In production	61,279,295	50,827,650
	<u>506,577,043</u>	<u>483,447,376</u>
Less: Current portion	(81,538,365)	(85,829,858)
	<u>425,038,678</u>	<u>397,617,518</u>

8 TRADE DEBTS

Considered good	8.1	3,239,777,448	2,724,603,055
Less: Allowance for ECL		(36,221,115)	(36,221,115)
		<u>3,203,556,333</u>	<u>2,688,381,940</u>

8.1. Includes amount receivable from subsidiaries:

Hum TV, Inc – USA	127,851,662	108,772,218
Hum Network UK Limited	106,923,330	128,184,991
	<u>234,774,992</u>	<u>236,957,209</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- Rupees -----	
		Fair value	
9	SHORT TERM INVESTMENTS		
	At fair value through profit or loss	9.1	<u>782,235,111</u>
			<u>589,143,291</u>
9.1	At fair value through profit or loss		
	Term Finance Certificate		
	U Microfinance Bank Limited	10,624,549	21,148,158
	Listed Securities		
	Javedan Corporation Limited (cost of investment Rs.185,804,663)	186,799,960	-
	Mutual Funds		
	AKD Opportunity Fund	58,684,538	48,170,691
	AKD Islamic Income Fund	5,586,925	5,087,356
	AKD Golden Arrow Stock Fund	66,928,233	46,931,759
	NBP Money Market Fund	32,454,924	29,668,997
	UBL Liquidity Plus Fund	25,254,982	23,125,569
	Alfalsh GHP Money Market Fund	142,941,183	130,306,874
	Alfalsh Islamic Capital Preservation Plan 4 Class A	-	849
	MCB Pakistan Cash Management Fund	115,094,361	105,131,135
	HBL Cash Fund	111,978,078	102,594,119
	ABL Cash Fund	25,887,378	23,693,247
	Askari High Yield Scheme	-	53,284,537
		<u>782,235,111</u>	<u>589,143,291</u>
10	ADVANCES		
	Includes advance given to M.D Productions (Private) Limited, a related party amounting to Rs. 31,469,294 (June 30, 2023: Rs.29,108,714) against purchase of television programs.		
		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- Rupees -----	
11	OTHER RECEIVABLES		
	Sales tax receivable	142,147,332	129,835,895
	Due from related parties	11.1	2,185,364,190
	Others	9,912,282	10,288,417
		<u>2,337,423,804</u>	<u>1,799,779,216</u>
	Provision for impairment	<u>(57,605,219)</u>	<u>(57,605,219)</u>
		<u>2,279,818,585</u>	<u>1,742,173,997</u>
11.1	Includes balances receivable subsidiaries:		
	HUM TV, Inc	53,685,739	56,339,751
	Skyline Publication Productions (Private) Limited	66,842,669	65,059,157
	Hum Network FZ - LLC	2,063,826,300	1,538,255,996
	Hum Mart (Private) Limited	128,000	-
	Towersports Pvt. Limited	881,482	-
		<u>2,185,364,190</u>	<u>1,659,654,904</u>
	Provision for impairment	<u>(57,605,219)</u>	<u>(57,605,219)</u>
		<u>2,127,758,971</u>	<u>1,602,049,685</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2023.

12.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2023 amounted to Rs.243,225,000 (June 2023: Rs. 258,962,000). Commitment for purchase of television programs with other than related parties and installments for the purchase of Land as at December 31, 2023 amounted to Rs. 102,672,000 and Rs. 29,618,701 (June 2023: Rs. 41,215,500 and Rs. 29,618,701) respectively.

	Half-year ended		Quarter-ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- Rupees -----		----- Rupees -----	

14 REVENUE – net

Advertisement revenue	2,605,299,136	2,341,605,723	1,252,309,314	1,349,727,074
Production revenue	91,809,115	154,029,972	83,499,115	140,925,789
Digital sales revenue	93,660,670	21,891,621	57,256,421	10,201,682
Subscription income	1,117,301,610	774,970,745	675,364,569	459,751,640
	<u>3,908,070,531</u>	<u>3,292,498,062</u>	<u>2,068,429,419</u>	<u>1,960,606,185</u>

14.1 Revenue is net off the following items:

Sales tax	389,446,603	346,852,962	187,201,765	210,315,092
Discount to customers	371,043,312	329,855,705	153,970,633	203,743,132
	<u>760,489,915</u>	<u>676,708,667</u>	<u>341,172,398</u>	<u>414,058,224</u>

	Half-year ended		Quarter-ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- Rupees -----		----- Rupees -----	

15 COST OF PRODUCTION

Cost of outsourced programs	1,096,924,981	853,353,217	556,024,850	482,063,561
Cost of in-house programs	81,041,863	187,971,327	63,549,766	169,428,774
Inventories consumed	494,110	877,760	126,008	-
Salaries and benefits	604,076,437	492,151,403	310,314,146	256,045,529
Technical advisory fees	27,375,750	23,804,998	13,687,875	11,902,499
Depreciation	32,492,497	28,487,233	19,650,221	13,342,298
Amortisation	1,374,933	3,838,534	610,485	1,866,592
Traveling and conveyance	92,639,025	59,825,612	46,483,496	27,462,179
Utilities	11,352,590	7,460,285	5,729,233	4,162,572
Rent, rates and taxes	242,242	65,564	-	32,055
Insurance	14,865,330	12,804,774	7,748,430	5,626,356
Repair and maintenance	15,803,810	14,532,731	9,092,177	10,847,977
Fee and subscription	433,339	2,314,623	174,999	129,540
Communication expense	10,234,864	9,875,908	4,978,941	5,089,758
Security charges	342,000	226,150	192,000	149,600
Consultancy	-	1,188,586	-	-
Printing and stationery	633,430	562,627	259,960	217,406
	<u>1,990,327,201</u>	<u>1,699,341,332</u>	<u>1,038,622,587</u>	<u>988,366,696</u>
In production television programs				
- opening	50,827,650	35,460,250	57,644,250	35,685,250
In production television programs				
- closing	<u>(61,279,295)</u>	<u>(41,131,250)</u>	<u>(61,279,295)</u>	<u>(41,131,250)</u>
	<u>1,979,875,556</u>	<u>1,693,670,332</u>	<u>1,034,987,542</u>	<u>982,920,696</u>
Released / unreleased programs				
- opening	432,619,726	390,229,988	424,959,213	348,034,900
Released / unreleased programs				
- closing	<u>(445,297,748)</u>	<u>(348,034,900)</u>	<u>(445,297,748)</u>	<u>(348,034,900)</u>
	<u>1,967,197,534</u>	<u>1,735,865,420</u>	<u>1,014,649,007</u>	<u>982,920,696</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
	----- Rupees -----	
16 OTHER INCOME/ EXPENSES		
Income from financial assets - net		
Profit on deposit accounts	41,381,715	28,231,660
Unrealised exchange (loss) / gain	(57,214,140)	17,781,683
Dividend income	42,490,215	21,627,659
Interest / markup income	3,066,343	3,516,508
Government grant	-	567,252
Unrealised on revaluation of Short-term investments	34,193,797	12,652,548
Loss on redemption / sale of investments	2,804,013	12,025,310
	66,721,943	96,402,620
Income from non financial assets		
Gain on disposal of operating fixed assets	470,640	554,936
Management fee income	3,756,000	2,661,144
Sale of content and festival revenue	22,241,894	33,113,187
	26,468,534	36,329,267
	93,190,477	132,731,887

	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
	----- Rupees -----	
17 FINANCE COST		
Mark-up on long term loan	10,271,199	22,615,529
Mark-up on short term borrowings	-	98,402
Interest on lease liabilities	5,779,709	5,155,824
Bank charges	220,082	229,988
	16,270,990	28,099,743

18 TAXATION

The Finance Act, 2022 had introduced super tax on high earning persons for the tax year 2022 and onwards. The Company together with other parties challenged the retrospective application of the said levy for tax year 2022 before the Honorable High Court of Sindh who, vide order dated December 22, 2022, has decided the matter in favor of the Company being ultra vires to the Constitution of Pakistan. However, Honorable High Court of Sindh suspended the operation of this judgement for a period of 60 days. Since the decision of the High Court of Sindh can be challenged by the Federal Board of Revenue before the Supreme Court of Pakistan, the Company has not reversed the related provision of Rs. 37 million held in the books till the matter attains finality.

19. TRANSACTIONS WITH RELATED PARTIES

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

	Half-year ended		Quarter-ended	
	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
	----- Rupees -----		----- Rupees -----	
Nature of transaction				
Associated companies:				
Purchases of Television programs	909,122,660	645,418,630	441,357,600	303,861,710
Subsidiary Company:				
Management fee	3,756,000	2,700,000	1,878,000	1,350,000
Royalty income	43,117,913	34,019,983	21,138,283	15,290,139
Payments made on behalf of subsidiary	1,357,876	9,785,442	2,136,947	20,000
Payment received on behalf of subsidiary	17,538,415	57,319,206	5,000,000	41,129,456
Payment received on behalf of the Company	941,580,086	660,311,793	533,841,569	285,200,256
Payment made on behalf of the Company	8,788,945	21,733,546	7,375,349	-
Professional services acquired	100,000	700,000	100,000	-
Others				
Key Management personnel	277,223,253	205,699,194	113,378,778	113,378,778
Contribution to Fund	26,107,434	21,166,165	16,657,556	11,716,287

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

20 OPERATING SEGMENTS

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

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

News segment is engaged in broadcasting of news programs.

	Entertainment		News		Total	
	2023	2022	2023	2022	2023	2022
Revenue						
Net sales to external customers	<u>3,438,335,580</u>	<u>2,654,157,407</u>	<u>469,734,951</u>	<u>638,340,655</u>	<u>3,908,070,531</u>	<u>3,292,498,062</u>
Result						
Segment profit / (loss)	<u>1,644,188,336</u>	<u>1,035,648,384</u>	<u>(30,140,273)</u>	<u>265,008,256</u>	<u>1,614,048,063</u>	<u>1,300,656,640</u>
Taxation					<u>(118,410,159)</u>	<u>(118,128,003)</u>
Unallocated expenses:						
Administrative expenses					<u>(464,330,487)</u>	<u>(352,682,515)</u>
Other income					<u>93,190,477</u>	<u>132,731,887</u>
Finance costs					<u>(16,270,990)</u>	<u>(28,099,743)</u>
Profit / (loss) for the period					<u>1,108,226,904</u>	<u>934,478,266</u>
Other information						
Amortization	<u>(1,297,777)</u>	<u>(1,877,124)</u>	<u>(340,809)</u>	<u>(2,413,767)</u>	<u>(1,638,586)</u>	<u>(4,290,891)</u>
Depreciation	<u>(42,330,490)</u>	<u>(12,255,222)</u>	<u>(27,333,369)</u>	<u>(39,911,553)</u>	<u>(69,663,859)</u>	<u>(52,166,775)</u>
					December 31, 2023	June 30, 2023
					(Un-audited)	(Audited)
Segment assets	<u>1,324,789,625</u>	<u>565,805,921</u>	<u>79,197,313</u>	<u>839,213,836</u>	<u>1,403,986,938</u>	<u>1,405,019,757</u>
Unallocated assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,117,539,514</u>	<u>6,853,984,465</u>
	<u>1,324,789,625</u>	<u>409,121,505</u>	<u>79,197,313</u>	<u>774,603,993</u>	<u>9,521,526,452</u>	<u>8,259,004,222</u>
Capital expenditure	<u>38,373,454</u>	<u>137,075,701</u>	<u>12,866,255</u>	<u>83,270,478</u>	<u>51,239,709</u>	<u>220,346,179</u>
Segment liabilities	<u>883,774,588</u>	<u>735,718,643</u>	<u>283,660,580</u>	<u>277,421,199</u>	<u>1,167,435,168</u>	<u>1,013,139,842</u>

All non-current assets of the Company as at December 31, 2023 and 2022 are located in Pakistan.

Revenue from five major customers of the Company during the period constituted 75%.(December 31, 2022: 73% - five Customers) of the total revenue.

21 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2023. There have been no change in any risk management policies since the year end.

21.1 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

	December 31, 2023			Total	June 30, 2023
	Level 1	Level 2	Level 3 (Rupees)		
Short term investments	<u>771,610,562</u>	<u>10,624,549</u>	<u>-</u>	<u>782,235,111</u>	<u>589,143,291</u>

During the period end, 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.

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

22 GENERAL

22.1 Amounts have been rounded off to the nearest rupee.

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

23 DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been authorised for issue on February 29, 2024 by the Board of Directors.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

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CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	Note	December 31,	June 30,
		2023	2023
		Rupees	
		(Un-audited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,458,550,531	1,468,308,459
Intangible assets		198,773,228	208,193,768
Long term investments		134,445,328	49,527,574
Long term deposits		54,830,841	30,905,161
Television program costs		425,038,678	397,617,518
Deferred tax asset		153,365,812	152,607,326
		2,425,004,418	2,307,159,806
CURRENT ASSETS			
Inventories		19,134,170	16,715,587
Current portion of television program costs		81,538,365	85,829,858
Trade debts	5	3,642,635,092	3,100,542,350
Short term investments		782,235,110	589,143,291
Advances		417,508,174	217,960,460
Trade deposits and short-term prepayments		37,747,220	87,363,141
Other receivables		152,059,614	220,269,938
Taxation – net		185,922,802	245,616,828
Cash and bank balances		2,400,034,793	2,101,996,791
		7,718,815,340	6,665,438,244
TOTAL ASSETS		10,143,819,758	8,972,598,050
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,500,000,000 (2022: 1,500,000,000) Ordinary shares of Re.1/- each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital		1,134,000,000	1,134,000,000
Revenue Reserves		7,520,785,418	6,297,572,560
Attributable to owners of the Holding Company		8,654,785,418	7,431,572,560
Non-controlling interest		(88,593,922)	(88,581,465)
		8,566,191,496	7,342,991,095
NON-CURRENT LIABILITIES			
Long term lease liabilities		54,776,380	55,234,536
Long term financing		27,162,619	58,765,328
Staff retirement benefits		100,777,062	94,199,346
		182,716,061	208,199,210
CURRENT LIABILITIES			
Trade and other payables		1,244,692,047	1,192,647,473
Advance from customer		63,050,320	137,005,058
Accrued mark-up		2,033,411	2,033,411
Unclaimed dividend		6,153,603	6,153,603
Unpaid dividend		1,374,738	1,374,738
Current portion of long term lease liabilities		13,157,633	15,664,939
Current portion of long term financing		64,450,449	66,528,523
		1,394,912,201	1,421,407,745
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		10,143,819,758	8,972,598,050

The annexed notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Half-year ended		Quarter-ended		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	
	----- Rupees -----		----- Rupees -----		
Revenue - Net	7	4,455,506,177	3,643,353,565	2,316,952,741	2,123,915,626
Cost of production	8	(1,949,727,728)	(1,752,905,264)	(998,130,038)	(995,961,512)
Transmission cost		(302,558,014)	(147,374,543)	(138,037,107)	(96,542,019)
		<u>(2,252,285,742)</u>	<u>(1,900,279,807)</u>	<u>(1,136,167,145)</u>	<u>(1,092,503,531)</u>
Gross profit		2,203,220,435	1,743,073,758	1,180,785,596	1,031,412,095
Distribution costs		(307,334,574)	(236,961,722)	(162,285,701)	(129,581,301)
Administrative expenses		(662,093,871)	(486,641,082)	(345,391,550)	(273,319,181)
Other income		128,277,941	125,500,048	89,254,469	91,947,726
Finance costs		(16,409,236)	(28,585,047)	(9,241,380)	(12,357,957)
Profit before taxation		1,345,660,695	1,116,385,955	753,121,434	708,101,382
Taxation		(133,097,918)	(118,203,210)	(64,656,334)	(74,774,999)
Profit after taxation		1,212,562,777	998,182,745	688,465,100	633,326,383
Attributable to:					
Owners of Holding Company		1,212,575,234	1,000,187,635	687,718,885	626,750,362
Non-Controlling Interests		(12,457)	(2,004,890)	746,215	6,576,021
		<u>1,212,562,777</u>	<u>998,182,745</u>	<u>688,465,100</u>	<u>633,326,383</u>
Profit per share – basic and diluted		1.07	0.88	0.61	0.55

The annexed notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.


DURAIID GURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Chairman


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	December 31, 2023	December 31, 2022
	Rupees	
Profit for the period	1,212,562,777	1,207,355,771
Other comprehensive income	10,637,624	(1,603,063)
Total comprehensive income for the period	<u>1,223,200,401</u>	<u>1,205,752,708</u>

The annexed notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Revenue Reserves			Non-controlling interest	Total
		Foreign exchange translation reserve	Unappropriated profit	Sub-total		
Balance as at July 01, 2022 (Audited)	945,000,000	279,458,115	4,016,914,337	4,296,372,452	(53,578,718)	5,187,793,734
Profit for the period	-	-	1,000,187,635	1,000,187,635	(2,004,890)	998,182,745
Bonus share issued during the period in the ratio of 2 ordinary shares for every 10 ordinary shares held by the holding company	189,000,000	-	(189,000,000)	(189,000,000)	-	-
Other comprehensive income	-	(1,603,063)	-	(1,603,063)	-	(1,603,063)
Total comprehensive income for the period	189,000,000	(1,603,063)	811,187,635	809,584,572	(2,004,890)	996,579,682
Balance as at December 31, 2022	1,134,000,000	277,855,052	4,828,101,972	5,105,957,024	(55,583,608)	6,184,373,416
Balance as at July 01, 2023 (Audited)	1,134,000,000	516,888,670	5,780,683,890	6,297,572,560	(88,581,465)	7,342,991,095
Profit for the period	-	-	1,212,575,234	1,212,575,234	(12,457)	1,212,562,777
Other comprehensive income	-	10,637,624	-	10,637,624	-	10,637,624
Total comprehensive income for the period	-	10,637,624	1,212,575,234	1,223,212,858	(12,457)	1,223,200,401
Balance as at December 31, 2023	1,134,000,000	527,526,294	6,993,259,124	7,520,785,418	(88,593,922)	8,566,191,496

The annexed notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	December 31, 2023	December 31, 2022
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxation	1,345,660,695	1,116,385,955
Adjustment for:		
Depreciation	81,254,369	52,286,082
Amortization	4,598,193	-
Finance costs	16,409,236	28,585,047
Profit received on deposit accounts	(82,971,689)	(29,990,673)
Loss/(gain) on disposal of property, plant and equipment	(470,640)	(554,936)
Unrealized loss/(gain) on revaluation of investments	(34,193,797)	(12,652,548)
Exchange difference on translation of foreign currency	10,637,624	(1,603,063)
Provision for doubtful debts	(50,871,465)	2,022,097
Dividend income	(42,490,215)	21,627,659
Gain/(loss) on redemption / sale of investments	(2,804,013)	(12,025,310)
Exchange loss/(gain)	58,030,391	565,728
	(42,872,005)	48,260,083
Operating Profit before working capital changes	1,302,788,690	1,164,646,038
(Increase)/decrease in current assets		
Inventories	(2,418,583)	(66,901)
Television program costs	4,291,493	4,517,361
Trade debts	(549,251,668)	(565,876,524)
Advances, deposits and prepayments	(149,931,793)	(280,036,146)
Other receivables	68,210,324	52,779,430
	(629,100,227)	(788,682,780)
Increase in current liabilities		
Trade and other payables	(21,910,164)	(473,059,005)
CASH GENERATED FROM OPERATIONS	651,778,299	(97,095,748)
Taxes paid	(74,162,413)	(102,093,920)
Finance cost paid	(16,409,236)	(31,120,755)
Profit received on bank accounts	82,971,689	29,990,673
Long-term deposits	(23,925,680)	1,888,759
Television program costs	(27,421,160)	32,006,727
Employees end of Service	6,577,716	9,665,942
Net cash (used in) / generated from operating activities	599,409,215	(156,758,322)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles	(61,720,290)	(32,455,206)
Short term investments - net	(156,094,011)	566,393,098
Long term investment	(84,917,754)	-
Dividend received	42,490,215	(21,627,659)
Proceeds from disposal of operating fixed assets	797,830	2,162,368
Net cash (used in) / generated from investing activities	(259,444,011)	514,472,601
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(924,455)
Long term financing	(33,680,783)	(176,930,016)
Liabilities against assets subject to finance lease	(8,246,419)	(8,229,522)
Net cash (used in) / generated from financing activities	(41,927,202)	(186,083,993)
Net increase in cash and cash equivalents	298,038,002	171,630,286
Cash and cash equivalents at the beginning of the period	2,101,996,791	925,578,242
Cash and cash equivalents at the end of the period	2,400,034,793	1,097,208,528
Cash and cash equivalents		
Cash and bank balances	2,400,034,793	1,097,208,528
Short-term running finance	-	-
	2,400,034,793	1,097,208,528

The annexed notes from 1 to 11 form an integral part of these interim condensed consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

1 THE GROUP AND ITS OPERATIONS

- 1.1 HUM Network Limited (the Holding Company) was incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance). The shares of the Holding Company are quoted on Pakistan Stock Exchange.
- 1.2 The Holding Company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programmes with respect to information, entertainment, news, education, health, food, music and society.

The 'Group' consists of

Holding Company

HUM Network Limited

Subsidiary Companies

	2023	2022
	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%
Tower sports (Private) Limited	100%	-
Sphere Ventures (Private) Limited	100%	-

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. HUM Network FZ LLC has 100% equity in TS3 FZ LLC, which is engaged in the business of sports consultancy

Skyline Publication (Private) Limited (SPL) is engaged in the publications of books and magazines.

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

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

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

2 BASIS OF PREPARATION

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

3 ACCOUNTING POLICES

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2023.

	Note	December 31,	June 30,
		2023	2023
		----- Rupees -----	
		(Un-audited)	(Audited)
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,197,361,052	1,215,448,121
Right of use assets		46,237,222	51,984,192
Capital work-in-progress		214,952,257	200,876,146
		<u>1,458,550,531</u>	<u>1,468,308,459</u>

4.1 Operating fixed assets – owned and leased

Book value at the beginning of the period / year		1,215,448,121	1,028,126,121
Additions during the period / year	4.1.1	52,466,525	286,051,018
Transfer to right of use asset - at book value		1,050,717	1,607,432
Transfers into right to use		-	-
		<u>1,268,965,363</u>	<u>1,315,784,571</u>
Less:			
Disposal/ transfer during the period / year - at WDV		(327,190)	(3,986,744)
Depreciation charged during the period / year		(71,277,121)	(96,349,706)
		<u>(71,604,311)</u>	<u>(100,336,450)</u>
		<u>1,197,361,052</u>	<u>1,215,448,121</u>

4.1.1 Additions during the period/year

Owned Assets:

Furniture and fixtures	2,757,322	6,777,043
Motor vehicles	3,557,690	153,828,717
Audio visual equipment	17,643,716	82,225,482
Office equipment	8,372,940	6,331,516
Computers	20,134,857	36,888,259
	<u>52,466,525</u>	<u>286,051,018</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	December 31, 2023	June 30, 2023
	----- Rupees -----	
	(Un-audited)	(Audited)
5 TRADE DEBTS – unsecured		
Considered good	3,642,635,092	3,100,542,350
Considered doubtful	63,362,879	47,592,291
	<u>3,705,997,971</u>	<u>3,148,134,641</u>
Less: Provision for doubtful debts	<u>(63,362,879)</u>	<u>(47,592,291)</u>
	<u>3,642,635,092</u>	<u>3,100,542,350</u>

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2023.

6.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2023 amounted to Rs.243,225,000 (June 2023: Rs. 258,962,000,). Commitment for purchase of television programs with other than related parties and installments for the purchase of Land as at December 31, 2023 amounted to Rs. 102,672,000 and Rs. 29,618,701 (June 2023: Rs. 41,215,500 and Rs. 29,618,701) respectively.

	Half-year ended		Quarter-ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- Rupees -----		----- Rupees -----	
7 REVENUE – net				
Advertisement revenue	3,177,864,873	2,721,225,100	1,980,016,161	1,523,376,388
Production revenue	91,809,115	154,029,972	78,704,932	140,925,789
Digital sales revenue	93,660,670	21,891,621	81,970,731	10,201,682
Subscription income	1,086,323,428	740,950,758	789,798,845	444,426,175
Film distribution revenue	5,498,988	4,732,500	5,498,988	4,732,500
Sale of goods	349,103	523,614	78,581	253,092
	<u>4,455,506,177</u>	<u>3,643,353,565</u>	<u>2,936,068,238</u>	<u>2,123,915,626</u>

7.1 Revenue is net off the following items:

Sales tax	391,964,053	346,852,962	255,426,183	210,315,092
Discount to customers	312,674,277	329,855,705	210,306,605	227,488,033
	<u>704,638,330</u>	<u>676,708,667</u>	<u>465,732,788</u>	<u>437,803,125</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Half-year ended		Quarter-ended	
	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
	----- Rupees -----		----- Rupees -----	
8 COST OF PRODUCTION				
Cost of outsourced programs	1,065,767,532	855,782,558	693,417,517	483,432,543
Cost of in-house programs	81,041,863	191,412,037	62,499,310	172,869,484
Inventories consumed	494,110	877,760	(383,650)	-
Salaries and benefits	610,566,919	501,781,343	372,697,436	263,911,860
Technical advisory fees	27,375,750	23,804,998	15,473,250	11,902,498
Depreciation	32,522,584	28,725,685	17,143,638	13,346,739
Amortisation	1,374,933	3,858,609	(617,085)	1,866,591
Traveling and conveyance	96,448,174	59,825,612	64,084,741	27,462,179
Utilities	11,352,590	7,460,285	8,054,877	4,162,572
Rent, rates and taxes	242,242	65,564	208,733	32,055
Insurance	15,002,550	12,852,120	7,799,757	5,649,327
Repair and maintenance	15,875,165	14,590,329	12,066,015	10,783,179
Fee and subscription	1,633,339	2,314,623	(551,744)	129,540
Communication expense	10,234,864	9,894,890	5,440,363	5,100,389
Security charges	342,000	226,150	342,000	226,150
Consultancy	-	1,188,586	(1,188,586)	-
Printing and stationery	2,582,780	1,720,027	1,395,159	532,406
	1,972,857,395	1,716,381,176	1,257,883,731	1,001,407,512
In production television programs - opening	50,827,650	22,282,250	35,685,250	25,537,250
In production television programs - closing	(61,279,295)	(27,587,250)	(61,279,295)	(27,587,250)
	1,962,405,750	1,711,076,176	1,232,289,686	999,357,512
Released / unreleased programs - opening	432,619,726	430,167,561	348,034,900	549,848,099
Released / unreleased programs - closing	(445,297,748)	(522,447,566)	(445,297,748)	(522,447,566)
	1,949,727,728	1,618,796,171	1,135,026,838	1,026,758,045

9 TRANSACTIONS WITH RELATED PARTIES

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

	Half Year-ended		Quarter-ended	
	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
	----- Rupees -----		----- Rupees -----	
Nature of transaction				
Associated companies:				
Purchases of Television programs	909,122,660	645,418,630	441,357,600	303,861,710
Others				
Key Management personnel	277,223,253	240,250,920	113,378,778	149,625,460
Contribution to Fund	26,107,434	21,166,165	16,657,556	11,716,287

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

10 GENERAL

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

11 DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorised for issue on February 29, 2024 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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