

SEPTEMBER 30, 2024
1ST QUARTERLY REPORT
(UN-AUDITED)

20
24



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
Mr. Duraid Qureshi
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. Muhammad Naeem Tahir

AUDIT COMMITTEE

Chairman

Mr. Sohail Ansar

Members

Mr. Shunaid Qureshi
Mrs. Mahtab Akbar Rashdi

HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

Chairman

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.hurnnetwork.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 [1st] quarter ended September 30, 2024.

Financial Performance:

Particulars	Unconsolidated Financial Statements		Consolidated Financial Statements	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
			Rupees	
Net Revenue	1,989,869,360	1,839,641,112	2,249,366,570	2,138,553,436
Other Income	109,807,943	53,745,389	132,840,395	39,023,472
Total expenses	(1,328,379,453)	(1,358,646,336)	(1,574,460,855)	(1,585,037,647)
Profit before tax	771,297,850	534,740,165	807,746,110	592,539,261
Taxation	(93,830,497)	(53,881,989)	(95,602,279)	(68,441,584)
Profit after tax	677,467,353	480,858,176	712,143,831	524,097,677
EPS	0.60	0.42	0.63	0.46

Our profit after tax have increased by 41% as compared to the same period last year, continuing the upward trend of overall growth leading to further strengthening of the HNL's position in the industry.

Operational Performance:

For more than two decades, HNL has been a trailblazer in Pakistan's media industry, providing diverse and engaging content to millions of viewers. Our flagship channels, HUM TV, HUM News, Ten Sports, HUM Masala, and HUM Sitaray, along with our international channels, offer a comprehensive range of entertainment, encompassing drama, sports, and news. Beyond our leading satellite channels, HNL's dedication to innovation extends to Films and Digital Media, delivering a fully integrated and immersive entertainment experience.

During the period under review, HUM TV premiered several tv dramas including "Qissa-e-Dil", "Be Rung", and "Mann Jogi" with engaging storyline and awe-inspiring performances.

HUM Masala stands out as South Asia's pioneer and Pakistan's sole 24-hour culinary channel, boasting widespread popularity that extends beyond the South Asian region. Together with an array of fresh cooking and informative shows, HUM Masala has brought to its viewers numerous famous culinary experts, professional chefs, and health consultants.

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. Our seasoned journalists bring a wealth of experience and expertise to the screen, offering viewers a fresh perspective on current events and in-depth analysis of pressing issues.

The 9th HUM Awards, a prestigious celebration of Pakistani entertainment, captivated audiences at the renowned OVO Arena Wembley in the month of September. With an international stage and a star-studded lineup, the HUM Awards delivered an evening of unforgettable performances, emotional moments, and industry recognition.

Ten Sports, has been consistently securing media and broadcasting rights for most major sporting events reaffirming our unwavering commitment to delivering exceptional sports content to our valued audience. Furthermore, Ten Sports has expanded its operations into sports production, signaling the commencement of our ambitious plans to redefine the sports entertainment landscape.

As a part of our CSR activity, HNL collaborated with Indus Hospital and conducted a blood donation drive. It proved to be a great success and HUM family members participated actively in the event.

This Independence Day, HUM Network Limited celebrated hope, togetherness, and solidarity of our nation furthering the message of HUM1Hain.

Future Outlook:

HUM Network has demonstrated resilience and adaptability in navigating a complex economic environment marked by challenges including subdued activity, tight monetary policies, and persistent inflation. Despite these headwinds, the company has been successfully implementing strategies to enhance financial stability and continued growth opportunities.

Ten Sports has successfully secured many major broadcasting and media rights, including ICC events, Champions Trophy 2025, Pakistan Cricket Board (PCB) bi-lateral home series, Cricket Australia's television media rights, and Cricket Ireland's television media rights. These rights are expected to attribute a substantial impact on the network's bottom line. Further the management is keen on venturing into other sports related business endeavors.

In addition to our sports broadcasting endeavors, HUM Network is committed to embracing the digital revolution in the entertainment industry. By leveraging emerging technologies and digital platforms, we aim to meet the evolving demands of audiences and ensure sustainable growth.

HUM News has consistently garnered increasing viewership ratings due to its balanced reporting and expanded distribution across Pakistan. Recognized as one of the country's top news channels, this strong position offers significant potential for robust financial performance in the future.

Our legacy as a leading entertainment provider is built on a foundation of excellence and innovation. We remain dedicated to delivering exceptional content that resonates with our viewers and stakeholders. Our strong brand portfolio and continuous development of new content position us for sustained growth and increased profitability in the years ahead.

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

October 29, 2024
Karachi


DURAID QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

	Note	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	1,455,286,606	1,464,494,655
Intangible assets		28,388	742,503
Long term investments		348,898,481	348,898,481
Long term deposits and prepayments		101,480,540	89,263,593
Television program costs		707,936,059	668,959,141
Deferred tax asset		145,094,931	145,021,922
		<u>2,758,725,005</u>	<u>2,717,380,295</u>
CURRENT ASSETS			
Inventories		32,904,600	24,505,623
Current portion of television program costs		77,461,447	81,538,365
Trade debts	5	3,008,953,183	3,100,150,777
Short term investments		1,132,780,122	1,062,444,008
Advances		677,494,282	270,208,840
Trade deposits and short term prepayments		71,376,521	69,923,418
Other receivables	6	3,263,355,773	2,880,377,368
Taxation – net		652,958	41,863,203
Cash and bank balances		807,664,669	748,140,168
		<u>9,072,643,555</u>	<u>8,279,151,770</u>
TOTAL ASSETS		<u>11,831,368,560</u>	<u>10,996,532,065</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,500,000,000 (2024: 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
Unappropriated profit		9,399,670,097	8,722,456,137
		<u>10,533,670,097</u>	<u>9,856,456,137</u>
NON-CURRENT LIABILITIES			
Lease liabilities		154,535,336	149,492,417
Long term financing		-	-
		<u>154,535,336</u>	<u>149,492,417</u>
CURRENT LIABILITIES			
Trade and other payables	7	1,089,581,380	920,247,077
Contract liability		19,604,946	15,280,135
Accrued Mark-up		109,053	109,056
Unclaimed dividend		6,807,368	6,807,368
Current portion of lease Liabilities		11,435,380	16,889,875
Current portion of long term financing		15,625,000	31,250,000
		<u>1,143,163,127</u>	<u>990,583,511</u>
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL EQUITY AND LIABILITIES		<u>11,831,368,560</u>	<u>10,996,532,065</u>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

DURAIQ QURESHI
Chief Executive

MAZHAR-UL-HAQ SIDDIQUI
Director

MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)**

		September 30, 2024	September 30, 2023
	Note	----- Rupees -----	-----
Revenue - net	10	1,989,869,360	1,839,641,112
Cost of production	11	(912,371,736)	(952,548,528)
Transmission cost		(35,574,625)	(38,756,849)
		(947,946,361)	(991,305,377)
Gross profit		1,041,922,999	848,335,735
Distribution costs		(119,136,983)	(131,802,467)
Administrative expenses		(259,507,456)	(228,420,525)
Other income		109,807,943	53,745,389
Finance costs		(1,788,653)	(7,117,967)
Profit before income tax and levies		771,297,850	534,740,165
Levies - final tax		(5,265,268)	(7,567,229)
Profit before Income tax		766,032,582	527,172,936
Income tax			
- current		(88,638,238)	(45,332,688)
- deferred		73,009	(982,072)
		(88,565,229)	(46,314,760)
Profit for the period		677,467,353	480,858,176
Earnings per share – basic and diluted		0.60	0.42

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Director



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)**

	September 30, 2024	September 30, 2023
	----- Rupees -----	
Profit for the period	677,467,353	480,858,176
Other comprehensive income	-	-
Total comprehensive income for the period	<u>677,467,353</u>	<u>480,858,176</u>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Director



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)**

	Issued, subscribed and paid-up capital	Unappropriated Profit	Total
	Rupees-----		
Balance as at July 01, 2023 – (Audited)	1,134,000,000	6,111,864,381	7,245,864,381
Profit for the period	-	480,858,176	480,858,176
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	480,858,176	480,858,176
Balance as at September 30, 2023	<u>1,134,000,000</u>	<u>6,592,722,557</u>	<u>7,726,722,557</u>
Balance as at July 01, 2024 – (Audited)	1,134,000,000	8,722,202,744	9,856,202,744
Profit for the period	-	677,467,353	677,467,353
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	677,467,353	677,467,353
Balance as at September 30, 2024	<u>1,134,000,000</u>	<u>9,399,670,097</u>	<u>10,533,670,097</u>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Director



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	September 30, 2024	September 30, 2023
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	771,297,850	534,740,165
Adjustments for:		
Depreciation on operating fixed assets	31,238,035	30,474,827
Amortization	714,116	949,726
Finance costs	1,788,653	7,117,967
Unrealised exchange (gain)/loss	(12,052,131)	2,536,421
Profit on bank accounts	(23,157,432)	(16,326,580)
Loss on disposal of operating fixed assets	20,005	-
Gain on redemption / sale of investments	-	(2,628,113)
Dividend Income	(5,070,887)	(18,795,633)
Unrealised gain on revaluation of investments	(66,283,232)	(10,152,141)
	(72,802,873)	(6,823,526)
Operating profit before working capital changes	698,494,977	527,916,639
(Increase)/decrease in current assets		
Inventories	(8,398,977)	(3,322,909)
Current portion of television program cost	4,076,918	4,291,493
Trade debts	91,197,594	(173,827,329)
Advances	(407,285,442)	(89,996,196)
Trade deposits and short term prepayments	(1,453,103)	(23,531,782)
Other receivables	(370,926,274)	(425,331,163)
	(692,789,284)	(711,717,886)
Increase in current liabilities		
Trade and other payables	173,659,113	182,018,131
Cash generated from / (used in) operations	179,364,806	(1,783,116)
Income tax and levies paid	(52,693,226)	(23,370,496)
Finance costs paid	(1,737,224)	(7,117,967)
Profit received on deposit accounts	23,157,432	16,326,580
Long term deposits	(12,216,947)	-
Television program costs	(38,976,918)	(3,447,580)
Net cash generated from / (used in) operating activities	96,897,923	(19,392,579)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment & intangible assets	(23,439,709)	(40,072,615)
Short term investments - net	(4,052,883)	39,936,362
Long term investment made	-	(10,000,000)
Dividend received	5,070,886	18,795,633
Proceeds from disposal of operating fixed assets	1,338,290	-
Net cash (used in) / generated from investing activities	(21,083,416)	8,659,380
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(665,006)	(2,358,463)
Long term financing - net	(15,625,000)	(15,624,997)
Net cash used in financing activities	(16,290,006)	(17,983,460)
Net increase / (decrease) in cash and cash equivalents	59,524,501	(28,716,659)
Cash and cash equivalents at the beginning of the period	748,140,168	447,796,769
Cash and cash equivalents at the end of the period	807,664,669	419,080,110

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



DURAI D QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Director



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

- 1.1** HUM Network Limited (the Company) was incorporated in Pakistan as a public limited company on February 25, 2004 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, current affairs, education, health, food, music and society.
- 1.3** These financial statements are separate financial statements of the Company in which investment in a subsidiary is accounted for on the basis of direct equity interest and is not consolidated.

2 BASIS OF PREPARATION

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

3 ACCOUNTING POLICES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2024.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	----- Rupees -----	
4 PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	1,097,345,694	1,109,447,150
Right of use assets		139,471,272	139,838,734
Capital work in progress		218,469,640	215,208,771
		<u>1,455,286,606</u>	<u>1,464,494,655</u>
4.1 Operating fixed assets			
Opening balance – at book value		1,109,447,150	1,149,193,211
Transfers from right of use assets		-	4,075,778
Additions during the period / year – at cost	4.1.1	<u>20,178,840</u>	<u>82,166,238</u>
		1,129,625,990	1,235,435,227
Less:			
Disposals / transfers during the period / year – at book value		(1,286,669)	(4,360,795)
Depreciation charged during the period / year		<u>(30,993,627)</u>	<u>(121,627,282)</u>
		(32,280,296)	(125,988,077)
Closing balance – at book value		<u>1,097,345,694</u>	<u>1,109,447,150</u>
4.1.1 Details of additions are as follows:			
Owned Assets:			
Furniture and fittings		6,232,939	4,808,101
Vehicles		5,861,400	10,722,190
Audio visual equipment		166,000	24,910,638
Uplinking equipment		286,000	-
Office equipment		941,205	10,489,204
Computers		<u>6,691,296</u>	<u>31,236,105</u>
		<u>20,178,840</u>	<u>82,166,238</u>
5 TRADE DEBTS - unsecured			
Considered good		3,066,911,837	3,152,406,226
Less: Allowance for expected credit loss		<u>(57,958,654)</u>	<u>(52,255,449)</u>
		<u>3,008,953,183</u>	<u>3,100,150,777</u>
6 OTHER RECEIVABLES			
Includes balances receivable from related parties as follows:			
HUM Network FZ LLC		2,968,808,929	2,590,346,261
HUM TV. Inc		53,046,325	53,111,397
Tower Sports (Private) Limited		1,535,226	1,535,226
TS3 FZ LLC		76,230,000	76,230,000
Sky line Publication Productions (Private) Limited		2,118,889	63,180,424
Hum Mart (Private) Limited		-	128,000
		<u>3,101,739,369</u>	<u>2,784,531,308</u>
Provision for Impairment		<u>(63,308,424)</u>	<u>(63,308,424)</u>
		<u>3,038,430,945</u>	<u>2,721,222,884</u>
7 TRADE AND OTHER PAYABLES			
Creditors	7.1	389,538,867	379,255,510
Accrued liabilities		610,205,077	446,423,700
Withholding tax payable		41,384,240	44,714,830
Other liabilities		<u>48,453,196</u>	<u>49,853,037</u>
		<u>1,089,581,380</u>	<u>920,247,077</u>
7.1	Includes amount payable to M.D Productions (Private) Limited, a related party amounting to Rs. 12,674,645/- (June 30, 2024: Rs. 36,021,464/-) against purchase of television program rights.		

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

8 CONTINGENCIES AND COMMITMENTS

8.1 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, 2024.

8.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at September 30, 2024 amounted to Rs.225,109,850 (June 2024: Rs. 308,368,667/-). Commitment for purchase of television programs with other than related parties as at September 30, 2024 amounted to Rs. 118,383,722 (June 2024: Rs. 160,108,809/-).

	September 30, 2024 (Un-audited)	September 30, 2023 (Un-audited)
	----- Rupees -----	
9 REVENUE – net		
Advertisement revenue	1,463,275,304	1,352,989,822
Production revenue	31,660,000	8,310,000
Digital sales revenue	44,470,548	36,404,249
Subscription income	450,463,508	441,937,041
	<u>1,989,869,360</u>	<u>1,839,641,112</u>

9.1 Revenue is net off the following items:

Sales tax	254,723,908	202,244,838
Discount to customers	185,295,810	217,072,679
	<u>440,019,718</u>	<u>419,317,517</u>

10 COST OF PRODUCTION

Cost of outsourced programs	466,503,233	540,900,131
Cost of in-house programs	53,345,126	17,492,097
Inventories consumed	402,051	368,102
Salaries and benefits	334,162,135	293,762,292
Technical advisory fees	13,687,875	13,687,875
Depreciation	14,069,222	12,842,276
Amortisation	706,016	764,448
Traveling and conveyance	36,642,117	46,155,529
Utilities	5,656,416	5,623,357
Rent, rates and taxes	193,260	242,242
Insurance	7,703,352	7,116,900
Repair and maintenance	4,459,149	6,711,633
Fee and subscription	4,547,133	258,340
Communication expense	4,765,487	5,255,923
Security charges	192,000	150,000
Printing and stationery	237,164	373,470
	<u>947,271,736</u>	<u>951,704,615</u>
In production television programs		
- opening	66,855,795	50,827,650
In production television programs		
- closing	<u>(71,755,795)</u>	<u>(57,644,250)</u>
	<u>942,371,736</u>	<u>944,888,015</u>
Released / unreleased programs		
- opening	683,641,711	432,619,726
Released / unreleased programs		
- closing	<u>(713,641,711)</u>	<u>(424,959,213)</u>
	<u>912,371,736</u>	<u>952,548,528</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

11 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:

	September 30, 2024 (Un-audited)	September 30, 2023 (Un-audited)
	----- Rupees -----	
Nature of transaction		
Associated companies:		
Purchases of Television programs rights	319,346,361	467,765,060
Subsidiary Company:		
Management Fee	-	1,878,000
Subscription Income	21,007,080	21,979,630
Others		
Key Management personnel	142,245,041	163,844,475
Contribution to Fund	12,750,290	12,377,594

12 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, 2024. There have been no change in any risk management policies since the year end.

13 FAIR VALUE OF ASSETS

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

14 GENERAL

14.1 Amounts have been rounded off to the nearest rupee.

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

15 DATE OF AUTHORIZATION

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



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Director



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024 (UN-AUDITED)

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- Rupees -----	
ASSETS	Note		
NON-CURRENT ASSETS			
Property and equipment	4	1,499,401,802	1,514,924,032
Intangible assets		316,242,670	319,247,397
Long term deposits and prepayments		101,491,339	89,277,145
Television program costs		707,936,059	668,959,141
Deferred tax asset		171,619,315	169,109,833
		<u>2,796,691,185</u>	<u>2,761,517,548</u>
CURRENT ASSETS			
Inventories		32,904,600	24,506,679
Current portion of television program costs		77,461,447	81,538,365
Trade debts	5	4,670,722,322	5,272,832,500
Short term investments		1,132,780,122	1,062,444,008
Advances		2,188,161,339	880,303,171
Trade deposits and short term prepayments		124,680,857	99,470,526
Other receivables		278,099,507	235,029,859
Taxation – net		7,005,466	37,569,396
Cash and bank balances		2,333,252,267	2,313,397,809
		<u>10,845,067,928</u>	<u>10,007,092,313</u>
TOTAL ASSETS		<u><u>13,641,759,112</u></u>	<u><u>12,768,609,861</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 1,500,000,000 (2024: 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
Revenue Reserves		9,442,976,210	8,730,827,072
Other Reserves		509,134,205	555,396,689
Attributable to owners of the Holding Company		<u>11,086,110,415</u>	<u>10,420,223,761</u>
Non-controlling interest		(88,683,229)	(88,677,922)
		<u>10,997,427,186</u>	<u>10,331,545,839</u>
NON-CURRENT LIABILITIES			
Lease liabilities		154,535,336	149,492,417
Long term financing		8,639,587	1,488,288
Staff retirement benefits		<u>108,691,187</u>	<u>108,013,256</u>
		271,866,110	258,993,961
CURRENT LIABILITIES			
Trade and other payables		1,583,815,797	1,466,398,357
Contract Liability		752,858,611	650,992,343
Accrued mark-up		1,923,660	1,923,660
Unclaimed dividend		6,807,368	6,807,368
Current portion of lease liabilities		11,435,380	16,889,875
Current portion of long term financing		<u>15,625,000</u>	<u>35,058,458</u>
		<u>2,372,465,816</u>	<u>2,178,070,061</u>
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u><u>13,641,759,113</u></u>	<u><u>12,768,609,861</u></u>

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

DURAIQ QURESHI
Chief Executive

MAZHAR-UL-HAQ SIDDIQUI
Director

MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)**

		September 30, 2024	September 30, 2023
	Note	----- Rupees -----	
Revenue - net	7	2,249,366,570	2,138,553,436
Cost of production	8	(958,640,154)	(951,597,690)
Transmission cost		(51,403,796)	(164,520,907)
		<u>(1,010,043,950)</u>	<u>(1,116,118,597)</u>
Gross profit		1,239,322,620	1,022,434,839
Distribution costs		(259,471,932)	(145,048,873)
Administrative expenses		(302,927,928)	(316,702,321)
Other income		132,840,395	39,023,472
Finance costs		(2,017,045)	(7,167,856)
Profit before income tax and levies		807,746,110	592,539,261
Levies - final tax		(5,265,268)	(7,567,229)
Profit before income tax		802,480,842	584,972,032
Taxation		(90,337,011)	(60,874,355)
Profit after taxation		712,143,831	524,097,677
Attributable to:			
Owners of Holding Company		712,149,138	524,856,349
Non-Controlling Interests		(5,307)	(758,672)
		<u>712,143,831</u>	<u>524,097,677</u>
Profit per share – basic and diluted		0.63	0.46

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



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Director



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)**

	September 30, 2024	September 30, 2023
	----- Rupees -----	
Profit for the period	712,143,831	524,097,677
Other comprehensive income	(46,262,484)	12,194,670
Total comprehensive income for the period	<u>665,881,347</u>	<u>536,292,347</u>

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



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Director



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Other Reserves Foreign exchange translation reserve	Revenue Reserves Unappropriated profit	Sub-total	Non- controlling interest	Total
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/(Loss) for the period	-	-	524,856,349	524,856,349	(758,672)	524,097,677
Other comprehensive income	-	12,194,670	-	12,194,670	-	12,194,670
Total comprehensive income / (loss) for the period	-	12,194,670	524,856,349	537,051,019	(758,672)	536,292,347
Balance as at September 30, 2023	1,134,000,000	529,083,340	6,305,540,239	6,834,623,579	(89,340,137)	7,879,283,442
Balance as at July 01, 2024 (Audited)	1,134,000,000	555,396,689	8,730,827,072	9,286,223,761	(88,677,922)	10,331,545,839
Profit for the period	-	-	712,149,138	712,149,138	(5,307)	712,143,831
Other comprehensive loss	-	(46,262,484)	-	(46,262,484)	-	(46,262,484)
Total comprehensive income / (loss) for the year	-	(46,262,484)	712,149,138	665,886,654	(5,307)	665,881,347
Balance as at Septemeber 30, 2024	1,134,000,000	509,134,205	9,442,976,210	9,952,110,415	(88,683,229)	10,997,427,186

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



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Director



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

September 30, September 30,
2024 2023
----- Rupees -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before Taxation	807,746,110	592,539,261
Adjustment for:		
Depreciation	37,679,883	36,383,542
Amortization	2,196,588	1,961,384
Finance costs	2,017,045	7,167,856
Profit received on deposit accounts	(41,441,935)	(29,531,394)
Gain on disposal of property and equipment	20,005	-
Unrealized Loss/(gain) on Revaluation of Investments	(66,283,232)	(10,152,141)
Exchange difference on translation of foreign currency	-	12,194,670
Provision for doubtful debts	-	(50,871,465)
Dividend income	(5,070,887)	(18,795,633)
(Gain) on redemption / sale of investments	-	(2,628,113)
Exchange loss/(gain)	(10,976,565)	5,468,588
	(81,859,098)	(48,802,706)

Operating Profit before working capital changes 725,887,012 543,736,555

(Increase)/decrease in current assets

Inventories	(8,397,921)	(3,322,909)
Current portion of television program cost	4,076,918	4,291,493
Trade debts	557,206,371	(221,933,860)
Advances, deposits and short term prepayments	(1,333,068,499)	(89,794,215)
Other receivables	(32,093,083)	2,937,970
	(812,276,214)	(307,821,521)

Increase in current liabilities

Trade and other payables 219,283,708 93,582,665

CASH GENERATED FROM OPERATIONS

132,894,507 329,497,699

Income tax and levies paid	(67,548,203)	(28,221,496)
Finance cost paid	(1,965,519)	(7,167,856)
Profit received on bank accounts	41,441,935	29,531,394
Long term deposits	(12,214,194)	(362,842)
Television program costs	(38,976,918)	(3,447,580)
Employees and of service	-	1,950,772
Net cash generated from operating activities	53,631,608	321,780,091

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment & intangibles	(23,439,709)	(38,715,156)
Short term investments - net	(4,052,882)	39,936,364
Long term investments	-	20,000,000
Dividend received	5,070,887	18,795,633
Proceeds from disposal of operating fixed assets	1,338,290	-
Net cash (used in) / generated from investing activities	(21,083,415)	40,016,841

CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing	(12,282,159)	(17,817,735)
Liabilities against assets subject to finance lease	(411,576)	(2,358,463)
Net cash used from financing activities	(12,693,735)	(20,176,198)

Net increase in cash and cash equivalents

19,854,458 341,620,734

Cash and cash equivalents at the beginning of the period 2,313,397,809 2,101,996,791

Cash and cash equivalents at the end of the period 2,333,252,267 2,443,617,525

Cash and cash equivalents

Cash and bank balances	2,333,252,267	2,443,617,525
	2,333,252,267	2,443,617,525

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


DURAIQ QURESHI
Chief Executive


MAZHAR-UL-HAQ SIDDIQUI
Director


MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

1 THE GROUP AND ITS OPERATIONS

- 1.1 HUM Network Limited (the Company) was incorporated in Pakistan as a public limited company on February 25, 2004 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 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

	2024	2023
	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%	100%
TS3 FZ-LLC	100%	0%
Sphere Ventures (Private) Limited	100%	0%

1.3 Nature of operations of subsidiaries

HUM TV, Inc., HUM Network UK LTD and HUM Network FZ LLC have been established with the purpose of providing entertainment programmes to the South Asian community by increasing presence in the United States of America (USA), Canada, UK and UAE respectively. HUM Network UK LTD has 100% equity in HUM News Limited, which is engaged in business of transmission of news for UK audience. The subsidiary companies will also serve as a platform for the Holding Company to explore avenues for greater distribution of the Holding Company brands in USA, Canada, UK and UAE and will establish relations with advertisers, as well as develop US-based media materials, such as dramas, documentaries and other entertainment shows and events.

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

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

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

The Holding Company acquired 100% shareholding of Tower Sports (Private) Limited i.e. 20,100 ordinary shares having face value of Rs. 1,000 each, issued at Rs. 7,462.69 each at a cost of Rs. 150 million through purchase of 20,100 ordinary shares. Resultantly, Tower Sports (Private) Limited became a subsidiary of the Holding Company effective from 01 May 2023. Tower Sports (Private) Limited is engaged in the business of providing specialised sports services which include but are not limited to production, sales, marketing and distribution of sports media content.

HUM Network FZ LLC acquired 100% shareholding of TS3 FZ LLC, i.e., 100 ordinary shares having face value of AED 1,000 each, issued at AED 17,536.73 each at a cost of AED 1,753.673 million through purchase of 100 ordinary shares. Resultantly, TS3 FZ LLC became a subsidiary of the HUM Network FZ LLC effective from 28 August 2023. TS3 FZ LLC is engaged in the business of providing sports consultancy, media and marketing consultancy and digital media services.

In 2024, the Holding Company acquired 100% shareholding of Sphere Ventures (Private) Limited, i.e., 1,000,000 ordinary shares having face value of Rs. 10 each. Sphere Ventures (Private) Limited is engaged in production, acquisition, buying, selling, procuring, sponsoring, commissioning and marketing of TV programmes, events, films and entertainment programmes and software for their exhibition, distribution and dissemination on TV channels.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

2 BASIS OF PREPARATION

These consolidated condensed interim 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 consolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2024.

		September 30, 2024	June 30, 2024
	Note	----- Rupees -----	
		(Un-audited)	(Audited)
4 PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	1,141,460,890	1,159,876,528
Right of use assets		139,471,272	139,838,733
Capital work in progress		218,469,640	215,208,771
		<u>1,499,401,802</u>	<u>1,514,924,032</u>

4.1 Operating fixed assets – owned and leased

Book value at the beginning of the period / year		1,159,876,528	1,215,448,121
Additions during the period / year	4.1.1	20,178,840	96,268,518
Transfer to right of use asset - at book value		-	4,075,778
		<u>1,180,055,368</u>	<u>1,315,792,417</u>
Less:			
Disposal/ transfer during the period / year - at book value		(1,358,295)	(8,642,236)
Depreciation charged during the period / year		(37,236,183)	(147,273,653)
		<u>(38,594,478)</u>	<u>(155,915,889)</u>
		<u>1,141,460,890</u>	<u>1,159,876,528</u>

4.1.1 Additions during the period/year

Owned Assets:

Furniture and fixtures	6,232,939	4,860,584
Vehicles	5,861,400	10,722,190
Audio visual equipment	166,000	24,910,638
Office equipment	941,205	11,013,426
Uplinking equipment	286,000	-
Computers	6,691,296	44,680,157
	<u>20,178,840</u>	<u>96,186,995</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)**

	September 30, 2024 ----- Rupees ----- (Un-audited)	June 30, 2024 ----- (Audited)
5 TRADE DEBTS – unsecured		
Considered good	4,670,722,321	5,272,832,500
Considered doubtful	88,141,139	82,441,121
	<u>4,758,863,460</u>	<u>5,355,273,621</u>
Less: Allowance for expected credit loss	(88,141,139)	(82,441,121)
	<u>4,670,722,321</u>	<u>5,272,832,500</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, 2024.

6.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at September 30, 2024 amounted to Rs.225,109,850 (June 2024: Rs. 308,368,667/-). Commitment for purchase of television programs with other than related parties as at September 30, 2024 amounted to Rs. 118,383,722 (June 2024: Rs. 160,108,809/-)

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	September 30, 2024 (Un-audited)	September 30, 2023 (Un-audited)
	----- Rupees -----	
7 REVENUE – net		
Advertisement revenue	1,532,841,679	1,606,210,844
Production revenue	245,135,870	8,310,000
Digital sales revenue	44,470,548	36,404,249
Subscription income	426,171,220	481,989,304
Film distribution revenue	-	5,639,039
Sale of magazine	747,253	-
	<u>2,249,366,570</u>	<u>2,138,553,436</u>
7.1 Revenue is net off the following items:		
Sales tax	256,473,208	202,244,838
Discount to customers	185,551,627	217,072,679
	<u>442,024,835</u>	<u>419,317,517</u>
8 COST OF PRODUCTION		
Cost of outsourced programs	500,964,074	530,725,976
Cost of in-house programs	53,345,125	17,492,097
Inventories consumed	402,051	368,102
Salaries and benefits	340,798,492	299,287,157
Technical advisory fees	13,687,875	13,687,875
Depreciation	14,097,208	12,875,784
Amortisation	706,016	764,448
Traveling and conveyance	36,864,047	48,047,008
Utilities	5,656,416	5,623,357
Rent, rates and taxes	193,260	242,242
Insurance	8,080,871	7,145,161
Repair and maintenance	4,531,979	6,830,484
Fee and subscription	7,068,739	558,340
Communication expense	4,765,487	5,264,253
Security charges	192,000	150,000
Printing and stationery	2,186,514	1,691,493
	<u>993,540,154</u>	<u>950,753,777</u>
In production television programs		
- opening	66,855,795	50,827,650
In production television programs		
- closing	(71,755,795)	(57,644,250)
	<u>988,640,154</u>	<u>943,937,177</u>
Released / unreleased programs		
- opening	683,641,711	432,619,726
Released / unreleased programs		
- closing	(713,641,711)	(424,959,213)
	<u>958,640,154</u>	<u>951,597,690</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

9 TRANSACTIONS WITH RELATED PARTIES

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

	September 30, 2024 (Un-audited)	September 30, 2023 (Un-audited)
	----- Rupees -----	
Nature of transaction		
Associated companies:		
Purchases of Television programs rights	319,346,361	467,765,060
Others		
Key management personnel	174,057,971	308,104,433
Contribution to fund	12,750,290	12,377,594

10 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, 2024. There have been no change in any risk management policies since the year end.

11 FAIR VALUE OF ASSETS

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

12 GENERAL

12.1 Amounts have been rounded off to the nearest rupee.

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

13 DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorised for issue on October 29, 2024 by the Board of Directors of the Holding Company.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Director



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

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